

Sefton Resources, Inc.
("Sefton" or the "Company")
Interim Results for the Six Months to 30 June 2009

Highlights

- Cash flow positive in depressed market
- Bank facility not impaired during uncertain times
- Development of California and Kansas assets continues

Chairman Jeremy Delmar-Morgan pointed out that the group's financial position remains strong - even during these times of commodity price fluctuations – providing the ability to continue development of its assets, although at a conservative pace, until drilling costs and natural gas prices moderate.

Chairman's Statement

The Company spent approximately \$2 million on developing its assets (\$3 million for comparative period in 2008), despite the fact that oil and gas prices are significantly lower than this time last year. Additionally, the Company remained cash flow positive during the six month period to 30 June 2009.

Cyclic steaming at our Tapia oil field in California will continue in September using purchased natural gas (thus conserving our own gas until prices are significantly higher) now that all permits, equipment and contracts are in place for such.

We expect to steam two wells per month over the next year, prior to designing a steam plant for continuous steaming.

Putting necessary infrastructure in place in Eastern Kansas, rather than drilling wells is a more cost effective way at this time of furthering our assets in this area. To this end, "closing" for the Vanguard pipeline acquisition is scheduled for early September, as the required agreements have been executed and due diligence completed.

We believe that natural gas prices will again realign with oil prices in the not too distant future and provide the Company with an additional revenue source for organic growth of its assets and those complimentary to its core areas.

During this time of uncertainties in oil and gas prices and costs, the Company believes there will be opportunities to strengthen and expand its core asset base (California and Kansas) and possibly increase its overall size via acquisitions

and/or mergers of compatible assets – without impairing our capital structure and financial condition.

Historically, the company's overall investment plan of:

- Acquiring partially developed reserves – emphasizing long life;
- Target areas located near existing markets, industry friendly and with available support services;
- Control of assets (over 50% working interest and operation);
- 30% or greater annual rate of return on investment; and
- Ability to use updated and modern technology;

Has served us well and will be our guide as we move forward.

A recent release (24 August 2009) will provide greater detail of our operations and can be found on the company's website (www.seftonresources.com).

Financials

Oil and gas revenue and production costs decreased to \$1,312,221 (\$2,594,873) and \$263,889 (\$406,387), resulting in a decrease in profit to \$1,048,332 (\$2,188,480) from oil and gas operations for the six month period to 30 June 2009.

After general and administrative costs of \$760,067 (\$934,126) and interest costs of \$86,530 (\$75,318) a decrease in cash flow to \$201,735 (\$1,179,042) was realized from the first six months of 2009.

Additional "non-cash" expenses for depletion and depreciation (\$213,700 versus \$148,500), share-based compensation (\$101,500 versus \$126,179) and retirement liabilities (\$90,000 versus zero) resulted in a net loss of \$203,465 compared to a profit of \$904,363 for the comparative period in 2008.

Improving our investor relations and company profile is a key focus for the remainder of 2009 and throughout 2010 which will enhance these aspirations of growth during this time of opportunity.

Management believes it has the assets and financial ability to grow and expand during the coming year and we have appreciated everyone's support during these recent times.

Jeremy Delmar-Morgan
Chairman
8 September 2009

Enquiries:

Jeremy Delmar-Morgan, Chairman, Tel: 07789 004 874

John James (Jim) Ellerton, CEO, Tel: 00 1 303 759 2700

Nick Harriss/Wye-Li Long, Blomfield Corporate Finance Ltd., Tel: 020 7489 4500
(Nomad)

Daniel Briggs/Alan Rooke, Religare Hichens, Harrison plc, Tel: 020 7382 4450
(Broker)

SEFTON RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	June 30, 2009 (unaudited)	June 30 2008 (unaudited)	December 31 2008 (audited)
<u>ASSETS</u>			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 72,565	\$ 86,953	\$ 97,357
Accounts receivable	272,986	665,671	451,264
Other receivables - related party	312,675	135,380	273,040
Prepaid expenses and other assets	26,975	26,975	26,974
Total current assets	685,201	\$ 914,979	848,635
OIL And GAS PROPERTIES FULL COST METHOD, net	16,228,085	\$ 12,540,749	14,595,804
EQUIPMENT AND VEHICLES, net	20,520	32,677	23,577
TOTAL ASSETS	\$ 16,933,806	\$ 13,488,405	\$ 15,468,016
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
CURRENT LIABILITIES:			
Accounts payable	\$ 446,656	\$ 731,799	\$ 939,477
Accrued expenses	22,922	24,034	347,508
Accrued expenses - related parties	76,000	117,000	221,083
Notes payable, current portion	170,958	349,775	211,515
Total current liabilities	716,536	1,222,608	1,719,583
NOTES PAYABLE:			
Note payable	390,000	273,554	390,000
Note payable - bank	5,844,867	3,300,000	3,436,513
	6,234,867	3,573,554	3,826,513
RETIREMENT OBLIGATION	1,202,109	-	1,112,109
ASSET RETIREMENT OBLIGATION	1,164,263	504,096	1,164,263
Total liabilities	9,317,775	5,300,258	7,822,468
STOCKHOLDERS EQUITY:			
Common stock, no par value, 200,000,000 shares authorized, 117,484,379 shares issued and outstanding	13,428,127	13,217,831	13,254,180
Stock subscription receivable	(30,047)	(30,047)	(30,047)
Treasury stock	(66,393)	(58,602)	(66,393)
Accumulated (deficit)	(5,715,656)	(4,941,035)	(5,512,192)
Total stockholders' equity	7,616,031	8,188,147	7,645,548
TOTAL LIABILITIES AND STOCKHOLDERS EQUITY	\$ 16,933,806	\$ 13,488,405	\$ 15,468,016

