Interim Financial Statements

Six months ended 30 June 2011

Registered number 05239285

Ascent Resources plc

Interim Financial Statements for the six months ended 30 June 2011

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Ascent Resources plc / Epic: AST / Index: AIM / Sector: Oil and Gas

Ascent Resources plc ('Ascent' or 'the Company')

Interim Results – New Gas Reserves Discovered in Slovenia

Ascent Resources plc, the AIM listed European oil and gas production and exploration company, announces its unaudited interim results for the six months ended 30 June 2011.

Highlights

- Slovenian appraisal drilling at Ascent operated Petišovci Project completed;
  - Two deep wells drilled as planned
  - Middle Miocene reservoirs present and gas bearing as evaluated by RPS
  - Pg-11A - discovered 114m new net pay in deeper Miocene reservoirs, Pg-10 - confirmed lateral extent of the discovery with 123m net pay in deeper Miocene reservoirs
- Slovenian gas production now anticipated mid 2012
- Commerciality report undertaken by PDC demonstrates significant expected value in Petišovci Project
- Acquired additional 48.75% interest in Petišovci from Enquest
- Raised £17m in an equity placing to rapidly advance the Petišovci Project to early gas production
- Cash flow continues from gas production at the Penészlek project in eastern Hungary
- Hermrigen-2 drilling and site construction permit has been received from Swiss authorities.

Ascent Managing Director Jeremy Eng said, **"**Considerable progress has been made during the period under review, notably at our Slovenian operations where Ascent operates the Petisovci Project and holds a 75% interest alongside partner and concessionaire, Geoenergo d.o.o. The successful raising of £17m from UK institutional investors in March has allowed the second phase of the drilling campaign at the Petišovci project to be largely completed. The two wells drilled this year have discovered 114m new net pay at the Pg-11A location and confirmed 123m of net pay in the deeper Miocene reservoirs at Pg-10, of which 63m was of moderate to good sand quality. These positive results validate our strategy and we now look forward to the fracture stimulation of the two wells and exploiting their commercial potential in the near future. Once the results of the fracture stimulation have been fully interpreted, it is expected a detailed field development plan will be drawn up for long term production.

"The outlook in the medium and long term for European energy prices is favourable and the successful drilling campaign during the period at Ascent's gas assets in Slovenia puts us in a strong position to commercialise what I believe will be a game changing asset for us".

For further information visit www.ascentresources.co.uk or contact:

Jeremy Eng	Managing Director - Ascent Resources plc	Tel: 020 7251 4905
Scott Richardson Brown	Finance Director - Ascent Resources plc	
Sarah Wharry	Corporate Finance - finnCap Ltd	Tel: 020 7220 0500
Ben Thompson	Corporate Finance - finnCap Ltd	
Simon Starr	Corporate Broking - finnCap Ltd	
Hugo de Salis	St Brides Media & Finance Ltd	Tel: 020 7236 1177

Strategy and Current Operations Review

Ascent now has a balanced collection of assets comprising three core projects (Petišovci/Lovászi/Ujfalu in Slovenia/Hungary, Hermrigen in Switzerland, and the Latina Valley in Italy) and a number of longer term non-core projects. These projects are in line with the Company's strategy of targeting productive formations in areas with existing hydrocarbon infrastructure within Europe. The Company is now focussed on extracting value from these core assets through an aggressive work programme that started in the first half of 2011. Utilising the latest technology, Ascent will optimise the recovery from these fields whilst at the same time maintain a strict control of costs by using local offices and services where possible. In parallel, the Company is promoting the non-core assets to the core portfolio through an early stage, low spend work programme and asset management strategy. Overall, the Company's assets strike a good balance between exploitation of known reserves and higher risk/higher return exploration. The core assets have the potential to grow production substantially in the near term and generate value through a combination of exploration, appraisal and development.

