

31 May, 2013

**U.S. Oil & Gas Plc.**

**("U.S. Oil" or the "Company")**

**Unaudited Interim Results for the six month period to 31 March 2013**

U.S. Oil & Gas Plc (GXG London: USOP, OTC New York: USOPY), the oil and gas exploration company with exploration assets in Nevada, is pleased to announce its Unaudited Interim Results for the six month period to 31 March 2013.

**Chairman's Statement**

Testing of the Company's Eblana #1 well in Hot Creek Valley, USA, was completed in May 2013 and confirmed a significant oil discovery by the Company's wholly owned subsidiary Major Oil International LLC ('Major Oil'). The discovery and the probable presence of significant hydrocarbon resources have been independently confirmed in a Competent Person's Report (CPR) by Forrest A. Garb & Associates (FGA), which we announced to the market on 23 May 2013.

The CPR shows that a portion of the discovery, the area updip to Eblana #1, has now been reclassified by FGA from Prospective to Contingent Resources, reflecting their opinion of the significantly reduced risk associated with the discovery. The CPR discloses that the Best Estimate (P50) of net recoverable Contingent Resources for the Tertiary Volcanics in the Eblana #1 lease area, is 19 million barrels ('MMBbl'), while prospective original oil-in-place ('OOIP') resources are estimated at 107 MMBbl. Over the entire 88 sq.km lease area, FGA's Best Estimate (P50) for the Tertiary Volcanics of net recoverable Prospective Resources is 57 MMBbl with prospective OOIP resources of 283 MMBbl. Oil quality is higher than the producing wells in neighbouring Railroad Valley at between 28.5 API and 33 API. The high estimates in the CPR indicate that there are up to 3.3 billion Bbl or more over the entire 88 sq.km U.S. Oil lease area.

FGA confirmed that the Company has carried out its operations to the highest standards and they state: 'The ongoing exploration activities undertaken and proposed in the program are consistent with current practices in the oil and gas exploration. Major Oil used a thorough, rigorous process to identify possible oil and gas accumulations, mitigate risk and determine the location of Eblana #1.'

During the six month period covered by this report, administration expenses remained steady at \$604k (2012: \$576k). Other operational costs increased in line with drilling operations. Cash and Cash Equivalents excluding treasury shares and other receivables amounted to \$2.17m (2011: \$5.269m) on 31 March 2013.

The Company now intends expanding the management team whilst maintaining tight control of expenditure. Additional personnel may include senior technical, administration and ground project management expertise.

In November 2012, US Oil successfully obtained a Court Order in Dublin requiring certain website operators to disclose the identities of those users of their bulletin boards who had made unlawful statements concerning the Company and its directors. The Company will continue to pursue those who defame US Oil and its officers.

The Company has appointed Deutsche Bank Trust Company Americas as depositary bank for its American Depositary Receipt (ADR) programme, and on 22 March 2013 trading commenced in the depositary securities on the over-the-Counter ("OTC") market in the United States of America.

The Company is currently developing its operational plans in the light of FGA's recommendations and intends to apply its customary rigour to evaluating and implementing those plans. Development pathways to enhance the Company's administrative and operational capabilities will be studied in the light of the likely operational requirements. All financing and partnership options will be considered on their merits in the light of the various development pathways being considered.

And finally, I would like to thank US Oil's shareholders, who have supported the Company through the recent tumultuous market conditions affecting all exploration companies and yet continue to support our actions.

**The following interim historical financial information on U.S. Oil and Gas Plc represents the Company's interim results for the six months ended 31 March 2013. The financial information (for which the Directors have accepted responsibility) is unaudited.**

### **1. Consolidated Statement of Comprehensive Income**

*For the six months ended 31 March 2013*

	<b>Notes</b>	<b>Six Months Ended 31-Mar-13 \$</b>	<b>Six Months Ended 31-Mar-12 \$</b>	<b>Year Ended 30-Sep-12 \$</b>
<b>Continuing Operations</b>				
Revenue		-	-	-
Other Income		685	18,111	21,535
		<hr/>	<hr/>	<hr/>
Administrative Expenses		(604,365)	(576,584)	(1,242,527)
<b>Loss before tax</b>		<hr/>	<hr/>	<hr/>

