UNITED
OIL & GAS

Annual Report and Financial Statements

2023

United Oil & Gas[1] is an oil and gas exploration, appraisal and development company headquartered in Dublin and listed on the AIM market of the London Stock Exchange. We have a large exploration licence in Jamaica and an interest in a development asset in the UK. We had production revenue in Egypt until early January 2024.

Founding Year

2015

Countries

3

Oil & Gas Fields[2]

8

2023 Average Net Production (boepd)

1,015

[1] United Oil & Gas PLC ("United" or "the Company") and its subsidiaries (together, "United" or "the Group").
[2] Relates to the Abu Sennan Concession in Egypt which is in default from January 2024.

Our purpose

Responsibly producing energy for communities and stakeholders.

Our vision

To become a leading independent oil and gas company focused on Jamaica, UK, North and West Africa and Greater Mediterranean.

2023 group highlights

Metric	2023	2022
LTIF[1] (per million man hours)	0	2022: 0
Average Net Production (boepd)	1,015	2022: 1,312
Cash Opex ($/boe)	11.08	2022: 10.3
(Loss)/Profit After Tax ($m)	(20.4)	2022: 2.3
Gross Profit ($m)	6.2	2022: 12.9
Revenue ($m)	11.6	2022: 15.8

[1] Lost Time Injury Frequency Rate

Our Portfolio

Jamaica

Walton Morant

Our high-impact exploration asset with a drill ready prospect.

Interest: 100%

Operational Phase: Exploration

Operator: United Oil & Gas

United Kingdom

Waddock Cross Oil Field

Redevelopment project, which is located onshore southern UK in Dorset.

Interest: 26.25%

Operational Phase: Development

Operator: Egdon Resources

Egypt

Abu Sennan

On 18 January 2024, United received a default notice from Kuwait Energy Egypt Limited, the operator of the Abu Sennan Concession. The Company did not remedy the default and is currently in the process of completing paperwork for the exit from the Abu Sennan Concession. Consequently, the company no longer has any operation in Egypt to report.

Our strategy

Create value by actively managing our existing assets whilst growing our business through additional high-margin opportunities.

United's growth strategy is supported by five key pillars

1

Value and strength of our existing assets

- Jamaica provides exciting exploration upside, with 7bn (United's arithmetic) barrel potential unrisked mean/mid-case prospective resource
- We actively manage our portfolio to unlock the value of each asset throughout their lifecycle

2

Commitment to managing a responsible business

- Explore, appraise and develop energy in a safe and responsible way
- Creating a safe work environment
- Excellent business ethics and good governance

3

Financial and risk management

- Disciplined allocation of capital to where it generates the best returns
- Ability to access finance to fund future growth opportunities
- Cost management
- Management of financial risk and mitigants
- Flexible work programmes

4

Experienced team

- Leveraging breadth of experience and strong industry relationships
- Strong technical, financial and commercial capabilities – expertise in identifying new opportunities
- Track record of executing deals with large scale Exploration and Production companies
- Demonstrated ability in financing significant corporate growth

5

Growth through M&A

- Targeting opportunities that will deliver growth and value
- To become a leading independent oil and gas company focused on Jamaica, UK, North and West Africa and Greater Mediterranean
- Remaining opportunistic for assets outside these areas

We look forward positively to the year ahead

Dear Shareholders,

As we reported in September 2023 when announcing our Half-year results, the year started positively for the company. We made progress across our portfolio and evaluated new venture opportunities. We continued our successful drilling campaign in Egypt, with an impressive health and safety record, and we continued to receive a small portion of our receivables in USD despite a challenging macroeconomic environment. Discussions with potential farm-in partners for our Jamaica exploration asset were progressing well and the outlook for a successful sale of our Maria asset to Quattro looked favourable.

The second half of 2023 however saw the emergence of major headwinds for the company. The macroeconomic environment in Egypt worsened considerably, partly from the knock-on effects of the war in Gaza, leading to issues with receiving payments in USD. Although we were paid in EGP, substantial foreign exchange costs were incurred when repatriating these funds. In the UK, against a backdrop of regulatory and fiscal challenges, Quattro were unable to raise sufficient funds to complete the purchase of Maria and the licence expired in November. In Jamaica the preferred potential counterparty with whom we had been engaged in relation to the farmout discussions, withdrew from the process.

The combination of these developments put the company's financial position under considerable strain and eventually this led to the Operator of the Egyptian assets issuing a default notice to the company which I comment on later. Despite these uncertainties and challenges the management team continued to engage in constructive discussions with the Government of Jamaica and explored ways of maximising value from our Waddock Cross development asset in the UK.

In the latter part of 2023, the Company made the decision to divest Egypt, given the economic uncertainties in Egypt and the company's view of the future capex requirements on the Abu Sennan assets, we engaged in discussions with the operator to sell the asset.

Post year end

In January 2024, the operator proceeded to issue the company with a default notice for unpaid cash calls of $3.8 million, which started a process which will eventually lead to the company withdrawing from the Abu Sennan concession. Discussions on an agreement had reached a very advanced stage but the negotiations were aborted based on legal advice the company received, notwithstanding attempts by the company to agree mutually acceptable terms.

In Jamaica, the considerable efforts of the management team bore fruit when in January the company announced that terms of a two year extension to the exploration period of the Walton Morant licence had been agreed, which re-invigorated the company's efforts to find one or more suitable farm-in partners. In the UK, Egdon Resources, the operator of Waddock Cross announced in March that it had received a five year extension to the current phase of the licence, and they were progressing plans to restart production - a very promising development.

Against this backdrop, and in particular to provide funds to progress the Jamaican work programme commitment, the company completed a fundraising of £1 million in March 2024. We thank our existing shareholders for supporting this fundraising and we welcome our new shareholders to what we believe will be an exciting new phase in the company's journey.

Strategy

Our immediate focus is progressing the farm-out of our Jamaican exploration asset, while continuing to engage with Egdon on the plans for Waddock Cross. At the same time however, we continue to receive and evaluate many opportunities to grow our business and we keep an open mind on those possibilities where value-adding for shareholders while not being distracted from our current focus on Jamaica and the UK.

Board and governance

Jonathan Leather stepped down as COO and Executive Director in August 2023 but continued to provide support to the company as a consultant until recently, particularly in relation to Jamaica. Jonathan played a key role in the Company's evolution and we wish him every success in the future.

Peter Dunne stepped down as CFO and Executive Director at the end of 2023 to take up a prestigious CFO role in Ireland and we also wish him every success in that endeavour. Peter made an outstanding contribution to the company and we are very grateful to him for supporting a smooth transition to Simon Brett who was appointed as Interim CFO in November. Simon brings to United a wealth of sectoral and public market experience.

Dialogue with shareholders

Shareholders' views on the company, its strategy, and indeed all aspects of our business and operations are very important to the Board and we welcome every opportunity to engage. I can be reached via the Company Secretary at info@uogplc.com.

Conclusion and outlook for 2024

2023 started well but proved to be a very challenging year for the company and I would like to express my gratitude to our executives and all staff for their loyalty and commitment in such times.

The early months of 2024 have seen some very positive changes with our successful fundraising allowing us to progress the work commitment and farm-out negotiations in Jamaica and more generally to pursue our strategy. We look forward positively to the year ahead.

Graham Martin
Chair

24 June 2024

Inflationary pressures persisted throughout 2023

During 2023, the global economy continued its path of recovery amidst lingering uncertainties, navigating through the aftermath of the COVID-19 pandemic and ongoing global tensions. The macroeconomic landscape witnessed both optimism and caution, as markets reacted to evolving geopolitical dynamics, monetary policy shifts, and the resurgence of inflationary pressures.

The ongoing conflict in Ukraine and the outbreak of war in Gaza continued to disrupt trade routes and impact the global energy market. Due to these factors, the brent crude price remained high, but volatile throughout the year, ending in December at $78/b, as tensions in the Middle East increased. Governments focused on obtaining a sustainable domestic supply of energy in order to curb the effects of the energy crisis, which caused energy prices to rise dramatically throughout the year.

Climate change continued to be a prominent topic, with many claiming that governments across the globe were not making sufficient progress. This was demonstrated later in the year by the significant drop in uptake of electric vehicles, particularly in Asia which was seen as a key market, due to high prices and lack of infrastructure, prompting numerous agencies to increase their medium to long term oil demand forecasts.

Inflationary pressures persisted throughout 2023, and despite coming down later in the year, interest rates remained high, causing strain on the global economy. The UK announced that it had sunk into a recession in the final six months of the year, due to these economic pressures.

Political and Economic Environment

The political and economic environment in 2023 remained unsettled, as the war in Ukraine continued, and significant levels of unrest began in the Middle East. In the UK, efforts were concentrated on bolstering economic resilience and fostering innovation to mitigate the impact of global uncertainties. Geopolitical tensions added complexity to the economic landscape, prompting policymakers to navigate through a multifaceted array of challenges. In the UK, pressure remained within the financial markets, with supressed deal flow, particularly around IPO's and M&A deals, the number of which remained significantly lower than in previous years despite there being a significant increase when compared to the same period in 2022.

Within the oil and gas industry, the UK government announced the Offshore Petroleum Licencing Bill, in order to safeguard domestic energy supply and boost the UK economy. The legislation requires more frequent licencing rounds, now to be held annually, but that are subject to stringent emissions and imports tests, which include that the production of UK gas must be lower than the average of equivalent emissions from imported LNG. In early 2024, the 33rd oil and gas licencing round was held, with 24 licences offered in the second tranche. United remained focused on seeking value-adding M&A opportunities throughout the year, but these continued to be few and far between.

Egypt

Egypt encountered economic challenges amidst efforts to address structural issues and foster sustainable growth throughout the year. The country grappled with severe inflationary pressures exacerbated by global commodity price fluctuations and fiscal reforms. The nation also had to contend with geopolitical unrest, exacerbated by conflicts in Ukraine and Gaza. Nevertheless, Egypt's strategic significance in the region remained acknowledged by international bodies.

In December 2023, President Abdul Fattah al-Sisi secured a third consecutive six-year term. As the nation eyes sustained infrastructure development, the administration faces the task of managing burgeoning public debt and inflationary pressures.

Double-digit inflation rates persisted and escalated to 37.4% by August 2023, while food inflation soared to 71.7%. Egypt continues to retain its stature as one of the world's foremost wheat importers, pivoting towards direct procurement strategies in the wake of the Ukrainian conflict's disruption in 2023.

The Egyptian pound struggled against the US dollar throughout the year, trading at an official rate of approximately 30.85 Egyptian pounds for one USD, compared to 15.7 Egyptian pounds in 2022. Restrictions imposed by the Central Bank of Egypt on outgoing USD transfers, coupled with escalating shortages, posed challenges for international enterprises operating within Egypt, exacerbating the shortfall in imports.

Medium-term prospects are cautiously optimistic, with anticipated stabilization and structural reforms. The International Monetary Fund (IMF) forecasted a modest increase in real GDP by 3.6% in 2024.

Oil Price Dynamics

The oil market in 2023 continued to balance supply and demand dynamics, geopolitical tensions, and sustainability imperatives. Brent crude prices fluctuated throughout the year, with an average of $82/b, marking an 18.63% dip from its 2022 counterpart, responding to a multitude of factors including OPEC+ production decisions, geopolitical developments, and evolving global demand patterns.

Central banks ceased their rate hike endeavours while OPEC+ imposed supply cuts in July and August 2023, propelling prices to a height of US$96.55 by September 2023. However, despite escalating tensions in the Middle East, the year drew to a close with oil prices on a downward trajectory, attributed to non-OPEC+ suppliers and a weakening near term global oil demand growth.

Although oil demand experienced an uptick of 2.1 million barrels per day compared to the previous year, the uptrend highlighted the underlying impact of a weakening macroeconomic backdrop. Notably, outside of China, the pace of demand growth dwindled significantly throughout 2023, staying at approximately 300 thousand barrels per day during the latter half of the year. However, the structural lack of investment is going to lead to a potential imbalance between oil supply and demand.

Well-positioned to capitalise on emerging opportunities

Operational Highlights

United has had a year of change, from taking the decision to terminate the agreement with Quattro on the Maria discovery, the decision to divest out of Egypt and a refocus on our core assets in Jamaica and the UK. During 2023, in Egypt, our Abu Sennan license continued steady levels of production, contributing robustly to the Company's overall performance, however continued to be impacted by the Egyptian economic situation. Our exploration endeavours in Jamaica have shown promising signs of potential, with ongoing activities aimed at unlocking the considerable resource potential of this exciting frontier. Onshore UK, our interest in the Waddock Cross licence is progressing well, with the operator Egdon Resources forging ahead with a programme to restart production from this oil field.

Maria Discovery

In early 2023, we reached an agreement with Quattro to conditionally sell the Maria Discovery which was subject to raising the necessary finance. This disposal was in line with our strategic decision to monetise non-core assets. We granted a number of extensions to the timeline for Quattro to be able to complete the sale. However, with the wider political headwinds and challenges in the market, Quattro was unable to raise the necessary finance. The conditional sale of Maria to Quattro was terminated as a result and the subsequent exit from the licence, which was finalised during the year, was executed in line with our disciplined approach to portfolio management and capital allocation. It allowed our team to focus more on progressing talks with parties interested in Jamaica, and the unfolding economic situation in Egypt. Looking ahead, we are excited to get back to the roots of United, and the strategy that propelled the company to success in its early years, which is the cycle of acquiring assets, adding value and then monetising them for more than our initial investment.

Waddock Cross – providing exposure to onshore UK

During the latter part of the year, we progressed talks with the operator of Waddock Cross, Egdon Resources, to develop a programme for restarting production. The previously completed reservoir modelling is encouraging, estimating a significant Stock Tank Oil Initially in Place volume of 57 million barrels of oil, with potential for a new horizontal well that could yield 500 -800 barrels of oil per day gross with approximately 1 million barrels of gross oil recoverable when redeveloped. Following the announcement in early 2024 of a licence extension of 5 years, we continue to progress plans for the redevelopment of Waddock Cross, which has the potential to provide a low-risk, high-margin opportunity for the Company as we continue to explore future growth.

Abu Sennan – provided steady production throughout the year

Our operations at the Abu Sennan licence continued to deliver steady production throughout the year, with a number of wells successfully drilled and brought into production. Due to the declining economic situation within the country, receivables continued to be an issue. This, coupled with the ongoing economic unrest in Egypt, led to the Company making the strategic decision to divest from Egypt in late 2023 and the company was in advanced discussions with the operator regarding the potential sale of the 22% interest in the concession. However, discussions were aborted with the operator following legal advice, nothwithstanding attempts to agree a mutual acceptable sale and purchase agreement. In January 2024, we received a default notice from the operator for a cash call for the sum of $3.8 million which we did not remedy. This started a process which will eventually lead to the Company withdrawing from the Abu Sennan

Concession. We received a couple of payments from Egyptian General Petroleum Corporation of USD $50 thousand in January 2024, and a further $1 million during April 2024, which was allocated as part of the settlement agreement terms which was reached with our debt provider. This strategic realignment allows the Company to concentrate its resources and expertise on its licenses in Jamaica and onshore UK, where significant opportunities for growth and value creation exist.

