

30 September 2010

SeaEnergy PLC

("SeaEnergy" or the "Company")

Results for the six months ended 30 June 2010

SeaEnergy PLC today announces its results for the six months ended 30 June 2010.

Operational highlights:

- Offshore activity on SeaEnergy's Round 3 Zone 1 site at Moray Firth has commenced, with geophysical, met-ocean and bird surveys all underway. A consent application along with an Environmental Impact Assessment is due for submission in 2012.
- Arrangements with The Crown Estate to advance the Inch Cape project are now close to being concluded and importantly have allowed offshore work to commence.
- Work on the Beatrice Offshore Wind Farm within Scottish Territorial Waters has also progressed well during the period, with geophysical survey work completed and geotechnical work on the site set to commence shortly.
- SERL has signed a Strategic Cooperation Agreement with the Nantong COSCO Ship Steel Structure Co. Ltd ("NCSC"), a subsidiary of leading Chinese company COSCO Group, to jointly benefit from developing and marketing steel structures for the offshore wind industry.
- Significant development of its Marine Services business, including the signing of two important agreements; a Letter of Intent with Ulstein and an Exclusivity Agreement with Ampelmann. The combination of Ulstein's X-Bow vessel design with Ampelmann's state of the art bridging system will allow the Marine Services business to provide enhanced accessibility and cost efficiencies to the offshore wind industry.
- During the period, SeaEnergy has re-visited Montenegro to assess the state of its interests and joint ventures there following the country's recent introduction of an Oil & Gas law. The next step for SeaEnergy in the region will be to renew discussions between the Ministry of Economy and our joint venture partners.
- Despite the efforts of Mesopotamia Petroleum Company ("MPC") in Iraq, MPC has been unable to generate any traction and little progress has been made. However, MPC is still engaged in discussions with a leading Middle Eastern group to acquire a comprehensive package of drilling assets.
- Lansdowne Oil & Gas plc, in which SeaEnergy holds a 32.95% interest successfully secured two-year extensions to three of its Irish licences and expects to see increased activity in the Celtic Sea.

Financial highlights:

- Loss from continuing operations after tax of £4.2 million for the first six months of 2010 (2009: £2.5 million).
- Group cash balances at 30 June 2010 were £1.0 million (2009: £1.8 million).
Financing agreement with LC Capital Master Fund Ltd extended until the earlier of 31 December 2010 or completion of the SERL sale process.

SERL Sale Process

- The sale process of SERL, being coordinated by Ernst & Young, is progressing well and the Board is encouraged by the level of interest that has been shown. SeaEnergy will make further announcements regarding the sale in due course.

Steve Remp, Executive Chairman of SeaEnergy, commented:

“While the SERL sale process remains ongoing, we have been encouraged by the interest that has been expressed, including from the Far East. As we expect the sale process to be complete by the end of the year, we will re-focus our attention on exciting opportunities elsewhere in the business.

“We believe the supply chain and service industry for offshore wind farms will be a rapidly growing and profitable sector and our Marine Team has done a terrific job over the past year in developing a business model surrounding turbine access and servicing. We now look toward generating orders, and ultimately cash flow, by providing the solution to what we believe is a key issue for offshore wind constructors and operators.

“Elsewhere, while we continue to struggle to gain traction in Iraq, a new opportunity of significant potential has presented itself in the form of re-engagement in Montenegro and we will be working hard to clarify and confirm our position there together with our partners. This exciting opportunity is just one of a number across the business and the successful sale of SERL will allow us to maximise these opportunities fully and build greater shareholder value.”

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SeaEnergy plc

Interim Results for the six months ended 30 June 2010

Chairman's Statement

Since my last statement, three months ago, we have continued to make progress across the business. The process for realising value from our 80% interest in SeaEnergy Renewables Limited ("SERL"), being coordinated by Ernst & Young, is progressing well and the Board is encouraged by the level of interest that has been shown. We look forward to providing further information on progress in due course.

Whilst our primary focus has been on the sale process, this has not restricted us from making further significant progress within SERL and elsewhere in the Group. I am particularly pleased with the continued support and cooperation we have had from The Crown Estate in the development of the Inch Cape project.

