

BLACK ROCK OIL & GAS PLC
INTERIM REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

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BLACK ROCK OIL & GAS PLC

CHAIRMAN'S STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

Black Rock continues to review new investments and opportunities for acquisition.

A summary of our current licences is set out below.

During the period, and subsequent to 31 December 2002, Black Rock disposed of its entire shareholding and warrant holding in Norwest Energy NL, which has strengthened the Company's cash position. Our holding in Norwest Energy NL arose from the sale of an interest in an oil well drilled during October 2002, which was subsequently abandoned as dry and so this asset trade for marketable securities has been a favourable outcome for the Company.

AUSTRALIA

EP 373 Canning Basin

The onshore Canning Basin of northern Western Australia is an extensive area of around 40,000 sq km. EP 373 is located in the north central part of the basin and the Company is the operator and 100% permit holder. Efforts are continuing to find a farm-in partner or partners for this block.

PEL 425 Darling Basin

PEL 425 is located in the Bancannia Trough, part of the Darling Basin of Western New South Wales, an area where minor oil and gas shows have been reported both at surface and in wells. The licence is under-explored with only three exploration wells drilled in the 1960's within the licence area of 10,425 square kilometres (approximately 2.57 million acres). A number of large structural leads have been mapped by Otto Oil Pty Ltd, from which this licence was acquired in June 2001, using reprocessed seismic data.

EP 419, Perth Basin

Black Rock has reached agreement with Norwest Energy NL to farm-out an 80% interest in Permit EP-419 in the Perth Basin. Under the terms of the agreement, Norwest Energy NL will assume the role of Operator and will pay all the costs of reprocessing existing seismic data recorded within EP-419. The sale is subject only to formal documentation and relevant Government approvals.

EUROPE

PEDL 113, PEDL 098 & PEDL 099 – Wessex Basin

Black Rock has farmed out its interests during August 2002 in these three blocks in southern England, where the second phase of exploration has commenced through which Black Rock has been free carried whilst retaining a 10% interest in each block. Northern Petroleum Plc has taken over from Black Rock as operator.

BLACK ROCK OIL & GAS PLC

CHAIRMAN'S STATEMENT (continued)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

PEDL 042 & 026 - Weald Basin

PEDL 042 is to be relinquished during March 2003.

The administration problems caused by the insolvency of the previous operator, Independent Energy have not been fully resolved on PEDL 026. However the Joint Venture partners have decided, based on technical work to date, to relinquish the licence. No drillable prospects had been identified.

DIVIDENDS

The directors do not recommend the payment of a dividend at this time.

David Steinepreis
Chairman & Managing Director

28 March 2003

Note:

A reference to the Company in the Chairman's Report includes Black Rock Oil & Gas PLC and subsidiaries ("Black Rock" or "Company") which have interests in the various licences referred to herein

BLACK ROCK OIL & GAS PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

	Notes	(Unaudited) six months ended 31 December 2002 £	(Unaudited) six months ended 31 December 2001 £	(Audited) Year ended 30 June 2002 £
Group turnover		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Administrative expenses before impairment of exploration expenditure and goodwill		(138,180)	(158,527)	(365,524)
Impairment of exploration expenditure and goodwill		(54,258)	(10,851)	(2,406,091)
Group operating loss - continuing		(192,438)	(169,378)	(2,771,615)
Profit on disposal of interest in exploration licence - continuing		174,062	-	-
Loss on ordinary activities before interest		(18,376)	(169,378)	(2,771,615)
Interest receivable		193	5,513	6,261
Loss on ordinary activities before taxation		(18,183)	(163,865)	(2,765,354)
Taxation	3	-	-	-
Loss for the financial period		(18,183)	(163,865)	(2,765,354)
Loss per ordinary share				
Basic	2	(0.02p)	(0.20p)	(3.29p)
Diluted	2	(0.02p)	(0.15p)	(2.47p)

BLACK ROCK OIL & GAS PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

	(Unaudited) six months ended 31 December 2002 £	(Unaudited) six months ended 31 December 2001 £	(Audited) year ended 30 June 2002 £
Retained loss for the period	(18,183)	(163,865)	(2,765,354)
Exchange differences	(27,895)	(21,581)	4,290
Total gains and losses recognised for the period	<u>(46,078)</u>	<u>(185,446)</u>	<u>(2,761,064)</u>