Jamaica – a transformational asset with significant support from government

We remain confident that the Walton Morant licence has the potential to be transformational for United. During 2023, our exploration activities progressed steadily, with encouraging signs of hydrocarbon potential in this emerging frontier, and a number of high-calibre organisations continuing to show interest in partnering with us to bring this highly prospective asset into production. Our ongoing efforts are focused on delineating and de-risking the prospectivity, leveraging advanced technologies and geological insights to unlock value in this promising basin. We remain aligned with the Jamaican Government and committed to demonstrating the huge potential this area has for significant levels of hydrocarbons. The 2024 work programme is well underway, and we continue to work with stakeholders in Jamaica to ready the asset for the entry of a farm out partner.

Financial Performance

2023 was a challenging operating environment, United results reflect the impact of the writedown of the Egyptian asset of circa $20 million, resulting in a loss for the year. We have maintained our disciplined cost management, operational efficiencies, and strategic divestments enabled us to navigate market uncertainties.

Outlook and Future Prospects

United is well-positioned to capitalise on emerging opportunities within the oil and gas market and advance our 2024 work programme aimed at delivering long-term value to our shareholders aligned with securing a farm out partner in Jamaica and potential acquisition of growth assets.

Our asset portfolio, operational expertise, and commitment to sustainable growth underpin our confidence in navigating the evolving energy landscape. As we look forward, and to where we are now in 2024, we now have the opportunity to focus on our core assets, and have the capacity to focus on growth through the acquisition and development of prospective assets, underpinned by our ownership of the highly prospective Walton Morant licence and our onshore UK asset.

We are focused on executing our strategic priorities, driving operational excellence, and maximizing shareholder returns. I would like to express my sincere gratitude to our shareholders, employees, partners, and stakeholders for their unwavering support and dedication, as we embark on the next phase of our growth journey.

The Group and Company has sufficient resources for the twelve months from the date of signing. However, the directors have considered various matters and concluded that a material uncertainty exists which is discuss further in the going concern disclosure on page 23.

Brian Larkin
Chief Executive Officer

24 June 2024

A focus on future growth

6

Reasons to invest

1 Value opportunity

United is poised to play a key role in securing energy supply within its key markets alongside focusing on being a responsible oil and gas company.

2 Re-focused, opportunities led business

Re-focusing on core assets, with the goal of allocating resources into acquiring and developing potentially world-class projects.

3 Transformational potential

Jamaica remains a core asset for United, with the potential to be transformational for the company, with an estimated 7 billion barrels unrisked mean/mid-case prospective resources across the basin based on United's arithmetic sum.

4 Focused on inorganic growth

United is creating growth opportunities both through the potential acquisition, development and sale of projects, and the development of existing assets, such as the prospective Waddock Cross.

5 Disciplined approach to capital allocation

Capital to be focused on progressing core assets and exploring growth opportunities.

6 Strong management team

Experienced and entrepreneurial management team who are commitment to running a responsible business. Strong subsurface, commercial and technical capabilities, bolstered by recent appointments including Herona Thompson, Jamaica Country Manager.

Our business model is to deliver value

What we need to execute our business model

Our people, our strengths and capabilities

We rely on our people; their experience and diverse skill sets to deliver for our stakeholders. We have:

- Business ethics and integrity.
- Highly skilled subsurface, commercial and finance who have considerable experience with capital markets and in supporting local management.
- Strong industry relationships.
- A track record of identifying and acquiring highly prospective assets.

Our assets/portfolio

We have a portfolio of potentially high-impact assets and an exciting work programme for 2024.

- In Jamaica, we have an estimated 7 billion barrels (based on United's arithmetic) unrisked mean prospective resources across the basin.
- Onshore UK, in Waddock Cross we have a significant Stock Tank Oil Initially in Place volume of 57 mmbbls, as well as a new horizontal well which could yield commercial production of 500-800 bopd and up to 1 million barrels of oil recoverable.
- We actively manage our portfolio to achieve best commercialisation opportunities at the right time of our current portfolio.
- We look to also grow by pursuing new venture opportunities that meet our investment criteria.
- We commit to working responsibly across all our activities. This means working in a safe, secure, environmentally, and socially responsible manner.

Financial flexibility and resilience

We apply strict capital discipline and investment criteria to our investment decisions and actively manage our portfolio to optimise capital allocation.

- We have a balanced capital allocation policy with the focus to enhance the value of our high impact assets.
- We have access to capital markets and have established relationships with debt and equity providers.

What we do

Explore, appraise and develop

We develop projects and drill wells on existing discovered reserves and resources to produce oil and gas. We aim to maximise returns through our low-operating costs. We explore for oil and gas in our existing licences. We conduct operations responsibly and safely.

Grow

Organic growth through disciplined and careful reinvestment into existing assets that will generate value.

Inorganic growth via acquisitions with a focus on production.

Monetise

We are an oil and gas company. United's business model is to hold assets within the oil and gas life cycle to deliver value for stakeholders. We review our portfolio regularly and our assets are monetised at different stages of the oil and gas cycle to optimise the portfolio and value creation.

Responsible value creation

We are committed to making a positive contribution, wherever we do business, by delivering tangible benefits to our stakeholders. This includes the value distributed through salaries, taxes, payments to authorities, contractors and suppliers, capital spending and social investment.

Shareholders and financing partners

- Oil and Gas revenue and cashflows when in production.

Employees

- Zero incidents recorded for LTI's.
- Salaries and benefits.

Business partners and suppliers

- National economic growth through local sourcing, employment and using local suppliers.

Governments and regulators

- Payments to Governments via royalties, taxes and levies.

Local community investment

- Social investment into capacity building.
- Joint operating companies have contributed to national economic growth through local employment, training and industry upskilling.

Zero LTI's, TRIR's and a minor environmental incident

Introduction

2023 was an active year for United with drilling and workover activities in Egypt, technical work programmes execution in Jamaica and the UK, licence management, farmout and divestment activities in all three jurisdictions. It was a year of transition with the company's Chief Operations Officer, Dr Jonathan Leather, stepping back from board activity at the end of August 2023. Dr Leather continued in a technical advisory capacity through the rest of the year to assist the company's activities, particularly in Jamaica. United continued its record of zero LTI's, TRIR's and a minor environmental incident. The company had an average daily net production of 1,015 boepd during 2023, with all production coming from the company's interest in the Abu Sennan Concession in Egypt.

Jamaica

Walton Morant Licence (100% working interest)

The Walton Morant licence is a 22,400km^2 offshore exploration block situated to the south of the island of Jamaica. Although considered to be a frontier exploration licence, it benefits from excellent data coverage, including 2,250km^2 of 3D data, and this has helped define multiple plays, and material prospectivity within the acreage. Over 7 billion barrels of mean/mid-case recoverable unrisked potential prospective resources have been identified within the Walton Morant Licence area. This estimation is based on United's arithmetic sum of the mean/mid-case prospective resources for each prospect and lead identified by United and previous operators. The area includes over 21 prospects and leads, each containing more than 100 million barrels of oil. The largest of which potentially contains more than 1.1 billion barrels mid case prospective resource recoverable.

There are 11 high grade prospects and leads included in the Gaffney Cline and Associates Prospective Resources Report which contains over 2.4 billion barrels of recoverable unrisked mean prospective resources potential, containing several 3D-defined prospects and 2D leads.

Through 2023, United continued to execute the agreed 2022-2024 technical work programme, which was completed within the timeframe of the extension period. United continued to constructively engage with the Jamaican Ministry of Science, Energy, Telecommunications and Transport (MSETT) throughout 2023. In early 2024, United announced an agreement with MSETT to extend the Initial Exploration Phase of the licence for a further 2 years in exchange for an additional, cost-effective technical work programme. This consists of a piston coring survey and seismic reprocessing and is aimed at further derisking the prospectivity seen. This technical work is underway, and in early 2024 United appointed a Country Manager to, amongst other tasks, assist in permitting and operational planning ahead of the piston coring survey. The licence now runs until January 2026 before a "drill-or-drop" decision is required to move into the Second Exploration Phase of the licence, a 2-year phase that carries a well commitment.

United continues to run a farm-out campaign to attract partners to the Licence and its undoubted potential. The farm-out campaign remains a key focus for United as we seek to move this potentially transformational project forward. Both Envoi Ltd and Energy Advisors Group (EAG) have continued to be engaged as advisors on the farm-out process with a view to attracting potentially interested parties to the opportunity. United are in discussions with a number of companies who have expressed an interest in the opportunity, and United remain confident of attracting a partner to the Licence.

billion barrels of recoverable unrisked mean/mid-case prospective resources (United's arithmetic)

7

UK

UK Onshore

Waddock Cross Oil Field (26.25% Non-Operated Working Interest)

United currently hold a 26.25% non-operated working interest in the Waddock Cross oil field redevelopment project, which is located onshore southern UK in Dorset. The field redevelopment is located ~12 km west of the Wareham oilfield, and ~15km west of the giant Wytch Farm Oil Field, which is one of the largest onshore oilfields in western Europe. The project is operated by Egdon Resources who are highly experienced in operating oil and gas exploration and production activities onshore UK.

Waddock Cross was the first asset United Oil & Gas acquired in 2016, shortly after the company was set up, and is a key asset for the company.

Reservoir modelling work recently completed by the operator estimates that Waddock Cross contains a significant Stock Tank Initial in Place oil volume of 57 mmbbls. A new well with a horizontal section in the reservoir could yield commercial oil production of between 500 and 800 bopd and such a horizontal well could ultimately result in the recovery of around 1 mmbbls gross of oil.

Initial well planning and production facilities design has been completed. In April 2024, the partnership received a 5-year extension to the PL090 licence which contains the Waddock Cross field from the North Sea Transition Authority, which is the industry regulator in the UK.

Further planning permission and permitting application processes are continuing ahead of plans to drill during 2025 and we look forward to providing updates as and when these planning and permitting milestones are achieved. United continues to support the operator in their planning and permitting efforts and to deliver the well which will hopefully result in near-term, low-risk, low-cost, high-value production barrels for the benefit United and our shareholders.

UK Offshore

P2519 Outer Moray Firth

Licence P2519 containing the Maria discovery covered an area of circa 225 km^2 in the Outer Moray Firth Basin of the UK Central North Sea (CNS).

In January 2023, United announced the completion of a Contingent Resources Report (CPR) on the Maria Discovery located within Licence P2519. The report broadly agreed with United's own assessment of the discovery and assigned mid-case 2C gross contingent resources for the Forties and Dornoch reservoirs of the Maria discovery are estimated at 6.3 mmbbls and 23.3Bcf (10.2 mmboe).

United announced in January 2023, a binding but conditional Asset Purchase Agreement (APA) with Quattro Energy Limited for the divestment of the P2519 licence. On 1 November 2023 after several extensions and despite regulatory consent for the transfer of the licence being approved, Quattro had not satisfied the funding conditions of the transfer of the licence and the parties elected to terminate the agreement, and the licence subsequently lapsed on 30 November 2023.

Egypt

Onshore

Abu Sennan (22% Non-Operated Working Interest (discontinued operations))

The Abu Sennan licence is located in the Abu Gharadig Basin in the Western Desert, onshore Egypt, circa 200km west of Cairo. United acquired its 22% working interest in the licence in February 2020.

United's working interest production for 2023 averaged 1,015 boepd for the year which was in line with guidance. The company was involved in the drilling and/or completion of 4 wells in 2023, 2 exploration and 2 appraisal/development. During the year a number of workovers were completed in order to maintain or enhance production from existing wells.

The year began with the completion of drilling operations on the ASW-1x exploration well, 10 days ahead of schedule and under budget. The ASW structure was an exploration target in the SW of the Abu Sennan exploration licence area. Although the well encountered net reservoir in the target reservoir sections, log analysis concluded these reservoirs did not contain hydrocarbons. The well was subsequently plugged and abandoned.

The ASH-8 development well on the ASH field was spudded on 22 January 2023 and reached TD on 21 February 2023. This well was targeted at an undrained part of the ASH field and encountered 22m net oil pay in the Alam El Bueib primary reservoir. The well was completed as a producer and commenced production at a stabilised rate of 656 bopd and 0.58 mmscfd, net to United's 22% working interest.

On completion of operations at ASH-8 the rig was moved to drill the ASD-3 development well on the ASD field, located in the north of the Abu Sennan Concession area. This well started drilling in early April 2023 and reached TD on the 8 May 2023 having encountered 12.5m net pay in the primary Abu Roash "C" and "E" reservoirs and was brough onstream at 124 bopd net to United's 22% working interest.

On 11 November 2023, the ASD S-1X well commenced drilling. This exploration well was drilled to test the ASD South exploration target to the south of the existing ASD field and targeting similar reservoir intervals to those on production at ASD. The well reached a TD of 3,450m on 12 December 2023 and log analysis indicated the presence of 9.5m net pay in the Abu Roash "C" reservoir. The well was subsequently tested at a maximum rate of 2,173 bopd gross, and in early January 2024, a notice of a commercial discovery and application for a development lease for ASD South was made to the Egypt General Petroleum Corporation ("EGPC").

On 18 January 2024, United received a default notice for outstanding cash calls for the sum of $3.8 million from Kuwait Energy Egypt Limited, the operator of the Abu Sennan Concession. The details and background which have been set out in the Chair's statement. The Company did not remedy the default and is currently in the process of completing paperwork for the exit from the Abu Sennan Concession. Consequently, the company no longer has any operation in Egypt to report.

Prudently managing capital to generate value

This Financial Review provides an overview of the Group's Financial Performance for the year end 31 December 2023 and of United's financial position as at that date.

The Group's performance for 2023 can be split into two periods. The pre and post October performance. The pre-October performance was stable, with issues around the repatriation of US dollars. However, the post-October 2023 was impacted by the Geo-political instability in the region and the war in Gaza. This compounded the issues in repatriating US dollars from Egypt as there was a shortage of currency in the country, which resulted in Egypt paying in Egyptian pounds creating considerable foreign exchange losses.

Net production was down 23% and revenue down 26.58% while the cash generated from operations was $10.1m (2022: $8.7m) and EBITDAX $4.8m (2022: $13.3m) taking into account discontinued operations. The net cash generated for the Group was approximately $2m (2022: $2m) in line with previous year. The net cash generated for the group was achieved through tight management of the cashflows and delay in the payment of the debt facility. The capital program for 2023 was $6.2m (2022: $8.6m).

