

SOCO INTERNATIONAL PLC
("SOCO" or the "Company")

**HALF YEAR REPORT FOR
THE SIX MONTHS ENDED 30 JUNE 2010**

SOCO, the FTSE 250 oil & gas exploration and production company with interests in Vietnam, Thailand, the Republic of Congo (Brazzaville), the Democratic Republic of Congo (Kinshasa) and Angola today announced its Half Year results for the period ended 30 June 2010.

Highlights

- Commenced four well exploration and appraisal drilling programme targeting 700 million barrels.
- TGT development is on track - Phase I to come on stream at 50,000 BOPD in mid 2011.
- Production of 5,191 BOEPD.
- Operational programme fully funded through \$258 million cash position at 30 June 2010. Balance sheet further strengthened with post period Thailand sale.

Enquiries

SOCO International plc
Roger Cagle
Deputy Chief Executive and Chief Financial

Pelham Bell Pottinger
James Henderson
Evgeniy Chuikov



CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

During the first half of 2010 the Company was focused on two major initiatives—removing the capital uncertainty associated with the potential redemption of \$250 million of convertible bonds and gearing up for the most important phase of the most active drilling programme in its history. The former was addressed by an oversubscribed share placing in January wherein gross proceeds of £102 million were raised. The latter was addressed wherein rigs were contracted for the major drilling programmes in Vietnam and the Democratic Republic of Congo (DRC) and drilling got underway.

Funds raised from the share placing were sufficient to meet the \$166 million required to accommodate those bond holders who opted to exercise the one time put option and redeem the associated bonds in May. Following the placing and redemption of the bonds and with cash flows from operations, cash and cash equivalents exceeded \$258 million at 30 June 2010.

The core of the most active exploration and appraisal drilling campaign in the Company's history commenced in June when the appraisal well Te Giac Den 2X ("TGD-2X") began drilling. This was followed in July when the first of a three to four well exploration programme onshore in the DRC commenced with the spudding of the Nganga-1 well. These drilling programmes alone are targeting mean, unrisks exploration potential upwards of 700 million barrels of recoverable crude oil, with the potential net effect on the Company in the 450 million barrel range should they all be successful.

The drilling programme also includes the important first phase of development/appraisal drilling in the Te Giac Trang ("TGT") field and a phase II development well in the Ca Ngu Vang ("CNV") field offshore Vietnam. TGT drilling began on 17 August after the jacket of the unmanned platform was installed earlier in the month. The drilling programme will be continuous until the rig is moved off the jacket in mid-2011 to allow for the hook-up phase in anticipation of a mid-year start up of production operations. The Phase II development injector well in CNV was designed to maintain reservoir pressure to allow higher production rates from the field. Thus far, the injectivity reaction has been favourable and at the high end of the anticipated range.

With production averaging 5,191 barrels of oil equivalent per day ("BOEPD") combined from its South East Asia assets, the Group reported a first half after tax profit of \$12.0 million. Capital expenditures were \$51.6 million in the first half. With consideration for the continuing exploration and development programme, the Directors do not recommend a dividend.

OPERATIONS

The most active drilling programme in the Company's history has advanced through the first half of 2010 with operations activities focused on the Cuu Long Basin, offshore Vietnam, and on the Nganzi Block, onshore the Democratic Republic of Congo (Kinshasa).

SOUTH EAST ASIA

VIETNAM

The Company's interests in Vietnam are Block 16-1 and Block 9-2 in the Cuu Long Basin. This is a shallow water, near shore, oil rich basin defined by several high profile producing oil fields, the largest being the Bach Ho field, which lies adjacent to both the Blocks. Bach Ho has produced more than one billion barrels of oil to date.

Block 16-1

Te Giac Trang

During the first half of the year, preparations were underway to commence Phase I of the TGT Field development and appraisal well drilling programme. First oil remains targeted for mid-2011 with production from this first phase of development expected to be approximately 50,000 barrels of oil per day ("BOPD").

Tenders for a number of long lead items have been issued and the conversion of the floating production, storage and offloading vessel is underway in Singapore. Fabrication of the jacket for the unmanned offshore platform has been completed and the jacket has been installed offshore on the northernmost H1 fault block. Fabrication of the topsides on the initial unmanned wellhead platform is ongoing.