In July SERL signed a strategic cooperation agreement with Nantong COSCO Ship Steel Structure Co. Ltd ("NCSC") and progress is being made with all of SERL's UK offshore wind farm projects.

We believe that an exciting opportunity exists to build a business to provide long term services and support to the offshore wind industry through our Marine Services business. Two important agreements have been signed in support of the establishment of that Marine Services business.

Financial review

The Group recorded a loss from continuing operations after tax of £4.2 million for the first six months of 2010 compared to a loss of £2.5 million for the first six months of 2009. Operating expenses increased from £2.0 million in the prior period to £2.6 million in the current period reflecting additional expenditure in connection with the successful progress of SERL and its projects.

Net finance expense was £1.6 million (income of £29,000 in the same period of 2009). The increase in net finance expense is mainly due to losses of £0.5 million (6 months to 30 June 2009: £nil) on equity swap settlements and a fair value adjustment of £1.1 million (6 months to 30 June 2009: £nil) on equity swap carrying values. These arrangements, entered into with Lanstead in September 2009 conclude in May 2011.

Share of loss in associates and other related movements decreased from £0.5 million to £nil, this comprised associate losses of £0.2 million offset by adjustments to the impairment provision of the same amount.

Group cash balances at 30 June 2010 were £1.0 million compared with £1.8 million a year earlier. £0.2 million was raised in the period through the issue of new equity (6 months to 30 June 2009 £2.7 million). Proceeds from derivatives were £1.7 million (6 months to 30 June 2009: £nil). £0.5 million was repaid under the loan facility provided by LC Capital Master Fund Ltd (6 months to 30 June 2009: £0.2 million drawn down). As announced today we have agreed with the lender that we may redraw the £500,000 repaid in February. In addition, LC has agreed to extend the Facility by a further £1.8 million with further draw down subject to LC's prior approval. In return LC has taken security by way a share pledge over PLC's shares in SERL. The repayment of the Facility has been further extended until the earlier of 31 December 2010 or completion of the SERL sale process.

Total equity attributable to the equity holders of the Company has decreased from £3.1 million at 30 June 2009 to £2.3 million as at 30 June 2010. The decrease arises primarily from losses and other movements on retained earnings of £8.0 million offset by the issue of new share capital of £7.2 million.

The Board is not recommending the payment of an interim dividend.

SERL

SERL holds a 25% stake in three separate UK offshore wind farm projects and has established a platform for future growth in the Far East.

The UK summer weather window has seen the start of offshore activity on our Round 3 Zone 1 site, Moray Firth, operated by Moray Offshore Renewables Limited (“MORL”). Geophysical survey work investigating seabed conditions across the site has been completed and bird survey work, which will cover a two year period commenced in April, while met-ocean surveys began in June 2010. Looking forwards, the geotechnical work on the site is set to commence shortly and a met-mast for recording local wind conditions is scheduled to be erected towards the end of 2011. The data gathered from these activities will form a part of an Environmental Impact Assessment (“EIA”) which will accompany a consent application scheduled for submission in 2012.

The Zone award was based on a capacity of 1.3GW and this remains the commitment of MORL. However work to date and the expectation of larger turbines becoming available in the future, has led to a grid application for a total of 1.5GW being made. This capacity will be divided amongst a number of smaller offshore wind farms and a phased grid connection plan commencing in 2016 has been received and accepted.

Work on the Beatrice Offshore Wind Farm (“BOWL”) within Scottish Territorial Waters (“STW”) has also progressed steadily through 2010. Geophysical survey work investigating the seabed conditions across the site has been completed. Bird survey work started in October 2009 and will continue until the middle of 2011, while met-ocean surveys began in February 2010 and are nearing completion. Geotechnical work on the site is set to commence shortly and a met-mast for recording local wind conditions is scheduled to be erected towards the end of 2011. Study work has also commenced on marine mammals in the Moray Firth in conjunction with the University of Aberdeen who have been active in the region for almost 30 years. The data gathered from these activities will form a part of an EIA which will accompany a consent application scheduled for submission in late 2011.

