

BLACK ROCK OIL & GAS PLC
INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

**CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

	<i>Notes</i>	<i>Six months ended 31 December 2007 (Unaudited) £</i>	<i>Six months ended 31 December 2006 (Unaudited) £</i>
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(692,102)	(682,722)
Group operating loss		(692,102)	(682,722)
Finance income		9,961	15,658
Loss before taxation		(682,141)	(667,064)
Taxation		-	-
Loss for the period		(682,141)	(667,064)
Attributable to:			
Equity holders of the Company		(682,141)	(667,064)
Loss per share			
Basic	3	(2.7p)	(4.8p)
Diluted	3	(2.7p)	(4.8p)

The results shown above relate entirely to continuing operations.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

	<i>Share Capital</i> £	<i>Share Premium</i> £	<i>Share- based Payments Reserve</i> £	<i>Merger Reserve</i> £	<i>Retained Losses</i> £	<i>Total Equity</i> £
Six months ended 31 December 2006						
At 1 July 2006	2,883,564	6,598,271	56,483	212,023	(7,747,978)	2,002,363
Share issues less costs	646,214	706,123	-	-	-	1,352,337
Transfer from merger reserve	-	-	-	(212,023)	212,023	-
Loss for the period	-	-	-	-	(667,064)	(667,064)
Share-based payments costs	-	-	7,180	-	-	7,180
Transfer expiry of warrants	-	-	(17,663)	-	17,663	-
Exchanges difference	-	-	-	-	(366)	(366)
Balance at 31 December 2006	<u>3,529,778</u>	<u>7,304,394</u>	<u>46,000</u>	<u>-</u>	<u>(8,185,722)</u>	<u>2,694,450</u>
Six months ended 31 December 2007						
At 1 July 2007	5,257,756	7,217,202	38,820	-	(8,866,418)	3,647,360
Fractional adjustment on consolidation of shares	203	-	-	-	-	203
Share issues less costs	111,286	1,690,326	-	-	-	1,801,612
Share-based payments costs	-	-	95,400	-	-	95,400
Loss for the period	-	-	-	-	(682,141)	(682,141)
Exchange difference	-	-	-	-	124	124
Balance at 31 December 2007	<u>5,369,245</u>	<u>8,907,528</u>	<u>134,220</u>	<u>-</u>	<u>(9,548,435)</u>	<u>4,862,558</u>
Year ended 30 June 2007						
At 1 July 2006	2,883,564	6,598,271	56,483	212,023	(7,747,978)	2,002,363
Share issues less costs	2,374,192	618,931	-	-	-	2,993,123
Loss for the period	-	-	-	-	(1,380,074)	(1,380,074)
Share-based payments costs	-	-	14,359	-	-	14,359
Transfer from merger reserve	-	-	-	(212,023)	212,023	-
Transfer on expiry of warrants	-	-	(32,022)	-	32,022	-
Exchange of difference	-	-	-	-	17,589	17,589
Balance at 30 June 2007	<u>5,257,756</u>	<u>7,217,202</u>	<u>38,820</u>	<u>-</u>	<u>(8,866,418)</u>	<u>3,647,360</u>

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Notes	31 December 2007 (Unaudited)		30 June 2007 (Unaudited)	
		£	£	£	£
ASSETS					
Non-Current Assets					
Goodwill	4	-		-	
Intangible exploration and evaluation assets	4	6,888,936		5,688,173	
			6,888,936		5,688,173
Current Assets					
Trade and other receivables		22,422		51,115	
Cash and cash equivalents		307,093		246,545	
			329,515		297,660
Total Assets			7,218,451		5,985,833
LIABILITIES					
Non-Current Liabilities					
Loan			(2,139,889)		(2,128,486)
			(2,139,889)		(2,128,486)
Current Liabilities					
Borrowings			-		(8,320)
Trade and other payables			(216,004)		(201,667)
			(216,004)		(209,987)
Total Liabilities			(2,355,893)		(2,338,473)
Net Assets			4,862,558		3,647,360
EQUITY					
Called up share capital	6	5,369,245		5,257,756	
Share premium account		8,907,528		7,217,202	
Merger reserve		-		-	
Share-based payments reserve		134,220		38,820	
Retained losses		(9,548,435)		(8,866,418)	
Total equity – attributable to equity Shareholders of the Company			4,862,558		3,647,360