Drilling of the initial development/appraisal wells will be conducted from this platform with the jack up drilling rig, PV Drilling-1, owned and operated by PV Drilling, which was secured in July 2010 with a contract commitment for seven wells with four six month extension options. The first well was spud on 17 August 2010. The first phase of the development drilling programme will be continuous.

Te Giac Den

Drilling of the TGD-2X appraisal well is continuing. The well is currently at approximately 4,390 metres and is anticipated to reach the objective section within days. With the difficulties encountered in the prior TGD drilling campaign and with safety being a paramount concern, this well has been designed with a very fundamental "belt and braces" approach.

The TGD-2X is being drilled by the jack up rig Maersk Convincer on a sole risk basis and is targeting reserves (P50) of circa 100 million barrels in the supravolcanics interval that was briefly tested in the initial discovery well. The TGD Appraisal Area encompasses an area of 150 square kilometres including the high pressure, high temperature discovery well, TGD-1X-ST1, on Prospect E and the analogous E South Prospect. This area borders the southern boundary of the TGT field.

Block 9-2

Ca Ngu Vang

The CNV Field is currently producing at approximately 11,000 BOEPD, comprising 7,500 BOPD and 20 million standard cubic feet of gas and gas liquids per day. Production from the CNV Field was resumed in early February 2010 after a two month suspension due to a pipeline inspection gauge becoming stuck in the production line that connects the CNV platform to the Bach Ho production platform.

In April 2010, Phase II of the CNV Development Drilling Programme began with the commencement of the CNV-6P-ST1 well by the jack up rig, Offshore Resolute. This well was converted to a water injector well to provide early water flooding, which would enable

plateau production to be reached and avoid gas breakthrough. Indications are that the reservoir has reacted well to the pressure maintenance. The operator of the CNV Field, the Hoan Vu Joint Operating Company, is considering drilling an additional producing well, which would eventually be converted to a water injector, in late 2010 or the first half of 2011.

THAILAND

Bualuang field

In July 2010, the Company announced it had entered into a conditional sale and purchase agreement for the sale of its wholly owned subsidiary SOCO Thailand LLC ("SOCO Thailand") to Salamander Energy plc for an initial value of US\$105 million (subject to certain financial adjustments), plus contingent cash consideration of US\$1 million, and an effective date of 1 January 2010. SOCO Thailand is a 99.9993% shareholder of SOCO Exploration (Thailand) Co Limited, the entity that holds the Group's 40% interest in the Bualuang Field, offshore of Thailand.

Following the side-track of three existing slant production wells and their conversion to horizontal production wells in May of this year, the field is back to normal production. Production from Bualuang net to the Company's working interest averaged 2,991 BOPD through the first six months of the year.

AFRICA

REPUBLIC OF CONGO (BRAZZAVILLE)

SOCO Exploration and Production Congo SA ("SOCO EPC") holds an interest in and is the designated operator of the Marine XI and Marine XIV Blocks, located in the Congo Basin, offshore the Republic of Congo (Brazzaville).

Analysis of the results from the 2009 appraisal drilling on the Viodo field on Marine XI continues. Reprocessing of the seismic data from the 100 kilometre multi-azimuthal 3D seismic programme completed over Marine XIV is underway. The Company has received official notice from the Oil Minister of a one year extension of Phase I of the production sharing agreements for both Blocks. As a result, the Company has increased time to analyse the results and to prioritise exploration drilling on both Blocks for later this year or in 2011.

DEMOCRATIC REPUBLIC OF CONGO (KINSHASA)

Nganzi Block

The designated operator of the Nganzi Block and holder of a 65% working interest is SOCO Exploration and Production DRC Sprl ("SOCO E&P DRC"), the Company's 85% owned subsidiary. In July 2010, SOCO E&P DRC entered into a farm-out agreement wherein it agreed to farm-out a 20% interest in the Nganzi Block to INPEX CORPORATION ("INPEX"). INPEX is a current oil producer in another area of the DRC holding a 32.28% interest in various offshore producing fields and facilities and is one of SOCO's co-venturers in Angola. The remaining 15% interest is held by the national oil company, La Congolaise des Hydrocarbures ("Cohydro"). Per the agreement, INPEX will fund 40% of the cost, with half of the funding obligation subject to certain caps on cost overruns, associated with a three well exploration drilling programme. Following the initial three well programme, INPEX will fund its participating interest share of costs associated with the Block. In addition, INPEX will fund its participating interest share of the cost recoverable historical costs incurred by SOCO E&P DRC on the Nganzi Block. The assignment of interest has been approved by the appropriate regulatory authorities of the Government of the Democratic Republic of Congo (Kinshasa).