Currently the Company's primary objective is to rapidly advance the core Petišovci/Lovászi/Ujfalu tight gas project in Slovenia/Hungary, which has an independently estimated P50 gas-in-place ('GIP') estimate of 412Bcf with substantial upside from the new deeper Middle Miocene reservoirs found at Pg-11A and Pg-10. In March this year, £17m was raised for a three well near-term programme to commence on this project, so far this has funded the drilling of Pg-11A and Pg-10. The drilling results have delineated larger quantities of gas than originally expected. Later this year, the interpretation of the flow test and other technical data from the upcoming fracture stimulation and testing programme will help define the optimum route to early gas production. The intention is to commence commercial gas production at Petišovci around the middle of 2012 following the installation of a CO_2 reduction plant and a short pipeline connecting the wells to the national gas grid.

The Company's interests are largely geographically spread across on-shore Europe and are therefore well placed to take advantage of the favourable European energy market. Recent, short term market volatility has not changed the attractive fundamentals of the European gas market where over 50% of Europe's gas is currently imported, a figure set to rise to nearly 75% by 2030 according to Wood MacKenzie. With security of energy supply high on the political and economic agenda in much of Europe, high energy prices look set to support gas exploration and production for the foreseeable future.

Core Projects

<u>Petišovci/Lovászi/Ujfalu Exploration and Development:</u>

The 200 km^2 project area straddles the Hungary/Slovenia border and contains three former oil and gas fields. Geoenergo d.o.o. is the holder of the Petišovci Exploitation Concession and is a company jointly owned by Nafta Lendeva, the Slovenian State Oil Company and Petrol, the leading energy conglomerate in Slovenia. Ascent through its wholly owned subsidiary Ascent Slovenia Limited, has a 75% interest in the Petišovci Project. Ascent's partner is Geoenergo with a 25% interest. This project is in line with the Company's strategy of targeting undeveloped tight gas reservoirs with substantial, independently verified gas in place of over 400Bcf. Production at the project is expected to commence in the middle of 2012 should the fracture stimulation be successful as expected later this year. In the Hungarian part of the project area, Ascent holds a 50% interest in a joint venture with MOL, the leading Hungarian oil and gas company.

In Slovenia, Phase 1 commenced with the drilling of Pg-11, the first well in 22 years to be drilled in the field. The well was completed in February 2011 and all six (A to F) Middle Miocene reservoirs targeted were gas bearing. A previously unknown new gas reservoir was also found below a depth of around 3,000m.

Following the successful fund raising, Phase 2 of the programme started with the Pg-11A sidetrack to explore this potential deeper reservoir. The drilling results confirmed a new Middle Miocene reservoir from which gas and condensate was sampled. The shallowest 'A' sands also flowed gas for the first time in the history of this field. Three cores recovered from Pg-11A in the A, D and E sands and a full log data suite were analysed for a range of petrophysical parameters including permeability and porosity. On drilling Pg-11A to 3,500m, well logs indicated approximately 114m of additional new net pay in the lower reservoir section.

Pg-10, was drilled approximately 2km to the west of Pg-11 to a depth of 3,545m to help delineate the areal extent of the reservoirs. It encountered 123m of new net pay which it is provisionally estimated will add at least 200Bcf GIP resource. Further tests are planned to ascertain how best to optimise commercial production from these wells.

Phase 2 of the work programme, whose objective was to evaluate production completions based on the analysis of the data already acquired, is now largely finished. Both Pg-10 and Pg-11A are now completed in preparation for fracture stimulation.

Phase 3 has commenced with the appointment of Halliburton to design and implement a fracture stimulation programme and then test both wells to determine if they can produce at commercial gas flow-rates.

Prior to starting the second phase of the project, the purchase of EnQuest's 48.75% stake in Petišovci was completed, the transaction was announced in December 2010. Ascent thereby increased its interest to 75%. As a result of the deal, EnQuest has become the largest shareholder in Ascent, has appointed one of its own senior managers to Ascent's board and has made its technical resources available to the Company.

As a result of the £17m fund raising, Ascent expects to have sufficient financial resources available to bring Pg-10 and Pg-11A into production following the fracture stimulations which are expected to be performed on both Pg-11A and Pg-10 in September and October 2011. At the time of the fund raising Ascent planned a three well drilling campaign with Pg-11A and Pg-10 in Slovenia and the Ujfalu-III well just across the border in the Hungarian part of the project area. However, as the permit for the latter well has not yet been issued, the well is now expected to be drilled in 2012, and the Crosco Cardwell-1 drilling unit has been demobilised from the project area.