Gross Profit ($m) 2022: 12.9

6.2

(Loss)/Profit After Tax ($m) 2022: 2.3

(20.4)

Cash Opex ($/boe) 2022: 10.3

11.08

Revenue ($m) 2022: 15.8

11.6

Financial results summary

	2023	2022
Net average production volumes (boepd)	1,015	1,312
Oil price realised ($/bbl)	81.38	96.10
Gas price realised ($/mmbtu)	2.63	2.63
Revenue (discontinued operations)	$11.6m	$15.8m
Gross profit (discontinued operations)	$6.2m	$12.9m

Cash operating cost per boe[1]	$11.08	$10.30
Exploration costs written off	$1.4m	$0.7m
(Loss)/profit after Tax	($20.4m)	$2.3m
Basic (loss)/profit per share (cents)	(3.10)	0.36
Capex	$6.2m	$8.6m
EBITDAX[2]	$4.8m	$13.3m
Cashflow from Operating Activities	$10.1m	$8.7m

[1] 22% interest net of government take
[2] See Non-IFRS measure

Group production and commodity prices (discontinued operations)

Total group working interest production for 2023 was 1,015 boepd, a decrease of c. 23% for the year (2022: 1,312 boepd) This decrease reflects the decline in production that occurred from the existing well-stock during 2023, partially offset by additional production from drilling activity and workovers. The Group's average realised oil price was $81.38/bbl representing an decrease of 15.32% on the prior year, and the fixed gas price was $2.63/mmbtu. Group revenue for the year totalled $11.6m representing a reduction of 26.58% on the prior year. Revenues from the Abu Sennan concession are stated after accounting for government entitlements under the production sharing contract. Crude oil from Abu Sennan is sold as Western Desert Blend and the average discount to Brent was $1.56/bbl.

Group operating costs

Total Group cash operating costs were $4.1m (2022: $4.9m). The cash operating cost per barrel has increased to $11.08/boe in 2023 (2022: $10.3/boe) with this increase primarily relating to the increase in variable costs due to higher fuel costs coupled to a reduction in production compared to the prior year.

Group Depreciation, Depletion and Amortisation (DD&A)

Group DD&A associated with producing and development assets amounted to $3.6m (2022: $3.3m). DD&A per boe was $9.77/boe in 2023 (2022: $6.72/boe).

Administrative expenses

Administrative Expenses for the year totalled $4.2m (2022: $3.6m restated) Adjusting for the non-cash items under IFRS 2 Share Based Payment, impairment of assets and IFRS 16 Leases, the administrative expense is $3.9m (2022: $3.2m). Included in Administrative expenses are foreign exchange losses of $1.4m (2022: $1.1m) with the increase being due primarily to realised losses on the devaluation of the Egyptian pound versus the USD during the year.

The Group is reviewing a number of initiatives to further reduce General and Administration costs whilst ensuring continuity of operational capability. These will be ongoing during the year to ensure we maximise cost savings where possible.

Divestments

In January 2023, the Company signed an agreement with Quattro Energy for the conditional sale of UK Central North Sea (UK CNS) Licence, P2519 for a consideration of up to £5.7m (c. $7m). In August 2023, we received $0.1m as a non-refundable deposit to extend the closing period. However, the Company was unable to complete the sale of Maria Licence (P2519) to Quattro Energy, as they were unable to raise the funds to complete the transaction which was terminated on 1 November 2023. The Maria Licence expired on 30 November 2023 which resulted in a write off of $1.1m.

Post year end, the Group announced in January 2024, that it had received a default notice from Kuwait Energy Egypt Limited for $3,822,143, the operator of the Abu Sennan concession in Egypt. From late 2023, the Group had been in advanced discussions with a Subsidiary of Kuwait Energy Egypt Limited about acquiring the 22% interest, but this was aborted based on legal advice, notwithstanding attempts by the company to reach agreement on mutually accepted terms. The Group did not remedy the default and is in the process of withdrawing from the Concession.

Derivative financial instrument

At the 31 December 2023, the company had an amount of c. $1.2 million outstanding to our debt provider. The facility was due to be fully paid by the end of the year, however due to geo-political turmoil in the middle east from the Gaza War and the impact of foreign exchange losses on the Egyptian pound, we were unable to extinguish the debt. An agreement was reached post year end in relation to the settlement terms of the debt facility.

Taxation and other income

The Egypt concession was subject to corporate income tax at the standard rate of 40.55%. However, responsibility for payment of corporate income taxes falls upon EGPC on behalf of UOG Egypt Pty Ltd. The Group records a tax charge with a corresponding increase in other income for the tax paid by EGPC on its behalf.

(Loss)/profit post tax

The loss for the year from operations was ($20.4m) (2022: profit $2.3m).

Cash flow

Net cashflow from continuing operations amounted to $10.1m (2022: $8.7m), a increase of 16.1% compared to 2022. Cost control and liquidity management both served to protect the cashflows.

Capital investment

Total capital expenditure on continuing operations for the year amounted to $6.2m (2022: $8.6m), with $1.7m incurred on the two successful development wells, $0.8m on one exploration wells and $3.0m on other development and infrastructure projects in Abu Sennan. The remaining $0.7m was invested in other assets across the remainder of the portfolio.

The Group will continue to focus on capital discipline with 2024 capital investment largely directed at maximising value from the Group's assets. The Group's cash capital expenditure for the full year is forecasted to be funded from available cash resources which are subject to the cashflow assumptions outlined in the going concern note.

Balance sheet

Intangible assets decreased during the year to $6.1m (2022: $7.4m). Additions for the year amounted to $0.7m in Egypt, $0.4m Jamaica and $0.2m on UK assets. The Group has written off $1.1m on the expiration of the licence for Maria and $1.5m in Egyptian exploration expenses.

The movement in Property, Plant and Equipment was circa $20m which was the result of the impairment of the Abu Sennan concession. Additions were $5.0m in total, with a DD&A charge of $3.5m on a unit of production basis.

Trade and other receivables amounted to $2m and included $1.1m of accrued income on oil and gas sales. Borrowings at year end were $1.2m.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chair's statement and the Strategic Report.

United regularly monitors its business activities, financial position, cash flows and liquidity through the preparation and review of detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, which could affect the Group's future performance and position. A base case forecast has been considered which includes budgeted commitments, a Jamaican farmout with some back costs recovered, the 166m warrants being exercised in December 2024 and receipt of our outstanding receivables from the Egyptian General Petroleum Corporation. The key assumptions and related sensitivities include a "Reasonable Worst Case" ("RWC") sensitivity where the Board has considered a scenario with significant aggregated downside, including a delay in the farmout, subject to different terms and conditions than budgeted, delay in exercise of warrants, delay in receiving outstanding receivables and an equity raise.

Under the combined RWC, the Group forecasts there will be sufficient resources to continue in operational existence for the foreseeable future. The various assumptions considered were:

a. 50% reduction in receivables from Egyptian General Petroleum Corporation
b. Securing a Jamaica farmout with various reimbursement of back costs
c. No Jamaica Farmout in the period
d. Exercise of the Warrants in December 2024
e. No Exercise of Warrants

The likelihood of all the downside sensitivities occurring simultaneously is unlikely. Under such a RWC scenario, we have identified suitable mitigating actions, including deferring capital expenditure, adjusting the Group's cost base, and potentially undertaking an equity raise, which would be subject to market conditions and is not guaranteed to succeed. However, based on past experience, the Directors believe that an equity raise is likely to be successful.

Based on the forecast prepared by the Directors, the Group and Company will be able to discharge all liabilities as they fall due.

The Directors believe that the Company is reasonably likely to achieve a Jamaican farmout or, if necessary, obtain further equity funding. However, there is no guarantee that the Company will be able to secure a farmout or such equity funding.

The Directors have considered the various matters set out above and have concluded that a material uncertainty exists that may cast significant doubt on the ability of the Group and Company to continue as a going concern and the Group and Company may therefore be unable to realise their assets or discharge their liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the Directors are of the view that the Group and Company will have sufficient cash resources available to meet their liabilities and continue in operational existence for at least 12 months from the date of approval of these 2023 financial statements.

On that basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustment that would result from the going concern basis of preparation as not appropriate to use.

Financial outlook

United's financial strength is founded on our long-term approach to prudently managing capital to generate value for shareholders.

We have streamlined our portfolio of assets and reduced our operational costs while we search for new opportunities. Our focus will be on financial discipline for 2024 as the business recovers from the disappointment of 2023.

The Jamaica farmout for 2024 will be the key initiative while continuing to progress the preparations for drilling the Waddock Cross well which will be in 2025.

Post year end, we raised £1 million in March 2024 through an equity placing and in May 2024, we reached a settlement agreement with our debt provider which enables the company to focus on moving the work programs forward for Jamaica and Waddock Cross.

Based on the cashflow and cashflow assumptions outlined in the going concern note, United is expected to have cash resources to be able to fund its 2024 work program.

Simon Brett
Interim Chief Financial Officer

24 June 2024

A consistent approach to risk

United continuously monitors and evaluates its Principal and Emerging risks across the Company. In 2023, these risks included the conflicts in Ukraine and Israel and their impact on the global macroeconomic and geopolitical environment. The Audit and Risk Committee has delegated powers from the Board and oversees Risk Management, including risk assessment criteria, decision making on how to enhance the effectiveness of risk mitigations and oversight of the Group risk register. The Audit and Risk Committee reports to the Board regarding the effectiveness of Risk Management measures ensuring that the approach to risk is consistent with the Group's strategy and risk appetite.

The Board has considered the potential impact of these risks and related events on its corporate strategy, and stakeholders' perspectives of the Company.

Emerging risks

Within the Company Risk Management, emerging risks are considered as part of the identification phase. These are risks that cannot yet be fully assessed, risks that are known but are not likely to have an impact for several years, or risks which are unknown but could have implications for the business going forward.

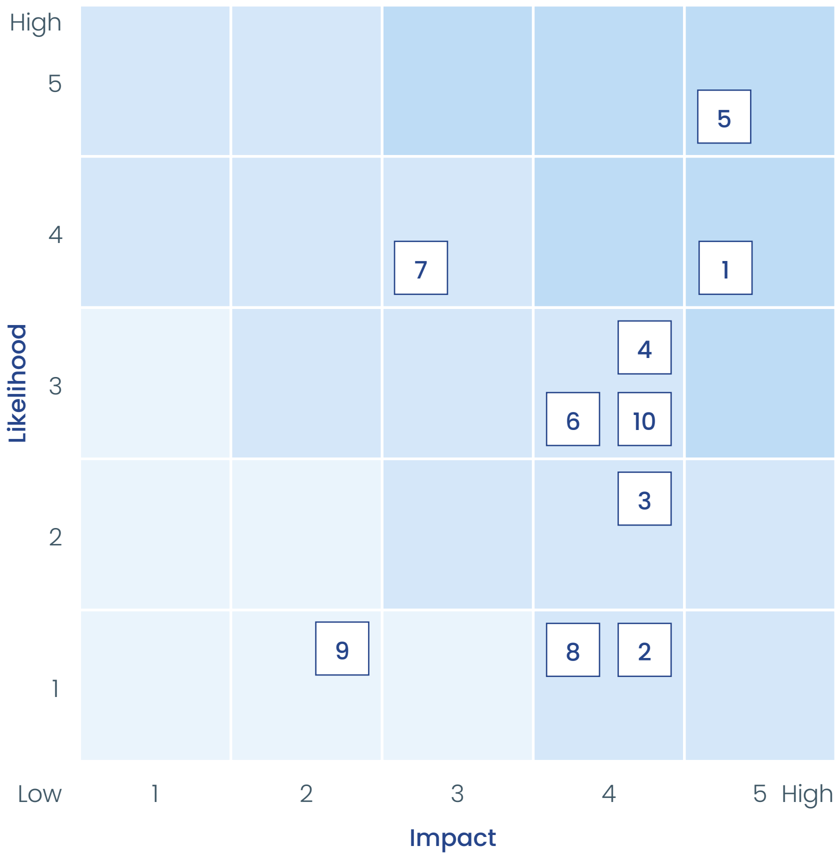
The macro-economic situation in Egypt worsened in 2023 due to the ongoing war in Ukraine and the outbreak of conflict in Gaza in October 2023. This led to reduced USD liquidity, increased local inflation, and a devaluation of the EGP against the USD throughout the year. Although the Joint Venture's ability to execute its work program remained unaffected, operational costs and foreign exchange losses increased. While inflation and USD liquidity challenges are affecting Egypt in the short to medium term, the energy sector's significance to the broader Egyptian economy suggests limited impact on the sector.

Oil and gas independents are closely monitoring the pace of the energy transition away from fossil fuels. Factors such as climate change, shifts in public perception, investor attitudes, energy and climate policies, carbon pricing, and advancements in CO_2 emission reduction technologies are reshaping the landscape for all oil and gas companies. This emerging risk is a subset of the principal risk of climate change.

The following pages provide a summary overview of the principal risks to the Company at the end of 2023, the potential impacts, causes and the mitigation measures.

Corporate Risk Matrix

Plots the likelihood of each risk that the management believe could influence performance.



Strategic
1. Insufficient capital available to complete further acquisitions in line with growth strategy
2. Health, Safety, Environmental and Social risk
3. Climate change and energy transition

Financial
4. Commodity price risk
5. Liquidity risk for completion of planned work programmes and going concern

Operations
6. Unable to ascertain the presence of hydrocarbons
7. Misalignment of joint venture partners causing impact on work programmes and cash flow

Reputational
8. Reputational damage
9. Business conduct & bribery
10. Political / regional risk

These risks are similar to those faced by many companies in the oil and gas industry. A description of the principal risks, impact, cause and mitigating factors and controls, are set out in the table on page 26. The risks in the table are not in order of priority nor is it an exhaustive list of all risks that may impact the Group, but rather the Board's view of principal risks at this point in time.

