
WOBURN ENERGY PLC
HALF-YEARLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2010

WOBURN ENERGY PLC

CONTENTS

	Pages
Directors, Secretary and Advisers	2
Chairman's Statement	5
Unaudited Consolidated Statement of Comprehensive Income	7
Unaudited Consolidated Statement of Financial Position	8
Unaudited Consolidated Statement of Changes in Equity	9
Unaudited Consolidated Statement of Cash Flows	10
Notes to the Unaudited Half-Yearly Financial Report	11

WOBURN ENERGY PLC

DIRECTORS, SECRETARY AND ADVISERS

Directors:	Arif Kemal Chairman (Non-Executive)
	Antony Brian Baldry MP, MA, LLB, FChI Arbitrators Deputy Chairman (Non-Executive)
	John Malcolm Cubitt BSc, PhD, CGeol Managing Director
	Hasan Ali Hashwani Director (Non-Executive)
	Rustom Bejon Kanga FCA Director (Non-Executive)
	Kamran Ahmed Director (Non-Executive)
Registered Office:	16 Upper Woburn Place London WC1H 0AF
Business Address:	16 Upper Woburn Place London WC1H 0AF
	Telephone: 020 7380 4609 Facsimile: 020 7380 0518 Email: info@woburnenergy.com Web: www.woburnenergy.com
Company Number:	04128401
Company Secretary:	Deborah King F.C.I.S. 47 The Grove London N3 1QT
	Telephone: 020 8922 9959 Facsimile: 020 8922 9959
Nominated Adviser & Broker:	Beaumont Cornish Limited 2nd Floor Bowman House 29 Wilson Street London EC2M 2SJ
	Telephone: 020 7628 3396 Facsimile: 020 7628 3393

WOBURN ENERGY PLC

DIRECTORS, SECRETARY AND ADVISERS

Solicitors:

Maclay Murray & Spens LLP
One London Wall
London EC2Y 5AB

Telephone: 020 7002 8500
Facsimile: 020 7002 8504

Group Auditors:

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

Telephone: 020 7216 4600
Facsimile: 020 7767 2602
Web: www.uhy-uk.com

Share Registry:

Computershare Services PLC
PO Box 82
The Pavilions
Bridgwater Road
Bristol BS99 7NH

Telephone: 087 0702 0003
Facsimile: 087 7703 6116

Bankers:

Barclays Bank PLC
Level 27
1 Churchill Place
London
E14 5HP

Colombian Branch:

Black Rock Oil & Gas Sucursal Colombia
CRA 1 Este # 70-A-42
Edificio Arcolsa
Barrio Rosales
Bogotá
Colombia

Telephone: +571 348 1535
Principal Legal Representative: Luis Ernesto Monroy

Las Quinchas Resource Corporation:

c/o Oceanic Managers (Barbados) Inc
Braemar Court
Deighton Road
St. Michael, BB14017
Barbados

Telephone: +1 246 467 6677
Company Secretary: Janelle Ifill
Company No 30000 incorporated in Barbados

WOBURN ENERGY PLC

DIRECTORS, SECRETARY AND ADVISERS

**Las Quinchas Resource
Corporation Sucursal
Colombia:**

c/o Posse, Herrera & Ruiz Abogados
Carrera 7 No. 71- 52 Torre A Piso 5
Bogotá
Colombia

Telephone: +571 325 7300

Legal Representative: Jaime Herrera Rodríguez

Qualified Person:

Dr John Cubitt (a Director of the Company) has been involved in the oil and gas production industry for more than 30 years. Dr Cubitt is a registered Chartered Geologist (CGeol) and has a BSc and PhD in geology. He has compiled, read and approved the technical disclosure as it relates to Woburn Energy Plc in this half-yearly financial report.

WOBURN ENERGY PLC

CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010

The financial period from January to June 2010 has been one of consolidation for Woburn Energy Plc ("Woburn") following the refinancing of the Company in 2009. Evaluating a number of important production and exploration opportunities in Europe and Central Asia continues to be the focus of our activities and much effort and funds have been expended on progressing these opportunities.

