U.S. Oil & Gas plc

Annual Report and Financial Statements

for the year ended 30 September 2011

U.S. Oil and Gas Plc

Contents

U.S. Oil and Gas Plc

Directors and other information

Directors	Brian McDonnell	(Chief Executive Officer / Chairman)
	Andrew Harwood	(Appointed 07/11/2011) Non Executive Officer
	Peter Whelan	(Appointed 07/11/2011) Non Executive Officer
	Karim Akrawi	(Appointed 07/12/2011) Non Executive Officer
	Christopher Comerford	(Resigned 25/10/2011) Non Executive Officer
	James Guiry	(Resigned 25/10/2011) Non Executive Officer

Registered Office & Business Address	Alexandria House The Sweepstakes Ballsbridge Dublin 4
Secretary	Brian McDonnell
Auditors	LHM Casey McGrath Chartered Certified Accountants & Registered Auditors 6 Northbrook Road Dublin 6
Bankers	Bank of Ireland Phibsborough Dublin 7
	Bank of America 401 Virginia St. Reno NV 89501 U.S.A.
Solicitors	Byrne Wallace 87-88 Harcourt Street Dublin 2
Registered Number	471932 Republic of Ireland
Date of Incorporation	15 June 2009
Website:	www.usoil.us

U.S. Oil and Gas Plc

Chairman's Statement
for the year ended 30 September 2011

The Company is pleased to report its final results for the year ended 30 September 2011.

In 2011 the company completed the acquisition of data over its original lease area, identifying at least ten drilling targets, and raised $7.35M to finance the first stage of its development programme.

A Competent Person's Report (CPR) from independent petroleum consultants Forrest A. Garb & Associates (FGA) was prepared from all currently available data related to US Oil's original (pre-December 2011) lease area at Hot Creek Valley. Best Estimate (50% probability based on SPE-PRMS) of Gross Prospective Resources was 189 MMSTB with recoverable oil estimated to be 67 MMSTB.

Through its wholly owned subsidiary, Major Oil International LLC, the company successfully bid for an additional seven leases from the Bureau of Land Management bringing the total lease area under its control to 88 Sq KM.

In June 2012, US Oil announced the first discovery of light sweet crude in Nevada for over 30 years when the company drilled its first well, Eblana #1 to a total depth of 8,550 feet. At least nine large potential oil reservoir intervals and associated high fracture zones were encountered with good porosity and hydrocarbon shows from multiple reservoir intervals.

Subsequent advanced well-log processing and interpretation have now been completed, and production zones for perforation and testing have now been identified for flow testing. The downhole programme and its schedule has been agreed with the workover contractor.

The work programme through December 2012 will comprise Phase I - the workover programme on Eblana #1, testing and production, the collection of all data on the entire lease acreage, completion of the next development well and possible further appraisal wells, and the finalisation of the conceptual development plan. We will follow with Phase II - the implementation of the "Master Development Programme."

Additional funding raised on 27th July, 2012 of circa $1.7M provides sufficient funding to complete Phase I.

The board would like to acknowledge the contribution to the development of the company of our former Chairman, Mr. Jimmy Guiry who died on January 6th last. The board would also like to thank Andrew Harwood for his contribution to the company during his period as director.

Brian McDonnell, Chairman

Directors' Report
for the year ended 30 September 2011

The Directors present their Annual Report and the audited consolidated financial statements for the year ended 30 September 2011 for U.S. Oil and Gas Public Limited Company ("the Company") and its subsidiary, Major Oil International LLC (collectively "the Group").

Principal Activity
The principal activity of the company is oil and gas exploration and development.

Review of Business and Future Developments
A review of activities for the period and future prospects of the Group is contained in the Chairman's Statement.

Principal Risks and Uncertainties
The Group's activities are carried out in North America. Accordingly the principal risks and uncertainties are considered to be the following:

Exploration Risk
Exploration and development activities may be delayed or adversely affected by factors outside the Group's control, in particular; climatic conditions, existence of commercial deposits of oil and gas, unknown geological conditions; remoteness of location; actions of host governments or other regulatory authorities (relating to, inter alia, the grant, maintenance or renewal of any required authorisations, environmental regulations or changes in law).

Commodity Price Risk
The demand for, and price of, oil and gas is dependent on global and local supply and demand, actions of governments or cartels and general global economical and political developments.

Political Risk
The Group may be subject to political, economic and other uncertainties, including but not limited to terrorism, military repression, war or unrest, changes in national laws and energy policies and exposure to less developed legal systems.

Currency Risk
Although the reporting currency is the US dollar (US$), which is the currency most commonly used in the pricing of commodities and for significant exploration and production costs, other expenditure (in particular central administrative costs) and equity funding may be denominated in other currencies, being Euro (ú) and Sterling (Stg£) respectively, thus creating currency exposure.

Financial Risk
Financial risk is addressed in Note 17 to these financial statements

Share Price
The share price movement in the period ranged from a low of Stg£0.11 to a high of Stg£0.975 The shares were suspended by the PLUS market on 23 August 2011.

Results And Dividends
The loss for the year after providing for depreciation and taxation amounted to $621,688 (2010 : $340,694). All exploration and development costs to date have been deferred and therefore the Directors do not recommend the payment of a final dividend.

Directors' Report
for the year ended 30 September 2011

PLUS Market
The company was suspended on 23 August 2011 on the grounds of a "suspected disorderly market". The company was delisted from the PLUS markets on 7th April 2012. The directors have not been made aware of the result of any investigation. The company listed on GXG markets on 19 April 2012

Directors
In accordance with the Articles of Association, at the next Annual General Meeting to be held, Brian McDonnell will be retiring by rotation and being eligible offers himself for re-election. In accordance with paragraph 48 of the Articles of Association Karim Akrawi, and Peter Whelan will retire and offer themselves for re-election. Because of other business commitments, Mr Harwood is not seeking election as a director.