BLACK ROCK OIL & GAS PLC

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2002

	Notes	(Unaudited) 31 December 2002 £	(Unaudited) 31 December 2001 £	(Audited) 30 June 2002 £
Fixed assets				
Intangible assets	4	1,003,707	3,630,028	1,297,865
Tangible assets		229	503	382
		<u>1,003,936</u>	<u>3,630,531</u>	<u>1,298,247</u>
Current assets				
Debtors		51,700	22,570	31,569
Cash at bank and in hand		121,825	146,945	36,674
Listed investments		112,692	-	-
		<u>286,217</u>	<u>169,515</u>	<u>68,243</u>
Creditors: amounts falling due within one year		<u>(69,181)</u>	<u>(98,629)</u>	<u>(99,440)</u>
Net current assets/(liabilities)		<u>217,036</u>	<u>70,866</u>	<u>(31,197)</u>
Total assets less current liabilities		<u>1,220,972</u>	<u>3,701,417</u>	<u>1,267,050</u>
Net assets		<u><u>1,220,972</u></u>	<u><u>3,701,417</u></u>	<u><u>1,267,050</u></u>
Capital and reserves				
Called up share capital	5	488,126	409,376	488,126
Shares to be issued	5	-	200,000	-
Share premium account	6	3,842,240	3,579,739	3,842,240
Profit and loss account	6	(3,109,394)	(487,698)	(3,063,316)
Shareholders' funds	7	<u>1,220,972</u>	<u>3,701,417</u>	<u>1,267,050</u>

BLACK ROCK OIL & GAS PLC**CONSOLIDATED CASH FLOW STATEMENT****FOR THE SIX MONTHS ENDED 31 DECEMBER 2002**

	Notes	(Unaudited) six months ended 31 December 2002 £	(Unaudited) six months ended 31 December 2001 £	(Audited) year ended 30 June 2002 £
Net cash outflow from operating activities	8	(130,796)	(207,046)	(388,838)
Returns on investments and servicing of finance				
Investment income		193	5,513	6,261
		(130,603)	(201,533)	(382,577)
Acquisitions and disposals				
Net funds used for investing in exploration		(11,076)	(95,973)	(159,199)
Net cash outflow from acquisitions and disposals		(11,076)	(95,973)	(159,199)
Net cash inflow/(outflow) before financing		(141,679)	(297,506)	(541,776)
Financing				
Proceeds from sale of listed investments		226,830	-	-
Proceeds from issue of shares		-	-	122,500
Cost of raising capital		-	(11,499)	-
Net cash inflow/(outflow) from financing		226,830	(11,499)	122,500
Increase/(decrease) in cash	9	<u>85,151</u>	<u>(309,005)</u>	<u>(419,276)</u>

BLACK ROCK OIL & GAS PLC

NOTES TO THE FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

1. Basis of preparation

- 1.1 The financial information is prepared in accordance with the historical cost convention and in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting for Oil and Gas Exploration, Development, Production and Decommissioning Activities".
- 1.2 The results for the six month periods ended 31 December 2002 and 31 December 2001 are unaudited and do not constitute statutory accounts as defined in section 240 of the Companies Act 1985. They have been prepared using accounting bases and policies consistent with those used in the preparation of the financial statements of Black Rock Oil & Gas PLC for the year ended 30 June 2002.
- 1.3 The comparative figures for the year ended 30 June 2002 are extracted from the statutory financial statements which have been filed with the Registrar of Companies and which contained an unqualified audit report and did not include a statement under section 237(2) or (3) of the Companies Act 1985.

BLACK ROCK OIL & GAS PLC

NOTES TO THE FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

2. Loss per ordinary share

The basic loss per ordinary share has been calculated using the loss for the financial period of £18,183 (six months to 31 December 2001 – loss of £163,865; year ended 30 June 2002 – loss of £2,765,354) and the average number of ordinary shares in issue of 97,625,200 (six months to 31 December 2001 – 81,851,559; year ended 30 June 2002 – 84,052,323).

The diluted loss per ordinary share has been calculated using the loss for the financial period of £18,183 (six months to 31 December 2001 – loss of £163,865; year ended 30 June 2002 – loss of £2,765,354) and the average number of ordinary shares in issue and those expected to be issued in respect of outstanding warrants and options of 106,745,240 (six months to 31 December 2001 – 111,922,987; year ended 30 June 2002 – 111,836,223).

3. Taxation

No liability to UK or overseas taxation has arisen during the period and no provision for deferred tax was considered necessary.

4. Intangible assets

The intangible assets can be summarised as follows:

	Exploration and appraisal expenditure	Goodwill	Total
	£	£	£
Cost			
At 1 July 2002	3,721,227	217,031	3,938,258
Exploration expenditure	11,076	-	11,076
Disposals	(222,095)	-	(222,095)
Exchange loss	(28,881)	-	(28,881)
At 31 December 2002	<u>3,481,327</u>	<u>217,031</u>	<u>3,698,358</u>
Amortisation and Impairment			
At 1 July 2002	(2,495,520)	(144,873)	(2,640,393)
Charge for the period	-	(54,258)	(54,258)
At 31 December 2002	<u>(2,495,520)</u>	<u>(199,131)</u>	<u>(2,694,651)</u>
Net book value			
At 31 December 2002	<u>985,807</u>	<u>17,900</u>	<u>1,003,707</u>
At 30 June 2002	<u>1,225,707</u>	<u>72,158</u>	<u>1,297,865</u>

BLACK ROCK OIL & GAS PLC

NOTES TO THE FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

5. Share capital

	31 December 2002 £	30 June 2002 £
Authorised		
200,000,000 ordinary shares of 0.5p each	1,000,000	1,000,000
	=====	=====
Allotted, called up and fully paid		
97,625,200 ordinary shares of 0.5p	488,126	488,126
	=====	=====

The Company also has in issue warrants 45,600,200 exercisable at 1 penny each up to 1 May 2004 and 4,885,012 options exercisable at 5 pence each up to 8 April 2004.