As announced in our 2009 Annual Report released in April 2010, there has been limited progress with Woburn's assets in Colombia and the UK.

Colombia

On Las Quinchas, Woburn has completed all its obligations under the farm-in contract signed with the operator, Kappa Resources Colombia ("Kappa"), a wholly owned subsidiary of Pacific Rubiales Energy Corp, in April 2005 in which it agreed to fund certain exploration drilling activities in order to earn a right to obtain, subject to approval, a 50% interest in the Contract. In early 2008, Woburn transferred its interests in the Las Quinchas Association Contract to Las Quinchas Resource Corp. ("LQRC"), in which Woburn holds a 51% interest. Woburn has, therefore, a 25.5% working interest in the Las Quinchas Association Contract.

As reported in Woburn's 2009 Annual Report, the Joint Venture believes that the utilisation of the Cold Heavy Oil Production with Sand (CHOPS) production technique, pioneered in Canada, may significantly enhance productivity from the Acacia Este field and therefore a trial of the technology has been undertaken in 2010. Initially a workover of Acacia Este 2 was completed and a hydraulic pump installed with the intention of conducting a 4 month test to assess the potential impact this innovative approach may have on the problems of producing sand from the unconsolidated Mugrosa sand reservoir and increasing heavy oil production. However the initial attempt to run the CHOPS test resulted in Acacia Este 2 immediately sanding up and this may require a pump change before the test can be restarted. In the meantime, the Operator has applied, against our advice, CHOPS to Acacia Este 1. LQRC, therefore, did not participate in the workover.

The Acacia Este 1 well has remained in long-term production testing since November 2008. Initially production rose to 122 BOPD and then settled back to around 24 BOPD with no increase in water (for comparison, Acacia Este 2 was on intermittent and low production during this period). A workover was performed on Acacia Este 1 in June, and the well showed encouraging performance with production rising up to 60 BOPD over a 3 week period with little water. Unfortunately the well then sanded up. The Operator has now removed the sand and the pump has been sent for testing before the CHOPS programme can be re-run.

The next operation for the rig is an injection test on Acacia Este 4 and 5 in order to measure the formation permeability under injection to better understand the potential for inflow.

As reported previously, the Arce Field project has proved to be currently uneconomic. Extended cold production testing on Arce 4 was initiated on 6 December 2008 with initial production peaking at 23 BOPD. Production settled back to around 5-6 BOPD with 4 barrels of water per day ("BWPD"). Cold flow testing was completed on 5 March 2010 and some of the production equipment was moved to the Acacia Este Field to enhance their production capabilities. This cold flow test confirmed that the oil in the reservoir is mobile and supports the need for additional work to establish the optimal development strategy to convert this structure into a producing reservoir. Arce has been inactive since it was shut in after the cold production test. However, the Operator is currently revisiting the option to thermally stimulate the field in view of technical advances that have been made since this approach was first considered in 2006.

In July 2010, the Operator undertook a sole risk re-entry into the Baul 3 well. The Baul area was initially explored with the drilling of Baul 1 by Shell in 1939. Later a further 3 wells were drilled by Texas Petroleum between 1959 and 1960 under the Baul Concession. Of these the most successful was Baul 3 which produced 16,610 barrels of oil from a shallow 14 foot Mugrosa Formation sand before being closed in due to poor oil prices in 1960. This Mugrosa unit was part of a 200 foot sequence of sands resting on basement that also produces at the nearby Palagua oil field. Encouraged that oil was recognized in the perforations to the tubing together with some wellhead pressure, the Operator then completed a workover on Baul, ran a pump into the well and Baul is after the first few days producing approximately 60 BOPD, with a low water cut and high fluid level.