Four large structures on the 800 square kilometre onshore Nganzi Block were identified from the interpretation of the 2D seismic taken from the acquisition programme in 2008. The Block is situated some 50 kilometres from the west coast and is approximately 60 kilometres from an export facility located offshore in DRC waters.

The services of the onshore drilling rig, Caroil #1, owned by CAROIL SAS, were secured in April 2010. The rig was transported from Pointe Noire overland to the Nganzi Block in late

May. The Nganga-1 well spudded on 15 July 2010 and following various mechanical and software issues on the rig is expected to reach the objective reservoir shortly. Testing, if required would add another two to three weeks. Two further wells will be drilled, with contingency for a fourth well.

Block 5

SOCO E&P DRC holds a 38.25% participating interest in and is operator of a Production Sharing Agreement for Block 5 located in the southern Albertine Graben in eastern DRC, adjacent to the border with Uganda where there have been recent discoveries in the same basin. The Block covers an area of 7,105 square kilometres and includes part of Lake Edward.

In June 2010, the Production Sharing Agreement for Block 5 received the Presidential Decree, the final step in the concession award of the block. The Block 5 partnership consists of SOCO E&P DRC holding 38.25%, Dominion Petroleum Congo SPRL with 46.75% and Cohydro with 15%. During the initial five year exploration period the Block 5 partnership have committed to acquire at least 300 km of seismic data and drill two exploration wells.

ANGOLA

Cabinda North

SOCO Cabinda Limited, the Company's 80% owned subsidiary, holds a 17% participating interest in the Production Sharing Agreement for the Cabinda Onshore North Block in the Angolan enclave of Cabinda. The Block, which is operated by Sonangol, covers 1,400 square kilometres and is bordered in the north by Congo (Brazzaville) and in the south and east by the DRC.

The seismic acquisition programme began in late 2009, but was suspended in January 2010 by the operator due to multiple security incidents in the region. The acquisition programme recommenced in May 2010. No drilling is anticipated in Cabinda during 2010.

FINANCIAL RESULTS

Two significant corporate events impacted the financial results in the first half of 2010 as the Company raised gross proceeds of £102.0 million following a share placing in January and repaid \$166.0 million to convertible bondholders who exercised put options and redeemed their bonds in May.

Subsequent to the end of the period the Group announced its intention to dispose of its Thailand asset with an effective date of 1 January 2010. Since the Thailand interest did not meet the criteria prescribed in IFRS 5 as a non-current asset held for sale as at 30 June 2010 it has been included in continuing operations for the first six months of 2010. The net effect of these events strengthens the Company's financial position, allowing it to fully fund existing exploration and development opportunities.

INCOME STATEMENT

Operating results

In the first half of 2010, SOCO's oil and gas revenues from operations, which are all derived from the Group's South East Asia segment, were similar to the equivalent period last year being \$66.2 million (six months to 30 June 2009 - \$66.6 million). During the first six months of 2010, the Group realised an average price of \$73.87 per barrel of oil compared to \$47.48 per barrel in the first half of 2009. The Group's working interest share of production during the period was 5,191 BOEPD down from 6,734 BOEPD in the first half of 2009 due to repair work on CNV and the scaling back of production at Bualuang. Revenue in 2009 included cost recoupment entitlement barrels associated with the Group's cost carry of Petrovietnam on the 9-2 Block, which had been fully recouped by the end of 2009.

Cost of sales on operations in the period was \$30.7 million for the six month period to 30 June 2010 up from \$19.1 million in the first half of 2009. This increase is mainly associated with the reduction in period end inventory (which is valued at market price). On a per barrel basis, excluding inventory movements, depreciation, depletion and decommissioning costs (DD&A) and sales related duties and royalties, operating costs were approximately \$13.10 per barrel compared to \$10.70 per barrel in the first half of 2009. This increase on a per barrel basis is mainly due to the higher proportion of fixed operating costs associated with lower production in the Group's Thailand producing field and other higher charges in respect of the floating production storage and offloading facility in Thailand.

