

**29 February 2012**

**U.S. Oil and Gas plc**

**(the “Company”)**

**Preliminary Statement of Final Results for the year to 30 September 2011**

U.S. Oil and Gas plc (PLUS: USOP), the oil and gas exploration company with exploration assets in Nye County, Nevada, announces its preliminary statement of the Company’s final results for the year to 30 September 2011.

**Statement by the Board**

In February 2012, a Competent Person’s Report commissioned by US Oil’s wholly owned subsidiary, Major Oil International LLC and prepared by Forrest A. Garb & Associates has confirmed a prospective resources estimate in accordance with SPE-PMRS Gross estimates (P50 Recovery) for recoverable oil at 67 MMSTB for the original lease areas held by the company since 2009 in Hot Creek Valley, Nevada. Since then the company has acquired additional acreage bringing the total holding to 15,738 acres which is approx. 64 sq. km. The company believes the acquisition of the additional acreage could add significantly to the resource estimates based on the data/information we have already generated which extends into part of the newly leased area. We believe the new acreage will yield further exploration and drilling potential as part of the phase II development programme.

On August 23<sup>rd</sup> last the company’s shares on the PLUS Market were suspended for suspected “Disorderly Trading”. This is a necessary protection for all shareholders and we understand and support the Plus regulators work in relation to the US Oil suspension. The party or parties under investigation are not known to US Oil as this is information confidential to the investigators. We continue to be available to assist should our help be required.

Following the AGM on October 25<sup>th</sup> last a number of board changes were made. We are delighted to welcome Mr. Whelan, Mr. Harwood and Mr. Akrawi to the board. We acknowledge the contribution of the outgoing directors.

In February 2012, the company announced that Nabors Drilling Inc will undertake the first two wells of a planned multi well drilling campaign. As all off site preparations are now complete and the necessary administrative procedures are in the final stages, earthworks, drill pad and site preparation are anticipated to commence within the next few weeks. Mobilization and commencement for the Eblana # 1 drilling programme will start shortly thereafter.

To finance the drilling programme, in the year ended 30<sup>th</sup> September 2011, the company raised approx. STG 4.6M which will be used for working capital and for the initial preparation of the Master Development Plan.

Finally, the board would like to extend our deepest condolences to our former Chairman, Mr. Jimmy Guiry who died on January 6<sup>th</sup> last. Jimmy’s contribution to the founding of company has been seminal. We extend our deepest condolences to his family.

Brian McDonnell, Chief Executive Officer

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

	<i>Note</i>	<b>Unaudited 2011 \$</b>	<b>Audited 2010 \$</b>
<b>Continuing Operations</b>			
Administrative expenses		(177,089)	(340,785)
Finance Income		<u>2,395</u>	91
<b>Loss for the year before taxation</b>		<b>(174,694)</b>	<b>(340,694)</b>
Income tax expense		<u>-</u>	-
<b>Loss for the year from continuing operations</b>		<b>(174,694)</b>	<b>(340,694)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the year</b>		<b>(174,694)</b>	<b>(340,694)</b>
Loss attributable to:			
Owners of the Company		<u>(174,694)</u>	<u>(340,694)</u>
Total Comprehensive Income attributable to:			
Owners of the Company		<u>(174,694)</u>	<u>(340,694)</u>
<b>Earnings per share from continuing operations</b>			
Basic and diluted loss per share	3	<u>0.005cent</u>	<u>0.015cent</u>

**Consolidated Statement of Financial Position**  
as at 30 September 2011

	<b>Unaudited 2011 \$</b>	<b>Audited 2010 \$</b>
<b>Assets</b>		
<b>Non-Current Assets</b>		