Directors and Secretary and their Interests
The interests (all of which are beneficial) of the directors and secretary and their families who held office at 30 September 2011 in the share capital of the Company were:

		Ordinary shares		
		3 Aug '12	**30 Sep '11**	**1 Oct '10**
Directors				
Brian McDonnell		3,854,091	3,854,091	3,854,091
James Guiry (Deceased)	(Resigned 25/10/2011)	-	2,087,273	2,087,273
Christopher Comerford	(Resigned 25/10/2011)	-	100,000	100,000
Andrew Harwood	(Appointed 07/11/2011)	1,013,867	1,209,670	-
Peter Whelan	(Appointed 07/11/2011)	564,118	564,118	-
Karim Akrawi	(Appointed 07/12/2011)	100,000	100,000	-
Secretary				
Brian McDonnell		3,854,091	3,685,409	3,854,091

Included in Brian McDonnell's holding is the holding of Carrefour Training and Development Ltd., a company of which Brian McDonnell is the controlling shareholder and director.

Transactions Involving Directors
There have been no contracts or arrangements of significance during the period in which the Directors of the Company were interested other than as disclosed in Note 15 to the financial statements.

Directors' Report
for the year ended 30 September 2011

Significant Shareholders
The Company has been informed that, in addition to the interests of the Directors, as at 30 September 2011 and the date of this report, the following shareholders own 3% or more of the issued share capital of the Company:

	Percentage of Issued share	
	3 Aug '12	**30 Sep '11**
Jim Nominees Limited	8.81%	0.47%
Aurum Nominees Limited	4.68%	-
SVS (Nominees) Limited	4.68%	9.66%
Goodbody Stockbrokers Nominees	3.89%	3.33%
TD Direct Investing Nominees	3.66%	7.38%
Humphry O'Sullivan	3.65%	3.83%
Barclayshare Nominees Limited	3.34%	3.01%
Davycrest Nominees	3.04%	2.61%
Denis O'Sullivan	3.64%	3.64%
LR Nominees	-	3.62%

The Directors are not aware of any other holding of 3% or more of the share capital of the Company.

Shares in Treasury
On 3 April 2011 1,000,000 Ordinary Shares of ú0.0001 each, in the Company held by a former director Mr. Nial Ring were gifted back to the Company at nil consideration. The 1,000,000 Ordinary Shares were transferred to treasury shares. On 20th July 2011, Karim Akrawi was allocated 100,000 shares in lieu of payment. On 14 July 2011 55,000 shares were allocated to Mr. Peter Whelan from Treasury shares. On the 9th May 2011 and 17th July 2011 the company settled liabilities to Geodynamics inc. in the amount of 98,923 shares. The Company holds 746,077 shares "in Treasury". The allocations from treasury resulted in a surplus on issue to the company of ú160,454 with has been added to the capital of the company.

Subsidiary Undertakings
Details of the Company's subsidiary are set out in Note 9 to the financial statements.

Political Donations
The Company did not make any political donations during the period. (2010: $Nil)

Statement of Directors' Responsibilities
The Directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with Irish law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. As permitted by company law, the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU (EU IFRS), as applied in accordance with the provisions of the Companies Acts, 1963 to 2012.

The Group and Company financial statements are required by law and EU IFRS to present fairly the position and performance of the Group and Company. The Companies Acts provide, in relation to such financial statements, that references in the relevant part of the Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;

- make judgements and estimates that are reasonable and prudent; and

- comply with applicable International Financial Reporting Standards as adopted by the European Union; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company, and the Group as a whole, will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements

Under applicable law, the Directors are also responsible for preparing a Directors' Report. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2012, the European Communities (Companies: Group Accounts) Regulations 1992 and all regulations to be construed as one with those acts.

The Directors are responsible for keeping proper books of accounts that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2012.

They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going Concern

The Directors have reviewed budgets, projected cash flows and other relevant information, and on the basis of this review, and having made the appropriate enquiry, are confident that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future.

Going Concern has been addressed by the Directors in Note 1 to the financial statements.

The Directors consider that in preparing the financial statements they have taken into account all information that could reasonable be expected to be available. Consequently, they consider that it is appropriate to prepare the financial statements on a going concern basis.

Directors' Report
for the year ended 30 September 2011

Corporate Governance
The Directors are committed to maintaining the highest standards of corporate governance commensurate with the size, stage of development and financial status of the Group.

The Board
The Board is responsible for the supervision and control of the Group and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.

The Board currently has four Directors, comprising one executive Director and three non-executive Directors. The Board met formally on twelve occasions during the year ended 30 September 2011. An agenda and supporting documentation was circulated for these meetings. All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Directors have a wide and varying array of experiences in the industry.

Audit Committee
The Audit Committee comprises Andrew Harwood and Peter Whelan. It may examine any matters relating to the financial affairs of the Group and the Group's audits. This includes reviews of the annual financial statements and announcements, internal control procedures, accounting procedures, accounting policies, the appointment, independence, objectivity, terms of reference and fees of external auditors and such other related functions as the Board may require.

Remuneration Committee
The Remuneration Committee comprises Karim Akrawi and Peter Whelan. It determines the terms and conditions of employment and annual remuneration of the executive directors. It consults with the Chairman, takes into consideration external data and comparative third party remuneration and has access to professional advice outside the Company.

The key policy objectives of the Remuneration Committee in respect of the Company's executive directors and other senior executives are:

- to ensure that individuals are fairly rewarded for their personal contribution to the Company's overall performance; and
- to act as the independent committee ensuring that due regard is given to the interest of the Company's shareholders and to the financial and commercial health of the Company.