Ascent has today published on its website a summarised commerciality report undertaken by Petroleum Development Consultants Ltd ('PDC') for the Petišovci joint venture. The report is a detailed study of the expected commercial potential of the Petišovci Project, providing information on the local supply and demand for gas, the transportation network and infrastructure, pricing, production and development expectations. This independent report confirms Ascent's belief that the project has the potential to provide very significant value creation for shareholders.

Hermrigen and Linden, Switzerland

The exploration permits cover undeveloped discoveries made by Elf Aquitane in 1972 and 1982 with a combined estimated gas resource base of over 360 Bcf. As the original Hermrigen well was drilled before gas pipeline infrastructure was built in the area, the discovery remained unappraised. eCORP is the operator of the project and despite selling its interest last year, Ascent retains various back-in rights on any successful outcome of six conventional appraisal prospects, provided relevant apportioned costs are covered. Subject to the discovery of conventional gas or oil reserves in any of the six prospects, Ascent can participate with either 45% or 22.5% in the development of those reserves.

Slow progress on the permitting has delayed the planned drilling operations but the drilling permit has now been received and the wellsite construction permit was issued on Monday 5th September. Ascent now looks forward to working with eCORP to ensure the appraisal well on this prospect is drilled as soon as possible.

Latina Valley Exploration and Redevelopment:

The Strangolagalli concession lies in a proven oil producing area. The project involves the redevelopment of the Ripi field, originally developed in 1960 without the benefit of any seismic data. The oil is of good quality from shallow reservoirs less than 1,000m deep. New seismic was acquired last year and drilling plans are being drawn up based on the interpretation of the new data. Four wells were originally planned for later this year and next, however, the drilling permit has still not been issued and it is therefore more likely that drilling will now commence next year.

As with Strangolagalli, the Frosinone exploration licence targets shallow oil lying at less than 1,000m. New 2D seismic acquisition is planned to follow up on satellite reconnaissance that confirmed existing targets and identified new ones.

Producing Assets

Penészlek Gas Production Project (48.78%):

Production from the PEN-101 and PEN-105 wells continues to flow at approximately 1.1MMscfd (32,000 Msm^3/d; 200 Boepd), equating to monthly gas sales of around €300,000. The production at Penészlek benefits from low overheads due to the use of existing onsite facilities and a favourable location. The gas is sold via a dedicated automated facility directly into the Hungarian gas pipeline network. The final expected development of the field is the PEN-105A sidetrack which will be drilled when current production from PEN-105 comes to an end.

Non-core Assets

Po Valley, Italy (100%): Gas exploration project in Italy's prolific northern gas basin. Following satellite reconnaissance, new seismic is proposed for 2012.

Vaud, Switzerland: As part of last year's asset divestment to eCORP, new seismic is proposed to delineate a drilling location. Ascent retains a 22.5% back-in right.

Offshore Netherlands: M10/11 Gas Appraisal: An application to extend the Company's license area in the Netherlands has been lodged. A formal response from the authorities is expected in due course.

Other Activities - Board Structuring:

Graham Cooper was appointed as a non-executive director following the transaction with EnQuest in February of this year. Graham is head of business development at EnQuest, having previously been a vice president of global exploration at Shell. As a trained geologist he brings valuable experience to the Board and his appointment underpins EnQuest's support of Ascent's management.

Financial Review

Results for the period:

The Board is reporting a loss of £2.2m in line with management's expectations. The results for the period reflect continued development of the Group's assets, principally in Hungary and Slovenia. As set out in the Operations Review there has been a wide range of drilling, testing and geological activity in the period. Given the impairment of certain exploration expenditure and the timing of revenue, the loss for the period was as expected.

Liquidity and Capital Resources:

The Company continues to be an emerging business with limited production cash flows; consequently, it manages its working capital and liquidity position by balancing the timing of critical expenditure with income from joint venture arrangements and, where appropriate, proceeds from strategic divestments. Further information on future funding arrangements and the Directors' assessment of the Group's going concern position is set out in note 1 of these Interim Financial Statements.

