SACOIL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1993/000460/06)
JSE share code: SCL AIM share code: SAC
ISIN: ZAE000127460
("SacOil" or "the Company" or "the Group")

REVIEWED CONDENSED CONSOLIDATED INTERIM RESULTS for the six months ended 31 August 2016

HIGHLIGHTS

- Award of crude trading agreement in Nigeria
- Successful offtake of a Nigerian crude allocation of 950 000 barrels (475 000 attributable to SacOil) in June 2016 and a second allocation of the same quantity post period
- Commencement of a thermal stimulation programme at Lagia
- Partner TOTAL E&P RDC, operator of Block III, successfully completed the acquisition of 244 km 2D seismic data on the licence area
- Increased availability of new business development opportunities
- Conclusion of a settlement agreement relating to the OPL 233 legal disputes
- Post period, commencing an in-depth review of the Lagia reservoir characterisation for overall field optimisation

Dr Thabo Kgogo, Chief Executive Officer of SacOil commented: "*Notwithstanding the challenging backdrop of volatile global oil markets for the duration of the first half of this financial year, we have made positive strides towards the attainment of our key strategic priorities. Our key focus areas this period were the expansion of business development activities, optimisation of production from the Lagia Oil Field ("Lagia"), improvement in the Group's cost structure, resolution of legacy issues, recovery of funds owed to the Group, the safe running of our operations and engagement with stakeholders on strategic issues. We are satisfied with the progress we have made in each of these initiatives with the limited resources at the Group's disposal.*

The Group has achieved yet another milestone emanating from the recent addition and integration of our crude trading business in Nigeria which generated revenue totalling R341 million. This has contributed to the significant improvement in the operational performance of the Group and the diversification of revenue streams in line with the strategy. It is expected that this segment of the business will continue to provide an additional revenue stream for the remainder of the year.

In an effort to optimise the production profile of Lagia we conducted thermal stimulation on existing wells on the field. Despite these operations, the field's technical performance remains below expectations and the objective for the remainder of the financial year is to continue to optimise production from Lagia to match the existing oil pricing conditions and to ensure that we achieve a break-even position for the asset. Lagia is complex in nature and will require some time to unlock the real value of the asset. More details on these operations can be found in the operational review below.

Our long-term strategy remains to become a leading sustainable, profitable and independent African energy company. As such, we continue to evaluate multiple projects in our quest to acquire additional cash-generative assets to grow the business. During the period, in the ordinary course of business, we looked at a large number of potential target upstream and downstream assets in Nigeria, Egypt, Tanzania and South Africa. The evaluation of these assets is ongoing and it is expected that our plan to acquire at least one asset will be brought to fruition in the near term. The oil and gas mergers and acquisitions ("M&A") market has seen vendors become more pragmatic about the valuation of their assets, resulting in a willingness to divest in the prevailing environment.

SacOil's Board of directors ("BoD") remains committed to the resolution of the outstanding litigation matters and the recovery of funds owed to the Group where realistically obtainable. We recognise that litigation inherently is a protracted and costly process, however, to date we have concluded the proceedings relating to our exit from OPL 233 in Nigeria. We agreed a settlement with Nigdel United Oil Company which has seen both parties withdraw their respective claims. This settlement removes any distraction in relation to our previous participation in OPL 233. The BoD is confident that this is in the best interest of all our stakeholders, based on the sound legal and financial advice we have received. The Group continues to pursue legal action against Transcorp and the Encha Group to recover amounts owed pursuant to the withdrawal from OPL 281 and under the terms of the written acknowledgement of debt, respectively. The estimated timeline to resolve the Transcorp litigation has been deferred, resulting in a provision for impairment of R48.1 million to account for the time value of money. The amounts owed to the Group under the acknowledgement of debt became due and payable on 29 February 2016, however, Encha has failed to uphold its obligation. Due to the lack of financial information available to the Group on the financial position of Encha, we have impaired the amount in full to satisfy accounting provisions. This does not take away from the fact that Encha has significant assets that the Group will target for the recovery of the amount as it continues to progress the legal matter. Other matters as outlined in more detail in the litigation section below remain outstanding. The BoD continues to make every effort to expedite the resolution of these outstanding matters in order to recover the amounts owed to the Group.

We continued our engagement with various stakeholders on matters of strategic importance. During June and July 2016 we undertook marketing roadshows in Johannesburg, Cape Town and London to raise the profile of the Group and to create an awareness of its investment case amongst various stakeholders.

We continue to focus on minimising the increase in the Group's expenditure and have managed to contain a significant component of our cost base during the period. As a result of additional business development activities, the ongoing litigation and professional advisory fees relating to the Lagia thermal stimulation initiative throughout the period, we incurred an increase in business development costs, corporate expenses, legal fees and consultation costs. Our aim is to continue minimising the growth in the overall cost base without negatively impacting the strategic objectives of the Group.

As a reputable operator adhering to the highest industry standards, HSE matters continue to be of the utmost importance to us. We are pleased to report that there were no minor or major incidents during the period and the safety records at Lagia and at our other operations were well above industry standards.

Looking ahead, we are cognisant of the fact that we will need to obtain scale through the further addition of cash-generative assets in order to become a business capable of delivering sustainable, long-term growth for its shareholders. Against the backdrop of particularly challenging market conditions for the sector, we have developed a solid platform to grow the Group and continue to make good headway towards our operational and corporate objectives. We are pleased with the Public Investment Corporation's additional investment which saw its shareholding in the Company increase from 42.17% to 68.65% in October 2016. This provides a cornerstone investor who is supportive of the Group's growth ambitions. Whilst the interim results highlight uncertainties that exist with respect to the ability of the Group to remain a going concern, the BoD is confident that the Group has adequate cash resources to cover its activities until January 2018. The BoD will continue to pursue cash-generative assets and other sources of funding to ensure that the deficit which exists in the Group's cash flow forecast to February 2019 is addressed. Post this period, it is our expectation that the Group will hold sufficient assets to ensure sustainable operations. It is also important to highlight that the Group has maintained its debt-free position.

We thank our stakeholders for their continued support as we continue to work towards building a sustainable business."