DD&A included in cost of sales was \$6.2 million for the current reporting period compared to \$9.9 million in the first half of 2009 consistent with lower entitlement production. On a per barrel basis, DD&A increased from approximately \$6.00 per barrel in the first half of 2009 to approximately \$6.60 per barrel in the six months ended June 2010. This increase is mainly due to higher estimated future development costs in Thailand and Vietnam, partially offset by higher reserves in Thailand recognised in the second half of 2009, and higher estimated future decommissioning costs in Vietnam.

Administrative costs relating to continuing operations for the first six months increased from \$3.5 million in 2009 to \$4.2 million in 2010. The increase is primarily attributable to higher direct employee costs.

Operating profit for the period was \$31.4 million arising from the Group's production operations in Vietnam and Thailand compared to \$44.0 million for the first half of 2009.

Non-operating results

Investment income reduced from \$1.7 million in the first half of 2009 to \$0.6 million for the current period mainly due lower available interest rates.

Tax

The tax expense increased from \$14.1 million in the six month period ending 30 June 2009 to \$20.2 million in the current reporting period. This increase is mainly due to a greater proportion of revenue being derived from Thailand which has a higher effective tax rate than Vietnam, in particular due to Thai special remuneratory benefit tax. Further, as the results in 2009 included revenue arising from non-taxable income in Vietnam relating to cost recoupment the effective rate in 2009 was reduced.

CASH AND LIQUID INVESTMENTS

SOCO's cash, cash equivalents and liquid investments at 30 June 2010 were \$258.1 million (31 December 2009 - \$307.6 million and 30 June 2009 - \$294.0 million). This reduction is a result of the convertible bond redemption in May, the Group's capital development programmes in South East Asia and exploration activity in Africa offset by cash inflows from the share placing in January and production operations in South East Asia.

DEBT

As at 30 June 2010 the Group's only debt was the convertible bonds issued in 2006 at a par value of \$250 million, further details of which are in Note 23 to the 2009 Annual Report and Accounts. On 16 May 2010, bonds with a par value of \$166 million were redeemed at the option of each bondholder. The unwinding of the discount relating to the redeemed bonds has been charged to finance costs in the amount of \$8.1 million and capitalised in accordance with the Group's accounting policy. The liability component of the bonds has been reclassified as a non-current liability on the balance sheet as at 30 June 2010 as, if the bonds have not been previously purchased and cancelled, redeemed or converted, the remaining bonds will be redeemed at par value on 16 May 2013.

CAPITAL EXPENDITURE

Capital expenditure of \$51.6 million in the first half of 2010 was higher than the \$36.2 million spend in the first half of 2009 following the commencement of the TGT development project in Vietnam in the second half of 2009. In addition to continuation of the TGT project in South East Asia, development activities continued in Vietnam on the CNV field with the drilling of a water injector well and commencement of drilling at TGD and in Thailand on the Bualuang field with the side-track of three existing slant production wells and their conversion to horizontal production wells. In the Group's Africa region, where drilling commenced in July 2010 on the Nganzi Block, preparation for the drilling campaign included the construction of base camps, roads and bridges.

PRODUCTION

During the first half of 2009 the Group's production, net to the Group's working interest, of 5,191 BOEPD was sourced from its CNV field in Vietnam (2,200 BOEPD) and its Bualuang field in Thailand (2,991 BOPD). This is down from 6,734 BOEPD in the equivalent period last year and 6,415 BOEPD for the full year 2009. This is associated with both the CNV field as production was suspended from early December 2009 until early February 2010 when a pipeline inspection gauge became stuck in the production line connecting the CNV platform to the Bach Ho production platform; and with the scaling back of production at Bualuang as side track wells were being drilled. Subsequently, CNV production was scaled back pending the initiation of water injection in order to maintain adequate reservoir pressure.

RELATED PARTY TRANSACTIONS

There have been no material related party transactions in the period and there have been no material changes to the related party transactions described in Note 31 to the Consolidated Financial Statements contained in the 2009 Annual Report and Accounts.

RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of 2010 and could cause actual results to differ materially from expected and historical results. Risks and uncertainties that remain unchanged from those published in the 2009 Annual Report and Accounts are summarised below:

- Credit risk – in respect of the Group's financial asset at fair value through profit or loss arising on the Group's disposal of its Mongolia interest and short term financial assets.
- Foreign currency risk – associated with cash balances held in non-US dollar denominations.
- Liquidity risk – associated with meeting the Group's cash requirements.
- Interest rate risk – applicable to the Group's cash balances, debt and financial asset.
- Commodity price risk – associated with the Group's sales of oil and gas.
- Capital risk management – in relation to Group financing.
- Political risk – arising in countries where the Group has an interest, including compliance with and interpretation of taxation and other regulations.
- Reserves risk – associated with inherent uncertainties in the application of standard recognised evaluation techniques to estimate proven and probable reserves.

Further information on the above principal risks and uncertainties of the Group is included in the Financial Review section of the 2009 Annual Report and Accounts and in Notes 3 and 4 to the Consolidated Financial Statements in that report.

GOING CONCERN

The Group has a strong financial position and, after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Consequently the Directors believe that the Group is able to manage its financial and operating risks and, accordingly, they continue to adopt the going concern basis in preparing the Half Year Report.

CORPORATE

Share placement

In January 2010, the Company announced that it had successfully placed 7,234,347 new ordinary shares of 20 pence each, pre share split – see below, (the "Placing Shares") with institutions at a price of 1410 pence per Placing Share (the "Placing Price"). Based on the Placing Price, the gross proceeds of the Placing were £102.0 million. No share premium has been recognised as the Company has taken advantage of merger relief. The Placing Shares issued represented an increase of approximately 9.6% in SOCO's existing issued ordinary share capital. Upon issue, the Placing Shares were credited as fully paid and rank *pari passu* in all respects with the existing ordinary shares of 20 pence each in the capital of the Company, including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares after the date of issue of the Placing Shares.

Bond redemption

The Company redeemed at par \$166.0 million of the \$250 million convertible bonds that were issued in 2006 as just over 66% of the bond put options were exercised on 16 May 2010. The remaining bonds mature in May 2013. See above and Note 6 to the condensed financial statements for further details.

Share split

Following approval at the Company's Annual General Meeting of shareholders, on 10 June 2010, the Company's share capital was sub-divided on a 4 for 1 basis, wherein every existing ordinary share of £0.20 each was subdivided into four ordinary shares of £0.05 each. Accordingly, this sub-division was reflected in the share price, which closed at £16.10 on 9 June 2010 and £3.98 on 10 June 2010.

Disposal of Thailand asset

In July 2010, SOCO announced that it had entered into a conditional sale and purchase agreement for the sale of its wholly owned subsidiary SOCO Thailand LLC ("SOCO Thailand") to Salamander Energy plc for an initial value of \$105 million (subject to certain financial adjustments including adjustments in respect of cash flows arising from the effective date), plus contingent cash consideration of \$1 million, effective 1 January 2010. SOCO Thailand is a 99.9993% shareholder of SOCO Exploration (Thailand) Co Limited, the entity that holds the Group's interest in the Bualuang Field, offshore of Thailand. An Extraordinary General Meeting will be held on 6 September to seek approval from shareholders for the disposal.

OUTLOOK

There is no question that the drilling programmes currently underway offer more upside potential than any experienced previously by the Company. Should we have success in all phases, the Group could expect net reserves to more than quadruple. Even with modest success, there could be a significant impact on reserves.

In addition to the exploration upside, the Company is engaged in initiatives that will have major impact on the near and intermediate term production outlook. If the sale of the Group's Thailand assets is approved by shareholders, near term production will solely be sourced from the CNV field in Vietnam and production will drop as a result. However, in the intermediate term we expect additional injectivity at CNV to improve the production profile. Moreover, our second major development in Vietnam at the TGT field, the largest development operation in the Company's history, is on schedule to deliver first oil in mid 2011.

Rui de Sousa
Chairman

Ed Story
President and Chief Executive

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting;
- The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transaction and changes therein).

By order of the Board

Roger Cagle

Chief Financial Officer

25 August 2010

DISCLAIMER

This Half Year Report has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The Half Year Report should not be relied on by any other party or for any other purpose.