This financial information was approved by the Board of Directors on 28 March 2008 and signed on its behalf by:

P J Kitson
Finance Director

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

	<i>Six months ended 31 December 2007 (Unaudited) £</i>	<i>Six months ended 31 December 2006 (Unaudited) £</i>
Cash outflow from operating activities		
Group operating loss	(692,102)	(682,722)
Adjustment for items not requiring an outlay of funds:		
Foreign exchange differences	124	(366)
Share-based payments charge	-	7,180
National insurance write-back from share warrants	-	(7,347)
Adjustments arising from consolidation of shares	203	-
Operating loss before changes in working capital	(691,775)	(683,255)
Decrease/(increase) in receivables and prepayments	28,693	(482)
Increase in trade and other payables	14,337	415,727
Increase on translation of US\$ loan	11,403	-
Cash used in operations	(637,342)	(268,010)
Net cash used in operating activities	(637,342)	(268,010)
Investing activities		
For exploration and evaluation	(1,200,763)	(3,665,320)
Payments to purchase plant and equipment	-	(273)
Interest received	9,961	15,658
Net cash used in investing activities	(1,190,802)	(3,649,935)
Financing activities		
Proceeds from issue of ordinary share capital	2,003,250	1,394,814
Share issue costs	(106,238)	(69,700)
Proceeds from non-recourse US\$ loan	-	2,181,614
Net cash from financing activities	1,897,012	3,506,728
Increase/(decrease) in cash and cash equivalents	68,868	(411,217)
Cash and cash equivalents and borrowings at beginning of period	238,225	551,723
Cash and cash equivalents and borrowings at end of period	307,093	140,506
Borrowings	-	-
Cash and equivalents	307,093	140,506

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

1. Introduction

In the year ended 30 June 2007, Black Rock Oil & Gas Plc (“the Company”) and its subsidiaries (together “the Group”) prepared its consolidated financial statements under UK generally accepted accounting principles (“UK GAAP”). With effect from 1 July 2006, the Company is required by the AIM rules to prepare its consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”). The Group will therefore, prepare both its consolidated financial statements and its parent company financial statements for the year ending 30 June 2008 in compliance with IFRS. The Group will present one year of comparative IFRS information for the year ended 30 June 2007 and consequently the date of transition is 1 July 2006 (“transition date”) being the first day of the comparative period. The first published results to be prepared on an IFRS basis are these results for the six months ended 31 December 2007, which include comparative financial information for the six months ended 31 December 2006.

The comparative figures for the year ended 30 June 2007 prepared under IFRS are not the Group’s statutory accounts for that financial year. Those accounts, which were prepared under UK GAAP, have been reported on by the Group auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 237(2) or (3) of the Companies Act 1985. The financial information for the six months ended 31 December 2007 and 31 December 2006 is unaudited and does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

Information required by AIM rule 26 is available in the investor relations section of the Group’s website at www.blackrockoil.com.

The Company is listed on AIM, the Alternative Investment Market of the London Stock Exchange, and has the TIDM code BLR.

This interim report, including the Group’s consolidated financial information, was authorised for issue by the board of directors on 28 March 2008 and is available on the Company’s website, www.blackrockoil.com.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial information in accordance with IFRS, as set out below. These policies have been consistently applied to all periods presented.

2.1 Basis of preparation and going concern

This interim consolidated financial information of the Company and its subsidiaries are for the six months ended 31 December 2007. This has been prepared in accordance with IAS 34 “Interim Financial Reporting”, and is covered by IFRS 1 “First-time adoption of IFRS”, because it is part of the period covered by the Group’s first IFRS financial statements for the year ending 30 June 2008. This interim financial information has been prepared in accordance with those IFRS standards effective as at the time of preparing this interim report. The IFRS standards that will be applicable at 30 June 2008, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing this interim report.

UK GAAP differs in some areas from IFRS. In preparing this consolidated interim financial information, the Directors have considered certain accounting, valuation and consolidation methods applied in the UK GAAP financial statements to comply with IFRS.

