30 September 2014

San Leon Energy Plc
("San Leon" or the "Company")

Interim Results for the six months ended 30 June 2014

San Leon Energy Plc, the AIM listed company focused on oil and gas exploration in Europe and North Africa today announces its interim results for the six months ended 30 June 2014.

HIGHLIGHTS:

Poland

- Most successful vertical shale frac in Europe to date on the Lewino-1G2 well, and consequent planning of a horizontal multi-frac well and partnering discussions.
- Rogity-1, in the oil-prone part of the Baltic Basin, confirms oil recovery from the shales as well as the tight sandstone. A follow-on well is planned.
- Considerable interest in the Rawicz conventional field, and the Siekierki tight gas field, resulting after the reporting period in a firm farm-in by Palomar Natural Resources ("Palomar"); $20 million paid up-front to the Company, and a 5-well work programme without immediate cost to San Leon.
- Planning a three-well shallow drilling programme in Karpaty and the Permian Basin has resulted in the first well spudding after the reporting period in late September.
- Active farm-out discussions during the reporting period continue to bear fruit, including final negotiations and planning of a new-drill well in Torzym and fraccing of the existing Sosna-1 well, which are ongoing.

Morocco

- Core sampling and bench test retorting of shale oil took place in the reporting period, with results announced just after the reporting period. Positive results and a new technology partnership with Chevron Lummus Global to upgrade the shale oil to synthetic crude, show the great strides made on this highly material asset.
- Technical planning for the Genel Energy PLC-operated Sidi Moussa SM-1 well completed during the reporting period. The well is currently being drilled and is targeting an estimated recoverable 300 MMboe.
- Subsurface analysis of our Tarfaya onshore block has resulted in, post reporting period, the acquisition of Longreach's interest, increasing San Leon's interest to 75%.

Ireland

- Our Net Profit Interest (NPI) on the offshore Barryroe field is likely to be readily saleable once the Operator, Providence Resources PLC, has farmed the field out.

Turkey

- Decision taken not to complete the Alpay Enerji transaction in Turkey, with the escrow consideration being returned to the Company.

Financial

- Revenue for the six months to 30 June 2014 was €0.40m compared with €0.54m for the six months to 30 June 2013. Discontinued operations accounted for €0.40m of revenue (2013 H1: €0.54m).
- Loss before tax of €6.80m for the six months to 30 June 2014, compared with profit before tax of €1.11m in the six months to 30 June 2013.
- Cash and cash equivalents including restricted cash at 30 June 2014 amounted to €20.9m (30 June

2013: €12.8m and 31 December 2013: €17.7m).

Oisin Fanning, Chairman of San Leon, commented:
"The pipeline of well activity over the coming months (eight wells already confirmed and a further three anticipated in Poland, with one well already drilling offshore Morocco), including the targeting of near-term production, puts the Company in a strong portfolio position. We look forward to updating our shareholders on well results, and to the outcome of our continuing transaction activity including the highly promising Gdansk W shale gas asset."

Qualified person
Joel Price, who has reviewed this update, has 20 years' experience in the oil & gas industry and is a member of the Society of Petroleum Engineers. He holds a BA in Natural Sciences from Cambridge University, an MEng from Heriot-Watt University, and an MBA from Durham University. Joel is Chief Operating Officer for San Leon Energy and is based in San Leon's London office.

A copy of the Company's interim report will be made available to shareholders shortly and will be available on the Company website www.sanleonenergy.com.

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Chairman's statement

2014 has been a year of positioning and portfolio refinement for San Leon from a production and cash flow perspective. This has been achieved through technical work, transactions and asset high-grading.

Corporate Activity

The year began with due diligence being performed on the Alpay Enerji deal in Turkey, as announced in September 2013. In April, the Board decided not to proceed with the transaction for a number of reasons:

1. The expiry of the SPA longstop date requiring Turkish Government approval of the transfer of the Alpay licences to San Leon by 31 March 2014;
2. A significant amount of formation water brought into the well at Hamman-1 following a ramp-up of the existing production, which had negatively impacted the production potential from the well;
3. A significant loss of customer base on the existing CNG plant owned and operated by Alpay as a result of the Hamam-1 well issues;
4. The material devaluation of the Turkish Lira against the US Dollar since the signing of the SPA.

Additionally, the significant farm-in interest being shown in certain assets with near-term production potential meant that the balance of risk associated with the cash flow element of the Alpay deal was no longer considered attractive to the Company. The deal consideration, held in escrow, was returned to the Company.

Market interest in the Rawicz and Siekierki fields began in February 2014 with a Letter of Intent from Baker Hughes Poland Sp. z.o.o. to perform work on Siekierki, and then in March with a Termsheet from TransAtlantic Petroleum to drill on Rawicz and perform work on various existing wells. By July, just after the reporting period, Palomar had instead signed a binding deal to work on both Siekierki and the Rawicz fields, replacing the previous preliminary agreements on those assets. A total of $20 million was received up-front from Palomar, together with a carry on planned activity on several existing Siekierki wells in exchange for Palomar's 65% earned equity. The first two Rawicz wells drilled will also be paid for by Palomar (with San Leon's 35% share payable back through a share of its Rawicz production if successful). Palomar is focussed on bringing production to market as quickly as possible.

Operations

Poland

Poland is the Company's core area. The first six months of 2014 saw a variety of well work and deals with a key focus on cash flow generation or transaction value.