WOBURN ENERGY PLC

CHAIRMAN'S STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2010

The Operator has submitted an application to Ecopetrol for commerciality after putting Baul on test production with retention of an area that is in the southern section of the Las Quinchas Association Contract area (the retained area to about 8 km north of the well). Once the identified commercial areas have been approved by Ecopetrol and a 5 km protection area drawn around each commercial field, this will define the retained area that would be covered under the long term production contract with Ecopetrol. Should Ecopetrol ask for further work on Baul (or Acacia Este for that matter), the current licence phase could be extended by one year.

Fifty percent of the remaining acreage in the Las Quinchas Association Contract was relinquished in 2009. Subject to approval by Ecopetrol, the Joint Venture retained 25,000 Hectares around Acacia Este, Arce, Baul and Bukhara whilst relinquishing the less prospective and more risky sections in the NE of the Contract area. A further and final relinquishment is due in the summer of 2010 at which point all areas outside of producing fields or protected areas are due to be returned to ANH. The Joint Venture is looking to retain the area around Acacia Este, Arce and Baul at a minimum. This retained area is a 5km protection zone around the defined commercial areas (Arce, Acacia Este and Baul, with the latter areas subject to approval by Ecopetrol) that are under long term production. If Ecopetrol asks for more work on Baul, the current phase could be extended by an additional year.

North Sea

The Company has a 15% interest in Block 49/8c, in the Southern North Sea, operated by Wintershall Noordzee, which contains the undeveloped and currently uneconomic Monterey gas field. Woburn has worked with its partners over the last year to seek a buyer for its interest or to farm down its interest to companies who will carry us through any future work obligations required to take Monterey into development. However, there have been no firm expressions of interest in this opportunity and, as a result, the partners have sought and have received approval from the UK Department of Energy and Climate Change to relinquish the licence on 1 October 2010. The relinquishment also included abandonment of the 49/8c-4 well which was completed on 18 April 2010. Until 1 October 2010, the JV will continue to operate on a care and maintenance basis.

Portfolio Development

As reported in our annual report for 2009, Woburn continues regularly to review the structure of and risks associated with its portfolio of assets, and it recognises that significant modifications to the Company's portfolio will be required in the future to increase its breadth of opportunities, create cash flow and reduce its exposure to financial risk. Consequently, Woburn reviewed its asset portfolio in 2009 and implemented a new strategy for growth, with the support of its largest shareholder, including acquiring or farming-in to one or more new assets.

Woburn is looking at new onshore, oil or gas opportunities within its current geographic areas of activity together with those proven oil basins where it has existing experience or influence. In particular, Europe, North Africa, the Middle East and Central Asia are our primary target areas. Any assets acquired would be generally non-operated but Woburn is looking in the long-run to build a technical team in London and establish operational capabilities.

Initially we are seeking to acquire production to create immediate cash flow and profits but we are also actively examining development and appraisal opportunities for longer-term growth and upside for the Company. In addition if suitable high-class distressed exploration opportunities that fit with our planned portfolio of producing and development assets can be identified, Woburn will consider them.

Woburn has over the last year evaluated a number of potential acquisition and farm-in opportunities on which further detailed work is ongoing. Woburn is actively targeting production opportunities with exploration up-side. In the meantime, Woburn continues to actively seek new opportunities.

Arif Kemal
Non-executive Chairman

17 September 2010

WOBURN ENERGY PLC

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2010

	Notes	Half-year ended 30 June 2010 (Unaudited) \$	Half-year ended 30 June 2009 (Unaudited) \$
Revenue		-	47,010
Operating expenses		(539,198)	(314,608)
Gross loss		(539,198)	(267,598)
Administrative expenses		(880,647)	(946,971)
Group operating loss		(1,419,845)	(946,971)
Reduction of provision for decommissioning	9	493,604	-
Bank interest receivable		231	7,716
Loss before taxation		(926,010)	(939,255)
Taxation		-	-
Loss for the period from continuing operations		(926,010)	(939,255)
Discontinued operations			
Loss for the period from discontinued operations	4	-	(1,057,838)
Loss for the period		(926,010)	(1,997,093)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(926,010)	(1,997,093)
Total comprehensive income attributable to:			
Equity owners of the Parent Company		(633,050)	(1,315,325)
Minority interest		(292,960)	(681,768)
		(926,010)	(1,997,093)
Loss per share (cents): Continuing operations	5		
Basic		(0.27)	(0.45)
Diluted		(0.27)	(0.45)
Loss per share (cents): Discontinued and continuing operations	5		
Basic		(0.27)	(0.78)
Diluted		(0.27)	(0.78)