Reconciliations and descriptions of the effect of the transition from UK GAAP to IFRS on the Group’s equity, net assets, net income and cash flows are provided in note 9. In this case, the reconciliations disclose no changes between the amounts shown under UK GAAP and IFRS.

The consolidated financial information has been prepared under the historical cost convention and in accordance with International Financial Reporting Standards, as adopted by the European Union and IFRS 6 “Exploration for and Evaluation of Mineral Reserves” and in accordance with the Companies Act 1985.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

2.1 Basis of preparation and going concern (continued)

The consolidated financial information has also been prepared on a going concern basis. The Group's ability to continue as a going concern is contingent upon raising additional funds to cover working capital requirements. In the absence of being able to raise funds, the going concern basis may not be appropriate with the result that the Group may have to realise its assets and extinguish its liabilities other than in the ordinary course of business at amounts different from those stated in this interim report. No allowance for such circumstances has been made in this interim report as the directors believe that the Group will be able to raise further funds in the future. The Company entered into a financing arrangement with Prospero Hydrocarbons Inc, a private Canadian based oil and development company with interests in Colombia, in respect of the Company's interests in its Colombian assets after 31 December 2007 to fund up to \$5,439,015 of exploration costs.

2.2 Basis of consolidation

The consolidated accounts incorporate the accounts of the Company and its subsidiary undertakings and have been prepared by using the principles of acquisition accounting ("the purchase method"), which includes the results of the subsidiaries from their date of acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation.

2.3 Goodwill

Goodwill is the difference between the amount paid on the acquisition of the subsidiary undertaking and the aggregate fair value of its separable net assets. Goodwill is capitalised as an intangible fixed asset and in accordance with IFRS 3 is not amortised but tested for impairment annually or when there are any indications that its carrying value is not recoverable. As such, goodwill is stated at cost less any provision for impairment in value. If a subsidiary undertaking is subsequently sold, goodwill arising on acquisition is taken into account in determining the profit and loss on sale of the subsidiary.

2.4 Exploration and evaluation expenditure

All licence/project acquisitions, exploration and evaluation costs incurred or acquired on the acquisition of subsidiary undertakings, are accumulated in respect of each identifiable project area. These costs, which are classified as intangible fixed assets are only carried forward to the extent that they are expected to be recouped through the successful development of the areas or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves (successful efforts). Pre-licence/project costs are written off immediately. Other costs are also written off unless commercial reserves have been established or the determination process has not been completed. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences the accumulated costs for the relevant area of interest are amortised over the life of the commercial reserves on a unit of production basis.

2.5 Decommissioning costs

Where a material liability for the removal of production facilities and site restoration at the end of the field life exists, a provision for decommissioning is recognised. The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements. An asset of an amount equivalent to the provision is also created and depreciated on a unit of production basis. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated asset.

2.6 Impairment of oil and gas exploration expenditure

The carrying value of unevaluated areas is assessed on at least an annual basis or when there has been an indication that impairment in value may have occurred. The impairment of unevaluated prospects is assessed, based on the Directors' intention with regard to future exploration and development of individual significant areas and the ability to obtain funds to finance such exploration and development.

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2007

2.7 Foreign currencies

i) *Functional and presentational currency*

Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Pounds Sterling ("£"), which is the Group's functional and presentation currency.

ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Transactions in the accounts of individual group companies are recorded at the rate of exchange ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. All differences are taken to the income statement.

iii) *Group companies*

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions); and
- c) all resulting exchange differences are recognised as a separate component of equity (cumulative translation adjustment).

2.8 Deferred tax

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

2.9 Share based payments

The Company made share-based payments to certain directors and employees by way of issues of share warrants. The fair value of these payments is calculated by the Company using the Black Scholes option pricing model. The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of shares that will eventually vest.

2.10 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost and comprise cash in hand, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities on the balance sheet. For the purposes of the cash flow statement, cash and cash equivalents also include the bank overdrafts.

2.11 Critical accounting judgements and estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates. IFRS's also requires management to exercise its judgement in the process of applying the Group's accounting policies.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

2.11 Critical accounting judgements and estimates (continued)

The prime area involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, is as follows:

Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of whether there are any indications that its carrying value is not recoverable.

