Rose Petroleum plc

Interim Report

for the six months to

30 June 2014

Rose Petroleum plc

("Rose" or the "Company")

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PERIOD HIGHLIGHTS

OIL & GAS

- Signed 230,000 gross acre farm-in located in the Paradox and Uinta Basins of Utah, U.S.A.
- Formed two wholly owned U.S.A. subsidiaries; Rose Petroleum (US) LLC and Rose Petroleum (Utah) LLC
- Raised £6.5m before costs to fund initial drill programme
- Completed acquisition/application for 3 licences totalling 1.27m acres in Germany
- Ryder Scott Company evaluated Prospective Resources in Utah
- Unrisked Prospective (Recoverable) Hydrocarbon Resources on a Best Case (P50 equivalent) basis:
  - collective total Mancos Shale (Uinta Basin) and Paradox Formation (Paradox Basin) combined:
    - 1,452.86 MMBO (million barrels of oil) (1.45 billion barrels of oil)
    - 4,791.85 BCFG (billion cubic feet of gas) (4.79 trillion cubic feet of gas)
  - collective total Best Case (P50 equivalent) in the Paradox formation:
    - 966.37 MMBO (966 million barrels of oil)
    - 1,888.46 BCFG (1.88 trillion cubic feet of gas)
  - collective total Best Case (P50 equivalent) in the Mancos Shale:
    - 486.49 MMBO (486 million barrels of oil)
    - 2,903.39 BCFG (2.90 trillion cubic feet of gas)
- Commenced evaluation of a potential strategic acquisition in the Uinta Basin

MINING

- Gold/silver production and milling, Mexico
- Completion of Diablito and La Colorada Mines
- Commenced operations at Maria Fernanda Mine (60:40 JV)

COPPER PORTFOLIO

- Joint venture agreement entered into with Lowell Copper Ltd on TC Project in State of New Mexico, U.S.A.
- Discussions with potential partners underway in order to fund drilling on other projects
- Property positions being maintained under care and maintenance

URANIUM PORTFOLIO

- Mineral lease application filed with State of Arizona on Wate project which contains NI 43-101 compliant inferred resource of 1.118m Ibs eU_3O_8 held jointly with Uranium One Americas continues in process
- Uranium exploration programme on projects other than Wate continues on care and maintenance

POST PERIOD HIGHLIGHTS

OIL & GAS

- Appointed John Blair (previously Head of New Ventures) to the Board of Directors of Rose Petroleum plc and as CEO of Rose Petroleum (US) LLC and Rose Petroleum (Utah) LLC
- Opened and fully staffed office in Denver, CO U.S.A. with technical and operating team
- The first of several planned 3D seismic acquisitions is underway
- The initial Uinta well location has been finalised with a scheduled spud date in Q4 2014
- A State Unit is being formed to unitise approximately 12,000 gross acres that were previously not within a Unit, either Federal or State.
- Commencement of operations scheduled for the 16-42 Paradox well's completion in Q4 2014
- Continued due diligence on the strategic acquisition within our Mancos area of operations which, if the Board decides to proceed, is scheduled to close in Q4 2014
- Acquired and analysed well core samples on the Weiden Licence in Germany

MINING

- Joint venture and earn in option agreement signed with Minera Camargo S.A. de C.V. on 39.5 km^2 property hosting separate copper and molybdenum porphyry mineralisation as well as near-term production potential from high-grade gold/silver veins
- Joint venture agreement signed with Minera Pafex S.A. de C.V. on Mina Charay property hosting drill-based resource of 29,000 ounces gold and 173,000 ounces silver in high-grade veins

CHAIRMAN'S STATEMENT

I am pleased to report to our shareholders that the first half of 2014 has transformed your company across many fronts. We utilised a significant amount of the cash generated in Mexico in order to assist with the funding of the Company's entrance into oil & gas, although this put short term pressure on the Mexico operations, the benefits have been clear to see and our recently announced projects in Mexico should resolve this short term issue.

We have also carried out a successful equity placing raising £6.5m before costs. The executive team led by Matthew Idiens and John Blair were delighted by the response they received during the fundraising presentations which shows the value that the market places on the oil & gas properties we have secured in Utah, U.S.A.

The new funds raised are being invested in the development of the Company's Oil & Gas division. Our oil & gas interests now include our flagship 230,000 acre projects in the Paradox and Uinta Basins of Utah as well as our, now non-core, properties in Germany. In May, we announced that Ryder Scott Company had evaluated the Prospective Resources attributable to our Utah interests, the results of which are tabulated below in the Review of Operations.

In order to give a project of this scale the best chance of success it is essential to build an experienced operations team. We have done this and I am pleased to welcome our new oil & gas team who have significant experience in US unconventional resources including operating in the Bakken, Marcellus, Niobrara and Arkansas-Fayetteville Shale. They are based at our new office in Denver which is the headquarters of the newly-formed subsidiary, Rose Petroleum (US) LLC. Full details of the appointees may be found in the Operations Review. The board has also been strengthened by the appointment of John Blair to the main board immediately after the period end.

We have commenced operations in Utah, which includes a successful well integrity test, permitting the initial 3D seismic programme and finalising design for the completion of the Shut-in well in the Paradox basin. We also expect to spud our first well in the Uinta Basin targeting the Mancos Shale and also conventional liquids-rich gas reservoirs just below the Mancos shale, both in Q4 this year. Rose is continuing to evaluate a potential strategic acquisition for which the due diligence phase is underway. Full details will be announced in due course.

