JERSEY OIL & GAS

Annual Report

Year ended 31 December 2024

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Jersey Oil and Gas is a UK energy company focused on creating shareholder value through the development of oil and gas assets and the execution of accretive transactions.

Following the successful Greater Buchan Area ("GBA") farm-outs to NEO Energy ("NEO") and Serica Energy ("Serica") in 2023-24, the Company strategically positioned itself as one of the leading UK listed small-cap oil and gas companies with a high-quality development portfolio and the funding to deliver on its organic growth plans. Despite the uncertainties that have been created within the UK oil and gas industry as a result of the Energy Profits Levy ("EPL") and the on-going consultations that have been launched by the Government, the Company remains well placed to execute upon its plans for long-term value creation.

Buchan Redevelopment Project

Significant progress was made during 2024 to advance the Buchan Horst ("Buchan") redevelopment project towards sanction and Field Development Plan ("FDP") approval. Despite the project slowdown resulting from the various Government consultations and the need to obtain sufficient clarity on the outcome of these to finalise the way forward, three major workstreams have been matured:

- Detailed engagement has been on-going on the draft Buchan FDP with the North Sea Transition Authority ("NSTA"). In addition, the Buchan "Field Determination Area" that defines the maximum geological boundary of the field, was agreed with the NSTA
- The Environmental Impact Assessment ("EIA") for the project was issued to the Offshore Petroleum Regulator for the Environment and Decommissioning ("OPRED") and various activities have been completed to progress the regulatory evaluation
- Front-end engineering and design ("FEED") studies were completed, the results of which have been used to define the details of the development execution plan. The primary engineering studies covered the appropriate solutions for the design of the wells, the subsea infrastructure and the necessary modification and life extension works required on the planned floating, production, storage and offloading ("FPSO") vessel. Offshore surveys were also completed to gather the geotechnical and geophysical data required for the subsea infrastructure and drilling rig contract tendering processes and to inform the FPSO mooring design

With the announcements during the year of three Government consultations concerning revised guidance for EIAs, the future for UK North Sea oil and gas licensing and the long-term fiscal regime, the timeline for progressing the project to the point of joint venture partner sanction and FDP approval was naturally delayed. An extension to the Buchan P2498 licence was obtained from the NSTA, which means that the joint venture has until 28 February 2027 to obtain FDP approval. Given the uncertainty surrounding the timing of FDP approval, the agreement for the acquisition of the "Western Isles" FPSO for redeployment on the Buchan field was terminated in March 2025 by Dana Petroleum ("Dana") after the longstop date in the agreement was passed. NEO, the Buchan Operator, is a 23% owner of the vessel and the possibility remains to recontract the vessel for deployment on Buchan.

Subject to satisfactory clarity being obtained from the Government consultations, there are clear steps that need to be completed to move the Buchan project forward to FDP approval and onward into the development execution phase of activities. These are:

- Reactivation and completion of the contract tender process for the main drilling, subsea and FPSO modification workscopes
- Re-contracting of the FPSO
- Submission to OPRED of an updated EIA that incorporates the requirements of the guidance resulting from the on-going consultation, which is expected to principally concern the inclusion of Scope 3 emission forecasts for the project
- Joint venture finalisation of the FDP and approval of the NSTA

While the exact timeline for completing these activities has not yet been finalised, it is likely that a positive outcome from the consultations would still render FDP approval possible during 2026.

As a result of the farm-out transactions with NEO and Serica, the Company is carried for its 20% share of the costs to take Buchan through to FDP approval, along with its share of the development costs included in the approved FDP. To date, the financial benefit of this has totalled approximately $25 million in cash milestone payments in addition to expenditure carry. Further cash milestone payments of $20 million are due upon Buchan FDP approval and receipt of the associated regulatory and legal consents.

Strategic Focus

The Company's vision is centred on successfully growing the business in a smart and sustainable way, developing important domestic energy supply in response to society's energy needs and creating value for our stakeholders. The organisation is "right sized" for the stage and scale of its activities and maintains a nimble approach to advancing its key strategic objectives.

The Company remains sharply focused on unlocking the organic value of its existing assets in the GBA, combined with the pursuit of accretive asset acquisitions that bring cash flow, diversity and quality investment opportunities into the portfolio. Such opportunities are thoroughly assessed in terms of their potential strategic fit, being mindful of the quality and unencumbered strengths of our existing portfolio.

Solid Outlook

Jersey Oil & Gas is well positioned to navigate through the current headwinds facing the UK oil and gas industry. With total year-end cash reserves of approximately £12.3 million and a current cash run rate of around £1.5 million per annum, the business is financially secure and funded for execution of the Buchan redevelopment programme. This backdrop provides an attractive springboard from which to realise the full potential and ambitions of the business for delivering shareholder value.

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S REPORT

Following the end of a highly successful year for the Company in 2023, we started 2024 with the completion of our second Greater Buchan Area ("GBA") farm-out transaction, with a further 30% interest in the GBA licences being sold to Serica Energy ("Serica"). This represented a key moment for the business, as it provided the Company with full funding for the planned redevelopment of the Buchan Horst ("Buchan") field. In addition, the transaction delivered an upfront cash payment of nearly £6 million plus potential future contingent cash payments. Completing this farm-out was a major step forward towards securing access to the significant value associated with a full carry for our remaining share of the Buchan project through to first production for our shareholders.

Buchan Project

During the year, a significant amount of work was completed by NEO Energy ("NEO"), as operator of the GBA licences, on maturing the requisite engineering and plans for the sanction of the Buchan project. The plans have been centred on the redeployment of the "Western Isles" Floating Production, Storage and Offloading vessel ("FPSO") as a production processing facility located over the Buchan field, with up to five gas-lifted production wells, supported by two water injection wells, connected via subsea infrastructure to the vessel. The FPSO solution involves the hydrocarbons produced from the field being processed offshore, with the oil exported to market via shuttle tankers and gas via a pipeline connection to nearby infrastructure. As a result of the farm-out agreements with NEO and Serica, we have been fully carried for our share of the approximately £24 million that has been spent to date on the current phase of activities by the Buchan joint venture.

Regulatory Engagement

Following submission of a draft Field Development Plan ("FDP") to the North Sea Transition Authority ("NSTA") at the end of 2023, the Operator has been actively engaging with the regulator throughout the year to assist with the evaluation of the development plan. In addition, the specification of the "Field Determination Area", which defines the maximum geological boundary of the field, has been agreed with the NSTA and this forms part of the required inputs to the formal FDP approval process.

As part of the preparation for obtaining regulatory approval of the Buchan FDP, an Environmental Impact Assessment ("EIA") was issued to the Offshore Petroleum Regulator for the Environment and Decommissioning ("OPRED") in early 2024. The EIA public consultation process was undertaken during the first quarter of the year and subsequent engagement with OPRED has progressed the required regulatory evaluation.

However, in September 2024, OPRED paused the EIA review process when the UK Government launched a consultation on new environmental guidance for oil and gas developments. This arose from the Supreme Court's "Finch" ruling, requiring regulators to consider the impact of combustion of produced hydrocarbons, Scope 3 emissions, in EIAs for new projects. The consultation was closed in January 2025, and it is expected that the Government will provide new guidance imminently. Based on the details within the Government consultation, it is expected that the Buchan EIA will require a second public consultation that examines the Scope 3 emissions associated with its development. Accordingly, preparatory work has been undertaken to prepare a revised EIA and allow submission to OPRED in a timely manner once the new guidance is published.

As a result of the environmental consultation timeline, along with the uncertainties created by instability in the Government's fiscal regime for North Sea oil and gas companies, completion of the pre-sanction project activities was materially slowed down by the Buchan operator in the second half of 2024. In terms of the fiscal landscape, in October 2024 the Government announced an increase in the tax rate on North Sea oil and gas companies to 78%, the extension of the Energy Profits Levy ("EPL") to March 2030, the removal of investment allowances associated with the EPL and its intention to launch a consultation on the long-term fiscal regime applicable to the industry. Furthermore, at the same time the Government also announced its intention to undertake a consultation on the future North Sea licensing regime. Satisfactory clarity on the results of these various consultations is naturally required to facilitate sanctioning of the Buchan project.

Given the unavoidable delay to progressing the approval process for the Buchan project, the joint venture partners submitted an application to the NSTA for a licence extension in 2024. We were pleased to announce earlier in the year that the Second Term of the P2498 Buchan licence has been extended by 24 months to 28 February 2027. This extension was requested to provide the licensees with the time required to finalise a FDP for the Buchan field.

Development Activities & Status

During the first half of the year, the main project workstream were centred on completion of the engineering and subsurface studies required to enable preparation of the development plan for sanction by the partners and regulatory authorities, such that the project is capable of being moved into the execution phase of activities. Front End Engineering and Design ("FEED") studies were completed with input from several specialist engineering companies. These studies have been key to defining appropriate solutions for the design of the wells, the subsea infrastructure and the necessary FPSO modification and life extension works. Alongside this activity, the Operator also completed offshore surveys to gather the geotechnical and geophysical data required for the subsea and drilling rig contract tendering processes and to inform the FPSO mooring design.

Since the start of the project slowdown in the latter part of 2024, the focus of activities has largely been on closing out various technical and commercial matters that feed into the details of the development execution plan. These have included the agreement of commercial terms for utilisation of gas export infrastructure and continued engagement with wind farm developers regarding the future electrification potential of the FPSO, along with detailed engagement with Dana Petroleum ("Dana") on a multitude of pre-handover FPSO workstreams. This activity was matured to the point of obtaining clarity on the outstanding work required on the vessel to facilitate handover in the future, once completed.

While the majority of the required "Western Isles" FPSO inspection, verification and pre-transfer work has been completed by Dana to satisfy the main technical requirements of the sale and purchase agreement that was executed in 2023, the agreement longstop date was reached at the end of February 2025 before all work was completed. Dana subsequently terminated the agreement with NEO. The vessel remains anchored in Scapa Flow, in the Orkney Isles, with the Western Isles joint venture partnership responsible for on-going costs. NEO, the Buchan Operator, is a 23% owner of the vessel and the possibility remains to recontract the vessel for deployment on Buchan.

There continues to be strong engagement between the Buchan joint venture partners, particularly around the key strategic engineering decisions and plans for the development. This engagement represents an important element of the assurance and peer review process that both JOG and Serica are undertaking to properly participate in the project sanction and regulatory approval processes.

Buchan is widely regarded as one of the largest remaining undeveloped UK North Sea oil and gas opportunities. As such, it provides a route to meaningful growth in the maturing portfolios of our joint venture partners.

Solid Financial Position

Financially the Group is strongly positioned with total cash reserves at the end of 2024 of £12.3 million and no debt.

The total cash running cost of the business has been reduced by approximately 50% to an expected £1.5 million in 2025 because of actions taken by the Company following the slowdown in activities on the Buchan project. As a result of the terms of the farm-out agreements executed with NEO and Serica, the Company's 20% share of the Buchan project expenditure is fully carried by our two joint venture partners, based on the approved FDP budget. A further $20 million cash payment is payable under the terms of the farm-out agreements following approval of the Buchan FDP by the NSTA and receipt of the associated regulatory and legal consents.

A full Financial Review is provided on page 8 of this report.

Developing Homegrown Energy

The UK's Climate Change Committee's ("CCC") Seventh Carbon Budget, published on 26 February 2025, forecasts that the UK will consume between 13-15 billion barrels of oil equivalent ("boe") between now and 2050, with 4 billion boe produced domestically. This forecast represents the necessity of continued oil production in our journey to achieving net zero emissions and demonstrates why the Government is right to say that the UK's North Sea oil and gas industry will continue to play an essential role in meeting our energy needs for decades to come.

Opponents of our industry believe that curtailing supply will reduce consumption, but the CCC's forecast demonstrates the reality of our energy needs. As do the latest Government figures for the fourth quarter of 2024, which showed that whilst domestic production of primary oil fell by 9%, demand fell by only 0.4%. The gap between supply and demand is therefore met by imports, produced at higher carbon intensities, that now contribute two thirds of the UK's trade deficit.

If we are to become less reliant on fossil fuels, then we must reduce demand through changes in behaviour by both business and the public. This will require national level investment in large-scale infrastructure projects, but also individual households to commit their resources to new technologies. Investment in increased renewable electricity generation and an enhanced distribution grid will be for nothing if the public cannot in tandem afford to buy new electric vehicles or heat pumps for their homes. We therefore need a strong economy if the net zero objectives are to be met in the desired timescales.

The CCC's forecast shows the contribution that our domestic industry can deliver to the UK economy. Unlocking additional resources from waters around the coast of Britain could add £150bn of gross value to the UK economy, on top of the £200bn of economic value expected from current plans, according to the OEUK Business Outlook Report 2025. In addition, the 2025 Business Outlook produced by Offshore Energies UK reports further upside on offer with new investment in the sector potentially delivering an additional 3 billion boe. In the right regulatory and fiscal environment, the industry can supply half of the UK's oil domestically as we work towards delivering net zero by 2050.

Government must recognise that a continuation in the prevailing negative sentiment towards the industry of the last few years, coupled with a punitive EPL, means that delivery of the baseline 4 billion boe is by no means certain and the benefits of the potential upside will never be realised. The Office for Budget Responsibility, for example, reports a 26% reduction in North Sea investment since the introduction of the EPL, and we are witnessing the early cessation of production from numerous assets across the basin. This trend needs to be reversed.

A reset is therefore required, one that recognises and supports the role our domestic oil and gas industry can play in providing our vital energy needs and strengthening our economic outlook. We welcome and are encouraged by the Government's recent consultations on the future of the North Sea and on the introduction of a fairer fiscal mechanism for the industry. We have worked with our peers and industry associations in responding to the consultations, highlighting the contribution the Buchan development can deliver; namely £1 billion investment into the UK economy and direct job creation. This will stimulate a supply chain that needs support now if it is to invest and expand its offerings to the technologies of the future, facilitating investment in increased renewables infrastructure and injecting hundreds of millions into the UK Treasury.

The UK therefore has an opportunity to show true climate leadership, by demonstrating that through collaboration between Government, oil and gas and clean energy developers, we can maximise production of our own natural resources, delivering them at lower carbon intensities than imports and in turn strengthening our economy and facilitating investment in new technologies. Government can show this leadership through the introduction of a sustainable fiscal and licensing regime, that encourages investment in the oil and gas sector, slows or even reverses the rate of production decline and defers decommissioning. In doing so we can enhance our energy security and bolster our economy.

Summary and Outlook

We will continue to work tirelessly in our efforts to drive the Buchan development to a successful conclusion over the months ahead, alongside setting the right long-term future direction for the business. JOG has been at the forefront of championing a fully integrated production hub energy project that aligns with the industry's decarbonisation strategy. We believe there is more for us to do as we grow our business in the North Sea. In order to both accelerate potential value creation from the Company's existing UK tax allowances of over $100 million and bring cash flow into the business, a number of potential UK producing asset acquisitions are being actively evaluated and we continue to be proactive in our efforts to grow the business further for the collective benefit of our shareholders and other stakeholders.

The JOG team has demonstrated through our achievements to date that the Company has the skills and capabilities to deliver upon the strategic imperatives of a well-defined business plan. Accordingly, as we shape our next steps, we will draw upon those key resources to maximise the long-term value of the business for our shareholders. We greatly appreciate and value the support and patience we have received from our shareholders at this complicated time for the industry.

Les Thomas,
Non-Executive
Chairman

Andrew Benitz,
Chief Executive Officer
27 May 2025

STRATEGIC REPORT

Our vision is to become a highly profitable UK independent oil and gas company through successfully growing the business in a smart and sustainable way, developing important domestic energy supply in response to society's energy needs and creating value for all our stakeholders.

Business Review & Future Activities

The principal activity of the Company is that of an upstream oil and gas business in the United Kingdom. JOG is a public limited company incorporated in England and Wales (Company number 07503957) and is quoted on the Alternative Investment Market (AIM) of the London Stock Exchange under the ticker AIM:JOG. The Company is required by the Companies Act 2006 to set out in this report a review of the business during the year ended 31 December 2024 and the position of the Company at the end of the year, as well as the principal risks and uncertainties it faces. The information that fulfils these requirements, including discussion of the business and future developments, is set out in the Chairman and Chief Executive Officer's joint report and the Strategic Report.

Business Strategy

We are focused on building a resilient business, able to deliver on our value-led growth strategy with the aim of generating material long term returns for our shareholders.

Our strategy is focused on unlocking the organic value of our existing assets in the GBA, combined with the pursuit of potential accretive asset acquisitions that bring cash flow, diversity and quality investment opportunities into the portfolio.

Central to our strategy is identifying and stewarding the right assets, where we can add value. Our key strategic priorities set out how we will achieve this, namely:

- Leveraging the value of our core GBA assets
- Capitalising on the team's experience and track record of successfully developing and growing energy businesses
- Engaging in strategic M&A
- Maintaining a prudent and disciplined financial structure.

History & Growth

The Company has grown organically and through strategic transactions to become one of the highest quality small-cap oil and gas companies quoted on the AIM market in London.

The Company was formed in 2014 via a c.£500k combination with London quoted company Trap Oil Limited in 2015. We recapitalised the business, refocused the asset portfolio on the core UK North Sea licence area we have today and established an exciting and fully funded position in one of the UK's most material oil development projects, the Buchan development.

The delivery of this strategic plan has been made possible by attracting industry funding and investment into our capital expenditure programmes, along with prudent cost management. While finalisation of the long-term fiscal and regulatory regime that will apply in the UK North Sea is currently under consultation and has resulted in a slowdown in activities on the Buchan development project, it is apparent that satisfactory resolution of the applicable framework has the potential to unlock significant value for our shareholders.

The GBA is estimated to contain gross discovered and recoverable oil volumes of over 100 million barrels across the Buchan field and Verbier and J2 discoveries, along with significant additional exploration upside opportunities and third-party regional discoveries that could be tied back to the Buchan infrastructure.

Greater Buchan Area

Having successfully aggregated the GBA resource base over recent years and progressed the development planning required to monetise the area, the farm-out transactions that were completed in 2023 and 2024 brought in high quality industry partners and funding that has enabled the Buchan development project to progress.

In exchange for entering into agreements with NEO and Serica to divest an aggregate 80% interest in the two licences that comprise the GBA, the Company receives:

- An uncapped carry for JOG's 20% share of the costs to take the Buchan field through to FDP approval
- A 20% carry of the Buchan field development costs, as approved in the FDP; equivalent to a 1.25 carry ratio – estimated capital expenditure of approximately £950 million (100%)
- $3.2 million cash on completion of the transactions
- $15 million cash payment for finalisation of the GBA development solution, involving redeployment of the Western Isles FPSO
- $20 million cash payment following approval by the NSTA of the Buchan FDP and receipt of associated regulatory and legal consents

- $8 million cash payment on each FDP approval by the NSTA in respect of the J2 and Verbier oil discoveries.

Following completion of the transactions with NEO in June 2023 and Serica in February 2024, along with finalising the FPSO based development solution, the Company has received a total of $18 million of the abovementioned agreed milestone cash payments so far. The Company has also received the benefit to date of approximately $6 million of carried Buchan development capital expenditure.

An agreement to acquire the 'Western Isles' FPSO for redeployment on the Buchan field from its existing owners, Dana Petroleum (Operator, 76.9188%) and NEO (23.0812%), was executed in November 2023. The agreement provided for handover of the FPSO following approval of the Buchan FDP.

At the time of executing the FPSO acquisition agreement it was anticipated that the project would be in a position to achieve FDP approval around the end of 2024 and thereafter receive the transfer of the FPSO. While much of the required work was progressed to achieve this objective, the Government's decision to launch consultations regarding the environmental, fiscal and licensing regulations governing the UK oil and gas industry resulted in the inevitable decision by the joint venture in the second half of 2024 to slowdown activities on the project while awaiting additional clarity on these consultations.

In light of the delay in project sanction and the associated approval of the FDP, the FPSO acquisition agreement was terminated by Dana Petroleum in March 2025, after the agreement longstop date was passed. The Buchan joint venture's ability to recommit to the acquisition of the FPSO is naturally linked to the satisfactory conclusion of the consultations and completion of the pre-handover work Dana Petroleum is required to do on the vessel. NEO remains an existing 23% owner of the vessel, alongside Dana.