3. Loss per ordinary share

The basic loss per ordinary share has been considered using the loss attributable to equity shareholders for the financial period of £682,141 (December 2006 – loss of £667,064) and the weighted average number of ordinary shares in issue of 24,913,893 (December 2006 – 13,984,992). The weighted average number of shares for 2006 has been adjusted to reflect the consolidation of shares on 3 July 2007 (note 6).

The diluted loss per share has been kept the same as the basic loss per share as the conversion of the share options decreases the basic loss per share, thus being anti-dilutive.

4. Intangible assets

The movements of the Group's intangible assets during the period were as follows:

	<i>Exploration and evaluation assets £</i>	<i>Goodwill £</i>	<i>Total £</i>
Cost			
At 1 July 2007	6,236,777	503,397	6,740,174
Additions during the period	1,200,763	-	1,200,763
At 31 December 2007	7,437,540	503,397	7,940,937
Amortisation and impairment			
1 July 2007	(548,604)	(503,397)	(1,052,000)
Provision for the period	-	-	-
At 31 December 2007	(548,604)	(503,397)	(1,052,000)
Net book value			
At 31 December 2007	6,888,936	-	6,888,936
At 30 June 2007	5,688,173	-	5,688,173

5. Decommissioning expenditure

The Directors have considered the environmental issues and the need for any necessary provision for the cost of rectifying any environmental damage, as might be required under local legislation. In their view, no provision is necessary at 31 December 2007 for any future costs of decommissioning or any environmental damage.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

6. Share capital and share options

	<i>31 December 2007</i>	<i>30 June 2007</i>
	£	£
Authorised		
295,235,890 ordinary shares of 1p each (note (b) below)		
(June 2007 1,600,000,000 ordinary shares of 0.5p each)	2,952,359	8,000,000
21,031,837 deferred shares of 24p each (June 2007: Nil)	5,047,641	-
	<u>8,000,000</u>	<u>8,000,000</u>
Allotted, called up and fully paid		
32,160,407 ordinary shares of 1p each		
(June 2007 – 1,051,591,894) ordinary shares of 0.5p each	321,604	5,257,755
21,031,837 deferred shares of 24p each (June 2007: Nil)	5,047,641	-
	<u>5,369,245</u>	<u>5,257,756</u>

The share capital issues in the six months ended 31 December 2007 were are follows:

	Number of 1p ordinary shares	Number of 24p deferred shares	Number of 0.5p ordinary shares
As at 1 July 2007	-	-	1,051,591,894
Consolidation 50 ordinary shares of 0.5p to one 25p ordinary share (note (a) below)	21,031,837	21,031,837	(1,051,591,894)
Shares issued	11,129,167	-	-
Shares cancelled	(597)	-	-
As at 31 December 2007	<u>32,160,407</u>	<u>21,031,837</u>	<u>-</u>

The details of warrants at 31 December 2007 were as follows:

	<i>Number of warrants of 50p each</i>
At 1 July 2007 – prior to consolidation of ordinary shares	10,000,000
Eliminated on consolidation of warrants (note (c) below)	<u>(9,800,000)</u>
Following consolidation of warrants	200,000
Issued during the period (note (d) below)	<u>377,018</u>
At 31 December 2007	<u><u>577,018</u></u>

(a) By a special resolution passed on 3 July 2007, every fifty of the existing issued ordinary shares of 0.5p in the capital of the Company were consolidated and sub-divided into one ordinary share of 1p and one deferred share of 24p. The deferred shares have no voting or dividend rights.

(b) Furthermore, for every two of the existing authorised but unissued shares (ie. comprising 548,408,106 unissued shares) of 0.5p each in the capital of the Company were consolidated and reclassified as one ordinary share of 1p, ranking pari passu with ordinary shares of 1p each referred to in the previous paragraph. The total number of authorised ordinary shares immediately following consolidation came to 295,235,890, including 21,031,837 issued shares at that date.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

6. Share capital and share options (continued)

(c) On consolidation of ordinary shares, every fifty of the existing warrants were consolidated and sub-divided into one warrant. Thus, 10,000,000 warrants with a subscription price of 1p each were converted to 200,000 warrants with a subscription price of 50p each, exercisable at any time up to 18 April 2009.