Conceptual engineering has commenced to outline layout options based on a capacity of circa 920MW which is supported by an accepted grid connection offer for the project. A phased grid connection offer, commencing in 2015 has been accepted. As a part of the ongoing collaboration between the adjacent BOWL and MORL projects the two teams have, following the publication of their respective Environmental Assessment Scoping Reports commenced a series of public consultations covering a wide area from Wick through to Fraserburgh.

Our focus on Inch Cape has been to finalise arrangements to take forward the project with support and assistance from The Crown Estate and these arrangements are now close to being concluded. Importantly, the withdrawal of RWE npower has not halted progress, and as recently announced an agreement with The Crown Estate has allowed the offshore work to commence. Geophysical survey work investigating the conditions on and below the seabed over the site commenced this month and will be completed next month. Bird survey work also commenced in this month on a cost sharing basis with another STW site nearby. Initial met-ocean surveys were conducted in early 2010 and a longer term wave buoy deployment is planned for 2011. The feasibility of a shared met-mast with an adjacent STW site is being investigated. An important milestone was reached in August with the issue of the project scoping report to stakeholders and stakeholder exhibitions are planned through October 2010. A grid application for the project has been prepared and will be submitted later in 2010.

The consultation period for the Scottish SEA process, which affects the Beatrice and Inch Cape projects, was expected to end in August, but we understand that it has been extended until 27th September 2010.

Building on the platform established in the Far East, SERL signed a Strategic Cooperation Agreement with NCSC to develop and market steel structures for the offshore wind industry. NCSC’s parent, the COSCO Group, is one of the major multinational enterprises in the world; China’s largest and the world’s leading group specializing in global shipping, modern logistics and ship building and repairing. SERL and NCSC

believe that combining their expertise and resources will allow them to benefit jointly from the opportunities in the offshore wind industry as it develops across the world.

Marine Services

Our aspiration to establish a Marine Services operation to support offshore wind farm construction, commissioning and operations has moved forward with the signing of two important agreements. During the period we have entered into a Letter of Intent with Ulstein and signed an Exclusivity Agreement with Ampelmann. We believe that the combination of Ulstein's X-Bow vessel design with Ampelmann's state of the art bridging system will allow our Marine Services operation to offer turbine accessibility in Northern European waters of over 90% to customers, many of whom we believe are currently achieving turbine accessibility of less than 50%. Our offering has the potential to bring significant operational and cost efficiencies to offshore wind farm constructors, turbine manufactures, utilities and operators as well as enhancing safety standards.

Interest in our plans is being received from all of those groups and we are expecting a number of contracts to be put out to tender over the next few months. We will be working hard to secure our first contracts, knowing that suitable vessels are currently available to us on a back to back charter basis.

Oil & Gas

The Company holds a 32.67 per cent. stake in an associate company, Mesopotamia Petroleum Company Limited, ("MPC"). MPC is still engaged in discussions with a Middle Eastern group to acquire a comprehensive package of drilling assets. But despite the best efforts of MPC and its advisors little concrete progress can be reported at this time.

AIM listed Lansdowne Oil & Gas plc in which we hold a 32.95% interest successfully secured two-year extensions to three of its Irish licences. Lansdowne has established a critical mass of acreage in the Celtic Sea and is encouraged to see a renewed interest in this producing shallow water basin which it expects to see translate into increased activity over the next year or so.

With the passing of the long-awaited Oil and Gas Law in Montenegro, in July of this year, I gladly accepted an invitation from the Prime Minister, Milo Djukanovic, to re-visit Montenegro to assess the state of our interests there. During my visit I met with the Minister of Economy who suggested that his Government considers the Prevlaka concession held by our co-venturer, the former state-owned oil company Jugopetrol Kotor ("JPK"), to have expired. We hold an interest in a very large offshore block, which contrary to recent government statements we believe remains a valid concession. JPK and its parent company Hellenic Petroleum ("Hellenic") have joined us in formally refuting that view. The Minister has agreed to establish a working group to resolve any misunderstandings among us.

