5 September 2013

Cluff Natural Resources plc (‘CNR’ or ‘the Company’)
Interim Results

Cluff Natural Resources plc, a company founded by natural resources entrepeneur Algy Cluff, is pleased to announce its interim results for the six months period to 30 June 2013.

Highlights

- Focus on Deep Underground Coal Gasification (‘Deep UCG’) to unlock energy in the UK by converting untapped coal into syngas
- Critical mass achieved with award of five offshore UK Deep UCG licences since January 2013 totaling 30,881 hectares
- Additional licences currently being assessed to add to existing portfolio
- Processes now underway to advance the licences - applications for relevant planning and environmental permits proceeding in order to develop the projects
- Seeking to address the UK’s future energy deficit and create significant value for shareholders in the process

Chairman and Chief Executive’s Statement

Since our last financial statement we have continued to focus our efforts on Deep Underground Coal Gasification (Deep UCG), which we judge to be a new alternative form of energy for the UK with potentially profound implications for stakeholders and for the United Kingdom as a whole. UCG is a process proven onshore in a number of countries such as Australia, South Africa, China, Canada and America, and Deep UCG offshore arguably could lead to the gasification of much of the billions of tonnes of untapped coal surrounding the UK’s coastline which the UK still has in abundance but is unable to exploit economically by conventional coal mining. In anticipation of the evolution of this alternative energy process, your Company has largely been concerned, since I last reported to you, in securing the rights to what we deem to be the more prospective licences for Deep UCG offshore the UK. Since January 2013 we have been awarded five licences in England, Scotland and Wales by The Department for Energy and Climate Change and by The Coal Authority. The licence areas include Kincardine and Largo Bay in the Firth of Forth in Scotland; the Loughor Estuary in Carmarthenshire in Wales; the Dee Estuary in Merseyside and North Wales; and Whitehaven in North Cumbria which total an area of 30,881 hectares.

We are currently focussed on advancing these five licences through the various planning procedures, so that we can then proceed with feasibility studies and ultimately on to the drilling stage. At the same time we are continuing to build up our bank of licences in the UK where we have further licence applications pending on priority ground.

Your Company is the only British listed company specialising in Deep UCG and is focussed on utilising the UK's vast coal resources in an efficient and environmentally friendly manner. The coal gasification process involves injecting oxygen and steam into the coal seams variously between 500 meters and 1,200 meters below surface. The gas produced by the process can then be used by power stations. No coal is brought to the surface in the process and the gas can be processed to remove its CO_2 content, resulting in a clean and convenient source of energy with minimal green house gas emissions.

In view of the current controversy surrounding the fracking methodology, I take this opportunity to clarify the fact that there is no similarity between the two activities. Deep UCG involves no chemicals and no pressure drilling. It is also a simpler, safer, cleaner and more versatile resource extraction method than conventional coal mining and surface gasification. Additionally, we plan to conduct the process largely offshore using the oil drilling technology that has transformed the US energy sector and is accordingly a simple transition from conventional North Sea oil and gas exploration which has operated successfully for fifty years. It is indeed both challenging and exciting to be in the vanguard of this new opportunity to provide security for Britain's perilous energy future.

Financial Review

In the six months to 30 June 2013 the Company incurred expenditure in the assessment and appraisal of various licence areas in addition to ongoing administrative expenditure resulting in a loss for the period of £853,156.

Cash used in operations totalled £796,027 and cash at 30 June 2013 was £1.8m.

Following the period end, 1,333,333 ordinary shares were issued. Consequently, the enlarged issued share capital of the Company currently stands at 88,333,333.

Directors' Dealing

During the 6 months to 30 June 2013 the following shares were acquired by Directors and senior management:

	Number of shares
J G Cluff	668,757
B A FitzGerald	200,000
Earl De La Warr	800,000
G C Swindells	88,112

Corporate Review

During the period I am pleased to report that we appointed a Chief Financial Officer, Graham Swindells and we are presently seeking a Chief Operating Officer as we set out to advance our Deep UCG licences in the UK through the planning phase through to drilling.