The movements in the share capital and the warrants are summarised below:

	Number of shares	Number of warrants	Number of options
At 1 July 2002 and 31 December 2002	97,625,200	45,600,200	4,885,012
	=====	=====	=====

6. Reserves

Movements in the share premium and profit and loss account during the period were as follows:

	Share Premium £	Profit and loss £
At 1 July 2002	3,842,240	(3,063,316)
Retained loss for the period	-	(18,183)
Exchange differences	-	(27,895)
	-----	-----
At 31 December 2002	3,842,240	(3,109,394)
	=====	=====

BLACK ROCK OIL & GAS PLC**NOTES TO THE FINANCIAL INFORMATION****FOR THE SIX MONTHS ENDED 31 DECEMBER 2002****7. Reconciliation of movements in shareholders' funds - equity only**

	(Unaudited) Six months to 31 December 2002 £	(Unaudited) Six months to 31 December 2001 £	(Audited) Year ended 30 June 2002 £
Loss for the period	(18,183)	(163,865)	(2,765,354)
Net proceeds from issues of shares	-	(11,499)	329,752
Shares to be issued	-	200,000	-
Exchange differences	(27,895)	(21,581)	4,290
	<u>(46,078)</u>	<u>3,055</u>	<u>(2,431,312)</u>
Opening shareholders' funds	<u>1,267,050</u>	<u>3,698,362</u>	<u>3,698,362</u>
Closing shareholders' funds	<u><u>1,220,972</u></u>	<u><u>3,701,417</u></u>	<u><u>1,267,050</u></u>

8. Reconciliation of operating loss to net cash inflow from operating activities

	(Unaudited) Six months to 31 December 2002 £	(Unaudited) Six months to 31 December 2001 £	(Audited) Year ended 30 June 2002 £
Group operating loss	(18,376)	(169,378)	(2,771,615)
Impairment of exploration expenditure	-	-	2,261,218
Decrease in debtors	23,198	10,027	1,029
Decrease in creditors/provisions	(30,259)	(37,119)	(29,055)
Foreign exchange differences	2,131	(21,581)	4,429
Amortisation of goodwill	54,258	10,851	144,873
Depreciation	153	154	283
Profit on disposal of interest in exploration licence	(174,062)	-	-
Loss on sale of listed investments	12,161	-	-
Net cash outflow from operating activities	<u><u>(130,796)</u></u>	<u><u>(207,046)</u></u>	<u><u>(388,838)</u></u>

BLACK ROCK OIL & GAS PLC

NOTES TO THE FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

9. **Analysis of changes in net funds**

	1 July 2002	(Unaudited) Cash flow	(Unaudited) 31 December 2002
	£	£	£
Cash at bank and in hand	36,674	85,151	121,825
	<u>=====</u>	<u>=====</u>	<u>=====</u>

BLACK ROCK OIL & GAS PLC

GROUP INFORMATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2002

Directors:	David Christian Steinepreis B. Comm., ACA <i>Chairman and Managing Director</i> Dr John Scott BSc (Hons), MSc, PhD, FGS (Chart.Geol.) <i>Technical Director</i> Hugh David Warner (B.Ec) <i>Executive Director</i> Julian Galloway Money Riddick BSc (Hons) <i>Non executive Director</i>
Company Secretary:	Julian Galloway Money Riddick
Registered Office:	29 Albemarle Street London W1S 4JB
Company number:	04128401
Nominated Adviser:	Corporate Synergy PLC 12 Nicholas Lane London EC4N 7BN
Broker:	Hoodless Brennan & Partners Plc 40 Marsh Wall Docklands London E14 9TP
Solicitors:	Watson Farley & Williams 15 Appold Street London EC2A 2HB
Auditors:	Hacker Young St Alphage House 2 Fore Street London EC2Y 5DH
Registrars:	Computershare Services PLC PO Box 82 The Pavilions Bridgwater Road Bristol BS99 7NH

INDEPENDENT REVIEW REPORT TO BLACK ROCK OIL & GAS PLC

Introduction

We have been instructed by the Company to review the financial information for the six months ended 31 December 2002, which comprises the Consolidated Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report on the basis that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 December 2002.

Hacker Young

Chartered Accountants

London

28 March 2003