Embargoed until 7am 31 March 2017

Altona Energy plc
("Altona" or "the Company")

Interim Results

Altona (AIM: ANR) is pleased to announce its unaudited interim results for the six months ended 31 December 2016.

Highlights

- Application for a petroleum exploration licence (PELA 666) was made on 17 October 2016 and is under consideration by the South Australian Government
- High level development road-map completed by WSG-Parsons Brinckerhoff for the Arckaringa UCG project
- New Deed of Variation agreed with Joint Venture Partners, who remain fully supportive
- South Australia in urgent need of the development of a significant asset such as Arckaringa which would provide power and employment

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About Altona Energy

Altona is listed on the London Stock Exchange's AIM market. It is focused on the evaluation and development of the Company's Arckaringa Project to exploit the significant coal resources of approximately 7.8 billion tonnes (non-JORC). The project area is covered by three exploration licences covering 2,500 km^2 in the northern portion of the Permian Arckaringa Basin in South Australia.

CHAIRMAN'S STATEMENT

The Company's strategy remains focused on its investment in the Arckaringa Project, South Australia, a world class coal resource exceeding 7.8 billion tonnes (1.3 billion tonnes JORC compliant) and Altona, along with Sino-Aus Energy Group ("Sino-Aus") and Wintask Group Limited ("Wintask") (together the "JV Partners") continue to have the support of the South Australian Government's Mining Department.

The board of Arckaringa Coal Chemical Joint Venture Co Pty Limited ("the JV Company"), was informed on 28 July 2016 that it required a Petroleum Exploration Licence ("PEL") before test drilling could commence at Arckaringa. This licence, which is governed by the Petroleum and Geothermal Energy Act (2000) requires companies to conform to higher levels of regulation and is considered necessary when extracting any type of hydrocarbon product, including extraction by way of Underground Coal Gasification ("UCG").

Therefore, on 17 October 2016, the JV Company made an application to the South Australian Government for a licence, under PELA 666. At the same time, it was established that another licence application, PELA 604, owned by Sapex Energy Limited, a subsidiary of Linc Energy Limited ("Linc Energy"), which entered into voluntary administration on 15 April 2016, overlaps Altona's three Exploration Licences (EL4511, 4512, 4513) relating to the Arckaringa project.

The JV Company is now waiting to be awarded its own licence, PELA 666, which covers the same area of land (9,259 km^2) as PELA 604. The South Australian Government has confirmed that the JV Company's application would be the next to be assessed, should the new owner of PELA 604 not proceed with their application.

The JV Company is confident that it can still deliver on its strategy to develop the Arckaringa Project and continues to work closely with WSP-Parsons Brinckerhoff (Australia) ("PB") who produced a high level development road-map and UCG technology review report for the project in July 2016.

The JV Partners remain committed to the project and on 6 September 2016, a new Deed of Variation was signed by the JV Partners, providing revised terms for Sino-Aus to subscribe for a second tranche of Altona shares and also return AUD$5 million of funding into the JV Company. Both events will be triggered by the granting of the PEL, confirmation from PB that all permits necessary to commencing a UCG test drilling programme have been received, and consent from the South Australian Government. According to the joint venture agreement, a second tranche contribution by Sino-Aus (AUD$ 5.4 million) and Wintask (AUD$ 600,000) into the JV Company will happen within 180 days following the above actions.

Financial Review

The financial loss of the Group for the six months ended 31 December 2016 was £241,000 (2015: £356,000). This is the second period now where the full effect of the overhead reduction effort has been demonstrated. For the six months under review, overheads continued to fall to £241,000 down from £369,000 for the same period in 2015. The Directors will continue to control costs whilst the Company awaits news on the Arckaringa joint venture.

Outlook

The board of Altona, along with its JV Partners remain confident that once the PEL is secured the JV Company will commence its test drilling programme at the Arckaringa site, which will in turn lead to a Bankable Feasibility Study. As mentioned in the Company's Annual Report in December 2016, the South Australian region is currently in an economic downturn and regularly experiences power shortages, suggesting that a significant asset such as Arckaringa would be given high priority by the government in order to provide a large number of new jobs for the lifetime of the project and to provide a long-term energy supply for the region. The fact remains that Altona controls 7.8 billion tonnes of coal and this gives the Company a number of options for the future.

Qinfu Zhang
Executive Chairman
31 March 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Notes	**Unaudited Half-year ended 31 Dec 2016 £'000**	Unaudited Half-year ended 31 Dec 2015 £'000	Audited Year ended 30 June 2016 £'000
Total administrative expenses and loss from operations		**(241)**	(369)	25
Finance income		-	1	1
Loss before taxation		**(241)**	(368)	26
Tax	***2***	-	12	12
Loss for the financial period		**(241)**	(356)	38
Other comprehensive income				
Exchange differences on translating foreign operations maybe subsequently reclassified to profit or loss		**(1)**	110	1,471
Total comprehensive (loss) attributable to the equity holders of the parent		**(242)**	(246)	1,509
Loss per share				
- Basic and diluted	***3***	**(0.03p)**	(0.045p)	(0.005p)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