In July, the Company placed convertible loan notes with existing Italian creditors, raising €552,525 with an option to issue a further €70,000 in the future. The loan notes are unsecured, have an annual coupon of 8.5% and are convertible into Ordinary Shares in the Company at a conversion price of 12p per Ordinary Share on or before 31 December 2013. The proceeds will go towards advancing Ascent's Italian portfolio.

Principal Risks and Uncertainties:

The principal risks and uncertainties affecting the business activities of the Group remain those detailed on pages 75 -79 of the Annual Review 2010, a copy of which is available on the Company's website at www.ascentresources.co.uk.

The interim financial information to 30 June 2011 and 30 June 2010 is unaudited and does not constitute statutory financial information. The information given for the year ended 31 December 2010 does not constitute statutory accounts within the meaning of Section 19 of the Companies (Amendment) Act 1986. The statutory accounts for the year ended 31 December 2010 have been filed with the Registrar and are available on the Company's web site www.ascentresources.co.uk.

On behalf of the Board of Directors

J Eng, Managing Director

7 September 2011

Ascent Resources plc

Consolidated Income Statement

for the Period ended 30 June 2011

	Notes	**Six months ended 30 June 2011 Unaudited £ 000's**	Six months ended 30 June 2010 Unaudited £ 000's	Year ended 31 December 2010 Audited £ 000's
Continuing operations				
Revenue		**1,165**	435	1,821
Cost of sales	3	**(1,791)**	(331)	(1,379)
Gross (loss)/profit		**(626)**	104	442
Administrative expenses	4	**(986)**	(1,030)	(2,389)
Impairment write down of exploration costs		**(373)**	(1,467)	(3,099)
Loss from operating activities		**(1,985)**	(2,393)	(5,046)
Other operating income		**-**	-	165
Finance income	5	**43**	31	21
Finance costs	5	**(256)**	(1,011)	(1,127)
Profit on sale of investments		**-**	5	5
Net finance costs		**(213)**	(975)	(1,101)
Loss before taxation		**(2,198)**	(3,368)	(5,982)
Income tax expense		**-**	-	(46)
Loss for the period from continuing operations		**(2,198)**	(3,368)	(6,028)
Discontinued operations				
Profit for the period from discontinued operations		**-**	3,816	5,899
(Loss)/profit for the period attributable to owners of the company		**(2,198)**	448	(129)
(Loss)/profit per share				
Continuing operations				
Basic and diluted Loss per share	6	**(0.27)p**	(0.65)p	(1.18)p
Discontinued operations				
Basic profit per share	6	**-**	0.73p	1.15p
Diluted profit per share	6	**-**	0.74p	1.12p
Total operations				
Basic (Loss)/profit per share	6	**(0.27)p**	0.08p	(0.03)p
Diluted (Loss)/profit per share	6	**(0.27)p**	0.09p	(0.03)p

Consolidated Statement of Comprehensive Income
for the Period ended 30 June 2011

	Notes	**Six months ended 30 June 2011 Unaudited £ 000's**	Six months ended 30 June 2010 Unaudited £ 000's	Year ended 31 December 2010 Audited £ 000's
(Loss)/profit for the period		**(2,198)**	448	(129)
Other comprehensive income				
Foreign currency translation differences for foreign operations		**653**	(818)	201
Realisation of foreign exchange on disposal of subsidiary		-	41	(146)
Other comprehensive income for the period		**653**	(777)	55
Total comprehensive income attributable to owners of the company		**(1,545)**	(329)	(74)