Following an application submitted to the NSTA during 2024, the Second Term of the P2498 Buchan licence was extended by 24 months to 28 February 2027. This extension was requested to provide the joint venture partners with the time required to finalise a FDP for the field. While the draft FDP has already been submitted to the NSTA for the Buchan development, the exact timing for progressing this through to approval will be determined once clarity on the longer term regulatory and fiscal terms for the industry that result from the on-going consultations are understood.

Growth Through Acquisitions

Our primary focus remains on meeting the next key milestone for the GBA, being FDP approval for the Buchan redevelopment project, and unlocking the full value of the wider area. At the same time, we continue to actively review and consider potential asset acquisition opportunities that could bring cash flow, diversity and quality investment opportunities into our portfolio. Such opportunities are thoroughly assessed in terms of the potential strategic fit, being mindful of the quality and unencumbered strengths of our existing portfolio.

OUR ASSETS

JOG has constructed a high-quality UK North Sea licence portfolio focused on the GBA. At the heart of our assets is the planned redevelopment of the Buchan oil field (formally named "Buchan Horst").

- Quality portfolio: The GBA consists of two licences, P2498 and P2170, which contain the Buchan redevelopment project, the J2 and Verbier oil discoveries and several drill-ready exploration prospects
- Strategic focus: JOG established the GBA by consolidating the licence interests and taking sole ownership of the portfolio, thereby providing control and flexibility to shape the optimal way forward and route to monetisation
- Material resource base: In aggregate the GBA licences are estimated to contain gross discovered oil and gas resources of over 100 MMboe
- Important step to monetisation: JOG completed pivotal transactions in 2023 and 2024 to secure two high-quality industry partners and funding to develop the GBA
- Valuable equity interest: JOG owns a 20% non-operated interest in the GBA, with funding to Buchan first oil provided by the GBA partners, NEO and Serica, following the farm-out transactions that have been completed
- Strong Industry Partners: NEO (50% interest, Operator) and Serica (30% interest) are leading independent oil and gas operators. Further to the recent announcement of the strategic merger of NEO and Repsol Resources UK, this combination is expected to create a business that is the second largest producer in the UK North Sea

Greater Buchan Area

The GBA is well positioned to deliver material long-term income from a high-quality development solution that is aligned with the UK's energy transition strategy.

- High-quality infrastructure: It is planned for the GBA to be developed through redeployment of the 'Western Isles' floating production, storage and offloading vessel (FPSO), a vessel that has only been in operation in the UK North Sea for seven years, until summer 2024
- 'Hub and Spoke' solution: The development plan involves the FPSO being deployed as the central oil and gas processing facility for the area, with initial production coming from Buchan followed by the tieback of the other GBA feeder fields
- Low carbon development: Combining re-use of an existing FPSO, made electrification-ready for connection to one of the planned nearby floating offshore wind power developments, makes it the lowest full-cycle carbon footprint solution for the area

Central to the creation of the GBA production hub is the redevelopment of the Buchan oil field. The plan involves the installation of new subsea production gathering infrastructure tied back to the 'Western Isles' FPSO (subject to acquisition of the vessel).

The Buchan field is to be produced through up to five gas-lifted production wells, supported by two water injection wells, with oil offloaded from the FPSO via shuttle tanker and excess gas exported via a new gas export pipeline. The FPSO will be modified to be 'electrification-ready' prior to redeployment to the field, such that it can be connected to one of the anticipated third-party floating wind power developments that are intended to be located in close proximity to the GBA following the Innovation and Targeted Oil & Gas (INTOG) licence awards made by Crown Estate Scotland in 2023.

Buchan Redevelopment

The Buchan field is considered one of the largest development projects in the UK North Sea and forms the central element of creating a production hub that is in-sync with the industry's decarbonisation strategy.

- Material resources: the Buchan field is estimated to contain gross recoverable oil and gas resources of approximately 70 MMboe (95% oil), representing the third largest remaining development in the UK North Sea
- Well understood reservoir: Buchan was in production for 36 years, under the ownership of BP, Talisman and Repsol-Sinopec. The field was prematurely shut-in during 2017 due to issues with the host processing facilities, leaving significant untapped potential that is being targeted by the field redevelopment plan
- Optimised subsurface plan: Deviated production wells are to be drilled in the crest of the structure using the latest 3D seismic, with reservoir pressure support provided by water injection, to maximise oil recovery from the field

The P2498 Buchan licence was awarded to JOG in 2019, as part of a wider area development strategy for the GBA. The Buchan oil field lies in approximately 110 metres of water and is located in UKCS blocks 20/05a and 21/01a, 150km northeast of Aberdeen in the UK North Sea.

The field was discovered by well 21/01-1 in 1974, which encountered a ~600 metre oil column in over-pressured, fractured, sandstones of the Upper Devonian to Lower Carboniferous Buchan Formation. The field comprises a horst-like, tilted, and eroded fault block with four-way dip closure. Following appraisal drilling to delineate the field, Buchan was bought into production by BP plc in 1981 with nine development wells and had initial peak oil production of approximately 55 kbbl/d.

Over a period of 36 years the Buchan field produced 148 MMbbl of 33 °API sweet crude oil, together with 37 Bscf of associated gas. The field ceased production in 2017 due to the certification limitations of the Buchan Alpha floating production vessel that was used as the processing facility for the field. At the time the field was shut-in, only around 29% of the estimated mid case oil in place had been produced at a water-cut of approximately 50%.

The premature termination of production and subsequent relicensing of the acreage to JOG, has provided the opportunity to implement an optimised and fit-for-purpose redevelopment plan designed to maximise economic recovery and exploit the significant potential of the field.

GBA Feeder Fields

The Buchan redevelopment plan provides the springboard for monetising the wider GBA portfolio.

- FPSO feeder fields: The Verbier & J2 oil discoveries contain estimated mid case gross resources of over 40 MMboe
- Phased development plan: Discoveries lie within approximately 12km of the GBA central infrastructure planned for the Buchan field redevelopment and can be tied back to the FPSO to extend GBA peak production rates
- Potential exploration upside: The drill-ready Cortina, Wengen and Verbier Deep exploration prospects all lie within the GBA licences
- Potential third party tie-backs: The opportunity exists to secure potential processing tariff revenue from the tie-back of third-party discoveries that lie in the vicinity of the GBA

Verbier Discovery

The "Verbier" oil discovery is located in Blocks 20/5b and 21/1d in licence P2170. Having completed farm-outs to Equinor and CIECO in 2016, an exploration well, followed by an appraisal well, delineated the Verbier oil discovery. JOG subsequently consolidated the licence interests to obtain sole control of P2170 and established the discovery as part of its wider GBA development strategy.

The Verbier discovery, drilled by well 20/05b-13Z, is considered to be an extension of the Kimmeridge Clay Burns Sandstone J2 discovery and is located some 3-4 km due west of well 20/05a-10Y. The Upper Jurassic sequence is relatively thin over the upthrown Buchan and Scotney highs but thickens rapidly into the North Buchan Trough to the north and east. This stratigraphic interval has been tested by well 20/05a-10Y and has also proved to contain good quality reservoir within the Kimmeridge Clay Formation in wells 20/05b-13 and 13Z drilled in 2017 by Equinor.

J2 Discovery

The "J2" oil discovery is located in the P2498 Buchan licence area (Blocks 20/05a and 21/01a) and was drilled by well 20/5a-10Y in 2006. The well was drilled as a deviated well to test the westerly culmination of a 3-way dip and fault closed structure mapped at Late Jurassic, Sgiath Formation level and located on a structural terrace downthrown to the north of the Buchan field. The well encountered hydrocarbons within the objective shallow marine Sgiath Formation Sandstone that flowed at 2,850 bopd plus 1.2 mmscfd (37-degree API, GOR 426 scf/bbl) on test. The well also encountered ~16 metres of excellent quality, deep marine, intra Kimmeridge Clay Formation, Burns Sandstone that flowed at 4.8 kbbl/d plus 2.6 mmscfd (39-degree API, GOR 500 scf/bbl) on test. JOG estimates that the J2 oil field contains approximately 20 MMboe of mean case recoverable oil volumes across the two reservoirs.

GBA Licences

Both the P2498 (Buchan) and P2170 (Verbier) licences are in the Second Term, the period in which licencees need to obtain FDP approval to subsequently move into the Third Term, which covers the development and production phase of activities for the life of a field. The end of the Second Term of the P2498 licence is 28 February 2027 and 29 August 2026 for the P2170 licence.

FINANCIAL REVIEW

The GBA farm-outs to NEO and Serica which completed in 2023 and 2024 respectively, transformed the financial position of the Group through the unlocking of cash milestone payments. The resilience of the Group to remain fully funded through the extended period to anticipated FDP sanction has also been strengthened substantially by major reductions in the overhead costs of running the business.

Cash Resources and Short-Term Investments

The Group ended 2024 in a comfortable position, with cash and term deposits up over £1.8m at £12.3m (2023: £10.5m) and with no debt.

Consolidated Statement of Comprehensive Income

As in the prior year, the Group had no trading revenues in 2024. Administrative expenses reduced 28% from £5.7m in 2023 to £4.1m while interest income increased over 4 .7 times from the prior year to £0.5m.

Expensed Costs

2024, like 2023, was defined by the successful completion of a farm-out of the GBA licences, which resulted in the Group incurring associated external consultancy fees. The deal-related external fees incurred in 2024 totalled £0.7m (2023: £0.8m) were in respect of M&A, tax and legal services. The transactions also crystallised bonus payments to staff and Executives of £0.5m (2023: £0.9m). In addition, there were non-cash share-based charges of £0.8m during the year (2023: £1.6m).

The core cash overheads of the business absent the above deal-specific and non-cash costs were £2.0m (2023: £2.4m) and £1.5m (2023: £2.3m) net of interest.

Capitalised Costs

Costs directly associated with the GBA development project continue to be capitalised and amounted to £0.8 million in 2024, net of partner recharges (2023: £1.1 million). These costs were a combination of license fees, completion of engineering studies and manpower costs required to select the optimal development solution and to advance regulatory approval through submission of a Concept Select Report to the NSTA.

During the year, £0.4m of costs were recovered from the GBA partners related to the secondment of JOG personnel to the NEO project team (2023: £0.4 million).

Simplified Summary of 2024 (refer to pages 49-52 for Full Audited Group Financial Statements)

Cash Movement in Year (£ million)	2024	2023	
Cash & Deposits (1 January)	10.5	6.6	
NEO & Serica Farm-Outs			
- Receipt	5.5	9.1	a
- Fees / Bonuses	-1.2	-1.7	b
Overheads (incl. interest)			
- Expensed	-1.5	-2.3	c
- Capitalised	-0.8	-1.2	d
Cash & Deposits (31 December)	12.5	10.5	

Loss in Year	2024	2023	
Overheads (incl. interest)	-1.5	-2.3	c
NEO Farm-Out Fees / Bonuses	-1.2	-1.7	b
Non-Cash - Share Option Charges	-0.8	-1.6	
	-3.5	-5.6	

Balance Sheet (Intangible Assets)	2024	2023	
Cost Capitalised	0.8	1.2	d
NEO Farm-Out Receipts	-5.5	-9.1	a
	-4.7	-7.9	

Underlying Cash Costs

The combined core cash overhead and capital expenditure spend during the year was £2.3m (2023: £3.5 million). This represented a 1/3 reduction from the prior year and was 23% lower than the forecasted spend of £3.0m for 2024.

As set out in the 2024 Interim results, the slowdown in Buchan project activities resulted in the Company implementing a number of measures in Q4 2024 to further reduce the costs of running the business during this period of reduced activity.

- The Board of Directors was reduced, with Marcus Stanton retiring as a Non-Executive Director at the end of 2024 and no replacement appointed;
- All remaining staff and Directors' salaries have been reduced by 50% during this time; and,
- Steps have been taken that are expected to result in a reduction of other corporate and operational running cost by a further £0.5 million.

These measures are forecast to result in the cash costs falling by a further 50%, from an underlying annualised level of £3 million, to under £1.5 million.

GBA Farm-Outs

Following the completion of the farm-outs with NEO and Serica, JOG is fully carried for all of its 20% share of the project costs to take the Buchan field through to FDP approval and is also fully carried through the work programme for the Buchan development project included in the FDP budget approved by the joint venture partners and the NSTA.

In addition, because of the Serica farm-out completing during the year, a payment was received, net of a £0.5m cost carry reimbursement pass-through to NEO, of £5.5 m.

In accordance with the Group's farm-out accounting policy these payments, like those received in the previous year from the NEO farm-out, were credited against the book value of the GBA (exploration and evaluation asset) carried on the Consolidated statement of financial position.

Key Performance Indicators

The Group's Key Performance Indicators ("KPIs") in 2023 were dominated by the farm-out of the GBA licenses. While the Serica farm -out was signed in 2023 the completion and associated bonus payments were linked to a 2024 KPI of completion by 29 Feb (15%). While this target was achieved the target of obtaining Field Development Approval in 2024 was not achieved (45%). Consequently, the KPI linked to improvement in the Share Price was also missed (20%). Additionally, there was a financial KPI which related to tightly controlled cash expenditure (15%) and non-financial KPIs which relate to Health, Safety, Security and the Environment ("HSSE") (5%). These were delivered through the absence of any HSSE incidents and the continued delivery of core cost reduction through tight cost management and reduced manning.

In summary, while over a third of the KPI's were met the key omission has been the delay in FDP approval following the fiscal and regulatory uncertainty in the UKCS which existed during the year.

Going forward the central KPI's are advancing FDP approval and seeking M & A opportunities. The importance of prudent cost management and safe, ESG-conscious operations are also reflected in the 2025 KPI's.

Outlook

Having delivered a full carry on both pre-sanction costs and the capital expenditure to be set out in the approved Buchan FDP, the Group has secured full funding for the planned redevelopment of the Buchan field. In addition, as a result of ending the year with total cash reserves of £12.3m, combined with the prudent measures taken to reduce the cash running costs of the business to under £1.5m, the business is robustly funded to be able to weather the delays in FDP approval of the Buchan development.

Graham Forbes
Chief Financial Officer
27 May 2025

SECTION 172 STATEMENT

The Directors are required by law to act in a way that promotes the success of the Company for the benefit of shareholders as a whole. In so doing they must also have regard to wider expectations of responsible business behaviour and have regard to the Company's stakeholders and the matters set out in Section 172(1) of the Companies Act 2006.

The Board fully recognises the need to balance the contrasting and, at times, conflicting interests of various stakeholder groups, whilst focusing on the Company's purpose, values and strategic priorities. Such engagement underpins the governance framework embedded throughout our business and helps to ensure we maintain the highest standards of business conduct.

During the year, the Directors have actively engaged with a number of our stakeholders to build understanding of their position and what matters to them. This understanding is factored into the Board's decision-making process.

In relation to the decisions made by the Board during the year ended 31 December 2024, the Board consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole, having regard to its stakeholders and the matters set out in Section 172(1) of the Companies Act 2006.

Set out below are examples of the Board's key decisions made during the year, which illustrate how the Directors have fulfilled their duties.

Decision	Asset Acquisition Transactions
▪ Context & Link to Strategy	In line with the Company's strategic objectives to accelerate the potential value creation from its existing UK tax allowances pool and bring cash flow into the business, a wide range of asset acquisition opportunities have been evaluated and a number of non-binding proposals submitted to various companies.
▪ Stakeholders	Investors, Employees, Regulator
▪ Process	The Board is actively engaged in the review of potential acquisition opportunities and submission of proposals to potential counterparties. The Board considers a wide range of factors when assessing potential transactions with a view to ensuring they are in the best long- term interest of the Company, including: ▪ The strategic and financial benefits and risks of potential transactions. ▪ The ability of the Company to finance and optimally structure potential transactions, including hedging strategies to de-risk future cash flows. ▪ The potential operational risks and future decommissioning costs associated with any assets. ▪ The quality, financial position and strategic alignment of future joint venture partners and the ability to secure approvals from such partners and the regulatory authorities.

Decision	Serica Energy Farm-Out Transaction
▪ Context & Link to Strategy	In November 2023, the Company entered into a further farm-out agreement with Serica to divest a 30% interest in the GBA licences in return for a number of cash milestone payments and a carry for certain elements of JOG's retained 20% interest in the Buchan field redevelopment capital expenditure programme. The transaction received regulatory approval in early 2024 and was formally completed in February 2024. This transaction followed the corresponding deal completed with NEO in 2023.
▪ Stakeholders	Investors, Partners, Employees, Regulator
▪ Process	The Board considered the terms of the agreement and decided that it was in the best long- term interest of the Company based on several factors, including: ▪ Delivering an overall solution for the Company's funding requirements for retaining a material 20% interest in the GBA licences, and particularly the Buchan redevelopment project. ▪ By augmenting the GBA joint venture with the addition of Serica Energy, the transaction further strengthened the technical and financial robustness of the partnership. ▪ The transaction further enhanced the financial strength of the Company by unlocking additional cash milestone payments. ▪ The transaction removes the need for the business to raise additional equity to fund its share of the Buchan field redevelopment programme. ▪ By securing a complete farm-out solution for the GBA, the transaction is fully aligned with the Company's stakeholder objectives.

Engaging with our stakeholders is an integral part of how we operate as a business. This engagement enables us to continue building the business and maintain a motivated workforce, dependable supply chains, close relationships with Government Regulators, while providing good returns for our shareholders and a positive social impact on our local communities. We set out below our key stakeholder groups and how we engage with them.

Shareholders	
▪ Shareholder Communication	It is important that our shareholders understand our strategic priorities and ambitions and their views help inform our decision-making. Communication and engagement are critical to this aim. We held our last Annual General Meeting in June 2024. Our financial results are announced twice a year, and regulatory news announcements provide communication to our shareholders throughout the year, along with our Annual Report which is designed to help investors and other stakeholders understand our business and its performance. In conjunction with our announcements our Chief Executive Officer and other members of the Executive Team meet regularly with, and update, our investors. Substantial work has also gone into developing the Company's website so that it provides useful information on our operations and investment outlook.

Joint Venture Partners	
▪ NEO Energy & Serica Energy	The success of the GBA development will be closely linked to successful engagement and communication between the GBA joint venture partners. Regular engagement takes place at all levels within the three organisations, through both regular dialogue and written communication. Formal meetings, where all three partners are present, include Steering and Technical committee meetings that are held monthly.

Human Resources	
▪ Employees ▪ Contractors ▪ Advisors	Our staff and contractors are key to delivering on our business goals and ambitions. We rely on their skills, experience, knowledge and diversity to deliver our vision to grow a successful, sustainable and valuable business. We promote and maintain a strong and embedded culture of health and safety, which is of fundamental importance to us. We are proud of what we have built and achieved and work to ensure the business applies good governance practices, based on strong principles and leadership. We value all employees, and we ensure that our communications are inclusive, providing full transparency across the business. As a Company, we are focused on sustaining a positive business culture and continue to promote our values and behaviours through performance reviews and communication.
Government	
▪ Industry Regulators	Regulators are key external stakeholders across various aspects of our business and particularly in activities that require statutory permits or consents. Briefings and meetings with the various regulators occur at regular intervals. These sessions are typically used to provide updates on schedules, a look-ahead on work to be undertaken and to advise of any forthcoming regulatory submissions or notifications. The Company maintains an active dialogue with its principal regulator, the NSTA. This has been particularly so during the processes undertaken to obtain regulatory approvals for completion of the GBA farm-out transactions in 2023 and 2024, along with approval for the transfer of operatorship of the GBA licences to NEO. Following completion of the farm-outs, the Buchan joint venture's interactions with the NSTA and OPRED have been largely centred on advancing the draft FDP that has been submitted for the Buchan development and the associated Environmental Statement.
Suppliers	
▪ Procurement and Contracting	The Company's Procurement Policy is underpinned by our internal procedures, which detail the specific processes and governance procedures implemented to provide the most efficient, effective and cost-conscious supply service, which incorporates governance, risk management and prompt payment protocols. Our effort is to always be professional and establish a reputation as being a reliable customer with whom suppliers and partners want to do business. When taking on a new supplier, we conduct a detailed review to ensure that we understand not only the quality of their product or services, but also their policies, procedures and working practices, in order to make sure they are consistent with our values and compliance requirements. We keep our suppliers informed of our business performance through public disclosures and communications where appropriate. This approach to procurement and contracting is a framework that is also reflected in the processes and procedures of our key joint venture partners.
Community	
▪ Corporate Citizenship	We aim to be a contributor to economic growth by providing investment opportunities and creating jobs. We aim to ensure that many people can benefit from our operations. We also provide support for our local communities through a variety of initiatives including raising funds for the Army Benevolent Fund and Rock2Recovery, two charities that provide significant support for the Jersey veteran community, emergency responders and their families who are affected by stress. Our CEO is a volunteer and co-director of the Jersey Roast Beef charity lunch that since inception has raised over £750,000 and JOG is a proud sponsor of these bi-annual fundraising lunches. We also sponsor the Jersey Oil and Gas curling team, who play in the Aberdeen Finance League.