Property, plant and equipment	<b>11,663</b>	-
Intangible Assets	<b>677,418</b>	125,954
	<hr/>	<hr/>
Total Non-Current Assets	<b>689,081</b>	125,954
 <b>Current Assets</b>		
Trade and other receivables	<b>65,148</b>	-
Cash and cash equivalents	<b>6,243,220</b>	290,835
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Total Current Assets	<b>6,308,368</b>	290,835
 <b>Total Assets</b>	 <b>6,997,449</b>	 416,789
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 <b>Equity and Liabilities</b>		
 <b>Capital and Reserves</b>		
Called up share capital	<b>5,635</b>	4,323
Share premium account	<b>7,355,177</b>	839,619
Retained Loss	<b>(676,222)</b>	(501,528)
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Equity Attributable to owners of the Company	<b>6,684,590</b>	342,414
 <b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	<b>281,968</b>	74,375
Current Tax Liabilities	<b>30,891</b>	-
Total Current Liabilities	<b>312,859</b>	74,375
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<b>Total Equity and Liabilities</b>	<b>6,997,449</b>	416,789
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**Consolidated Statement of Cash Flows**  
*for the year ended 30 September 2011*

	<b>Unaudited 2011 \$</b>	<b>Audited 2010 \$</b>
 <b>Cash flows from operating activities</b>		
Loss for the year before taxation	<b>(177,089)</b>	(340,785)
 <b>Movement in working capital</b>		

Movement in debtors	(65,148)	-
Movement in trade and other payables	238,484	(213,573)
<b>Net cash used by operating activities</b>	<b>(3,753)</b>	<b>(554,358)</b>
<b>Cash flows from financing activities</b>		
Proceeds of issue of share capital	6,516,870	843,942
<b>Net cash generated by financing activities</b>	<b>6,516,870</b>	<b>843,942</b>
<b>Cash flows from investing activities</b>		
Interest received	2,395	91
Expenditure on tangible assets	(11,663)	-
Expenditure on intangible assets	(551,464)	(68,144)
<b>Net cash used in investing activities</b>	<b>(560,732)</b>	<b>(68,053)</b>
<b>Net Increase in cash and cash equivalents</b>	<b>5,952,385</b>	<b>221,531</b>
<b>Cash and Cash Equivalents at the beginning of year</b>	<b>290,835</b>	<b>69,304</b>
<b>Cash and Cash Equivalents at end of year</b>	<b>6,243,220</b>	<b>290,835</b>

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

	Share Capital \$	Share Premium \$	Foreign Exchange Reserve \$	Retained Earnings \$	Total \$
Balance at 1 October 2009	-	-	-	(160,834)	(160,834)
Loss for the year	-	-	-	(340,694)	(340,694)
Proceeds of share issue	4,323	839,619	-	-	843,942
Balance at 1 October 2010	4,323	839,619	-	(501,528)	(342,414)
Loss for the year	-	-	-	(174,694)	(174,694)
Proceeds of share issue	1,312	6,515,558	-	-	6,516,870
Balance at 30 September 2011	5,635	7,355,177	-	(676,222)	6,684,590

**Notes to the financial statements:**

## 1. 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 Company's shares are listed on the Plus Stock Exchange in London. The shares are currently suspended.

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

### 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 Companies Acts, 1963 to 2009 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 income statement 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 at 30 September 2011.

### Future changes in accounting policies

#### 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
IAS 1	Presentation of Financial Statements *	1 January 2011
IAS 12	Income Taxes-Limited scope amendment (recovery of underlying assets) (December 2010)	1 January 2012
IAS 24	Related party disclosures	1 January 2011
IAS 27	Consolidated and separate financial statements*	1 January 2013
IAS 28	Investments in Associates	1 January 2013
IAS 34	Interim Financial Reporting*	1 January 2011
IFRS 7	Financial Instruments: Disclosures*	1 January 2011
IFRS 7	Financial Instruments: Disclosures- Amendments enhancing Disclosures about transfers of financial assets (October 2010)	1 January 2011 1 July 2011
IFRS 9	Financial instruments: Classification and measurement	1 January 2013
IFRS 10	Consolidated Financial Statements**	1 January 2013
IFRS 11	Joint Arrangements**	1 January 2013
IFRS 12	Disclosure of Interest in Other Entities**	1 January 2013
IFRS 13	Fair Value Measurement**	1 January 2013

\*Amendments resulting from May 2010 Annual Improvements to IFRSs

\*\* Original issue May 2011

The above amendments are not expected to be relevant to the Group.