January saw the announcement of the result of the final frac work on the Lewino-1G2 well in the Gdansk W concession in the Baltic Basin. Previous frac work provided significant help in optimising the frac design, and the resulting flow rate of 45,000-60,000 scf/day after around 6 weeks of production is regarded by the Company as the best single vertical frac in a European shale well. Sigma^3, a Denver-based consultancy, confirmed our shared understanding that substantial rate upside should be available through further clean-up of frac fluid (estimated at 200,000 – 400,000 scf/d), with further additional rate upside from fracturing the full height of the formation. The successful frac in Lewino-1G2 is believed only to have exploited the upper part of the Ordovician shale as designed, and not the better porosity and better gas saturation of the lower part of the Ordovician shale. Sigma^3 and the Company are confident that each frac in a multi-fracced horizontal should be able to exploit the whole height of the formation.

On the basis of these highly-encouraging results, a horizontal multi-fracced well (up to 2000 metres in length, and with at least 20 fracs) has now been planned and engineered, with a farm-in deal being pursued.

Further East in the Baltic Basin, our Rogity-1 well on the Braniewo S concession had a frac performed in each of the Ordovician and Silurian shales as part of the farm-in Agreement with Wisent Oil & Gas. Well results and geochemistry showed that oil was recovered from the shales as well as the previously-announced Cambrian tight sandstone. Work is underway to plan an expected follow-up on the licence.

It is worth noting that all of the discussions with various partners on the Rawicz conventional gas field and the Siekierki tight gas field, both in the Permian Basin, over a number of months in 2014 bore fruit with a deal with Palomar in July 2014, just after the end of the interim reporting period.

Planning for a three-well drilling campaign in the Karpaty area and Permian Basin took place throughout the first half of 2014, and the first well spudded on 26 September 2014. All wells are relatively shallow, two target gas (60% San Leon, 40% PGNiG) and one oil (San Leon will complete earning its 50% equity share from Celtique Energy on block 243 after drilling this well). All three wells are expected to have finished drilling this year.

The Letter of Intent with Horizon General Limited to farm in to a new well in the naturally-fractured Main Dolomite on the Cybinka and Torzym concessions in the Permian Basin, was amended to add the fraccing of the existing Sosna-1 well in the unconventional part of the Main Dolomite. While I write this statement, final discussions are taking place with existing partners to plan this work.

Farm-out efforts remain active across many assets, and materially-increased interest has been recognised since the turn of the year. Where all or part of a licence has been shown through technical work not to be worthy of the portfolio, that part has been relinquished to control costs after the end of the reporting period.

Morocco

There has been newsflow from all three of our Moroccan play types; offshore, onshore unconventional, and onshore conventional.

Our Timahdit oil shale licence had core sampling performed, followed by laboratory processing to measure the actual ability of the Enefit surface retort process to generate shale oil from the rock. Following the reporting period the Company announced that this had been successfully executed, with Enefit describing the results as "positive". The next step in the process would be upgrading the shale oil to synthetic crude, and is the reason for the signature of a Memorandum of Understanding with Chevron Lummus Global to use their technology. The Tarfaya oil shale licence was relinquished after the reporting period due to the far superior shale oil yield from Timahdit.

Technical planning for the Sidi Moussa SM-1 well, offshore Morocco, continued throughout early 2014. Drilling activity began in late July, just after the interim reporting period. Importantly, San Leon elected to increase its net interest in the offshore licences including the SM-1 well, when Longreach decided to exit.

At the same time, after the reporting period and after technical evaluation throughout 2014, the Company acquired Longreach's remaining interest in the Tarfaya onshore licence, bringing its equity stake to 75%. This area holds both deep targets (such as Casa Mar) and shallower Tertiary prospects, and a drill target is being worked up.

Albania

Following in-depth additional technical work, the Albania farm-out dataroom has re-opened. The prospects are in deep water and at high pressure, however, the combination of a significant recoverable oil component, an existing discovery, and expected high productivity combine to make this a desirable project for the right partner. Discussions are taking place with several potential partners.

Romania

Following a large 3D seismic programme in 2013, a number of shallow and deep prospects have been identified. Farm-out discussions are ongoing for this production-proven area.

Ireland
The Company holds a Net Profit Interest (NPI) of 4.5% on the Barryroe field, offshore Ireland. This entitles San Leon to receive 4.5% of field-wide profits without any exposure to capital expenditure. The NPI is expected to be saleable after the completion of a successful farm-out of Barryroe by the Operator, Providence Resources.

Financial Review
Revenue for the six months to 30 June 2014 was €0.40m compared with €0.54m for the six months to 30 June 2013. Discontinued operations accounted for €0.40m of revenue (2013 H1: €0.54m). San Leon generated a loss before tax of €6.80m for the six months to 30 June 2014, compared with profit before tax of €1.11m in the six months to 30 June 2013, the comparative figures for the period ended 30 June 2013 included other income of €6.76m relating to the gain arising on the acquisition of Talisman Polska Sp. z o.o. Administration costs increased for the 6 month period to €6.3m (2013 H1: €5.1m). Loss per share for the period is 0.267 cent per share (2013 H1: earnings per share of 0.062 cent per share).

Cash and cash equivalents including restricted cash at 30 June 2014 amounted to €20.9m (30 June 2013: €12.8m and 31 December 2013: €17.7m).