In Mexico we have now completed operations at the Diablito and La Colorada Mines and commenced mining at the Saltito Mine. Operations are now focused mainly on two additional properties; the profit share on the high grade Mina Charay Mine and a joint venture with Minera Camargo. The joint venture we have signed with Minera Camargo covers nearly 40 square kilometres and covers two separate "drill ready" porphyry copper and molybdenum anomalies. It also includes near-term potential for high-grade gold and silver production. At Mina Charay, a property we first explored some nine years ago and in respect of which we have now signed a joint venture agreement with Minera Pafex, we expect to source high-grade ore which we anticipate will contain 10g/T gold and 60g/T silver. The cash flow generated from the mining/milling operations in Mexico will be used towards the funding of the hard rock exploration programmes.

In the U.S.A. the Company's AVEN subsidiary, focused on porphyry copper exploration, has also signed an option agreement with Lowell Copper on AVEN's TC project located in New Mexico along the well-known Hillsboro-Chino-Tyrone-Lordsburg-Bisbee porphyry copper belt. Lowell has the right to an earn-in up to 70% by spending US$6.25m on the project. Additional property positions are also being maintained at several other south western U.S.A. locations.

The Company's uranium programme operates through its wholly owned subsidiary VANE Minerals (US) LLC. It consists of a 50:50 joint venture with Uranium One (U1) in northern Arizona. The core of the joint venture is the Wate breccia pipe, which has a compliant resource of 1.118m lbs eU_3O_8. This enterprise is held in Wate Mining Company LLC under the equal ownership of VANE and U1. VANE and U1 have agreed to place the assets on a care and maintenance status and we are actively seeking to dispose of the uranium portfolio.

The next few months will be an exciting time for the Company as outlined below in the review of operations. We would like to thank our shareholders for their continuing support and our employees for their efforts and we look forward to updating you with our progress throughout the rest of the year.

Rt Hon Earl of Kilmorey PC
Chairman
29 September 2014

REVIEW OF OPERATIONS

OIL & GAS DIVISION

The Company's year-end report for 2013 stated the Company's intentions to focus its activity primarily in the oil & gas sector. More specifically, it intended to do so with a significant and material entry into the U.S.A. unconventional resource arena with the farm-in of 230,000 gross acres in the Paradox and Uinta Basins of Utah. In March, Rose signed the agreement under which we can earn-in a 75% working interest in the 230,000 acres, covering the two prolific producing Basins. The agreement means Rose carries the seller, who retains a 25% interest, for the first US$17m spend on the projects, split between the two basins, US$7.5m in the Paradox Basin and US$9.5m in the Uinta Basin. The basins are two different resource plays, with the Uinta Basin targets at a maximum depth of 3,200ft and in the Paradox, a maximum of 10,500ft deep. The following reserve guidance from Ryder Scott was provided by the consultants on these assets in May 2014:

Table 1: Estimated Gross Volumes Unrisked Undiscovered Original Hydrocarbon In-Place (OOIP & OGIP) in the Mancos Shale (Uinta Basin) and Paradox Formation (Paradox Basin):

Prospect/ Formation	OOIP - MMBO			OGIP – BCFG		
	P90	P50	P10	P90	P50	P10
Mancos Shale Collective Total	14,545	17,309	20,383	81,059	103,265	129,231
Paradox Formation Collective Total	15,876	19,139	23,008	26,005	32,999	41,300
Total	30,421	36,448	43,391	107,064	136,264	170,531

(MMBO = million barrels oil, BCFG = billion cubic feet gas)

Table 2: Estimated Gross Volumes Unrisked Prospective Recoverable Hydrocarbon Resources (Estimated Ultimate Recoverable Reserves -EUR) in the Mancos Shale (Uinta Basin) and Paradox Formation (Paradox Basin):

Prospect / Formation	EUR Oil/Condensate - MMBO				EUR Gas – BCFG			
	Low	Best	High	Mean	Low	Best	High	Mean
Mancos Totals	168.20	486.49	1,376.11	666.11	995.13	2,903.39	8,272.99	3,998.72
Paradox Totals	452.27	966.37	1,994.50	1,115.29	874.43	1,888.46	3,913.55	2,187.46

(Full Report available on the website: www.rosepetroleum.com)

Appointment of Technical and Operating Team and opening of Denver office

The Company's new Denver office is now fully staffed with its Technical and Operating Team. Team members include:

Ty Watson as Sr. VP of Operations who joins Rose with over 29 years of experience working across a broad segment of the oil & gas industry with Schlumberger (NYSE: SLB), Shell (NYSE: RDS), Williams (NYSE: WMB), Enerplus (NYSE: ERF) and most recently at Great Western Oil & Gas where he held the same position as he currently holds with Rose. Ty has considerable unconventional resource operations experience in the region of the Company's assets.

Dave Patterson who is the VP of Geology with over 32 years of experience working throughout the U.S.A. with both large and small companies. Dave started his career with Tenneco and subsequently joined such successful U.S.A. Independents as Carrizo Oil & Gas (NASDAQ: CRZO), Davis Petroleum (Marvin Davis' company) and most recently Ultra Petroleum (NYSE: UPL) where he was Exploration Manager.

Wade Pollard is the Company's VP of Land. Wade is a Certified Petroleum Landman and has over 15 years of oil & gas land experience as an independent lease broker as well as in-house with El Paso Corp. which was acquired by Kinder Morgan (NYSE: KMI), Southwestern Energy (NYSE: SWN), Hilcorp Energy, Nobel Energy (NYSE: NBL) and most recently Great Western Oil & Gas where he was Land Manager. Wade has extensive land experience in unconventional resource plays across the region of Rose's assets. Wade is the Past-President of the Denver Association of Petroleum Landmen.

Savilla Cribbs is the Company's in-house Technician with over 12 years of experience. She joins from Samson Resources where she ran pre-drill data on oil prospects in the Greater Green River and Powder River Basins and tracked reserves for quarterly and annual reporting to the qualified Person.