Directors' Remuneration during the period ended 30 September 2011 was as follows:

	2011	2010
	$	$
Remuneration and other emoluments - Executive Directors	97,816	20,320
Remuneration and other emoluments - Non- Executive Directors	50,449	4,910
	148,265	25,230

Nominations Committee
At present, as the Board of Directors is small, no formal nomination committee has been established. The authority to nominate new Directors for appointment vests in the Board of Directors. All Directors co-opted to the Board during any financial period are subject to election by shareholders at the first opportunity following their appointment. Consideration to setting up a nominations committee is under continuous review.

Accounting records
The measures taken by the Directors to ensure compliance with the requirements of Section 202, Companies Act 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at Alexandria House, The Sweepstakes, Ballsbridge, Dublin 4.

Important events after the balance sheet date
Details of important events affecting the group which took place since the end of the reporting period are disclosed in note 16 to the financial statements.

Auditors
The auditors, LHM Casey McGrath, have indicated their willingness to continue in office in accordance with the provisions of Section 160(2) of the Companies Act, 1963.

On behalf of the board

Brian McDonnell	Peter Whelan
Director	Director

Independent Auditors' Report to the Shareholders of U.S. Oil and Gas Plc

We have audited the Group and Company financial statements (the "financial statements") of U.S. Oil and Gas Plc for the year ended 30 September 2011 which comprise of the following Consolidated Statement of Comprehensive Income, Group and Company Statement of Changes in Equity, Group and Company Statement of Financial Position, Group and Company Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out on pages 11 to 15.

This report is made solely to the Company's members as a body in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters that we are required to state to them in the audit 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 and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the European Union ("IFRS") are set out in the Statement of Directors' Responsibilities on page 5 and 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union and are properly prepared in accordance with the Companies Acts 1963 to 2012. We also report to you whether in our opinion: proper books of account have been kept by the Company; whether, at the Statement of Financial Position date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the financial statements are in agreement with the books of account.

We report to the shareholders if, in our opinion, any information specified by law regarding Directors' remuneration and Directors' transactions is not given and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and Chairman's Statement. We consider the implications for our audit report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report to the Shareholders of U.S. Oil and Gas Plc

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Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 30 September 2011 and of its loss for the period then ended;

- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Acts, 1963 to 2012, of the state of the Company's affairs as at 30 September 2011 ; and

- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

We have obtained all the information and explanations we consider necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. The Company Statement of Financial Position is in agreement with the books of account.

Emphasis of matter - Going Concern

We draw your attention to Note 1 of the financial statements in relation to the directors' assessment of going concern and the uncertainty in relation to the development and disposal of exploitation rights and future successful fundraising.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

The net assets of the Company, as stated in the Company Statement of Financial Position on page 20, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 30 September 2011 a financial situation which under Section 40(1) of the Companies (Amendment) Act 1983 may require the convening of an extraordinary meeting of the Company.

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Fergal McGrath
For and on behalf of
LHM Casey McGrath
Chartered Certified Accountants
& Registered Auditors
6 Northbrook Road
Dublin 6

Date: 3 August 2012

U.S. Oil and Gas Public Limited Company

Statement of Accounting Policies
for the year ended 30 September 2011

U.S. Oil and Gas Public Limited Company ("the Company") is a company incorporated in Ireland. The Group financial statements consolidate those of the Company and its subsidiary (together referred to as the "Group").

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and by all group entities.

Basis of Preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's) as adopted by the EU.

The financial statements have been prepared on the historical cost basis. The accounting policies have been applied consistently by Group entities.

Statement of Compliance
As permitted by the European Union, the Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU (IFRS). The individual financial statements of the Company ("Company financial statements") have been prepared in accordance with the IFRSs as adopted by the EU and as applied in accordance with the Companies Acts, 1963 to 2012 which permits a company that publishes its Company and Group financial statements together, to take advantage of the exemption in Section 148(8) of the Companies Act, 1963, from presenting to its members its Company Statement of Comprehensive Income and related notes that form part of the approved Company financial statements.

The IFRSs adopted by the EU as applied by the Company and the Group in the preparation of these financial statements are those that were effective on or before 31 December 2011.

Standards and amendments to existing standards effective 30 September 2011
The following standards, amendments and interpretations which became effective during the period under review are of relevance to the Group:

Standard	**Content**	**Applicable for years beginning on/after**
IAS 24	Related party disclosures	1 January 2011
IAS 34	Interim Financial Reporting	1 January 2011

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

Standard/ Interpretation	**Content**	**Applicable for years beginning on/after**
IFRS 9	Financial Instruments: Classification and measurement	1 January 2013
IFRS 1*	Amendment: Limited Exemption from Comparative IFRS 7	1 July 2010

Statement of Accounting Policies
for the year ended 30 September 2011

	Disclosures for First-time Adopters	
IFRIC 14 *	Amendment: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2011
IFRIC 19 *	Extinguishing financial liabilities with equity instruments	1 July 2010
IFRS 7	Amendment: Disclosures - Transfer of financial assets	1 July 2011
IFRS 3 *	Business Combinations	1 July 2010
IAS 27 *	Consolidated and separate financial statements	1 July 2010

* Not expected to be relevant to the Group, and therefore not to have a material impact on the Group financial statements.

IFRS 9 'Financial instruments: Classification and measurement'
In November 2009, the IASB issued the first part of IFRS 9 relating to the classification and measurement of financial assets. IFRS 9 will ultimately replace IAS 29. The standard requires an entity to classify its financial assets on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, an subsequently measures the financial assets as either at amortised cost or fair value. The new standard is mandatory for annual periods beginning on or after 1 January 2013.

Improvements for IFRS (issued in 2011, March 2012 and May 2012)
The improvements project contains numerous amendments to IFRS that the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual IFRS standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2013 or 1 January 2014 respectively, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

In 2011, the Group did not early adopt any new or amended standards and do not plan to early adopt any of the standards issued but not yet effective.

Functional and Presentation Currency
The consolidated financial statements are presented in US Dollars ($), which is the Company's functional currency.