Consolidated Statement of Changes in Equity
for the Period ended 30 June 2011

	Share capital £000's	Equity Reserve £000's	Share premium £000's	Share based payment £000's	Translation Reserve £000's	Retained earnings £000's	Total £000's	Non-controlling interest £000's	Total equity £000's
Balance at 1 January 2010 (audited)	**500**	**84**	**22,540**	**2,496**	**2,873**	**(19,853)**	**8,640**	**174**	**8,814**
Comprehensive income									
Profit for the period	-	-	-	-	-	448	448	-	**448**
Other comprehensive income:									
Currency translation differences	-	-	-	-	(780)	-	(780)	-	**(780)**
Transactions with owners									
Issue of shares during the period	15	-	827	-	-	-	842	-	**842**
Purchase of non-controlling interest	-	-	-	-	-	174	174	(174)	**-**
Share based payments	-	-	-	71	-	-	71	-	**71**
Balance at 30 June 2010 (unaudited)	**515**	**84**	**23,367**	**2,567**	**2,093**	**(19,231)**	**9,395**	**-**	**9,395**
Comprehensive income									
Loss for the period	-	-	-	-	-	(577)	(577)	-	**(577)**
Other comprehensive income:									
Currency translation differences	-	-	-	-	835		835	-	**835**
Transactions with owners									
Convertible Loan	-	(34)	-	-	-	84	50	-	50
Issue of shares during the period	5	-	196	-	-	-	201	-	201
Share based payments	-	-	-	69	-	-	69	-	69
Reserve transfer	-	-	-	(724)	-	724	-	-	-
Balance at 31 December 2010 (audited)	**520**	**50**	**23,563**	**1,912**	**2,928**	**(19,000)**	**9,973**	**-**	**9,973**
Comprehensive income									
Loss for the period	-	-	-	-	-	(2,198)	(2,198)	-	(2,198)
Other comprehensive income:									
Currency translation differences	-	-	-	-	653	-	653	-	653
Transactions with owners									
Issue of shares during the period	506	-	28,635	-	-	-	29,141	-	29,141
Share based payments	-	-	-	2,538	-	-	2,538	-	2,538
Balance at 30 June 2011 (unaudited)	**1,026**	**50**	**52,198**	**4,450**	**3,581**	**(21,198)**	**40,107**	**-**	**40,105**

Consolidated Statement of Financial Position

As at 30 June 2011

	Notes	**30 June 2011**	30 June 2010	31 December 2010
		£ 000's	£ 000's	£ 000's
Assets				
Non-current assets				
Property, plant and equipment		**770**	1,796	2,045
Exploration and decommissioning costs	7	**31,890**	8,674	9.536
Total non-current assets		**32,660**	10,470	11,581
Current assets				
Inventories		**313**	368	341
Trade and other receivables	8	**1,523**	2,025	1,664
Cash and cash equivalents		**11,019**	3,023	2,048
Total current assets		**12,855**	5,416	4,053
Total assets		**45,515**	15,886	15,634
Equity and liabilities				
Attributable to the equity holders of the parent company				
Share capital		**1,026**	515	520
Equity reserve		**50**	84	50
Share premium account		**52,198**	23,367	23,563
Share based payment reserve		**4,450**	2,567	1,912
Translation reserves		**3,581**	2,093	2,928
Retained earnings		**(21,198)**	(19,405)	(19,000)
Total equity		**40,107**	9,221	9,973
Non-current liabilities				
Borrowings	10	-	318	-
Provisions		**677**	132	594
Total non-current liabilities		**677**	450	594
Current liabilities				
Trading and other payables	9	**4,370**	3,004	2,314
Borrowings	10	**361**	3,211	2,753
Total current liabilities		**4,731**	6,215	5,067
Total liabilities		**5,408**	6,665	5,661
Total equity and liabilities		**45,515**	15,886	15,634