		(603,680)	(558,473)	(1,220,992)
Income tax expense		-	-	-
<b>Loss for the period and total comprehensive loss for the period</b>		<b>(603,680)</b>	<b>(558,473)</b>	<b>(1,220,992)</b>
<b>Earnings per share (all continuing)</b>				
Basic and diluted loss per share (cent)	<b>5.1</b>	<b>(1.45)</b>	<b>(1.39)</b>	<b>(2.95)</b>

## 2. Consolidated Statement of Financial Position

*As at 31 March 2013*

	Note	Six Months ended 31-Mar-13 \$	Six Months ended 31-Mar-12 \$	Year Ended 30-Sep-12 \$
<b>Non Current Assets</b>	<b>5.2</b>	4,714,912	908,692	3,947,199
<b>Current assets</b>				
Debtors		87,418	-	294,352
Cash and cash equivalents		2,043,803	5,269,338	3,517,730
<b>Total assets</b>		<b>6,846,133</b>	<b>6,178,030</b>	<b>7,759,281</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Ordinary Share Capital	<b>5.3</b>	5,670	5,634	5,670
Share Premium - Ord Shares	<b>5.3</b>	9,742,553	7,795,577	9,742,553
Other Reserves		-	-	-

		44,336		
Retained Earnings	(2,947,887)	(1,681,689)	(2,344,208)	
Equity attributable to the owners of the Company	6,800,336	6,163,858	7,404,015	
<b>Current Liabilities</b>				
Trade & Other Payables	45,797	14,172	355,266	
<b>Total liabilities</b>	45,797	14,172	355,266	
<b>Total equity and liabilities</b>	<b>6,846,133</b>	<b>6,178,030</b>	<b>7,759,281</b>	

### 3. Consolidated Statement of Changes in Equity

As at 31 March 2013

	Ordinary Share Capital	Share Premium	Other Reserves	Retained losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 September 2011</b>	5,634	7,795,577	-	(1,123,216)	6,677,995
Loss for the Period	-	-	-	(1,220,992)	(1,220,992)
Currency Translation	-	-	-	-	-
Issue of share capital	36	1,946,976	-	-	1,947,012
Issue Costs	-	-	-	-	-
<b>Balance at 30 September 2012</b>	<b>5,670</b>	<b>9,742,553</b>	<b>-</b>	<b>(2,344,208)</b>	<b>7,404,015</b>
<b>Balance at 30 September 2012</b>	<b>5,670</b>	<b>9,742,553</b>	<b>-</b>	<b>(2,344,208)</b>	<b>7,404,015</b>
Loss for the Period	-	-	-	(603,680)	(603,680)
Currency Translation	-	-	-	1	1
Issue of share capital	-	-	-	-	-
Issue Costs	-	-	-	-	-

<b>Balance at 31 March 2013</b>	5,670	9,710,136	- (2,947,887)	6,800,336
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**4. Consolidated Statement of Cashflows**  
*For the six months ended 31 March 2013*

	<b>Six Months Ended 31-Mar-13 \$</b>	<b>Six Months Ended 31-Mar-12 \$</b>	<b>Year Ended 30-Sep-12 \$</b>
<b>Cash flows from operating activities</b>			
Loss for the year	(604,365)	(576,584)	(1,242,527)
Foreign Exchange Movements	-	44,336	-
<b>Movements in working Capital</b>			
Movement in trade and other receivables	206,935	33,228	(261,124)
Movement in trade and other payables	(309,469)	(285,574)	55,519
Cash used in operations	(706,899)	(784,594)	(1,448,132)
Interest Paid	-	-	-
<b>Net cash used in operating activities</b>	<b>(706,899)</b>	<b>(784,594)</b>	<b>(1,448,132)</b>
<b>Cash flows from investing activities</b>			
Interest Received	685	18,111	21,535
Payments for exploration and evaluation assets	(767,713)	(182,221)	(3,220,728)
Net cash used in investing activities	(767,028)	(164,110)	(3,199,193)
<b>Cash flows from financing activities</b>			
Proceeds from issues of equity shares	-	-	1,947,012
<b>Net decrease in cash and cash equivalents</b>	<b>(1,473,927)</b>	<b>(948,705)</b>	<b>(2,700,313)</b>

Cash and cash equivalents at the beginning of period	3,517,730	6,218,043	6,218,043
<b>Cash and cash equivalents at end of period</b>	<b>2,043,803</b>	<b>5,269,338</b>	<b>3,517,730</b>

## 5. Notes to the Interim Financial Information

### 5.1 Loss per share

The calculation of basic loss per ordinary share is based on the loss per year and the average number of ordinary shares in issue during the relevant year as set out below. There is no difference between the diluted loss per share and the basic loss per share.