Outlook
San Leon is now well-positioned to target cash flow from production and generate value from asset transactions. There is a suite of activity planned.

Over the coming months up to five wells on the Rawicz conventional development and the Siekierki tight gas field will be drilled with the aim of providing gas to market as soon as possible at no near-term cost to San Leon. Also at no expected cost to San Leon is the planned drilling of a new well on Torzym with Horizon as partner, expected in Q2 2015. Fraccing of the existing Sosna-1 unconventional well is also proposed around the same time.

The first well in the three-well Karpaty area and Permian Basin drilling programme has just been spudded, with results on all wells expected before the end of Q4 2014.

The Sidi Moussa SM-1 well offshore Morocco is being drilled at the time of this report, targeting several hundred million barrels of recoverable oil, with results expected in October 2014.

2015 well activity is expected to include two wells in Poland’s Baltic Basin. A follow-on well is expected in Q2 2015 on the Braniewo S concession, after oil was recovered after fraccing the Rogity-1 well. The Lewino horizontal multi-fracced shale gas well is technically ready to be drilled, and is the subject of ongoing farm-out discussions.

The following financial information on San Leon Energy Plc represents the Group's interim results for the 6 months ended 30 June 2014.

Consolidated income statement
For the six months ended 30 June 2014

	Notes	Un-audited 30/06/14 €	Un-audited 30/06/13 € (re-presented*)	Audited 31/12/13 €
Continuing operations				
Revenue		**2,196**	1,720	3,013
Cost of sales		**(1,910)**	-	(453)
Gross profit		**286**	1,720	2,560
Other income	2	**-**	6,764,751	4,229,277
Administrative expenses		**(6,278,231)**	(5,122,358)	(10,899,228)
Impairment of exploration and evaluation assets		**-**	-	(7,036,679)
(Loss)/profit from operating activities		**(6,277,945)**	1,644,113	(13,704,070)
Finance expense		**(461,002)**	(600,192)	(1,587,240)
Finance income		**10,303**	31,612	1,751,393
Share of loss of equity-accounted investments		**(74,605)**	(41,151)	(141,745)
(Loss)/profit before income tax		**(6,803,249)**	1,034,382	(13,681,662)
Income tax expense		**(33,516)**	(7,429)	(19,778)
(Loss)/profit for the period after tax from continuing operations		**(6,836,765)**	1,026,953	(13,701,440)
Discontinued operations				
Profit/(loss) from discontinued operations (net of income tax)	3	**62,156**	76,012	(3,350,138)
(Loss)/profit for the period attributable to equity holders of the Group		**(6,776,609)**	1,102,965	(17,051,578)

*The comparative income statement has been re-presented as if the operations discontinued during the current period had been discontinued from the start of the comparative period.

Consolidated statement of comprehensive income

for the six months ended 30 June 2014

	Un-audited 30/06/14 €	**Un-audited 30/06/13 €**	**Audited 31/12/13 €**
(Loss)/profit for the period	**(6,776,609)**	1,102,965	(17,051,578)
Items that may be reclassified subsequently to the income statement			
Foreign currency translation differences – foreign operations	**908,328**	(4,973,485)	(5,282,870)
Fair value movements in available-for-sale financial assets	**904,974**	337,827	(2,658,522)
Total comprehensive (loss) for the period	**(4,963,307)**	(3,532,693)	(24,992,970)
(Loss)/earnings per share (cent) – continuing operations			
Basic and diluted (loss)/earnings per ordinary share	**(0.269) cent**	0.058 cent	(0.700) cent
Earnings/(loss) per share (cent) – discontinued operations			
Basic and diluted earnings/(loss) per ordinary share	**0.002 cent**	0.004 cent	(0.171) cent
(Loss)/earnings per share (cent) – total			
Basic and diluted (loss)/earnings per ordinary share	**(0.267) cent**	0.062 cent	(0.871) cent

Consolidated statement of changes in equity

For the period ended 30 June 2014

	Share Capital €	Share Premium €	Currency Translation €	Share Based Payment €	Fair Value Reserve €	Retained Deficit €	Attributable To Equity Holders €	Non-Controlling Interest €	Total Equity €
Balance at 1 January 2014	**126,560,947**	**164,232,712**	**(1,388,753)**	**10,213,497**	**(3,095,243)**	**(12,604,325)**	**283,918,835**	**527,851**	**284,446,686**
Total comprehensive income for period									
Loss for the period	-	-	-	-	-	(6,774,609)	(6,774,609)	-	(6,774,609)
Other comprehensive income									
Foreign currency translation differences – foreign operations	-	-	908,329	-	-	-	908,329	-	908,329
Fair value movements in available-for-sale financial assets	-	-	-	-	745,479	-	745,479	-	745,479
Total comprehensive income for period	-	-	908,329	-	745,479	(6,774,609)	(5,120,801)	-	(5,120,801)
Transactions with owners recognised directly in equity									
Contributions by and distributions to owners									
Share warrants exercised	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	605,703	-	-	605,703	-	605,703
Effect of share options forfeit	-	-	-	-	-	-	-	-	-
Shares issued to Realm shareholders on conversion of exchangeable shares	190,215	333,609	-	-	-	-	523,824	(523,824)	-
Total transactions with owners	190,215	333,609	-	605,703	-	-	1,129,527	(523,824)	605,703
Balance at 30 June 2014	**126,751,162**	**164,566,321**	**(480,424)**	**10,819,200**	**(2,349,764)**	**(19,378,934)**	**279,927,561**	**4,027**	**279,931,588**