Consolidated Statement of Cash Flows
for the six months ended 30 June 2011

	Six months ended 30 June 2011	Six months ended 30 June 2010	Year ended 31 December 2010
Cash used in operations	**£ 000's**	£ 000's	£ 000's
(Loss)/profit before tax	**(2,198)**	274	(129)
Depreciation charge	**1,427**	213	953
Decrease in receivables	**141**	1,790	1,359
Decrease in payables	**(69)**	(3,696)	(25)
Decrease in inventories	**28**	63	90
Profit on sale of subsidiary	**-**	(3,816)	(5,899)
Loss on sale of equity accounted investee	**-**	74	-
Loss/(Profit) on sale of current asset investments	**-**	406	(5)
Impairment of exploration expenditure	**373**	1,259	3,099
Increase/(decrease) in decommissioning provision	**85**	(20)	409
Share-based payment charge	**232**	71	140
Exchange differences	**-**	(65)	-
	19	(3,447)	(8)
Finance income	**(43)**	(36)	(26)
Finance cost	**256**	1,105	1,127
Net cash generated/(used) in operating activities	**232**	(2,378)	1,093
Cash flows from investing activities			
Interest received	**13**	36	26
Payments for investing in exploration	**(5,082)**	(3,912)	(9,091)
Acquisition of property, plant and equipment	**-**	-	(529)
Proceeds from disposal of subsidiary	**-**	4,463	7,032
Costs of disposal of subsidiary	**-**	(116)	(601)
Proceeds from disposal of equity accounted investee	**-**	252	1,191
Proceeds from disposal of current asset investment	**-**	831	51
Net cash flows used in investing activities	**(5,069)**	1,554	(1,921)
Cash flows from financing activities			
Interest paid	**(128)**	(174)	(512)
Loans repaid	**(2,505)**	(297)	(3,110)
Proceeds from issue of shares	**17,412**	-	50
Share issue costs	**(736)**	-	-
Proceeds from loan notes	**-**	-	2,100
Net cash flows from financing activities	**14,043**	(471)	(1,472)
Net increase/(decrease) in cash and cash equivalents for the period	**9,206**	(1,295)	(2,300)
Net foreign exchange differences	**(235)**	(312)	(282)
Cash and cash equivalents at beginning of the period	**2,048**	4,630	4,630
Cash and cash equivalents at end of the period	**11,019**	3,023	2,048

Material non- cash transaction – As detailed in Note 7, the Group acquired exploration assets in exchange for shares and nil cost options with a value of £14,093,000.

Notes to the Financial Statements
For the Period ended 30 June 2011

1 Accounting Policies for the six months ended 30 June 2011

Reporting entity

Ascent Resources plc ('the Company') is a company domiciled in England. The address of the Company's registered office is One America Square, Crosswall, London EC3N 2SG. The unaudited consolidated interim financial statements of the Company as at 30 June 2011 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates.

Basis of preparation

The interim financial statements have been prepared using policies based on International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted for use in the EU. The interim financial information has been prepared using the accounting policies which will be applied in the Group's statutory financial statements for the year ended 31 December 2011 and were applied in the Group's statutory financial statements for the year ended 31 December 2010.

All amounts have been prepared in British Pounds, this being the Group's presentational currency.

Going Concern

The financial statements of the Group are prepared on a going concern basis.

In common with many similar companies, the Group raises finance for their exploration and appraisal activities in discrete tranches. Ultimately, the Group must either raise additional tranches of funding and/or generate sufficient net cash flows from operations.

The Directors are of the opinion that the Group will have sufficient cash to fund its activities based on forecast cash flow information for a period in excess of twelve months from the date of these financial statements' approval. Management continues to monitor all working capital commitments and balances on a weekly basis and believe that they have access to appropriate levels of financing for the Group to continue to meet their liabilities as they fall due for at least the next twelve months and is trading as a going concern.

In preparing base and sensitised cash flow forecasts the Directors have identified a number of cash receipts and cash payments where they have had to use their best judgement to make certain estimates.

The base case forecasts are prepared using estimates of planned production from producing fields, future gas prices and estimates of costs for planned exploration activities. On a number of projects certain assumptions have also been made with regard to working capital management and matching cash inflows from cash calls to cash outflows.

Accordingly, the Directors have also prepared sensitised forecasts to reflect the risk that production volumes and gas prices may be lower than estimated and exploration costs may be higher. These forecasts indicate that the Group can continue to operate within existing facilities (including the Standby Equity Distribution agreement) for the foreseeable future. If the amount or timing of forecast inflows and outflows were to change adversely the Group may be required to reconsider discretionary exploration activity and/or seek additional bridging finance to meet any shortfall.

2 Financial reporting period

The interim financial information for the period 1 January 2011 to 30 June 2011 is unaudited. In the opinion of the Directors the interim financial information for the period presents fairly the financial position, and the results from operations and cash flows for the period are in conformity with generally accepted accounting principles consistently applied. The financial information is prepared using the accounting policies which will be applied in the Group's statutory financial statements for the year ending 31 December 2011. The financial statements incorporate unaudited comparative figures for the interim period 1 January 2010 to 30 June 2010 and the audited financial year to 31 December 2010.