WOBURN ENERGY PLC

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

	Notes	30 June 2010 <i>(Unaudited)</i> \$	31 December 2009 <i>(Audited)</i> \$
ASSETS			
Non-current assets			
Exploration and evaluation assets	7	7,514,883	11,692,754
Current assets			
Receivables		957,891	913,645
Cash and cash equivalents		1,350,607	2,216,678
		2,308,498	3,130,323
Total Assets		9,823,381	14,823,077
LIABILITIES			
Current liabilities			
Trade and other payables		(3,445,108)	(2,751,190)
Non-current liabilities			
Borrowings	8	-	(4,274,000)
Provision for decommissioning	9	(185,955)	(679,559)
		(185,955)	(4,953,559)
Total Liabilities		(3,631,063)	(7,704,749)
Net Assets		6,192,318	7,118,328
EQUITY			
Capital and reserves			
Share capital	10	13,596,651	13,596,651
Share premium		17,815,055	17,815,055
Share-based payments reserve		190,800	190,800
Retained losses		(28,007,539)	(27,374,489)
Shareholders' Funds		3,594,967	4,228,017
Minority interests		2,597,351	2,890,311
		6,192,318	7,118,328

WOBURN ENERGY PLC

**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

	Share Capital \$	Share Premium \$	Share-based Payments Reserve \$	Retained Losses \$	Total Shareholders' Equity \$	Minority Interest \$	Total Equity \$
As at 1 January 2010	13,596,651	17,815,055	190,800	(27,374,489)	4,228,017	2,890,311	7,118,328
Total comprehensive income/(loss) for the period	-	-	-	(633,050)	(633,050)	(292,960)	(926,010)
Balance at 30 June 2010	13,596,651	17,815,055	190,800	(28,007,539)	3,594,967	2,597,351	6,192,318
As at 1 January 2009	10,738,490	17,815,055	268,440	(25,481,455)	,3,340,530	2,871,650	6,212,180
Share issues less costs	2,858,161	-	-	-	2,858,161	2,871,650	2,858,161
Total comprehensive income/(loss) for the period	-	-	-	(1,315,325)	(1,315,325)	(681,768)	(1,997,093)
Minority's interest in share capital of subsidiary	-	-	-	-	-	1,646,402	1,646,402
Balance at 30 June 2009	13,596,651	17,815,055	268,440	(26,796,780)	4,883,366	3,836,284	8,719,650

WOBURN ENERGY PLC

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

	Half-year ended 30 June 2010 (Unaudited) \$	Half-year ended 30 June 2009 (Unaudited) \$
Cash flows from operating activities		
Group operating loss from continuing operations	(1,419,845)	(946,971)
Group operating loss from discontinued operations	-	(1,057,838)
Adjustment for items not requiring an outlay of funds:		
Impairment of exploration assets (note 7)	4,274,000	1,057,838
Write back of loan (note 8)	(4,274,000)	-
	<hr/>	<hr/>
Operating loss before changes in working capital	(1,419,845)	(946,971)
Increase in receivables	(44,246)	(844,868)
Increase in trade and other payables	693,918	890,411
	<hr/>	<hr/>
Net cash used in operating activities	(770,173)	(901,428)
	<hr/>	<hr/>
Investing activities		
Funds used for exploration and evaluation	(96,129)	(204,329)
Interest received	231	7,716
	<hr/>	<hr/>
Net cash used in investing activities	(95,898)	(196,613)
	<hr/>	<hr/>
Financing activities		
Proceeds from issue of ordinary shares	-	2,858,161
Proceeds from minorities for issue of ordinary shares	-	1,646,402
	<hr/>	<hr/>
Net cash from financing activities	-	4,504,563
	<hr/>	<hr/>
(Decrease)/increase in cash and cash equivalents	(866,071)	3,406,522
Cash and cash equivalents at beginning of period	2,216,678	(8,018)
	<hr/>	<hr/>
Cash and cash equivalents at end of period	1,350,607	3,398,504
	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE UNAUDITED HALF-YEARLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