The Company also appointed John Blair as CEO of its two wholly owned oil & gas subsidiaries; namely, Rose Petroleum (US) LLC and Rose Petroleum (Utah) LLC. John previously held the position of Head of New Ventures with the Group and has now also been appointed to the main board as Director of Oil & Gas. John has had 27 years of experience in the upstream oil & gas industry and was previously Senior Vice President of Knowledge Reservoir, a global oil & gas consulting firm, which was sold to the RPS Group in 2013. He founded, and was President of three successful private U.S. independent oil & gas companies with significant combined asset values. John has extensive experience in identifying, analysing and negotiating oil & gas investment opportunities worldwide and is considered as a recognised expert in both conventional and unconventional oil & gas exploration and development. He has particular expertise in operating in the Utah area, having operated there for 17 years.

Paradox Basin, Utah

Rose has selected Dawson Geophysical Company (http://www.dawson3d.com/) as its contractor to acquire Rose's first of several proposed 3D seismic surveys across its assets. The permitting process has commenced for this initial 3D survey which is 61 square miles and is located across the southern portion of Rose's Gunnison Valley Federal Exploratory Unit ("GVU") in Grand County, Utah. The GVU consists of 53,663 gross acres. Within the GVU and the 3D survey is located the State 16-42 well which Rose acquired through its 230,000 acre farm-in.

The Company is finalising its completion design for the 16-42 well in the Paradox Formation and is scheduled to begin those operations in Q4 2014. Ryder Scott has assigned prospective resources to 15 intervals in this well. Similar looking wells of Fidelity's to the south of the GVU have been assigned ultimate recoverable reserves ranging from 500 MBO to over 3.0 MMBO when all of the productive zones are ultimately completed and produced. The 16-42 offers the Company a significant cost savings in the order of US$6m to $8m to establish initial production from the Paradox since Rose does not have to incur the cost to drill and case this well but rather only those costs associated with its completion. The Company recently completed a successful Mechanical Integrity Test on this well.

The Uinta Basin, Utah

The Company has selected its initial well location targeting the Mancos Shale ("Mancos") and conventional liquids-rich gas reservoirs below in its Uinta Basin assets and anticipates it will spud this well over the coming months. This location is defined by existing well control and 2-D seismic. This area has considerable historical production (over 500 BCFG and 3.0 MMBO*) from over 900 wells out of conventional reservoirs that are only 50 to 150 feet below the base of the Mancos. The existing well control and seismic supports the potential for production from these conventional reservoirs in addition to the Mancos potential. Thus, this well is currently planned to evaluate these conventional reservoirs as well as the Mancos.

A vertical pilot well will be drilled through the entire prospective intervals to an estimated Total Depth (TD) of 3,200 feet. Whole cores will be taken across various intervals of the Lower Mancos objective. Once the well has reached TD, a full suite of open-hole well logs will be run. The well will then be cased and while the cores are being analysed all prospective reservoirs will be evaluated. Once the core data is received, a horizontal leg will be drilled and completed in the Lower Mancos, anticipated to be in Q1 2015.

*Due to the majority of the liquids being associated with the gas production, these liquids are sold along with the gas and are separated by the gas gatherer at their gas processing plant and then sold by the gas gatherer and not by the operator and is not reported as part of the operators' well sales. Thus, the reported liquids production is significantly lower than what is actually produced.

Strategic Acquisition

As identified during the Company's recent fundraising, further details of which were announced on 20 June 2014, Rose is continuing to evaluate a potential strategic acquisition for which the due diligence phase is underway. This potential acquisition is in the Mancos project area and, should the board determine that it would be in the interests of shareholders to do so, Rose anticipates closing this during Q4 2014. Further details will be announced at the appropriate time.

Germany

The Company has located and analysed the core from the Weiden-1 well bore drilled in 1989. The initial results have been encouraging, with further analysis under way and discussion with the present owner of the existing 2-D seismic have commenced. Further updates will be announced when available. We are reviewing the position in respect of our German licences bearing in mind the focus on the U.S.A. project.

MINING DIVISION

Silver/Gold Production - Minerales VANE S.A. de C.V. Operations – Mexico

I would like to start this section by saying how grateful I am to the team in Mexico for their hard work over the period, in order to help fund the transition into oil & gas. We utilised a significant amount of cash reserves from the Mexico business, putting short term pressure on the business there.

Operations continued during H1 at Minerales VANE S.A. de C.V. ("MV"), Rose's 100% owned subsidiary located in west-central Mexico and headquartered in Acaponeta, State of Nayarit. Mine production occurred from the La Colorada and Saltito mines in the La Rastra District with ore shipped to our 100-120 tonne/day (Tpd) San Dieguito de Arriba flotation mill and laboratory (SDA), located 115 km south of La Rastra. Mine production from La Colorada ceased during the period due to having mined to the property boundary and mine development subsequently commenced at the Saltito mine on the Maria Fernanda concession, both operated under the joint venture with MET-SIN. In addition to processing ore from the La Rastra mines, SDA processed the remaining stockpiled Diablito ore as well as a test run on stockpiled material from the San Agustin Mine on the Tango property of Minera Camargo.

The Company's gold and silver operations continued to record strong total production through the first half of 2014 with mill throughput at the SDA flotation mill totalling 17,627 tonnes which was 117% of target. The cyanide leach/Merrill Crowe plant (MC) for treating silver-gold sulphide concentrates continued to be idle due to lower recoverability properties of the ore from La Rastra and it being more profitable to sell concentrates to the smelter due to the credit for lead content. However, the grinding circuit of the MC plant was utilised successfully, which allowed 30-40 additional tonnes of ground ore to be added to the floatation mill circuit. This utilisation has proven to be consistent and allows MV to raise its monthly mill production target to 3,000 tonnes of ore.