Outlook

The UK has become one of the most gas dependent countries in the world and estimates predict that we will need to import 80% of our gas by 2020 to generate over 70% of all our electricity. This future energy deficit is something that I believe as a country we have a duty to address and I believe that unlocking the vast energy potential in untapped UK coal could provide the answer. An estimated 75% of Britain's coal reserves are still underground and your Company intends to convert this otherwise un-mineable coal into a clean energy in an environmentally friendly and relatively low-cost process, i.e. Deep UCG. We look forward to commencing our development programme in order to unlock this much needed energy in the UK whilst simultaneously creating significant value for shareholders.

J G Cluff
Chairman and Chief Executive

UNAUDITED INCOME STATEMENT
Period ended 30 June 2013

	Note	Period ended 30 June 2013	Period from 21 February - 30 June 2012	Year ended 31 December 2012
		Unaudited	Unaudited	Audited
		£	£	£
Administrative expenses		(853,977)	(267,450)	(822,578)
Operating loss		**(853,977)**	**(267,450)**	(822,578)
Finance income		821	-	848
Loss on ordinary activities before taxation		**(853,156)**	**(267,450)**	**(821,730)**
Tax on loss on ordinary activities		-	-	-
Loss for the financial period		**(853,156)**	**(267,450)**	**(821,730)**
Loss per ordinary share (pence) – From continuing operations: basic and diluted	**3**	**(0.98)p**	**(0.89)p**	**(1.29)p**

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
Period ended 30 June 2013

	Note	Period ended 30 June 2013	Period from 21 February - 30 June 2012	Year ended 31 December 2012
		Unaudited	Unaudited	Audited
		£	£	£
Loss for the period		(853,156)	(267,450)	(821,730)
Total comprehensive income for the period		(853,156)	(267,450)	(821,730)

UNAUDITED BALANCE SHEET
At 30 JUNE 2013

	Note	30 June 2013 Unaudited £	30 June 2012 Unaudited £	31 December 2012 Audited £
NON-CURRENT ASSETS				
Intangible Assets		12,937	-	5,750
Property, Plant and Equipment		17,576	13,921	19,200
Other receivables		53,688	-	53,688
		84,201	13,921	78,638
CURRENT ASSETS				
Trade and other receivables		272,862	56,690	295,637
Cash and cash equivalents		1,797,286	3,161,050	2,602,127
		2,070,148	3,217,740	2,897,764
TOTAL ASSETS		**2,154,349**	**3,231,661**	**2,976,402**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				
Share capital	**4**	435,000	435,000	435,000
Share premium account		2,867,376	2,789,100	2,867,376
Share-based payment reserve		201,074	-	90,749
Warrant reserve		232,195	208,282	232,195
Retained deficit		(1,674,886)	(267,450)	(821,730)
TOTAL EQUITY		**2,060,759**	**3,164,932**	**2,803,590**
CURRENT LIABILITIES				
Trade and other payables		93,590	66,729	172,812
TOTAL LIABILITIES		93,590	66,729	172,812
TOTAL EQUITY AND LIABILITIES		**2,154,349**	**3,231,661**	**2,976,402**

UNAUDITED STATEMENT OF CHANGES IN EQUITY
Period ended 30 June 2013

	Share capital	Share premium	Warrant reserve	Share based payment reserve	Retained deficit	Total
	£	£	£	£	£	£
For the period ended 30 June 2013						
At 1 January 2013	435,000	2,867,376	232,195	90,749	(821,730)	2,803,590
Loss for the period	-	-	-	-	(853,156)	(853,156)
Total comprehensive loss for the period	-	-	-	-	(853,156)	(853,156)
Share-based payment	-	-	-	110,325	-	110,325
At 30 June 2013	435,000	2,867,376	232,195	201,074	(1,674,886)	2,060,759
For the period ended 31 December 2012						
At incorporation	-	-	-	-	-	-
Loss for the period	-	-	-	-	(821,730)	(821,730)
Total comprehensive loss for the period	-	-	-	-	(821,730)	(821,730)
Issue of share capital and warrants	435,000	3,232,805	232,195	-	-	3,900,000
Expense of issue	-	(365,429)	-	-	-	(365,429)
Share-based payment	-	-	-	90,749	-	90,749
At 31 December 2012	435,000	2,867,376	232,195	90,749	(821,730)	2,803,590