The financial information contained in this interim report does not constitute statutory accounts as defined by section 435 of the Companies Act 2006.

The comparatives for the full year ended 31 December 2010 are not the Group's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2)-(3) of the Companies Act 2006.

3 Cost of sales

	30 June 2011	30 June 2010	31 December 2010
	£ 000's	£ 000's	£000's
Operating Costs relating directly to producing assets	**60**	46	402
DD&A of producing assets	**1,426**	186	732
Other directly incurred costs	**305**	99	245
	1,791	331	1,379

4 Administrative Expenses

	30 June 2011	30 June 2010	31 December 2010
	£ 000's	£ 000's	£000's
Depreciation of property, plant and equipment	**-**	9	-
Employee Costs	**413**	397	1,183
Consulting charges	**57**	60	128
Other office costs	**523**	490	1,078
	993	956	2,389

5 Finance income and costs recognised in loss

	30 June 2011	30 June 2010	31 December 2010
	£ 000's	£ 000's	£000's
Financial Income			
Income on bank deposits	**13**	15	13
Foreign exchange movements realised	**30**	16	8
	43	31	21
Financial Costs			
Interest payable on borrowings	**(135)**	(158)	(375)
Foreign exchange movements realised	**(3)**	(853)	(752)
	(138)	(1,011)	(1,127)

6	(Loss)/Profit per share	**Period ended 30 June 2011**	Period ended 30 June 2010	Year ended 31 December 2010
	(Loss)/Profit	**£ 000's**	£ 000's	£ 000's
	(Loss)/Profit for the purposes of basic earnings per share being net loss attributable to equity shareholders			
	From continuing operations	**(2,198)**	(3,294)	(6,028)
	From discontinued operations	**-**	3,742	5,899
	From total operations	**(2,198)**	448	(129)
	(Loss)/profit for the purposes of diluted earnings per share being adjusted net loss attributable to equity shareholders			
	From continuing operations	**(2,198)**	(3,294)	(6,013)
	From discontinued operations	**-**	3,742	5,899
	From total operations	**(2,198)**	448	(114)
	Number of shares			
		Number	Number	Number
	Weighted average number of ordinary shares for the purposes of basic earnings per share	**815,006,995**	509,575,237	513,383,470

Number of shares

	Number	Number	Number
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**815,006,995**	508,875,237	518,634,913

The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares. Dilutive shares arise from share options, warrants and the convertible bond held by the Company. A calculation is done to determine the number of shares that could have been acquired at fair value, based upon the monetary value of the subscription rights attached to outstanding share options, warrants and convertible bonds.

7 Exploration costs - Group

	Italy £ 000's	Hungary £ 000's	Slovenia £ 000's	Netherlands £ 000's	Total £ 000's
Cost					
At 1 July 2010	12,088	6,099	3,863	144	22,194
Additions	(418)	156	1,631	190	1,559
Disposals	-	(261)	-	-	(261)
Impairment	-	-	(1,853)	-	(1,853)
Additions to decommissioning asset	208	22	201	-	431
Effects of movements in exchange rates	741	515	227	25	1,508
Transfer to property, plant and equipment	-	(527)	-	-	(527)
At 31 December 2010	**12,619**	**6,004**	**4,069**	**359**	**23,051**
At 1 January 2011	12,619	6,004	4,069	359	23,051
Additions	265	49	21,680	-	21,994
Effects of movements in exchange rates	701	375	460	2	1,538
At 30 June 2011	**13,585**	**6,428**	**26,209**	**361**	**46,583**
Impairment					
At 1 July 2010	8,842	3,911	-	88	12,841
Charge for the period	14	(28)	-	-	(14)
Disposal	-	(74)	-	-	(74)
Effects of movements in exchange rates	512	246	-	4	762
At 31 December 2010	**9,368**	**4,055**	-	**92**	**13,515**
At 1 January 2011	9,368	4,055	-	92	13,515
Charge for the period	-	373	-	-	373
Effects of movements in exchange rates	458	341	-	6	805
At 30 June 2011	**9,826**	**4,769**	-	**98**	**14,693**
Carrying value					
At 30 June 2011	**3,759**	**1,659**	**26,209**	**263**	**31,890**
At 31 December 2010	3,251	1,949	4,069	267	9,536
At 1 July 2010	3,246	1,509	3,863	56	8,674