OPERATIONS REVIEW

LAGIA, EGYPT

Optimisation of production from Lagia remained a key priority during the first six months of the financial year. This focus followed completion in the prior year of Phase II of the Lagia development programme which saw the installation and commissioning of steam facilities for a thermal recovery process on existing production wells. Multiple steam cycles were completed during the period based on varying parameters with the objective to determine the optimal production of the field. As a result of the complex nature of development for this asset culminating in excessive water content and suboptimal steam injection for enhanced oil recovery, the production performance during the period was below our expectations for the capability of the field. These developments, coupled with sustained low oil prices and the attendant market discount for heavy crude, have led us to undertake an in-depth review of the Lagia reservoir characterisation for overall field optimisation. The overall objective of this review is to enable us to prepare the field for increased recovery and improved economics in a higher oil price environment. In that regard, the following initiatives are currently under way:

- optimisation exercise for demulsifier injection to reduce water in the oil which should contribute to a reduction in the Group's operating cost base;
- reassessment of the operational cost base to ensure a break-even position is achieved; and
- the identification of possible zones for water shut-off and steam injection optimisation following the review of petrophysical and production data from the wells. This will lead to advancing the analysis of suitable technologies for heightened oil recovery.

These activities will remain the focal point of operations at Lagia in Q4 of the 2016 calendar year and will require minimal capital expenditure.

CRUDE TRADING, NIGERIA

The Nigerian crude trading joint operation with Energy Equity Resources Norway Limited ("EERNL") generated an additional revenue stream for the Group following the offtake of a crude allocation of 950 000 barrels in June 2016. SacOil's share of this offtake was 475 000 barrels. The offtake of a second allocation of 950 000 barrels, of which 50% is attributable to SacOil, took place in September 2016, post the interim reporting period. The joint operation will continue to seek additional allocations from the Nigerian National Petroleum Corporation ("NNPC") in line with the terms of the agreement concluded in April 2016. The Group's right to acquire crude from the NNPC will expire in March 2017. We are in the process of applying for the renewal of the crude trading agreement. Whilst this is dependent on the discretion of the NNPC, we remain hopeful for a positive outcome from the application process.

BLOCK III, DEMOCRATIC REPUBLIC OF CONGO

During June 2016 Total E&P RDC ("TOTAL"), operator of Block III, successfully completed the acquisition of 244 km of 2D seismic data and is in the process of interpreting and integrating the data with previously acquired gravity and magnetic information. It is expected that the seismic processing and interpretation will be completed during Q2 of 2017. If possible prospects and an identifiable well location are established, the plan is to drill a well shortly thereafter.

As reported previously, the seismic survey did not encroach on the Virunga National Park. TOTAL continues to carry SacOil's share of exploration costs relating to Block III under the terms of the Farm-in Agreement. The licence for Block III will be up for renewal in January 2018.

BLOCK 1, MALAWI

In Malawi, SacOil, as operator, is in the process of finalising the environmental and social impact assessments as well as the evaluation and processing of the country-wide gravity and magnetic data over Block 1. Desktop studies on the area are also under way which are yielding encouraging results. It is expected that the studies and assessments will be completed by February 2017. The licence for Block 1 will be up for renewal in August 2017.

PETROLEUM EXPLORATION LICENCES ("PELs") 123, 124 AND 125, BOTSWANA

The environmental and social impact assessment has now been approved by the Minister of Minerals. Desktop studies of PELs 123, 124 and 125 are ongoing and are expected to be completed by February 2017. Licences will be up for renewal in June 2017.

BIOKO TERMINAL, EQUATORIAL GUINEA

The parties have compiled the pre-feasibility studies and have made the submission to the Government of Equatorial Guinea for its consideration, following which the parties will agree on the way to proceed with the project. The project remains a long-term play split into two phases. Storage of approximately 680 000 cubic metres for refined products will be constructed during the first phase. The subsequent phase will deal with the development of crude storage.

FINANCIAL REVIEW

The Group generated a loss after tax of R221.4 million (2015: profit of R2.8 million), a basic loss per share of 6.77 cents (2015: basic earnings per share of 0.32 cent) and a basic headline loss per share of 6.77 cents (2015: basic headline earnings per share of 0.25 cent) for the period ended 31 August 2016. Key contributing factors were the strengthening of the Rand against the US Dollar ("US$") which resulted in foreign exchange losses totalling R61.4 million (2015: R57.5 million in foreign exchange gains due to the weakening of the Rand) arising from the revaluation of the Group's US$ denominated assets, the provision for impairment of R164.0 million with respect to other financial assets and the underperformance of the Lagia asset. These losses were partially off-set by an increase of R31.9 million in investment income for the period.

REVENUE AND COST OF SALES

Crude trading

The Group continued to diversify its operations by adding the crude trading business in Nigeria which generated R340.9 million in revenue during the period. The gross cost of procuring crude from the NNPC with respect to the offtake agreement was R338.8 million, thereby generating a gross profit of R2.1 million for the period.

Lagia

The challenges experienced, as highlighted within the operations review, resulted in Lagia contributing lower-than-expected revenue of R3.2 million (2015: R3.0 million). Cost of sales increased by R2.7 million to R9.9 million primarily due to higher operating costs associated with steaming operations.

OTHER INCOME

Other income at 31 August 2015 included foreign exchange gains totalling R57.5 million. The strengthening of the Rand against the US$ during the period generated foreign exchange losses totalling R61.4 million which have been classified under "other operating expenses". These losses arose from the revaluation of the Group's US$ denominated other financial assets.

INVESTMENT INCOME

Management continues to pursue the recovery of the receivable due from Encha Energy ("Encha"). Investment income at 31 August 2016 includes an interest accrual of R40.3 million (2015: RNil) relating to this receivable as further explained in note 8. Interest received on the Group's cash and cash equivalents and interest on other financial assets decreased by R2.2 million and R6.2 million, respectively. High level overviews of the Group's cash and cash equivalents, financial assets and progress on the recovery of the Encha receivable are provided below.

PROVISION FOR IMPAIRMENT OF OTHER FINANCIAL ASSETS

The SacOil BoD continues to pursue the recovery of amounts owed to the Group as disclosed in the litigation section. Provisions for impairment, in order to comply with accounting and auditing provisions, have been recognised with respect to the Encha receivable and Transcorp Refund as indicated in note 8. These provisions are recorded under "other operating costs".