Consolidated statement of changes in equity

For the period ended 30 June 2014

	Share Capital €	Share Premium €	Currency Translation €	Share Based Payment €	Fair Value Reserve €	Retained Earnings €	Attributable To Equity Holders €	Non-Controlling Interest €	Total Equity €
Balance at 1 January 2013	**61,471,639**	**131,511,450**	**3,894,117**	**7,974,447**	**(436,721)**	**4,295,235**	**208,710,167**	**1,440,050**	**210,150,217**
Total comprehensive income for period									
Profit for the period	-	-	-	-	-	1,102,965	1,102,965	-	1,102,965
Other comprehensive income									
Foreign currency translation differences – foreign operations	-	-	(4,973,485)	-	-	-	(4,973,485)	-	(4,973,485)
Fair value movements in available-for-sale financial assets	-	-	-	-	337,827	-	337,827	-	337,827
Total comprehensive income for period	-	-	(4,973,485)	-	337,827	1,102,965	(3,532,693)	-	(3,532,693)
Transactions with owners recognised directly in equity									
Contributions by and distributions to owners									
Issue of shares related to business combination	32,126,485	29,002,133	-	-	-	-	61,128,618	-	61,128,618
Share based payment	-	-	-	2,293,917	-	-	2,293,917	-	2,293,917
Effect of share options forfeit	-	-	-	(282,671)	-	-	(282,671)	-	(282,671)
Shares issued to Realm shareholders on conversion of exchangeable shares	327,643	574,638	-	-	-	-	902,281	(902,281)	-
Total transactions with owners	32,454,128	29,576,771	-	2,011,246	-	-	64,042,145	(902,281)	63,139,864
Balance at 30 June 2013	**93,925,767**	**161,088,221**	**(1,079,368)**	**9,985,693**	**(98,894)**	**5,398,200**	**269,219,619**	**537,769**	**269,757,388**

Consolidated statement of changes in equity

For the period ended 30 June 2014

	Share Capital €	Share Premium €	Currency Translation €	Share Based Payment €	Fair Value Reserve €	Retained Earnings/(Deficit) €	Attributable To Equity Holders €	Non-Controlling Interest €	Total Equity €
Balance at 1 January 2013	**61,471,639**	**131,511,450**	**3,894,117**	**7,974,447**	**(436,721)**	**4,295,235**	**208,710,167**	**1,440,050**	**210,150,217**
Total comprehensive income for year									
Loss for the year	-	-	-	-	-	(17,051,578)	(17,051,578)	-	(17,051,578)
Other comprehensive income									
Foreign currency translation differences – foreign operations	-	-	(5,282,870)	-	-	-	(5,282,870)	-	(5,282,870)
Fair value movements in available-for-sale financial assets	-	-	-	-	(2,658,522)	-	(2,658,522)	-	(2,658,522)
Total comprehensive income for year	-	-	(5,282,870)	-	(2,658,522)	(17,051,578)	(24,992,970)	-	(24,992,970)
Transactions with owners recognised directly in equity									
Contributions by and distributions to owners									
Issue of shares related to business combinations	32,126,484	29,002,133	-	-	-	-	61,128,617	-	61,128,617
Issue of shares for cash	32,631,579	3,138,175	-	-	-	-	35,769,754	-	35,769,754
Share based payment	-	-	-	3,821,953	-	-	3,821,953	-	3,821,953
Effect of share warrants forfeit	-	-	-	(29,948)	-	29,948	-	-	-
Effect of share options forfeit	-	-	-	(1,552,955)	-	122,070	(1,430,855)	-	(1,430,855)
Effect of warrants issued on loan note	-	-	-	21,125	-	-	21,125	-	21,125
Shares issued to Realm shareholders on conversion of exchangeable shares	331,245	580,954	-	-	-	-	912,199	(912,199)	-
Total transactions with owners	65,089,308	32,721,262	-	2,239,050	-	152,018	100,201,638	(912,199)	99,289,439
Balance at 31 December 2013	**126,560,947**	**164,232,712**	**(1,388,753)**	**10,213,497**	**(3,095,243)**	**(12,604,325)**	**283,918,835**	**527,851**	**284,446,686**