RISKS

The Group operates in an environment that has substantial risks, albeit ones that it aims to mitigate and manage. These risks must be carefully balanced to maximise the chances of providing attractive returns for our shareholders. These risks are managed with the oversight of the Board. A risk register is reviewed on a routine basis with the primary risks being presented and discussed at Board meetings.

The risks and opportunities set out below and herein are not exhaustive and additional risks, uncertainties and opportunities may arise or become material in the future. Any of these risks, as well as other risks and uncertainties discussed in this report, could have a material adverse effect on the business.

Strategic and External Risks and Opportunities

- Regulatory obligations
- Material changes in Governmental approach towards continued hydrocarbon exploration, development and production
- Judicial review
- Adverse taxation and legislative changes
- Material oil price movements

The primary risk to the Group is securing sanction of the Buchan redevelopment project, both from our industry regulators and our joint venture partners.

The Group works continually to foster positive relationships at all levels with relevant Government and regulatory bodies, including but not limited to the NSTA, the Department for Energy Security and Net Zero and the Offshore Petroleum Regulator for Environment and Decommissioning (OPRED). However, political uncertainty regarding the long-term direction of the environmental and fiscal regimes governing the UK oil and gas industry has resulted in a period of flux around the approach and attitude towards approval of future UK hydrocarbon development projects.

The Group is exposed to various regulatory obligations as part of maintaining its UK North Sea licences. JOG's portfolio consists of licence P2498 (Buchan and J2) and P2170 (Verbier). In February 2025, the NSTA approved an extension of the Second Term of the P2498 licence by 24-months, until February 2027, in order to provide the licencees with the time required to finalise an FDP for the Buchan field. The P2170 licence has a Second Term duration until August 2026. Retention of each licence requires the relevant FDPs to be approved by the NSTA by the end of the Second Term of each licence. The Group maintains an active dialogue with the NSTA on its activities and seeks to ensure it can adjust any licence obligations that reasonably require additional time to effectively execute its plans.

Joint Venture sanction, commonly referred to as the "Final Investment Decision" ("FID"), of the Buchan redevelopment project is dependent on successful completion of Front-End Engineering and Design activities, along with the associated contracting programme for the ultimate execution of the development work progamme and finalisation of the subsurface modelling work. This allows an FID decision to be taken by the joint venture partners based on the projected budget and perceived financial prospects for the project, set against the anticipated risks.

The major external risk factors which are likely to influence project sanction are long term views on oil prices and the anticipated attractiveness and stability of the UK's fiscal regime for the oil and gas sector.

Approval of the FDP for the redevelopment of the Buchan field, along with joint venture partner sanction, is key to achieving future cash flows from the field. Obtaining the necessary approvals cannot be guaranteed, although the Company will continue to work closely with the various regulatory authorities and its joint venture partners to ensure a robust and socially responsible development plan is approved and implemented for the field. External challenges to the NSTA's approval of any FDP are possible, which may result in judicial review, potentially resulting in substantial delays to both the project and receipt of the remaining $20m of farm-out payments from NEO and Serica.

The Group is operating in an evolving environment where the energy transition and decarbonisation of the wider economy will impact current and future operations. The most immediate material matter associated with this is the evolving industry requirements associated with the reporting of forecast "Scope 3" emissions from new development projects, such as Buchan. The Government is currently reviewing the applicable guidance on this issue, which will impact the required environmental submissions that need to be made as part of advancing approval for the Buchan project. It is anticipated that the scale and environmental characteristics of the Buchan development project should be in line with the requirements of the revised guidance. From a wider and longer-term perspective, the Group's strategy recognises that the world is moving towards a lower-carbon energy system, while acknowledging that the pace and specific path forward remains uncertain. This means the Group will need to make agile business decisions in step with society.

The Group may expand its portfolio through the acquisition of growth assets in the future to provide asset diversification. This could result in the Group facing additional risks.

The market price of oil has seen relative stability over the last 18 months, broadly trading within the $70 –90 range. However, recent volatility, resulting from the 'Trump tariffs' has seen oil prices break out of this range and trend briefly downwards to around $60/bbl. This price volatility is outside of the control of the Group.

Financial Risks

- Availability of industry funding and / or access to capital markets
- Oil and gas price movements
- Long term cost overruns and inflation

By securing the GBA farm-out deals with two strong industry partners the Group has addressed the key near term funding risks of the business.

In addition to substantial cash payments that have been received, the Group is carried for all pre-sanction costs associated with its remaining 20% equity holding in the Buchan redevelopment project. Furthermore, the Group is also fully carried through the work programme for the Buchan redevelopment project included in the FDP budget approved by the joint venture partners and the NSTA.

It should be noted that the Group is exposed to the risk of potential cost overruns if the approved development budget is exceeded. This is mitigated by agreement amongst the joint venture partners on actions regarding contracting strategy to lock in costs and the provision of appropriate contingencies.

Close relationships are maintained with banks and the investor community as the Group may require additional capital to facilitate potential future acquisitions or to meet project development cost over-runs. While no needs currently exist the ability to flexibly access such funding is invaluable. We are also regularly in talks with various third parties and shareholders regarding the potential provision of capital with which to execute any future acquisitions.

Based on current budgets and forecasts, the Group is well-funded to pursue its objectives. Budgets and cash flow projections, considering a range of cost inflation and joint venture investment scenarios, are prepared and updated regularly, circulated to all Directors and reviewed at Board meetings. The Group expects to be able to operate during 2025 and beyond within its existing cash reserves based on its current work programme, subject to there not being any material unforeseen expenses.

The Group currently has no income exposure to oil and gas price fluctuations since there is no production accruing to the Group from its asset portfolio. Nevertheless, the underlying medium/long term strength of oil and gas prices can impact on development sanction decisions and the ability to raise funds, if required, as it can impact the value of its assets.

At present, the Group holds almost all its available cash resources in Sterling, hence it has minimal forex exposure.

Fiscal Risks

- UK North Sea tax regime

The Group is exposed to any changes in the UK tax regime, for which the terms of the longer-term regime are subject to the conclusions of the consultation that was launched by the Government during 2025. The Group supports the work of the industry bodies that are engaged in influencing Government policy to encourage investment in oil exploration and production. Much of the engagement is centred on the underlying economic logic of seeking to ensure that an appropriately supportive fiscal regime is in place that maximises jobs and tax revenues while domestic hydrocarbon demand remains. In addition, the Group engages with the appropriate industry consultants to assist in the management of the Group's tax planning and compliance matters.

Operational Risks

- Contractually re-securing the Western Isles FPSO
- Co-venturer and other counterparty risk
- Loss of key employees
- Delay and cost overruns, including weather related delays
- HSSE incidents
- Failure of third-party services
- Inherent geological risks and uncertainties

The GBA development is operated and managed by NEO, which is a leading UK North Sea producer with the in-house expertise, skills and knowledge, to tackle the operational risks associated with current and planned activities, including HSSE and the management of third-party contractors and service suppliers.

Early in 2025, the contractual agreement to purchase the Western Isles FPSO reached its long-stop date and consequently was terminated by Dana Petroleum. Project sanction will require the joint venture to re-contract this FPSO or secure another suitable development option. The FPSO is currently owned by Dana Petroleum (77%) and NEO Energy (23%).

The Group is exposed to the usual range of co-venturer risks, given the GBA licences are jointly owned with NEO and Serica. These include the ability of co-venturers to finance their own share of asset expenditures, which also includes the Group's share of Buchan development project expenditures resulting from the farm-out carry arrangements. Such risks should however be mitigated by the scale and capabilities of both the co-venturers.

The Group recognises that to achieve its long-term strategy it will need to continue to take an active approach to identify, attract and retain the skills and expertise needed and to incentivise employees appropriately. The oil and gas sector is a particularly expensive sector in which to operate from a personnel perspective. The Group tries to ensure that it is a lean organisation, appropriately staffed and that employees are working under contracts that provide the Group with a degree of protection should people leave its employment. Retention of key staff is aided by the award of share options and a bonus scheme throughout the full staff structure.

Through the employment of high-quality, experienced staff and contractors, combined with efficient and effective management overview and controls, it is believed that the Group can mitigate many of the risks associated with its operations.

Full operational risk cover is provided as required through the Group's insurance brokers and the contractual arrangements of the Buchan development Operator, NEO. The Group monitors and evaluates all aspects of HSSE performance including those of the Buchan Operator and has adopted continuous improvement business practices and processes, that are monitored and evaluated at every level of the organisation. The Group will continue to conduct its operations, and oversee those of its asset operators, to ensure they are carried out in a responsible manner that protects the health, safety and security of employees, contractors and the public and minimises the impact on the environment.

The Group is exposed to the inherent geological risks and uncertainties associated with the oil and gas industry. Such risks can result in the volume of hydrocarbons ultimately recovered from the Group's assets and the associated production profiles being different to the projected reservoir performance characteristics. The Group undertakes thorough technical evaluations of all its licences, including subsurface mapping and reservoir modelling. This work is carried out by technically competent and experienced personnel, supported where appropriate by leading technical consultants and third-party specialists. A prudent range of input assumptions and possible outcomes are considered within planning processes and opportunities to minimise the impact of subsurface risks incorporated into drilling and engineering evaluations and plans.

The foregoing risks, together with the Group's relationships with the Government and regulators, are discussed and monitored as part of on-going Board review processes.

BOARD OF DIRECTORS

Les Thomas
Non-Executive Chairman

Les Thomas has over 40 years' experience in the oil and gas industry in various subsurface, engineering, operational and senior management positions. He has been instrumental in growing a number of small and large publicly listed businesses, through phases of organic growth and via asset acquisitions and corporate transactions. He has also delivered upon the successful sale and exit of various assets and companies.

Les was formerly the CEO of Ithaca Energy from 2013 to 2020 and previously served for eight years on the Board of John Wood Group plc, as the Chief Executive of its Production Facilities business and the Group Director responsible for HSE. Prior to this, he spent 22 years with Marathon Oil UK Limited in various locations and roles, including four years as European Business Unit Leader.

Les is a Non-Executive Director of privately owned Denholm Energy Services Ltd, as well as serving as a Non-Executive Director of Avingtrans Plc, an AIM quoted engineering and manufacturing business.

Les has a BSc (1st class hons) in Civil Engineering and a master's degree in petroleum engineering, both from Heriot Watt University in Edinburgh.

Andrew Benitz
Chief Executive Officer

Andrew Benitz was a Founding Director of Jersey Oil and Gas E&P Ltd (now a subsidiary of Jersey Oil and Gas plc) and has over 20 years' experience in financial markets and company management. Andrew has significant experience in leading and growing ambitious and focused oil and gas businesses and has a wealth of listed company experience.

Prior to founding Jersey Oil and Gas, Andrew was CEO of Longreach Oil and Gas Ltd, a TSX-V quoted company. He joined Longreach in 2009 as Chief Operating Officer when it was a small private company and oversaw the company's growth, by building a significant portfolio of oil and gas assets in Morocco. Prior to his move into industry, Andrew worked at Deutsche Bank AG as an Analyst within the Oil and Gas Investment Banking Group, as well as within the Equity Capital Markets team, where he worked on a broad range of oil and gas M&A transactions, together with equity and equity-related financings.

Andrew is the Non-Executive Chairman of Kalahari Copper Ltd, an African copper exploration business and a founder and Director of Titan Properties SL, a real estate business in Spain.

Andrew has a BSc (Honours) in Commerce from Edinburgh University.

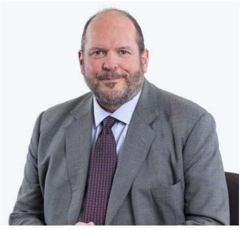
Graham Forbes
Chief Financial Officer

Graham Forbes is a Chartered Accountant with over 20 years' experience in the oil and gas industry. Graham has a wealth of experience of managing and financing growing private and publicly listed oil and gas companies, along with significant M&A experience.

Prior to joining Jersey Oil & Gas in 2021, Graham was the CFO of Ithaca Energy from 2010 to 2020. During this period, Graham was instrumental in transforming the company into a major independent UKCS operator through both organic developments and multiple acquisitions. He has extensive quoted company and corporate finance experience, having completed various debt and equity market offerings and the US$1.2 billion sale and subsequent delisting of Ithaca Energy.

Graham has a MA(Hons) in Economics with Accountancy from Aberdeen University and qualified as a Chartered Accountant at PWC before moving to ExxonMobil, where he worked on a variety of operational and acquisition-based projects. Prior to his move to Ithaca Energy, Graham joined First Oil Group in 2002 where, as Finance Director and then Executive Director, he helped develop the business into the UK's then largest privately owned E&P company.

Graham is a Non-Executive Director on a number of subsidiaries of Waldorf Production Limited.



Frank Moxon
Senior Independent Director

Frank Moxon has nearly 35 years' experience as a corporate financier and financial adviser to companies, ranging from start-ups to businesses over £3 billion in size, in a wide range of industry sectors. For the last 26 years, he has specialised in the oil & gas and mining sectors, where he has successfully advised growth-focused companies on financial structuring, equity and debt capital raisings and M&A transactions across a variety of different strategic contexts and geographic locations. He played a key role in facilitating the reverse takeover that introduced the Company to its initial oil & gas asset portfolio.

Frank has held several senior management roles within the financial services industry and, in addition to having been Senior Independent Director at Cove Energy Plc, has been a director of various oil & gas and mining companies listed in London, Australia and Canada. He is currently also a non-executive director of PHSC Plc and the East of England Co-operative Society.

Frank has a BSc in Economics and is a Fellow of the Energy Institute and an Honorary Chartered Fellow of the Chartered Institute for Securities & Investment.

Marcus Stanton
Non-Executive Director
(resigned – December 2024)

Marcus Stanton has extensive experience in the oil & gas and banking industries and has been a Non-Executive Chairman and Non-Executive Director of a number of AIM quoted companies over the past 20 years. These have included various oil and gas companies, both in the UK and overseas, covering E&P and oil and gas services. Through these various Board positions, Marcus has been involved in providing strategic guidance on all the many complex aspects of developing and financing growing publicly listed companies operating across the oil and gas sector.

Marcus qualified as a Chartered Accountant at Arthur Andersen, where he worked in the oil and gas division. His previously held banking roles include Chief Operating Officer of Global Capital Markets, Robert Fleming & Co. and Director, Corporate Finance, at Hill Samuel & Co. Marcus also provides expert evidence on banking transactions, both in the UK and overseas.

Marcus is a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Fellow of the Chartered Institute for Securities and Investment. Marcus graduated from Oriel College, Oxford.

Marcus retired from the Board of Directors in December 2024.

CORPORATE GOVERNANCE REPORT

Jersey Oil and Gas is committed to maintaining a high standard of corporate governance and believes that effective governance is essential to its success

As Chairman of the Board, it is my responsibility to ensure that appropriate policies and procedures are in place and operate efficiently.

The Board of Directors of Jersey Oil and Gas believes that a sound corporate governance policy, involving a transparent set of procedures and practices, is an essential ingredient to the Company's success both in the medium and long term. The application of this policy enables key decisions to be made by the Board as a whole, and for the Company to function in a manner that considers all stakeholders, including employees, suppliers and business partners.

The Board of Directors has overall responsibility for setting the Company's strategic aims, defining the business plan, strategy and managing the financial and operational resources of the business. The delivery and implementation of the business plan and strategy resides with the Chief Executive Officer and the executive team.

At the current stage of the Company's development, the Board believes it appropriate to work in line with the Corporate Governance Code prepared by the Quoted Companies Alliance. The code is designed for growing companies and provides an effective and proportionate governance framework that is reflective of our Company's culture and values.

Corporate Governance Framework

The Quoted Companies Alliance (QCA) Code requires the Company to apply the ten principles of corporate governance as set out below and to publish related disclosures in the Annual Report, on the corporate governance section of the website: www.jerseyoilandgas.com, or a combination of the two. Jersey Oil and Gas has followed the QCA Code recommendations and is pleased to set out the information below in relation to all the principles.

1. Business Strategy

Jersey Oil and Gas is a UK energy company focused on creating shareholder value through the development of oil and gas assets and the execution of accretive transactions.

The strategy of the business is focused on unlocking the organic value of our existing assets in the GBA, combined with the pursuit of potential acquisitions that bring cash flow, diversity, and quality investment opportunities into the portfolio.

Central to the strategy is identifying and stewarding the right assets, where the Company can add value. The key strategic priorities for achieving this involve:

- Leveraging the value of our core GBA assets
- Capitalising on the team's experience and track record of successfully developing and growing oil and gas businesses
- Engaging in strategic M&A
- Maintaining a prudent and disciplined financial structure

Information on risks and uncertainties that may represent challenges to the execution of the Company's strategy and business model and how such risks and uncertainties are managed by the Company are set out in the Risks section of this Annual Report.

2. Shareholder Communication

The Board considers that good communication with shareholders, based on the mutual understanding of objectives, is important. In addition to the publication of the Company's Annual and Interim reports, there is regular dialogue between the Board (led by the Chief Executive Officer) and shareholders, as well as the issuance of the required public announcements. The Chief Executive Officer and the Chief Financial Officer give regular presentations to investors, including one-to-one meetings with major shareholders during the year.

An up-to-date information flow is also maintained on the Company's website, which contains all press announcements and financial reports as well as investor presentations and operational information on the Company's activities. The Board also encourages shareholders to attend the Annual General Meeting, at which members of the Board are available to answer questions and present a summary of the year's activity and the corporate outlook. The Board is kept informed of the views of major shareholders by briefings from the Executive Directors and the Company's brokers. Analyses of the share register are also periodically circulated to the Board, together with updates from analysts.

3. Stakeholder Responsibilities

The Board takes an active role in addressing the environmental, social and governance aspects of the business, with the Company's operating activities led by the principles of the UN Global Compact.

It is well recognised that the long-term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. As a small and inclusive organisation, the Company is readily aware of any employee practices that are inconsistent with its values and plans. The Company nevertheless has in place many of the procedures found in larger companies, which is complemented by the wealth of experience of the Board in addressing employee related matters.

The Board firmly believes that high Health, Safety, Security and the Environment (HSSE) standards are crucial to the Company's operational success. All Directors, officers, managers, employees and contractors are required to comply with our HSSE Policy, which is reviewed periodically by the Board and, if necessary, updated and re-issued. Our overall approach to stakeholder and social responsibilities is covered in further detail in the Sustainability Report contained in this Annual Report.

4. Risk Management

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The system is designed to manage, rather than eliminate, the risk of failure to achieve the execution of the Company's strategic objectives and business model. These controls include Board approval for all policies, procedures and significant projects.

The Board monitors financial controls through: a) a budgeting and planning process, requiring approval by the Board; b) the receipt of monthly management reports covering the Company's financial affairs; c) internal controls as articulated in the Company's Financial Reporting Procedures; and d) a review by the Audit Committee of the draft annual and interim reports, and the Company's annual budget, before being recommended to the Board.

As regards non-financial risks and opportunities, and given the current size of the Company, it is considered preferable for this part of the Company's risk management to be the responsibility of the Board as a whole, rather than a sub-committee. As part of this process, a company-wide Risk Register is maintained and discussed at Board meetings.

5. Board Management

The Board is the main decision-making body of the Company, with both formal and informal meetings held during the year. The Board is comprised of:

- Les Thomas, Non-Executive Chairman
- Andrew Benitz, Chief Executive Officer
- Graham Forbes, Chief Financial Officer
- Frank Moxon, Senior Independent Director
- Marcus Stanton, Non-Executive Director (retired in December 2024)

All the Executive Directors are employed under service contracts and work full time for the Company.