UNAUDITED STATEMENT OF CASH FLOWS

Period ended 30 June 2013

	Period ended 30 June 2013 Unaudited	Period from 21 February - 30 June 2012 Unaudited	Year ended 31 December 2012 Audited
	£	£	£
Cash flows from operating activities			
Loss before taxation	(853,156)	(267,450)	(821,730)
Adjustments for:			
Investment income	(821)	-	-
Depreciation	2,500	776	2,299
Amortisation	750	-	-
Share-based payments	110,325	111,500	90,749
Directors' remuneration settled in shares	-	-	66,665
	(740,402)	(155,174)	(662,017)
Increase/(decrease) in trade and other receivables	23,597	(56,690)	(278,490)
(Decrease)/increase in trade and other payables	(79,222)	66,729	172,812
Net cash used in operating activities	(796,027)	(145,135)	(767,695)
Cash flows from investing activities			
Purchase of intangible assets	(7,937)	-	(6,000)
Purchase of property, plant and equipment	(877)	(14,697)	(21,249)
	(8,814)	(14,697)	(27,249)
Cash flows from financing activities			
Proceeds from share issue	-	3,762,500	3,762,500
Expense of share issue	-	(441,618)	(365,429)
	-	3,320,882	3,397,071
Net (decrease) / increase in cash and cash equivalents	(804,841)	3,161,050	2,602,127
Cash and cash equivalents at beginning of period	2,602,127	-	-
Cash and cash equivalents at end of period	1,797,286	3,161,050	2,602,127

Notes to the financial information

Period ended 30 June 2013

1. GENERAL

The interim financial information for the period to 30 June 2013 is unaudited and was approved by the Directors of the Company on 4 September 2013. The condensed financial information set out above does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The interim financial information is unaudited.

The Company's operations are not subject to seasonality or cyclicality.

No dividend has been declared or paid in this interim period.

2. ACCOUNTING POLICIES

The interim financial information in this report has been prepared on the basis of the accounting policies set out in the audited financial statements for the period ended 31 December 2012, which complied with International Financial Reporting Standards as adopted for use in the European Union ("IFRS").

IFRS is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee and there is an on-going process of review and endorsement by the European Commission.

The financial information has been prepared on the basis of IFRS that the Directors expect to be applicable as at 31 December 2013, with the exception of IAS 34 Interim Financial Reporting.

The Directors have adopted the going concern basis in preparing the financial information. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the foreseeable future.

The condensed financial information for the period ended 31 December 2012 set out in this interim report does not comprise the Group's statutory accounts as defined in section 434 of the Companies Act 2006.

The statutory accounts for the period ended 31 December 2012, which were prepared under IFRS, have been delivered to the Registrar of Companies. The auditors reported on these accounts; their report was unqualified; did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006, and did not include reference to any matters to which the auditor drew attention by way of emphasis.

3. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Given the Company's reported loss for the period, share options and warrants are not taken into account when determining the weighted average number of ordinary shares in issue during the year and therefore the basic and diluted loss per share are the same.

Basic and diluted loss per share

	30 June 2013	30 June 2012	31 December 2012
Loss per share from continuing operations	**(0.98)p**	**(0.89)p**	**(1.29)p**

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

	30 June 2013	30 June 2012	31 December 2012
	£	£	£
Loss used in the calculation of total basic and diluted earnings per share	(853,156)	(267,450)	(821,730)

Number of shares	30 June 2013	30 June 2012	31 December 2012
	Number	Number	Number
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	87,000,000	30,100,839	63,549,547

If the Company's share options and warrants were taken into consideration in respect of the Company's weighted average number of ordinary shares for the purposes of diluted earnings per share, it would be as follows:

Number of shares			
Potential dilutive effect of share options and warrants	47,922,873	14,160,930	33,371,629
Weighted average number of ordinary shares for the purposes of diluted earnings per share	134,922,873	44,261,769	96,921,176

4. SHARE CAPITAL

a) Share Capital

The Company has one class of Ordinary share which carries no right to fixed income nor has any preferences or restrictions attached.

Issued and fully paid:

	30 June 2013	30 June 2012	31 December 2012
	£	£	£
87,000,000 Ordinary shares of £0.005 each	435,000	435,000	435,000

5. COPIES OF INTERIM REPORT

Copies of the interim report are available to the public free of charge from the Company at Cluff Natural Resources Plc, Third Floor, 5-8 The Sanctuary, London SW1P 3JS during normal office hours, Saturdays and Sundays excepted, for 14 days from today and are available on the website at www.cluffnaturalresources.com.