OTHER OPERATING COSTS

Excluding the impact of the foreign exchange losses referred to above, the provision for impairment of the Transcorp, EERNL and Encha receivables, business development activities, the amortisation and depreciation of assets, and the impairment of the contingent consideration at 31 August 2015, other operating costs increased by R8.4 million relative to the prior comparative period. Improved engagement with various stakeholders, ongoing litigation and consultations regarding the Lagia thermal stimulation initiative resulted in increased corporate expenses, legal fees and consultation costs, respectively. The increase in the Group's remuneration costs is reflective of inflationary salary adjustments coupled with an increase in headcount in Egypt. A breakdown of the Group's other operating expenses is provided in note 3.

OIL AND GAS PROPERTIES

The investment in the thermal stimulation facilities at Lagia resulted in additions totalling R6.6 million (29 February 2016: R55.4 million) to the Group's oil and gas properties. This increase was off-set by foreign exchange losses of R15.3 million on translation of foreign operations (29 February 2016: foreign exchange gains of R46.8 million), disposals totalling R0.2 million (29 February 2016: RNil) and depletion of R2.6 million (29 February 2016: R2.3 million). Movements in the Group's oil and gas properties are also provided in note 7.

OTHER FINANCIAL ASSETS

As noted above, the Group's other financial assets (current and non-current) were negatively impacted by the strengthening of the Rand against the US$ and the provisions for impairment of R48.1 million and R115.8 million against the Transcorp and Encha receivables, respectively, as disclosed in note 8. Foreign exchange losses with respect to other financial assets totalled R50.6 million for the period, which were off-set by interest on the Encha receivable of R40.3 million and interest of R11.6 million arising from the unwinding of the discount applied to the recognition of the contingent consideration. The net movement in the Group's other financial assets during the period was R162.6 million. These assets are disclosed in note 8.

CASH AND CASH EQUIVALENTS

The Group utilised R54.9 million (2015: R40.1 million) during the period on the installation of thermal stimulation facilities at Lagia (R6.6 million), business development activities (R6.7 million), consulting fees (R6.8 million), corporate costs (R3.7 million), legal fees (R4.5 million), employee costs (R15.6 million) and other operating expenses (R11.0 million). At 31 August 2016 the Group's cash balances stood at R52.4 million, sufficient for its activities for at least the next 12 twelve months.

OTHER

Movements in the Group's exploration and evaluation assets, other intangible assets, property, plant and equipment, inventories, trade receivables, deferred tax liability and trade and other payables were not significant for the period under review.

LITIGATION UPDATE

OPL 281

As previously reported, SacOil 281 Nigeria Limited ("SacOil 281") terminated its participation with Transnational Corporation of Nigeria Plc ("Transcorp"), the operator of OPL 281.

SacOil 281 contributed US$12.5 million towards farm-in fees on 28 February 2011, which fees contractually were to be refunded with interest by Transcorp pursuant to the termination. Notwithstanding the receipt of Transcorp's acknowledgement of its refund obligation, SacOil 281 subsequently received notice from Transcorp that its termination of the Farm-out and Participation Agreement ("FoPA") in December 2014 was wrongful and amounted to a repudiation of the FoPA. As provided for in the FoPA, SacOil 281 filed a notice for arbitration with the Nigerian Chartered Institute of Arbitrators, Nigerian branch on 28 August 2015 to recover its farm-in and related fees plus interest thereon.

On 18 June 2015 Transcorp in response filed the following two court applications in the High Court: Lagos State: (i) alleging the repudiation of the FoPA by SacOil 281, claiming the sum of US$50 million as special damages for wrongful termination; and (ii) challenging the validity, applicability and appointment of arbitrators and the arbitration clause in the FoPA. SacOil 281 opposed these proceedings and on 31 May 2016 the High Court: Lagos State ruled against SacOil 281 on "matter (ii)" but granted SacOil 281 leave to appeal on 30 June 2016. The appeal was scheduled to be mentioned on 28 November 2016 with a probable hearing during mid-2017. Both parties have agreed to defer the court date in order to discuss a possible settlement. In the event that the Group is unable to reach a settlement with Transcorp, our Nigerian counsel remains confident that SacOil 281's prospects to successfully overturn the *court a quo's* ruling in the Court of Appeal remain very good; and that the likelihood of Transcorp succeeding in its claim for US$50 million is low as assignment was not obtained, nor has evidence of production been provided. The arbitration date would be around the first half of 2018 should an amicable settlement not be reached. We will update our shareholders in due course regarding the outcome of settlement negotiations with Transcorp.

MR JOSEPH MODIBANE

Two actions were instituted by Mr Joseph Modibane against the Company. In the first action he claimed R67.2 million plus interest and costs on the basis that he was entitled to damages pursuant to a breach of an agreement. In the second action he claimed R80 million plus interest and costs on the basis that he was defamed by an announcement published by the Company. The Company is defending both actions. A SENS announcement published on 28 February 2013 indicated that Mr Modibane passed away and it remains to be seen whether an executor of Mr Modibane's estate elects to persist with the two actions.

MR ROBIN VELA

The Company instituted legal action against Mr Robin Vela (its former CEO) in which it claimed an amount of R3.3 million together with interest in respect of taxes that became due to the South African Revenue Service and which were not deducted from the salary that was paid to him by the Company during his tenure as CEO. Mr Vela is defending the action and has also raised three counterclaims in the action in terms of which he claims an amount of R0.3 million allegedly owing in respect of unpaid leave, an amount of R2.8 million allegedly due in respect of a bonus and an amount of R16.9 million allegedly owing in respect of the breach of a share option agreement. In addition, Mr Vela is also claiming interest on these amounts. Both parties have delivered their discovery affidavits.

1 November 2016 was allocated as a trial date, but because our counsel was not available on the date allocated, by agreement between the parties, the matter was removed from the trial roll of 1 November 2016. The Company awaits the allocation of a trial date.

MR RICHARD LINNELL

Mr Richard Linnell (the Company's former Chairman) instituted legal action against the Company during September 2016 in which Mr Linnell claims, amongst other matters, payment of R14.7 million together with interest and the reinstatement of 12.6 million share options which the Company contends have lapsed. The Company is defending the action and a plea on behalf of the Company will in due course be delivered.

ENCHA GROUP LIMITED AND ENCHA ENERGY PROPRIETARY LIMITED

The Company instituted legal action against Encha Energy Proprietary Limited ("Encha Energy") and Encha Group Limited ("Encha Group") to claim the payment of R115.8 million (inclusive of interest) under the terms of the written acknowledgement of debt provided by Encha Energy, and in respect of which Encha Group bound itself as surety. The action is defended and the defendants have delivered their pleas. The Company awaits the allocation of a trial date.