Consolidated statement of financial position
As at 30 June 2014

	Notes	Un-audited 30/06/14 €	Un-audited 30/06/13 €	Audited 31/12/13 €
Assets				
Non-current assets				
Exploration and evaluation assets	**4**	**195,480,814**	192,330,706	186,052,006
Equity accounted investments	**5**	**24,055,865**	22,135,810	23,728,594
Property, plant and equipment	**6**	**10,305,205**	10,792,225	10,514,451
Other non-current assets		**3,976,995**	4,627,069	3,407,821
Financial assets	**7**	**38,177,562**	39,099,083	37,432,083
		271,996,441	268,984,893	261,134,955
Current assets				
Inventory		**1,107,932**	3,190,427	229,978
Trade and other receivables	**8**	**9,391,615**	9,822,984	13,216,437
Other financial assets	**9**	**6,289,030**	1,605,685	6,274,202
Cash and cash equivalents	**10**	**14,582,901**	11,184,623	11,420,968
Assets classified as held for sale		**15,549,147**	-	15,705,353
		46,920,625	25,803,719	46,846,938
Total assets		**318,917,066**	294,788,612	307,981,893
Equity and liabilities				
Equity				
Called up share capital	**14**	**126,751,162**	93,925,767	126,560,947
Share premium account	**14**	**164,566,321**	161,088,221	164,232,712
Share based payments reserve		**10,819,200**	9,985,693	10,213,497
Currency translation reserve		**(480,424)**	(1,079,368)	(1,388,753)
Fair value reserve		**(2,349,764)**	(98,894)	(3,095,243)
Retained (deficit)/earnings		**(19,378,934)**	5,398,200	(12,604,325)
Attributable to equity holders of the Group		**279,927,561**	269,219,619	283,918,835
Non-controlling interest		**4,027**	537,769	527,851
Total equity		**279,931,588**	269,757,388	284,446,686
Non-current liabilities				
Derivative		**208,434**	1,884,251	208,434
Provisions		**-**	5,345,211	-
Deferred tax liabilities		**9,329,447**	9,329,447	9,329,447
		9,537,881	16,558,909	9,537,881
Current liabilities				
Trade and other payables	**11**	**19,502,329**	4,258,598	6,228,211
Loans and borrowings	**12**	**2,373,196**	2,719,130	-
Provisions	**13**	**1,404,948**	1,494,587	1,397,094
Liabilities classified as held for sale		**6,167,124**	-	6,372,021
		29,447,597	8,472,315	13,997,326
Total liabilities		**38,985,478**	25,031,224	23,535,207
Total equity and liabilities		**318,917,066**	294,788,612	307,981,893

Consolidated statement of cash flows
For the six months ended 30 June 2014

	Un-audited 30/06/14 €	**Un-audited 30/06/13 €**	**Audited 31/12/13 €**
Cash flows from operating activities			
(Loss)/profit before tax – Continuing operations	**(6,803,249)**	1,034,382	(13,681,662)
Profit/(loss) before tax – Discontinued operations	**62,156**	76,012	(3,350,138)
Adjustments for:			
Depletion and depreciation	**15,187**	74,054	118,006
Finance expense	**461,002**	600,192	1,587,240
Finance income	**(10,303)**	(31,612)	(1,751,393)
Share based payments charge	**108,189**	199,923	639,954
Foreign exchange	**520,006**	(2,216,061)	(1,172,367)
Gain on disposal to Palomar	**-**	-	-
Gain on acquisition of Talisman Polska Sp. z o.o.	**-**	(6,764,751)	(4,229,277)
Impairment of exploration and evaluation assets – continuing operations	**-**	-	7,036,679
Impairment of exploration and evaluation assets – discontinued operations	**-**	-	3,579,880
Increase in other non-current assets	**(569,174)**	(2,335,410)	(1,116,161)
(Increase)/decrease in stocks	**(877,954)**	(129,350)	360,233
Decrease/(increase) in trade and other receivables	**3,984,832**	345,976	(3,606,030)
Increase/(decrease) in trade and other payables	**13,039,079**	(5,895,806)	(2,766,513)
Share of loss of equity-accounted investments	**74,605**	41,151	141,745
Tax (paid)/repaid	**(3,373)**	(12,676)	(31,122)
Net cash flows in operating activities	**10,001,003**	(15,013,976)	(18,240,926)
Cash flows from investing activities			
Expenditure on exploration and evaluation assets	**(11,985,966)**	(7,560,191)	(31,250,052)
Joint venture partner share of exploration costs	**4,045,909**	982,765	4,045,909
Purchases of property, plant and equipment	**(522,672)**	(1,548,508)	(1,854,578)
Interest received	**10,303**	28,525	36,699
Increase in restricted cash	**-**	(765,862)	(5,517,332)
Proceeds of Offshore Morocco farm-out	**-**	1,210,217	1,210,217
Repayment from/(advances) to equity-accounted investments	**(397,906)**	82,788	(1,631,488)
Net cash acquired with subsidiary	**-**	35,846,819	31,897,712
Cash acquired with asset acquisition	**-**	-	3,949,107
Payment to acquire financial assets	**-**	-	(1,329,349)
Net cash (used)/generated from investing activities	**(8,850,332)**	28,276,553	(443,155)
Cash flows from financing activities			
Proceeds from issue of share capital, net of costs	**-**	-	35,769,754
Proceeds from drawdown of other loans	**2,092,864**	-	2,612,315
Repayment of other loans	**-**	(3,955,964)	(9,258,223)
Interest paid	**(174,537)**	(23,911)	(881,298)
Net cash generated/(used) in financing activities	**1,918,327**	(3,979,875)	28,242,548
Net increase in cash and cash equivalents	**3,068,998**	9,282,702	9,558,467
Effect of foreign exchange fluctuation on cash and cash equivalents	**92,935**	77,122	37,702
Cash and cash equivalents at start of period	**11,420,968**	1,824,799	1,824,799
Cash and cash equivalents at end of period	**14,582,901**	11,184,623	11,420,968

Notes to the Interim Financial Information

1. Basis of preparation and accounting policies

The Group interim financial information has been prepared in accordance with International Financial Reporting Standards and the accounting policies adopted are consistent with those followed in the preparation of the Group's financial statements for the year ended 31 December 2013. The interim financial information was approved by the Board of Directors on 29 September 2014.