(d) On 8 August 2007, the Company issued 377,018 warrants to VSA Resources Limited (“VSA”) being 8% of £1,192,500 raised on placing the Company’s new ordinary shares on 18 January 2007. These warrants are exercisable at 25p each at any time between 8 August 2007 and 8 August 2010. An additional cash sum of £95,400 was paid to VSA on 31 January 2007. The total commission payable, in cash and warrants, to VSA represented 16% of the cash raised on placing the Company’s ordinary shares on 18 January 2007.

7. Exploration and evaluation expenditure commitments

In order to maintain an interest in the oil and gas permits in which the Group is involved, the Group is committed to meet the conditions under which the permits were granted and the obligations of any joint operating agreements. The timing and amount of exploration expenditure commitments and obligations of the Group are subject to the work programme required as per the permit commitments may vary significantly from the forecast based upon the results of the work performed. Exploration results in any of the projects may also result in variation of the forecast programmes and resultant expenditure. Such activity may lead to accelerated or decreased expenditure. It is the Group's policy to seek joint operating partners at an early stage to reduce its commitments. For the matters set out in note 8 below, the Group did not have any commitments at 31 December 2007.

	<i>31 December 2007</i>	<i>30 June 2007</i>
	£	£
Due within not more than one year	-	788,000
Due between one and two years	-	3,197,000
	<u>-</u>	<u>3,985,000</u>

8. Events after the balance sheet date

On 27 February 2008, the Company agreed the terms of an arrangement to develop further the Company’s interests in the Las Quinchas Association Contract. Prospero Hydrocarbons Inc (“Prospero”), a private Canadian based oil exploration and development company, has agreed to invest up to US\$4,000,000 (in tranches matching the cash calls required in respect of Las Quinchas) for an equity interest of 49% in Las Quinchas Resource Corp, a Barbados based subsidiary, which now holds the Company’s interests in the Las Quinchas Association Contract in the Middle Magdalena Valley of Colombia. Additionally, Prospero’s management agreed to assist in technical evaluations and a nominee of Prospero will join the board of the Company.

On 4 March 2008, the Company assigned its interest in the Alhucema E & P contract to its Barbados based subsidiary, Alhucema Resource Corp. In consideration for the cancellation of the Alhucema Bridge note (pursuant to which Prospero provided an initial bridge loan of US\$1,439,015 to Alhucema Resource) and the cancellation of the Alhucema Bridge subscription (pursuant to which Prospero was entitled to subscribe £734,030 for new ordinary shares of 1p each in the capital of the Company), Prospero was issued shares in Alhucema Resource Corporation representing 49% of the share capital of that company.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

9. Transition from UK GAAP to IFRS

The Group's first published results which have been prepared on an IFRS basis are these for the six months ended 31 December 2007, which include comparative IFRS financial information for the six months ended 31 December 2006 (in case of income statement) and the year ended 30 June 2007 (in case of balance sheet).

Set out below are extracts from the Group's consolidated financial statements for the year ended 30 June 2007 and the consolidated financial information for the six months ended 31 December 2006 restated in accordance with IFRS including the income statements and balance sheets showing in each case the equivalent statement under UK GAAP and reconciliations between UK GAAP and IFRS. These statements constitute preliminary comparative IFRS financial information in the context of the financial information for the six months ended 31 December 2007. This note also includes the Group's balance sheet under IFRS at the transition date (1 July 2006), together with reconciliation to the originally published UK GAAP balance sheet at that date. Although there are no adjustments, the reconciliations on the balance sheets and the income statement (being the two major statements in the financial information) are shown for a clearer understanding of the effect of transition to IFRS. Cash flow statements, however, have not been prepared as there are no adjustments. Furthermore, as the financial information on the Company is not required for the purposes of the interim report and there are no adjustments to the Company's financial information resulting from the transition from UK GAAP to IFRS, no financial information is shown below for the Company.

Exemptions

IFRS 1 'First-time Adoption of International Financial Reporting Standards' permits companies adopting IFRS for the first time to take certain exemptions from the full requirements of IFRS in the transition period. The interim financial information has been prepared on the basis of the following material exemption.

a) Net book value as deemed cost

IFRS 1 does not require a company to recreate cost information for property, plant and equipment and goodwill. The Group's net book value of goodwill at 1 July 2006 is the deemed cost under IFRS going forward. These costs will therefore be used as the basis for subsequent impairment tests for goodwill.