The Half Year Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

INDEPENDENT REVIEW REPORT TO SOCO INTERNATIONAL PLC

We have been engaged by the Company to review the condensed set of financial statements in the half year financial report for the six months ended 30 June 2010 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 8. We have read the other information contained in the half year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half year financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half year financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half year financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half year financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half year financial report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants and Statutory Auditors
London, United Kingdom
25 August 2010

Condensed consolidated income statement

		(unaudited) six months ended 30 Jun 10 \$000's	(unaudited) six months ended 30 Jun 09 \$000's	year ended 31 Dec 09 \$000's
Revenue		66,188	66,599	131,013
Cost of sales		(30,651)	(19,135)	(33,777)
Gross profit		35,537	47,464	97,236
Administrative expenses		(4,167)	(3,489)	(6,785)
Operating profit		31,370	43,975	90,451
Investment revenue		598	1,677	2,554
Other gains and losses		513	850	1,715
Finance costs		(345)	(766)	(1,226)
Profit before tax	3	32,136	45,736	93,494
Tax	4	(20,182)	(14,129)	(42,376)
Profit for the period		11,954	31,607	51,118
Earnings per share (cents)	5			
Basic		3.7	10.8	17.4
Diluted		3.4	9.5	15.5

Condensed consolidated statement of comprehensive income

	(unaudited) six months ended 30 Jun 10 \$000's	(unaudited) six months ended 30 Jun 09 \$000's	year ended 31 Dec 09 \$000's
Profit for the period	11,954	31,607	51,118
Transfer from other reserves	9,989	2,096	4,209
Unrealised currency translation differences	(12,819)	73	98
Total comprehensive income for the period	9,124	33,776	55,425

Condensed consolidated balance sheet

	(unaudited) 30 Jun 10 \$000's	(unaudited) 30 Jun 09 \$000's	31 Dec 09 \$000's
Non-current assets			
Intangible assets	126,504	399,681	103,462
Property, plant and equipment	624,308	240,122	572,735
Financial asset	36,846	35,272	36,247
Deferred tax assets	-	1,549	-
	787,658	676,624	712,444
Current assets			
Inventories	18,447	9,015	23,834
Trade and other receivables	14,826	37,553	19,946
Tax receivables	314	988	270
Liquid investments	-	102,121	151,954
Cash and cash equivalents	258,053	191,853	155,619
	291,640	341,530	351,623
Total assets	1,079,298	1,018,154	1,064,067
Current liabilities			
Trade and other payables	(31,913)	(19,973)	(23,721)
Tax payables	(13,422)	(9,498)	(10,686)
Convertible bonds	-	(230,413)	(232,674)
	(45,335)	(259,884)	(267,081)
Non-current liabilities			
Convertible bonds	(76,817)	-	-
Deferred tax liabilities	(26,300)	(7,818)	(22,821)
Long term provisions	(11,185)	(7,297)	(10,897)
	(114,302)	(15,115)	(33,718)
Total liabilities	(159,637)	(274,999)	(300,799)
Net assets	919,661	743,155	763,268
Equity			
Share capital	27,300	24,428	24,451
Share premium account	72,212	70,980	71,077
Other reserves	154,602	12,973	11,317
Retained earnings	665,547	634,774	656,423
Total equity	919,661	743,155	763,268

Condensed consolidated statement of changes in equity

	Called up share capital \$000's	Share premium account \$000's	Other reserves \$000's	Retained earnings \$000's	Total \$000's
As at 1 January 2009	24,322	70,369	14,697	600,998	710,386
Shares issued	106	611	-	-	717
Share-based payments	-	-	418	-	418
Transfer relating to share-based payments	-	-	(396)	396	-
Transfer relating to convertible bonds	-	-	(1,700)	1,700	-
Profit for the period	-	-	-	31,607	31,607
Unrealised currency translation differences	-	-	(46)	73	27
As at 30 June 2009	24,428	70,980	12,973	634,774	743,155
Shares issued	23	97	-	-	120
Share-based payments	-	-	457	-	457
Transfer relating to share-based payments	-	-	(344)	344	-
Transfer relating to convertible bonds	-	-	(1,769)	1,769	-
Profit for the period	-	-	-	19,511	19,511
Unrealised currency translation differences	-	-	-	25	25
As at 1 January 2010	24,451	71,077	11,317	656,423	763,268
Shares issued	2,849	1,135	159,047	-	163,031
Share-based payments	-	-	(5,764)	-	(5,764)
Transfer relating to share-based payments	-	-	(516)	516	-
Transfer relating to convertible bonds	-	-	(1,387)	1,387	-
Unwinding of discount on redeemed bonds	-	-	(8,086)	8,086	-
Profit for the period	-	-	-	11,954	11,954
Unrealised currency translation differences	-	-	(9)	(12,819)	(12,828)
As at 30 June 2010	27,300	72,212	154,602	665,547	919,661