The interim consolidated financial statements do not constitute statutory financial statements and therefore do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2013 which are available on the Group's website www.sanleonenergy.com.

The interim consolidated financial statements are presented in Euro ("€").

2. Other income

	Un-audited 30/06/14 €	**Un-audited 30/06/13 €**	**Audited 31/12/13 €**
Gain arising on acquisition of Talisman Polska Sp. z o.o	**-**	6,764,751	4,229,277
	-	6,764,751	4,229,277

3. Discontinued operations

In September 2013 the Company signed a Binding Heads of Agreement in respect of the sale of Island Oil & Gas Limited, a subsidiary of the Company to Ardilaun Energy Limited ("Ardilaun"). Under the terms of the Proposed Transaction, Ardilaun agreed to pay San Leon Energy US$3 million, with €738,716 (US$1 million) payable immediately and the balance of US$2 million payable within twelve months of the completion of the Proposed Transaction. Ardilaun has also agreed to issue to San Leon Energy, shares equivalent to 20 per cent of the enlarged issued share capital of Ardilaun post-completion of the Proposed Transaction and prior to its intended listing on an international exchange.

Prior to their reclassification as assets held for sale the exploration and evaluation assets were impaired by €3.35 million. The impairment was determined by management by comparing the carrying value of the net assets to the proposed consideration in the transaction. The fair value of the 20% of the enlarged issue of share capital of Ardilaun was based on a recent market transaction

Held for sale assets and liabilities
The assets and liabilities that will be disposed of are as follows:

	Un-audited 30/06/14 €	**Un-audited 30/06/13 €**	**Audited 31/12/13 €**
Assets:			
Exploration and evaluation assets	**15,391,333**	-	15,302,394
Trade and trade receivables	**157,011**	-	143,638
Cash and cash equivalents	**803**	-	259,321
	15,549,147	-	15,705,353
Liabilities:			
Decommissioning provision	**5,345,211**	-	5,345,211
Trade and other payables	**821,913**	-	1,026,810
	6,167,124	-	6,372,021

Results from discontinued operations – Ardilaun

	Un-audited 30/06/14 €	Un-audited 30/06/13 €	Audited 31/12/13 €
Revenue	**404,089**	536,115	992,918
Cost of sales	**(350,727)**	(362,635)	(632,810)
Gross profit	**53,362**	173,480	360,108
Administration expenses	**8,794**	(97,468)	(130,366)
Impairment of assets reclassified as held for sale	**-**	-	(3,579,880)
Results from operating activities	**62,156**	76,012	(3,350,138)
Income tax	**-**	-	-
Results from operating activities after tax	**62,156**	76,012	(3,350,138)

The total loss from discontinued operations is attributable to the owners of the Company.

Cash flows from discontinued operations

	Un-audited 30/06/14 €	Un-audited 30/06/13 €	Audited 31/12/13 €
Net cash from operating activities	**170**	77,327	413,360
Net cash flows for the year	**170**	77,327	413,360
Earnings/(loss) per share (cent) – discontinued operations			
Basic and diluted earnings/(loss) per ordinary share	**0.002 cent**	0.01 cent	(0.17) cent

4. Exploration and evaluation assets

Cost and net book value	**Un-audited 30/06/14 €**
At 1 January 2013	165,390,968
Additions	29,289,589
Acquisition through business combinations	22,860,065
Currency translation adjustment	(4,359,446)
Impairment of exploration assets	(7,036,679)
Impairment of assets reclassified as held for sale	(3,579,880)
Proceeds of offshore Morocco farm-out	(1,210,217)
Transfer to held for sale assets	(15,302,394)
At 31 December 2013	186,052,006
Acquisitions (note 14)	
Additions	9,350,766
Disposals	(198,344)
Exchange rate adjustment	276,386
At 30 June 2014	**195,480,814**

An analysis of exploration assets by geographical area is set out below:

	30/06/2014 €
Poland	130,670,227
Morocco	45,480,921
Albania	6,904,553
Romania	9,174,517
Other areas	3,250,596
Total	**195,480,814**

The Directors have considered the licence, exploration and appraisal costs capitalised in respect of its exploration and evaluation assets, which are carried at historical cost. Those assets have been assessed for impairment and in particular with regard to remaining licence terms, likelihood of licence renewal, likelihood of further expenditures and on-going appraisals for each year. The directors are satisfied that there are no current indications of impairment, but recognise that the future realisation of these exploration and evaluation assets is dependent on future successful exploration and appraisal activities and the subsequent economic production of oil and gas reserves.