The Non-Executive Directors work part time, the extent of which varies depending on the ongoing activities of the business. The Board considers that all the Non-Executive Directors are independent in character and judgement. They have shareholdings (acquired with their own funds) and a limited number of share options (granted as part of the annual remuneration process and approved by the Board), and the Board considers that this does not impair their judgement and aligns them well with the interests of shareholders.

The Board and its Committees receive appropriate and timely information prior to each meeting. A formal agenda is produced for each meeting and Board Committee papers are distributed before meetings take place. Specific actions arising from meetings are agreed by the Board or relevant committee and then followed up by management. All Directors spend such time as is necessary to effectively carry out their roles and Directors have access to advice or services needed to enable them to carry out their roles and duties. In addition, at the end of each month the Chief Executive Officer briefs the Non-Executive Directors on current developments.

The Board considers and aspires to achieve increased diversity where possible when making new appointments, whilst recognising the practical constraints of a small, focused Company.

The QCA Code highlights that Non-Executive Directors must maintain their independence from the Executive Directors of the Board and where their term extends beyond 9 years the judgement that this independence remains should be set out. During 2025 Frank Moxon will reach his nine-year anniversary of service with JOG. The Board believes that Frank continues to display an attitude of independence of character and judgement in his role. With the Chairman and CFO both joining the company within the last four years the Board remains refreshed and relationships between the members remain appropriately independent. In addition, with the departure of Marcus Stanton at the end of 2024, the Board has chosen not to replace Marcus and thus reduce the size and cost of the Board while there is a slowdown in Buchan development activities. Given this, a further change to the composition of the Board is not considered to be in the best interests of the Group at this time.

The Board remains of the view that Board continuity through the FDP approval phase of the GBA has substantial value and once achieved the future growth trajectory and direction of the business will best determine the appropriate future Board composition. At this stage of growth in the business it is appropriate for JOG to retain a small Board that is nimble and capable of executing our strategic ambitions in a timely manner.

6. Board Experience

The Board seeks to maintain an appropriate mix of experience, skills, personal qualities and capabilities in order to deliver the strategy of the Company. The size of the Board is considered to be sufficient to provide the necessary experience and perspective to its decision-making process given the size and nature of the Company.

The skills and experience of the Board are set out in this Annual Report and are considered by the Board as representing an appropriate range of capabilities needed to deliver the strategy of the Company for the benefit of its shareholders over the medium to long term. The experience and knowledge of each of the Directors, and the steps taken to keep these skill sets up to date, gives them the ability to constructively challenge strategy and to scrutinise performance.

7. Board Performance

The Board has determined that it shall itself be responsible for assessing the effectiveness and contributions of the Board as a whole, its committees and individual Directors. The Directors believe that the size of the Board allows for open discussion, with an evaluation of Board performance being undertaken on an annual or an ad hoc basis, as considered appropriate. The performance of the committees is also evaluated by the Chairman of the Board.

Succession planning is reviewed periodically both at the Board level and at the level of senior management. This is undertaken from the perspective of the development of the Board as a whole as the business develops and in the scenario of any unanticipated departures.

8. Corporate Culture

The Board believes that the long-term success of the Company is underpinned by a corporate culture that is based on ethical values and behaviours. Many of these are highlighted in an extensive employee Staff Handbook, which draws together all the Company's rules, policies and procedures. Those values, which the Company seeks to instil throughout the business, include integrity, respect, honesty and transparency and are led by the behavioural example of individual Board members, particularly the Chief Executive Officer and the Chief Financial Officer.

The Company also operates a well-defined organisational structure through which it seeks to determine that the ethical values and behaviours are recognised and respected, in addition to which every employee is aware of the established whistleblowing procedures. These include a formal Anti-Bribery and Corruption Policy under which the Company is committed to acting legally, fairly and ethically in all its activities and engagements. The Company does not tolerate bribery and corruption in any of its forms, nor will it tolerate it in those with whom it does business.

9. Governance structures

The Company maintains appropriate governance structures and processes according to its size and complexity. The Company is committed to reviewing its corporate governance policies and procedures to ensure they remain appropriate as it continues to grow and in response to any changes in regulatory and other relevant guidance.

The Board is responsible for: a) the overall direction and strategy of the business; b) monitoring performance; c) understanding risk; and d) reviewing controls. It is collectively responsible for the success of the Company.

The Chairman's role is part-time, and he is a Non-Executive Director. His key responsibility is the leadership of the Board, and this is primarily effected through regular Board meetings as well as contact with other Board members and interested parties between Board meetings. The Chairman is also responsible for the establishment of sound corporate governance principles and practices.

The Chief Executive Officer is responsible for the day-to-day running of the Company's operations and for implementing the strategy agreed by the Board, in conjunction with the other members of the executive team. The Chief Financial Officer is responsible for the Company's finances, in addition to other aspects of the business, including risk management, property matters, insurance and human resources.

There is a formal schedule of matters specifically reserved for the Board, in addition to the formal matters required to be considered by the Board under the Companies Act. This list includes matters relating to a) strategy and policy; b) acquisition and divestment proposals; c) approval of major capital investments; d) risk management policy; e) proposals from the Audit Committee, the Remuneration Committee and the Nomination Committee; f) significant financing matters; and g) statutory reporting to shareholders.

At formal meetings of the Board an agenda is prepared by the Chairman which includes presentations by each of the Executive Directors together with reports and recommendations from the relevant sub-committees of the Board. The Board has established four Committees – the Audit Committee, the Remuneration Committee, Nominations Committee and the Sustainability Committee.

10. Stakeholder Communications

The Board considers that good communication with shareholders and other relevant stakeholders, based on the mutual understanding of objectives, is important. The Company maintains an ongoing dialogue with shareholders as set out in Principle 2, in seeking to understand and meet shareholders needs and expectations. This is achieved through direct engagement and meetings with shareholders, as well as through communications such as the Annual Report, the Interim Report, Corporate Presentations, Regulatory News Releases, the Company's' website and the Annual General Meeting.

Regarding industry stakeholders, the Company holds regular meetings with all the key regulatory authorities, including the North Sea Transition Authority, the Health and Safety Executive and the Offshore Petroleum Regulator for Environment and Decommissioning. The Company also actively engages with industry bodies such as Offshore Energies UK, its peers in the oil and gas operator community and the wider supply chain that directly serves the industry, and those businesses involved in supporting and leading the energy transition.

Board Committees

The Group operates an Audit Committee, a Remuneration Committee, a Nomination Committee and a newly formed Sustainability Committee.

Audit Committee

Les Thomas (Chairman) & Frank Moxon

Under its terms of reference, the Audit Committee is required to meet at least twice a year, at which executive directors may attend by invitation, and its responsibilities include:

- Monitoring the independence and objectivity of the External Auditors;
- Reviewing and approving the External Auditor's terms of engagement, scope of work, fees, the findings arising from the external audit work and external audit performance;
- Monitoring the integrity of the Group's published financial information;
- Reviewing the risk identification and risk management processes of the Group; and
- Reviewing the Group's procedures to prevent bribery and corruption in addition to ensuring that appropriate whistleblowing arrangements are in place.

Due to the current size of the business, it is not considered appropriate to have an internal audit function.

Remuneration Committee

Frank Moxon (Chairman) & Les Thomas

Under its terms of reference, it is required to meet at least twice a year, and its responsibilities include:

- Determining and agreeing with the Board the broad policy for the remuneration of the Executive Directors;
- Determine the individual remuneration package of each Executive Director;
- Review all share incentive plans; and
- Recommending option grants for the Executive Directors and other employees, as considered appropriate.

No Director is involved in deciding their own remuneration. The Non-Executive Directors' remuneration is determined by the Executive Directors.

Nomination Committee

Frank Moxon (Chairman) & Les Thomas

Under its terms of reference, it is required to meet at least twice a year, and its responsibilities include:

- Evaluating the balance of skills, experience and diversity on the Board; and
- Approving candidates for Board vacancies, save for the appointment of the Chairman of the Board or the Chief Executive Officer, which are matters for the whole Board.

Due to the size of the Group, no meetings of the Nomination Committee were held during 2024 as its functions have been properly carried out as part of the work of the Remuneration Committee and the Board.

Sustainability Committee

Les Thomas (Chairman) & Frank Moxon

Under its terms of reference, it is required to meet at least once a year, and its responsibilities include:

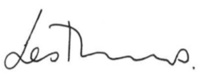
- Reviewing and assessing the company's current sustainability practices and policies;
- Reviewing the regulatory and policy developments designed to tackle climate change, as well as the requirements and initiatives set for the industry in response to decarbonisation targets and supporting the energy transition and route to net zero;
- Identifying and addressing climate-related risks associated with the company's operations; and
- Reviewing and monitoring the Company's obligations and plans for climate-related financial disclosures.

The Sustainability Committee was formed in March 2024 and meets at least once a year

2024 Board and Committee Meeting Attendance

	Board Meetings		Audit Committee		Remuneration Committee		Nominations Committee		Sustainability Committee**	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Non-Executive Directors										
L J Thomas	4	4	3	3	2	2	-	-	1	1
F H Moxon	4	4	3	3	2	2	-	-	1	1
M J Stanton (retired 31 Dec 2024)	4	4	3	3	2	2	-	-	1	1
Executive Directors										
J A Benitz	4	4	3*	3*	-	-	-	-	1	1
G A Forbes	4	4	3*	3*	-	-	-	-	1	0

** By invitation*
*** Formed March 2024*



Les Thomas,
Non-Executive Chairman
27 May 2025

ENVIRONMENT, SOCIAL AND GOVERANANCE REPORT

We are committed to conducting our operations safely, protecting the natural environment and actively participating in the energy transition

Our strategic focus on developing homegrown energy resources sits in tandem with our pursuit of doing so in a sustainable manner. We are seeking to create long term value from the natural resources that are readily available to us, contributing to society's energy needs and pursuing oil and gas development solutions that minimise our environmental footprint.

We take global climate challenges seriously and are committed to conducting our activities, whether directly or through our joint venture partners, in accordance with the highest environmental, social and governance standards.

UN Global Compact Sustainability Development Goals

We recognise that responsible behaviour, which creates value while protecting the environment, and contributing to society, is central to our licence to operate. Our approach to sustainability therefore seeks to ensure the business aligns with the international reporting frameworks of the UN Global Compact (UNGC).

The strategy of the UNGC is to encourage businesses to recognise the UN Sustainable Development Goals (SDGs) as defining those key aspects which can be used by a company to direct its corporate and operational activities while adhering to the 10 UNGC principles.

Using an industry-standard methodology, we have undertaken a review of the 17 SDG's to determine and prioritise those goals most relevant to our business activities. These are presented below.

SDG 3: Sustainable development cannot be achieved unless everyone's primary health needs are met.
The health and safety of our employees and contractors is central to the way in which we conduct business and is our number one priority. We work to ensure all our operations and activities are performed safely, using robust policies and systems with the aim of achieving zero harm in the workplace

SDG 5: Achieve gender equality and empower all women and girls.
We seek to maintain a high performing, productive and engaged organisation and adopt policies to ensuring non-discrimination and gender equality

SDG 7: Deliver access to affordable, reliable, sustainable and modern energy for all.
Through the development of homegrown oil and gas resources, we contribute to the availability of affordable energy and seek to do this in tandem with supporting the energy transition and the Government's target for increasing investment in renewable energy production and the achievement of carbon net zero by 2050

SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
We contribute to economic growth in the UK through our business activities, including employment, support for the local supply chain and the transparent payment of taxes

SDG 13: Prioritising the climate.
Protection of the environment is part of our license to operate. As part of this, we recognise our responsibility to reduce greenhouse gas emissions and in doing so support the energy transition

SDG 14: Protecting biodiversity around our operations.
We seek to minimise the impact to flora and fauna and conserve biodiversity in ecosystems where we operate, carrying out environmental impact assessments and monitoring campaigns

SDG 16: Responsible business practices contribute to social and economic stability.
We strive to ensure that all activities throughout the business are conducted to the highest standards in ethics, integrity and transparency

Sustainability in the Buchan Redevelopment Project

The Company's principal activity is the Buchan redevelopment project. Working with our joint venture partners, NEO and Serica, we actively participate and contribute to the strategic decision-making process for the project, ensuring that sustainability-related decisions reflect our policies and beliefs. The key activities in this area are described in the following sections.

HSEQ Planning

The Company considers it is necessary to set out how high standards of Health, Safety, Environmental and Quality ("HSEQ") performance will be achieved throughout the Buchan development project lifecycle. Organisations that do not prioritise HSEQ performance do not attract investment or talented individuals to support the business. NEO, in its capacity as the Buchan Operator, is an established North Sea business that has existing HSEQ policies and procedures that are being implemented on the project. Risk assessments are conducted for all activities, with the aim of eliminating risks where practicable, and establishing appropriate control and mitigation measures for residual risks. The joint venture partners monitor HSEQ performance through a variety of metrics, each designed to reflect the risks associated with the respective phase of activity, and with management reviews conducted on a regular basis. In accordance with the Joint Operating Agreement that governs the partnership, the joint venture partners have the right to conduct audits of the Operator's performance as deemed necessary by management.

Climate Action

Prior to the completion of the farm-outs and transfer of Operatorship of the GBA licences to NEO, the Company undertook a detailed assessment of potential development concept solutions for Buchan and the wider resources in the GBA. This evaluation was aligned to the central obligations of the NSTA's strategy, namely, to take the necessary steps to:

- Ensure that the maximum value of economically recoverable petroleum is recovered from the strata beneath relevant UK waters; and, in doing so,
- Take appropriate steps to assist the Secretary of State in meeting the net zero target, including the reduction, as far as reasonable in the circumstances, of greenhouse gas emissions from sources such as flaring and venting and power generation, and supporting carbon capture and storage projects.

Accordingly, studies were performed to evaluate the lifecycle emissions resulting from each potential Buchan field development concept, considering both the construction / installation phase and production phase. It was determined that redeployment of the existing Western Isles FPSO was the solution that resulted in the lowest lifecycle emissions, as it:

- Minimises energy consumption by reducing the use of new raw materials during construction when compared with other development solutions
- Through the re-use of existing infrastructure, it minimises the onshore construction scope and hence minimises the associated energy usage associated with these activities
- Minimises emissions associated with diesel usage to power installation vessels as it has the lowest number of vessel activities during the offshore installation phase
- Use of the vessel would provide a solution that eliminates the need for routine flaring and venting during normal operations as the FPSO has existing flare gas recovery systems, regarded as Best Available Technology
- It would also reduce nitrous oxide emissions, which are known to contribute to the greenhouse effect and negatively impact air quality, as the selected FPSO has existing Dry-Low-Emission power generators, regarded as Best Available Technology.

The results of these evaluations were presented to the NSTA as part of a Concept Select Report that was submitted to support the selection of the preferred GBA development solution. Concept Select Reports are submitted by licence operators as part of the regulator's requirements for planning and consenting to field developments on the UK Continental Shelf. Based on the information provided the NSTA issued a letter of no objection to the Buchan field licencees preparing an FDP based on the redevelopment solution set out in the report.

Emissions Reduction

Central to the license to operate obligations set out in the NSTA's strategic plan is the requirement for UK operators to undertake their upstream operations in line with the NSTA Stewardship Expectations (SE) including Stewardship Expectation 11 – Net Zero (SE11). SE11 imposes that for each UK offshore operated asset or hub, a Greenhouse Gas Emissions Reduction Action Plan (ERAP) is developed, implemented, and maintained. The Buchan redevelopment project Environment Statement (issued in January 2024 for public consultation) confirms that an ERAP will be prepared during the course of the project for implementation in the production phase of activities.

Importantly, the planned Buchan redevelopment solution is aligned to the NSTA's strategic objectives requiring new developments with a first production date before 1 January 2030 to be at a minimum delivered to come online 'electrification ready'. These requirements were recognised by the Buchan joint venture during the concept select phase of activities and the chosen development concept, along with its associated costings, are fully aligned to this emissions reduction strategy.

The Buchan field partners are committed to the future electrification of the planned FPSO redeployment and are currently working towards ultimately connecting the vessel to one of the future offshore wind power developments that are being planned under the terms of the UK Government's Innovation and Targeted Oil & Gas (INTOG) licencing process. The switch to import power will utilise well proven technology that has been successfully deployed in Norway. Engineering studies have been conducted as part of the Front-End Engineering Design phase of activities to identify the modifications required to the FPSO to facilitate this switchover.

Electrification of the FPSO, for which import power is anticipated to be available from offshore wind sources around 2030, will result in a reduction in emissions from power generation, leading to a forecast carbon intensity lower than industry average performance and at least two times cleaner (mid case) compared to the average global well-to-refinery intensity of crude oils. Future connection to a new offshore windfarm would deliver a solution that contributes to the decarbonisation of both the FPSO and the UK grid, supporting the UK Government and NSTA in reaching its net zero target, whilst at the same time delivering important domestic energy supply.

Life Below Water

We recognise the importance of protecting biodiversity in the seas around our operations, and our commitment to this is demonstrated through the selected concept for the Buchan redevelopment project. The redeployed FPSO solution offers the following key benefits compared to other potential development solutions:

- It has the lowest number of vessel activities during the offshore installation phase, which helps to minimise underwater noise pollution
- It minimises overboard discharge of oil in water through the re-injection of produced water into the reservoir for pressure maintenance. Should any overboard discharge of produced water be required, the Western Isles FPSO has existing systems designed to reduce oil content in produced water to a level that meets regulatory discharge limits. Environmental studies to support the Environment Statement show that discharges at these limits do not result in any measurable deterioration of water quality in the area local to the FPSO.

To maximise production from the Buchan field it will be necessary to utilise certain chemicals during the drilling and production phases. Once mixed with produced fluids there is the potential for discharge to sea of these chemicals in diluted form through the discharge of produced water. The plan to re-inject produced water from the Buchan field into the reservoir will minimise such potential discharges. In addition, as set out in the Environment Statement, a chemical selection process will be followed that aims to select chemicals with the lowest environmental impact in accordance with the Offshore Chemical Regulations and Oil Pollution Prevention and Control Regulations.

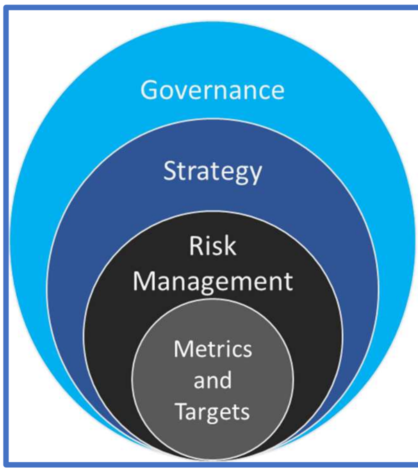
Risk Management

In addition to the Company-wide processes used to monitor and manage corporate and ESG risks, specific risk management processes are also used for the Buchan project. The ability to manage risk effectively is essential for realising the ultimate project execution schedule and in turn the overall value of the project. A project-specific risk management process has been implemented and is actively monitored and managed by the joint venture partners to ensure that risks that could potentially jeopardise the Project Execution Plan can be identified and prioritised for prevention, control and mitigation. The project risk registers are subject to monthly review.

Recommendations of the Task Force for Climate-related Financial Disclosures ("TCFD")

Whilst the Group is not required to and does not comply with the recommendations of the TCFD, it has applied the principles noted below in developing a roadmap to compliance by 31 December 2025.

The TCFD framework is designed to identify climate-related risks and opportunities to aid companies' and investors' understanding of the financial implications of transitioning to a lower-carbon economy and the changes in physical risks associated with climate change. The TCFD disclosures are structured around the four pillars of Governance, Strategy, Risk Management and Metrics & Targets, with eleven recommended disclosures. Scenario analysis is recommended as part of the TCFD process to identify the range of risks and opportunities a company may face across different climate scenarios.



Governance
The organization's governance around climate-related risks and opportunities

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning

Risk Management
The processes used by the organisation to identify, assess, and manage climate-related risks

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

TCFD Index Table

Recommendation	Description	Details
Governance: Disclose the organisation's governance around climate related risks and opportunities.	Describe the Board's oversight of climate related risks and opportunities.	The Board recognises climate change to be a significant risk to both the Company and the wider oil and gas industry, with potentially material implications. Building resilience to such risks and ensuring the business maintains its social licence to operate, by actively playing a responsible role in the on-going energy transition, is necessary for long-term success of the Company. Climate-related governance is ultimately the responsibility of the Board. Corporate and ESG risks are cyclically reviewed by the management team and discussed with the Board. The results of such reviews are incorporated into the strategic decision-making process of the Company. Although the business does not currently produce hydrocarbons, it seeks to ensure that the activities it is evaluating and progressing take into account the appropriate environmental considerations and opportunities to mitigate and minimise the associated risks.

