30 September 2021

Block Energy Plc

("Block" or the "Company")

Interim Results for the Six Months Ended 30 June 2021

Block Energy plc, the exploration and production company focused on Georgia, is pleased to announce the interim results of Block Energy plc and its subsidiaries (the "Group") for the six months ended 30 June 2021.

Highlights

- 170,000 operational man-hours worked, with no lost time incidents
- Two-well programme progressing, with WR-B1a well, spudded in June 2021, currently testing and preparations for the second well underway
- Total production during the period of 87.0 Mboe, comprising 55.5 Mbbls of oil and 31.5 Mboe of gas
- Oil and gas production resumed from wells WR-16aZ and WR-38Z during Q1
- Oil sales of 41.9 Mbbls, with revenue of $2.33 million (30 June 2020: $313,000), representing a weighted average price of $55.70 per barrel
- Gas sales of 103 MMcf, with revenue of $328,000 (30 June 2020: $nil), representing a weighted average price of $3.18/Mcf
- Memorandum of Understanding ("MOU") signed with Baker Hughes in support of current and future operational activities
- Integration of Block Rustaveli Limited ("BRL") successfully completed, with staff now in one facility, creating a more collaborative and productive working environment
- Cash position of $5.5 million as at 30 June 2021 (31 December 2020: $6.3 million)

Block Energy plc's Chief Executive Officer, Paul Haywood, said:

"The first half of the year demonstrates our ability to safely deliver, despite the impact of the Covid-19 pandemic on our operations. The two-well programme is progressing. and we expect to announce the results of testing the first well shortly. Preparations for the second well are underway and we are also looking forward to updating the market on that. With the focus on the two-well programme, it is easy to forget the considerable opportunities throughout the Company's wider portfolio. Block has a balanced strategy, based around three independent and material strands. The drilling programme in the West Rustavi Middle Eocene reservoir represents only one of those strands. We look forward to updating the market across all of the Company's opportunities as they progress."

Chief Executive Officer's Business Review

Introduction

Block saw considerable progress during the first half of the year, with several milestones achieved, despite the continued impact of Covid-19, which disrupted operations and work patterns and placed considerable restrictions on travel.

Health, Safety and Environment

Health, safety and the environment are at the centre of Block's operations and the board set key performance indicators for 2021, which Block is currently on track to meet. During the period, over 170,000 operational man-hours were worked by staff and contractors, with no lost time incidents recorded. The Company is proud of its record on health, safety and the environment. We supported employees and contractors through the Covid-19 pandemic and we aim to maintain our record using industry-leading best practice.

Operations

Following the equity fundraising in December 2020, Block commenced the two-well drilling programme with the spudding of the WR-B1 well on 23 June 2021. This is the first well to be designed using the 3D-seismic data obtained in 2019 and the MOU signed with Baker Hughes in June 2021. Well placement and detailed engineering have been optimised to maximise recovery, while minimising drilling time and execution risk.

Drilling operations were completed in early September 2021 and well WR-B1a is currently being tested. A further update will be provided when testing has been completed. Preparations continue for drilling the second well in the programme.

The Company continued to execute its well maintenance, intervention and production enhancement programme, based on the well-by-well opportunity review conducted earlier in the year. This programme includes low-cost workovers on Block XI^B, where additional production has been gained to counter the natural decline of the wells in that block.

Production and Sales

During Q1, oil and gas production resumed from wells WR-38Z and WR-16aZ. Oil and gas from both wells were processed in Block's newly installed Early Production Facility ("EPF").

The Company produced a total of 87.0 Mboe of oil and gas during the period (30 June 2020: 15.2 Mboe). This comprised 55.5 Mbbls of oil and 31.5 Mboe of gas (30 June 2020: 15.2 Mbbls of oil and no gas).

Average production during Q1 was 493 boepd, which decreased to 468 boepd in Q2, resulting in average production during the six months of 481 boepd. The primary reason for the decrease in production from Q1 to Q2 was that well WR-16aZ produced oil and gas during February but was shut in for most of March and only produced intermittently during Q2. At the beginning of July 2021, a pump was installed in the well and this has improved flows from the well.