OPL 233

The matter has been settled as disclosed in note 15.

OUTLOOK

The volatility within the global oil markets is expected to persist and will require us to continue to operate at low oil prices. Over the next few months we will continue to aggressively pursue the acquisition of cash-generative assets to ensure the sustainability of the Group whilst also finalising the in-depth review of the Lagia reservoir characterisation. We remain hopeful that the NNPC will grant the Group a renewal of the crude trading agreement which will enable us to grow that segment of the business. Cost containment and the resolution of legacy issues will also remain key focus areas.

GOING CONCERN

The Group continues to rely on its ability to successfully raise further financing to fund future working capital and business development needs. The Board remains reasonably confident that it will manage the material uncertainties that exist which are highlighted in note 14 to the condensed consolidated interim results. The condensed consolidated interim results have therefore been prepared on a going concern basis.

CHANGE IN DIRECTORATE

The following directors resigned from the BoD of SacOil:

Bradley Cerff on 25 July 2016
Steve Muller on 16 September 2016
Danladi Verheijen on 19 September 2016

ABOUT SACOIL

SacOil is a South African based independent African oil and gas company, dual-listed on the JSE and AIM. The Company has a diverse portfolio of assets spanning production in Egypt; exploration and appraisal in the Democratic Republic of Congo, Malawi and Botswana; and midstream projects including crude trading in Nigeria and a terminal project in Equatorial Guinea. Our focus as a Group is on delivering energy for the African continent by using Africa's own resources to meet the significant growth in demand expected over the next decade. The Company continues to evaluate industry opportunities throughout Africa as it seeks to establish itself as a leading, full-cycle pan-African oil and gas company.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Reviewed Six months to 31 August 2016 R	Reviewed Six months to 31 August 2015 R
Revenue		**344 121 617**	3 001 496
Cost of sales		**(348 721 804)**	(7 179 407)
Gross loss		**(4 600 187)**	(4 177 911)
Other income		**399 077**	60 720 459
Other operating costs		**(275 363 570)**	(59 921 946)
Operating loss	3	**(279 564 680)**	(3 379 398)
Investment income	4	**54 932 952**	23 073 720
(Loss)/profit before taxation		**(224 631 728)**	19 694 322
Taxation		**3 197 132**	(16 921 224)
(Loss)/profit for the period		**(221 434 596)**	2 773 098
Other comprehensive (loss)/income:			
Items that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(11 669 350)**	25 271 170
Other comprehensive (loss)/income for the year net of taxation		**(11 669 350)**	25 271 170
Total comprehensive (loss)/income for the period		**(233 103 946)**	28 044 268
(Loss)/profit attributable to:			
Equity holders of the parent		**(221 434 596)**	10 558 602
Non-controlling interest		**–**	(7 785 504)
		(221 434 596)	2 773 098
Total comprehensive (loss)/income attributable to:			
Equity holders of the parent		**(233 103 946)**	35 829 772
Non-controlling interest		**–**	(7 785 504)
		(233 103 946)	28 044 268
(Loss)/earnings per share			
Basic (cents)	6	**(6.77)**	0.32
Diluted (cents)	6	**(6.77)**	0.32

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Reviewed As at 31 August 2016 R	Audited As at 29 February 2016 R
ASSETS			
Non-current assets			
Exploration and evaluation assets		**51 049 820**	50 973 446
Oil and gas properties	7	**154 543 486**	166 030 112
Other financial assets	8	**472 330 341**	253 799 364
Other intangible assets		**49 877 781**	57 845 420
Property, plant and equipment		**1 298 362**	1 077 478
Total non-current assets		**729 099 790**	529 725 820
Current assets			
Other financial assets	8	**1 983 876**	383 144 684
Inventories		**8 650 535**	9 329 655
Trade and other receivables		**3 018 121**	3 404 645
Cash and cash equivalents		**52 414 365**	107 349 463
Total current assets		**66 066 897**	503 228 447
Total assets		**795 166 687**	1 032 954 267
EQUITY AND LIABILITIES			
Shareholders' equity			
Stated capital		**1 216 503 883**	1 216 503 883
Reserves		**66 415 977**	77 961 913
Accumulated loss		**(596 688 014)**	(375 253 418)
Total shareholders' equity		**686 231 846**	919 212 378
LIABILITIES			
Non-current liabilities			
Deferred tax liability		**75 328 897**	78 526 029
Total non-current liabilities		**75 328 897**	78 526 029
Current liabilities			
Trade and other payables		**20 755 124**	22 365 040
Current tax payable		**12 850 820**	12 850 820
Total current liabilities		**33 605 944**	35 215 860
Total liabilities		**108 934 841**	113 741 889
Total equity and liabilities		**795 166 687**	1 032 954 267
Number of shares in issue		**3 269 836 208**	3 269 836 208
Net asset value per share (cents)		**20.99**	28.11
Net tangible asset value per share (cents)		**17.90**	24.78

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital R	Foreign currency translation reserve R	Share-based payment reserve R	Total reserves R	Accumulated loss R	Total equity attributable to equity holders of the parent R	Non-controlling interest ("NCI") R	Total equity R
Balance at 29 February 2016	**1 216 503 883**	**70 176 479**	**7 785 434**	**77 961 913**	**(375 253 418)**	**919 212 378**	**–**	**919 212 378**
Changes in equity:								
Loss for the period	**–**	**–**	**–**	**–**	**(221 434 596)**	**(221 434 596)**	**–**	**(221 434 596)**
Other comprehensive loss for the period	**–**	**(11 669 350)**	**–**	**(11 669 350)**	**–**	**(11 669 350)**	**–**	**(11 669 350)**
Total comprehensive loss for the period	**–**	**(11 669 350)**	**–**	**(11 669 350)**	**(221 434 596)**	**(233 103 946)**	**–**	**(233 103 946)**
Share options issued	**–**	**–**	**123 414**	**123 414**	**–**	**123 414**	**–**	**123 414**
Total changes	**–**	**(11 669 350)**	**123 414**	**(11 545 936)**	**(221 434 596)**	**(232 980 532)**	**–**	**(232 980 532)**
Balance at 31 August 2016	**1 216 503 883**	**58 507 129**	**7 908 848**	**66 415 977**	**(596 688 014)**	**686 231 846**	**–**	**686 231 846**
Balance at 28 February 2015	1 216 503 883	8 716 621	6 889 847	15 606 468	(448 654 565)	783 455 786	4 417 649	787 873 435
Changes in equity:								
Profit/(loss) for the period	–	–	–	–	10 558 602	10 558 602	(7 785 504)	2 773 098
Other comprehensive income for the period	–	25 271 170	–	25 271 170	–	25 271 170	–	25 271 170
Total comprehensive income/(loss) for the period	–	25 271 170	–	25 271 170	10 558 602	35 829 772	(7 785 504)	28 044 268
Total changes	–	25 271 170	–	25 271 170	10 558 602	35 829 772	(7 785 504)	28 044 268
Balance at 31 August 2015	1 216 503 883	33 987 791	6 889 847	40 877 638	(438 095 963)	819 285 558	(3 367 855)	815 917 703