Use of Estimates and Judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

In particular, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are in the following areas:
Note 8 - Intangible asset; measurement of impairment
Note 6 - Deferred Tax; utilisation of tax losses

Revenue Recognition - Interest revenue
Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Statement of Accounting Policies
for the year ended 30 September 2011

Basis of Consolidation
The consolidated financial statements comprise the financial statements of U.S. Oil and Gas Public Limited Company and its subsidiary undertaking for the year ended 30 September 2011.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements.

In the Company's own balance sheet, investments in subsidiaries are stated at cost less provisions for any permanent diminution in value.

Intangible Assets
In accordance with International Financial Reporting Standard 6 - Exploration for and Evaluation of Mineral Resources, the Group uses the cost method of recognition. Exploration costs include licence costs, survey, geophysical and geological analysis and evaluation costs, costs of drilling and project-related overheads.

Exploration expenditure in respect of properties and licences not in production is capitalised and is carried forward in the balance sheet under intangible assets in respect of each area of interest where:-

(i) the operations are ongoing in the area of interest and exploration or evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; or

(ii) such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its realisation.

When the Directors decide that no further expenditure on an area of interest is worthwhile, the related expenditure is written off or down to an amount which it is considered represents the residual value of the Group's interest therein.

Impairment
The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that is expected to generate cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Statement of Accounting Policies
for the year ended 30 September 2011

Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit and loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or equity respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividends is recognised.

Foreign Currencies

Monetary assets and liabilities denominated in a foreign currency are translated into US Dollars at the exchange rate ruling at the balance sheet date, unless specifically covered by foreign exchange contracts whereupon the contract rate is used. Revenues, costs and non monetary assets are translated at the exchange rates ruling at the dates of the transactions. All exchange differences are dealt with through the Statement of Comprehensive Income.

On consolidation, the assets and liabilities of overseas subsidiaries are translated into US Dollars at the rates of exchange prevailing at the balance sheet date. Exchange differences arising from the restatement of the opening balance sheets of these subsidiary Companies are dealt with through reserves. The operating results of overseas subsidiary Companies are translated into US Dollars at the average rates applicable during the year.

Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a reduction in equity.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Statement of Accounting Policies
for the year ended 30 September 2011

Financial Instruments
Cash and Cash Equivalents
Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of Statement of Cash Flows.

Trade and Other Receivables / Payables
Trade and other receivables and payables are stated at cost less impairment, which approximates fair value given the short dated nature of these assets and liabilities.

Finance Income
Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as the interest accrues using the effective interest rate method to the net carrying amount of the financial asset.

Segmental Information
In accordance with IFRS 8: Operating Segments, the Group has one principle reportable segment which is the Group's strategic business unit, which represents the exploration for oil and gas in the United States.

Other operations includes cash resources held by the Group, interest income earned and other operational expenditure incurred by the Group, which have been allocated to the United States.

Financial Assets - Investment in Subsidiaries
Investments in subsidiaries are stated at cost and are reviewed for impairment if there are indications that the carrying value may not be recoverable.

U.S. Oil and Gas Plc

Consolidated Statement of Comprehensive Income
for the year ended 30 September 2011

	Notes	12 months ended 30 Sep '11 $	13 months ended 30 Sep '10 $
Continuing Operations			
Administrative expenses		**(629,174)**	(340,785)
Operating loss	3	**(629,174)**	(340,785)
Finance Income	4	**7,486**	91
Loss for the year before taxation	3	**(621,688)**	(340,694)
Income tax expense	6	**-**	-
Loss for the year from continuing operations		**(621,688)**	(340,694)
Other Comprehensive Income		**-**	-
Total Comprehensive Loss for the year		**(621,688)**	(340,694)
Loss attributable to:			
Equity holders of the Company		**(621,688)**	(340,694)
Total Comprehensive Loss attributable to:			
Equity holders of the Company		**(621,688)**	(340,694)
Earnings per share from continuing operations			
Basic and diluted loss per share (cent)	7	**(1.78)**	(1.51)

All activities derive from continuing operations. All losses and total comprehensive loss for the year and the preceding year are attributable to the owners of the company. The company has no recognised gains or losses other than those dealt with in the statement of comprehensive income.

The accompanying notes on pages 23 to 38 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 3 August 2012 and signed on its behalf by:

Brian McDonnell
Director

Peter Whelan
Director

U.S. Oil and Gas Plc

Consolidated Statement of Changes in Equity
for the year ended 30 September 2011

	Share Capital $	Share Premium $	Retained Losses $	Total $
Balance at 1 September 2009	-	-	(160,834)	(160,834)
Total comprehensive income for the year				
Loss for the period	-	-	(340,694)	(340,694)
Total comprehensive income for the year	-	-	(340,694)	(340,694)
Transactions with owners, recorded directly in equity				
Shares issued	4,323	839,619	-	843,942
Total transactions with owners	4,323	839,619	-	843,942
Balance at 30 September 2010	4,323	839,619	(501,528)	342,414
Balance at 30 September 2010	4,323	839,619	(501,528)	342,414
Total comprehensive income for the year				
Loss for the year	-	-	(621,688)	(621,688)
Total comprehensive income for the year	-	-	(621,688)	(621,688)
Transactions with owners, recorded directly in equity				
Shares issued	1,311	6,955,958	-	6,957,269
Total transactions with owners	1,311	6,955,958	-	6,957,269
Balance at 30 September 2011	**5,634**	**7,795,577**	**(1,123,216)**	**6,677,995**

The accompanying notes on pages 23 to 38 form an integral part of these financial statements.

