30 September 2015

Sefton Resources, Inc.
("Sefton" or the "Company")

Half Yearly Report for the six months to 31 July 2015

The Board of Directors of Sefton (the "Board") wishes to advise shareholders of the Company's performance during the six months to 31 July 2015 (the "Period").

In the face of significant challenges over the past six months the Company has seen a strengthening of its balance sheet with net assets increasing by c$2 million following successful equity issues in a difficult market in 2015. During the Period the Company has also materially reduced its aged payable balances, implemented robust financial controls and strengthened the Company's corporate governance.

Together with the strengthening of the Company's financial position, the Board has continued to pursue the wider development of the Company's South-East Asian strategy and have highlighted three potential investment opportunities for which technical due diligence is well-progressed and commercial discussions are underway. The Board has a credible, fixed strategy to build revenues based on regional knowledge and technical ability, as well as the drive and commitment to deliver these.

In support of this strategy, the Company contributed £500k to a Development Agreement (the 'Agreement') with UTAS Petroleum Services Ltd ('UTAS') to facilitate the identification and screening of potential asset targets in the region. The Board maintains this structure is in the best interests of Shareholders as it acknowledges the actions brought in the US federal courts by a former Chairman have had a severe negative impact on the Company's ability to arrive at commercial terms with Sellers, attract a suitable CEO candidate and close such deals independently. The Board is pleased to report that the technical and financial due diligence for three asset targets is now complete and commercial negotiations are now ongoing under the joint venture. To date, UTAS has spent a total of £197k in business development expenses in this process. All funds are under the direct control of the Development Committee, of which Sefton has the majority of votes.

The Development Agreement still remains in effect, although potential CEO candidate Mr Rob Shepherd and the technical teams are no longer pursuing further due diligence. If the Agreement is terminated in the future by Sefton, UTAS will have the first right of refusal to all opportunities investigated as per the terms of the agreement. By keeping the agreement active, Sefton retains the right of first refusal.

In May 2015 the Company appointed Jossy Rachmantio as a Non-Executive Director and in September 2015 he was subsequently appointed as Executive Chairman of the Company. Mr Rachmantio, an Engineer by training, has over 25 years' experience in the energy industry, mostly focusing on Oil and Gas Exploration and Production in Indonesia. The Board are delighted to have made this appointment and it is a significant milestone in the implementation of the Company's strategic plans.

The Company continues to keep its legacy U.S. assets on a care and maintenance regime whilst a study on the underlying value of the assets is commissioned. The Company continues to seek potential buyers, however it recognises the difficulties in the market due to the current depressed oil price. Furthermore, the Company notes it has received instruction from the US federal courts that it may not dispose of these assets whilst the bankruptcy claim is outstanding.

Whilst pursuing the strategic goals of the Company, the Board has continued to contest with a number of challenging legacy scenarios, notably concerning the activities of former officers of the Company, as detailed in recent press releases. Whilst such matters have proven to be a distraction of senior management's time as well the Company's limited resources, the Board remains hopeful that these matters will be resolved in the

Company's favour, enabling the Company to focus wholly on building a value-accretive portfolio of sustainable oil and gas production.

In this Interim period, the Management Team of the Company has clearly demonstrated commitment to delivering real value despite the various legacy issues. The Board has a clearly articulated strategy to build a real production portfolio in a region that, due to its domestic energy demands, commands lucrative price premiums and is partially decoupled from global commodities prices. The Board looks forward to the opportunities that this will bring to the Company.