		Unaudited 31 Dec 2016 £'000	Unaudited 31 Dec 2015 £'000	Audited 30 June 2016 £'000
ASSETS				
Non-current assets				
Intangible assets		**11,221**	9,858	11,221
Other receivables		**3**	2	3
Total Non-current assets		**11,224**	9,860	11,224
Current assets				
Trade and other receivables		**14**	59	17
Cash and cash equivalents		**142**	204	362
Total Current assets		**156**	263	379
Total assets		**11,380**	10,123	11,603
LIABILITIES				
Current liabilities				
Provisions	***5***	**-**	790	-
Trade and other payables	***4***	**87**	71	68
Total Current liabilities		**87**	861	68
Total liabilities		**87**	861	68
NET ASSETS		**11,293**	9,262	11,535
Capital and reserve attributable to the equity holders of the Parent				
Share capital		**892**	792	892
Share premium		**18,178**	17,778	18,178
Merger reserve		**2,001**	2,001	2,001
Foreign exchange reserve		**1,448**	88	1,449
Retained losses		**(11,226)**	(11,397)	(10,985)
TOTAL EQUITY		**11,293**	9,262	11,535

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Unaudited Half-year ended 31 Dec 2016 £'000	Unaudited Half-year ended 31 Dec 2015 £'000	Audited Year ended 30 June 2016 £'000
Operating activities			
Loss before taxation	**(241)**	(368)	26
Finance income	**-**	(1)	(1)
Share based payments	**-**	-	18
(Increase)/ decrease in receivables	**3**	(12)	43
(Decrease) / increase in payables and provisions	**19**	(37)	(830)
Cash used in operations	**(219)**	(418)	(744)
Income tax benefit received	**-**	75	63
Net cash outflow used in operating activities	**(219)**	(343)	(681)
Investing activities			
Interest received	**-**	1	1
Net cash outflow from investing activities	**-**	1	1
Financing activities			
Proceeds from issue of shares	**-**	-	500
Net cash inflow from financing activities	**-**	-	500
Decrease in cash and cash equivalents in period/ year	**(219)**	(342)	(180)
Cash and cash equivalents at beginning of period / year	**362**	543	543
Effect of exchange rate changes on cash and cash equivalents	**(1)**	3	(1)
Cash and cash equivalents at end of period / year	**142**	204	362

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2016

	Share capital £'000	Share premium £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained losses £'000	Total shareholders' equity £'000
Balance at 30 June 2015	792	17,778	2,001	(22)	(11,041)	9,508
Total comprehensive loss for the period	-	-	-	110	(356)	(246)
Balance at 31 December 2015	792	17,778	2,001	88	(11,397)	9,262
Total comprehensive loss for the period	-	-	-	1,361	394	1,755
Issue of share capital	100	400	-	-	-	500
Share based payments	-	-	-	-	18	18
Balance at 30 June 2016	**892**	**18,178**	**2,001**	**1,449**	**(10,985)**	**11,535**
Total comprehensive loss for the period	**-**	**-**	**-**	**(1)**	**(241)**	**(242)**
Balance at 31 December 2016	**892**	**18,178**	**2,001**	**1,448**	**(11,226)**	**11,293**

NOTES TO THE INTERIM REPORT
FOR THE HALF YEAR ENDING 31 DECEMBER 2016

1. GENERAL INFORMATION

Altona Energy Plc (the “Company”) is a company registered in England and Wales. The condensed consolidated interim financial statements of the Company for the six months ended 31 December 2016 comprise the result of the Company and its subsidiaries (together referred to as the “Group”) and have been prepared in accordance with the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 “Interim Financial Statement” in preparing these interim financial statements.

The consolidated interim financial information for the period 1 July 2016 to 31 December 2016 is unaudited. In the opinion of the Directors the condensed interim financial information for the period presents fairly the financial position, and results from operations and cash flows for the period in conformity with the generally accepted accounting principles consistently applied. The condensed interim financial information incorporates unaudited comparative figures for the interim period 1 July 2015 to 31 December 2015 and extracts from the audited financial statements for the year to 30 June 2016.

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 30 June 2016 are not the Company’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 auditor’s report on those financial statements was unqualified but did include a reference to the uncertainties surrounding going concern, to which the auditors drew attention by way of emphasis of matter and did not contain a statement under s498 (2) – (3) of Companies Act 2006. The interim report has not been audited or reviewed by the Company’s auditor. The key risks and uncertainties and critical accountancy estimates remain unchanged from 30 June 2016 and the accountancy policies adopted are consistent with those used in the preparation of its financial statements for the year ended 30 June 2016.

2. TAXATION

The Group has recognised a £Nil tax credit (31 December 2015: £12,000 and 30 June 2016: £12,000) in respect of the concession for research and development tax credits available to the Group. No current taxation has been provided due to losses in the period.

3. LOSS PER SHARE

The basic loss per share is derived by dividing the loss for the period attributable to ordinary shareholders by the weighted average number of shares in issue.

	Unaudited 31 Dec 2016	Unaudited 31 Dec 2015	Audited 30 June 2016
Loss for the period (£’000)	**(241)**	(356)	38
Weighted average number of shares – expressed in millions	**892**	792	835
Basic loss per share – expressed in pence	**(0.03p)**	(0.045p)	(0.005p)

As the inclusion of the potential ordinary shares would result in a decrease in the loss per share they are considered to be anti-dilutive and, as such, the diluted loss per share calculation is the same as the basic loss per share.

4. TRADE AND OTHER PAYABLES

	Unaudited 31 Dec 2016 £'000	Unaudited 31 Dec 2015 £'000	Audited 30 June 2016 £'000
Trade payables	**56**	41	37
Accruals and other payables	**31**	30	31
	87	71	68

5. PROVISIONS

	Unaudited 31 Dec 2016 £'000	Unaudited 31 Dec 2015 £'000	Audited 30 June 2016 £'000
Current provision			
Taxes & Social Security	**-**	790	-

Following the conclusion of HMRC's enquiries in respect of potentially underpaid tax the provision was released during the previous period.

6. POST REPORTING DATE EVENTS

There were no material post reporting date events.