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Brian McDonnell
Director

Peter Whelan
Director

U.S. Oil and Gas Plc

Company Statement of Changes in Equity
for the year ended 30 September 2011

	Share Capital $	Share Premium $	Retained Losses $	Total $
Balance at 1 September 2009	-	-	(159,962)	(159,962)
Total comprehensive income for the year				
Loss for the period	-	-	(332,702)	(332,702)
Total comprehensive income for the year	-	-	(332,702)	(332,702)
Transactions with owners, recorded directly in equity				
Shares issued	4,323	839,619	-	843,942
Total transactions with owners	4,323	839,619	-	843,942
Balance at 30 September 2010	4,323	839,619	(492,664)	351,278
Balance at 30 September 2010	4,323	839,619	(492,664)	351,278
Total comprehensive income for the year				
Loss for the year	-	-	(477,266)	(477,266)
Share options granted in the year	-	-	-	-
Total comprehensive income for the year	-	-	(477,266)	(477,266)
Transactions with owners, recorded directly in equity				
Shares issued	1,311	6,955,958	-	6,957,269
Total transactions with owners	1,311	6,955,958	-	6,957,269
Balance at 30 September 2011	**5,634**	**7,795,577**	**(969,930)**	**6,831,281**

Net equity is attributable to the holders of the ordinary shares in the Group.

The accompanying notes on pages 23 to 38 form an integral part of these financial statements.

The financial statements were approved by the board of Directors on 3 August 2012 and signed on its behalf by

Brian McDonnell
Director

Peter Whelan
Director

U.S. Oil and Gas Plc

Consolidated Statement of Financial Position
as at 30 September 2011

	Notes	30 Sep '11 $	30 Sep '10 $
Assets			
Non-Current Assets			
Intangible Assets	8	**726,471**	125,954
Total Non-Current Assets		**726,471**	125,954
Current Assets			
Trade and other receivables	10	**33,228**	-
Cash and cash equivalents	11	**6,218,043**	290,835
Total Current Assets		**6,251,271**	290,835
Total Assets		**6,977,742**	416,789
Equity			
Capital and Reserves			
Share capital	13	**5,634**	4,323
Share premium	13	**7,795,577**	839,619
Retained Loss	14	**(1,123,216)**	(501,528)
Attributable to owners of the Company		**6,677,995**	342,414
Total Equity		**6,677,995**	342,414
Liabilities			
Current Liabilities			
Trade and other payables	12	**299,747**	74,375
Total Current Liabilities		**299,747**	74,375
Total Liabilities		**299,747**	74,375
Total Equity and Liabilities		**6,977,742**	416,789

The accompanying notes on pages 23 to 38 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 3 August 2012 and signed on its behalf by:

Brian McDonnell
Director

Peter Whelan
Director

U.S. Oil and Gas Plc

Company Statement of Financial Position
as at 30 September 2011

	Notes	30 Sep '11 $	30 Sep '10 $
Assets			
Non-Current Assets			
Investments in Subsidiaries	9	**14**	14
Total Non-Current Assets		**14**	14
Current Assets			
Trade and other receivables	10	**895,898**	139,513
Cash and cash equivalents	11	**6,209,984**	285,122
Total Current Assets		**7,105,882**	424,635
Total Assets		**7,105,896**	424,649
Equity			
Capital and Reserves			
Share capital	13	**5,634**	4,323
Share premium	13	**7,795,577**	839,619
Retained Loss	14	**(973,372)**	(492,664)
Attributable to owners of the Company		**6,827,839**	351,278
Total Equity		**6,827,839**	351,278
Liabilities			
Current Liabilities			
Trade and other payables	12	**278,057**	73,371
Total Current Liabilities		**278,057**	73,371
Total Liabilities		**278,057**	73,371
Total Equity and Liabilities		**7,105,896**	424,649

The accompanying notes on pages 23 to 38 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 3 August 2012 and signed on its behalf by:

Brian McDonnell
Director

Peter Whelan
Director

U.S. Oil and Gas Plc

Consolidated Statement of Cash Flows
for the period ended 30 September 2011

	Note	12 months ended 30 Sep '11 $	13 months ended 30 Sep '10 $
Cash flows from operating activities			
Loss for the year before taxation		**(629,174)**	(340,785)
Movement in working capital			
Movement in trade and other receivables		**(33,228)**	-
Movement in trade and other payables		**225,372**	(213,573)
Cash used in operations		**(437,030)**	(554,358)
Cash flows from financing activities			
Proceeds of issue of share capital	13	**6,957,269**	843,942
Net cash generated from financing activities		**6,957,269**	843,942
Cash flows from investing activities			
Interest received		**7,486**	91
Expenditure on intangible assets	8	**(600,517)**	(68,144)
Net cash used in investing activities		**(593,031)**	(68,053)
Movement in cash and cash equivalents		**5,927,208**	221,531
Cash and Cash Equivalents at the beginning of year	11	**290,835**	69,304
Cash and Cash Equivalents at end of year	11	**6,218,043**	290,835

The accompanying notes on pages 23 to 38 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 3 August 2012 and signed on its behalf by:

Brian McDonnell
Director

Peter Whelan
Director

U.S. Oil and Gas Plc

Company Statement of Cash Flows
for the year ended 30 September 2011

	Notes	12 months ended 30 Sep '11 $	13 months ended 30 Sep '10 $
Cash flows from operating activities			
Loss for the year before taxation		**(480,709)**	(332,702)
Movement in working capital			
Movement in trade and other receivables		**(756,384)**	(90,275)
Movement in trade and other payables		**204,686**	(205,084)
Cash used in operations		**(1,032,407)**	(628,061)
Cash flows from financing activities			
Proceeds from issue of share capital	13	**6,957,269**	843,942
Net cash generated from financing activities		**6,957,269**	843,942
Cash flows from investing activities			
Net cash used in investing activities		**-**	-
Movement in Cash and Cash Equivalents		**5,924,862**	215,881
Cash and Cash equivalents at beginning of the year	11	**285,122**	69,241
Cash and Cash equivalents at end of year	11	**6,209,984**	285,122

The accompanying notes on pages 23 to 38 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 3 August 2012 and signed on its behalf by:

Brian McDonnell
Director

Peter Whelan
Director

1. Going concern

The financial statements have been prepared on the going concern basis, which assumes that U.S. Oil and Gas Public Limited Company will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the following:

Raising additional finance to fund the exploration programme and to administrative expenses of the Company and the Group.