During the first six months of the year, Block sold 41.9 Mbbls of oil, achieving revenue of $2.33 million (30 June 2020: $313,000), representing a weighted average price during the period of $55.70 per barrel. The price achieved during Q2 was considerably higher than that in Q1, reflecting the increase in oil prices over the six months.

Gas sales commenced in February 2021, following the tie-in of the Bago LLC gas pipeline into the main pipeline owned by the Georgian Oil and Gas Corporation. The commencement of gas sales represents the culmination of a considerable work programme undertaken by Block, which included the construction and commissioning of the EPF and gas gathering line.

Gas sales totalled 103 MMcf, driving revenue of $328,000 during the period (30 June 2020: $nil), representing a weighted average price of approximately $3.18/Mcf.

The start of gas sales also represented a step-change in Block becoming a sustainable energy producer in Georgia, potentially replacing more carbon-intensive forms of hydrocarbons being imported and used in-country. This includes fuel for motor vehicles, with the Company's low-cost gas production distributed to independent gas stations.

Corporate & ESG

In June 2021, Block announced it had signed an MOU with Baker Hughes to support the deployment of energy-efficient technology for oil and gas production and to evaluate the geothermal opportunities across its asset portfolio. As noted above, the first project to benefit from this agreement has been the drilling of the WR-B1a well, which commenced in June and is currently testing. The Company is looking forward to building this relationship, which provides for a broad partnership to develop the significant opportunities throughout Block's portfolio.

The integration of Block Rustaveli Limited was successfully completed during the period. This brought together the Company's staff under one roof in the newly renovated base at Lilo, located in the middle of Block XI^B. The result is a more collaborative and productive working environment, whilst also more cost-effective. We should note that the fair values included in the accounts related to the acquisition of BRL are considered provisional and will be finalised within the allowed period of twelve months from the acquisition date (see note 2 to the interim financial information).

During the period, Block was pleased to have been accepted into the UN Global Compact Network, which is a global platform promoting and allowing engagement regarding human rights, labour, environmental and anti-corruption standards. Being accepted into this network is in line with the Company's continued focus on the green energy opportunities across its portfolio, including the geothermal energy potential, which it is exploring under the MOU with Baker Hughes.

Board of Directors

Following the period end, the Block board saw considerable change. Three independent non-executive directors resigned and two independent non-executive directors, with significant technical and corporate E&P experience, have been appointed. The Board is again up to strength and well aligned with the Company's commitment to the corporate governance requirements of the QCA Corporate Governance Code.

Outlook

The current focus is on the two-well drilling programme that is currently underway. Well WR-B1a is being tested and we anticipate seeing the result of that in the near term. If successful, the well will be tied back to the Company's EPF.

Beyond the current two-well programme, Block's wider asset base holds considerable additional potential, which we are in the process of unlocking, now that the EPF and associated infrastructure are in place to support early monetisation.

The first half of the year demonstrated our ability to deliver regardless of the impact of the Covid-19 pandemic, and the Company is in a good position looking ahead, with a portfolio of assets that offers multiple exciting opportunities. We look forward to providing further updates to shareholders as the year unfolds.

Paul Haywood
Chief Executive Officer

Chief Financial Officer's Financial Review

For the six months ended 30 June 2021, Block reported a gross profit of $128,000 (30 June 2020: gross loss of $828,000) and net loss of $2,051,000 (30 June 2020: $2,668,000). The reasons for the gross profit in the current period, compared to a gross loss for the comparative period, are that the Group has produced more oil and gas, enabling it to generate more revenue to cover the partly fixed costs of sales, and also that revenue included sales of the crude oil inventory acquired with BRL in November 2020. The net loss included no impairment of the capitalised costs (30 June 2020: $208,000 impairment in respect of the Satskhenisi licence).

During the six months ended 30 June 2021, Block incurred a net operating cash outflow of $1,442,000 (30 June 2020: $2,498,000).