1. General information

Woburn Energy Plc ('the Company') is domiciled in England. The condensed consolidated half-year accounts of the Company for the six months ended 30 June 2010 comprise the accounts of the Company and its subsidiaries (together referred to as 'the Group').

The condensed half-year accounts for the six months ended 30 June 2010 are unaudited. In the opinion of the Directors, the condensed half-year accounts for the period present fairly the financial position, and results from operations and cash flows for the period. The condensed half-year accounts include unaudited comparative figures for the half year ended 30 June 2009.

The financial information contained in this half-year report does not constitute statutory accounts as defined by section 434 of the Companies Act 2006.

The comparatives for the period ended 31 December 2009 are not the Company's full statutory accounts for that period but have been extracted from the statutory accounts for that period which have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, included references to the going concern note in the accounts to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498 (2) – (3) of the Companies Act 2006.

The half-yearly financial report was approved by the Directors on 17 September 2010 and is available on the Company's website www.woburnenergy.com.

2. Accounting policies

The condensed half-year accounts have been prepared using accounting policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board ("IASB") as adopted for use in the European Union, including IAS 34 'Interim Financial Reporting' and on the historical cost basis. The condensed half-year accounts have been prepared using the accounting policies which are expected to be applied in the Group's next statutory financial statements for the year ending 31 December 2010. The same accounting policies, presentation and methods of computation were applied in the Group's latest audited financial statements for the period ended 31 December 2009, except for the adoption of IAS 1 'Presentation of Financial Statements (Revised)' and IFRS 8 'Operating Segments' in these condensed half-year accounts.

IAS 1 'Presentation of Financial Statements (Revised)' makes certain changes to the format and titles of primary financial statements, including the requirement to present a Statement of Changes in Equity as a primary statement and introduces the possibility of either a single Statement of Comprehensive Income (combining the Income Statement and a Statement of Comprehensive Income) or to retain the Income Statement with a supplementary Statement of Comprehensive Income. The first option has been adopted by Woburn Energy Plc. As IAS 1 is concerned with presentation only it does not have any impact on the results or net assets of the Group.

IFRS 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM"). By contrast the standard which it replaced, IAS 14 'Segmental Reporting', required business and geographical segments to be identified on a risks and rewards approach. The business segmental reporting bases used by the Company in previous years are the same as those which are reported to the CODM, so the changes to the segmental reporting are in respect of the additional disclosure only. The Group currently only has one reportable segment being the exploration for oil and gas and therefore no further disclosures have been made in these condensed half-year accounts on the adoption of IFRS 8.

WOBURN ENERGY PLC

NOTES TO THE UNAUDITED HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2010

3. Going concern

The accounts have been prepared on a going concern basis. During the six month period ended 30 June 2010 the Group made a loss of \$926,010. At 30 June 2010, the Group had net assets of \$6,192,318 (31 December 2009 - \$7,118,328) and net current liabilities of \$1,136,610 (31 December 2009 net current assets - \$379,133). The working capital position of the Group has, therefore, deteriorated by \$1,515,743 in the six months ended 30 June 2010.

At 30 June 2010, the Group had \$1,350,607 of cash and had trade and other payables due within one year outstanding of \$3,445,108. Operating costs of \$3,634,074 are expected to be incurred for the year to 30 June 2011. As at 31 August 2010 the Group had \$1,066,636 of cash with future expected net cash outflows, including operating costs, to 31 August 2011 of \$3,508,844. In view of the current market conditions and the need to continue the exploration activities, the Board continues to review its options, in particular the need for future finance.