For further information please visit www.seftonresources.com or contact:

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Financial review for the six months ended 31 July 2015

Summarised financial information (unaudited)

	6 months to 31 July 2015 $'000s	6 months to 30 June 2014 $'000s
Loss before non-cash charges, interest and taxes	(1,402)	(264)
Total comprehensive loss for the period	(1,493)	(959)
Cash and cash equivalents	1,017	9
Total assets	2,525	15,708
Total liabilities	(780)	(9,186)
Net assets	1,745	6,522

Unaudited consolidated statement of comprehensive income

	Notes	**6 months to 31 July 2015** $’000s	**6 months to 30 June 2014** $’000s	**13 months to 31 January 2015** $’000s
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
General and administrative expenses		(1,002)	(249)	(305)
Retirement obligation expenses		-	(15)	117
		(1,002)	(264)	(188)
Profit/(loss) before exceptional administrative expenses		(1,002)	(264)	(188)
Exceptional expenses – release of cross guarantee		(400)	-	-
Profit/(loss) before non-cash charges, interest and taxes		(1,402)	(264)	(188)
Depletion, depreciation and amortisation		-	-	(54)
Share based payments		-	(103)	(176)
Operating loss		(1,402)	(367)	(418)
Finance costs		(1,429)	(39)	(82)
Loss for the period from continuing operations		(1,429)	(406)	(500)
Loss for the period from discontinued operations		(64)	(553)	(7,535)
Total comprehensive (loss) for the period attributable to equity holders of the parent		(1,493)	(959)	(8,035)

		Per share $	**Per share** $	**Per share** $
Basic and diluted loss per share from continuing and discontinued operations	***2***	(0.00044)	(0.00132)	(0.00989)

Unaudited consolidated balance sheet

	As at 31 July 2015 $'000s	As at 30 June 2014 $'000s	As at 31 January 2015 $'000s
Non-current assets			
Investments	853	-	180
Intangible assets	-	-	-
Property, plant and equipment	-	54	-
	853	54	180
Current assets			
Non-current assets held for sale – disposal groups	632	15,531	632
Cash and cash equivalents	1,017	9	27
Trade and other receivables	23	114	124
	1,672	15,654	783
Total assets	2,525	15,708	963
Non-current liabilities			
Retirement obligation	-	132	-
Asset retirement obligation	-	-	-
	-	132	-
Current liabilities			
Liabilities associated with non-current assets held for sale – disposal groups	247	7,862	232
Trade and other payables	533	1,012	651
Current portion of borrowings	-	180	129
	780	9,054	1,012
Total liabilities	780	9,186	1,012
Net assets	1,745	6,522	(49)
Shareholders' equity			
Share Capital	28,598	24,879	25,311
Retained deficit	(26,853)	(18,357)	(25,360)
Total equity attributable to equity holders of the parent	1,745	6,522	(49)

Unaudited consolidated statement of changes in equity

	Common shares, no par value			
	Shares	Amount	Retained deficit	Total
		$'000s	$'000s	$'000s
Balances 1 February 2015	1,069,644,495	25,311	(25,360)	(49)
Shares issued for cash	3,633,100,675	3,421	-	3,421
Shares issued in lieu of payment	43,873,227	24	-	24
Share issuance costs		(158)		(158)
Comprehensive income	-	-	(1,493)	(1,493)
Balances 31 July 2015	4,746,618,397	28,598	(26,853)	1,745
Balances 1 January 2014	704,089,741	24,692	(17,501)	7,191
Shares issued in lieu of payment	7,154,724	32	-	32
Shares issued on conversion of loan notes	18,063,854	155	-	155
Compensation expense related to share options	-	-	103	103
Comprehensive income	-	-	(959)	(959)
Balances 30 June 2014	729,308,319	24,879	(18,357)	6,522
Balances 1 January 2014	704,089,741	24,692	(17,501)	7,191
Shares issued in lieu of payment	128,988,778	355	-	355
Shares issued on conversion of loan notes	76,565,976	150	-	150
Shares issued in placing	160,000,000	120	-	120
Share issuance costs	-	(6)	-	(6)
Compensation expense related to share options	-	-	176	176
Total comprehensive income	-	-	(8,035)	(8,035)
Balances 31 January 2015	1,069,644,495	25,311	(25,360)	(49)