The principal risks and their mitigations are detailed below:

STRATEGIC	
Risk	**Impact**
Insufficient capital available to complete further acquisitions in line with growth strategy	• Work programme restricted by reduced capital availability • Inability to grow in line with growth strategy • Failure to replenish the portfolio • Loss of value • Inability to replace reserves and sustain production levels
Health, Safety, Environmental (HSE) and Social risk	• Serious injury or death Environmental impacts Reputational damage • Regulatory penalties and clean-up costs • Operational outages
Climate change and energy transition	• Providers of capital limit exposure to fossil fuel projects • Climate-related policy changes • Reputational damage • Retaining and attracting talent • Risk of additional impairment of assets

FINANCIAL	
Risk	**Impact**
Commodity price risk	• Reduction in potential future cash flow • Uncertainty in planning • Inability to fund work programme or invest for growth • Value impairment of projects
Liquidity risk for completion of planned work programmes and going concern	• Work programme restricted by reduced capital availability • Inability to grow in line with growth strategy • Loss of value • Inability to replace reserves and sustain production levels • Risk of losing licence

Causes	Mitigation
• Equity and debt markets reducing investment in oil and gas activities • Pressure on capital providers to avoid fossil fuel projects • Commodity Prices/Economic Conditions • Geopolitical risks	• Regular review of funding options • Proactive discussions with equity and debt providers • Seek to ensure adequate returns are generated for investors
• HSE risks or environmental and safety incidents • Climate change impacts on the sector • Preclusion from activity due to Governmental / Societal view of industry	• Better understanding and input into our Operator's health and safety processes and metrics • Insurance procured to address insurable risks • Comply with all legislative/regulatory frameworks where applicable • Engage more widely to advocate the continuing importance of the role of oil and gas in the global energy mix • ESG Committee of the Board • Support local communities by social investing in health and education
• Pressure on investors to divest out of fossil fuel companies / projects • Inability to find economically viable CO_2 reduction solutions • Global transition to a lower carbon intensity economy Increased climate regulation and disclosure • Increase in carbon taxes / decarbonisation charges • Consumer sentiment, potentially causing radical / transformational shifts in consumption of fossil fuels	• Using our influence with the Joint Venture (JV) partner to identify emissions, and emissions reduction plan • Being a responsible operator and owner of hydrocarbon assets • Building in a carbon intensity study and mitigations into any new exploration/development scenario • The importance of energy security throughout the energy transition period

Causes	Mitigation
• Oil and gas market volatility • Lower long-term prices	• Oil hedging framework in place which complies with lending obligations • Close monitoring of business activities and cashflows including downside oil price scenarios • Capital discipline with focus on progressing investments that are robust in a low oil price environment
• Delay in the payment of receivable balance due from EGPC • Cost inflation	• Capital Allocation ensuring only robust investments are approved • Active management of discretionary costs • Effective cashflow forecasting and liquidity management • Maintain effective systems and controls

OPERATIONAL	
Risk	**Impact**
Unable to achieve production targets/recover reserves	• Potential future cashflow depend on production / reserves targets being met • Negative impact on asset value • Liquidity issues • Reputational damage
Misalignment of joint venture partners impacting on the work programme and cash flow	• Cost/schedule overruns • Poor performance of assets • HSE performance • Delay in oil from development projects • Negative impact on asset value

REPUTATIONAL	
Risk	**Impact**
Reputational damage	• Loss of value • Stakeholder relations breakdown • Social licence to operate damaged
Business conduct and bribery	• Fines • Criminal prosecution • Reputational damage
Political / regional risk	• Higher operating costs • Adversely affect operations • Compliance and taxation • Uncertain financial outcomes

Causes	Mitigation
• Subsurface uncertainty and inaccurate field / reserves modelling • Disruption to facilities / equipment (e.g., from adverse weather, mechanical failure etc) • Lack of success from development drilling and field interventions • Over-reliance on single asset	• Engagement of reputable reserves auditors with focus on consistency and transparency • Appropriate disclosures on reserves • Challenging operator's technical assumptions • Timely reporting from Operators • Adequate technical resources in place • Expand asset base in different jurisdiction to reduce single asset and country exposure
• Joint venture partners having different views on drilling risk and work programme • Financial capability of joint venture partners	• Active participation in joint venture process • Manage own technical work and asset interruptions • Financial capability assessment on current and future joint venture partners

Causes	Mitigation
• Sub-optimal capital allocation • Activities run by asset operators causing safety or environmental issues	• Grading opportunities based on clear financial metrics • Seek to maximize influence on HSE planning and performance of operators of our producing assets • Maintain a balanced portfolio across both oil and gas and producing, development and exploration assets • Active and regular dialogue with Shareholders
• Present in countries in challenging regulatory and political environments • Transacting with counterparties with sub-optimal reputational and compliance record	• Usage of local and international professional advisers • Ensure due diligence prior to on-boarding counterparties including external compliance reports • Annual training in anti-bribery and corruption
• Geopolitical issues • Operations in challenging regulatory and political environments • Sudden changes to fiscal regimes • Government reform, political instability, civil unrest	• Maintain positive relationships with key stakeholders • Ongoing monitoring of the political and regulatory environments

In accordance with section 172(1) of the Companies Act 2006, The Directors of the Company have a statutory duty to promote the success of the Company.

<table>
<tr><th>Stakeholder</th><th>How management/Directors engaged</th></tr>
<tr><td>Employees
• United remains a relatively small company in terms of its full-time staff of seven employees (excluding the board directors) in Dublin and a Country Manager in Egypt and Jamaica.
Why we engage
• We recognise that employees are a valued and key part of our business.
• We are dependent on employees' performance.
• We have a legal and ethical responsibility towards their well-being.
• Employees bring a diverse perspective, and a broad range of experience and expertise to the identification of opportunities and ways of working which is essential to the delivery of our strategic objectives.
• To ensure that our employees are well informed and motivated to execute our strategy such that we can deliver on the long-term goals of the business.</td><td>Given the Company's relatively small size, communication and exchange of information amongst functions is very fluid. We have an open, collaborative, and inclusive management structure and engage very regularly with our employees. Formal and informal meetings take place.
• Weekly in person and/or online group staff meetings;
• One to one in-person and online meetings; and
• Team building events.</td></tr>
<tr><td>Shareholders and financing partners
• Our shareholders include institutional and retail investors and high net-worth individuals who are principally based in the UK.
• The Board has maintained a strong relationship with its debt provider throughout 2023 and regards the debt provider as a highly valued stakeholder.
Why we engage
• Our strategic and operational decision-making is influenced by our investors' views.
• We are dependent on access to funding.
• We are accountable to our shareholders.
• We believe that maintaining a regular and transparent dialogue with our shareholders and finance providers is essential to earn and retain their confidence. In line with the QCA Corporate Governance Code, the Board must manage shareholders' expectations and should try to understand the purpose behind their voting decisions.
• The lenders are an important source of funding for the Group's operations.</td><td>• Our comprehensive investor relations programme is designed to provide public disclosure on the Company's results and other material developments within the business. In addition to ensuring that shareholders' views are communicated to the Board and are considered in the Company's decision making.
• Our investor relations programme includes regular updates via RNS's, webcasts, calls, meetings, investor roadshows, social media and our Annual General Meeting as well as participation in investor and industry conferences.
• Regular contact is maintained with our lenders through a combination of physical and virtual meetings.</td></tr>
</table>

The duty under S172(1) is applied in addition to the other duties of a director. Each director must discharge these duties in accordance with the duty of care, skill and diligence both objectively and to a subjective standard. The Board at United, as individuals and collectively consider that they have acted in a way that would most likely promote the success of the Company, to deliver the goals and objectives.

The Board of Directors of United recognises the importance of building and sustaining relationships with all of its stakeholders, considering the long-term consequences of our decisions, and the need to foster a good culture and good business conduct.

The Board of Directors have identified the following stakeholder groups as being important to our success and we set out below the methods by which we engage with them.

Issues considered/key topics of engagement	Outcomes of engagement and examples of such engagements
• Maintaining a healthy, safe, and secure working environment. • Strategy. • Company news. • Ways of working. • Anti-Corruption and Bribery. • Lessons learned from past projects. • Collaboration across teams. • Treating all employees in a fair manner. • Retaining and embedding the culture of respect, integrity, honesty, and transparency. • Being a successful company which our employees are proud to be part of. • Remuneration and benefits. • Awareness and alignment with the strategy. • Opportunities for employees to share ideas for business improvements with senior management.	• Enhanced communication of our strategic priorities and performance. • Annual in-person staff training session on all company policies and discussion. • Team events were held to strengthen cross-functional collaboration. • United employees, including the Board, came together for a corporate day for the discussion of business matters. • Hybrid working with employees working part of the week at home and part in the office.

• Strategy.
• Operational and financial performance.
• Investment returns.
• Risk management and funding.
• Corporate governance.
• Board composition/remuneration.
• Delivery of long-term share price performance and adoption of a strategy, culture and business model designed to enable this.
• Maintaining an appropriate operational, financial and sustainability reporting procedures.
• Actively engaging with lenders regarding servicing existing debt facilities.
	• Shareholders and lenders to participated in regular communication with the Company, with both physical and virtual meetings.
	• 2023 was an active year for the Company seeing over 20 RNS announcements covering all aspects of the business in a very transparent manner. These included announcements on governance, technical, financial, strategic and portfolio management matters.
	• Our annual investor programme, which during 2023 was managed in person and using virtual technologies, included:
	  ◦ Numerous Investor interactions with the executive team;
	  ◦ Several one-to-one meetings with current and potential shareholders including group meetings;
	  ◦ Webcasts for analysts and shareholders to take part in; and
	  ◦ Numerous virtual conferences and interviews on retail platforms.

Stakeholder	How management/Directors engaged
Local Communities • Our host countries currently Jamaica and UK, and previously Egypt. • In Egypt (defaulted post year end) the operations are on-shore and the operator (KEE) work closely with the local communities in our areas of business • In Jamaica we have a licence offshore and we are in the first exploration stage and work primarily comprises desktop studies. Why we engage • Engagement is key to maintaining our social licence to operate. United is committed to being a positive presence in the regions where we do business. • Our corporate responsibility ethos is that our projects should benefit all of our stakeholders, in particular our host countries and the local communities. • Acting in a responsible way towards our stakeholders is seen as critical to the ongoing effectiveness of our business. Local communities provide a diverse perspective leading to new understanding of situations and the mitigation of tensions. • We have an ethical responsibility to minimise impact on livelihoods and the environments in which we operate – and where we are a non-operator, United will use its relationships and influence as Joint Venture partner and its role in the Joint Operating Company to achieve these aims.	• In Egypt where we are a non-operator and defaulted post year end, United used its relationships and influence as Joint Venture partner and its role in the Joint Operating Company to monitor the operator's performance and adherence to Health, Safety, and Environmental policies and procedures. • KEE have been operating in Egypt for over a decade. They have a constructive and positive approach to working with local communities, seeking to maintain good relationships with them. • Our Country Manager in Egypt and Jamaica and Senior Management engage with the operator on a regular basis.
Governments and Regulatory Agencies • In Egypt, United has good relations with the Egyptian General Petroleum Corporation (EGPC) and the Ministry of Petroleum and Mineral Resources and in Jamaica the Ministry for Science, Energy, Telecommunication and Technology (MSETT). Why we engage • Maintain collaborative partnerships with government agencies that generates value for both parties. • We are responsible to them for compliance with local and/or international laws. • Their permissions are required for us to access acreage and operate.	• We take a constructive and positive approach to working with national and local authorities, as well as regulators in both countries, seeking to maintain good relationships with them all. • We contribute to government and local authorities in the countries in which we have assets in the form of royalties, taxes and fees every year. • Board members meet with the Egyptian General Petroleum Corporation (EGPC) and the Ministry of Petroleum and Mineral Resources (Ministry) each time an executive director visits Egypt. The Country Manager maintains an ongoing dialogue, including meetings with both EGPC and the Ministry. In relation to Jamaica in 2023 monthly videoconferences have taken place with the Ministry for Science, Energy, Telecommunication and Technology as per previous years. In 2023 the CEO and COO visited Jamaica and met with the President of Jamaica and MSETT.

Issues considered/key topics of engagement	Outcomes of engagement and examples of such engagements
• Corporate responsibility. • Environmental management. • Access to employment and business opportunities. • Protection of resources and livelihoods. • Community development and social investment. • Striving to deliver local and national economic benefits. • Safeguarding the environment. • Acting as a responsible neighbour and good corporate citizen.	• The engagement process further strengthened the existing relationships between the Joint Venture partners and the local communities in Egypt. • Community investment focused around supporting industry capacity to build industry specific skills. • Contribution, as part of the Joint Operating agreement, into a training fund for capacity building in Egypt and for Training and Education in Jamaica. • Read more in our Corporate Responsibility Report page 36.
• Interacting in an appropriately open and transparent manner with these stakeholders. • Having in place the policies and procedures to ensure internationally recognised practices are followed by our employees and that local laws are complied with. • Operating in a healthy, safe, and secure manner. • Contributing towards national and local economic development. • Securing required approvals and licence renewals from regulatory bodies to maintain our regulatory licence to operate. • Legal matters. • Asset management. • Social initiatives. • Revenue collection. • Legal compliance. • Major accident prevention. • Investment and economic growth.	• Reviewing feedback and commentary from government and regulatory bodies regarding performance expectation. • Maintaining strong, productive and collaborative working relationships with the various government agencies we interact with in Egypt and Jamaica. • In 2023, the Executive directors of United have made several trips to Egypt, and to Jamaica to meet with our stakeholders in addition to regular videoconferences. • A number of senior management attended the Egypt Petroleum Show in February 2023.

Stakeholder	How management/Directors engaged
Joint Venture Partners, Peers, Business partners • KEE are the operators of the Abu Sennan licence in Egypt. The Joint Operating Company consisted of KEE, Global connect Ltd, Dover Investment and the Company. In Jamaica, United are the operators of the licence. In the UK, Egdon are the operator of the Waddock Cross licence. Why we engage • Their performance directly impacts our financial, operational and corporate responsibility performance. • We are reliant on viable partners in joint ventures. • We are commercially responsible to contractors, suppliers and partners.	• Meetings with partners, peers and contractors with board members and senior executives in addition to regular joint venture operations, and technical planning meetings. • Maintaining membership of industry bodies. • Active management of key projects and assets (including alignment of project deliverables).

Suppliers
• United does not require a large network of suppliers due to our position as a non-operator for our producing and development assets and with limited activities taking place on our exploration and appraisal assets suppliers are used by the Company predominantly in support activities.
	• Interaction in 2023 was via:
	  • Video conferencing;
	  • email;
	  • telephone;
	  • written communications; and
	  • face to face meetings.

Issues considered/key topics of engagement	Outcomes of engagement and examples of such engagements
• Asset planning. • Budget planning. • Billings and cash calls. • Interaction with government and regulatory agencies. • Operations and health and safety. • Policies and standards. • Industry reputation. • Investment opportunities for growth. • Long-term relationships. • ESG matters.	• Ongoing close collaboration with JV partners to successfully deliver objectives. • Our senior management engages in regular meetings with our suppliers and partners and we also participate in local industry events. The purpose of this engagement is to establish and maintain relationships with these important stakeholder groups. • Operators of our assets host Technical Operating Committees and Operating Finance Committees over the course of the year and which the Executive Directors attend. • There are routine interactions over the course of the year on budget, technical and financial matters.
• Policies and standards. • Industry reputation. • Long-term relationships. • Technical, Regulatory, Financial and Legal Support. • ESG matters.	• Ongoing close relationship with suppliers to ensure continuity of service provision.

United Oil and Gas is an oil and gas exploration, appraisal and development company whose strategic purpose is to responsibly produce natural resources for communities and stakeholders.

Doing business with integrity, ethically and safely is our priority. We see reporting transparently as important. United's corporate responsibility is integrated within the business and focuses on four key areas; People and Communities, Health and Safety, Environment, and Values (Morals) and Governance. To demonstrate our commitment to corporate responsibility and how it is embedded within the organisation specific ESG (Environment, Social and Governance) Key performance indicators (KPI's) are linked to executive bonus payments. Corporate KPI's are based on Portfolio management, Financial Corporate activity, and ESG. Further details can be found in the Remuneration Report, page 52 and ESG Report page 58.