	<b>Six Months Ended 31-Mar-13 \$</b>	<b>Six Months Ended 31-Mar-12 \$</b>	<b>Year Ended 30-Sep-12 \$</b>
Loss for period	(603,680)	(558,473)	(1,220,292)
Weighted average number of shares	41,590,536	41,398,337	41,448,916
Basic and diluted loss per share (cent)	(1.45)	(1.35)	(2.95)

### 5.2 Intangible assets – Exploration and Evaluation Assets

	<b>Nevada, America \$</b>	<b>Total \$</b>
<b>Cost</b>		
At 1 October 2011	726,471	726,471
Additions	3,220,728	3,220,728
At 30 September 2012	3,947,199	3,947,199
Additions	767,713	767,713
At 31 March 2013	4,714,912	4,714,912
<b>Net Book Value</b>		
At 30 September 2012	3,947,199	3,947,199

At 31 March 2013

4,714,912      4,714,912

Expenditure on exploration activities is deferred on areas of interest until a reasonable assessment can be determined of the existence or otherwise of economically recoverable reserves. No amortisation has been charged in the period. The directors have reviewed the carrying value of the exploration and evaluation assets and consider it to be fairly stated and not impaired at 31 March 2013. The recoverability of the exploration and evaluation assets is dependent on the successful development or disposal of oil and gas in the Group's licence area.

### 5.3 Share Capital

	Six Months Ended 31-Mar- 13	Six Months Ended 31-Mar-12	Year Ended 30-Sep-12
<b>Authorised equity</b>	\$	\$	\$
20,000,000,000 ordinary shares of €0.0001 each	2,854,000	2,854,000	2,854,000
	<b>Number of Shares</b>	<b>Share Capital \$</b>	<b>Share Premium \$</b>
Balance 1 October 2011	41,398,337	5,634	7,795,577
Issued for Cash	-	-	-
Share Issue Expenses	-	-	-
Balance 31 March 2012	41,398,337	5,634	7,795,577
Issued for Cash	284,019	36	1,946,976
Share Issue Expenses	-	-	-
Balance 30 September 2012	41,682,356	5,670	9,742,553
Issued for Cash	-	-	-
Share Issue Expenses	-	-	-
<b>Balance 31 March 2013</b>	<b>41,682,356</b>	<b>5,670</b>	<b>9,742,553</b>

### 5.4 Share Options

At the Company's Annual General Meeting (AGM) on 31 August 2012, the Directors were granted the authority to issue and allot up to 2,500,941 Ordinary Shares representing 6% of the Company's Issued Ordinary Share Capital subject to the approval by the Remuneration Committee of the terms and conditions of the Share Option Scheme.

The Remuneration Committee has approved the terms and conditions of the Scheme and awarded options. Under the Scheme, shares cannot be traded for at least six months after date of exercise of the options. The exercise of options will be announced to the market.

The Company reports the award of 2.455 million share options at 65 and 68 pence per share representing 5.88 % of the Company's issued share capital. The options were awarded to service providers, consultants and Directors. Details of the options awarded to Directors are as follows:

Name	Option Exercise price (£)	Last Exercise Date	Number of Options Awarded
Brian McDonnell	0.65	22 November 2017	895,000
Peter Whelan	0.65	22 November 2017	565,000
Karim Akrawi	0.65	22 November 2017	535,000
Paul O'Callaghan	0.68	22 November 2017	100,000

No share options have been exercised to date.

The financial information has been prepared on a consistent basis applying the accounting policies which have applied in the past and will apply in the next annual accounts. The financial information has not been audited but has been reviewed by the auditors who have not issued any report on the accounts.