CONSOLIDATED STATEMENT OF CASH FLOWS

	Reviewed Six months to 31 August 2016 R	Reviewed Six months to 31 August 2015 R
Cash flows from operating activities		
Cash used in operations	**(50 338 910)**	(40 467 306)
Interest income	**2 951 017**	5 191 403
Net cash used in operating activities	**(47 387 893)**	(35 275 903)
Cash flows from investing activities		
Purchase of exploration and evaluation assets	**(476 219)**	(435 121)
Purchase of property, plant and equipment	**(446 364)**	(908 104)
Purchase of oil and gas properties	**(6 624 622)**	(6 474 274)
Purchase of other intangible assets	**–**	(204 103)
Receipts from loans and receivables	**–**	61 091 500
Net cash (used in)/from investing activities	**(7 547 205)**	53 069 898
Cash flows from financing activities		
Repayment of other financial liabilities	**–**	(57 888 500)
Net cash used in financing activities	**–**	(57 888 500)
Total movement in cash and cash equivalents for the period	**(54 935 098)**	(40 094 505)
Foreign exchange gains on cash and cash equivalents	**–**	6 440 069
Cash and cash equivalents at the beginning of the period	**107 349 463**	229 431 001
Cash and cash equivalents at the end of the period	**52 414 365**	195 776 565

1 BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group, comprising SacOil Holdings Limited and its subsidiaries (together "the Group"), for the six months ended 31 August 2016, have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the preparation and disclosure requirements of IAS 34 – Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited and in the manner required by the South African Companies Act No. 71, 2008 (as amended). Accordingly, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with IFRS, as issued by the IASB, have been omitted or condensed as is normal practice.

PRINCIPAL ACCOUNTING POLICIES

The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated interim financial statements of the Group as those applied in the preparation of the Group's annual financial statements for the year ended 29 February 2016. The following improvements arising from the IASB's annual improvements projects and the amendments to IFRS listed below, effective for financial periods beginning after 1 January 2016, were effective for the first time during this interim period and did not have an impact on the Group's results:

- Amendments to IAS 1 – Disclosure Initiative
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exemption
- Amendment to IFRS 11 – Joint Arrangements, regarding acquisition of an interest in a joint operation
- Amendment to IAS 16 – Property, Plant and Equipment and IAS 38 – Intangible Assets, regarding depreciation and amortisation
- Amendment to IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture, regarding bearer plants
- Amendment to IFRS 10 and IAS 28 regarding the sale or contribution of assets between an investor and its associate or joint venture
- Amendment to IAS 27 – Separate Financial Statements, regarding the equity method
- Amendment to IFRS 14 – Regulatory Deferral Accounts
- Improvement to IFRS 5 – Non-current Asset Held for Sale and Discontinued Operations
- Improvement to IFRS 7 – Financial Instruments: Disclosures
- Improvement to IAS 19 – Employee Benefits

Details pertaining to the amendments or improvements referred to above are provided in the Group annual financial statements for the year ended 29 February 2016.

The amendment to IAS 34 – Interim Financial Reporting has been applied in the preparation of these condensed consolidated interim financial statements and other financial information in the interim financial report. The amendment clarifies what is meant by the reference in the standard to "information disclosed elsewhere in the interim financial report" and further requires a cross-reference from the interim financial statements to the location of that other financial information.

These condensed consolidated interim results have been prepared on a going concern basis.

All monetary information is presented in the functional currency of the Company, which is the South African Rand.

NOTES TO OIL AND GAS DISCLOSURE

In accordance with AIM Guidelines Willem de Meyer, Group Executive: Strategy and Business Development, is the qualified person who has reviewed the technical information contained in this news release. Willem has 34 years' experience in the oil and gas industry with a B.Sc (Hons) degree in geophysics and a Masters Degree in Commerce focused on Mineral Economics. He is also registered with the South African Council for Natural Scientific Professions ("SACNASP").

2 PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND THE AUDITORS' REVIEW REPORT

The directors take full responsibility for the preparation of these condensed consolidated interim financial statements of the Group for the six months ended 31 August 2016. The condensed consolidated interim financial statements have been prepared under the supervision of the Chief Financial Officer, Damain Matroos CA (SA).

These condensed consolidated interim financial statements have been reviewed by Ernst & Young Inc., the Group's auditors. A copy of the auditors' unqualified review opinion, which includes an emphasis of matter paragraph for the going concern matters noted in note 14, is available for inspection at the registered office of the Company.

	Notes	31 August 2016 R	31 August 2015 R
3 OPERATING LOSS			
Provision for impairment of financial assets		**(163 974 144)**	(26 082 765)
Gain on remeasurement of asset held for sale		**–**	3 221 937
Foreign exchange (losses)/gains		**(61 369 036)**	57 498 522
Bad debts recovered		**399 077**	–
Corporate costs		**(3 724 220)**	(2 146 633)
External auditors' remuneration		**(1 800 209)**	(1 242 293)
Audit fees		**(1 780 009)**	(1 242 293)
Other services		**(20 200)**	–
Internal auditors' remuneration		**(102 055)**	(78 520)
Employee benefit expense		**(15 602 080)**	(14 051 527)
Accounting fees		**–**	(25 000)
Consulting fees		**(6 763 284)**	(3 657 527)
Business development		**(6 714 119)**	(776 565)
Legal fees		**(4 473 597)**	(2 383 706)
Travel and accommodation		**(1 921 365)**	(2 679 415)
Depreciation and amortisation		**(5 917 378)**	(4 100 114)
Oil and gas properties	7	**(2 624 991)**	(1 104 215)
Property, plant and equipment		**(225 480)**	(149 605)
Exploration and evaluation assets		**(399 845)**	–
Other intangible assets		**(2 667 062)**	(2 846 294)
Rentals – premises		**(1 345 786)**	(1 046 968)
Broker's fees		**(445 959)**	(366 153)
Share-based payment expense		**(123 414)**	–
4 INVESTMENT INCOME			
Interest receivable – loans		**40 334 716**	–
Interest received – cash and cash equivalents		**2 951 017**	5 191 382
Interest on financial assets		**11 647 219**	17 882 338
		54 932 952	23 073 720

Interest from loans of R40.3 million is attributable to the accrual of interest on the receivable outstanding from Encha Energy which is disclosed in note 8.