Condensed consolidated cash flow statement

	(unaudited) six months ended 30 Jun 10 \$000's	(unaudited) six months ended 30 Jun 09 \$000's	year ended 31 Dec 09 \$000's
Net cash from operating activities	7 24,515	25,804	77,030
Investing activities			
Purchase of intangible assets	(18,686)	(13,945)	(38,025)
Purchase of property, plant and equipment	(32,960)	(22,267)	(35,876)
Decrease (increase) in liquid investments ¹	151,954	(102,121)	(151,954)
Net cash from (used in) investing activities	100,308	(138,333)	(225,855)
Financing activities			
Share-based payments	(6,190)	-	-
Repayment of borrowings	(165,949)	-	-
Proceeds on issue of ordinary share capital	163,030	717	837
Net cash (used in) from financing activities	(9,109)	717	837
Net increase (decrease) in cash and cash equivalents	115,714	(111,812)	(147,988)
Cash and cash equivalents at beginning of period	155,619	303,433	303,433
Effect of foreign exchange rate changes	(13,280)	232	174
Cash and cash equivalents at end of period	258,053	191,853	155,619

¹ Liquid investments comprise short term liquid investments of between three to six months maturity while cash and cash equivalents comprise cash at bank and other short term highly liquid investments of less than three months maturity.

Notes to the condensed consolidated financial statements

1 General information

The information for the year ended 31 December 2009 does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The half year financial report is presented in US dollars because that is the currency of the primary economic environment in which the Group operates.

The Directors do not recommend the payment of a dividend.

The half year financial report for the six months ended 30 June 2010 was approved by the Directors on 25 August 2010.

2 Significant accounting policies

The half year financial report, which is unaudited, has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union and the disclosure requirements of the Listing Rules and using the same accounting policies and methods of computation as applied by the Company in its 2009 Annual Report and Accounts for the year ended 31 December 2009. The condensed set of financial statements included in this half year financial report has been prepared on a going concern basis of accounting for the reasons set out in the Financial Results section of this report and in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union, and the requirements of the UK Disclosure and Transparency Rules of the Financial Services Authority in the United Kingdom as applicable to interim financial reporting.

3 Segment information

The Group has one principal business activity being oil and gas exploration and production. The Group's operations are located in South East Asia and Africa and form the basis on which the Group reports its segment information. There are no inter-segment sales. Segment results are presented below:

Six months ended 30 June 2010 (unaudited)

	SE Asia \$000's	Africa \$000's	Unallocated \$000's	Group \$000's
Oil sales	66,188	-	-	66,188
Profit (loss) before tax	35,537	-	(3,401)	32,136

Six months ended 30 June 2009 (unaudited)

Oil sales	66,599	-	-	66,599
Profit (loss) before tax	47,464	-	(1,728)	45,736

Year ended 31 December 2009

Oil sales	131,013	-	-	131,013
Profit (loss) before tax	97,080	-	(3,586)	93,494

4 Tax

	(unaudited) six months ended 30 Jun 10 \$000's	(unaudited) six months ended 30 Jun 09 \$000's	year ended 31 Dec 09 \$000's
Current tax	16,703	9,828	21,523
Deferred tax	3,479	4,301	20,853
	20,182	14,129	42,376

UK corporation tax is calculated at 28% of the estimated assessable profit for each period. Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. During each period both current and deferred taxation have arisen in overseas jurisdictions only.