Factors affecting the changes on transition to IFRS

The changes on the transition to IFRS arise from the following principal factors:

(i) Presentation of financial information

Presentation has been changed to be in compliance with IAS 1: 'Presentation of Financial Statements' and terminology has also been changed to reflect headings used in IFRS.

The cash flow statements are presented in accordance with IAS 7 'Cash Flow Statements'. Cash flows have been grouped under three main headings, cash flows from operating, investing and financing activities; these headings differ from those presented under UK GAAP.

Accounting estimates

IFRS 1 prohibits the use of hindsight to correct estimates made under previous GAAP unless there is objective evidence of error. The Group used the same estimates made under UK GAAP for the opening IFRS balance sheet at 1 July 2006.

Statement of directors' responsibilities

The directors consider, in preparing the preliminary comparative IFRS financial information, that the Company and the Group have used appropriate accounting policies, consistently applied and supported by reasonable and supportable judgments and estimates; and these accounting principles include the assumptions the directors have made about the standards and interpretations expected to be effective, and the policies expected to be adopted, when they prepare the first complete set of IFRS financial statements for the year ending 30 June 2008. All accounting standards which the directors consider to be applicable have therefore been followed including the preparation of the preliminary comparative IFRS financial information.

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

Reconciliations

Balance sheet at 1 July 2006 (date of transition)

	UK GAAP £	Effect of transition to IFRS £	IFRS £
Assets			
Non-current assets			
Intangible exploration & evaluation assets	1,576,740	-	1,576,740
	1,576,740	-	1,576,740
Current assets			
Trade and other receivables	62,340	-	62,340
Cash and cash equivalents	551,723	-	551,723
	614,063	-	614,063
Total assets	2,190,803	-	2,190,803
Liabilities			
Current liabilities			
Trade and other payables	(181,093)	-	(181,093)
	(181,093)	-	(181,093)
Non-current liabilities			
Provisions for liabilities and charges	(7,347)	-	(7,347)
Total liabilities	(188,440)	-	(188,440)
Net assets	2,002,363	-	2,002,363
Equity			
Share capital	2,883,564	-	2,883,564
Share premium account	6,598,271	-	6,598,271
Merger reserve	212,023	-	212,023
Other reserves	56,483	-	56,483
Retained losses	(7,747,978)	-	(7,747,978)
Total equity and reserves	2,002,363	-	2,002,363

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

Reconciliations (continued)

Balance sheet at 31 December 2006 (comparative interim date)

	UK GAAP	Effect of transition to IFRS	IFRS
	£	£	£
Assets			
Non-current assets			
Intangible exploration & evaluation assets	5,242,060	-	5,242,060
Tangible assets	-	-	-
	5,242,060	-	5,242,060
Current assets			
Trade and other receivables	62,822	-	62,822
Cash and cash equivalents	140,506	-	140,506
	203,328	-	203,328
Total assets	5,445,388	-	5,445,388
Liabilities			
Current liabilities			
Trade and other payables	(569,597)	-	(569,597)
	(569,597)	-	(569,597)
Non-current liabilities			
Borrowings	(2,181,614)	-	(2,181,614)
	(2,181,614)	-	(2,181,614)
Total liabilities	(2,751,211)	-	(2,751,211)
Net assets	2,694,450	-	2,694,450
Equity			
Share capital	3,529,778	-	3,529,778
Share premium account	7,304,394	-	7,304,394
Merger reserve	-	-	-
Other reserves	46,000	-	46,000
Retained losses	(8,185,722)	-	(8,185,722)
Total equity and reserves	2,694,450	-	2,694,450

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

*Reconciliations (continued)***Balance sheet at 30 June 2007 (comparative year end date)**