	Describe management's role in assessing and managing climate-related risks and opportunities.	Due to the relatively small number of employees within the Company, there is not a management committee solely appointed for the management of climate risks and opportunities. However, in 2024 a Sustainability Sub-Committee to the Board was established to facilitate more detailed oversight of the strategic and operational management of environmental issues facing the Company and the wider industry, including the evolution of regulatory requirements.
Strategy: Disclose the actual and potential impacts of climate related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.	Describe the climate related risks and opportunities the organisation has identified over the short, medium and long term.	The Company's ESG Risk Register includes assessment of the following climate-related risks: 1. Stricter decarbonisation agenda pushed by regulators and policymakers resulting in: ▪ Increases in taxes related to business activities; ▪ Changes in policies, laws and regulations; ▪ Bias against energy-related investment; ▪ Incurring high costs arising from emission reduction from hydrocarbon installations. 2. Technology developments resulting in reduced demand for hydrocarbons, for example: ▪ Reduction in cost of renewables and long-term energy storage; ▪ Improvements in the efficiency of energy users; ▪ Reduced appetite for investment in the oil and gas industry caused by evolving investment mandates relating to the natural resources sector.
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	The Group currently has limited direct exposure to climate-related risks since it has no oil and gas production operations and maintains only small office facilities in Jersey, London and Aberdeen. The Directors support climate change mitigation and the energy transition process under which oil and gas production will continue to meet UK energy demand not satisfied by renewables, while providing taxation and other revenues to support the development and roll-out of new renewable energy technologies. The Group is therefore working closely with its GBA joint venture partners to develop oil and gas production facilities that will incorporate the lowest carbon footprint in the UK North Sea. Nevertheless, some risks may have an impact in the short and medium term. For example, changes in environmental levies and taxes, leading to a near term impact on the Company's activities. Other risks, such as the effect of technological developments on the demand for hydrocarbons, may have an impact in the longer term. The Board readily appreciates that climate-related risks have the potential to significantly affect the activities of the Company. The risk reviews that are undertaken by the Company and reported to the Board are designed to routinely monitor and review the business landscape to determine those aspects of the evolving regulatory and taxation regime that may have a significant impact, and the mitigation measures the Company can take.

	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	A transparent and auditable approach to risk management at both strategic and operational levels helps make the business resilient to change, including climate change scenarios which affect UK and international energy markets. The Company's activities in the UKCS are as resilient to climate change scenarios as other companies engaged in offshore oil and gas activities, insofar as achieving a 'Low Carbon Future' (i.e. a 2°C or lower scenario) may be contingent on restricting the longer-term activities of existing oil and gas companies e.g. by changing taxation or carbon-credit trading arrangements. On the other hand, a 'High Carbon Future' (i.e. greater than a 2°C scenario) places further pressure on energy companies to pursue more aggressive net zero solutions. Therefore, the Company's strategy of taking an engaged role in energy transition assists in making the business' strategy resilient to either scenario. It places responsibility on both the Board and management team to consider and assess ESG-related issues and formally record their effect for relevant stakeholders. At the centre of the Company's strategy for the redevelopment of the Buchan oil field is a future connection of the infrastructure that is to be installed for the field to one of the nearby planned offshore wind power developments that are currently being progressed by specialist wind developers. By making the Buchan facilities electrification-ready ahead of deployment to the field and engaging with the wind power developers, the joint venture partners can play an active role in helping to facilitate the regulatory imperative for oil and gas companies to participate in the energy transition and contribute towards meeting the sector's net zero objectives.
Risk Management: Disclose how the organisation identifies, assesses and manages climate related risks.	Describe the organisation's processes for identifying and assessing climate related risks.	The Company's approach to identifying, assessing, and managing climate-related risks is integrated into the overall risk management assessments of the business and guided by principles of transparency and responsible stakeholder engagement.
	Describe the organisation's processes for managing climate related risks.	The Board of Directors provides oversight of climate-related risks as part of its broader risk management strategy and acts to ensure that they receive appropriate attention at the highest levels of governance. A new Sustainability sub-committee of the Board that is dedicated to overseeing the company's sustainability efforts, with a particular focus on climate-related risks and TCFD compliance, was established in 2024. The committee is responsible for: ▪ Reviewing and assessing the company's current sustainability practices and policies. ▪ Reviewing the regulatory and policy developments designed to tackle climate change, as well as the requirements and initiatives set for the industry in

		response to decarbonisation targets and supporting the energy transition and route to net zero. ▪ Identifying and addressing climate-related risks associated with the Company's operations. ▪ Reviewing and monitoring the Company's obligations and plans for climate-related financial disclosures.
	Describe how processes for identifying, assessing and managing climate related risks are integrated into the organisation's overall risk management.	Risk reviews, including climate-related risks, are carried out by the Company on a cyclical basis. Given the status and size of the Company, such reviews are mostly focused on the strategic aspects of the business and future plans for the GBA.
Metrics and Targets: Disclose the metrics and targets used to assess and manage relevant climate related risks and opportunities where such information is material.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities.	The Company compiles emissions data for its day-to-day office activities (e.g. electricity usage), which represent Scope 2 emissions. These are minimal given the size of the business. Predicted full-cycle emissions have been assessed as part of defining the preferred development solution for the Buchan project and were set out in the Environmental Statement that was submitted to the Regulator in early 2024. Emissions were estimated for each potential development concept, from raw material manufacturing through to fabrication, facilities installation and operation. Emissions were estimated using publicly available data to enable transparency and auditability, with the emissions representing a mixture of Scope 1-3. The selected development concept has been shown to represent the lowest lifecycle emissions of all the technically feasible development concepts.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Given our asset portfolio, the only recordable emissions produced by the Company at this time relate to office electricity consumption. The Company's emissions in 2024 were 1,901kgCO_2e (2023: 2,457kg/CO_2e), which represents a reduction of approx. 23% compared to the previous year.
	Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets	The most significant contribution the Company can make to minimising emissions and supporting the energy transition, while contributing to society's energy needs, is by focusing on oil and gas development solutions with a minimal environmental footprint. This has been a core component of the GBA development strategy and selection criteria for the preferred Buchan redevelopment project.

DIRECTORS' REPORT

The Directors present their report together with the audited Group and Company financial statements for the year ended 31 December 2024.

Annual General Meeting

The Annual General Meeting will be held on 27th June 2025 as stated in the Notice of Meeting.

Results and Dividends

The Group's loss for the year was £3.5m (2023: loss of £5.6m). The Directors do not recommend the payment of a dividend (2023: Nil).

Going Concern

The Group has sufficient resources to meet its liabilities as they fall due for a period of at least 12 months after the date of issue of these financial statements. The Group has cash reserves following the successful farm-out of the GBA licences and receipt of initial funds resulting from the two transactions with NEO and Serica. The Group now has a fully funded 20% interest in the on-going Buchan redevelopment project. Other work that the Group is undertaking in respect of the GBA licenses and surrounding areas is modest relative to its current cash reserves. The Company's current cash reserves are therefore expected to more than exceed its estimated cash outflows in all reasonable scenarios for at least 12 months following the date of issue of these financial statements. Even in a scenario where the Buchan development did not progress for any unforeseen reason and any future instalment payments were not realised the Group already has in place a cost structure and expenditure profile that enables the business to continue beyond the next 12 months solely from utilisation of its existing cash resources. The directors have also considered the risk associated with contractual arrangements associated with the farm-outs and are satisfied that the group is not exposed to any contractual commitments which could impact on the Group's going concern status over the next 12 months. Based on these circumstances, the directors have considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Financial Instruments

The Group's principal financial instruments comprise cash balances, short-term deposits and receivables or payables that arise through the normal course of business. The Group does not have any derivative financial instruments. The financial risk management of the Group is disclosed in note 4 of the Consolidated Financial Statements.

Board Committees

Information on the Audit, Remuneration, Nomination and Sustainability Committees is included in the Corporate Governance section, the Audit Committee Report and the Remuneration Report contained in this Annual Report.

Disclosure of Information to the Auditors

Each of the Directors at the date of approval of this report confirms that:

(1) So far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and

(2) Each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' Third-Party Indemnity Provisions

During the year and to the date of approval of the financial statements, the Group maintained indemnity insurance for its Directors and Officers against liability in respect of proceedings brought by third parties, subject to the terms and conditions of the Companies Act 2006.

Employees

The business depends upon maintaining a highly qualified and well-motivated workforce and every effort is made to achieve a common awareness of the financial and economic factors affecting performance. The Group is committed to being an equal opportunities employer and engages employees with a broad range of skills and backgrounds.

Independent Auditors

A resolution to reappoint BDO LLP as Auditors will be proposed at the forthcoming Annual General Meeting at a fee to be agreed in due course by the Audit Committee and the Directors.

Nominated Adviser & Stockbrokers

The Group's Nominated Adviser is Strand Hanson Limited, and its Joint Brokers are Zeus Capital Ltd and Cavendish Financial plc.

Share Capital

At 31 December 2024, 32,667,627 (2023: 32,665,960) ordinary shares of 1p each were issued and fully paid. Each ordinary share carries one vote.

Post Balance Sheet Events

See note 23 to the financial statements.

Directors' Interests

The beneficial and other interests of the Directors holding office during the year and their families in the shares of the Company at 31 December 2024 were:

1p Ordinary Shares	As at 31 Dec. 2024		As at 31 Dec. 2023	
	Shares	Vested Options	Shares	Vested Options
L J Thomas	43,000	65,000	33,000	25,000
M J Stanton (resigned December 2024)	116,411	46,667	112,411	83,333
F Moxon	87,026	41,667	87,026	55,000
J A Benitz	763,764	603,333	702,176	420,000
G A Forbes	-	483,333	-	400,000

Substantial Shareholders

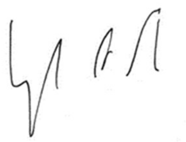
At 31 December 2024, notification had been received by the Company of the following who had a disclosable interest in 3% or more of the nominal value of the ordinary share capital of the Company:

Hargreaves Lansdown, Stockbrokers	15.71%
Interactive Investor	8.68%
Ravenscroft	7.56%
Mr J Baldwin	6.39%
AJ Bell, stockbrokers	4.95%
HSDL, stockbrokers	4.42%
Barclays Smart Investor	4.30%
UBS collateral account	3.66%
Janus Henderson Investors	3.61%
Mr S Inayat	3.48%
Mr Ronald Lansdell	3.27%

None of the current directors hold 3% or more of the nominal value of the ordinary share capital of the company.

Up to date details and changes in substantial shareholders are contained on the Company's website (www.jerseyoilandgas.com).

On behalf of the Board



Graham Forbes
Chief Financial Officer
27 May 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the situation of the Group and company and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted international accounting standards subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website Publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Graham Forbes
Chief Financial Officer
27 May 2025

AUDIT COMMITTEE REPORT

Introduction

This Audit Committee Report has been prepared by the Audit Committee and approved by the Board.

Membership & Meetings Held

The Audit Committee was chaired by Marcus Stanton in 2024, and its other members are Les Thomas and Frank Moxon (both Non-Executive Directors). The Committee formally met three times during 2024, linked both to events in the Company's financial calendar and to certain ad hoc matters. In addition, an informal meeting of the committee was held in connection with the 2024 Annual Report and Accounts (financial statements), a few days before a formal meeting to discuss the same. To encourage a greater understanding and involvement in the work of the Audit Committee, the Chief Executive Officer, the Chief Financial Officer and the Chief Commercial Officer attended certain of these meetings. The external audit partner also attended the meeting held in connection with the Company's 2024 Report and Accounts.

Role of the Audit Committee

The Terms of Reference for the Audit Committee, which have been prepared in accordance with the QCA Code, provide for the Committee's main responsibilities to include:

- Monitoring the independence and objectivity of the Auditors,
- Reviewing and approving the external auditor's terms of engagement, scope of work, fees, the findings arising from the external audit work and external audit performance,
- Monitoring the integrity of the Group's published financial information,
- Reviewing the risk identification and risk management processes of the Group, and
- Reviewing the Group's procedures to prevent bribery and corruption in addition to ensuring that appropriate whistleblowing arrangements are in place.

Internal Audit

Due to the current size of the business, it is not considered appropriate to have an internal audit function.

Key Areas of Focus

The Committee's particular areas of focus during the year were as follows:

- Review of the 2024 Annual Report and the accounting for our licence interests,
- Review of the interim results for the six months ended 30 June 2024;
- Considering areas of significant judgement such as concluding on going concern and existence of impairment triggers;
- Review of the 2025 cash budget.

Financial Auditors

BDO LLP remain the external financial auditor of the Group. They were appointed in 2023 after a tendering exercise was carried out.

Management of Risk

As in previous years, it was decided to continue with the Group practice of the oversight of risk, and risk management, being the responsibility of the Board as a whole, rather than a sub-committee. A risk summary is presented and discussed at Board meetings.

Les Thomas

Les Thomas
Chairman of the Audit Committee
27 May 2025

REMUNERATION REPORT

Introduction

This Remuneration Report has been prepared by the Remuneration Committee and approved by the Board. The Committee is committed to transparent and quality disclosure. Our report for 2024 sets out the details of the remuneration policy for the Directors, describes its implementation and discloses the amounts paid during the year. The remuneration report has not been audited.

Membership & Meetings Held

The Remuneration Committee is chaired by Frank Moxon and its other members are Les Thomas and Marcus Stanton (retired 31 December 2024) (all three are Non-Executive Directors). The Committee met formally three times during 2024.

Remuneration Policy

The Committee aims to ensure that total remuneration is set at an appropriate level for the Group and its operations.

The objectives and core principles of the remuneration policy are to ensure:

- That remuneration levels support the Group's strategy;
- An appropriate link between performance and reward;
- Alignment of Directors, senior management and shareholder interests;
- Linking of long-term incentives to shareholder returns;
- Recruitment, retention and motivation of individuals with the skills, capabilities and experience to achieve Group objectives; and,
- Fostering good teamwork by enabling all employees to share in the success of the business.

There are four possible elements that can make up the remuneration packages for Executive Directors, senior management and employees:

- Basic annual salary or fees;
- Benefits in kind;
- Discretionary annual bonus; and,
- Long-term incentives via the Jersey Oil and Gas PLC 2016 Enterprise Management Incentive ("EMI") and Unapproved Share Option Plan (the "Old Share Option Plan") and its replacement, the Jersey Oil and Gas Plc 2021 Employee Share Option Plan (the "New Share Option Plan").

Performance of the Group in 2024

JOG started the year by completing a second farm out of its Greater Buchan Area (GBA) licences to Serica Energy, which acquired a 30% interest for an up-front cash payment of £6 million plus the potential for further contingent cash payments. As a result of this and the previous farm out to Neo Energy, the Company benefitted from a free-carry for its share of the approximately £24 million spent to date by the Buchan joint venture. Work undertaken during 2024 included the completion of Front End Engineering and Design studies and offshore surveys and the submission of an Environmental Impact Assessment and associated public consultation process. This process was paused in September 2024 when the UK Government launched a consultation on new environmental guidance for oil & gas developments in light of recent case law. As a result of this, together with uncertainties created by the UK Government's fiscal regime for North Sea oil & gas companies, work on the GBA project slowed down considerably in the latter part of the year. This was mitigated to some extent by a successful application for a 24-month extension, to 28 February 2027, of the P2498 Buchan licence, a shift of focus towards closing out various technical and commercial matters to progress the development execution plan and a 50% reduction in projected 2025 cash running costs.

Key Activities in 2024

- Approved the vesting, in accordance with their terms, of the final tranche (of three) of share options granted to employees in January 2021, the second tranche (of three) of share options granted to Executive Directors and employees in April 2022.
- Reviewed and considered the remuneration provisions of the 2023 QCA Corporate Governance Code.
- Reviewed the staff retention implications of the 50% reduction in salary levels across the Group and made recommendations to the Board.

In carrying out its responsibilities the Remuneration Committee has previously taken ad hoc external advice from h2g Remuneration Advisory, its remuneration adviser.

Basic Salary

The basic salaries of Executive Directors are normally reviewed by the Committee (considering individual performance, market factors and sector conditions) around the end of each year with any changes usually taking effect from 1 January of the following year. However, in November 2024, as part of the plan to reduce the cash costs of the business, both staff and Directors reduced their salaries by 50%.

The annual salary of Andrew Benitz as at 1 January 2024 was £275,000 (2023: £250,000). The salary of Graham Forbes as at 1 January 2024 was £259,200 (2023: £240,000). These were last increased in May 2023. Following the cash cost reduction in November 2024 the annual salaries of Andrew Benitz and Graham Forbes in 2025 have ben reduced to £137,500 and £129,600, respectively.

Benefits in Kind & Cash Equivalents

Benefits provided to Executive Directors during the year comprised life and income protection insurance and private health insurance. In addition, Andrew Benitz received a 10% matching pension contribution until November 2024 when he opted to take an 8% cash alternative, while Graham Forbes took an 8% cash alternative from mid-June 2024 when he transferred from the 10% matching pension contribution option.

Discretionary Bonuses

Following the completion of a farm-out to Serica Energy in February 2024 (thereby finalising a two-stage process that provided JOG with $38 million in cash payments, of which $18 million had been received) the Executive Directors were awarded performance bonuses during 2024, having met or exceeded agreed KPI's. Andrew Benitz and Graham Forbes were each awarded a bonus equivalent to 100% of their salary reflecting this transformational progress.

Share Option Plans

Under the terms of the Old Share Option Plan, Directors and employees are eligible for awards. EMI options are subject to an aggregate limit of £3m and an individual limit of £250,000 by market value of shares. Performance conditions are not required but options can be granted with performance conditions, vesting schedules or both. Performance conditions can apply to individual tranches within grants. Performance conditions can be amended, provided they are still deemed a fair measure of performance and not materially more easy or difficult to satisfy as a result. Upon any change of control, all options vest in full, and any performance conditions are not applied.

The New Share Option Plan contains no EMI provisions since JOG no longer meets the relevant eligibility requirements.

No new share option awards were made to Directors and employees during the year.

Executive Directors' Service Contracts

The principal termination provisions of the Executive Directors' service contracts, as amended by any relevant deed of variation, are summarised below. Executive Directors' service contracts are available to view at the Company's registered office.

	J A Benitz	G A Forbes
Effective Contract Date	11.03.19	22.11.21
Unexpired Term	Rolling Contract	Rolling Contract
Notice Period	12 months save that, in certain circumstances (including material changes to contract terms or non-consensual relocation), the Executive may provide 30 days' notice	3 months (extended to 6 months in March 2025)

Non-Executive Directors' Fees

The Non-Executive Directors receive an annual fee for carrying out their duties and responsibilities. The level of such fees is set and reviewed annually by the Board, excluding the Non-Executive Directors.

During 2024, the annual fees for L J Thomas (Non-Executive Chairman), F H Moxon (Senior Independent Director) and M J Stanton (Non-Executive Director) were:

	Role	Reduced rate from Nov 2024	Fee 2024	Fee 2023
L J Thomas	Non-Exec. Chairman	£38,000	£69,667	£66,000
F H Moxon	Senior Independent Director	£31,000	£56,833	£54,000
M J Stanton (resigned 31 December 2024)	Non-Exec. Director	£56,600	£56,600	£48,600

During the year, the Non-Executive Directors did not receive additional fees for acting as members of the Board's various committees.

Non-Executive Directors' Letters of Appointment

The principal termination provisions of the Non-Executive Directors' letters of appointment, as amended by any relevant deed of variation, are summarised below. Non-Executive Directors' letters of appointment are available to view at the Company's registered office.