United's main activities until January 2024 were as a non-operating partner in an oil and gas development and production asset in Egypt, as a non-operator in a development asset in the UK, and as a operator of an exploration licence in Jamaica. As an active non-operator we use our relationships and influence as a Joint Venture partner and our role in the Joint Operating Committee to conduct business ethically

Both as an operator and non-operator United is committed to conducting our operations in a safe and responsible manner to deliver long term growth, while complying with all applicable laws and regulations and limiting our environmental impact. We contribute to host country development goals, and access to affordable energy and supporting the local communities where we have business activities.

Our Code of Business Conduct and Ethics ("CBCE") sets out our expectations for how we do business, clarifying our commitments to ethical, social and environmental performance. Our corporate standards, procedures and guidelines support the policies. We manage our risks and seek to minimise any potential adverse impacts we may have. The Company's Health, Safety and Environment Management System (HSES MS) describes the Group's internal processes to manage risks and is based on a number of guidelines and standards including the internationally recognised standard, ISO 14001.

The Chief Executive Officer is accountable to the Board for implementation of the various policies. The ESG Committee oversees the adequacy and effectiveness of our policies, standards and management system for HSES.

Structure of the HSES Management System

1. Code of Business Conduct and Ethics

2. Key CR/HSES policies/statements and guidelines supporting the CBCE

- Anti-Corruption and Bribery Policy
- Diversity and Inclusion Policy
- Human Rights Policy
- Whistleblowing Policy
- Corporate Responsibility Policy
- Community Investment Policy
- Health & Safety Policy
- Environmental Policy
- Modern Slavery and Human Trafficking Statement
- Disaster Response Plan
- Climate Change and Energy Transition Statement

3. Standards, procedures and guidance support the policies.

See www.uogplc.com/policy-statements for the full text of the current versions of each of these policies.

People and communities

Our people

United remains a relatively small company in terms of its full-time staff, however we are committed to creating a safe work environment. We are an equal opportunity employer promoting diversity and treating all employees with respect and fairness. We have technical, engineering, finance, commercial and administrative teams. Our employees have a diverse range of skill sets, backgrounds and expertise which help deliver our strategy. We have a culture conducive to working cross functionally and the encouragement of constructive debates. Our number of direct employees facilitates daily direct dialogue amongst personnel and Executive Directors.

Local capability building

We are committed to providing meaningful opportunities for technical co-operation, training and capability building in host countries. All our licence agreements require a high degree of local content be utilised in operations, which commits us to hire locally where possible and provide training to develop new skills. In Egypt, as part of the Abu Sennan Concession Agreement, the Company committed a total of $50,000 per annum for training and development of employees to support developing future Egyptian expertise in the industry. Similarly in the Jamaican Production Sharing Agreement, United commits c.$100,000 per annum to a Training and Education Fund.

Community and social investment

Our social investments have been based on the needs of the local communities where we have licences. We believe social investment is part of being a good corporate citizen where stakeholders can benefit from United's business activities. Our country manager in Egypt, identified that social investment into projects focusing on Health and Education would be most beneficial to the local community.

In 2023 United supported a number of social programmes in Egypt:

- United sponsored the Capacity Building programme as part of the Capacity Building Feature at the Upstream Technical Convention in Egypt; and
- The Al Amal Mentoring Programme Sponsorship supporting students to find jobs in international oil companies.

Al Amal

Al Amal (meaning hope) has been established for 15 years and has a yearly cohort of about 40 students. The programme consists of workshops and sessions over a number of months with an aim to provide Egypt's future geoscientists the support to improve their skills to qualify them to meet the requirements of today's petroleum industry. Several technical key topics were presented by key professionals and experts.

In addition to this the Joint Venture partners in Egypt contribute to a social investment fund. In 2023 projects focussing on youth education, development and empowerment were supported.

Health and Safety

United is focused on ensuring that all employees have awareness, information, and resources to be able to prioritise health and safety and implement best practice to ensure that the chances of any incidents are minimised.

Our Health and Safety policy commits us to: protecting the health and safety of our employees; providing a workplace free of discrimination where diversity is valued and to ensuring that we consult and engage with our employees.

Our operators in Egypt maintained another year of zero Fatalities, Medical Treatment Cases, Restricted Work Injuries and a zero rate for Lost Time Injury frequency and Total recordable incidents frequency. There were two minor incidents, one involving a small oil spill and a minor vehicle accident. Both of these were fully investigated to provide lessons learnt and to allow mitigation measures to be put in place.

Safety indicators (reported by operator in Egypt) 2023 and 2022

Indicator	2023[1]	2022
Lost time injury frequency rate - LTIR[2]	0	0
Total recordable incident frequency rate - TRIR[3]	0	0
Fatal accidents	0	0
Medical treatment cases	0	0
Restricted work injury	0	0
Number of motor vehicle incidents	1	0
Property damage/fire	0	2
Near misses	0	0
Security breaches	0	0
EAS's employees' and contractors' YTD man-hours worked	962,368	1,315,792

1 2023 numbers are up to 30 November 2023
2 Lost time injury frequency rate: Number of lost time injuries per million man-hours for both employees and contractors.
3 Total Recordable Injury rate: Number of recordable injuries per million man-hours for both employees and contractors.

Human Rights

United subscribes to Principle One of the United Nations Global Compact: Human Rights. This Principle sets out the UN Global Compact's overarching expectation of business on human rights, namely, to respect and support human rights.

United's Human Rights guidelines provides information and ensures respect of Human Rights and we follow relevant industry guides and international standards on Human Rights. The appraisal of any potential human rights issues is included in the scope of work of all Environmental and Social Impact Assessments (ESIA's) commissioned by United for any project. We take steps to ensure our agents, contractors and suppliers are aware of and comply with our policies and seek to use our influence with our Joint Venture partners to ensure the same.

LTIF (per million man hours) 2022: 0

0

TRIR (per million man hours) 2022: 0

0

Environment

United places great importance on limiting the impact our activities have on the environment. The Company complies with all of the environmental regulatory requirements in each country that it is present in to ensure that all activity is undertaken safely. While United had no field activity in 2023 in which we were the operator, we continued to work with our partners in the Joint operating company to use our relationship and influence to promote best practice.

In 2023 the operator in Egypt reported one minor oil spill (2022: 0 oil spills).

Indicator	2023	2022
Spills to the environment	1	0

Climate risk and global energy transition

Climate change is considered a principal risk to United and its business over the medium and long term, and this is discussed in more detail in the Risk Report on page 24.

Global energy transition is a factor that impacts many of the Group's principal risks including those associated with commodity price, reserves, operations, political, stakeholder and reputational issues. United's approach to climate change and the energy transition is set out in our position statement available on our website here: https://www.uogplc.com/policy-statements/

Greenhouse gas emissions (GHG)

We worked with the operator in Egypt to identify, quantify and categorise our emissions. We considered emissions scope, reporting boundary, and methodology. Progress was made to understand the baseline and work with the Joint Venture partners to assess the data and identify opportunities for efficient decarbonisation. We will be very transparent in our disclosures and what can be achieved with regards to emissions.

Values/Governance

United is committed to operating responsibly and ethically across our business activities and does not tolerate bribery or corruption. We expect our employees to adhere to high ethical standards and host an annual training session with employees on all our policies, procedures, guidelines and standards. This also offered the opportunity for discussion and feedback.

The board believe that ESG and all it entails is integral to any organisation. As such the directors bonus pay remuneration is not only linked to corporate key performance indicators but also ESG targets.

Business partners and influence

Relationships with business partners, host governments and regulatory authorities where we have assets are critical for our business. We are committed to doing business honestly and ethically and to complying with all applicable laws and regulations. Our ability to influence our business partners depends on our degree of ownership and operatorship. Where we are the designated operator (Jamaica) we fully apply the United HSES MS. Where we a non-operating partner (Egypt and UK), we seek to influence, make our views heard and ensure that minimum standards are met in accordance with our policies, statements and codes.

Preventing corruption

United maintains internal control systems to ensure that our ethical business standards for relationships with others are achieved. Bribery is prohibited throughout the organisation, both by our employees and by those performing work on our behalf. The Antibribery and corruption policy is designed to prevent corruption and ensure systems are in place to detect, remediate and learn from any potential violations. This includes due diligence on new vendors, appropriate training for all personnel, and our whistleblowing policy.

Payments to host governments

Revenues generated by a country's natural resources plays an important part in the growth and development of countries in which we have business. Revenues to governments become payable by United due to oil production entitlements, taxes, royalties, licence fees and infrastructure improvements.

Objectives for 2024

We seek to continually improve and have identified objectives for 2024 in the four key areas in our corporate responsibility which follow on from 2023.

Key Area	Objectives for 2024
People and Communities	• Continue investment in, and engagement with employees and local communities
Health and Safety	• Continue to use our influence and relationships to promote best practice in Health and Safety as a Joint Venture partner • Maintain dialogue with employees regarding their preference for home/office working and wellbeing
Environment	• Continue to minimise the impact of our operations
Values and Governance	• Review our policies, statements and procedures commensurate to our size and that that reflect our non-operating and operating licences • Training for staff in relevant areas and polices • Continue supplier due diligence • All personnel to complete the annual Anti-Bribery & Corruption training • Continue to review Anti-Bribery & Corruption programme and update as required

The Strategic Report was approved by the Board of Directors on 24 June 2024 and signed on its behalf by

Brian Larkin
Chief Executive Officer

Corporate Governance Statement in respect of United Oil & Gas PLC

The Board recognises the importance of sound corporate governance in the management of the Company and in achieving its strategic goals. Accordingly, the Company has adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") published in April 2018. The QCA code is tailored to meet the needs of small and mid-size quoted firms and the Board believe that this code provides the most appropriate framework for a company of our size and stage of development. The Board annually assesses its compliance with the QCA code and considers as part of that review, whether the QCA code continues to remain the most appropriate code for the Company to adopt.

In 2023, the QCA Code was updated with the aim of enhancing corporate governance by promoting purpose-driven strategies, ESG integration, board independence, diversity, shareholder engagement, and transparency. The 2023 QCA Code will apply to companies with financial years beginning on or after 1 April 2024 with first disclosures expected in 2025.

Chair's Corporate Governance Statement

As Chair of the Board of Directors, my role is to lead the Board, ensuring high standards of corporate governance and establishing a consistent and sustainable corporate culture of respect, integrity, honesty, and transparency. We believe that strong corporate governance underpins our business to the benefit of all our stakeholders. We are focussed on all aspects of ESG and integrating it within the business. Where we are non-operator, we will use our relationships and influence to shape the ESG agenda. The Board are committed to ensuring the health and safety of all who work with us and in the communities in which we work.

Graham Martin
Non-Executive Chairman

Deliver growth

Principle 1

Establish a strategy and business model which promotes long-term value for shareholders

The Board has concluded that the highest medium and long-term value can be delivered to our shareholders by the adoption of a strategy to create value by actively managing our existing assets whilst growing our business through additional opportunities.

The Company's interests currently consist of two assets. A high impact exploration asset in Jamaica and a development asset in the UK.

Principle 2

Seek to understand and meet shareholder needs and expectations

The Company communicates with shareholders primarily via regular announcements of operational and corporate updates and semi-annual release of financial statements. The investor section of the Company's website (www.uogplc.com/investors/) is updated regularly and includes regulatory news announcements, press releases, annual and interim reports, corporate presentations, and a list of major shareholders. Shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings, in presentations from the Company and on shareholder calls which are hosted a number of times a year.

The Company, through its public relations firm, attendance at shareholder events, website, conference calls social media and its investor.relations@uogplc.com email address, seeks to provide multiple communication lines through which private and institutional shareholders can engage with the Company.

The Company shall include, when relevant, in its Annual Report any matters of note arising from the Board Committees.

Principle 3

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that the long-term success of the Company is reliant upon maintaining effective working relationships across a wide range of stakeholder groups. These include the Company's host governments and regulatory authorities, employees and contractors, joint venture partners, suppliers, shareholders and financing partners. The Board values feedback from all stakeholders and has systems in place to ensure that there is oversight, accountability and contact with its key resources and relationships.

Principle 4

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Company maintains a principal risks and mitigations register that is reviewed by the Audit and Risk Committee on an annual basis. Risks are categorised as Strategic, Financial, Operational and Reputational and an explanation is given on how these risks are mitigated to enable the Company to achieve its strategic objectives. In addition, the management team meet twice a year to review the risks and mitigation register.

Maintain a dynamic management framework

Principle 5

Maintain the Board as a well-functioning, balanced team led by the Chair

The Board comprises: an independent non-executive Chairman, Chief Executive Officer and one independent non-executive director. Iman Hill was appointed as a consultant on a three month contract to support the Jamaica project. The Board believes that she is still independent due to the duration of the contract and specific nature of the work. Biographies of the Board appear both on the Company's website and in the Annual Report.

Executive and non-executive directors are subject to re-election at the Company's Annual General Meeting at intervals of no more than three years although in practice all directors put themselves up for re-election annually. The service agreements and letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

The Board expects to meet at least six times per annum. It has established an Audit and Risk Committee, a Remuneration Committee, an Environmental, Social and Governance Committee and an AIM Rules Compliance Committee. Full details of the number of Board and Committee meetings and the attendance record of each director are set out in the Annual Report. The terms of reference for each Committee are set out on the Company's website www.uogplc.com. The Board has agreed that appointments to the Board at this stage would be made by the Board as a whole and so has not created a Nominations Committee.

Principle 6

Ensure that between them the Directors have the necessary up to date experience, skills and capabilities

The Company believes that, at its current stage of development as an independent upstream oil and gas company, the balance of skills on the Board as a whole, reflects a sufficiently broad range of technical, operational, commercial, legal, financial and risk management experience, together with an in-depth knowledge of the sector and experience of public markets, that are necessary to ensure the Company is equipped to deliver its strategy. The composition of the Board is kept under review to ensure that the necessary breadth and depth of skills are available to support the ongoing development of the Company. The directors have access to the Company's Nomad, legal advisors, tax advisors and auditors and are able to seek advice from other professional advisors as required. While the current Board size and committee structure were deemed adequate, there was a consensus that, in the short to medium term, and when circumstances allowed, efforts should be made to enhance the Board by appointing another non-executive director with audit and accounting expertise.

Full Biographies of the Board are available on the Company's website www.uogplc.com and in the Annual Report page 49.

Principle 7

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis by way of individual discussions between the Chair and each director to determine the effectiveness and performance of the Board. An internal Board evaluation was conducted at the start of 2023.

The results and recommendations from the Board evaluation also identify the key corporate and personal targets relevant to each Director. Progress against previous targets shall also be assessed where relevant.