	UK GAAP	Effect of	IFRS
	£	transition	£
		to IFRS	
		£	
Assets			
Non-current assets			
Intangible assets – goodwill	5,688,173	-	5,688,173
Property plant and equipment	-	-	-
	<u>5,688,173</u>	<u>-</u>	<u>5,688,173</u>
Current assets			
Trade and other receivables	51,115	-	51,115
Cash and cash equivalents	246,545	-	246,545
	<u>297,660</u>	<u>-</u>	<u>297,660</u>
Total assets	<u>5,985,833</u>	<u>-</u>	<u>5,985,833</u>
Liabilities			
Current liabilities			
Borrowings	(8,320)	-	(8,320)
Trade and other payables	(201,667)	-	(201,667)
	<u>(209,987)</u>	<u>-</u>	<u>(209,987)</u>
Non-current liabilities			
Borrowings	(2,128,486)	-	(2,128,486)
	<u>(2,128,486)</u>	<u>-</u>	<u>(2,128,486)</u>
Total liabilities	<u>(2,338,473)</u>	<u>-</u>	<u>(2,338,473)</u>
Net assets	<u>3,647</u>	<u>-</u>	<u>-</u>
Equity			
Share capital	5,257,756	-	5,257,756
Share premium account	7,217,202	-	7,217,202
Merger reserve	-	-	-
Other reserves	38,820	-	38,820
Retained losses	(8,866,418)	-	(8,866,418)
Total equity and reserves	<u>3,647,360</u>	<u>-</u>	<u>3,647,360</u>

**NOTES TO THE FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED 31 DECEMBER 2007**

Reconciliations (continued)

Income statement for six months ended 31 December 2006 (comparative interim period)

	UK GAAP £	Effect of transition to IFRS £	IFRS £
Revenue	-	-	-
Cost of sales	-	-	-
Gross profit	-	-	-
Operating expenses	(682,722)	-	(682,722)
Operating loss	(682,722)	-	(682,722)
Finance costs – net	15,658	-	15,658
Loss before tax	(667,064)	-	(667,064)
Tax	-	-	-
Loss for the period	(667,064)	-	(667,064)

Income statement for year ended 30 June 2007 (comparative annual period)

	UK GAAP £	Effect of transition to IFRS £	IFRS £
Revenue	-	-	-
Cost of sales	-	-	-
Gross profit	-	-	-
Operating expenses	(1,400,921)	-	(1,400,921)
Operating loss	(1,400,921)	-	(1,400,921)
Finance costs – net	20,847	-	20,847
Loss before tax	(1,380,074)	-	(1,380,074)
Tax	-	-	-
Loss for the period	(1,380,074)	-	(1,380,074)

**GROUP INFORMATION
AS AT 31 DECEMBER 2007**

Directors: Antony Brian Baldry MP, MA, LLB, FChI Arbitrators
Chairman (Non-Executive)
John Malcolm Cubitt BSc, PhD, CGeol
Managing Director
Peter John Kitson FCCA
Finance Director
Christopher Robertson Kinley Moore, MA, FGS
Director (Non-Executive)

Company Secretary: Watlington Securities Limited

Registered Office: 36 Elder Street
London
E1 6BT

Telephone: 020 7588 7352
Facsimile: 020 7377 2946

Business address Davidson House
Forbury Square
Reading
Berkshire RG1 3EU

Telephone: 011 8900 1350
Facsimile: 011 8900 1351
Email: info@blackrockoil.com
Web: www.blackrockoil.com

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

Company number: 04128401

Nominated Adviser: Beaumont Cornish Limited
5th Floor
10-12 Copthall Avenue
London EC2R 7DE

Telephone: 020 7628 3396
Facsimile: 020 7628 3393

DIRECTORS, SECRETARY AND ADVISERS

Broker: Hanson Westhouse Limited
12th Floor
One Angel Court
London EC2R 7HJ

Telephone: 020 7601 6100
Facsimile: 020 7796 2713

Solicitors: Field Fisher Waterhouse LLP
35 Vine Street
London EC3N 2AA

Telephone: 020 7861 4000
Facsimile: 020 7488 0084

Group Auditors: UHY Hacker Young LLP
Quadrant House
17 Thomas More Street
Thomas More Square
London E1Y 1YW

Telephone: 020 7216 4600
Facsimile: 020 767 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

Public relations: Aquila Financial Limited
181 Union Street
London SE1 0LN

Telephone: 020 7202 2600
Facsimile: 020 7202 2608

Bankers: Barclays Bank PLC
London Business Banking
7th Floor
United Kingdom House
180 Oxford Street
London W1D 1EA