	L J Thomas	M J Stanton	F Moxon
Date of Appointment	13.04.21	11.03.19	11.03.19
Date of Resignation	-	01.01.2025	-
Unexpired Term	Rolling Contract	Rolling Contract	Rolling Contract
Notice Period	6 Months	3 Months	6 Months
Loss of Compensation	No	No	No

Directors' Emoluments

Presented in £'000s	Year Ended 31 Dec. 2024 Salary / Fees	Pension	Benefits	Bonus	Total	Year Ended 31 Dec. 2023 Salary / Fees	Pension	Benefits	Bonus	Total
J A Benitz (note 2)	254	23	4	250	531	267	27	4	250	548
G A Forbes (note 1)	247	11	5	240	503	253	11	6	240	510
Executive Directors	501	34	9	490	1,034	520	38	10	490	1,058
L J Thomas	70	-	-	-	70	59	-	-	-	59
M J Stanton (resigned 31 December 2024)	71*	-	-	-	71	53	-	-	-	53
F H Moxon	57	2	-	-	59	53	2	-	-	55
Non-Exec. Directors	198	2	-	-	200	165	2	-	-	167
Total Directors	699	36	9	490	1,234	685	40	10	490	1,225

*: Includes £14,150 redundancy paid in Dec 2024.

Notes:

1. Until August 2023 salary includes an 8% cash contribution as an alternative to a matching 10% pension contribution, and again from July 2024.
2. Until November 2024 a matching 10% pension contribution, thereafter an 8% cash contribution as an alternative.

Options held by Directors at 31 December 2024 are set out below.

Presented in '000s	Grant date	Exercisable By	At 1 Jan 2023	Issued	Exercised	Lapsed	At 31 Dec 2023	Issued	Exercised	Lapsed	At 31 Dec 2024
Executive Directors											
J A Benitz											
At 200.0p	29.01.18	29.01.25	180	-	-	-	180	-	-	-	180
At 175.0p	17.01.19	17.01.26	70	-	-	-	70	-	-	-	70
At 210.0p (*note 3*)	18.03.21	18.03.28	110	-	-	-	110	-	-	-	110
At 230.0p (*note 6*)	29.04.22	29.04.29	290	-	-	-	290	-	-	-	290
At 247.5p (*note 8*)	19.04.23	19.04.30	-	150	-	-	150	-	-	-	150
			650	150	-	-	800	-	-	-	800
G A Forbes											
At 147.0p (*note 5*)	23.11.21	23.11.28	350	-	-	-	350	-	-	-	350
At 230.0p (*note 6*)	29.04.22	29.04.29	150	-	-	-	150	-	-	-	150
At 247.5p (*note 8*)	19.04.23	19.04.30	-	100	-	-	100	-	-	-	100
			500	100	-	-	600	-	-	-	600
Non-Executive Directors											
L J Thomas											
At 230.0p (*note 7*)	29.04.22	29.04.27	75	-	-	-	75	-	-	-	75
At 247.5p (*note 9*)	19.04.23	19.04.28	-	45	-	-	45	-	-	-	45
			75	45	-	-	120	-	-	-	120
F H Moxon											
At 200.0p (*note 1*)	29.01.18	29.01.24	20	-	-	-	20	-	-	(20)	-
At 175.0p (*note 2*)	17.01.19	17.01.24	15	-	-	-	15	-	-	(15)	-
At 210.0p (*note 4*)	18.03.21	18.03.26	15	-	-	-	15	-	-	-	15
At 230.0p (*note 7*)	29.04.22	29.04.27	30	-	-	-	30	-	-	-	30
At 247.5p (*note 9*)	19.04.23	19.04.28	-	20	-	-	20	-	-	-	20
			80	20	-	-	100	-	-	(35)	65
M J Stanton (resigned December 2024)											
At 200.0p (*note 1*)	29.01.18	29.01.24	40	-	-	-	40	-	-	(40)	-
At 175.0p (*note 2*)	17.01.19	17.01.24	20	-	-	-	20	-	-	(20)	-
At 210.0p (*note 4*)	18.03.21	18.03.26	20	-	-	-	20	-	-	-	20
At 230.0p (*note 7*)	29.04.22	29.04.27	30	-	-	-	30	-	-	-	30
At 247.5p (*note 9*)	19.04.23	19.04.28	-	20	-	-	20	-	-	-	20
			110	20	-	-	130	-	-	(60)	70
Total			1,415	335	-	-	1,750	-	-	(95)	1,655

Notes:
1. These options were originally exercisable at any time up to 29 January 2023, but the expiry date was extended to 29 January 2024 due to the Company being in a prolonged close period.
2. All the options had vested and were exercisable up to 17 January 2024 but subsequently lapsed.
3. All the options have vested, are exercisable up to 18 March 2028 and will lapse if not exercised by such date.
4. All the options have vested, are exercisable up to 18 March 2026 and will lapse if not exercised by such date.
5. All the options have vested, are exercisable up to 23 November 2028 and will lapse if not exercised by such date.
6. Options vest in three equal tranches (one, two and three years from the date of grant) and are subject to the satisfaction of certain performance conditions to be determined and interpreted at the discretion of the Remuneration Committee. The first two tranches have already vested. Subject to vesting, the options are exercisable up to 29 April 2029.
7. Options vest in three equal tranches (one, two and three years from the date of grant) and have no performance conditions. The first two tranches have already vested. Subject to vesting, the options are exercisable up to 29 April 2027.
8. Options vest in three equal tranches (one, two and three years from the date of grant) and are subject to the satisfaction of certain performance conditions to be determined and interpreted at the discretion of the Remuneration Committee. The first tranche has already vested. Subject to vesting, the options are exercisable up to 19 April 2030.
9. Options vest in three equal tranches (one, two and three years from the date of grant) and have no performance conditions. The first tranche has already vested. Subject to vesting, the options are exercisable up to 19 April 2028.

Shareholder Feedback

The objective of this report is to communicate the remuneration of the Directors and how this is linked to performance. In this regard the Board is committed to maintaining an open and transparent dialogue with shareholders and is always interested to hear their views on remuneration matters.

Frank Moxon
Chairman of the Remuneration Committee
27 May 2025

Independent auditor's report to the members of Jersey Oil and Gas Plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Jersey Oil and Gas Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, company statement of financial position, company statement of changes in equity and notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and examining management's base case forecasts and downside scenarios and verifying that these forecasts had been subject to board review and approval.
- Challenging and corroborating the future cash flows included in the base case to ensure these are consistent with our understanding of work performed over other key areas of the financial statements.
- Assessing the downside scenarios applied by management, ensuring that these represented reasonably plausible downside scenarios in the context of the business, and overlaying additional sensitivities to understand the impact of changes in cash flows of the Group.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	100% of Group loss before tax 99% of Group total assets
Key audit matters	<table><tr><td></td><td>2024</td><td>2023</td></tr><tr><td>Impairment of intangible assets</td><td>✓</td><td>✓</td></tr><tr><td>Accounting for farm-out arrangements</td><td>×</td><td>✓</td></tr></table> Accounting for farm-out arrangements is no longer considered to be a key audit matter because the farm-out transaction which completed during 2024 was assessed in combination with the first farm out transaction, which concluded in 2023, and as a result the audit team assessed a lower level of inherent risk during the 2024 audit.
Materiality	*Group financial statements as a whole* £364,000 (2023: £418,000) based on 1.5% (2023: 1.5%) of total assets.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

The Group consists of the Parent Company (Jersey Oil and Gas Plc) and six subsidiaries of which two were identified as requiring audit procedures for the audit of the Group (Jersey Petroleum Limited and Jersey Oil and Gas E&P Limited). As part of performing our Group audit, we have determined the Parent Company to be in a full scope audit and these two subsidiaries to be full scope audit on financial statement areas based on the Group risks assessment. All components are audited by the Group audit team and are managed centrally by the same finance team which is based in the United Kingdom and therefore the control environment is the same.

Procedures performed at the component level

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component	Component Name	Entity	Group Audit Scope
1	Parent Company	Jersey Oil and Gas Plc	Statutory audit and procedures on the entire financial information of the component.
2	Subsidiaries	Jersey Petroleum Ltd and Jersey Oil and Gas E&P Ltd	Procedures on one or more classes of transactions, account balances or disclosures

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

Procedures performed centrally

We considered there to be a high degree of centralisation of financial reporting and commonality of controls and similarity of the group's activities and business lines in relation to all FSAs. We therefore designed and performed procedures centrally in these areas.

The group operates and also outsource a centralised IT function that supports IT processes for all components. This IT function is subject to specified risk-focused audit procedures, predominantly the testing of the relevant IT general controls and IT application controls.

Changes from the prior year

There have no significant changes on the Group audit scope from the prior year.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		**How the scope of our audit addressed the key audit matter**
Impairment of Intangible asset Refer to noted 10 and 2 (*Exploration and evaluation costs section)*	At 31 December 2024, the group held intangible assets on its statement of financial position, as detailed in note 10, with a value of £11.7m (2023: £16.4m). The Directors are required to assess whether impairment indicators exist in accordance with IFRS 6 and perform impairment testing if such indicators are identified. There is a risk that the Directors will not identify impairment indicators when they exist. Given the financial significance of the intangible assets in the context of the Group's statement of financial position and the significant degree of judgement involved in the assessment of whether any indicators of impairment exist, we considered this to be a key audit matter.	In addressing the KAM, we have performed the following audit procedures: - We have reviewed and challenged management's impairment indicator assessment and considered whether there are any indicators of impairment in line with criteria set out under IFRS 6; - We have obtained and reviewed relevant license agreements relating to the GBA assets and NSTA correspondence to consider any indicators that the licenses will not be extended past current term; - We have corroborated the independence and competence of management's expert opining on reserves and resources and assessed whether these are indicative of the GBA asset not being recoverable; - We have considered information obtained during our audit work to assess whether there are any other potential indicators of impairment that have not been identified by management. In doing so, we have reviewed the results of studies undertaken in the year on the GBA asset, to evaluate whether there are indicators of impairment; - We have assessed the impact of climate change and how it has been factored into management's assessment; and - Reviewed and assessed management's disclosures included within the financial statements. **Key observations:** Based on the procedures performed, we have found the Directors' assessment of the carrying value of intangible assets to be acceptable.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		**Parent company financial statements**	
	2024 £	2023 £	2024 £	2023 £
Materiality	364,000	418,000	184,000	165,000
Basis for determining materiality	1.5% of total assets	1.5% of total assets	1.5% of total assets	1.7% of total assets
Rationale for the benchmark applied	We considered total assets to be the most significant determinant of the Group's financial performance for users of the financial statements, given the Group's exploration focus.		We considered total assets to be the most significant determinant of the parent company's financial performance for users of the financial statements, given the nature of the entity as a holding company within the group.	
Performance materiality	273,000	271,700	138,300	107,200
Basis for determining performance materiality	75% of overall materiality	65% of overall materiality	75% of overall materiality	65% of overall materiality
Rationale for the percentage applied for performance materiality	Performance materiality was set considering factors including the nature of activities and expected total value of known and likely misstatements, based on our understanding of the group.			

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of 95% of Group performance materiality dependent on the size and our assessment of the risk of material misstatement of those components. Component performance materiality £259,000.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £18,000 (2023: £12,500). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and the Audit committee; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be UK adopted International Accounting Standards, UK tax legislation, Petroleum Act 1998, AIM Listing Rules and Companies Act 2006.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Petroleum Act 1998.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities including NSTA and HMRC for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, and areas of judgement due to the level of subjectivity involved in them.

Our procedures in respect of the above included:

- Holding fraud inquiries with management and those charged with governance to identify whether any instances of fraud were noted in the period;
- Making enquiries of management as to whether there was any correspondence with regulators and the Government, in so far as the correspondence related to the financial statements and reviewed this correspondence;
- Performing targeted journal entry testing based on identified characteristics the audit team considered could be indicative of fraud to address the presumed risk of management override of controls;
- Reviewing the Group's year end unadjusted entries, consolidated entries and investigating any that appear unusual as to nature or amount by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias.

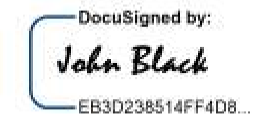
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



John Black (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

27 May 2025

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

Continuing operations	Note	2024 £	2023 £
Administrative expenses		(4,079,726)	(5,706,675)
Operating loss	7	(4,079,726)	(5,706,675)
Finance income	6	542,637	114,825
Finance expense	6	(3,185)	(3,503)
Loss before tax	7	(3,540,274)	(5,595,353)
Tax	8	-	-
Loss for the year		(3,540,274)	(5,595,353)
Total comprehensive loss for the year (net of tax)		(3,540,274)	(5,595,353)
Total comprehensive loss for the year attributable to:			
Owners of the parent		(3,540,274)	(5,595,353)
Loss per share expressed in pence per share:			
Basic	9	(10.84)	(17.19)
Diluted	9	(10.84)	(17.19)

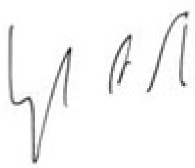
The notes on pages 53 to 73 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 £	2023 £
Non-current assets			
Intangible assets - exploration & development costs	10	11,741,406	16,421,797
Property, plant and equipment	11	1,675	-
Right-of-use assets	12	83,797	139,661
Deposits		17,466	2,692
		11,844,344	16,564,150
Current assets			
Trade and other receivables	13	86,732	478,234
Cash and cash equivalents	14	6,185,872	5,482,935
Term deposits	15	6,150,000	5,000,000
		12,422,604	10,961,169
Total assets		24,266,948	27,525,319
Equity			
Called up share capital	16	2,574,529	2,574,529
Share premium account		110,535,059	110,535,059
Share options reserve	20	4,504,673	3,890,986
Accumulated losses		(93,349,289)	(89,960,102)
Reorganisation reserve		(382,543)	(382,543)
Total equity		23,882,429	26,657,929
Liabilities			
Non-current liabilities			
Lease liabilities	12	14,585	71,309
		14,585	71,309
Current liabilities			
Trade and other payables	17	313,211	740,927
Lease liabilities	12	56,723	55,154
		369,934	796,081
Total liabilities		384,519	867,390
Total equity and liabilities		24,266,948	27,525,319

The financial statements on pages 49 to 52 were approved by the Board of Directors and authorised for issue on 27 May 2025 They were signed on its behalf by Graham Forbes – Chief Financial Officer.



Graham Forbes
Chief Financial Officer
27 May 2025
Company Registration Number: 07503957

The notes on pages 53 to 73 are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Called up share capital £	Share premium account £	Share options reserve £	Accumulated losses £	Reorganisation reserve £	Total equity £
At 1 January 2023		2,573,395	110,309,524	2,566,343	(84,600,273)	(382,543)	30,466,446
Loss and total comprehensive loss for the year		-	-	-	(5,595,353)	-	(5,595,353)
Transactions with owners in their capacity as owners							
Issue of share capital		1,134	225,535	-	-	-	226,669
Expired share options	20	-	-	-	-	-	-
Lapsed share options	20	-	-	(148,178)	148,178	-	-
Exercised share options	20	-	-	(87,346)	87,346	-	-
Share based payments	20	-	-	1,560,167	-	-	1,560,167
At 31 December 2023 and 1 January 2024		2,574,529	110,535,059	3,890,986	(89,960,102)	(382,543)	26,657,929
Loss and total comprehensive loss for the year		-	-	-	(3,540,274)	-	(3,540,274)
Transactions with owners in their capacity as owners							
Expired share options	20	-	-	(151,087)	151,087	-	-
Share based payments	20	-	-	764,774	-	-	764,774
At 31 December 2024		2,574,529	110,535,059	4,504,673	(93,349,289)	(382,543)	23,882,429

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	Description and purpose
Called up share capital	Represents the nominal value of shares issued
Share premium account	Amount subscribed for share capital in excess of nominal value
Share options reserve	Represents the accumulated balance of share-based payment charges recognised in respect of share options granted by the Company less transfers to accumulated deficit in respect of options exercised or cancelled/lapsed
Accumulated losses	Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income
Reorganisation reserve	Amounts resulting from the restructuring of the Group at the time of the Initial Public Offering (IPO) in2011

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	2024 £	2023 £
Cash flows from operating activities			
Cash used in operations	22	(3,359,763)	(4,185,049)
Interest paid	6	(3,185)	(3,503)
Net cash used in operating activities		(3,362,948)	(4,188,552)
Cash flows from investing activities			
Farm-out proceeds		5,519,216	9,103,944
Interest received	6	490,674	114,825
Purchase of tangible assets	11	(2,363)	-
Purchase of intangible assets	10	(736,487)	(1,013,081)
Investing cash flows before movements in capital balances		5,271,040	8,205,688
Changes in Term deposits:			
	15	(1,150,000)	(5,000,000)
Net cash from investing activities		4,121,040	3,205,688
Cash flows from financing activities			
Principal elements of lease payments		(55,155)	(113,550)
Net cash (used in)/generated from financing activities		(55,155)	(113,550)
Decrease in cash and cash equivalents	22	702,937	(1,096,414)
Cash and cash equivalents at beginning of year	14	5,482,935	6,579,349
Cash and cash equivalents at end of year	14	6,185,872	5,482,935

The notes on pages 51 to 73 are an integral part of these financial statements

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

1. General information

Jersey Oil and Gas plc (the "Company") and its subsidiaries (together, the "Group") are involved in the upstream oil and gas business in the UK.

The Company is a public limited company incorporated and domiciled in England & Wales and quoted on AIM, a market operated by London Stock Exchange plc. The address of its registered office is 71-75 Shelton Street, Covent Garden, London WC2H 9JQ.

2. Material accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Accounting

The consolidated financial statements of Jersey Oil and Gas Plc as of 31 December 2024 and for the year then ended (the "consolidated financial statements") were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 (the "Companies Act").

The financial statements have been prepared under the historic cost convention, except as disclosed in the accounting policies below. All amounts disclosed in the financial statements and notes have been rounded off to the nearest one thousand pounds unless otherwise stated.

Going Concern

The Group has sufficient resources to meet its liabilities as they fall due for a period of at least 12 months after the date of issue of these financial statements. The Group has cash reserves following the successful farm-out of the GBA licences and receipt of initial funds resulting from the two transactions with NEO and Serica. The Group now has a fully funded 20% interest in the on-going Buchan redevelopment project. Other work that the Group is undertaking in respect of the GBA licenses and surrounding areas is modest relative to its current cash reserves. The Company's current cash reserves are therefore expected to more than exceed its estimated cash outflows in all reasonable scenarios for at least 12 months following the date of issue of these financial statements. Even in a scenario where the Buchan redevelopment did not progress for any reason and any future instalment payments were not realised the Group already has in place a cost structure and expenditure profile that enables the business to continue beyond the next 12 months solely from utilisation of its existing cash resources. The directors have also considered the risk associated with contractual arrangements associated with the farm-outs and are satisfied that the Group is not exposed to any contractual commitments which could impact on the Group's going concern status over the next 12 months. Based on these circumstances, the directors have considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

New and amended standards adopted by the Group. The Group has applied the following amendments for the first time for the annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

Significant Accounting Judgements and Estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of expenses, assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The Group's accounting policies make use of accounting estimates and judgements in the following areas:

- The judgement of the existence of impairment triggers (note 10).
- The estimation of share-based payment costs (note 20).
- The judgement associated with the treatment of farm-out transactions.

Impairments

The Group tests its capitalised exploration licence costs for impairment when indicators, further detailed below under 'Exploration and Evaluation Costs' as set out in IFRS 6, suggest that the carrying amount exceeds the recoverable amount which is inherently judgmental. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of the Cash Generating Unit is the higher of an asset's fair value less costs of disposal and value in use. The Group assessed that there were no impairment triggers during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Share-Based Payments

The Group currently has several share schemes that give rise to share-based payment charges. The charge to operating profit for these schemes amounted to £764,774 (2023: £1,560,167). Estimates and judgements for determining the fair value of the share options are required. For the purposes of the calculation, a Black-Scholes option pricing model has been used. Based on experience, it has been assumed that options will be exercised, on average, at the mid-point between vesting and expiring. The share price volatility used in the calculation is based on the actual volatility of the Group's shares since 1 January 2017. The risk-free rate of return is based on the implied yield available on zero coupon gilts with a term remaining equal to the expected lifetime of the options at the date of grant. Estimates are also used when calculating the likelihood of share options vesting given the vesting conditions of time and performance on the options granted. Share options that expire unexercised are accounted for by reversing any previously recognised expense. Expired options do not result in a cash outflow and have no further impact on the Group's financial position beyond the reversal of previously recognised charges.