### Basis of Preparation

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

### 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 EU 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 relation to:

- Measurement of the recoverable amounts of intangible assets
- 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.

#### **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.

#### **Exploration & Evaluation Assets**

The Group adopts the successful efforts method of accounting for exploration and evaluation costs. All licence acquisition, exploration and evaluation costs are initially capitalised in cost centres by well, field or exploration area, as appropriate. Directly attributable administration costs and interest payable are capitalised insofar as they relate to specific development activities. Pre-license costs are expensed in the period in which they are occurred. Exploration and evaluation assets are not amortised but are assessed for impairment in accordance with the Group's Depletion, Amortisation and Impairment Policy.

#### **Depletion, amortisation and impairment**

Impairment reviews on exploration and evaluation assets and production assets are carried out on each cash generating unit identified in accordance with IAS 36 'Impairment of Assets'. The Group's cash-generating units are those assets which generate largely independent cash flows and are normally, but not always, single development areas or fields.

Exploration and evaluation assets are assessed for impairment in certain circumstances including:

- the period for which the Group has the right to explore in a specific area has expired or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of resources in a specific area is neither budgeted nor planned;
- the Group has decided to discontinue exploration and evaluation activities in a specific area as commercially viable quantities of oil or gas have not been discovered; and

- the carrying amount of an exploration and evaluation asset is unlikely to be recovered in full from successful development or sale.

Any such impairment is recognised in the Statement of Comprehensive Income.

Where there has been a charge for impairment in an earlier period that charge will be reversed in a later period where there has been a change in circumstances to the extent that the discounted future net cash flows are higher than the net book value at the time. In reversing impairment losses, the carrying amount of the asset will be increased to the lower of its original carrying value or the carrying value that would have been determined (net of depletion) had no impairment loss been recognised in prior periods.

### **Research and development**

Research expenditure is written off to the Statement of Comprehensive Income in the year in which it is incurred.

### **Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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 balance sheet 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.

### **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 subsidiary companies 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.

### **Issue Expenses and Share Premium Account**

Issue expenses are written off against the premium arising on the issue of share capital.

### **Earnings per share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing 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.

### **Financial Instruments**

### *Cash and Cash Equivalents*

Cash and Cash Equivalents in the balance sheet 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 the statement of cashflows.

### *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.

### **Share capital**

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

## **2. Loss per share**

### **Basic loss per share**

The weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	<b>2011</b>	<b>2010</b>
	\$	\$
Loss for the year attributable to equity holders of the parent	174,694	340,694
Weighted average number of ordinary shares for the purposes of basic earnings per share:	35,102,712	22,553,084
Basic loss per ordinary share:	0.005c	0.015c

### **Diluted loss 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.

3. The figures for the year ended 30 September 2011 and 30 September 2010 do not constitute statutory accounts. The figures for the year ended 30 September 2011 have been extracted from the statutory accounts for that year which have yet to be delivered to the Registrar of Companies and on which the auditor has yet to issue an opinion. The figures for the year ended 30 September 2010 have been extracted from the statutory accounts for that year and on which the auditor issued an unqualified audit report, modified to include an emphasis of matter in relation to the recoverability of the exploration and evaluation assets. The auditor has indicated that their report on the statutory accounts for the year ended 30 September 2011 will be modified with regard to an emphasis of matter in relation to the recoverability of the exploration and evaluation assets.

4. The information contained in this announcement has been agreed with the Company's auditor.

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

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#### Notes to Editors

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

US Oil has completed extensive surveys of its Hot Creek lease area, generating 18 datasets using the following survey methods: Gravity and Magnetic Resonance, Geochemical, 2-D Seismic, Landsat remote sensing, Geophysical studies, Conodont Alteration Index (CAI), Pyrolysis (TOC), Vitronite Reflectance-Visual Kerogen (TAI), 2-D Passive Seismic (IPDS) and 3-D Passive Seismic.

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

U.S. OIL & GAS PLC