The significant increase in oil production during the period, compared to the six months ended 31 December 2020, is the reason that the expense for the depletion of Development & Production Assets increased to $1,083,000 from $218,000 in the previous six-month period (see note 5 to the interim financial information).

As at 30 June 2021, Block had cash of $5.5 million (31 December 2020: $6.3 million). This decrease is primarily due to incurring costs of drilling well WR-B1a.

As at the period end, Block had oil inventory of 18.8 Mbbls valued at $1.19 million (31 December 2020: 28.9 Mbbls valued at $1.22 million). During the six months ended 30 June 2021, Block sold 41.9 Mbbls of oil, including the prior year closing oil inventory, generating revenue of $2.33 million (30 June 2020: $313,000).

William McAvock
Chief Financial Officer

****ENDS****

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED. ON PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INFORMATION IS CONSIDERED TO BE IN THE PUBLIC DOMAIN.

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Notes to editors

Block Energy plc is an AIM-listed independent oil and gas company focused on production and development in Georgia, applying innovative technology to realise the full potential of previously discovered fields.

Block has a 100% working interest in Georgian onshore licence blocks IX and XI^{B}. Licence block XI^{B} is Georgia's most productive block, with 2P oil and gas reserves of 64 MMboe, comprising 2P oil reserves of 36 MMbbls and 2P gas reserves of 28 MMboe (Source: CPR Bayphase Limited: 1 July 2015) and historical production of over 180 MMbbls of oil from the Middle Eocene, peaking in the mid-1980s at 67,000 bopd.

The Company has a 100% working interest in the highly prospective West Rustavi onshore oil and gas field with multiple wells that have tested oil and gas from a range of geological horizons. The field has so far produced 50 Mbbls of light sweet crude and has 0.9 MMbbls of gross 2P oil reserves in the Middle Eocene. It also has 38 MMbbls of gross unrisked 2C contingent resources of oil and 608 Bcf of gross unrisked 2C contingent resources of gas in the Middle, Upper and Lower Eocene formations (Source: CPR Gustavson Associates: 1 January 2018).

Block also holds 100% and 90% working interests respectively in the onshore oil-producing Norio and Satskhenisi fields.

The Company offers a clear entry point for investors to gain exposure to Georgia's growing economy and the strong regional demand for oil and gas.

Glossary

1. bbls: barrels. A barrel is 35 imperial gallons.
2. Bcf: billion cubic feet.
3. boe: barrels of oil equivalent.
4. boepd: barrels of oil equivalent per day.
5. bopd: barrels of oil per day.
6. Mbbls: thousand barrels.
7. Mboe: thousand barrels of oil equivalent.
8. MMbbls: million barrels.
9. MMboe: million barrels of oil equivalent.
10. MMcf: million cubic feet.

INDEPENDENT REVIEW REPORT TO BLOCK ENERGY PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprise the Condensed Consolidated Interim Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Condensed Consolidated Interim Statement of Cash Flows and the notes to the Condensed Consolidated Interim Financial Statements.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

Material uncertainty related to going concern

We draw attention to note 2 of the Condensed Consolidated Interim Financial Statements which highlights the further economic and commercial challenges which the Group faces as a result of the global uncertainty surrounding the forecasted oil prices and achievable production levels from operations, and notes that as a result the Group may need to raise additional funding to enable it to continue as a going concern. As stated in note 2, these conditions, along with the other matters referred to in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP

Chartered Accountants

London

United Kingdom

30 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Condensed Consolidated Interim Statement of Comprehensive Income

For the six months period ended 30 June 2021

		6 months ended 30 June 2021	6 months ended 30 June 2020
		Unaudited	**Unaudited**
		$'000	**$'000**
Continuing operations			
Revenue		2,663	313
Cost of sales		(2,535)	(1,141)
Gross profit/(loss)		128	(828)
Impairment losses		-	(208)
Administrative expenses		(2,133)	(1,646)
Operating loss		**(2,005)**	**(2,682)**
Finance income		-	14
Finance expense		(46)	-
Loss for the period before taxation		**(2,051)**	**(2,668)**
Taxation		-	-
Loss for the period from continuing operations (attributable to the equity holders of the parent)		**(2,051)**	**(2,668)**
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		73	(223)
Total comprehensive loss for the period attributable to the equity holders of the parent		(1,978)	(2,891)
Loss per share (basic and diluted)	4	(0.33)c	(0.61)c