Farm-out transactions

Determining the value of the consideration received for a farm-out disposal of assets with proven resources can be challenging. This is even more the case for assets which are farmed out in the pre proven resources phase. A judgement has been made that for such farm-outs only cash payments received will be recognised and no recognition will be made of any consideration in respect of the future value of work to be performed and carried by the farmee. Rather, the Group will carry the remaining interest at the previous full interest cost reduced by the amount of any cash consideration received from entering into the agreement. The effect will be that there is no gain recognised on the farm-out unless the cash consideration received exceeds the carrying value of the entire asset held. Upon FID, the Group will start recognising both cash payments received and the value of future carried assets to be received and will recognise a future asset receivable with an accompanying gain in the income statement for the equity share of the asset disposed of.

Basis of Consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern their financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of *de facto* control. De facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other Shareholders give the Group the power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the Group ceases to have control.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated on consolidation. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The following subsidiaries which are included in these consolidated accounts are exempt from the requirements of the Companies Act relating to the audit of their accounts under section 479A of the Companies Act 2006:

Subsidiary	Registration number	Country of Incorporation
Jersey North Sea Holdings Ltd	06451896	England & Wales
Jersey Petroleum Ltd	06490608	England & Wales
Jersey V&C Ltd	10853027	England & Wales
Sunny Day 123 Ltd*	15207887	England & Wales
Jersey E & P Ltd**	SC319467	Scotland
Jersey Oil Ltd**	SC319461	Scotland
Jersey Exploration Ltd**	SC319459	Scotland
Jersey Oil & Gas E & P Ltd	115157	Jersey

*Dissolved 25 February 2025
**Dissolved 11 February 2025

Acquisitions, Asset Purchases and Disposals

Transactions involving the purchase of an individual field interest, farm-ins, farm-outs or acquisitions of exploration and evaluation licences for which a development decision has not yet been made that do not qualify as a business combination, are treated as asset purchases. Accordingly, no goodwill or deferred tax arises. The purchase consideration is allocated to the assets and liabilities purchased on an appropriate basis. Proceeds on disposal (including farm-ins/farm-outs) are applied to the carrying amount of the specific intangible asset or development and production assets disposed of, and any surplus is recorded as a gain on disposal in the Consolidated Statement of Comprehensive Income.

Acquisitions of oil and gas properties are accounted for under the purchase method where the acquisitions meet the definition of a business combination. The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred on a business combination by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Exploration and Evaluation Costs

The Group accounts for oil and gas exploration and evaluation costs using IFRS 6 "Exploration for and Evaluation of Mineral Resources". Such costs are initially capitalised as Intangible Assets and include payments to acquire the legal right to explore, together with the directly related costs of technical services and studies, seismic acquisition, exploratory drilling and testing. The Group only capitalises costs as intangible assets once the legal right to explore an area has been obtained. The Group assesses the intangible assets for indicators of impairment at each reporting date.

Potential indicators of impairment include but are not limited to:

a) the period for which the Group has the right to explore in the specific area has expired during the period or will expire soon and is not expected to be renewed.
b) substantive expenditure on further exploration for and evaluation of oil and gas reserves in the specific area is neither budgeted nor planned.
c) exploration for and evaluation of oil and gas reserves in the specific area have not led to the discovery of commercially viable quantities of oil and gas reserves and the entity has decided to discontinue such activities in the specific area.
d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The Group analyses the oil and gas assets into cash generating units (CGUs) for impairment and reporting purposes. In the event an impairment trigger is identified the Group performs a full impairment test for the CGU under the requirements of IAS 36 Impairment of assets. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs of disposal and value in use.

As at 31 December 2024, the carrying value of intangible assets was £11.7m, as per Note 10 'Intangible Assets'. The Group considered other factors which could give rise to an impairment trigger such as commodity prices, licence expiration dates, budgeted spend and movements in estimated recoverable reserves. Based on this assessment, no impairment triggers existed in relation to exploration assets as of 31 December 2024. For more detail on the current position, please refer to note 23, Post Balance Sheet Events.

Property, Plant and Equipment

Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. Asset lives and residual amounts are reassessed each year. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation on these assets is calculated on a straight-line basis as follows:

Computer & office equipment 3 years

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group where possible, uses recent third-party rates provided by banks or financial institutions as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise any lease with a value of £5,000 or less.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Joint Ventures

The Group participates in joint venture/co-operation agreements with strategic partners; these are classified as joint operations. The Group accounts for its share of assets, liabilities, income and expenditure of these joint venture agreements and discloses the details in the appropriate Statement of Financial Position and Statement of Comprehensive Income headings in the proportion that relates to the Group per the joint venture agreement.

Investments

Fixed asset investments in subsidiaries are stated at cost less accumulated impairment in the Company's Statement of Financial Position and reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Financial Instruments

Financial assets and financial liabilities are recognised in the Group and Company's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. The Group does not have any derivative financial instruments.

Cash and cash equivalents include cash in hand and deposits held on call with banks with a maturity of three months or less.

Term deposits are those amounts held by third parties on behalf of the Group and are not available for the Group's use; these are recognised separately from cash and cash equivalents on the balance sheet.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any expected credit loss. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The carrying amount of the asset is reduced with an allowance account, and the amount of the loss will be recognised in the Consolidated Statement of Comprehensive Income within administrative expenses. Subsequent recoveries of amounts previously provided for are credited against administrative expenses in the Consolidated Statement of Comprehensive Income.

Trade payables are stated initially at fair value and subsequently measured at amortised cost.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Consolidated Statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred taxation liabilities are provided, using the liability method, on all taxable temporary differences at the reporting date. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Current Tax

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where Jersey Oil and Gas Plc and its subsidiaries operate and generate taxable income. We periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate based on amounts expected to be paid to the tax authorities.

Current tax is payable based upon taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Any Group liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Foreign Currencies

The functional currency of the Company and its subsidiaries is Sterling. Monetary assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Gains and losses arising on retranslation are recognised in the Consolidated Statement of Comprehensive Income for the year.

Employee Benefit Costs

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to contributions.

Share-Based Payments

Equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The total amount to be expensed is determined by reference to the fair value of the options granted using the Black-Scholes Model:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time-period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

Equity settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods, or the counterparty renders the service.

Exercise proceeds net of directly attributable costs are credited to share capital and share premium.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Contingent Liabilities & Provisions

In accordance with IAS 37, provisions are recognised where a present obligation exists to third parties because of a past event, where a future outflow of resources with economic benefits is probable and where a reliable estimate of that outflow can be made. If the criteria for recognising a provision are not met, but the outflow of resources is not remote, such obligations are disclosed in the notes to the consolidated financial statements (see note 19). Contingent liabilities are only recognised if the obligations are more certain, i.e. the outflow of resources with economic benefits has become probable and their amount can be reliably estimated.

Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors.

The Board considers that the Group operates in a single segment, that of oil and gas exploration, appraisal, development and production, in a single geographical location, the North Sea of the United Kingdom.

The Board is the Group's chief operating decision maker within the meaning of IFRS 8 "Operating Segments".

During 2024 and 2023 the Group had no revenue.

4. Financial risk management

The Group's activities expose it to financial risks and its overall risk management programme focuses on minimising potential adverse effects on the financial performance of the Group. The Company's activities are also exposed to risks through its investments in subsidiaries and it is accordingly exposed to similar financial and capital risks as the Group.

Risk management is carried out by the Directors, and they identify, evaluate, and address financial risks in close co-operation with the Group's management. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange risks and investing excess liquidity.

Credit Risk

The Group's credit risk primarily relates to its trade receivables. Responsibility for managing credit risks lies with the Group's management.

A debtor evaluation is typically obtained from an appropriate credit rating agency. Where required, appropriate trade finance instruments such as letters of credit, bonds, guarantees and credit insurance will be used to manage credit risk.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity through continuous monitoring of cash flows from operating activities, review of actual capital expenditure programmes, and managing maturity profiles of financial assets and financial liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Capital Risk Management

The Group seeks to maintain an optimal capital structure. The Group considers its capital to comprise both equity and net debt.

The Group monitors its capital mix needs and suitability dependent upon the development stage of its asset base. Earlier stage assets (pre-production) typically require equity rather than debt given the absence of cash flow to service debt. As the asset mix becomes biased towards production then typically more debt is available. The Group seeks to maintain progress in developing its assets in a timely fashion. With the completion of the NEO Energy farm-out in 2023 and the Serica Energy farm-out during the year, the Group expects 's that the introduction of these two industry partners will deliver sufficient cash to progress its assets to first oil in return for a capital (equity) contribution via the farm-outs. As the GBA development project progresses towards first oil, debt will become available and may be sought to enhance equity returns. As at 31 December 2024 there are no borrowings within the Group (2023: Nil).

The Group monitors its capital structure by reference to its net debt to equity ratio. Net debt to equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents. Total equity comprises all components of equity.

Maturity analysis of financial assets and liabilities

Financial assets

	2024 £	2023 £
Up to 3 months	18,798	410,011
3 to 6 months	-	-
Over 6 months	17,466	-
	36,264	410,011

Financial liabilities

	2024 £	2023 £
Up to 3 months	281,102	613,067
3 to 6 months	-	-
Over 6 months	-	-
	281,102	613,067

Lease liabilities

	2024 £	2023 £
Up to 3 months	14,585	14,585
3 to 6 months	14,585	14,585
Over 6 months	43,755	102,095
	72,925	131,265

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

5. Employees and Directors

	2024 £	2023 £
Wages and salaries	2,356,684	2,860,964
Social security costs	229,520	289,654
Share-based payments (note 20)	764,774	1,560,167
Other pension costs	304,165	265,538
	3,655,143	4,976,323

Other pension costs include employee and Group contributions to money purchase pension schemes.

The average monthly number of employees during the year was as follows:

	2024 No.	2023 No.
Directors	5	5
Employees - Finance	1	1
Employees - Technical	5	8
	11	14

Directors Remuneration:	2024 £	2023 £
Directors' remuneration	1,162,791	1,174,317
Payment in lieu of notice	14,150	-
Directors' pension contributions to money purchase schemes	36,102	39,047
Share-based payments (note 20)	447,420	853,551
Benefits	9,377	9,585
	1,669,840	2,076,500

The average number of Directors to whom retirement benefits were accruing was as follows:

	2024 No.	2023 No.
Money purchase schemes	2	2

Information regarding the highest paid Director is as follows:

	2024 £	2023 £
Aggregate emoluments and benefits	507,798	520,586
Share-based payments	211,884	324,902
Pension contributions	22,917	26,667
	742,599	872,155

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Key management compensation

Key management includes Directors (Executive and Non-Executive) and an adviser to the Board. The compensation paid or payable to key management for employee services is shown below:

	2024 £	2023 £
Wages and short-term employee benefits	1,186,318	1,193,901
Share-based payments (note 20)	447,420	853,551
Pension Contributions	36,102	39,047
	1,669,840	2,086,499

6. Net Finance Income

	2024 £	2023 £
Finance income:		
Interest received	542,637	114,825
	542,637	114,825
Finance costs:		
Interest paid	-	-
Interest on lease liability	(3,185)	(3,503)
	(3,185)	(3,503)
Net finance income	539,452	111,322

7. Loss Before Tax

The loss before tax is stated after charging/(crediting):

	2024 £	2023 £
Depreciation - tangible assets	688	10,203
Depreciation - right-of-use asset	55,864	94,988
Auditors' remuneration - audit of parent company and consolidation	84,325	85,000
Auditors' remuneration - audit of subsidiaries	-	-
Auditors' remuneration - non-audit work	-	-
Foreign exchange gain	(3,792)	(26,774)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

8. Tax

Reconciliation of tax charge

	2024 £	2023 £
Loss before tax	(3,540,274)	(5,595,353)
Tax at the standard rate of 25% avg. (2023: 23.5%avg.)	(885,069)	(1,314,908)
Capital allowances in excess of depreciation	14,002	(671,854)
Expenses not deductible for tax purposes and non-taxable income	193,551	370,622
Deferred tax asset not recognised	677,516	1,616,140
Total tax expense reported in the Consolidated Statement of Comprehensive Income	–	–

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2024, or for the year ended 31 December 2023.

In April 2023, the rate of corporation tax rose to 25% for profits over £250,000.

The Group has not recognised a deferred tax asset due to the uncertainty over when the tax losses can be utilised. At the year end, the usable tax losses within the Group were approximately £62 million (2023: £63 million). During the year the Company transferred tax losses as a component of the farm out to Serica Energy.

9. Loss Per Share

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

Diluted loss per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

There is no difference between dilutive and ordinary earnings per share due to there being a loss recorded in the year.

The share options (note 20) issued in the Group that would potentially dilute earnings per share in the future have not been included in the calculation of diluted loss per share as their effect would be anti-dilutive.

	Loss attributable to ordinary shareholders £	Weighted average number of shares	Per share Amount pence
Year ended 31 December 2024 Basic and Diluted EPS			
Basic & Diluted	(3,540,274)	32,667,467	(10.84)
Year ended 31 December 2023 Basic and Diluted EPS			
Basic & Diluted	(5,595,353)	32,557,964	(17.19)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

10. Intangible assets

	Exploration costs £
Cost	
At 1 January 2023	24,548,122
Additions	1,152,860
Farm-out	(9,103,944)
At 31 December 2023	16,597,038
Additions	838,825
Farm-out	(5,519,216)
At 31 December 2024	11,916,647
Accumulated Amortisation	
At 1 January 2023	175,241
Charge for the year	–
At 31 December 2023	175,241
At 31 December 2024	175,241
Net Book Value	
At 31 December 2024	11,741,406
At 31 December 2023	16,421,797

At the start of 2023 the Company owned 100% interests in two licenses; P2498 containing the Buchan field and J2 Discovery, and P2170 containing the Verbier discovery.

At the end of 2023 the costs incurred in acquiring and advancing the licenses to their current state was £25,700,982 (2022: £24,548,122). During 2023 a farm-out of a 50% interest in both licenses to NEO was completed and in 2024 a farm out of a 30% interest in both licenses to Serica was completed. Both deals had similar terms whereby in exchange for the farm in, the respective parties agreed to a series of cash payments and both a pre-development and development carry on the Buchan Redevelopment project. In accordance with our farm-out policy for assets at this stage of development (please refer to section on Acquisitions, Asset Purchases and Disposals on page 56) the cash proceeds of £5,519,216 in 2024 and £9,103,944 in 2023 have both been deducted from the carrying value of the assets.

In line with the requirements of IFRS 6, we have considered whether there are any indicators of impairment on the exploration and development assets. Based on our assessment, as at 31 December 2024 there are not deemed to be indicators that the licences are not commercial and that the carrying value of £11,741,406 continues to be supported by ongoing exploration and development work on the licence areas with no impairments considered necessary. For further information please refer to note 23, Post balance sheet events, for discussion of potential future impairment triggers.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

11. Property, Plant and Equipment

	Computer and office equipment £
Cost	
At 1 January 2023	228,447
Additions	-
At 31 December 2023	228,447
Additions	2,363
At 31 December 2024	230,810
Accumulated Depreciation	
At 1 January 2023	218,244
Charge for the year	10,203
At 31 December 2023	228,447
Charge for the year	688
At 31 December 2024	229,135
Net Book Value	
At 31 December 2024	1,675
At 31 December 2023	-

12. Leases

Amounts Recognised in the Statement of financial position

	2024 £	2023 £
Right-of-use Assets		
Buildings	83,797	139,661
	83,797	139,661
Lease liabilities		
Current	56,723	55,154
Non-Current	14,585	71,309
	71,308	126,463

The liabilities were measured at the present value of the remaining lease payments,discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3%. The borrowing rate applied for 2024 remained at 3% and the leases relate to office space.

A new lease agreement was entered into in June 2023 for a total of 9 years with break clauses after 3 and 6 years. The interest rate implicit in the agreement was 3% over the Bank of England's base rate. Given the 3-year break clause and the future plans for the business it was deemed appropriate to recognise the liability relating to a 3-year period. This lease was in relation to an office in Jersey.

Amounts Recognised in the Statement of comprehensive income

	2024 £	2023 £
Depreciation charge of right-of-use asset		
Buildings	55,864	94,988
	55,864	94,988
Interest expenses (included in finance cost)	(3,185)	(3,503)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

13. Trade and other receivables

	2024 £	2023 £
Current:		
Other receivables	29	328,166
Value added tax	18,769	81,846
Prepayments	67,934	68,222
	86,732	478,234

Included within other receivables in 2023 is an amount of £233,055 relating to monies outstanding from the exercise of share options which was received during 2024.

14. Cash and cash equivalents

	2024 £	2023 £
Cash in bank accounts	6,185,872	5,482,935

The cash balances are placed with creditworthy financial institutions with a minimum rating of 'A'.

15. Term deposits

	2024 £	2023 £
Maturing within ten months	6,150,000	5,000,000

Term deposits are placed with a creditworthy financial institution with a minimum rating of 'A'.

16. Called up share capital

Issued: Number:	Class	Nominal value	2024 £	2023 £
32,667,627 (2023: 32,667,627)	Ordinary	1p	326,676	325,552
2,271,694 (2023: 2,271,694)	Deferred shares	99p	2,248,977	2,248,977

Ordinary shares have a par value of 1p. They entitle the holder to participate in dividends, distributions or other participation in the profits of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

Included in the above 2023 ordinary shares are 1,667 which were committed to be issued at the year-end but not allotted until January 2024.

In 2023, 113,334 new ordinary shares were issued to satisfy the exercise of share options which raised £233,053 (gross) which was not paid at the 2023 year end and was included in other receivables. All other issued share capital was fully paid.

17. Trade and other payables

	2024 £	2023 £
Current:		
Trade payables	44,028	345,814
Accrued expenses	237,075	256,283
Other payables	-	10,970
Taxation and Social Security	32,108	127,860
	313,211	740,927

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

18. Lease liabilities

	2024 £	2023 £
Non-Current		
Lease Liabilities	14,585	71,309
	14,585	71,309

19. Contingent Liabilities

(i) 2015 settlement agreement with Athena Consortium: In accordance with a 2015 settlement agreement reached with the Athena Consortium, although Jersey Petroleum Ltd remains a Licensee in the joint venture, any past or future liabilities in respect of its interest can only be satisfied from the Group's share of the revenue that the Athena Oil Field generates and up to 60 per cent. of net disposal proceeds or net petroleum profits from the Group's interest in the P2170 licence which is the only remaining asset still held that was in the Group at the time of the agreement with the Athena Consortium who hold security over this asset. Any future repayments, capped at the unpaid liability associated with the Athena Oil Field, cannot be calculated with any certainty, and any remaining liability still in existence once the Athena Oil Field has been decommissioned will be written off. A payment was made in 2016 to the Athena Consortium in line with this agreement following the farm-out of P2170 (Verbier) to Equinor and the subsequent receipt of monies relating to that farm-out.

(ii) Equinor UK Limited: During 2020, JOG announced that it had entered into a conditional Sale and Purchase Agreement ("SPA") to acquire operatorship of, and an additional 70% working interest in Licence P2170 (Blocks 20/5b and 21/1d) from Equinor UK Limited ("Equinor"), this transaction completed in May 2020. The consideration for the acquisition consisted of two milestone payments, which will be accounted for in line with the cost accumulation model, as opposed to contingent liabilities:

- US$3 million upon sanctioning by the UK's North Sea Transition Authority ("NSTA") of a Field Development Plan ("FDP") in respect of the Verbier Field; and
- US$5 million upon first oil from the Verbier Field.

The earliest of the milestone payments in respect of the acquisition is not currently anticipated being payable before the start of 2028.

(iii) ITOCHU Corporation and Japan Oil, Gas and Metals National Corporation: During 2020, JOG announced that it had entered into a conditional Sale and Purchase Agreement ("SPA") to acquire the entire issued share capital of CIECO V&C (UK) Limited, which was owned by ITOCHU Corporation and Japan Oil, Gas and Metals National Corporation, this transaction completed in April 2021. The acquisition was treated as an asset acquisition rather than a business combination due to the nature of the asset acquired. There were no assets or liabilities acquired other than the 12% interest in licence P2170 (Verbier). The consideration for the acquisition included a completion payment of £150k and two future milestone payments, which are considered contingent liabilities:

- £1.5 million in cash upon consent from the UK's North Sea Transition Authority ("NSTA") for a Field Development Plan ("FDP") in respect of the Verbier discovery in the Upper Jurassic (J62-J64) Burns Sandstone reservoir located on Licence P2170; and
- £1 million in cash payable not later than one year after first oil from all or any part of the area which is the subject of the FDP.