The successful development or disposal of Oil and Gas rights in the Groups Licence area of North America as detailed in Note 8. This is dependent on several variables including the existence of commercial deposits of oil and gas, availability of finance and the price of oil and gas.

The financial statements do not include any adjustments that would result if development or disposal of rights and the fundraising is unsuccessful. Whilst taking into consideration the uncertainties described above, the Directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

U.S. Oil and Gas Plc

Notes to the Financial Statements
for the year ended 30 September 2011

.... continued

2. Segment Information

In the opinion of the Directors the operations of the group comprise one class of business, being the exploration and development of oil and gas. The group's main operations are located within the United States. The information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment is specifically focussed on the exploration areas in the United States. In the opinion of the Directors the Group has only one reportable segment under IFRS 8 'Operating Segments,' which is exploration carried out in the United States.

Information regarding the Group's reportable segments is presented below.

Segment Revenues and Results
The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Segment Revenue		**Segment Loss**	
	12 months ended 30 Sep '11	**13 months ended 30 Sep '10**	**12 months ended 30 Sep '11**	**13 months ended 30 Sep '10**
	$	**$**	**$**	**$**
Exploration - United States	-	-	**(629,174)**	(340,785)
Total for continuing operations	-	-	**(629,174)**	(340,785)
Investment income			**7,486**	91
Loss before tax (continuing operations)			**(621,688)**	(340,694)
Income tax expense			**-**	-
Loss after tax			**(621,688)**	(340,694)

Segment assets and liabilities

Segment Assets	**30 Sep '11**	**30 Sep '10**
	$	**$**
Exploration - United States	**6,977,742**	416,789
Consolidated assets	**6,977,742**	416,789
Segment Liabilities		
Exploration - United States	**299,747**	74,375
Consolidated liabilities	**299,747**	74,375

.... continued

Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	30 Sep '11	**30 Sep '10**	**30 Sep '11**	**30 Sep '10**
	$	**$**	**$**	**$**
Exploration - United States	-	-	**600,517**	68,144

Revenue from major products and services
The Group did not receive any revenue from external customers in the current or prior year.

Geographical information
The Group operates in two principal geographical areas - Republic of Ireland (country of residence of U.S. Oil and Gas Public Limited Company) and United States (country of residence of Major Oil International LLC, a wholly owned subsidiary of U.S. Oil and Gas Public Limited Company).

The Group does not have revenue from external sources. Information about its non-current assets by geographical location are detailed below:

	Non-Current Assets	
	30 Sep '11	**30 Sep '10**
	$	**$**
Ireland	**-**	-
United States	**726,471**	125,954
	726,471	125,954

U.S. Oil and Gas Plc

Notes to the Financial Statements
for the year ended 30 September 2011

.... continued

3. Statutory Information

	12 months ended 30 Sep '11 $	13 months ended 30 Sep '10 $
Group		
The loss for the financial period is stated after charging:		
Loss for financial year in the Company	**(480,708)**	(332,702)
Auditors' remuneration	**20,833**	22,656
Auditors' remuneration from non-audit work	**13,889**	5,776
and after crediting:		
Profit on foreign currencies	**42,657**	-
Company		
The loss for the financial period is stated after charging:		
Loss on foreign currencies	**12,840**	256
Auditors' remuneration	**20,833**	22,656
Auditors' remuneration from non-audit work	**13,889**	5,776

As permitted by Section 148(8) of the Companies Act 1963, the Company Statement of Consolidated Income has not been separately disclosed in these financial statements.

4. Finance Income: Continuing Operations

	12 months ended 30 Sep '11 $	13 months ended 30 Sep '10 $
Interest Revenue:		
Bank deposits	**7,486**	91
	7,486	91

.... continued

5. Employees

Number of employees
The average monthly numbers of employees (including the directors) during the year were:

	12 months ended 30 Sep '11 Number	13 months ended 30 Sep '10 Number
Directors	**4**	3
	4	3

Employment costs	12 months ended 30 Sep '11 $	13 months ended 30 Sep '10 $
Wages and salaries	**136,762**	25,230
Social welfare costs	**11,503**	-
	148,265	25,230

5.1. Directors' emoluments

	12 months ended 30 Sep '11 $	13 months ended 30 Sep '10 $
Remuneration and other emoluments	**148,265**	25,230
	148,265	25,230

.... continued

6. Income Tax Expense

	12 months ended 30 Sep '11 $	13 months ended 30 Sep '10 $
Current tax		
Current tax expense in respect of the current year	**-**	-
Total tax expense	**-**	**-**

The income tax expense for the year can be reconciled to the accounting loss as follows:

	12 months ended 30 Sep '11 $	13 months ended 30 Sep '10 $
Loss from continuing operations	**(621,688)**	(340,694)
Income Tax expense calculated at Irish corporation tax rate of 12.5% (2010 : 12.5%)	**(77,711)**	(42,587)
Effects of:		
Investment Income taxable at a different rate	**936**	11
Losses available to carry forward	**76,775**	42,576
Income tax expense recognised	-	-

The tax rate used for the year end reconciliations above is the corporate rate of 12.5% payable by corporate entities in Ireland on taxable profits under tax law in the jurisdiction of Ireland.

At the Statement of Financial Position date, the Group had unused tax losses of $ 1,149,568 (2010 : $ 501,528) available for offset against future profit which equates to a deferred tax asset of $ 143,696 (2010 : $ 62,691). No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely.