The Group is not currently earning significant revenues and therefore is not profitable because it is still in the exploration phase of its business. The Group is therefore reliant on the future support from its existing shareholders or its ability to raise funds in the open market in order to be able to meet its obligations and planned expenditures in the foreseeable future.

The Directors believe that the Group will be able to raise finance from existing or future shareholders in the foreseeable future and that the majority shareholder will continue to provide financial support for the foreseeable future. The Directors therefore believe that the Group will therefore have appropriate levels of financing and will have sufficient cash to fund its activities and to continue its operations for the foreseeable future and for the Group to continue to meet its liabilities as they fall due, and for at least the next twelve months from the date of approval of these financial statements. The financial statements have, therefore, been prepared on the going concern basis.

4. Discontinued operations

Discontinued operations shown in the statement of comprehensive income for the six months comparative period ended 30 June 2009 consist of the disposal of Alhucema Resource Corporation. On 1 August 2009, the Company sold its shareholding in the entire issued share capital of Alhucema Resource Corporation ("ARC") for a consideration of \$Nil. The post-tax loss of the discontinued operations is classified as a single line on the face of the consolidated statement of comprehensive income.

The loss from discontinued operations is as follows:

	Half-year ended 30 June 2009
	\$
Revenue	-
Operating expenses – impairment of exploration assets	1,057,838
Other income	-
Finance costs	-
	<hr/>
	1,057,838
	<hr/> <hr/>

WOBURN ENERGY PLC

**NOTES TO THE UNAUDITED HALF-YEARLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

5. Loss per share

	Half-year ended 30 June 2010	Half-year ended 30 June.2008
	\$	\$
Loss attributable to equity shareholders - Continuing	(633,050)	(756,132)
Loss attributable to equity shareholders - Continuing and Discontinued	(633,050)	(1,315,325)
Weighted average number of shares in issue	232,160,407	168,472,121
	Cents	Cents
Basic loss per share – Continuing	(0.27)	(0.45)
Basic loss per share – Continuing and Discontinuing	(0.27)	(0.78)

The diluted loss per share has also been calculated using the same weighted average number of shares of 232,160,407 (2009: 168,472,121) as all outstanding share warrants are ‘out of the money’.

6. Subsidiary undertakings

Name	Ownership	Principal activity
Las Quinchas Resource Corporation	51%	Oil and gas exploration
Black Rock Oil & Gas Sucursal Colombia	100%	Oil and gas exploration

The Directors have assessed the carrying values of the investments in subsidiaries, both of which are incorporated in Colombia, and in their opinion no impairment provision is considered necessary.

7. Exploration and evaluation assets

	Half-year ended 30 June 2010	Eighteen months ended 31 December 2009
	<i>(Unaudited)</i>	<i>(Audited)</i>
	\$	\$
Cost		
At beginning of period	16,711,430	16,023,143
Additions	96,129	4,058,314
Foreign exchange adjustments	-	(996,317)
Disposals	-	(2,373,710)
At end of period	16,807,559	16,711,430
Impairment		
At beginning of period	(5,018,676)	(5,533,144)
Impairment charge	(4,274,000)	(1,859,242)
Disposed of with subsidiary	-	2,373,710
At end of period	(9,292,676)	(5,018,676)
Net book value	7,514,883	11,692,754

**NOTES TO THE UNAUDITED HALF-YEARLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

7. Exploration and evaluation assets (continued)

The net book value of the exploration and evaluation assets can be analysed in the following geographical areas:

	30 June 2010	31 December 2009
	\$	\$
Europe	-	4,274,000
South America	7,514,883	7,418,754
	<hr/>	<hr/>
	7,514,883	11,692,754
	<hr/> <hr/>	<hr/> <hr/>

The amounts for intangible exploration and evaluation (“E&E”) assets represent costs incurred in relation to the Group’s licences. These amounts will be written off to the income statement as exploration expenses unless commercial reserves are established or the determination process is not completed and there are no indicators of impairment. The outcome of ongoing exploration and evaluation, and therefore whether the carrying value of E&E assets will ultimately be recovered, is inherently uncertain. During the period the Directors decided to relinquish the North Sea Licence P1147 Block 49/8c and therefore have now fully impaired the E&E asset by \$4,274,000. There is a corresponding write back of the non-recourse loan (note 8) which results in no overall effect on the results for the period.