However, this success was overshadowed by the continued decline in metals prices and low ore grades experienced while commencing mine development at the Saltito Mine. To offset this decline, the Company continued to look at opportunities to increase production grade.
Consistent with our goal of acquiring mining assets compatible with our ongoing operations, the Company signed agreements (post-period) on the Mina Charay and Tango properties forming joint ventures with Pafex SA de CV and Minera Camargo SA de CV ("Camargo"), as announced on 6 September and 10 September, respectively. The Mina Charay project is located 45 km northeast of Los Mochis in the State of Sinaloa and consists of the Charay, Charay 2 and San Luis concessions that cover the high-grade Mina Charay gold and silver mine where MV drilled 27 holes during 2004 and 2005. This drilling blocked out a reserve which, after completing an in-house resource estimate using current metals prices, indicates a resource of 29,000 ounces of gold and 173,000 ounces of silver in ore grading 10 g/T Au and 60g/T Ag, with a mine life of three years.

The Camargo Tango property covers a classic base and precious metals porphyry system. The property is located in southern Sinaloa, 70km east of Mazatlan (direct) and 43km by road northeast of the town of El Rosario. The property comprises the Tango, Tango 2, Tango 3 and Tango 5 concessions hosting two porphyries, one containing copper (Cu) and the other molybdenum (Mo) mineralisation as well as several historic high-grade, narrow-vein gold (Au) and silver (Ag) mines on the margin of and associated with the porphyries. Previous work by Camargo identified Cu and Mo targets that are drill ready and MV is in the process of designing drilling programmes. The mines on the precious metals veins give an excellent opportunity for near-term production.

Southwest U.S.A. Porphyry Copper Exploration

The Company's copper programme is operated by its wholly owned subsidiary AVEN Associates LLC ("AVEN"). During the H1 period, AVEN signed an option agreement with Lowell Copper Ltd ("LCL") on its TC project located in New Mexico, U.S.A. along the well-known Hillsboro-Chino-Tyrone-Lordsburg-Bisbee porphyry copper belt (as announced on 4 March).

The project is a CAP target (covered area project) with porphyry-copper-style characteristics including quartz veins, propyllitic and argillic alteration and base and precious metals mineralisation identified in outcrop along the margins of the covered terrain. Sampling by AVEN of altered and mineralized rock has returned assay values up to 3,896 ppm Cu, 84 ppm Mo, 4,876 ppm Pb, 1,997 ppm Zn, 24 g/t Au, and 204 g/t Ag.

After completion of the initial exploration phase whereby LCL will invest exploration expenditures of US$250k to earn 25% of the project, LCL will then have an option to increase its interest to 51% by funding the next US$2.5m of the exploration programme, and a further option to increase to a 70% interest by investing an additional US$3.5m at which point LCL's total investment in the JV will be US$6.25m.

Property positions are being maintained on several targets in southwest New Mexico and Arizona. This includes McGhee Peak, Lone Hills, and Cherry Creek, and Ardmore as well as Railroad Well where drilling was in progress when activities were forced to be curtailed in 2012.

Rose is in discussions with interested parties and we hope to be able to give further news in due course regarding potential joint ventures.

U.S.A. Uranium Exploration

The Company's uranium programme, operated by its wholly owned subsidiary VANE Minerals (US) LLC ("VANE"), is led by the 50:50 joint venture (JV) with Uranium One Americas Inc. (U1) in northern Arizona. The core project of the joint venture is the Wate breccia pipe which has a NI 43-101 compliant resource of 1.118m lbs eU_3O_8 with an average grade of 0.79% eU_3O_8. This project is held in Wate Mining Company LLC (Wate) under equal ownership of VANE and U1. An application for a mineral lease on the project, submitted by Wate, is in process by the Arizona State Land Department Minerals Division (ASLD).

ASLD has contacted Wate requesting clarification of some technical details in the Mineral Development Report (MDR) filed with the mineral lease application. VANE has contracted outside consulting firms to assist with its response.

VANE and U1 have agreed to place the assets on care and maintenance status. VANE has relinquished its holdings in the Happy Jack property as well as mining claims within the withdrawal area in northern Arizona outside the U1 JV and is actively seeking to dispose of the uranium portfolio.

A number of lawsuits were filed by industry and national organisations in U.S. District Court against the U.S. Department of Interior (DOI) as a result of its withdrawal in early 2012 of federal lands on which VANE and other operators held several thousand mining claims. VANE was participating in this litigation and subsequently all the cases were consolidated into a single case in late 2012. VANE filed a separate lawsuit against DOI for damages in the U.S. Federal Court of Claims meaning that, as a procedural matter, VANE was required to withdraw from the District Court case. VANE received notice that its lawsuit in the U.S. Federal Court of Claims was dismissed and does not plan to appeal. However, VANE still stands to benefit from a favourable decision in the U.S. District Court case.

SUMMARY

In summary, the Rose operations have seen a substantial amount of work conducted within the period. We have made a very successful transition into the US oil & gas industry with the farm-in agreement in Utah. I am very pleased with the quality of the technical and operational team now in place and we are well positioned to progress the project with the confidence that we are in highly experienced hands. The primary strategic objective is to continue to build up both divisions of the Company to the point where they can exist as stand-alone entities.

We look forward to announcing further news from across all our projects over the course of the coming months.