5 SEGMENTAL REPORTING

The Group operates in six geographical locations which form the basis of the information evaluated by its chief operating decision-maker. For management purposes the Group is organised and analysed by these locations. These locations are: South Africa, Egypt, Nigeria, the DRC, Botswana and Malawi. Operations in South Africa relate to head office activities of the Group which include the general management, financing and administration of the Group.

	South Africa R	Egypt R	Nigeria R	DRC R	Malawi R	Botswana R	Eliminations R	Consolidated R
For the six months ended 31 August 2016								
Revenue	–	3 211 927	340 909 690	–	–	–	–	344 121 617
Cost of sales	–	(9 916 452)	(338 805 352)	–	–	–	–	(348 721 804)
Gross (loss)/profit	–	(6 704 525)	2 104 338	–	–	–	–	(4 600 187)
Other income	2 799 303	–	280 545	–	–	70 765	(2 751 536)	399 077
Investment income	45 980 359	–	–	8 952 593	–	–	–	54 932 952
Other operating expenses	(209 350 324)	(13 956 565)	(40 982 162)	(13 032 978)	–	(793 077)	2 751 536	(275 363 570)
Taxation	–	–	–	3 197 132	–	–	–	3 197 132
Loss for the period	(160 570 662)	(20 661 090)	(38 597 279)	(883 253)	–	(722 312)	–	(221 434 596)
Segment assets – non-current	373 921 939	204 091 042	114 641 492	238 891 312	97 776	382 977	(202 926 748)	729 099 790
Segment assets – current	48 086 562	17 914 349	33 897	27 910	–	4 179	–	66 066 897
Segment liabilities – non-current	–	(118 685 214)	–	(155 680 159)	–	(3 890 272)	202 926 748	(75 328 897)
Segment liabilities – current	(26 106 592)	(7 038 511)	–	–	–	(460 841)	–	(33 605 944)
For the six months ended 31 August 2015								
Revenue	–	3 001 496	–	–	–	–	–	3 001 496
Cost of sales	–	(7 179 407)	–	–	–	–	–	(7 179 407)
Gross loss	–	(4 177 911)	–	–	–	–	–	(4 177 911)
Other income	32 828 188	55 192	20 945 842	11 565 114	–	–	(4 673 877)	60 720 459
Investment income	10 296 772	–	382 949	12 393 999	–	–	–	23 073 720
Other operating expenses	(29 386 523)	(7 080 238)	(749 438)	(26 083 610)	–	(1 296 014)	4 673 877	(59 921 946)
Taxation	5 284 191	–	(212)	(22 205 203)	–	–	–	(16 921 224)
Profit/(loss) for the period	19 022 628	(11 202 957)	20 579 141	(24 329 700)	–	(1 296 014)	–	2 773 098
Segment assets – non-current	384 868 684	213 938 488	–	334 446 786	1 196 742	821 669	(336 452 691)	598 819 678
Segment assets – current	396 746 936	22 329 432	126 734 660	47 935 768	–	–	–	593 746 796
Segment assets – asset held for sale	–	–	25 061 882	–	–	–	–	25 061 882
Segment liabilities – non-current	(1)	(38 681 231)	–	(178 545 060)	–	(2 207 275)	115 401 361	(104 032 206)
Segment liabilities – current	(53 131 310)	(7 668 518)	(132 857)	(211 242 630)	–	(441 250)	–	(272 616 565)
Segment liabilities – liabilities directly associated with asset held for sale	(25 061 882)	–	–	–	–	–	–	(25 061 882)

BUSINESS SEGMENTS

The operations of the Group comprise oil and gas exploration and production, and crude trading. The activities currently undertaken in Equatorial Guinea with respect to the development of the Bioko Terminal are not significant at this stage and have not been separately disclosed. These activities therefore do not meet the recognition criteria for reportable segments.

REVENUE

The Group's reported revenue is generated from the Egyptian General Petroleum Corporation ("EGPC") and Trafigura Pte Limited, with respect to oil sales and crude trading, respectively. These revenues are attributed to the Egypt and Nigeria segments, respectively.

TAXATION – EGYPT

No income or deferred tax has been accrued by Mena as the Concession Agreement between the EGPC, the Ministry of Petroleum and Mena provides that the EGPC is responsible for the settlement of income tax on behalf of Mena, out of EGPC's share of petroleum produced. The Group has elected the net presentation approach in accounting for this deemed income tax. Under this approach Mena's revenue is not grossed up for income tax payable by EGPC on behalf of Mena. Consequently, no income or deferred tax is accrued.

6 (LOSS)/EARNINGS PER SHARE

	31 August 2016 R	31 August 2015 R
Basic (cents)	**(6.77)**	0.32
Diluted (cents)	**(6.77)**	0.32
(Loss)/profit for the period used in the calculation of the basic and diluted (loss)/earnings per share	**(221 434 596)**	10 558 602
Weighted average number of ordinary shares used in the calculation of basic (loss)/earnings per share	**3 269 836 208**	3 269 836 208
Issued shares at the beginning of the reporting period	**3 269 836 208**	3 269 836 208
Effect of shares issued during the reporting period (weighted)	**–**	–
Add: Dilutive share options	**148 718**	–
Weighted average number of ordinary shares used in the calculation of diluted (loss)/earnings per share	**3 269 984 926**	3 269 836 208
Headline (loss)/earnings per share		
Basic (cents)	**(6.77)**	0.25
Diluted (cents)	**(6.77)**	0.25
Reconciliation of headline (loss)/earnings		
(Loss)/profit attributable to equity holders of the parent	**(221 434 596)**	10 558 602
Adjusted for:		
Gain on remeasurement of asset held for sale	**–**	(3 221 937)
Tax effect of adjustment	**–**	902 142
Headline (loss)/earnings for the period	**(221 434 596)**	8 238 807