Principle 8

Promote a corporate culture that is based on ethical values and behaviours

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate culture places a strong emphasis on conducting business ethically, transparently and with clear lines of responsibility. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

The Company maintains an open and respectful dialogue with employees, partners and other stakeholders acknowledging that sound ethical values and behaviours are crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback thus enabling positive and constructive challenge.

The Company has a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation. Furthermore, United policies, procedures and statements are commensurate with our size and reviewed on an annual basis to ensure that they are fit for purpose. These are available on our website and further information can be found in our ESG report, page 58 and Corporate Responsibly report, page 36. In line with our Anti-Bribery and Corruption policies, the executive directors conducted an annual in-person team training session on the application of the Anti-Bribery and Corruption policy with employees.

Principle 9

Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Ultimate accountability for all aspects of the Company's activities rests with the Board, the respective responsibilities of the non-executive Chair and Chief Executive Officer arising as a consequence of delegation by the Board. The non-executive Chair is responsible for the effectiveness of the Board together with the responsibility to oversee the company's corporate governance practices. The Board has also established appropriate Committees as detailed below to oversee the effectiveness of its operations and governance. Terms of reference for each Committee are available on the Company's website at www.uogplc.com.

Audit and Risk Committee

The Audit and Risk Committee comprises Graham Martin (Chair) and Iman Hill. This Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Group's accounting and internal controls. The Committee is also responsible for making recommendations to the Board on the appointment of auditors, the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. The Committee will meet no less than two times a year.

Remuneration Committee

The Remuneration Committee comprises Graham Martin (Chair), and Iman Hill. This Committee is responsible for ensuring that executive remuneration is appropriate for this stage of the Company's growth. It has established a Remuneration Policy which outlines the principles on which executive remuneration will be structured, including an appropriately benchmarked base salary with bonus and share award opportunities which reflect the performance of the Company and take account of the interests and experience of shareholders. The Remuneration Policy also seeks to ensure that all employees have an opportunity to share in the Company's success. The Remuneration Policy is reviewed annually by the Committee. The Committee will meet no less than once a year and in 2023, this meeting was incorporated into a regular Board meetings due to the size of the Board.

AIM Rules Compliance Committee

The AIM Rules compliance Committee comprises Graham Martin (Chair) and Brian Larkin and its prime responsibility is to ensure the Company has sufficient procedures in place to ensure ongoing compliance with the AIM Rules. The Committee will meet at least once a year.

Environmental, Social and Governance (ESG) Committee

The ESG Committee comprises Iman Hill (Chair) and Graham Martin. Its prime responsibility is to ensure sufficient oversight in the following areas of key importance to the Company: the environment, health and safety, corporate social responsibility, sustainability, reputation, diversity, equality and inclusion, and community issues. The Committee will meet no less than once a year and during 2023, ESG was incorporated into a regular Board meeting due to the size of the Board.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Meeting Attendance

Director's attendance at meetings during each director's respective term of office in 2023:

Director	Board	Audit and Risk Committee	Remuneration Committee	ESG Committee
Brian Larkin	14 of 14	-	-	-
Jonathan Leather[1]	7 of 7	-	-	1 of 1
Peter Dunne[2]	11 of 12	2 of 2		1 of 1
Graham Martin	14 of 14	2 of 2	1 of 1	1 of 1
Iman Hill	12 of 14	2 of 2	1 of 1	1 of 1

1 Jonathan Leather stepped down as Director on 31 August 2023.
2 Peter Dunne stepped down as Chief Financial Officer on 31 December 2023 and as Director and Company Secretary on 15 December 2023.

The AIM Rules Compliance committee met once during the year.

The executive directors attended a number of meetings of Committees of which they were not members during the course of the year at the invitation of the Committee Chair.

The Board generally meets bi-monthly. In addition to the scheduled meetings the Board also held additional meetings and update calls throughout the year to closely monitor progress on key matters. If any director was unable to attend, full comments on papers were received from that director in advance of the meeting.

Principle 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Board recognises that a healthy dialogue should exist between the Board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company. In particular, appropriate communication and reporting structures should exist between the Board and all constituent parts of its shareholder base. This will assist the communication of shareholders' views to the Board; and the shareholders' understanding of the unique circumstances and constraints faced by the Company. The Corporate Governance section of the Annual Report includes disclosure of Board Committees, their composition and where relevant, any work undertaken during the year.

The Company's website includes all historic Annual Reports, results announcement, results presentations and other governance-related material, including notices of all AGMs over the last six years.

To date, none of the resolutions proposed at the Company's AGMs have resulted in a material proportion of votes (e.g. 20% of independent votes) been cast against them, but were this to happen the Company would announce this in a timely basis, including an explanation of what actions it intended to take to understand the reasons behind such a vote result and, where appropriate, any action it had taken, or would take, as a result of the vote.

Board evaluation

The Board considers that regular evaluation of the Board, its committees and each of the directors is essential to the proper governance of the Company and for its success. A comprehensive internal evaluation was carried out in early 2023 by the Chair of the Board of Directors in the form of individual discussions between the Chair and each director. The Chair then provided feedback to the directors at the next board meeting and followed up where appropriate with further individual discussions.

Each discussion focussed on key agenda items circulated in advance by the Chair such as: the appropriateness of our current vision and strategy; our culture and values; our corporate risk matrix and the likelihood and impact of identified risks, the adequacy of internal controls and risk management; the constitution and effectiveness of the Board committees and board administration generally; and relationships with our major shareholders and other key stakeholders.

Each discussion was open, wide ranging and very constructive and covered all issues of concern or improvement each director wished to raise. The collective perspective among the directors indicated that our corporate vision and strategy remained adequate in the current circumstances, particularly in its adaptability to swiftly respond to events and business prospects. It was acknowledged that our culture and values were well-aligned, evident not only among the leadership but also reflected in our staff.

While the current Board size and committee structure were deemed adequate, there was a consensus that, in the short to medium term, and when circumstances allowed, efforts should be made to enhance the Board by appointing another non-executive director with audit and accounting expertise.

Notably, no issues or concerns arose regarding our internal controls and risk management, and relations with key stakeholders were deemed to be at a high level. Various areas for potential improvement in our structure, practices, and procedures were identified and were implemented during 2023. In early 2024, the directors reviewed the 2023 evaluation and concluded no further points needed to be included.

Experienced Board

Brian Larkin

Chief Executive Officer

M

Brian is the founding director of United Oil and Gas PLC.

Brian is a Qualified Accountant and has an MBA from Dublin City University. Brian has extensive oil and gas industry experience having worked for both Tullow Oil plc and Providence Resources plc. At Tullow Oil, Brian held positions in both finance and commercial, and worked on a variety of production, development and exploration projects in South America and Asia and carried out numerous investment case recommendations.

At Providence, Brian worked in senior finance and commercial positions. During his time with Providence, Brian worked on a wide portfolio of assets in regions including the Gulf of Mexico, offshore Ireland, onshore United Kingdom, and offshore Nigeria.

Graham Martin

Non-Executive Chairman

C M C C

Graham is an experienced senior natural resources executive and brings a wealth of international expertise. From 1997 to 2016 he served as an Executive Director of Tullow Oil plc, an oil and gas exploration, development and production company listed in London, Dublin and in Ghana. Prior to Tullow, Graham was a partner at the US energy law firm Vinson & Elkins LLP, having started his legal career in Scotland. He is currently also a Non-Executive Director of Kenmare Resources plc, one of the leading global producers of titanium minerals and zircon listed in London and Dublin.

He holds a degree in Law and Economics from the University of Edinburgh.

Iman Hill

Non-Executive Director

C M M

Iman Hill is the former CEO of the International Association of Oil & Gas Producers. She also serves as non-executive Independent Board Director of Reconnaissance Africa.

Iman is a Petroleum Engineer with 30 years' experience in the oil and gas industry with extensive global expertise in the technical and commercial aspects of the petroleum business, in particular field development, capital projects and production operations. Iman's experience has been gained in the Middle East, North and West Africa, South America, the Far East, and the North Sea in a number of diverse settings from onshore to ultra-deep water with companies that include BP, Shell, BG Group and Dana Gas, where as well as her role as Technical Director, GM UAE and President Egypt, she also ran one of the Egyptian joint ventures as Managing Director and Board member of the Egyptian Bahraini Gas Derivatives Company.

Iman was appointed a consultant to United on a three month contract in April 2024.

- AIM Rules Committee
- ESG Committee
- Remuneration Committee
- Audit Committee
- C Chair
- M Member

The Directors present their report and the audited Financial Statements of the Group for the year ended 31 December 2023

Results and dividends

The loss for the year, after taxation, amounted to $20.4m (2022 profit: $2.3m). The directors do not recommend payment of a dividend (2022: $Nil).

Directors

The business of the Company is managed by the Directors who may exercise all powers of the Company subject to the articles of association of the Company and applicable law. Executive and non-executive directors are subject to re-election at the Company's annual general meeting at intervals of no more than three years. No member of the Board had a material interest in any contract of significance with the Company or any of its subsidiaries at any time during the year, except for the interests in shares and in share option awards under their service agreements and letters of appointment disclosed in the Directors' Remuneration report.

The Directors who served during the year were:

Director	Date of Contract
Brian Larkin	25 July 2017
Jonathan Leather[1]	25 July 2017
Peter Dunne[2]	1 June 2022
Graham Martin	15 February 2018
Iman Hill	7 September 2020

[1] Jonathan Leather stepped down as Director on 31 August 2023.
[2] Peter Dunne stepped down as Director and Company Secretary on the 15 December 2023 and resigned from the company on 31 December 2023.

Principal activities

The principal activity of the Company and its subsidiary undertakings (the Group) is the exploration, appraisal and development of oil and gas. The Company's current operations are located in Jamaica and the United Kingdom. The Egyptian operations ceased to be part of the Group post year end.

Business review and future developments

A review of the business and future developments of the Group is presented the Strategic Report (including the Chair's Statement, Chief Executive Officer's Review, Review of Operations and Financial Review) all of which together with the Corporate Governance Statement, are incorporated by reference into this Directors' Report.

Financial instruments and risk management

An explanation of the Group's financial risk management objectives, policies and strategies and information about the use of financial instruments by the Group is given in note 22 to the financial statements.

Share capital

Details of the shares in issue are set out in note 15 to the financial statements. The Company had one equity class of shares in issue, ordinary shares of £0.01, all of which are fully paid.

Events since the balance sheet date

The events since the balance sheet date are disclosed in note 29. .

Directors' interests

As at 31 December 2023, the beneficial interests of the Directors and their connected persons in the ordinary share capital of the Company were as follows:

Director	Number of Ordinary Shares	% of Ordinary Share Capital
Brian Larkin	17,508,489	2.67
Graham Martin	4,089,730	0.62
Iman Hill	Nil	Nil

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of other Group companies.

Rights to subscribe for shares in the Company that were granted during the financial year are disclosed in the Remuneration Report.

Auditor

A resolution to reappoint KPMG as auditor will be put to the members at the Annual General Meeting.

Disclosure of information to auditors

The directors who were members of the Board at the time of approving the Director’s Report are listed above. So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors, each director has taken all steps that he or she is obliged to take as a director in order to make himself or herself aware of any relevant audit information and to establish the auditor is aware of that information.

On behalf of the Board

Brian Larkin
Chief Executive Officer

24 June 2024

The Remuneration Committee

The Remuneration Committee is a standing Committee of the Board comprising Graham Martin (Chair) and Iman Hill

The purpose of the Committee is to assist the Board in discharging its oversight responsibilities relating to the attraction, compensation, evaluation and retention of its executive directors and senior management. The Committee aims to ensure that fair and competitive compensation is awarded to the executives with appropriate performance and share acquisition incentives.

The current Remuneration Policy of the company sets out the principles of remuneration for the executive directors and can be summarised as follows:

- an appropriately benchmarked salary;
- a 10% pension contribution;
- an annual bonus opportunity of 100% of salary, based 50% on Key Performance Indicators (KPI's), 25% on an absolute total shareholder return (TSR) metric and 25% on relative TSR against a peer group of companies;
- the Committee has discretion to adjust the formulaic outcome of the bonus scorecard if considered appropriate taking into account all relevant factors affecting the company and its performance in the year;
- where the bonus outcome exceeds 40% of salary, the excess shall be paid in shares until certain personal shareholding targets of each executive is met, thereafter the excess over 50% shall be paid in shares;
- the consideration of an annual award of share options provided that the aggregate of all outstanding employee share options does not ordinarily exceed 10% of the company's issued share capital in any rolling 10-year period; and
- setting appropriate minimum shareholding targets for each executive, recognising their different respective tenures with the company

The Remuneration Policy also sets out the fees payable to the non-executive directors and confirms that non-executives are no longer eligible for share awards of any type.

The Remuneration Policy is reviewed annually by the Committee, the last such review being in March 2023 when no changes were recommended.

Summary of the work of the Committee in 2023

- reviewed the Remuneration Policy;
- in the light of a continuing group initiative to reduce corporate G&A by 30%, agreed to a temporary reduction to salaries of all staff, including directors, by 15%; and
- as a consequence, suspended the operation of the bonus scheme for 2023.

Executive Director service contracts

The Chief Executive Officer entered into an updated service contract in 2022 which stipulates a notice period to be given by him and the company of six months.

Executive Directors' remuneration 2023

	Brian Larkin US$	Jonathan Leather[2] US$	Peter Dunne[3] US$
Salary	250,659	128,265	200,527
Pension	25,066	12,826	20,053
Benefits[1]	7,522	5,584	7,210
Total 2023	**283,247**	**146,676**	**227,790**
Total 2022	299,333	239,382	154,855

1 The benefits received by the executive directors include private medical insurance, permanent health assurance, life assurance cover and a subscription to a sports club.
2 Jonathan Leather stepped down from the Board of Directors effective on 31 August 2023.
3 Peter Dunne stepped down from the Board of Directors effective 15 December 2023 and resigned from the company effective 31 December 2023.

All executive directors' remuneration is converted from EUR to USD at an average exchange rate for 2023 of 1.08. In 2022 the comparative exchange rate was 1.06.

Executive Directors' remuneration 2023[1]

The contracted salaries of the executive Directors for 2023, remain the same as for 2022.

	Brian Larkin EUR	Jonathan Leather[2] EUR	Peter Dunne[3] EUR
Base Salary 2023	**231,250**	**118,333**	**185,000**
Base Salary 2022	250,000	200,000	200,000

[1] In January 2023 the directors accepted a 15% reduction in salary and benefits with this reduction to be reviewed by the remuneration committee in second half of 2023. Ultimately, the 15% reduction lasted for exactly 6 months and the remuneration table above is reflective of these salary savings.
[2] Jonathan Leather stepped down from the Board of Directors effective on 31 August 2023.
[3] Peter Dunne stepped down from the Board of Directors effective 15 December 2023 and resigned from the company effective 31 December 2023.

2023 Bonus scheme

As noted above the Bonus scheme for Directors was suspended in 2023.