Matthew Idiens
Chief Executive Officer
29 September 2014

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 June 2014

	Notes	Unaudited six months ended 30 June 2014 £	Unaudited six months ended 30 June Restated 2013 £	Audited year ended 31 December Restated 2013 £
Continuing operations				
Revenue	2	1,358,017	2,626,092	5,710,172
Cost of sales		(1,011,340)	(1,405,042)	(3,093,510)
Profit share payments		(276,859)	(723,998)	(1,045,655)
Gross profit		69,818	497,052	1,571,007
Operating and administrative expenses		(932,868)	(658,797)	(1,500,513)
Impairment of intangible exploration and evaluation assets		-	-	(2,939,708)
Other income	3	15,125	-	-
Share of losses of investment accounted for using the equity method	8	-	(1,287)	(1,183)
Operating loss		(847,925)	(163,032)	(2,870,397)
Investment income		2,003	1,543	2,596
Finance costs		(55,273)	(54,952)	(113,500)
Loss before taxation		(901,195)	(216,441)	(2,981,301)
Taxation	4	(172,511)	63,363	(327,829)
Loss for the period attributable to owners of the parent company	2	(1,073,706)	(153,078)	(3,309,130)
Loss per Ordinary Share				
Basic and diluted	6	(0.13p)	(0.03p)	(0.57p)

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2014

	Unaudited six months ended 30 June 2014 £	Unaudited six months ended 30 June Restated 2013 £	Audited year ended 31 December Restated 2013 £
Loss for the period attributable to owners of the parent company	(1,073,706)	(153,078)	(3,309,130)
Other comprehensive income			
Exchange differences arising on translation of foreign operations	(138,955)	429,469	(17,129)
Share of other comprehensive income of investments accounted for using the equity method	(6,810)	12,567	(4,054)
Income tax relating to components of other comprehensive income	146,600	(266,287)	95,314
	835	175,749	74,131
Total comprehensive income for the period attributable to owners of the parent company	(1,072,871)	22,671	(3,234,999)

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED BALANCE SHEET
As at 30 June 2014

	Notes	Unaudited 30 June 2014 £	Unaudited 30 June Restated 2013 £	Audited 31 December Restated 2013 £
Non-current assets				
Intangible exploration and evaluation assets	7	4,077,449	5,337,233	2,212,531
Property, plant and equipment		546,221	639,497	614,156
Investment accounted for using the equity method	8	190,509	213,836	197,319
		4,814,179	6,190,566	3,024,006
Current assets				
Inventories		341,226	663,390	548,372
Trade and other receivables		1,448,805	1,001,765	1,434,701
Cash and cash equivalents		5,467,262	281,490	1,157,149
		7,257,293	1,946,645	3,140,222
Total assets		12,071,472	8,137,211	6,164,228
Current liabilities				
Trade and other payables		(1,221,893)	(886,902)	(783,801)
Taxation		-	-	(2,879)
Provisions		-	(16,214)	(16,424)
		(1,221,893)	(903,116)	(803,104)
Non-current liabilities				
Convertible loan notes		-	(834,844)	(852,117)
Deferred tax		-	(40,091)	(32,005)
Provision for other liabilities		(293,634)	(43,621)	(30,954)
		(293,634)	(918,556)	(915,076)
Total liabilities		(1,515,527)	(1,821,672)	(1,718,180)
Net assets		10,555,945	6,315,539	4,446,048
Equity				
Share capital	10	20,126,710	19,263,627	19,613,377
Share premium account		13,552,957	5,838,030	6,838,894
Share option reserve		574,483	474,675	487,432
Other reserves		-	269,317	269,317
Cumulative translation reserves		150,478	251,261	149,643
Retained deficit		(23,848,683)	(19,781,371)	(22,912,615)
Equity attributable to owners of the parent company		10,555,945	6,315,539	4,446,048

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital	Share premium account	Share option reserve	Other reserves	Cumulative translation reserves	Retained deficit	Total
	£	£	£	£	£	£	£
As at 1 January 2013	19,263,627	5,838,030	457,090	269,317	75,512	(19,628,293)	6,275,283
Loss for the period	-	-	-	-	-	(153,078)	(153,078)
Other comprehensive income:							
Currency translation differences	-	-	-	-	429,469	-	429,469
Currency translation differences of investments accounted for using the equity method	-	-	-	-	12,567	-	12,567
Deferred tax	-	-	-	-	(266,287)	-	(266,287)
Total other comprehensive income for the period	-	-	-	-	175,749	-	175,749
Total comprehensive income for the period	-	-	-	-	175,749	(153,078)	22,671
Share-based payments	-	-	17,585	-	-	-	17,585
As at 30 June 2013	19,263,627	5,838,030	474,675	269,317	251,261	(19,781,371)	6,315,539

ROSE PETROLEUM PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (AUDITED)

	Share capital £	Share premium account £	Share option reserve £	Other reserves £	Cumulative translation reserves £	Retained deficit £	Total £
As at 1 January 2013	19,263,627	5,838,030	457,090	269,317	75,512	(19,628,293)	6,275,283
Transactions with owners in their capacity as owners:							
Issue of equity shares	349,750	1049,250	-	-	-	-	1,399,000
Expenses of issue of equity shares	-	(48,386)	-	-	-	-	(48,386)
Total transactions with owners in their capacity as owners	349,750	1,000,864	-	-	-	-	1,350,614
Loss for the year	-	-	-	-	-	(3,309,130)	(3,309,130)
Other comprehensive income:							
Currency translation differences	-	-	-	-	(17,129)	-	(17,129)
Currency translation differences of investments accounted for using the equity method	-	-	-	-	(4,054)	-	(4,054)
Deferred tax	-	-	-	-	95,314	-	95,314
Total other comprehensive income for the year	-	-	-	-	74,131	-	74,131
Total comprehensive income for the year	-	-	-	-	74,131	(3,309,130)	(3,234,999)
Share-based payments	-	-	55,150	-	-	-	55,150
Transfer to retained earnings in respect of forfeit options	-	-	(24,808)	-	-	24,808	-
As at 31 December 2013	19,613,377	6,838,894	487,432	269,317	149,643	(22,912,615)	4,446,048