7 OIL AND GAS PROPERTIES

	R
Cost	
At 1 March 2015	123 144 421
Additions	55 444 498
Translation of foreign operations	46 833 512
At 29 February 2016	225 422 431
At 1 March 2016	**225 422 431**
Additions	**6 624 622**
Disposals	**(234 234)**
Translation of foreign operations	**(15 252 023)**
At 31 August 2016	**216 560 796**
Depletion and impairment	
At 1 March 2015	(274 713)
Impairment	(56 850 000)
Depletion	(2 267 606)
At 29 February 2016	(59 392 319)
At 1 March 2016	**(59 392 319)**
Depletion	**(2 624 991)**
At 31 August 2016	**(62 017 310)**
Net book value	
At 29 February 2016	166 030 112
At 31 August 2016	**154 543 486**

	31 August 2016 R	29 February 2016 R
8 OTHER FINANCIAL ASSETS		
Non-current		
Contingent consideration[1]	**188 322 245**	196 315 073
Transcorp Refund[2]	**277 432 413**	–
Loan due from EERNL	**54 725 111**	57 484 291
	520 479 769	253 799 364
Less: Provision for impairment[4]	**(48 149 428)**	–
	472 330 341	253 799 364
Current		
Transcorp Refund[2]	**–**	305 763 874
Loan due from EERNL[5]	**157 488 557**	173 571 324
Advance payment against future services[3]	**115 824 716**	75 490 000
Deferred consideration on disposal of Greenhills Plant	**1 983 876**	1 890 810
	275 297 149	556 716 008
Less: Provision for impairment[4]	**(273 313 273)**	(173 571 324)
	1 983 876	383 144 684
Total	**474 314 217**	636 944 048

The Transcorp Refund and the advance payment against future services are currently the subject of protracted legal proceedings.

1 The contingent consideration represents SacOil DRC's right to receive cash from TOTAL upon the occurrence of certain future events under the terms of the Farm-in Agreements concluded in 2011 and 2012. The agreements were concluded between TOTAL and Semliki. Pursuant to the reorganisation completed in the prior financial year SacOil's interest in Block III and its rights under the various agreements relating to the asset were transferred to SacOil DRC. The valuation assumptions for the contingent consideration are consistent with those applied at 29 February 2016. The movement in the contingent consideration is attributable to imputed interest of R9.0 million (29 February 2016: R26.4 million) and a foreign exchange loss of R16.9 million (29 February 2016: R91.1 million foreign exchange gain).

2 An update on the Transcorp arbitration is provided in the Litigation section of the commentary. As noted in the update, SacOil and Transcorp are negotiating a possible settlement with respect to the receivable of R277.4 million. The decrease in the receivable during the period is attributable to foreign exchange losses of R28.3 million due to the strengthening of the Rand (29 February 2016: foreign exchange gain of R84.9 million). The receivable has been reclassified as long term as it is estimated that the Transcorp litigation will likely be resolved during 2018.

3 The amount due represents Encha Energy's indebtedness to SacOil Holdings Limited ("Encha Debt") under the Acknowledgement of Debt Agreement ("Agreement") concluded between the two parties on 28 February 2013. This debt became due and payable on 29 February 2016 and remains unpaid as at the date of the condensed consolidated interim financial statements. The financial asset recognised at 31 August 2016 is R115.8 million (29 February 2016: R75.5 million) representing the advance of R75.5 million and interest totalling R40.3 million (29 Feburary 2016: RNil) calculated at the prime rate plus 3% ("default interest"). The Agreement provides for the accrual of default interest on the amount outstanding from 28 February 2013 until such time the debt is paid in full.

4 The SacOil Board of directors ("BoD") continues to pursue the recovery of the Transcorp Refund. Inherently litigation is a protracted process which often leads to delays in the resolution of outstanding matters. Our legal counsel has estimated that the matter will likely be resolved during the first half of 2018. This delay has affected the valuation of the receivable and a provision for impairment of R48.1 million has been recognised to take into account the impact of the time value of money.

The EERNL receivable of R157.5 million (29 February 2016: R173.6 million) has been provided for pending the finalisation of the settlement agreement with Nigdel United Oil Company ("Nigdel"). The settlement agreement with EERNL provided for the recovery of this amount from Nigdel. As disclosed in note 15, the settlement agreement with Nigdel was subsequently concluded on 11 October 2016.

For the duration of the Agreement referred to above, as provided for therein, the Company received certificates from Encha's auditors which confirmed at each reporting date that the net asset value of the Encha Group exceeded R100 million as a basis to support the recoverability of the amount owed. Since the expiry of the Agreement and the subsequent default by Encha on its obligations, this information has not been made available to the Company to enable a complete assessment of the financial position of the Encha Group. Information available to enable an assessment of the recoverability of the R115.8 million owed to the Company at 31 August 2016 was therefore limited to information available in the public domain on Encha's asset base. This information, however, does not provide visibility of Encha's liabilities to enable a complete assessment of the net asset position as at 31 August 2016. A provision for impairment of R115.8 million has therefore been raised.

5 The movement in the loan due from EERNL is attributable to foreign exchange losses totalling R16.1 million (29 February 2016: foreign exchange gain of R48.2 million).

9 FINANCIAL INSTRUMENTS

The fair values of cash and cash equivalents and trade and other payables approximate carrying values due to the short-term maturities of these instruments. Other financial assets are evaluated by the Group at measurement date based on inputs such as interest and exchange rates, country-specific factors and creditworthiness of debtors.

Valuation techniques and assumptions applied to measure fair values:

	Carrying value		Fair value			
Financial instrument	31 August 2016	29 February 2016	31 August 2016	29 February 2016	Valuation technique	Significant inputs
Other financial assets[1]	**474 314 217**	636 944 048	**368 867 773**	540 851 344	Discounted cash flow model	Weighted average cost of capital

[1] In terms of SacOil's accounting policies and IAS 39 – Financial Instruments: Recognition and Measurement ("IAS 39") these financial instruments are carried at amortised cost and not at fair value, given that SacOil intends to collect the cash flows from these instruments when they fall due over the life of the instrument. Changes in market discount rates which affect fair value would therefore not impact the valuation of these instruments and are not considered to be objective evidence of impairment for items carried at amortised cost per IAS 39 as this does not impact the timing or amount of expected future cash flows.