5 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	(unaudited) six months ended 30 Jun 10 \$000's	(unaudited) six months ended 30 Jun 09 \$000's	year ended 31 Dec 09 \$000's
Earnings	11,954	31,607	51,118
Effect of dilutive potential ordinary shares: Interest on convertible bonds	68	593	943
Earnings for the purposes of diluted earnings per share	12,022	32,200	52,061

	Number of shares ('000)		
	(unaudited) six months ended 30 Jun 10	(unaudited) six months ended 30 Jun 09	year ended 31 Dec 09
Weighted average number of ordinary shares for the purposes of basic earnings per share	321,951	293,422	293,835
Effect of dilutive potential ordinary shares:			
Share options and warrants	9,564	11,711	10,675
Ordinary shares of the Company held by the Group	6,287	7,150	7,135
Convertible bonds	20,834	24,952	24,952
Weighted average number of ordinary shares for the purposes of diluted earnings per share	358,636	337,235	336,597

On 10 June 2010 the Company sub-divided its share capital on a four for one share basis. Accordingly the number of ordinary shares for the purposes of the earnings per share used in prior periods has been adjusted.

6 Convertible bonds

As at 30 June 2010 the Group's only debt was the convertible bonds issued in 2006 at a par value of \$250 million, further details of which are in Note 23 to the 2009 Annual Report and Accounts. On 16 May 2010, bonds with a par value of \$166 million were redeemed at the option of each bondholder. The unwinding of the discount relating to the redeemed bonds has been charged to finance costs in the amount of \$8.1 million and capitalised in accordance with IAS 23 Borrowing Costs. The liability component of the bonds has been reclassified as a non-current liability on the balance sheet as at 30 June 2010 as, if the bonds have not been previously purchased and cancelled, redeemed or converted, the remaining bonds will be redeemed at par value on 16 May 2013.

7 Reconciliation of operating profit to operating cash flows

	(unaudited) six months ended 30 Jun 10 \$000's	(unaudited) six months ended 30 Jun 09 \$000's	year ended 31 Dec 09 \$000's
Operating profit	31,370	43,975	90,451
Share-based payments	426	418	875
Depreciation, depletion and amortisation	6,290	9,922	16,126
Operating cash flows before movements in working capital	38,086	54,315	107,452
Decrease (increase) in inventories	5,427	(5,105)	(19,922)
(Increase) decrease in receivables	(4,320)	(12,998)	14,032
Increase (decrease) in payables	5,021	(3,466)	(2,919)
Cash generated by operations	44,214	32,746	98,643
Interest received	654	2,501	3,577
Interest paid	(5,711)	(5,669)	(11,278)
Income taxes paid	(14,642)	(3,774)	(13,912)
Net cash from operating activities	24,515	25,804	77,030

Cash generated is derived from continuing operating activities only.

Cash and cash equivalents (which are presented as a single class of asset on the balance sheet) comprise cash at bank and other short term highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of change in value.

8 Subsequent events

Disposal of Thailand assets

In July 2010, SOCO announced that it had entered into a conditional sale and purchase agreement, with an effective date of 1 January 2010, for the sale of its wholly owned subsidiary SOCO Thailand LLC ("SOCO Thailand") to Salamander Energy plc for an initial value of \$105 million (subject to certain financial adjustments including adjustments in respect of cash flows arising from the effective date), plus contingent cash consideration of \$1 million (the "Disposal"). SOCO Thailand is a 99.9993% shareholder of SOCO Exploration (Thailand) Co Limited, the entity that holds the Group's interest in the Bualuang Field, offshore of Thailand and which is a component of the Group's South East Asia segment (see Note 3). The Disposal is conditional upon the approval of SOCO shareholders at a general meeting of SOCO and upon the approval of Salamander Energy plc shareholders at a general meeting of Salamander Energy plc. The Disposal is expected to complete by 30 September 2010. Since the Thailand interest did not meet the criteria prescribed in IFRS 5 as a non-current asset held for sale as at 30 June 2010 it has been included in continuing operations for the first six months of 2010.

Farmout of Nganzi acreage

In July 2010, SOCO Exploration and Production DRC Sprl ("SOCO E&P DRC"), the Company's 85% owned subsidiary, entered into a farm-out agreement wherein it agreed to farm-out a 20% interest in the Nganzi Block to INPEX CORPORATION (INPEX). Per the agreement, INPEX will fund 40% of the cost, with half of the funding obligation subject to certain caps on cost overruns, associated with a three well exploration drilling programme. Following the initial three well programme, INPEX will fund its participating interest share of costs associated with the Block. In addition, INPEX will fund its participating interest share of the cost recoverable historical costs incurred by SOCO E&P DRC on the Nganzi Block.