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital £	Share premium account £	Share option reserve £	Other reserves £	Cumulative translation reserves £	Retained deficit £	Total £
As at 1 January 2014	19,613,377	6,838,894	487,432	269,317	149,643	(22,912,615)	4,446,048
Transactions with owners in their capacity as owners:							
Issue of equity shares	513,333	6,854,988	-	-	-	-	7,368,321
Expenses of issue of equity shares	-	(272,604)	-	-	-	-	(272,604)
Total transactions with owners in their capacity as owners	513,333	6,582,384	-	-	-	-	7,095,717
Loss for the period	-	-	-	-	-	(1,073,706)	(1,073,706)
Other comprehensive income:							
Currency translation differences	-	-	-	-	(138,955)	-	(138,955)
Currency translation differences of investments accounted for using the equity method	-	-	-	-	(6,810)	-	(6,810)
Deferred tax	-	-	-	-	146,600	-	146,600
Total other comprehensive income for the period	-	-	-	-	835	-	835
Total comprehensive income for the period	-	-	-	-	835	(1,073,706)	(1,072,871)
Share-based payments	-	-	87,051	-	-	-	87,051
Transfer to other reserves in respect of equity component of convertible loan notes redeemed	-	131,679	-	(269,317)	-	137,638	-
As at 30 June 2014	20,126,710	13,552,957	574,483	-	150,478	(23,848,683)	10,555,945

ROSE PETROLEUM PLC
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2014

	Appendices	Unaudited six months ended 30 June 2014 £	Unaudited six months ended 30 June Restated 2013 £	Audited year ended 31 December Restated 2013 £
Net cash used in operating activities	a	(334,766)	(314,981)	(362,772)
Net cash (used in)/from investing activities	b	(809,303)	93,586	(306,459)
Net cash from financing activities	c	5,450,795	-	1,350,614
Net increase/(decrease) in cash and cash equivalents		4,306,726	(221,395)	681,383
Cash and cash equivalents at beginning of period		1,157,149	497,302	497,302
Effect of foreign exchange rate changes		3,387	5,583	(21,536)
Cash and cash equivalents at end of period		5,467,262	281,490	1,157,149

ROSE PETROLEUM PLC
APPENDICES TO THE CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 30 June 2014

		Unaudited six months ended 30 June		Audited year ended 31 December
			Restated	Restated
		2014	2013	2013
		£	£	£
a	**Operating activities**			
	Loss before taxation	(901,195)	(216,441)	(2,981,301)
	Other income	(15,125)	-	-
	Investment income	(2,003)	(1,543)	(2,596)
	Finance costs	55,273	54,952	113,500
	Adjustments for:			
	Depreciation of property, plant and equipment	66,212	70,485	138,716
	Profit on disposal of property, plant and equipment	-	(55,796)	(74,737)
	Impairment of intangible exploration and evaluation assets	-	-	2,939,708
	Decommissioning	(46,670)	-	-
	Share-based payments	87,051	17,585	55,150
	Effect of foreign exchange rate changes	(45,120)	97,937	(26,321)
	Operating (outflow)/inflow before movements in working capital	(801,577)	(32,821)	162,119
	Decrease in inventories	207,146	40,797	155,815
	Decrease/(Increase) in trade and other receivables	462,279	(482,183)	(687,588)
	(Decrease)/increase in trade and other payables	(143,231)	199,116	95,796
	Cash used in operations	(275,383)	(275,091)	(273,858)
	Income tax paid	(150)	-	(7,968)
	Interest paid	(59,233)	(39,890)	(80,946)
	Net cash used in operating activities	(334,766)	(314,981)	(362,772)
b	**Investing activities**			
	Interest received	2,003	1,543	2,596
	Purchase of property, plant and equipment	(12,226)	(36,773)	(110,255)
	Purchase of intangible exploration and evaluation assets	(715,885)	(16,145)	(24,663)
	Proceeds on relinquishment of intangible exploration and evaluation assets	-	73,538	-
	Proceeds on disposal of property, plant and equipment	-	98,899	117,219
	Decommissioning provision utilised	-	-	(7,263)
	Acquisition of subsidiaries	(83,195)	-	(257,577)
	Equity accounting	-	(27,476)	(26,516)
	Net cash (used in)/from investing activities	(809,303)	93,586	(306,459)
c	**Financing activities**			
	Proceeds from issue of shares	5,708,274	-	1,399,000
	Expenses of issue of shares	(272,604)	-	(48,386)
	Joint partner funding	15,125	-	-
	Net cash from financing activities	5,450,795	-	1,350,614

1. ACCOUNTING POLICIES

Basis of preparation

This Report was approved by the Directors on 29 September 2014.

The condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement principles of International Accounting and Financial Reporting Standards ("IFRS") as adopted in the EU.

The condensed consolidated interim financial statements are presented in pounds sterling as this is the currency in which funds from financing are generated and in which receipts are usually retained. The functional currency of the parent company is also pounds sterling.

The company is domiciled in the United Kingdom. The company is listed on AIM.

The current and comparative periods to June have been prepared using the accounting policies and practices consistent with those adopted in the annual financial statements for the year ended 31 December 2013 except in that the Group has adopted IFRS 10 *Consolidated financial statements*, IFRS 11 *Joint arrangements*, IFRS 12 *Disclosure of interests in other entities*, and consequential amendments to IAS 28, *Investments in associates and joint ventures* and IAS 27, *Separate financial statements*. As a result the Group's interest in Wate Mining Company LLC has been recognised as a joint venture and has now been accounted for using the equity method rather than proportional consolidation as in previous years.

Comparative figures for the year ended 31 December 2013 have been extracted from the statutory financial statements for that period which carried an unqualified audit report, did not contain a statement under section 498(2) or (3) of the Companies Act 2006 and have been delivered to the Registrar of Companies. The Group recognised the effect of the change in accounting policies at the beginning of the earliest period presented and as a result has made the required amendments to the comparative figures as detailed in note 8.