Condensed Consolidated Statement of Financial Position

As at 30 June 2021

		30 June 2021	31 December 2020
		Unaudited	**Audited**
		$'000	**$'000**
Non-current assets			
Property, plant and equipment	5	20,791	21,311
		20,791	21,311
Current assets			
Inventory		4,954	4,114
Trade and other receivables		1,216	2,256
Cash and cash equivalents		5,508	6,331
Total current assets		11,678	12,701
Total assets		32,469	34,012
Equity and liabilities			
Capital and reserves attributable to equity holders of the Company:			
Share capital	6	3,387	3,353
Share premium		34,549	34,234
Other reserves		10,056	9,120
Foreign exchange reserve		117	44
Accumulated deficit		(19,108)	(17,057)
Total Equity		29,001	29,694
Liabilities			
Trade and other payables		1,113	1,656
Provisions		2,355	2,662
Total current liabilities		3,468	4,318
Total equity and liabilities		32,469	34,012

Consolidated Statement of Changes in Equity

As at 30 June 2021

	Share capital	Share premium	Accumulated deficit	Other reserve	Foreign exchange reserve	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 30 June 2020 (unaudited)	**2,754**	**28,073**	**(14,213)**	**1,432**	**210**	**18,256**
Loss for the period	-	-	(2,844)	-	-	(2,844)
Exchange differences on translation of operations in foreign currency	-	-	-	-	(166)	(166)
Total comprehensive loss for the period	**-**	**-**	**(2,844)**	**-**	**(166)**	**(3,010)**
Issue of share options on acquisition of BRL	-	-	-	7,304	-	7,304
Shares issued	599	6,566	-	-	-	7,165
Cost of issue	-	(405)	-	-	-	(405)
Share based payments	-	-	-	384	-	384
Total transactions with owners	599	6,161	-	7,688	-	14,448
Balance at 31 December 2020 (audited)	**3,353**	**34,234**	**(17,057)**	**9,120**	**44**	**29,694**
Loss for the period	-	-	(2,051)	-	-	(2,051)
Exchange differences on translation of operations in foreign currency	-	-	-	-	73	73
Total comprehensive loss for the period	-	-	(2,051)	-	73	(1,978)
Shares issued	29	315	-	-	-	344
Share based payments	-	-	-	941	-	941
Options exercised	5	-	-	(5)	-	-
Total transactions with owners	34	315	-	936	-	1,285
Balance at 30 June 2021 (unaudited)	**3,387**	**34,549**	**(19,108)**	**10,056**	**117**	**29,001**

Condensed Consolidated Interim Statement of Cash Flows

For the six months period ended 30 June 2021

		6 months ended 30 June 2021 Unaudited $'000	6 months ended 30 June 2020 Unaudited $'000
Operating activities			
Loss for the period before income tax		(2,051)	(2,668)
Adjustments for:			
Finance income		-	(14)
Depreciation and depletion	5	1,193	456
Increase in provisions		45	-
Impairment losses		-	208
Share based payments expense		941	318
Foreign exchange movement		(53)	69
Net cash flows from / (used in) operating activities before changes in working capital		**75**	**(1,631)**
Increase in trade and other receivables		(332)	(49)
Decrease in trade and other payables		(345)	(274)
Increase in inventory		(840)	(544)
Net cashflows used in operating activities		**(1,442)**	**(2,498)**
Investing activities			
Cash received from acquisition of BRL		278	-
Expenditure in respect of PP&E		(1,063)	(1,679)
Cash used in investing activities		**(785)**	**(1,679)**
Financing activities			
Proceeds from issue of equity		1,314	-
Proceeds from exercise of options		152	-
Net cash flows from financing activities		**1,466**	**-**
Net decrease in cash and cash equivalents		**(761)**	**(4,177)**
Cash and cash equivalents at start of period		6,331	6,494
Effects of foreign exchange rate changes on cash and cash equivalents		(62)	(59)
Cash and cash equivalents at end of period		**5,508**	**2,258**