The earliest of the milestone payments in respect of the acquisition is not currently anticipated being payable before the start of 2028.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

20. Share based payments

The Group operates several share options schemes. Options are exercisable at the prices set out in the table below. Options are forfeited if the employee leaves the Group through resignation or dismissal before the options vest.

Equity settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period, based upon the Group's estimate of the number of shares that will eventually vest.

The Group's share option schemes are for Directors, Officers and employees. The charge for the year was £764,774 (2023: £1,560,167) and details of outstanding options are set out in the table below.

Date of Grant	Exercise price (pence)	Vesting date	Expiry date	No. of shares for which options outstanding at 1 Jan 2024	Options issued	Options Exercised	Options lapsed /non vesting during the year	No. of shares for which options outstanding at 31 Dec 2024
Jan-18	200	Jan-21	Jan-25	360,000	-	-	-	360,000
Jan-18	200	Jan-18	Jan-23*	56,666	-	-	(56,666)	-
Jan-18	200	Jan-19	Jan-23*	56,667	-	-	(56.667)	-
Jan-18	200	Jan-20	Jan-23*	56,667	-	-	(56,667)	-
Nov-18	172	Nov-21	Nov-25	150,000	-	-	-	150,000
Jan-19	175	Jan-20	Jan-26	88,333	-	-	-	88,333
Jan-19	175	Jan-21	Jan-26	88,333	-	-	-	88,333
Jan-19	175	Jan-22	Jan-26	68,333	-	-	-	68,333
Jan-19	175	Jan-20	Jan-24	11,667	-	-	(11,667)	-
Jan-19	175	Jan-21	Jan-24	11,667	-	-	(11,667)	-
Jan-19	175	Jan-22	Jan-24	11,667	-	-	(11,667)	-
Jun-19	200	Jan-21	Jun-29	120,000	-	-	-	120,000
Jun-19	110	Jun-19	Jun-29	40,000	-	-	-	40,000
Jan-21	155	Jan-22	Jan-28	83,333	-	-	-	83,333
Jan-21	155	Jan-23	Jan-28	75,000	-	-	-	75,000
Jan-21	155	Jan-24	Jan-28	60,000	-	-	-	60,000
Mar-21	210	Mar-22	Mar-26	11,666	-	-	-	11,666
Mar-21	210	Mar-23	Mar-26	11,667	-	-	-	11,667
Mar-21	210	Mar-24	Mar-26	11,667	-	-	-	11,667
Mar-21	210	Mar-22	Mar-28	130,001	-	-	-	130,001
Mar-21	210	Mar-23	Mar-28	86,666	-	-	-	86,666
Mar-21	210	Mar-24	Mar-28	78,333	-	-	-	78,333
Nov-21	147	Nov-22	Nov-28	233,334	-	-	-	233,334
Nov-21	147	Nov-23	Nov-28	233,333	-	-	-	233,333
Nov-21	147	Nov-24	Nov-28	233,333	-	-	-	233,333
Apr-22	230	Apr-23	Apr-29	278,333	-	-	-	278,333
Apr-22	230	Apr-24	Apr-29	268,333	-	-	-	268,333
Apr-22	230	Apr-25	Apr-29	268,333	-	-	(8,333)	260,000
Apr-22	230	Apr-23	Apr-27	45,000	-	-	-	45,000
Apr-22	230	Apr-24	Apr-27	45,000	-	-	-	45,000
Apr-22	230	Apr-25	Apr-27	45,000	-	-	-	45,000
Apr-23	247.5	Apr-24	Apr-30	169,167	-	-	-	169,167
Apr-23	247.5	Apr-25	Apr-30	169,167	-	-	(5,833)	163,334
Apr-23	247.5	Apr-26	Apr-30	169,166	-	-	(5,833)	163,333
Apr-23	247.5	Apr-24	Apr-28	28,334	-	-	-	28,334
Apr-23	247.5	Apr-25	Apr-28	28,333	-	-	-	28,333
Apr-23	247.5	Apr-26	Apr-28	28,333	-	-	-	28,333
							Total	3,685,832

*The share options issued in January 2018 had their expiry dates extended due to the Company being in several close periods whereby according to the scheme rules the options were unable to be exercised. The amended expiry date for these options was 29 January 2024 with the remaining outstanding balances expiring on this date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

There were no share option awards during the year. The weighted average remaining contractual life for all share option schemes was 3 years (2023: 4 years). During the year, 170,000 of the January 2018 issuance of share options that had an exercise price of 200 pence which had previously had their expiry date extended (to January 2024 from January 2023 due to being in several close periods), expired, as did a further 35,000 of share options with an exercise price of 175 pence from the January 2019 issuance. A further 20,000 share options were forfeited due to the departure of employees, these had a weighted exercise price of 240 pence. The weighted average exercise price for all outstanding options at 31 December 2024 was 200 pence. For details of the schemes and scheme rules, please refer to the Remuneration Report.

21. Related undertakings and ultimate controlling party

The Group and Company do not have an ultimate controlling party or parent Company.

Subsidiary	% owned	Country of Incorporation	Principal Activity	Registered Office
Jersey North Sea Holdings Ltd	100%	England & Wales	Non-Trading	1
Jersey Petroleum Ltd	100%	England & Wales	Oil Exploration	1
Jersey V&C Ltd	100%	England & Wales	Oil Exploration	1
Sunny Day 123 Ltd*	100%	England & Wales	Oil Exploration	4
Jersey E & P Ltd**	100%	Scotland	Non-Trading	2
Jersey Oil Ltd**	100%	Scotland	Non-Trading	2
Jersey Exploration Ltd**	100%	Scotland	Non-Trading	2
Jersey Oil & Gas E & P Ltd	100%	Jersey	Management services	3

*Dissolved 25 February 2025
**Dissolved 11 February 2025

Registered Offices

1. 71-75 Shelton Street, Covent Garden, London WC2H 9JQ
2. 7 Queen's Gardens, Aberdeen, Scotland AB15 4YD
3. First Floor, Tower House, La Route es Nouaux, St Helier, Jersey JE2 4ZJ
4. 10, The Triangle, NG2 Business Park Nottingham, Nottinghamshire NG2 1AE

22. Notes to the consolidated statement of cash flows

Reconciliation of Loss Before Tax to Cash Used in Operations

	2024 £	2023 £
Loss for the year before tax	(3,540,274)	(5,595,353)
Adjusted for:		
Depreciation	688	10,203
Depreciation right-of-use asset	55,864	94,988
Share-based payments	764,774	1,560,167
Finance costs	3,185	3,503
Finance income	(542,637)	(114,825)
	(3,258,400)	(4,041,317)
(Increase)/decrease in trade and other receivables	428,691	(109,685)
Decrease in trade and other payables	(530,054)	(34,047)
Cash used in operations	(3,359,763)	(4,185,049)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

Cash and cash equivalents

The amounts disclosed on the consolidated Statement of Cash Flows in respect of Cash and cash equivalents are in respect of these statements of financial position amounts:

Year ended 2024

	31 Dec 2024 £	01 Jan 2024 £
Cash and cash equivalents	6,185,872	5,482,935

Year ended 2023

	31 Dec 2023 £	01 Jan 2023 £
Cash and cash equivalents	5,482,935	6,579,349

	Analysis of net cash		
	At 1 Jan 2024 £	Cash inflow £	At 31 Dec 2024 £
Cash and cash equivalents	5,482,935	702,937	6,185,872
Net cash	5,482,935	702,937	6,185,872

Notes to the Consolidated Financial Statements

For the year ended 31 December 2024

23. Post balance sheet events

As highlighted in note 10, the Directors assessed that there were no conditions of impairment as at 31 December 2024. Post year end, on 7 March 2025, the Company reported that Dana Petroleum ("Dana") had terminated the agreement with the Buchan Horst ("Buchan") Operator, NEO Energy, in relation to the proposed purchase of the Western Isles floating, production, storage and offloading ("FPSO") vessel. This followed the agreement having reached its longstop date at the end of February 2025. The Buchan joint venture's ability to recommit to the acquisition of the FPSO is naturally linked to the satisfactory conclusion of the on-going fiscal and regulatory consultations and completion of the required pre-handover works on the vessel. In addition, the Brent oil price dropped below its previous 18-month range of $70-90 in Q2 2025 following the introduction of the US 'Trump Tariffs'. Both events will be considered in the 2025 reporting period as to whether either constitute an impairment trigger and consequently whether either will result in an impairment on the current carrying value of the Buchan field.

24. Availability of the annual report 2024

A copy of this report will be made available for inspection at the Company's registered office during normal business hours on any weekday. The Company's registered office is at 71-75 Shelton Street, Covent Garden, London WC2H 9JQ. A copy can also be downloaded from the Company's website at www.jerseyoilandgas.com. Jersey Oil and Gas Plc is registered in England and Wales, with registration number 7503957.

Contents for the Company Financial Statements

For year ended 31 December 2024

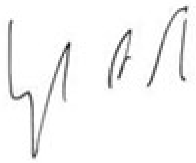
COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 £	2023 £
Non-current assets			
Investments in subsidiaries	4	-	-
Property, plant and equipment	5	-	-
Right-of-use assets	6	-	-
		-	-
Current assets			
Trade and other receivables	7	102,714	377,091
Cash and cash equivalents	8	6,038,124	4,520,924
Term deposits	9	6,150,000	5,000,000
		12,290,838	9,898,015
Total assets		12,290,838	9,898,015
Equity			
Called up share capital	10	2,574,529	2,574,529
Share premium account		110,535,059	110,535,059
Share options reserve		4,504,668	3,890,981
Accumulated losses		(112,783,418)	(112,653,103)
Total equity		4,830,838	4,347,466
Non-current liabilities			
Lease liabilities	6	-	-
Current liabilities			
Trade and other payables	11	7,460,000	5,550,549
Lease liabilities	6	-	-
Total liabilities		7,460,000	5,550,549
Total equity and liabilities		12,290,838	9,898,015

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent Company is not presented as part of these financial statements. The parent Company's loss for the year was £281,402 (2023: Loss of £35,265,078).

The financial statements on pages 75 and 76 were approved by the Board of Directors and authorised for issue on 27 May 2025. They were signed on its behalf by Graham Forbes – Chief Financial Officer.



Graham Forbes
Chief Financial Officer
27 May 2025

Company Registration Number: 07503957

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Called up share capital £	Share premium account £	Share options reserve £	Accumulated losses £	Total equity £
At 1 January 2023	2,573,395	110,309,524	2,566,338	(77,623,549)	37,825,708
Total comprehensive loss for the year	–	–	–	(35,265,078)	(35,265,078)
Transactions with owners in their capacity as owners					
Issue of share capital	1,134	225,535	–	–	226,669
Lapsed share options	–	–	(148,178)	148,178	–
Exercised share options	–	–	(87,346)	87,346	–
Transactions with owners (share-based payments)	–	–	1,560,167	–	1,560,167
At 31 December 2023	2,574,529	110,535,059	3,890,981	(112,653,103)	4,347,466
Total comprehensive loss for the year	–	–	–	(281,402)	(281,402)
Transactions with owners in their capacity as owners					
Lapsed share options	–	–	(151,087)	151,087	–
Transactions with owners (share-based payments)	–	–	764,774	–	764,774
At 31 December 2024	2,574,529	110,535,059	4,504,668	(112,783,418)	4,830,838

The following describes the nature and purpose of each reserve:

Reserve	Description and purpose
Called up share capital	Represents the nominal value of shares issued
Share premium account	Amount subscribed for share capital in excess of nominal value
Share options reserve	Represents the accumulated balance of share-based payment charges recognised in respect of share options granted by the Company less transfers to accumulated deficit in respect of options exercised or cancelled/lapsed
Accumulated losses	Cumulative net gains and losses recognised in the profit and loss and other comprehensive income or loss

Notes to the Company Financial Statements

For the year ended 31 December 2024

1. Significant accounting policies

The financial statements of Jersey Oil and Gas Plc have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards) but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The material accounting policies adopted are consistent with those set out in note 2 to the consolidated financial statements. The financial risk management strategy for the Company is consistent with that set out in note 4 to the consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

The Company is a qualifying entity for the purposes of FRS 101. The application of FRS 101 has enabled the Company to take advantage of certain disclosure exemptions that would have been required had the Company adopted IFRS in full. The disclosure exemptions adopted by the Company are as follows:

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
- o paragraph 79(a)(iv) of IAS 1; and
- o paragraph 73(e) of IAS 16, 'Property, plant and equipment';
- The following paragraphs of IAS 1, 'Presentation of financial statements':
    - 10(d) (statement of cash flows);
    - 16 (statement of compliance with all IFRS);
    - 38A (requirement for minimum of two primary statements, including cash flow statements);
    - 38B-D (additional comparative information);
    - 111 (statement of cash flows information); and
    - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

Notes to the Company Financial Statements

For the year ended 31 December 2024

Going Concern

The Group has sufficient resources to meet its liabilities as they fall due for a period of at least 12 months after the date of issue of these financial statements. The Group has cash reserves following the successful farm-out of the GBA licences and receipt of initial funds resulting from the two transactions with NEO and Serica. The Group now has a fully funded 20% interest in the on-going Buchan redevelopment project. Other work that the Group is undertaking in respect of the GBA licenses and surrounding areas is modest relative to its current cash reserves. As part of its financial position, the Group has a £7.3 million payable to other companies within the Group. This intercompany liability does not impact the Group's consolidated cash position and is not expected to affect the Group's ability to meet its obligations as they fall due. The Company's current cash reserves are therefore expected to more than exceed its estimated cash outflows in all reasonable scenarios for at least 12 months following the date of issue of these financial statements. Even in a scenario where the Buchan redevelopment did not progress for any unforeseen reason and any future instalment payments were not realised the Group already has in place a cost structure and expenditure profile that enables the business to continue beyond the next 12 months solely from utilisation of its existing cash resources. The directors have also considered the risk associated with contractual arrangements associated with the farm-outs and are satisfied that the Group is not exposed to any contractual commitments which could impact on the Group's going concern status over the next 12 months. Based on these circumstances, the directors have considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

Risk management

The Company's activities expose it to financial risks and its overall risk management programme focuses on minimising potential adverse effects on the financial performance of the Company. The Company's activities are also exposed to risks through its investments in subsidiaries and it is accordingly exposed to similar financial and capital risks as the Group. Risk management is carried out by the Directors, and they identify, evaluate and address financial risks in close co-operation with the Company's management. The Board provides written principles for overall risk management, as well as written policies covering specific areas,such as mitigating foreign exchange risks and investing excess liquidity. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity through continuous monitoring of cashflows from operating activities, review of actual capital expenditure programmes, and managing maturity profiles of financial assets and financial liabilities.

2. Employees and directors

	2024 £	2023 £
Wages and salaries	1,650,688	2,110,259
Social security costs	212,309	270,036
Share based payments	764,774	1,560,167
Other pensions costs	266,398	219,753
	2,894,169	4,160,215

Other pension costs include employee and Company contributions to money purchase pension schemes. The average monthly number of employees during the year was as follows:

	2024	2023
Directors	4	4
Employees – Finance	1	1
Employees – Technical	5	6
	10	11

For details relating to the remuneration for the Directors and highest paid Director please refer to note 5 of the consolidated financial statements.

Notes to the Company Financial Statements

For the year ended 31 December 2024

3. Loss of parent company

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent Company is not presented as part of these financial statements.

The parent Company's loss for the year was £281,402 (2023: Loss of £35,265,078).
Auditors' remuneration is disclosed in note 7 in the consolidated financial statements.

4. Investment in subsidiaries

	2024 £	2023 £
Company – shares in subsidiary undertakings:	–	–

Following the waiver of the intercompany balance owed by Jersey Petroleum Limited by way of a deed or forgiveness in 2023, £27.5m was capitalised as an investment in subsidiary then subsequently impaired due to a doubt in recoverability.

The subsidiary undertakings at 31 December 2024 were as

follows:

Subsidiary	% owned	County of Incorporation	Principal Activity
Jersey North Sea Holdings Ltd*	100%	England & Wales	Non-Trading
Jersey Petroleum Ltd*	100%	England & Wales	Oil Exploration
Jersey V&C Ltd*	100%	England & Wales	Oil Exploration
Sunny Day 123 Ltd****	100%	England & Wales	Oil Exploration (Dissolved 25 Feb 2025)
Jersey E & P Ltd**	100%	Scotland	Non-Trading (Dissolved 11 Feb 2025)
Jersey Oil Ltd**	100%	Scotland	Non-Trading (Dissolved 11 Feb 2025)
Jersey Exploration Ltd**	100%	Scotland	Non-Trading (Dissolved 11 Feb 2025)
Jersey Oil & Gas E & P Ltd***	100%	Jersey	Management services

* Registered address: 71-75 Shelton Street, Covent Garden, London WC2H 9JQ
** Registered address: 7 Queen's Gardens, Aberdeen, Scotland AB15 4YD
*** Registered address: First Floor, Tower House, La Route es Nouaux, St Helier, Jersey, JE2 4ZJ
**** Registered address: 10 The Triangle, NG2 Business Park, Nottingham, Nottinghamshire NG2 1AE

5. Property, plant and equipment

	Office equipment £
Cost	
At 1 January 2024	178,960
At 31 December 2024	**178,960**
Accumulated depreciation	
At 1 January 2024	178,960
Charge for year	-
At 31 December 2024	**178,960**
Net book value	
At 31 December 2024	-
At 31 December 2023	-

Notes to the Company Financial Statements

For the year ended 31 December 2024

6. Right-of-use Assets

Amounts Recognised in the Statement of financial position

	2024 £	2023 £
Right-of-use assets		
Buildings	-	-
	-	-
Lease liabilities		
Current	-	-
Non-Current	-	-
	-	-

The liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3%. The borrowing rate applied for 2023 remained at 3% and the leases relate to office space.

A new lease agreement was entered into in September 2023 with a lease end date of September 2024 this had a rolling 3-month notice clause, this was in relation to the London office, 3 months' notice on this lease was served in January 2024. The lease was treated as a short-term lease and not a right-of-use asset.

Amounts Recognised in the Statement of comprehensive income

	2024 £	2023 £
Depreciation charge of right-of-use asset		
Buildings	-	45,649
	-	45,649
Interest expenses (included in finance cost)	-	(410)

Notes to the Company Financial Statements

For the year ended 31 December 2024

7. Trade and other receivables

	2024 £	2023 £
Current:		
Other receivables (net)	-	233,054
Value Added Tax	17,436	79,862
Amounts due from Group undertakings	-	-
Prepayments	67,812	61,483
Deposits	17,466	2,692
	102,714	377,091

On 19 May 2023, the Company waived the balance owed by Jersey Petroleum Limited as at 31 March 2023 totalling £97,253,142 by way of a deed of forgiveness.

The balances in previous years were assessed for recoverability under the expected credit loss model and amounts due from Group undertakings are stated net of losses of £69,800,211. The amounts due from Group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

8. Cash and cash equivalents

	2024 £	2023 £
Cash at bank	6,038,124	4,520,924

Cash deposits are placed with creditworthy financial institutions with a minimum rating of 'A'.

9. Term deposits

	2024 £	2023 £
Maturing within ten months	6,150,000	5,000,000

Term deposits are placed with creditworthy financial institutions with a minimum rating of 'A'.

10. Called up share capital

Issued: Number:	Class	Nominal value	2024 £	2023 £
32,667,627 (2023: 32,667,627)	Ordinary	1p	326,676	325,552
2,271,694 (2023: 2,271,694)	Deferred shares	99p	2,248,977	2,248,977

Ordinary shares have a par value of 1p. They entitle the holder to participate in dividends, distributions or other participation in the profits of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

Included in the 2023 ordinary shares of 1,667 which were committed to be issued at the year-end but not allotted until January 2024.

Notes to the Company Financial Statements

For the year ended 31 December 2024

11. Trade and other payables

	2024 £	2023 £
Current:		
Amounts due to Group undertakings	7,295,614	5,192,160
Trade payables	14,443	96,135
Other payables	32,108	130,914
Accrued expenses	117,835	131,340
	7,460,000	5,550,549

Amounts shown as Current: Amounts owed to Group undertakings are unsecured, interest bearing, have no fixed date of repayment and are repayable on demand.

12.Post balance sheet events

For all Group related post balance sheet events please see note 23 of the consolidated financial statements.

JERSEY OIL & GAS

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