The Financial Information contained in this report does not constitute statutory financial statements as defined by section 434 of the Companies Act 2006, and should be read in conjunction with the Group's financial statements for the year ended 31 December 2013. This report has not been audited or reviewed by the Group's auditors.

During the first six months of the current financial year there have been no related party transactions that materially affect the financial position or performance of the Group and there have been no changes in the related party transactions described in the last annual financial report.

The principal risks and uncertainties of the Group have not changed since the publication of the last annual financial report where a detailed explanation of such risks and uncertainties can be found.

2. SEGMENTAL INFORMATION

For management purposes, the Group is organised into three operating divisions based on its principal activities of gold and silver mining, research and evaluation of potential uranium and copper properties and the exploration and development of oil & gas resources. These divisions are the basis on which the Group reports its segment information as presented below:

	Unaudited six months ended 30 June		Audited year ended 31 December
	2014	Restated 2013	Restated 2013
	£	£	£
Revenue			
Gold and silver	1,358,017	2,626,092	5,710,172
Segmental results			
Oil & Gas	(189,482)	-	(103,656)
Uranium and copper	(94,390)	316,692	(3,274,899)
Gold and silver	(85,189)	(190,459)	1,221,580
Total segment results	(369,061)	126,233	(2,156,975)
Unallocated results	(532,134)	(342,674)	(824,326)
Current and deferred tax	(172,511)	63,363	(327,829)
Loss for the period	(1,073,706)	(153,078)	(3,309,130)
Net assets			
Oil & Gas	997,660	-	(5,400)
Uranium and copper	2,315,424	5,557,584	2,348,452
Gold and silver	1,423,758	1,635,429	2,208,738
Total segment net assets	4,736,842	7,193,013	4,551,790
Unallocated net assets/(liabilities)	5,819,103	(877,474)	(105,742)
Total net assets	10,555,945	6,315,539	4,446,048

3. OTHER INCOME

	Unaudited six months ended 30 June		Audited year ended 31 December
	2014	2013	2013
	£	£	£
75% funding of copper exploration programme	15,125	-	-

On 3 February 2014, the Group signed a Joint Venture Agreement through its wholly owned subsidiary AVEN Associates LLC with Lowell Copper Ltd in connection with AVEN's TC porphyry copper project in the State of New Mexico, U.S.A.

Under the terms of the agreement Lowell will provide financing for the initial exploration phase of US$250,000 in return for a 25% interest in the property, with the option of increasing its interest with additional funding in subsequent phases.

Other income represents the funding of the Group's 75% in that exploration programme.

4. TAXATION

	Unaudited six months ended 30 June 2014 £	Unaudited six months ended 30 June 2013 £	Audited year ended 31 December 2013 £
Current tax - foreign	57,916	203,293	240,970
Deferred tax	114,595	(266,656)	86,859
Tax charge/(credit)	172,511	(63,363)	327,829

5. DIVIDENDS

The directors do not recommend the payment of a dividend for the period.

6. LOSS PER ORDINARY SHARE

Basic loss per Ordinary Share is calculated by dividing the net loss for the period attributable to owners of the parent company by the weighted average number of Ordinary Shares outstanding during the period. The calculation of the basic and diluted loss per Ordinary Share is based on the following data:

	Unaudited six months ended 30 June 2014 £	Unaudited six months ended 30 June 2013 £	Audited year ended 31 December 2013 £
Losses			
Loss for the purpose of basic loss per share being net loss attributable to owners of the parent company	(1,073,706)	(153,078)	(3,309,130)
	Number	**Number**	**Number**
Number of shares			
Weighted average number of shares for the purposes of basic loss per share	807,553,952	442,923,658	575,157,905
Loss per Ordinary Share			
Basic and diluted	(0.13p)	(0.03p)	(0.57p)

Due to the losses incurred, there is no dilutive effect from the existing share options.

7. INTANGIBLE EXPLORATION AND EVALUATION ASSETS

	Uranium and copper	Oil and Gas	Total
	£	£	£
Cost			
At 1 January 2013	5,254,481	-	5,254,481
Equity accounting adjustment (note 8)	(176,769)	-	(176,769)
At 1 January 2013 restated	5,077,712	-	5,077,712
Disposals	(53,329)	-	(53,329)
Exchange differences	326,505	-	326,505
Equity accounting adjustment (note 8)	(13,655)	-	(13,655)
At 30 June 2013 restated	5,337,233	-	5,337,233
Additions	84,025	-	84,025
Exchange differences	(433,265)	-	(433,265)
Equity accounting adjustment (note 8)	13,588	-	13,588
At 31 December 2013 restated	5,001,581	-	5,001,581
Additions	21,199	1,575,588	1,596,787
Acquired on acquisition of a subsidiary (note 9)	-	352,112	352,112
Exchange differences	(158,612)	(13,817)	(172,429)
At 30 June 2014	4,864,168	1,913,883	6,778,051
Impairment			
At 1 January 2013 and 30 June 2013	-	-	-
Additions	2,939,708	-	2,939,708
Exchange differences	(150,658)	-	(150,658)
At 31 December 2013	2,789,050	-	2,789,050
Exchange differences	(88,448)	-	(88,448)
At 30 June 2014	2,700,602	-	2,700,602
Carrying amount			
At 30 June 2014	2,163,566	1,913,883	4,077,449
At 30 June 2013 restated	5,337,233	-	5,337,233
At 31 December 2013 restated	2,212,531	-	2,212,531

In March 2014, the Group signed a farm-in agreement under which it acquired the right to acquire 75% of certain oil, gas and hydrocarbon leases covering approximately 195,000 net acres in Grand and Emery Counties, Utah, from Rockies Standard Oil Company LLC which retains the remaining 25% working interest. The consideration for the farm-in agreement included cash payments totalling US$2,000,000 of which US$1,500,000 (£880,902) remained outstanding at 30 June 2014.

8. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

The Group has joint control over its investment in Wate Mining Company LLC ("Wate") which has been classified as a joint venture under IFRS 11 and therefore the equity method of accounting has been used in the condensed consolidated financial statements. Prior to the adoption of IFRS 11, the Group's interest in Wate was proportionately consolidated.

The Group recognised its investment in the joint venture at the beginning of the earliest period presented (1 January 2013), as the total of the carrying amounts of the assets and liabilities previously proportionately consolidated by the Group. This is the deemed cost of the Group's investment in the joint venture for applying equity accounting. The Group recognises its investment in joint ventures at cost, with subsequent adjustments for its share of any profits or losses incurred by the joint venture since acquisition. The amounts recognised in the Balance Sheet are as follows:

	Unaudited six months ended 30 June		Audited year ended 31 December
	2014	2013	2013
	£	£	£
At 1 January	197,319	202,556	202,556
Share of losses	-	(1,287)	(1,183)
Other comprehensive income	(6,810)	12,567	(4,054)
	190,509	213,836	197,319
Assets previously consolidated			
Intangible exploration and evaluation assets	-	190,424	176,836
Cash at bank	-	24,361	21,920
Trade and other payables	-	(949)	(1,437)
	-	213,836	197,319

9. BUSINESS COMBINATION

On 20 January 2014, the Group completed its purchase of the entire issued share capital of Parkyn Energy Holdings plc which in turn owns the entire issued share capital of Parkyn Energy (Germany) Ltd, the sole owner of two hydrocarbon licences in south-western Germany. As a result of the acquisition the Group has acquired a 100 per cent interest in the two concessions covering over 635,000 acres for the sum of €400,000.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

	£
Assets acquired	
Intangible exploration and evaluation assets	352,112
Trade and other payables	(11,340)
Total identifiable net assets	340,772
Consideration	
Cash	340,772

The Parkyn subsidiaries contributed £5,510 to the Group's losses for the period between the date of acquisition and the Balance Sheet date.

10. SHARE CAPITAL

	Unaudited six months ended 30 June 2014 £	2013 £	Audited year ended 31 December 2013 £
Authorised			
7,779,297,310 Ordinary Shares of 0.1p each	7,779,297	7,779,297	7,779,297
190,108,108 Deferred Shares of 9.9p each	18,820,703	18,820,703	18,820,703
	26,600,000	26,600,000	26,600,000
Allotted, issued and fully paid			
1,306,006,980 Ordinary Shares of 0.1p each (30 June 2013:442,923,658 and 31 December 2013: 792,673,658)	1,306,007	442,924	792,674
190,108 Deferred Shares of 9.9p each	18,820,703	18,820,703	18,820,703
	20,126,710	19,263,627	19,613,377

The Deferred Shares are not listed on AIM, do not give the holders any right to receive notice of, or to attend or vote at, any general meetings, have no entitlement to receive a dividend or other distribution or any entitlement to receive a repayment of nominal amount paid up on a return of assets on winding up nor to receive or participate in any property or assets of the Company. The Company may, at its option, at any time redeem all of the Deferred Shares then in issue at a price not exceeding £0.01 from all shareholders upon giving not less than 28 days notice in writing. There is no dilutive effect from the existing share options or convertible loan notes.

ISSUED ORDINARY SHARE CAPITAL

On 15 August 2013, the Company completed a placing of 349,750,000 Ordinary Shares of 0.1p each at a price of 0.4p per share, raising gross proceeds of £1,399,000.

At 31 December the Company had convertible loan notes of £1,000,000 in issue. The loan notes were convertible by the holders at any time at a price of 1.25p and on 19 June 2014, the Company issued 80,000,000 shares in settlement of the loan notes.

On 28 June, the Company completed a placing of 433,333,322 Ordinary Shares of 0.1p each at a price of 1.5p per share, raising gross proceeds of £6,500,000.

At 30 June 2014, the sum of £791,726 in respect of shares issued had not yet been received. This amount was paid in full on 2 July 2014.

	Ordinary Shares
	Number
At 1 January 2013 and 30 June 2013	442,923,658
Allotment of shares	349,750,000
At 31 December 2013	792,673,658
Allotment of shares in settlement of convertible loan notes	80,000,000
Allotment of shares	433,333,322
At 30 June 2014	1,306,006,980

11. POST BALANCE SHEET EVENTS

JOINT VENTURE AGREEMENTS

Mina Charay

In September 2014 the Group, through its wholly-owned subsidiary Minerales VANE S.A. de C.V. ("MV"), entered into joint venture agreement with Minera Pafex S.A. de C.V. ("Pafex") in connection with Pafex's concessions, Charay, Charay 2 and San Luis, located in western Sinaloa, Mexico. Under the terms of the agreement MV will be responsible for developing and mining the Mina Charay deposit and profits will be split 60:40 (MV:Pafex) after all operating costs are deducted.

Minera Camargo

In September 2014, the Group, through its wholly-owned subsidiary Minerales VANE S.A de C.V. ("MV") entered into a joint venture and option agreement (the 'JV') with Minera Camargo S.A. de C.V. ("Camargo"') in connection with Camargo's Tango concessions located in southern Sinaloa, Mexico.

The agreement is to explore two copper and molybdenum bearing porphyries (base metals) and separately to seek to develop production on high-grade gold and silver veins (precious metals). The terms of the agreement are:

- option to earn 75% ownership on base metals (the porphyries) by investing US$5,000,000 in work expenditure over five years; and
- MV and Camargo will split profits 50:50 on production from the precious metals veins.

MV is the operator on both the JV and earn-in option.