.... continued

7. Loss per share

Basic earnings per share
The basic and weighted average number of ordinary shares used in the calculation of basic earning per share are as follows:

	12 months ended 30 Sep '11 $	13 months ended 30 Sep '10 $
Loss for the year attributable to equity holders of the parent	**(621,688)**	(340,694)
Number of ordinary shares in issue - start of year	**31,675,507**	700
Effects of share issued during the year	**3,284,789**	22,553,084
Weighted average number of ordinary shares for the purposes of basic earnings per share:	**34,960,296**	22,553,784
Basic loss per ordinary share (cent)	**(1.78)**	(1.51)

Diluted earnings per share
Diluted loss per share is the same as basic loss per share as there are no diluting instruments that would convert to ordinary shares.

.... continued

8. Intangible assets - Group

	30 Sep '11	30 Sep '10
	$	$
Cost	**726,471**	125,954
Accumulated amortisation and impairment	-	-
	726,471	125,954

Exploration and Evaluation Assets

	30 Sep '11	30 Sep '10
Cost	$	$
At 1 October 2010	**125,954**	57,810
Additions	**600,517**	68,144
At 30 September 2011	**726,471**	125,954

The Directors have considered expenditure on exploration and evaluation activities which have been capitalised and carried at historical cost. No amortisation has been charged in the period. The directors have reviewed the carrying value of the exploration and evaluation expenditure and consider it to be fairly stated and not impaired at 30 September 2011. The recoverability of the exploration & evaluation assets is dependent on the successful development or disposal of oil and gas in the Group's licence area. The directors are of the view that this does not result in a write off or impairment charge.

.... continued

9. Financial assets - Company

	30 Sep '11	30 Sep '10
	$	$
Group undertakings - unlisted:		
Shares at cost	**14**	14

	Subsidiary Undertakings Shares	Total
Cost	$	$
At 1 October 2010	**14**	14
Additions	-	-
At 30 September 2011	**14**	14
At 30 June 2012		
Net book values		
At 30 September 2011	**14**	14
At 30 September 2010	**14**	14

In the opinion of the directors' the carrying value of the investment is appropriate.

At 30 September 2011 the company had the following subsidiary undertaking:

Name	Incorporated in	Main Activity	Proportion of ownership 30 Sep '11	30 Sep '10
Major Oil International LLC	Texas, U.S.A.	Petroleum and gas exploration	100%	100%

The aggregate capital and reserves and results from this undertaking for the last relevant financial year was as follows:

	Capital and reserves	Profit/(Loss) for the year
	$	$
Major Oil International LLC	(187,663)	(177,681)

10. Trade and other receivables

	Group 30 Sep '11 $	Group 30 Sep '10 $	Company 30 Sep '11 $	Company 30 Sep '10 $
Amounts falling due within one year:				
Amounts owed by group undertakings	**-**	-	**874,170**	139,513
Other debtors	**33,228**	-	**21,728**	-
	33,228	-	**895,898**	139,513

All receivables are current and there have been no impairment losses during the year (2010: Nil)

11. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	Group 30 Sep '11 $	Group 30 Sep '10 $	Company 30 Sep '11 $	Company 30 Sep '10 $
Cash at bank	**6,218,043**	290,835	**6,209,984**	285,122
Petty cash	**-**	-	**-**	-
	6,218,043	290,835	**6,209,984**	285,122

.... continued

12.	**Trade and other payables**	**Group 30 Sep '11 $**	**Group 30 Sep '10 $**	**Company 30 Sep '11 $**	**Company 30 Sep '10 $**
	Trade payables	**209,736**	50,481	**193,432**	49,477
	Other taxes and social welfare costs	**41,372**	-	**41,372**	-
	Other creditors	**4,993**	3,422	**4,993**	3,422
	Accruals and deferred income	**43,646**	20,472	**38,260**	20,472
		299,747	74,375	**278,057**	73,371

Other taxes and social welfare costs:	**Group 30 Sep '11 $**	**30 Sep '10 $**	**Company 30 Sep '11 $**	**30 Sep '10**
P.A.Y.E./P.R.S.I.	**41,372**	-	**41,372**	**-**
	41,372	**-**	**41,372**	**-**

The Groups exposure to currency and liquidity risks related to trade and other payables is set out in note 17.

.... continued

13.	**Share capital**	**30 Sep '11**	**30 Sep '10**
		$	**$**
	Authorised		
	20,000,000,000 Ordinary shares of ú0.0001 each	**2,854,400**	2,854,400
		2,854,400	2,854,400

Issued, called up and fully paid:

	No. of issued Shares	Share Capital $	Share Premium $	Total Capital $
At 1 September 2010	700	0.07	-	0.07
Total comprehensive income for the year				
Loss for the year	-	-	-	-
Transactions with shareholders, recorded directly in equity				
Shares issued	31,674,807	4,323	960,215	964,538
Share issue costs	-	-	(120,596)	(120,596)
At 30 September 2010	31,675,507	4,323	839,619	843,942
Total comprehensive income for the year				
Loss for the year	-	-	-	-
Transactions with shareholders, recorded directly in equity				
Shares issued	9,722,830	1,311	7,238,605	7,239,916
Share issue costs	-	-	(282,647)	282,647
At 30 September 2011	**41,398,337**	**5,634**	**7,795,577**	**7,801,211**

The issued share capital of the company at 30 September 2011 comprised of 41,398,337 ordinary shares of ú0.0001 each issued and fully paid of which 746,077 are held as treasury shares (30 September 2010 : 31,675,507 issued and fully paid of which None were treasury shares)

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time.

The shareholders have all voting powers and full voting rights as permitted under the applicable company laws.

The Directors approved a share option scheme at a Board meeting in June 2010. Share options are to be granted to certain directors. These share options and the terms of the share option plan have not been granted as at 3 August 2012.

.... continued

On 30 March 2011 the Company placed 5,831,830 new ordinary shares of ú0.0001 each at an issue price of Stg £0.36 per share. The placing has raised proceeds of approximately $3.35m in equity funding.