Non-Executive Directors' remuneration 2023

	Graham Martin US$	Iman Hill US$
Fees 2023	**46,140**	**28,837**
Fees 2022	49,835	31,147

Non-executive directors are paid in GBP and the average exchange rates were same at 1.25 for both 2023 and 2022 years respectively.

Non-Executive Directors' remuneration 2023[1]

The contracted fees payable to the non-executive Directors in 2023 remain the same as 2022.

	Graham Martin £	Iman Hill £
Fees 2023	**37,000**	**23,125**
Fees 2022	40,000	25,000

[1] In January 2023 the directors accepted a 15% reduction in salary and benefits with this reduction to be reviewed by the remuneration committee in second half of 2023. Ultimately, the 15% reduction lasted for exactly 6 months and the remuneration table above is reflective of these salary savings.

No non–executive director is entitled to an additional fee for chairing any Committee.

Share-option awards

The following share-option awards to Directors were in place as at 31 December 2023:

Director	Options	Option Price	Award Date	Vesting Date	Expiry Date
Brian Larkin	4,235,294	4.25p	02-Aug-2018	01-Aug-2021	30-Jul-2028
	4,817,500	4.00p	17-Jun-2020	17-Jun-2023	16-Jun-2030
Graham Martin	1,176,471	4.25p	02-Aug-2018	01-Aug-2021	30-Jul-2028
	1,000,000	4.00p	17-Jun-2020	17-Jun-2023	16-Jun-2030
Iman Hill	1,481,481	2.70p	29-Sep-2020	29-Sep-2023	28-Sep-2030

Share options have been awarded to directors and current staff of the Company and the aggregate number of options awarded as at 31 December 2023 is 52,540,035 which is 8.0% of the issued Share Capital of the Company. Directors or employees are required to be employed by the company at the time of the vesting of the option to exercise their option awards. At the discretion of the Board, this condition can be waived by up to 1 year from the date of cessation of employment. No additional performance conditions are attached to the option awards.

Non-executive directors are no longer eligible for future share option awards.

Dear Shareholders,

The Audit and Risk Committee's primary responsibilities include the monitoring of the integrity of the Group's Financial Statements, the effectiveness of the Group's risk management and internal assurance processes and related governance and compliance matters and provide oversight on behalf of and to the Board in relation to the Group's Financial Reporting, Internal Controls and External Audit activities.

The Audit and Risk Committee is also responsible for overseeing the relationship with the external auditor, including ongoing assessment of their independence and objectivity. During the year, the Committee met two times, and the members attendance record is set out in the Corporate Governance section of the report.

Composition of the committee

The committee is compose of two members, I am Chair and serving with me on the Committee during 2023 was non-executive director; Iman Hill. The members of the Committee have been chosen to provide the wide range of financial and commercial experience needed to fulfil these duties.

At our request, the CFO along with senior members of the finance department attend each meeting. The external auditors attend when appropriate. The Audit and Risk committee met two times in 2023 with meetings arranged around the key external reporting dates. The first meeting focused on the 2022 year-end Annual Report and Accounts. The second meeting centred on the Group's half year reporting in September 2023. Subsequent to the year end, a meeting was held in April 2024 with the auditors to facilitate the planning of the 2023 audit.

Responsibilities

The key responsibilities of the Committee are as follows:

- monitor the integrity of the financial statements of the Company including its annual and half yearly reports and any other announcements relating to its financial performance;
- review and report to the Board on significant financial reporting issues and judgements contained in the reports and announcements having regard to matters communicated to it by the auditor;
- review and challenge the methods used to account for significant transactions;
- keep under review the Company's internal financial control systems;
- consider and make recommendations to the Board, to be put to shareholders for approval at the annual general meeting, in relation to the appointment, re-appointment and removal of the company's external auditor;
- oversee the relationship and terms of engagement with the external auditor including fees for audit and non-audit services;
- review the findings of the audit with the external auditor including a discussion on the major issues which arose during the audit, key accounting judgements and the auditors view of their interactions with senior management; and
- annually review the Audit Committee's Terms of Reference.

The Audit and Risk Terms of Reference are available on our website, https://www.uogplc.com/theboard

External Auditor

KPMG were appointed the auditors in 2022 following a tendering process. The external audit fees for 2023 were US$110,000. There were no principal non-audit fees in 2023. Any non-audit services are pre-approved by the Committee. The Committee has decided that the size and scale of the Group's activities does not justify an Internal Audit function.

Key judgements and estimates in financial reporting

Key Judgements and Estimates in Financial Reporting	Audit and Risk Committee Review	Outcomes
Impairment of exploration and evaluation assets	Yes	The treatment of exploration and evaluation asset balances across the Group at the year-end to be materially correct. An impairment expense of $1.5m was recognised in Egypt and $1.1m for Maria following the impairment of exploration expenditure in the year (Note 10).
Impairment of development assets in the Group	Yes	Abu Sennan concession was reviewed and an impairment expense of $21.7m was recognised for Egypt. At the year end the Net Book Value in the Balance Sheet was zero (Note 11).
Impairment of Investment - Company Only	Yes	The treatment of the investments in the company at the year end is materially correct. An impairment expense of $19.7m was recognised (note 2 - Company), due to the impairment on the Abu Sennan concession in Egypt.

Conclusion

The Committee would like to thank our auditors, KPMG for their work on the 2023 financial statements. I would also like to thank my fellow Committee member for her commitment and input to the work of the Committee during 2023 and the financial team for their assistance, guidance, and support. Lastly, I would like to thank Peter Dunne for his contribution to the Committee and to wish him well in his future endeavours.

We are committed to being transparent

Dear Shareholders,

It is extremely important to the Board that the business is run ethically and in a transparent manner. The ESG scorecard that is linked to management reward drives accountability and focus on moving forward with activities such as emissions measurement and reduction and the development of structured corporate responsibility performance indicators.

As Committee Chair, I am pleased to report on the activities of the Board ESG Committee in 2023. Throughout 2023, Management continued to provide the Committee with regular updates including on the safety and environmental performance of operations in Egypt. Significant progress was also made this year, on embedding the ESG related policies that we developed in 2022.

The Committee also began to consider the approach and requirements ahead of the future data acquisition operations in Jamaica.

Iman Hill
ESG Committee Chair

Composition of the committee

The composition of the committee changed in August 2023 as the Chief Operating Officer stepped down from the Board and Company. I served as Chair, with Graham Martin, Chair of the Board of Directors and the Chief Financial Officer also on the committee.

Responsibilities and activities during the year

A link to the terms of reference for the Committee is below. Key responsibilities of the Committee are:

- overseeing the ESG Strategy;
- overseeing the Company's ESG targets and key performance indicators;
- overseeing the Company's ESG budget, as well as major ad hoc pieces of spending related to ESG;
- overseeing third-party partnerships entered in relation to the ESG Strategy; and
- overseeing how the ESG Strategy is communicated internally and externally

The ESG Committee Terms of Reference are available on our website: https://www.uogplc.com/wp-content/uploads/2022/05/Enviromental-Social-and-Governance-ESG-Committee-Terms-of-Reference-Final-1.pdf

Our attention in 2023 has been on:

- Implementation and embedding of policies, standards and procedures developed in 2022. Maintaining a live discussion on potential additional policies, standards, or procedures required that are commensurate with the size and maturity of the Company.
- Detailed review of current Environmental and Social investment projects implemented by the Joint Operating Companies.
- Review and discussion of progress of ESG key performance indicators for 2023.
- Discussion and review of the Company's risks and discussions on the risk matrix.
- Review of the operator's emissions data collection, reporting and emissions reduction initiatives.
- Monitoring of the health, safety and environmental metrics reported by the operator. We are pleased to report that we concluded an active in-year drilling program with an impressive HSE record.

During the year the Committee focused on the following matters:

Governance

The Group is committed to the ethical conduct of the Group's business including its corporate governance framework and is guided by the 10 principles set out in the QCA code. We promote a culture based on ethical values and behaviours with embedded risk management. Board Committees have been established for ESG, Audit and Risk, Remuneration and AIM Rules Compliance.

The focus in 2023 has been on embedding the policies, standards, guidelines and procedures that were developed in 2022 as part of core business.

ESG KPI's

The ESG KPI's account for 20% of the executive directors corporate KPI's and flow through to Executive Compensation. The ESG KPI's for 2023 have been assessed by the ESG Committee and approved by the Remuneration Committee in early 2023. Further details can be found out in the Remuneration Report page 52.

Environmental

Despite the current limited footprint of United as an operator, the Board and management are fully aligned on the need to also ensure that we are working with the operator to understand and explore ways to reduce the environmental footprint of our operations. This includes investigating ways to reduce greenhouse gas emissions, energy efficiency and the reduction and management of waste.

Social

The Company is committed to managing its relationships with its workforce, the communities where it has business activities, and host Governments in line with the highest standards of corporate governance. At its core this means full compliance with the Health, Safety and Environmental management system, the policies, procedures, and standards mentioned above. In addition, United seek to ensure respect of human rights and appropriate labour standards in the supply chain. The company understands that good integration with local communities is fundamentally important to its 'social license' to operate.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' report and the strategic report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards and the Company financial statements in accordance with FRS 101 Reduced Disclosure Framework 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 state of affairs of the Group and Company and of the Group's profit or loss for that period. In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

Brian Larkin
Chief Executive Officer - United Oil & Gas PLC

24 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED OIL & GAS PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of United Oil & Gas Plc ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2023 set out on pages 68 to 116, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Balance sheet, the Company Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in notes.

The financial reporting framework that has been applied in the preparation of the Group financial statements is UK Law, UK adopted international accounting standards and, as regards the Company financial statements, UK Law and UK accounting standards, including FRS 101 Reduced Disclosure Framework.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023 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 Company financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard as applied to a listed entity, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the going concern note on page 73, in the financial statements which indicates that, in order to fund current and future expenditure commitments, the Group and Company are dependent on the receipt of the remaining receivables due from the Egyptian operations and securing a Jamaican asset farmout with reimbursement of back costs or equity funding. These matters constitute a material uncertainty that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. As set out the going concern note on page 73 in the financial statements, they have also concluded that there is a material uncertainty that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

DETECTING IRREGULARITIES INCLUDING FRAUD

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors and the audit committee and inspection of policy documentation as to the Group's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors and the audit committee regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the Group's regulatory and legal correspondence.
- Reading Board and audit committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group is not subject to other laws and regulations where the consequences of non- compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.
- Assessing the disclosures in the financial statements.

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

KEY AUDIT MATTERS: OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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.

We continue to perform procedures over the carrying value of production assets, revenue recognition (IFRS 15) and the valuation of the loan and embedded derivative. However, following the Egypt operations becoming a discontinued operation and the maturity of the loan and derivative, we have not assessed these as the most significant risks in our current year audit and, therefore, they are not separately identified in our report this year.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

GROUP KEY AUDIT MATTERS

Carrying value of exploration and evaluation assets $6.1m (2022: $7.4m)

Refer to page 75 (accounting policy) and pages 91 to 92 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
Management reviews intangible exploration assets for indicators of impairment under IFRS 6 – Exploration for and Evaluation of Mineral Resources at the end of each reporting period. Judgements including whether renewal of licences is planned, interpretation of the results of exploration activity and the extent to which the Group plans to continue substantive expenditure on the assets. In determining whether substantive expenditure remains in the Group's plan, management considers factors including future oil prices, plans to develop or renew licences and future exploration plans. If impairment indicators exist, the assets are tested for impairment and carried at the lower of the estimated recoverable amount and net book value. This has been identified as a key audit matter and a significant risk because of the level of judgement involved and the significance of the caption to the balance sheet.	Our audit procedures included: • We obtained and reviewed management's and the Board's assessment of the carrying value of each of the Group's exploration and evaluation assets. • We obtained and discussed each of the licences with management. Our audit approach has taken account of commercial and other developments – including for example exploration results and other agreements and transactions with third parties – as part of the Board's formal annual review of the carrying value of exploration and appraisal assets. • Each exploration asset was assessed, taking account of key milestone developments; future plans of funding, viability and development; commercial arrangements; legislative and regulatory matters; together with any indicators of impairment as part of the assessment under IFRS 6 'Exploration for and Evaluation of Mineral Resources'. • We made inquiries of members of the Group finance team to understand the performance of the Group and plans for individual assets. We reviewed Board and Audit Committee minutes to corroborate management's plans and activities for each of the assets. • We challenged management's conclusions in determining whether impairment charges are required and evaluated if there were indicators of possible management bias. • We performed testing on the design and implementation of the control in place over the impairment of exploration and evaluation assets. • We evaluated the completeness, accuracy and relevance of disclosures required by IFRS 6. Based on evidence obtained, we found that management's judgements were reasonable. We found the disclosures to be adequate in providing an understanding of the basis of impairment.

COMPANY KEY AUDIT MATTER

Impairment of investments and loans due from subsidiary companies in United Oil & Gas Plc $2.1m (2022: $21.8m)

Refer to page 109 (accounting policy) and page 113 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The investments and loans held by United Oil & Gas Plc company only are a significant caption with regards to the Company only Balance Sheet. The investments are held at cost less impairment. This area has been identified as a key audit matter due to the significance of the balance to the Company and the judgement involved in forecasting future cashflows when assessing recoverability.	Our audit procedures included: • We obtained and documented the process for impairment considerations and tested the design and implementation of the relevant control therein. • We obtained and reviewed management's assessment of impairment indicators in accordance with IFRS 9. • We compared the carrying value of investments to the net assets of the subsidiaries financial statements. • We assessed the appropriateness of the methodology applied by management in their assessment of the recoverable amount of intragroup loans. We considered the audit work performed in respect of the subsidiaries, including the judgements and assumptions used in determining the recoverability of Exploration assets. • We challenged management's evaluation of the recoverable amounts of loans to subsidiaries including review the impairment provisions and net asset values of components that have intercompany debt. Based on the procedures performed, we did not identify any material misstatements. We found the disclosures in respect of investments and loans due from subsidiary companies to be appropriate.

OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Materiality for the Group financial statements and Company financial statements as a whole was set at $0.087m (2022: $0.4m) and $0.069m (2022:$0.2m) respectively, determined with reference to benchmarks of net assets benchmarks for the Group and Company (of which it represents 1.5% (2022: 1.5%) and 1.5% (2022: 1.5%) respectively. We consider net assets to be the most appropriate benchmark as it it best reflects the operations of the Group and Company. In applying our judgement in determining the most appropriate benchmark, the factor which had the most significant impact was:

- our understanding/view that one of the principal considerations for investors in assessing the financial performance is the Group and Company's net assets.

In applying our judgement in determining the percentage to be applied to the benchmark, the following qualitative factor, had the most significant impact, decreasing our assessment of materiality:

- the entity operates in a volatile sector/market.

We applied Group and Company materiality to assist us determine the overall audit strategy.