We acquired an interest in the Prevlaka joint venture in 2004. JPK as concession holder has a 49% carried interest while SeaEnergy (through a subsidiary) and Hellenic itself hold 40% and 11% respectively and are responsible for funding JPK through the exploration phase. The Prevlaka acreage is extensive covering an area equivalent to approximately 20 North Sea Blocks.

The next step for us is to renew discussions between the Ministry and our joint venture partners. Montenegro was one of the dormant oil and gas interests in our portfolio – dormant primarily because we awaited further Government pronouncements on the work programme and the enactment of a modern Oil & Gas Law.

Outlook

Developments over the next few months are critical to SeaEnergy. Much will be determined by the outcome of the SERL sale process. The international nature of the interest that has been shown in the sale process has

required a longer time-table than we had initially anticipated, however we now believe it reasonable to assume that the process will be complete by year end.

We believe the supply chain and service industry for offshore wind farms will be a rapidly growing and profitable sector and our Marine team have done a terrific job over the past year in developing a business model surrounding turbine access and servicing using specialised vessels that appears to have attracted the interest of many leading players. We hope that we can now convert that interest into real contracts. The attraction of course is a business that would be generating cash flow and earnings in the near term.

While we continue to struggle to gain traction in Iraq, a new opportunity of significant potential has presented itself in the form of re-engagement in Montenegro – where we have been active since 1998 and where I have made many trips and enjoyed a strong relationship with the Government of Montenegro. We will be working hard to clarify and confirm our position there together with our partners, Hellenic and JPK, the former state oil company, now a subsidiary of Hellenic.

Consolidated Interim Balance Sheet

		30 June 2010 (unaudited)	31 December 2009 (audited)	30 June 2009 (unaudited) restated
	Note	£'000	£'000	£'000
Assets				
Non-current assets				
Goodwill and other intangible assets	3	4,154	3,158	2,461
Property, plant & equipment		221	173	152
Investments	4	652	652	2,235
Derivative financial instruments		-	506	-
		5,027	4,489	4,848
Current assets				
Trade and other receivables		352	455	855
Derivative financial instruments		747	3,581	-
Cash and cash equivalents		998	2,792	1,789
		2,097	6,828	2,644
Liabilities				
Current liabilities				
Trade and other payables		(2,833)	(2,741)	(2,134)
Loans and borrowings		(1,500)	(2,000)	(1,700)
Provisions		(4)	(3)	(3)
		(4,337)	(4,744)	(3,837)
Non-current liabilities				
Deferred income tax liabilities		(489)	(489)	(489)
Other non-current liabilities		(36)	(41)	(24)
		(525)	(530)	(513)
Total liabilities		(4,796)	(5,274)	(4,350)
Net assets		2,262	6,043	3,142
Equity				
Ordinary shares		6,852	6,809	5,302
Share premium		78,801	78,658	73,211
Deficit on retained earnings		(83,391)	(79,424)	(75,371)
Total equity attributable to equity holders of the parent		2,262	6,043	3,142
Minority interest		-	-	-
Total equity		2,262	6,043	3,142

Consolidated Interim Income Statement

		Half-year ended 30 June	
		2010	2009
		(unaudited)	(unaudited)
			restated
Note		£'000	£'000
Continuing operations			
	Operating loss	(2,603)	(2,016)
	Finance income	5	64
	Finance expense	(1,635)	(35)
	Finance (expense) / income – net	(1,630)	29
	Share of loss of associate	4 (220)	(272)
	Other movements in respect of associates	4 220	(194)
	Loss before taxation	(4,233)	(2,453)
	Taxation	-	-
	Loss from continuing operations	(4,233)	(2,453)
Discontinued operation			
	Loss from discontinued operation	(15)	(21)
	Loss for the financial period	(4,248)	(2,474)
Attributable to:			
	Equity holders of the group	(4,124)	(2,474)
	Minority interests	(124)	-
	Loss for the financial period	(4,248)	(2,474)
Loss per share			
	Basic and diluted	2 (5.98)p	(5.12)p
Continuing operations			
	Loss per share		
	Basic and diluted	2 (5.96)p	(5.08)p

Statement of Comprehensive Income

There are no items of Comprehensive Income other than those reported on the Income Statement for the period. Consequently no separate Statement of Comprehensive Income has been prepared.