Notes to the Condensed Consolidated Interim Financial Statements

For the six months period ended 30 June 2021

1. Interim Financial Statements

The Condensed Consolidated Interim Financial Statements of the Group, which comprises Block Energy plc and its subsidiaries, for the six-month period from 1 January 2021 to 30 June 2021, were approved by the directors on 29 September 2021.

The Condensed Consolidated Interim Financial Statements have been reviewed by the Group's auditors.

The Company's shares are traded on AIM and the trading symbol is BLOE.

2. Summary of significant accounting policies

Management has prepared these interim accounts in accordance with IFRS accounting policies as applied at 31 December 2020 (without the disclosure requirements of IFRS). They do not include all of the information required in annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020 and any public announcements made by Block Energy Plc during the interim reporting period. All amounts presented are in thousands of US dollars unless otherwise stated.

The comparatives are the six-month period ended 30 June 2020, except for the Condensed Consolidated Statement of Financial Position, where the comparatives are as at 31 December 2020.

Going concern

The condensed set of financial statements included in this half-yearly financial report have been prepared on a going concern basis as the directors consider that the Group has adequate resources to continue operating for the foreseeable future.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive Officer's Business Review.

The Group continues to closely monitor and manage its cash. Cash forecasts are regularly produced, and sensitivities run for different scenarios including, but not limited to, oil price, gas price, the capital costs of drilling wells, the date of commencement of oil and gas production from newly drilled wells, the initial rate of production from new wells, operating expenditure, and the USD/GBP foreign exchange rate. To preserve cash in response to Covid-19 and in the light of the low oil price, in April 2020, the Group reduced its capital and operating expenditure, reduced its workforce, commenced paying part of the salaries of remaining employees and the fees of directors of its parent company in nil-cost options instead of cash, deferred salaries of its remaining employees in Georgia until it sold oil at higher oil prices and negotiated discounts with some of its suppliers. The scheme to sacrifice cash salary and fees for nil-cost options is still in place. The Group's forecasts, taking into account the applicable risks and the stress test scenarios, show that it may have a shortage of cash to fund its development plans within 12 months from the date of approval of the 2021 interim financial statements.

The directors note that Covid-19 has had a significant negative impact on the global economy and oil prices fell significantly during 2020, but subsequently recovered. However, oil prices remain volatile and could fall again, making it more difficult to secure additional funding than in the past. The Company is currently testing well WR-B1a and the results of this testing (including flow and decline rates) are unknown. Therefore, there is no guarantee that well WR-B1a will be commercial and will produce oil or gas revenues. Sensitivity analysis performed indicated that a decline in oil prices of more than 10%, together with a scenario where well WR-B1a does not produce oil and gas revenues, gives rise to a cash shortage from June 2022, resulting in the need for additional funding. These conditions indicate that a material uncertainty, which may cast significant doubt over the Group's ability to continue as a going concern, exists. Whilst acknowledging this material uncertainty, the directors are confident that current capital projects are funded based on current timelines and have a reasonable expectation that they could secure additional funding, if needed, to fund additional capital projects and make further cost savings when required. Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

Acquisition of Block Rustaveli Limited

The acquisition of BRL on 23 November 2020 was included in the Group consolidated financial statements for the year ended 31 December 2020 at the fair value of all the identifiable assets acquired and liabilities assumed. PP&E and spare parts inventory were fair valued based on the condition of the items and application of an industry accepted discount to the original cost. The oil inventory was fair valued by management based on the net realisable value at the acquisition date. Given the subjectivity in valuing undeveloped reserves and unevaluated acreage, a market approach was used to fair value the development and production assets, whereby the seller marketed the business for sale and the acquisition price paid was deemed to be the fair value of the sum of the identifiable assets acquired and liabilities assumed. Therefore, the fair value of the development and production assets was calculated as the difference between the acquisition price paid and the fair value of the other identifiable assets acquired and liabilities assumed. For the purposes of the current period of reporting, the fair values related to the transaction accounting are considered provisional, as permitted under the requirements of the accounting standards. These fair values will be finalised within the allowed period of twelve months from the acquisition date.