8. Borrowings – Non-recourse loan

In September 2006 the Company entered into an arrangement with Gemini Oil & Gas Fund II, LP (“Gemini”), whereby Gemini is to fund up to US\$4.274 million in respect of the drilling of the Company’s 49/8C-4 well in the Monterey Gas Field of the Southern Gas Basin of the North Sea. The loan has been fully drawn down. The loan is currently interest free and it is without recourse in return for an entitlement for Gemini to receive interest and principal payments based on the Company’s share of future revenues from the Monterey Gas Field. As a result of the relinquishment of the Licence as set out in note 7 above, the Directors obtained agreement from Gemini on 16 August 2010 that the non-recourse loan agreement is no longer repayable and is therefore terminated. As Gemini has no recourse to this liability the loan has been written back to the statement of comprehensive income.

9. Provision for decommissioning

The Directors have considered environmental issues and the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation and the Group’s licence obligations. In their view, apart from the provision for decommissioning of \$185,955 in the consolidated statement of financial position, no further provision is necessary at 30 June 2010 for any future costs of decommissioning or any environmental damage. The reduction of \$493,604 in the provision for decommissioning, from \$679,559 at 31 December 2009 to \$185,955 at 30 June 2010, is due to a change in estimate of the costs to carry out the decommissioning.

WOBURN ENERGY PLC

NOTES TO THE UNAUDITED HALF-YEARLY FINANCIAL REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2010

10. Share capital and share options

	30 June 2010 <i>(Unaudited)</i>	31 December 2009 <i>(Audited)</i>
	\$	\$
Authorised share capital		
1,445,235,888 ordinary shares of 1p each	1,445,235,888	1,445,235,888
21,031,838 deferred shares of 24p each	21,031,838	21,031,838
	<hr/>	<hr/>
	1,466,267,726	1,466,267,726
	<hr/>	<hr/>
	\$	\$
Allotted, called up and fully paid share capital		
232,160,407 ordinary shares of 1p each	3,501,369	3,501,369
21,031,838 deferred shares of 24p each	10,095,282	10,095,282
	<hr/>	<hr/>
	13,596,651	13,596,651
	<hr/>	<hr/>

Share options and warrants

The following equity instruments have been issued by the Company and have not been exercised at 30 June 2010:

Date of grant	Number of warrants	Exercise price	Exercisable between
8 August 2007	377,018	25p	8 August 2007 and 8 August 2010

These warrants were valued at \$190,800 in a prior period and were debited to the Company's share premium account as a cost of issuing shares.

The Company's share price ranged between 2.62p and 1p during the period. The closing share price as at 30 June 2010 was 1p per share.

11. Future exploration expenditure

The Group has no contractual future exploration expenditure commitments and awaits the technical review of its operations in Colombia before making future commitments.

12. Control

The Group is controlled by Cetus Investment Resources Inc which owns 86.15% of the Company. Cetus Investment Resources Inc is a wholly-owned subsidiary of Zaver Petroleum International Inc which is itself a wholly-owned subsidiary of United Paramount Holding Corp. Mr Hashwani is beneficially interested in the entire issued share capital of United Paramount Holding Corp and is therefore the ultimate controlling party.

WOBURN ENERGY PLC

**NOTES TO THE UNAUDITED HALF-YEARLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2010**

13. Material events subsequent to the end of the period

There have been no significant events after the balance sheet date that require disclosure.