5. Equity accounted investments

	Un-audited 30/06/14 €	**Un-audited 30/06/13 €**	**Audited 31/12/13 €**
Opening balance	**23,728,594**	17,178,666	17,178,666
Acquisitions of interests	**-**	5,080,327	5,080,393
Exchange rate adjustment	**3,970**	756	(20,208)
Net advances to equity accounted investments	**397,906**	(82,788)	1,631,488
Share of loss of equity accounted investments	**(74,605)**	(41,151)	(141,745)
Closing balance	**24,055,865**	22,135,810	23,728,594

6. Property, plant and equipment

	Plant & equipment €	**Asset under construction €**	**Office equipment €**	**Motor vehicles €**	**Total €**
Cost					
At 1 January 2013	4,141,696	6,261,093	778,961	356,469	11,538,219
Additions	1,510,426	438,396	401,845	126,112	2,476,779
Currency translation adjustment	(81,966)	-	(8,323)	(6,890)	(97,179)
At 31 December 2013	5,570,156	6,699,489	1,172,483	475,691	13,917,819
Additions	(76,993)	553,240	(35,302)	382	441,327
Exchange rate adjustment	(2,562)	-	7	171	(2,384)
At 30 June 2014	**5,490,601**	**7,252,729**	**1,137,188**	**476,244**	**14,356,762**
Depreciation					
At 1 January 2013	1,246,632	-	343,323	88,588	1,678,543
Currency translation adjustment	(26,007)	-	(4,752)	(1,711)	(32,470)
Charge for period	1,270,749	-	329,392	157,154	1,757,295
At 31 December 2013	2,491,374	-	667,963	244,031	3,403,368
Exchange rate adjustment	(710)	-	83	123	(504)
Charge for period	560,877	-	42,957	44,859	648,692
At 30 June 2014	**3,051,541**	**-**	**711,003**	**289,013**	**4,051,557**
Net book value					
At 30 June 2014	**2,439,060**	**7,252,729**	**426,183**	**187,233**	**10,305,205**
At 31 Dec 2013	3,078,782	6,699,489	504,521	231,659	10,514,451

Asset under construction relates to the Company's Oil Shale Project in Morocco.

7. Financial assets

	Barryroe 4.5% net profit interest (i) €	Quoted shares (ii) €	Total €
Cost			
At 1 January 2013	38,761,256	-	38,761,256
Additions	-	1,329,349	1,329,349
Fair value adjustment	(1,677,940)	(980,582)	(2,658,522)
At 31 December 2013	37,083,316	348,767	37,432,083
Fair value adjustment	361,113	384,366	745,479
At 30 June 2014	**37,444,429**	**733,133**	**38,177,562**
At 30 June 2013	39,099,083	-	39,099,083

(i) Barryroe – 4.5% net profit interest

In December 2011, San Leon Energy assigned its 30% working interest in Standard Exploration Licence 1/11 ("Licence" or "Barryroe") in the Celtic Sea, Ireland to Providence Resources Plc ("Providence") in exchange for a 4.5% Net profit interest ("NPI") in the full field. Under the terms of the arrangement, San Leon Energy will not pay any further appraisal or development costs on the Licence. The Directors have estimated the fair value of this NPI based on a technical evaluation of the licence area and with reference to a third party evaluation report prepared by RPS Energy in February 2011 for Lansdowne Oil & Gas plc, which estimated the net present value of 100% of the licence at USD 1.14 billion on a P50 case and NPV at a 10% discount rate.

The Directors note that Providence announced an update on the Barryroe licence area in April 2013 which stated " Following acquisition and interpretation of the new 2011 3D seismic data together with the subsequent drilling and testing of the 48/24-10z Barryroe appraisal well in 2012, Providence retained the services of Netherland Sewell & Associates Inc. (NSAI) to carry out a third party contingent resource audit (CPR) of the in place hydrocarbon and recoverable resources for the Basal Wealden oil reservoir. NSAI have reported that the Basal Wealden oil reservoir has a 2C in-place gross on-block volume of 761 MMBO with recoverable resources of 266 MMBO and 187 BCF of associated gas, based on a 35% oil recovery factor. A third party (CPR) audit of the overlying Middle Wealden, which was carried out by RPS Energy (RPS) in 2011, reported a 2C in-place gross on-block volume of 287 MMBO with technically recoverable resources of 45 MMBO and 21 BCF of associated gas, based on a 16% oil recovery factor. The total combined audited gross on block 2C recoverable resources at Barryroe therefore amount to 346 MMBOE, comprising 311 MMBO and 207 BCF. " The full text of the Providence announcement is set out on our website.

Notwithstanding the increased resource estimates set out by the licence operator, no further information has been made available regarding the revised development plan or development costs which are key inputs into the valuation model. On that basis the RPS report valuation remains the best estimate of fair value at year end. However having considered all available data and announcements made by the operator, in the opinion of the Directors, the recoverable amount of the NPI is not less than this estimated fair value.

(ii) Amedeo Resources plc

In 2013, the Company purchased 71,225,000 ordinary shares in Amedeo Resources plc, a company listed on the Alternative Investment Market in London, for a total consideration of €1,329,349. The market value of the shares at 30 June 2014 was €733,133.

8. Trade and other receivables

	Un-audited 30/06/14 €	Un-audited 30/06/13 €	Audited 31/12/13 €
Amounts falling due within one year:			
Trade receivables from joint operating partners	**178,584**	680,709	255,531
VAT and other taxes refundable	**2,712,382**	4,619,445	5,699,400
Other debtors	**6,120,591**	4,072,188	5,762,698
Prepayments and accrued income	**380,058**	450,642	1,498,808
	9,391,615	9,822,984	13,216,437

9. Other financial assets

	Un-audited 30/06/14 €	Un-audited 30/06/13 €	Audited 31/12/13 €
Restricted cash at bank	**6,289,030**	1,605,685	6,274,202
	6,289,030	1,605,685	6,274,202

Restricted cash at bank includes €4,751,470 in support of the abandonment liabilities in respect of the Seven Heads Gas Fields.