Unaudited consolidated statement of cash flows

	6 months to 31 July 2015	6 months to 30 June 2014	13 months 31 January 2015
	$'000s	$'000s	$'000s
Cash flows from operating activities			
Operating loss	(1,493)	(959)	(8,035)
Finance costs	27	264	679
Share based payments	24	103	176
Retirement benefit expense	-	36	706
Depreciation	-	152	390
Impairments	-	-	3,401
Loss on disposal of subsidiary	-	-	1,430
Loss on disposal of equipment	-	-	3
	(1,442)	(404)	(1,250)
Changes in operating assets and liabilities:			
Changes in trade and other receivables	101	204	613
Changes in trade and other payables	(99)	91	225
Net cash provided by operating activities	(1,440)	(109)	(412)
Cash flows from investing activities			
Purchase of intangible assets	-	(94)	(1)
Investments in business development activities	(673)	-	-
Purchase of property, plant and equipment	-	(28)	(122)
Net cash outflow on disposal of a subsidiary	-	-	(8)
Net cash used in investing activities	(673)	(122)	(131)
Cash flows from financing activities			
Proceeds of issue of new shares	3,263	-	-
Expenses of new share issue	-	-	-
Proceeds from notes payable	-	102	329
Payments on notes payable	(129)	-	-
Interest paid	(27)	-	(13)
Net cash provided by financing activities	3,107	102	316
Net decrease in cash and cash equivalents	994	(129)	(227)
Cash and cash equivalents at beginning of period	23	250	250
Cash and cash equivalents at end of the period	1,017	121	23
Represented by			
Cash and bank balances	1,017	9	27
Cash and bank included in disposal groups held for sale	-	112	(4)
	1,017	121	23

Notes to the Unaudited Financial Information

for the 6 months ended 31 July 2015

1. **Accounting polices**

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 January 2015, which complied with the 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 Director's approved a change of the accounting reference date to 31 January 2015 to take into account the anticipated sale of the Company's largest subsidiary, TEG USA, as well as Letters of Intent received to purchase subsidiaries TEG MidContinent and TEG Transmission. The amounts presented in the Group's interim financial information in this report and notes thereto for the current reporting period are for the period 1 February 2015 to 31 July 2015. Comparative amounts report on the 6 month period ended 30 June 2014 and the 13 month period ended 31 January 2015.

The condensed financial information for the period ended 31 January 2015 set out in this interim report has been extracted from the full audited financial statements. These financial statements can be viewed at www.seftonresources.com.

2. **Loss per share attributable to the equity shareholders of the Company**

Basic loss per share	**6 months to 31 July 2015**	**6 months to 30 June 2014**	**13 months to 31 January 2015**
Total basic loss per share (US$)	(0.00044)	(0.00132)	(0.00989)

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

	July 2015 $'000s	**June 2014** $'000s	**January 2015** $'000s
Loss used in the calculation of total basic and diluted loss per share	(1,493)	(959)	(8,035)

Number of shares	**July**	**June**	**January**

	2015	2014	2015
Weighted average number of ordinary shares for the purposes of basic earnings per share	3,372,665,034	723,748,535	812,741,519

As at 31 July 2015, 30 June 2014 and 31 January 2015 the options in issue are non-dilutive under IAS 33, Earnings per Share, because they would have the effective of decreasing the loss per share. As such there is no difference between the basic and dilutive loss per share at these dates.

3. Share capital

During the period to 31 July 2015 3,676,973,902 Common Shares were issued as follows:

	Number of ordinary shares	$'000
Balance at 31 January 2015	1,069,644,495	25,311
Placing of shares	2,866,363,636	1,700
Share issuance costs		(158)
Exercise of warrants and options	778,418,681	1,721
Shares issued in lieu of payments	32,191,585	24
Balance at 31 July 2015	4,746,618,397	28,598

During the comparative 6 month period to 30 June 2014, 83,720,700 Common Shares were issued.

4. Events after the balance sheet date

For business updates please refer to the Investor Relations section of the Company's website: www.seftonresources.com.

5. Discontinued operations

At 31 January 2015, all of the Group's operating activities were reclassified as discontinued as a result of the sale of TEG USA and the arrangements made for the potential sale of TEG MidContinent and TEG Transmission. As such, the comparative consolidated statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.