During the period, Ascent entered into an agreement with EnQuest Plc ("EnQuest") to acquire their 48.75% interest in the Petisovci interest in Slovenia. As per the terms of the Agreement, Ascent issued 150,903,958 new Ordinary Shares of 0.1p each in the Company to EnQuest. Additionally, at completion, Ascent granted a nil cost option over 29,686,000 new Ordinary Shares of 0.1p each in the Company to EnQuest. The cost of both the share issue and the grant of the nil cost option have been treated as additions to Slovenian exploration costs in the period.

The impairment charge for the period relates to the plugging of the PEN 104AA well at the Penészlek development.

8 Trade and other receivables

Group	**30 June 2011**	30 June 2010	31 December 2010
	£ 000's	£ 000's	£ 000's
Trade receivables	**309**	961	471
VAT recoverable	**966**	801	867
Other receivables	**223**	209	203
Prepayments & accrued income	**25**	54	123
	1,523	2,025	1,664

9 Trade and other payables

Group	**30 June 2011**	30 June 2010	31 December 2010
	£ 000's	£ 000's	£ 000's
Trade payables	**3,426**	2,812	1,655
Tax and social security payable	**74**	91	92
Other creditors	**259**	41	148
Accruals and deferred income	**611**	60	419
	4,370	3,004	2,314

10 Borrowings

Bank loan

The Group has a loan outstanding with Cassa Di Risparmio de Cento Bank. The Loan expires on 5 June 2012. Interest is calculated by reference to the three month Euribor rate plus a margin of 1%.

Convertible loan note

On 19 November 2010, the Company secured a one year loan facility of £2.1m with YA Global Master SPV Ltd to contribute to the financing of the Pg-11 evaluation well on the Petišovci-Lovászi project area. The one year loan facility was drawn down following completion of certain conditions precedent, including (inter alia) provision of security over Ascent's interest in its Hungarian subsidiary. The loan carries an interest rate of 6% per annum, payment of which will be covered from cashflow from Ascent's existing production. During the term of the facility, Yorkville has the right to convert the outstanding loan balance into shares in Ascent at prices ranging from 8.4p-10.5p. The loan is secured by a charge over Ascent's assets.

The bulk of this loan balance was paid off during the period ended 30 June 2011. Subsequent to the period end the remaining balance was fully repaid and the conversion rights have therefore fallen away.

11 Events subsequent to the reporting date

Issue of Convertible Notes

On 21 July 2011, Ascent placed convertible loan notes with existing Italian creditors to raise €552,525 with an option to issue a further €70,000 of convertible loan notes in the future for additional services. The proceeds will be used to advance work on the Company's Italian portfolio.

The unsecured loan notes, which carry interest of 8.5% per annum, are convertible into ordinary shares of 0.1p each in the Company ('Ordinary Shares') at a conversion price of 12 pence per Ordinary Share on or before the 31 December 2013, reflecting a premium to the closing share price on 20 July 2010 of approx. 310%. The loan notes may be repaid for their principal value plus any outstanding interest at any time by the Company.

DIRECTORS AND ADVISERS

Directors	John Patrick Kenny Jeremy Eng Scott Richardson Brown William Cameron Davies Nigel Sandford Johnson Moore William Graham Cooper
Secretary	John Michael Bottomley
Registered office	One America Square Crosswall London, EC3N 2SG
Nominated Adviser and Broker	finnCap Ltd 4 Coleman Street London, EC2R 5TA
Auditors	BDO LLP 55 Baker Street London, W1U 7EU
Solicitors	Sprecher Grier Halberstam LLP One America Square Crosswall London, EC3N 2SG
Bankers	Barclays Commercial 1 Churchill Place London, E14 5HP
Financial PR	St Brides Media and Finance 38 Bow Lane London, EC4M 9AY
Share Registry	Computershare Investors Services Plc The Pavilions Bridgwater Road Bristol, BS13 8AE
Company's registered number	05239285