The accounting policies adopted in this half-yearly financial report are the same as those adopted in the 2020 Annual Report and Financial Statements, other than the implementation of new IFRS reporting standards as set out below.

Adoption of new and revised accounting standards

During the current period the Group adopted all the new and revised standards, amendments and interpretations that are relevant to its operations and are effective for accounting periods beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Group.

New standards, amendments and interpretations not yet adopted by the Group.

The standards and interpretations that are relevant to the Group, issued, but not yet effective, up to the date of these interim accounts have been evaluated by the Directors and they do not consider that there will be a material impact of transition on the financial statements.

3. Operating segments

The Group is engaged in the appraisal and development of oil and gas resources in Georgia, and is therefore considered to operate in a single geographical and business segment.

4. Loss per share

The calculation of loss per share for the six months ended 30 June 2021 is based on the loss for the period attributable to ordinary shareholders of $2,051,000 and the weighted average number of shares of 621,445,266 and is 0.33 cents from continued operations. The calculation of loss per share for the six months ended 30 June 2020 is based on the loss for the period attributable to ordinary shareholders of $2,668,000 and the weighted average number of shares of 435,702,834 and is 0.61 cents from continued operations.

In the opinion of the directors, all the outstanding share options and warrants are anti-dilutive and hence, basic and fully diluted loss per share are the same.

5. Property, plant and equipment

Unaudited Cost	Development & Production Assets $'000	PPE/Computer/ Office equipment/ Vehicles $'000	Total $'000
At 1 January 2021	22,096	777	22,873
Reclassification	(780)	780	-
Additions	844	219	1,063
Reduction of BLO asset /Disposals	(392)	-	(392)
Foreign exchange movements	-	(43)	(43)
At 30 June 2021	21,768	1,733	23,501
Accumulated depreciation and impairment			
At 1 January 2021	1,457	105	1,562
Reclassification	(92)	92	-
Charge	1,083	110	1,193
Foreign exchange movements	-	(45)	(45)
At 30 June 2021	2,448	262	2,710
Carrying amount			
At 30 June 2021	19,320	1,471	20,791

Unaudited Cost	Development & Production Assets $'000	Computer/ Office equipment/ Vehicles $'000	Total $'000
At 1 July 2020	14,638	253	14,891
Additions	8,465	592	9,057
Disposals	(1,007)	(54)	(1,061)
Foreign exchange movements	-	(14)	(14)
At 31 December 2020	22,096	777	22,873
Accumulated depreciation and impairment			
At 1 July 2020	1,275	9	1,284
Charge	218	107	325
Impairment charge reversal	(36)	-	(36)
Disposal	-	(11)	(11)
At 31 December 2020	1,457	105	1,562
Carrying amount			
At 31 December 2020	20,639	672	21,311

No impairment was recognised in the six months ended 30 June 2021 (2020: $208,000 was recognised to reduce the capitalised costs in respect of the Satskhenisi licence to their value-in-use).

6. Share capital

The Ordinary Shares consist of full voting, dividend and capital distribution rights and they do not confer any rights for redemption. The Deferred Shares have no entitlement to receive dividends or to participate in any way in the income or profits of the Company, nor is there entitlement to receive notice of, speak at, or vote at any general meeting or annual general meeting.

On 30 June 2021, the Company's share capital consisted of 624,623,513 Ordinary Shares (2020: 435,702,834) and 2,095,165,355 Deferred Shares (2020: 2,095,165,355).

7. Other matters

A copy of this report is available from the Group's website, www.blockenergy.co.uk