On 30 March 2011, the Company also allotted 34,445 new ordinary shares of ú0.0001 each at an issue price of Stg £0.36 per share in lieu of placing commission.

On 3 April 2011 1,000,000 Ordinary Shares of ú0.0001 each, in the Company held by a former director Mr. Nial Ring have been gifted back to the Company at nil consideration. This is part of a share allocation adjustment following an over generous allocation of shares to him prior to the Company's flotation. The 1,000,000 Ordinary Shares are held as treasury shares.

On 20 July 2011, Karim Akrawi, Exploration Manager, has exercised a right contained in the terms of his employment, which relates to him taking 100,000 Ordinary Shares in the capital of the Company in lieu of payment. The aforementioned 100,000 Ordinary Shares were transferred to Mr. Akrawi from the Company's treasury. Mr. Akrawi was appointed a director on 7th November 2011.

In addition, 55,000 Ordinary Shares were transferred to Peter Whelan from the Company's treasury on 14 July 2011, for services rendered. Mr. Whelan was appointed a director on 7th November 2011.

On the 9th May 2011 and 17th July 2011 the company settled liabilities to Geodynamics Inc in the amount of 98,923 treasury shares. The Company holds 746,077 shares "in Treasury". The allocations from treasury resulted in a surplus on issue to the company of ú160,454 with has been added to the capital of the company.

The Company holds 746,077 shares "in Treasury". The allocations from treasury resulted in a surplus on issue to the company of ú160,454 with has been added to the capital of the company.

On 27 July 2011 the Company placed 3,856,555 new ordinary shares of ú0.0001 each at an issue price of Stg £0.64 per share. The placing has raised proceeds of approximately $4m in equity funding.

14. Retained Losses

	Group 30 Sep '11 $	Group 30 Sep '10 $	Company 30 Sep '11 $	Company 30 Sep '10 $
Loss at beginning of year	(501,528)	(160,834)	(492,664)	(159,962)
Loss for the year	(621,688)	(340,694)	(480,708)	(332,702)
Loss at end of year	**(1,123,216)**	**(501,528)**	**(973,372)**	**(492,664)**

In accordance with the provisions of the Companies (Amendment) Act 1986, the Company has not presented an Income Statement. A loss for the year of ú480,708 (2011 - loss of ú332,702) has been dealt with in the Statement of Comprehensive Income of the Company.

.... continued

15. Related party transactions

Details of subsidiary undertakings are shown in Note 9. In accordance with International Accounting Standard 24 - Related Party Disclosures, transactions between group entities that have been eliminated on consolidation are not disclosed.

Geodynamics Worldwide
Karim Akrawi is a director of U.S. Oil and Gas Plc and is also a director of Geodynamics Worldwide. During the year Geodynamics Worldwide invoiced U.S. Oil and Gas in the amount of $325,900 and U.S. Oil and Gas repaid an amount of $254,289 to Geodynamics. The balance still owed to Geodynamics at the 30th September 2011 was $71,611.39 which is included in the trade creditor's balance at the year end.

Captive Audience Display Solutions Plc ("Captive")
Brian McDonnell is a director of U.S. Oil and Gas Public Limited Company and was a director of Captive. At 1 October 2010 Captive were owed $40,421 by U.S. Oil and Gas Public Limited Company. During the period U.S. Oil and Gas Public Limited Company paid $15,699 to Captive. At 30 September 2011 Captive were owed $24,722 by U.S. Oil and Gas Public Limited Company.

16. Post Balance Sheet events

The company was suspended from the PLUS market on 23rd August 2011 and delisted on 7th April 2012. The company listed on the GXG market on 19th April 2012.

On 27 July 2012, the company conditionally issued 284,019 ordinary shares of ú0.00001 at a price of Stg £4.00 raising $1,785,167.

.... continued

17. Financial Instruments and Financial Risk Management

The Group and Companyôs principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to provide finance for the Group and Companyôs operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations.

It is, and has been throughout 2011 and 2010 the Group and Companyôs policy that no trading in derivatives be undertaken.

The main risks arising from the Group and Companyôs financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and capital risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. Exchange rate exposure is managed within approved policy parameters utilising forward exchange contracts where appropriate. The exposure to exchange rate fluctuations is limited to exchange rate variances between the Euro, US Dollar and Sterling.

At the period ended 30 September 2011, the Group had no outstanding forward exchange contracts.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As the Group does not, as yet, have any sales to third parties, this risk is limited.

The Group and Companyôs financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The Group and Companyôs exposure to credit risk arises from default of a counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its consolidated balance sheet.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

Liquidity risk management
Liquidity risk is the risk that the Group will not have sufficient funds to meet liabilities. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Companyôs short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group. To date, the Group has relied on shareholder funding to finance its operations. The Group had no borrowing facilities at 30 September 2011.

The Group and Companyôs financial liabilities as at 30 September 2011 were all payable on demand.

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The expected maturity of the Group and Companyõs financial assets (excluding prepayments) as at 30 September 2011 was less than one month.

The Group expects to meet its' other obligations from operating cash flows with an appropriate mix of funds and equity instruments.

The Group had no derivative financial instruments as at 30 September 2011.

Interest rate risk
The Group and Companyõs exposure to the risk of changes in market interest rates relates primarily to the Group and Companyõs holdings of cash and short term deposits.

It is the Group and Companyõs policy as part of its disciplined management of the budgetary process to place surplus funds on short term deposit in order to maximise interest earned.

Capital risk management
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the period ended 30 September 2011. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the consolidated statement of changes in equity.

Fair values
The carrying amount of the Group and Companyõs financial assets and financial liabilities is a reasonable approximation of the fair value.

Hedging
At the year ended 30 September 2011, the Group had no outstanding contracts designated as hedges.

18. Approval of financial statements

The financial statements were approved by the board on 3 August 2012.