Fair value hierarchy

The following table presents the Group's assets not measured at fair value in the statement of financial position, but for which the fair value is disclosed above. The different levels have been defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

	Level 1 R	Level 2 R	Level 3 R	Total R
Other financial assets				
At 31 August 2016	**–**	**–**	**368 867 773**	**405 275 658**
At 29 February 2016	–	–	540 851 344	540 851 344

There were no transfers between levels during the period. The Group's own non-performance risk at 31 August 2016 was assessed to be insignificant.

	31 August 2016 R	31 August 2015 R
10 COMMITMENTS AND LIABILITIES		
Commitments		
Exploration and evaluation assets – work programme commitments – due within 12 months	**1 665 000**	54 510 935
Exploration and evaluation assets – work programme commitments – due within 13 to 48 months	**44 698 778**	25 649 134
	46 363 778	80 160 069

Exploration and evaluation activities will be funded from current cash resources and funds from future capital-raising initiatives.

	31 August 2016 R	29 February 2016 R
Contingent liabilities		
Cost carry arrangement with TOTAL	**117 115 084**	95 772 505
	117 115 084	95 772 505

Cost carry arrangement

The Farm-in Agreement between Semliki and TOTAL provides for a carry of costs by TOTAL on behalf of Semliki on Block III. Semliki's rights attributable to SacOil were subsequently assigned to SacOil DRC as part of the reorganisation concluded on 29 February 2016. TOTAL will be entitled to recover these costs, being SacOil DRC's share of the production costs on Block III, plus interest, from future oil revenues. The contingency becomes probable when production of oil commences and will be raised in full at that point. At 31 August 2016 TOTAL has incurred R117.1 million (29 February 2016: R95.8 million) of costs on behalf of SacOil DRC. Should this liability be recognised a corresponding increase in assets will be recognised which, together with existing exploration and evaluation assets, will be recognised as development infrastructure assets.

	31 August 2016 R	31 August 2015 R
11 RELATED PARTIES		
Key management compensation		
Non-executive directors:		
Fees	**2 011 593**	1 550 000
Executive directors:		
Salaries	**4 812 572**	4 590 226
Other key management:		
Salaries	**4 213 967**	4 566 289
Total key management compensation	**11 038 132**	10 706 515

12 LITIGATION

The Group is, from time to time, involved in various claims and legal proceedings arising in the ordinary course of business. The Board believes, based on its judgement and advice obtained from legal counsel, that the Group has valid claims for the matters under arbitration or litigation. A change in one or more of these judgements, although not anticipated, would significantly affect the Group's results. Provision is made for all liabilities which are expected to materialise and contingent liabilities are disclosed when the outflows are possible.

13 DIVIDENDS

The Board has resolved not to declare dividends to shareholders for the period under review.

14 GOING CONCERN

The Company incurred a net loss for the period ended 31 August 2016 of R221.4 million (2015 net profit: R2.8 million). The results of the Group continue to be affected by developments in the global markets with respect to oil prices and exchange rates as well as lower-than-expected performance of the Lagia asset for the reasons highlighted in the operations and finance reviews. Consequently, the Group's operations have not delivered expected cash flows which has resulted in a net cash outflow of R54.9 million for the period ending 31 August 2016 (31 August 2015: R40.1 million) from operations, business development activities and overhead costs. The Group's cash and cash equivalents at 31 August 2016 total R52.4 million which management have forecasted to adequately cover the activities of the Group until January 2018 representing a 15-month period from the date of these condensed consolidated interim results. The adequacy of the available cash for the time period noted above is dependent on the group achieving forecasted production volumes at Lagia, holding costs in line with forecasts, and stability in factors such as oil price and exchange rates at forecasted values.

Availability of funding for the Group's activities beyond January 2018
A deficit of R64.0 million exists in the Group's cash flow forecast to February 2019 ("the Forecast"). Unfavourable developments in the global oil and currency markets have contributed to this deficit together with the modifications made to the Lagia production profile given the challenges highlighted in the operations review. The Forecast does not take into account the upside that could arise from the recovery of funds owed to the Group as disclosed in note 8.

The BoD is constantly considering various strategies to grow the Group to ensure it generates cash flows to sustain operations. Whilst mitigating actions are in place, these are in the initial stages such that the value to be added to the Group cannot as yet be demonstrated as a basis to support the going concern assertion at 31 August 2016.

The impact of developments in the global oil and foreign exchange markets on the performance of the Group
The crude extraction industry is one that requires a long-term investment mindset as well as reliance on uncontrollable macroeconomic performance indicators such as the oil price and the US$ exchange rate. Should production at Lagia increase significantly as planned, the effect of these variables will be more significant on the financial performance of the Group as a whole. Further, the Group is still in the exploration phase for certain of the rights that it holds. Should these explorations prove successful, there is significant upside available in the forecasted financial position and performance.

These conditions give rise to a material uncertainty which may cast doubt about the Group's ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Board remains reasonably confident that it will manage the material uncertainties that exist, accordingly the financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

15 EVENTS AFTER THE REPORTING PERIOD

On 11 October 2016 SacOil entered into a settlement agreement with Nigdel United Oil Company Limited whereupon both parties withdrew their respective litigation and arbitration claims. Details pertaining to these claims were provided in the 2016 Integrated Annual Report.

On 17 October 2016 the Public Investment Corporation (SOC) Limited ("PIC"), acting on behalf of the Government Employees Pension Fund ("GEPF") acquired the total interests in the securities of the Company held by Westglamry Limited and Newdel Holdings Limited, such that the resulting total interest in the securities of the Company held by the PIC on behalf of the GEPF amounts to 68.65% of the total issued share capital of the Company. Previously the PIC held 42.14% of the issued share capital of the Company.

On behalf of the Board

Tito Mboweni	**Dr Thabo Kgogo**	**Damain Matroos**
Chairman	Chief Executive Officer	Chief Financial Officer

Johannesburg
30 November 2016

CORPORATE INFORMATION

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* Independent non-executive directors ** Non-executive director

ADVISERS

Company Secretary	Fusion Corporate Secretarial Services Proprietary Limited
Transfer Secretaries (South Africa)	Link Market Services South Africa Proprietary Limited
Transfer Secretaries (United Kingdom)	Computershare Investor Services (Jersey) Limited
Corporate Legal Advisers	Norton Rose Fullbright South Africa
Auditors	Ernst & Young Inc.
JSE Sponsor	PSG Capital Proprietary Limited
Investor Relations (UK)	Buchanan Communications Limited
AIM Nominated Adviser	finnCap Limited