Consolidated Interim Statement of Cash Flows

		Half-year ended 30 June	
		2010	2009
		(unaudited)	(unaudited)
Note		£'000	£'000
Cash flows from operating activities:			
		(2,272)	(2,164)
Cash flows from investing activities:			
		5	64
	3	(996)	(57)
		(71)	(7)
		(1,062)	-
Cash flows from financing activities:			
		186	2,706
		124	-
		1,736	-
		(500)	200
		(5)	(2)
		(1)	(1)
		1,540	2,903
		(1,794)	739
		2,792	1,051
		-	(1)
		998	1,789

Consolidated Statement of Changes in Equity

Attributable to equity holders of parent						
Note	Share Capital £'000	Share Premium £'000	Retained Earnings restated £'000	Total Equity £'000	Minority Interest restated £'000	Total Equity £'000
At 1 January 2009	4,611	71,196	(72,899)	2,908	-	2,908
Loss for the year	-	-	(6,525)	(6,525)	-	(6,525)
Issue of new shares – gross consideration	2,198	8,128	-	10,326	-	10,326
Cost of issues (net)	-	(666)	-	(666)	-	(666)
At 31 December 2009	6,809	78,658	(79,424)	6,043	-	6,043
At 1 January 2010	6,809	78,658	(79,424)	6,043	-	6,043
Interest in share capital of subsidiary	-	-	-	-	124	124
Loss for the period	-	-	(4,124)	(4,124)	(124)	(4,248)
Share based payments charge	-	-	157	157	-	157
Issue of new shares – gross consideration	43	143	-	186	-	186
Costs of issue	-	-	-	-	-	-
At 30 June 2010	6,852	78,801	(83,391)	2,262	-	2,262
At 1 January 2009	4,611	71,196	(72,899)	2,908	-	2,908
Loss for the period	-	-	(2,474)	(2,474)	-	(2,474)
Share based payments charge	-	-	2	2	-	2
Issue of new shares – gross consideration	691	2,111	-	2,802	-	2,802
Costs of issue	-	(96)	-	(96)	-	(96)
At 30 June 2009	5,302	73,211	(75,371)	3,142	-	3,142

Notes to the Interim Statement

1. Basis of presentation

Accounting Policies

The interim financial information for the six months ended 30 June 2010 has been prepared on the basis of the accounting policies which will be adopted in the 2010 Annual Report and Accounts, and IAS 34, "Interim Financial Reporting" as adopted by the European Union.

IAS 1 (revised), "Presentation of financial statements is a mandatory statement which has been applied for the first time. The revised standard requires "non-owner" changes in equity to be shown in a Statement of Comprehensive Income. The Company has chosen to present two statements, the Income Statement and the Statement of Comprehensive Income. The interim financial statements have been prepared under the revised disclosure requirements.

The interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The results for the six months to 30 June 2010 and the comparative results for six months to 30 June 2009 are unaudited. The comparative figures for the year ended 31 December 2009 do not constitute the statutory financial statements for that year. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with IFRSs as adopted by the European Union. Those financial statements have been delivered to the Registrar of Companies and include the auditor's report which was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. It did, however, contain an emphasis of matter over the going concern basis of preparation for the Group. Therefore, this interim statement should be read with due regard to the uncertainties described within note 1 of the financial statements for the year ended 31 December 2009.

Going Concern

The Directors have prepared the interim financial information on the going concern basis which assumes that the Group and Company and its subsidiaries will continue in operational existence for the foreseeable future.

The Group and Company requires additional sources of funding in order to progress the development of the offshore wind interests which it holds. Having recently tested the capital markets the Directors believe that it will be difficult to raise additional funding from the capital markets and they believe that a disposal of SeaEnergy Renewables Limited ("SERL") is the best way of maximising shareholder value by allowing an entity, other than SeaEnergy PLC, to develop these offshore wind development assets.