SEFTON RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Six Months Ended June 30, 2009 (unaudited)	Six Months Ended June 30, 2008 (unaudited)	Year Ended December 31, 2008 (audited)
REVENUES:			
Oil and gas sales	\$ 1,312,221	\$ 2,594,873	\$ 4,688,183
COSTS AND EXPENSES:			
Oil and gas production	263,889	406,387	1,040,573
Depletion and depreciation	213,700	148,500	462,685
General and administrative	760,067	934,126	1,774,819
Share based compensation	101,500	126,179	162,528
	<u>1,339,156</u>	<u>1,615,192</u>	<u>3,440,605</u>
INCOME (LOSS) FROM OPERATIONS	<u>(26,935)</u>	<u>979,681</u>	<u>1,247,578</u>
OTHER INCOME (EXPENSE):			
Interest income	-	-	-
Other income	-	-	390,000
Interest expense	(86,530)	(75,318)	(192,264)
Retirement liability	(90,000)	-	(1,112,109)
	<u>(176,530)</u>	<u>(75,318)</u>	<u>(914,373)</u>
NET INCOME (LOSS)	<u>\$ (203,465)</u>	<u>\$ 904,363</u>	<u>\$ 333,205</u>
 Basic and diluted gain (loss) per common share	 (0.0017)	 0.0078	 0.0029
 Basic and Diluted Weighted average shares outstanding	 <u>116,570,546</u>	 <u>116,214,067</u>	 <u>116,214,067</u>

SEFTON RESOURCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30, 2009 (unaudited)	Six Months Ended June 30, 2008 (unaudited)	Year Ended December 31, 2008 (audited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ (203,465)	\$ 904,363	\$ 333,205
Adjustments to reconcile net income (loss) to net cash from (used in) operating activities:			
Depletion and depreciation	213,700	148,500	462,685
Compensation expense related to stock options	101,500	126,179	162,528
Changes in operating assets and liabilities:			
Accounts receivable	178,278	(250,870)	(36,463)
Prepaid expenses and other	-	(20,206)	(20,205)
Other receivables - related party	(39,635)	24,312	(113,348)
Accounts payable	(492,821)	(79,143)	128,535
Accrued retirement obligation	90,000	-	1,112,109
Accrued expenses - related party	(145,083)	(62,549)	41,534
Accrued expenses and other	(324,586)	(138,632)	184,842
Net cash provided by (used in) operating activities	<u>(622,112)</u>	<u>651,954</u>	<u>2,255,422</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of oil and gas properties	(1,841,281)	(2,889,028)	(4,589,000)
Purchase of property and equipment	(1,643)	(12,806)	(12,805)
Net cash (used) by investing activities	<u>(1,842,924)</u>	<u>(2,901,834)</u>	<u>(4,601,805)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from notes payable	2,398,019	2,288,618	2,647,695
Payments on notes payable	(30,222)	-	(244,378)
Proceeds from sale of common stock	72,447	42,425	42,425
Purchase of treasury stock	-	-	(7,791)
Net cash provided by financing activities	<u>2,440,244</u>	<u>2,331,043</u>	<u>2,437,951</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(24,792)	81,163	91,568
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>97,357</u>	<u>5,789</u>	<u>5,789</u>
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$ 72,565</u>	<u>\$ 86,952</u>	<u>\$ 97,357</u>

Notes to Consolidated Financial Statements

1. The financial results for the half-year to 30 June 2009 and the comparatives to 30 June 2008 are both unaudited. The financial information for the year to 31 December 2008 has been extracted from the full audited financial statements. The financial stat
2. The financial information included in this document has been prepared on a consistent basis and using the same accounting policies as the audited financial statements for the year to 31 December 2008 and has been approved by the Directors of the company.
3. There was no dividend paid in the reporting period.
4. Copies of the Interim Statement will be sent to shareholders in October 2009. Copies of the Interim Statement will be available from the Company Secretary, Pinsent Masons, CityPoint, 1 Ropemaker Street, London EC2Y 9AH.