THE DIRECTORS OF THE COMPANY ACCEPT RESPONSIBILITY FOR THE CONTENTS OF THIS ANNOUNCEMENT

**Neither this announcement nor the information contained herein constitutes an offer or solicitation by U.S. Oil and Gas plc for the purchase or sale of any securities nor does it constitute a solicitation to any person in any jurisdiction where solicitation would be unlawful.**

**For further information contact:**

Brian McDonnell, Chief Executive Officer +353 (0) 87 238 3419

Alexander David Securities Ltd – Corporate Finance Adviser  
Fiona Kinghorn/David Scott +44 (0) 20 7448 9800

Lionsgate Communications  
Jonathan Charles +44 (0)779 189 2509  
jcharles@lionsgatecomms.com

**GXG Markets**

Simon Kiero-Watson +44 (0) 20 7653 1935  
skw@gxgmarkets.co.uk



Alex Benger +44 (0) 20 7653 1935  
ahb@gxgmarkets.co.uk

**ADR Broker Desk, Deutsche Bank**

United Kingdom

Simon Davies and Richard Willis

Tel: +44 (0) 20 7547-6500

Fax: +44 (0) 20 7547-9995

E-mail: adr@db.com

USA

Jay Berman

Tel: +1 212 250-9100

Fax: +1 732 544-6346

E-mail: adr@db.com

**About Forrest Garb Associates**

FGA staff who participated in the compilation of this report includes Mr. William D. “Donnie” Harris, III, P.E., Ms. Stacy M. Light, P.E., Mr. Mike Rightmire, and Mr. John E. Cooper, C.P.G. All hold degrees in geoscience or petroleum engineering.

Founded in 1988, Forrest A. Garb & Associates, Inc. (FGA) is an International Petroleum Consulting firm providing services to the upstream oil and gas industry. FGA’s expertise includes petroleum reservoir evaluation and economic analysis, as well as geological services for exploration and exploitation projects. FGA restricts its business activities to consulting services only, and does not accept contingency fees. Because the company has no hydrocarbon production and because it has no outside ownership to dictate opinions, the determinations of the firm are independent. FGA’s studies are without bias and are based on the best interpretation of all available data after processing with current methods and equipment. FGA does not own operating interests in any oil, gas, or mineral properties. The firm subscribes to a code of professional conduct, and its employees actively support their related technical and professional societies. This report is based on information compiled by professional staff members of FGA, as well as consultants providing services to FGA.

Interaction with US Oil & Gas took place in order to understand the Company’s technical approach, but the conclusions drawn are entirely those of Forrest A. Garb & Associates. FGA has consented in writing to the reference to them in this announcement and to the estimates of oil provided.

**Definitions – Contingent and Prospective Resources**

The (Society of Petroleum Engineers Petroleum Resource Management System (SPE-PRMS) defines contingent resources as “those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but

which are not currently considered to be commercially recoverable due to one or more contingencies”. One of those contingencies is stated by the SPE-PRMS as “a discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future”.

The SPE-PRMS defines prospective resources as “those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations”. The SPE-PRMS further states that these have an associated chance of discovery (geologic success) and a chance of development. Prospective Resources are exploratory in nature, carrying a high risk factor.

#### **About American Depositary Receipts (ADRs)**

An ADR is a negotiable certificate that represents ownership in securities of a non U.S. company. ADRs are issued by a sponsoring U.S. bank and denominated in U.S. dollars. An ADR represents a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange.

ADRs allow foreign companies shares to be traded in a similar manner to shares in U.S. companies on the New York Stock Exchange (NYSE), the American Stock Exchange (AMEX), Nasdaq and the over-the-counter (OTC) market. ADRs enable U.S. citizens to acquire shares in a foreign company without the need for cross border or cross currency transactions. Any dividends and capital gains are in U.S. dollars.

#### **About U.S. Oil & Gas**

U.S. Oil & Gas plc, (GXG London: USOP, OTC New York: USOPY), is an oil and gas exploration company with a strategy to identify and acquire oil and gas assets in the early phase of the upstream life-cycle and mature them. The Company's main asset is in Nye County, Nevada where it holds the entire share capital of US-based company Major Oil International LLC ("Major Oil"). Major Oil has acquired rights to exploration and development acreage in Hot Creek Valley, Nye County, adjacent to the oil and gas rich Railroad Valley area of Nevada, both of which are part of the Sevier Thrust of central Nevada and western Utah, USA.

U.S. Oil & Gas PLC.

For further information please refer to our website at: [www.usoil.us](http://www.usoil.us)

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