Restricted cash at bank also includes deposit accounts held in support of bank guarantees required under the Moroccan exploration licences, Zag and Tarfaya held by the Group.

10. Cash and cash equivalents

	Un-audited 30/06/14 €	Un-audited 30/06/13 €	Audited 31/12/13 €
Cash and cash equivalents	**14,582,901**	11,184,623	11,420,968
	14,582,901	11,184,623	11,420,968

11. Trade and other payables

	Un-audited 30/06/14 €	Un-audited 30/06/13 €	Audited 31/12/13 €
Current			
Trade payables	**4,023,992**	1,588,651	2,649,703
PAYE / PRSI	**443,494**	542,200	312,116
Other creditors	**14,912,013**	340,838	1,627,775
Accruals and deferred income	**122,830**	1,786,909	1,638,617
	19,502,329	4,258,598	6,228,211

Other creditors includes the $20 million the Company received up front as part of the Palomar transaction (Note 15).

12. Loans and borrowings

	Un-audited 30/06/14 €	Un-audited 30/06/13 €	Audited 31/12/13 €
Current			
Other loans	**2,373,196**	2,548,420	-
Delta Hydrocarbons B.V.	**-**	170,710	-
	2,373,196	2,719,130	-

13. Provisions

Certain Realm Energy International Corporation shareholders exercised rights of dissent under Canadian law not to accept the terms of acquisition. Under Canadian law, these dissenting shareholders are eligible to receive a cash payment equal to the fair value of their shareholding at acquisition. The provision represents the directors' estimate of the cash consideration to be paid to those shareholders taking account of the market price of the Realm shares at acquisition.

14. Share capital

	Un-audited 30/06/14 €	Un-audited 30/06/13 €
Authorised		
3,100,000,000 (2013: 2,500,000,000) Ordinary shares of €0.05 each	**155,000,000**	125,000,000
	155,000,000	125,000,000

Issued share capital	**No. Ordinary Shares**	**Share capital €**	**Share premium €**
At 1 Jan 2013	1,229,432,785	61,471,639	131,511,450
Issue of shares to non-controlling interest	6,624,899	331,245	580,954
Issue of shares on business combinations	642,529,685	32,126,484	29,002,133
Issue of shares for cash	652,631,579	32,631,579	3,138,175
At 31 December 2013	2,531,218,948	126,560,947	164,232,712
Issue of shares to non-controlling interest	3,804,292	190,215	333,609
At 30 June 2014	**2,535,023,240**	**126,751,162**	**164,566,321**

15. Subsequent events

The company signed a joint venture agreement with Palomar Natural Resources ("PNR") across seven Concessions in Poland's Permian Basin initially focused on developing the discovered, unproduced Siekierki and Rawicz gas fields. In return for a 65% working interest in the Southern Permian Basin and Northern Permian Basin Concessions, PNR has paid upfront to San Leon $5 million and $15 million, respectively, in cash and will carry San Leon for a defined initial work programme aimed at bringing the Rawicz and Siekierki fields into production as soon as possible. PNR will become the operator of all of the Concessions.

The Joint Venture ("JV") is divided into two core areas across seven exploration concessions including the Rawicz (39/2009/p), Wschowa (8/2009/p), Gora (30/2008/p) and Nowa Sol (5/2009/p) concessions ("Southern Permian Basin"); and the Poznan North (26/2008/p), Poznan East (4/2003/p), Poznan East (5/2003/p) concessions ("Northern Permian Basin").

Southern Permian Basin – Rawicz Gas Field:

PNR has received a 65% equity interest and operatorship in the Southern Permian Basin concessions, including the Rawicz field. The Company has retained a 35% equity interest. In consideration for this farm-out:

1. PNR has provided San Leon with $5 million in cash up-front; and
2. PNR will carry San Leon's participating interest in the first two development wells on the Rawicz gas field including drilling, evaluation, completion and testing of each well in the Permian Rotliegendes formation.

The carry, plus a 10% return, will be repaid to PNR from half of San Leon's production revenues from the Rawicz field. In the event that there are no production revenues, the carry will not be repaid.

PNR intends to start permitting, operational planning, and well design immediately pending final approvals and permits from the Polish regulatory authorities. The first well is planned to be drilled in Q4 2014 including completion and testing.

Northern Permian Basin – Siekierki Gas Field

PNR will receive 65% equity interest and Operatorship in the Northern Permian Basin concessions, including the Siekierki field. In consideration for this farm-out:

1. PNR has provided San Leon with $15 million in cash up-front; and
2. PNR will fully carry the work over, recompletion and testing of three existing wells (Trzek-1, Trzek-2H and Trzek-3H) in the Permian Rotliegendes formation.
3. There is no cost recovery by PNR for the carry.

The goal of recompleting the three wells is to focus on higher quality reservoir intervals, and for the work overs to begin in early Q4 2014. These wells produced an average of approximately 3 mmscf/d during previous testing, and the work overs will target additional reservoir zones and improved flow rates and ultimate recoveries from the significant resource potential of the Siekierki field.

Further Development Of Assets

On both the Rawicz and the Siekierki fields, the above work programmes aim to provide the justification to construct production facilities and pipelines and to achieve near-term production. If PNR decides to proceed with the development of either or both assets after the above well work, it will include San Leon in seeking project finance.