The Directors believe that at the date of this interim financial information there exists a material uncertainty regarding whether or not the Company will be successful in completing the disposal of SERL, which may cast significant doubt upon the ability of the Group and Company to continue as a going concern and therefore to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making inquiries and considering all the relevant factors in relation to the proposed disposal of SERL, the Directors are of the opinion that they will be able to complete the disposal and have therefore prepared cash flow forecasts for the Group on this basis. These projections indicate that the Group and Company will have adequate cash resources to meet its obligations as they fall due for a period of not less than one year from the date of approval of this interim financial information.

If for any reason the uncertainty described above cannot be successfully resolved, the going concern basis may no longer be appropriate. The financial statements do not include any adjustments that would result if the Group and Company was unable to continue as a going concern.

Although this material uncertainty exists, the Directors have a reasonable expectation that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future and have therefore concluded that it is appropriate to adopt the going concern basis in preparing this interim financial information.

Comparative Period

The corresponding amounts in the prior period have been restated to correct an accounting error which arose from failure to correctly apply with International Accounting Standard (“IAS”) 27 – Consolidated Financial Statements, in connection with losses allocated to Minority Interests.

IAS27 requires that any excess losses applicable to a minority over the minority’s interest in the subsidiary’s equity are allocated against the majority, except to the extent that the minority has a binding obligation to cover the losses and is able to make such investment.

The Company’s subsidiary SeaEnergy Renewables Limited recorded a loss and losses totalling £259,153 were allocated to the minority. There is no obligation on the minority to cover losses. Losses should only have been allocated to the minority to the extent of its equity interest of £1,200 and therefore excess losses of £257,953 were incorrectly allocated.

The effect of the prior period restatement is to reduce Total equity attributable to equity holders of the parent by £257,953. Minority Interest is increased by the same amount resulting in a figure of £nil, reflecting the position whereby Minority interest in equity of £1,200 has been reduced to £nil by losses allocated of the same amount.

Principal Risks and Uncertainties

The management of the business and the execution of the Group’s strategy are subject to a number of risks. Risks are reviewed by the Board and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Group. Further details of the group’s risk profile analysis can be found on pages 18 to 20 of our Annual Report for 31 December 2009, available from the website: www.seaenergy-plc.com. There has been no change in the risk profile since the Annual Report.

2. Loss per Share

Loss per share attributable to equity holders of the Company arise from continuing and discontinued operations as follows:

	Half year ended 30 June	
	(pence per share)	
	2010	2009 restated
Loss per share for loss from continuing operations attributable to the equity holders of the Company		
- basic	(5.96)	(5.08)
- diluted	(5.96)	(5.08)
Loss per share for loss from discontinued operation attributable to the equity holders of the Company		
- basic	(0.02)	(0.04)
- diluted	(0.02)	(0.04)
Loss per share for loss continuing and discontinued operations attributable to the equity holders of the Company		
- basic	(5.98)	(5.12)
- diluted	(5.98)	(5.12)

The calculations were based on the following information.

	£'000	£'000
Loss attributable to equity holders of the Company		
- continuing operations	(4,109)	(2,453)
- discontinued operation	(15)	(21)
- continuing and discontinued operations	(4,124)	(2,474)
Weighted average number of shares in issue		
- basic	68,917,235	48,288,751
- diluted	68,917,235	48,288,751

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Company has two classes of potential ordinary shares; share options and the debt deferral agreement. The Company previously had warrants outstanding but these were exercised in full during the period. As a loss was recorded for both the current and prior periods the issue of potential ordinary shares would have been anti-dilutive.

3. Goodwill and other intangible assets

Additions during the period of £996,000 (6 months to 30 June 2009: £57,000) relate to expenditure incurred in connection with the offshore wind farm acreage secured by the Company's SeaEnergy Renewables Limited subsidiary.

4. Investments

Movements during the period are attributable to share of loss in associates of £220,000 offset by a reduction in impairment provision of the same amount.

5. Derivative Financial Instruments

	30 June 2010 (unaudited) £'000	31 December 2009 (audited) £'000	30 June 2009 (unaudited) £'000
Current	747	3,581	-
Non-current	-	506	-
	747	4,087	-

At the end of the period, the fair value of the derivative agreements in accordance with IAS 39 was £0.747 million.

Fair value of the swaps is calculated by discounting the forecast cash flows by reference to the current share prices and LIBOR on the reference date.

	30 June 2010		31 December 2009	
	Tranche A	Tranche B	Tranche A	Tranche B
Company share price	18p	18p	52.5p	52.5p
Discount rate	8%	8%	8%	8%
Fair value (£'000)	528	219	2,683	1,404

6. Reconciliation of Loss for the Period to Net Cash Used in Operating Activities

	Half year ended 30 June	
	2010	2009
Note	£'000	£'000
Loss for period from continuing operations	(4,233)	(2,453)
Adjustments for:		
Depreciation of property, plant and equipment	24	14
Share of loss from associates	220	272
Other movements relating to associates	4 (220)	194
Equity settled share-based payment transactions	157	2
Operating cash flows before movements in working capital	(4,052)	(1,971)
Change in trade and other receivables	103	(229)
Change in trade and other payables	46	64
Change in provisions	1	1
Cash outflow generated by operations	(3,902)	(2,135)
Net finance expense / (income)	1,630	(29)
Net cash used in continuing operating activities	(2,272)	(2,164)
Loss for period from discontinued operation	(15)	(21)
Adjustments for:		
Net finance expense	15	21
Net cash from discontinued operating activities	-	-
Total net cash used in operating activities	(2,272)	(2,164)

7. Share based payments charge

The cost of awards to employees and Directors under the current share option scheme is recognised over the vesting period of the awards, which is either three or five years depending on the category of options awarded. The charge for the current period relates to options granted on 11 January 2010.

8. Related Party Transactions

(a) Directors

During 2008 and 2009 Executive Directors voluntarily agreed to defer contractual bonus and pension payments as summarised below.

	30 June 2010 (unaudited) £'000	31 December 2009 (audited) £'000	30 June 2009 (unaudited) £'000
S E Remp	-	119	96
S R Bertram	-	14	14
C G Moar	-	4	4
	<hr/>	<hr/>	<hr/>
	-	137	114

No guarantees were given by the Company and no interest was charged on the outstanding balances.

All deferred amounts were settled in January 2010.

(b) Directors

In addition to his Board fees as a Non-Executive Director, J H Aldersey-Williams undertook consultancy. From 1 January 2010 to 30 June 2010 he received fees of £56,000. In the period from his appointment on 24 September 2009 to 31 December 2009, he received £2,000 of consultancy fees.

(c) Associates

During the period to 30 June 2010 the Group made payments for administrative expenses on behalf of its associate company Mesopotamia Petroleum Company Limited ("MPC") of £nil (period to 30 June 2009: £nil). The balance owed by MPC to the Group as at 30 June 2010 is £303,000 (30 June 2009: £190,000). It is unsecured and is to be settled in cash within six months of the reporting date. No interest is charged and no guarantee has been given. The Company has made full provision against this debt.

During the period to 30 June 2010 the Group made payments for administrative expenses on behalf of its associate company Lansdowne Oil & Gas plc ("Lansdowne") of £nil (period to 30 June 2009: £13,000). The balance owed by Lansdowne to the Group as at 30 June 2009 is £680,000 (30 June 2009: £272,000). It is unsecured and is to be settled in cash within six months of the reporting date. No interest is charged and no guarantee has been given. The Company has made full provision against this debt.

9. Contingent Liability

Under the terms of a Joint Venture ("JV") agreement, dated 26 February 2009, between the Iraqi Drilling Company ("IDC") and the Company's Associate, Mesopotamia Petroleum Company ("MPC"), there was a requirement on MPC to confirm its share of the initial joint venture funding by an agreed date. Failure to do so may have required MPC to pay a penalty of US\$2,205,000. After the confirmation deadline had passed IDC unilaterally terminated the JV in July 2009. The MPC Board believe that they are entitled to an extension of the funding confirmation date under the JV. The Company and another MPC shareholder, and an associate of that shareholder, jointly and severally guaranteed the penalty amount.

10. Copies of the Interim Report

Copies of the interim report can be obtained from the Company Secretary, SeaEnergy PLC, Britannia House, Endeavour Drive, Arnhall Business Park, Westhill, Aberdeenshire, AB32 6UF and from the Company's website www.seaenergy-plc.com.