Performance materiality for the Group financial statements and Company financial statements as a whole was set at $0.065m (2022: $0.3m) and $0.052m (2022:$0.15m) respectively, determined with reference to benchmarks of materiality (of which it represents 75% (2022: 75%) and 75% (2022: 75%) respectively.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. In applying our judgement in determining performance materiality, we considered a number of factors including; the low number and value of misstatements detected and the low number and severity of deficiencies in control activities identified in the prior year financial statement audit.

We applied Group and Company performance materiality to assist us determine what risks were significant risks for the Group.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding $0.004m (2022: $0.02m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group's 8 components were subject to full scope audits for Group audit purposes. Taken together, the Company and the components accounted for 100% of Group revenue and 100% of Group net assets.

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by a single engagement team in Dublin.

We have nothing to report on the other information in the annual report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report and governance report of the annual report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in these respects.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 60, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

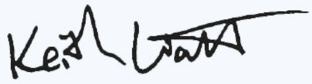
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the 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 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Keith Watt (Senior Statutory Auditor)

For and on behalf of
KPMG
Statutory Auditor

1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

24 June 2024

CONSOLIDATED INCOME STATEMENT
For the year-ended 31 December 2023

Continuing operations:	Note	31 December 2023 $	Restated 31 December 2022 $
Revenue	2	-	-
Other income	2	-	-
Cost of sales	3	-	-
Gross profit		-	-
Administrative expenses:			
Other administrative expenses		(1,065,013)	(1,344,704)
New Venture write offs		(1,428,875)	(284,275)
Foreign exchange (losses) / gains		(1,204,458)	5,035
Operating (loss)	4	(3,698,346)	(1,623,944)
Finance expense	6	(77,632)	(1,679,386)
(Loss) before taxation		(3,775,978)	(3,303,330)
Taxation	7	-	-
(Loss) for the financial year attributable to the Company's equity shareholders from continued operations		(3,775,978)	(3,303,330)
(Loss) / profit for the year from discontinued operations	1	(16,589,188)	5,652,107
(Loss) / profit for the financial year attributable to the Company's equity shareholders		(20,365,166)	2,348,777

Total (loss) / earnings per share			
From continuing operations expressed in cents per share:	8		
Basic		(0.58)	(0.51)
Diluted		(0.58)	(0.51)
From continuing and discontinued operations expressed in cents per share:	8		
Basic		(3.10)	0.36
Diluted		(3.10)	0.36

The 2022 comparative results have been restated to show the effect of the discontinued operations separately from continuing operations in accordance with IFRS 5.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year-ended 31 December 2023

	31 December 2023 $	31 December 2022 $
(Loss) / profit for the financial year	(20,365,166)	2,348,777
Foreign exchange gains	9,499	337,866
Total comprehensive (expense) / income for the financial year attributable to the Company's equity shareholders	(20,355,667)	2,686,643

CONSOLIDATED BALANCE SHEET

For the year-ended 31 December 2023

	Note	31 December 2023 $	31 December 2022 $
Assets:			
Non-current assets			
Intangible assets	10	6,138,180	7,385,326
Property, plant and equipment	11	87,539	20,368,299
		6,225,719	27,753,625
Current assets			
Inventory	12	–	268,859
Trade and other receivables	13	2,012,258	4,469,493
Derivative financial instruments	22	–	120,168
Cash and cash equivalents	14	1,992,496	1,345,463
		4,004,754	6,203,983
Current liabilities:			
Trade and other payables	17	(1,900,774)	(3,709,667)
Borrowings	20	(1,189,356)	(2,964,225)
Lease liabilities	19	(94,348)	(83,985)
Current tax payable		–	–
		(3,184,478)	(6,757,877)
Non-current liabilities:			
Provisions	21	(254,068)	(233,630)
Lease liabilities	19	–	(7,356)
		(254,068)	(240,986)
Net assets		6,791,927	26,958,745
Equity and liabilities:			
Capital and reserves			
Share capital	15	8,839,679	8,839,679
Share premium	15	16,798,823	16,798,823
Share-based payment reserve	16	2,511,686	2,547,688
Merger reserve		(2,697,357)	(2,697,357)
Translation reserve		(998,638)	(1,008,137)
Retained earnings		(17,662,266)	2,478,049
Shareholders' funds		6,791,927	26,958,745

The financial statements were approved by the Board of Directors and authorised for their issue on 24 June 2024 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer

Registered number: 09624969

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year-ended 31 December 2023

	Share capital $	Share premium $	Share-based payments reserve $	Retained earnings $	Translation reserve $	Merger reserve $	Total $
For the year ended 31 December 2023							
Balance at 1 January 2023	8,839,679	16,798,823	2,547,688	2,478,049	(1,008,137)	(2,697,357)	26,958,745
Loss for the year	–	–	–	(20,365,166)	–	–	(20,365,166)
Foreign exchange difference	–	–	–	–	9,499	–	9,499
Total comprehensive income	–	–	–	(20,365,166)	9,499	–	(20,355,667)
Share-based payments (Note 16)	–	–	188,849	–	–	–	188,849
Lapsed share-based payments	–	–	(224,851)	224,851	–	–	–
Balance at 31 December 2023	8,839,679	16,798,823	2,511,686	(17,662,266)	(998,638)	(2,697,357)	6,791,927
For the year ended 31 December 2022							
Balance at 1 January 2022	8,416,182	16,215,361	2,247,465	201,543	(558,104)	(2,697,357)	23,825,090
Profit for the year	–	–	–	2,348,777	–	–	2,348,777
Foreign exchange difference	–	–	–	–	337,866	–	337,866
Total comprehensive income	–	–	–	2,348,777	337,866	–	2,686,643
Foreign exchange adjustment arising on change of parent company functional currency to USD	283,278	523,376	53,516	(72,271)	(787,899)	–	–
Shares issued	140,219	60,086	–	–	–	–	200,305
Share-based payments (Note 16)	–	–	246,707	–	–	–	246,707
Balance at 31 December 2022	8,839,679	16,798,823	2,547,688	2,478,049	(1,008,137)	(2,697,357)	26,958,745

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year-ended 31 December 2023

	31 December 2023 $	31 December 2022 $
Cash flow from operating activities		
(Loss) / profit for the financial year before tax	(18,157,008)	7,530,235
Share-based payments	188,849	246,707
Depreciation & Amortisation	3,618,163	3,309,940
Fair value loss on derivatives	-	1,562,467
Impairment of intangible assets	2,602,234	483,611
Impairment of production assets	21,715,270	-
Interest expense	78,424	128,429
Foreign exchange movements	1,334,903	1,106,614
Tax paid	(2,208,157)	(5,238,704)
	9,172,678	9,129,299
Changes in working capital		
Decrease / (increase) in inventory	268,859	(123,289)
Decrease / in trade and other receivables	2,457,234	732,529
Decrease in trade and other payables	(1,797,824)	(1,032,853)
Cash inflow from operating activities	10,100,947	8,705,686
Cash outflow from investing activities		
Proceeds received on disposal of non-current assets	-	4,887,275
Purchase of property, plant & equipment	(4,959,474)	(5,610,924)
Spend on exploration activities	(1,280,665)	(2,972,201)
Net cash used in investing activities	(6,240,139)	(3,695,850)
Cash flow from financing activities		
Issue of ordinary shares net of expenses	-	200,305
Repayments on oil swap financing arrangement	(1,718,250)	(1,452,118)
Payments on oil price derivatives	-	(1,522,892)
Capital payments on lease	(95,806)	(90,096)
Interest paid on lease	(5,504)	(86,669)
Net cash used in financing activities	(1,819,560)	(2,951,470)
Net increase in cash and cash equivalents	2,041,248	2,058,366
Cash and cash equivalents at beginning of financial year	1,345,463	397,308
Effects of exchange rate changes	(1,394,215)	(1,110,211)
Cash and cash equivalents at end of financial year	1,992,496	1,345,463

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year-ended 31 December 2023

PRINCIPAL ACCOUNTING POLICIES

Company Information
United Oil & Gas plc ("United" or "the Company") is a public limited company incorporated and domiciled in the United Kingdom. The address of the registered office is given on Page 119. United is the ultimate parent company of the Group and except where otherwise indicated the following accounting policies apply to both the Group and the Company.

Basis of Preparation
The financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS as adopted by the United Kingdom.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 December 2023.

Joint Arrangements
The Group is engaged in oil and gas exploration, development, and production through unincorporated joint arrangements; these are classified as joint operations in accordance with IFRS 11. The Group accounts for its share of the results and assets and liabilities of these joint operations. The Group's arrangement in Egypt is a joint operation and has been accounted as such. Throughout the annual report joint operations is referred to as Joint Venture and joint operations partners are referred to as Joint Venture partners.

The principal accounting policies set out below have been consistently applied to all periods presented.

Basis of Consolidation
The financial statements for the year ended 31 December 2023 incorporate the results of United Oil & Gas plc and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Going Concern
The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chair's statement and the Strategic Report.

United regularly monitors its business activities, financial position, cash flows and liquidity through the preparation and review of detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, which could affect the Group's future performance and position. A base case forecast has been considered which includes budgeted commitments, a Jamaican farmout with some back costs recovered, the 166m warrants being exercised in December 2024 and receipt of our outstanding receivables from the Egyptian General Petroleum Corporation.

The key assumptions and related sensitivities include a "Reasonable Worst Case" ("RWC") sensitivity where the Board has considered a scenario with significant aggregated downside, including a delay in the farmout, subject to different terms and conditions than budgeted, delay in exercise of warrants, delay in receiving outstanding receivables and an equity raise.

Under the combined RWC, the Group forecasts there will be sufficient resources to continue in operational existence for the foreseeable future. The various assumptions considered were:

a. 50% reduction in receivables from Egyptian General Petroleum Corporation

b. Securing a Jamaica farmout with various reimbursement of back costs

c. No Jamaica Farmout in the period

d. Exercise of the Warrants in December 2024

e. No Exercise of Warrants

The likelihood of all the downside sensitivities occurring simultaneously is unlikely. Under such a RWC scenario, we have identified suitable mitigating actions, including deferring capital expenditure, adjusting the Group's cost base, and potentially undertaking an equity raise, which would be subject to market conditions and is not guaranteed to succeed. However, based on past experience, the Directors believe that an equity raise is likely to be successful.

Based on the forecast prepared by the Directors, the Group and Company will be able to discharge all liabilities as they fall due.

The Directors believe that the Company is reasonably likely to achieve a Jamaican farmout or, if necessary, obtain further equity funding. However, there is no guarantee that the Company will be able to secure a farmout or such equity funding.

The Directors have considered the various matters set out above and have concluded that a material uncertainty exists that may cast significant doubt on the ability of the Group and Company to continue as a going concern and the Group and Company may therefore be unable to realise their assets or discharge their liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the Directors are of the view that the Group and Company will have sufficient cash resources available to meet their liabilities and continue in operational existence for at least 12 months from the date of approval of these 2023 financial statements.

On that basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustment that would result from the going concern basis of preparation as not appropriate to use.

Revenue

Revenue is recognised under the principals of IFRS 15, and comprises invoiced sales of hydrocarbons to customers, excluding value added and similar taxes. Also disclosed within revenue is tariff income recognised, excluding value added and similar taxes, for gas transportation facilities provided to third parties.

Revenue is recognised at a point in time as control passes to the customer, which is typically the point of delivery of hydrocarbons. The Group does not have performance obligations subsequent to delivery.

Other Revenue – Tax Entitlement Volumes

Under the concession agreements in Egypt, income tax due on taxable profit is paid on the Group’s behalf by EGPC. To achieve this through the agreements, the Group notionally receives a greater share of hydrocarbon production in excess of the Group’s entitlement interest share of production equal to the amount required to cover the tax payable. The oil is produced and sold on the Group’s behalf and proceeds remitted to the tax authorities. This income falls out with the definition of revenue and is therefore shown as other income with an equal and opposite tax charge recorded through current taxation.

Discontinued operations

When the Group has sold or discontinued a component that represents a separate major line of business or geographical area of operations during the year, or has classified the component as held for sale, its results are presented separately, net of any profit or loss on disposal, in the statement of profit or loss and other comprehensive income, with the comparative amounts restated.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end date. All differences are taken to the Income Statement.

Assets and liabilities of subsidiaries that have a functional currency different from the presentation currency (US dollar), if any, are translated at the closing rate at the date of each balance sheet presented. Income and expenses are translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income (loss), if any.

Finance Income and Costs

Interest is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

Exploration and Evaluation Assets

The group accounts for oil and gas expenditure under the full cost method of accounting.

Costs (other than payments to acquire the legal right to explore) incurred prior to acquiring the rights to explore are charged directly to the profit and loss account. All costs incurred after the rights to explore an area have been obtained, such as geological, geophysical, data costs and other direct costs of exploration and appraisal are accumulated and capitalised as intangible exploration and evaluation ("E&E") assets.

E&E costs are not amortised prior to the conclusion of appraisal activities. At the completion of appraisal activities if technical feasibility is demonstrated and commercial reserves are discovered, then following development sanction, the carrying value of the relevant E&E asset will be reclassified as a development and production asset within tangible fixed assets.

If after completion of appraisal activities in an area, it is not possible to determine technical feasibility or commercial viability, then the costs of such unsuccessful exploration and evaluation are impaired to the Income Statement. The costs associated with any wells which are abandoned are fully amortised when the abandonment decision is taken.

Development and production assets are accumulated generally on a field by-field basis and represent the costs of developing the commercial reserves discovered and bringing them into production, together with the E&E expenditures incurred in finding commercial reserves which have been transferred from intangible E&E assets.

The net book values of development and production assets are depreciated generally on a field-byfield basis using the unit of production method based on the commercial proven and probable reserves. Assets are not depreciated until production commences.

Depreciation of Production Assets

Production assets are accumulated into cash generating units (CGUs) and the net book values are depreciated on a prospective basis using the unit-of-production method by reference to the ratio of production in the year and the related economic commercial reserves, taking into account future development expenditures necessary to bring those reserves into production.

The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the income statement.

Each asset's estimated useful life has been assessed with regard to both its own physical life limitations and the present assessment of economically recoverable reserves of the oil and gas asset at which the item is located, and to possible future variations in those assessments. Estimates of remaining useful lives are made on a regular basis for all oil and gas assets, machinery and equipment, with annual reassessments for major items. Changes in estimates which affect unit production calculations are accounted for prospectively.

Other Intangible Assets

Other intangible assets acquired separately from a business combination are capitalised at cost.

Intangible assets are amortised on a straight-line basis over their useful lives as follows:

- Computer software 33%

The carrying value of intangible assets is assessed annually and any impairment is charged to the income statement.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life.

The annual rate of depreciation for each class of depreciable asset is:

- Computer equipment 33%
- Fixtures & Fittings 33%
- Right of use leasehold asset 100%

The carrying value of property plant and equipment is assessed annually and any impairment is charged to the income statement.

Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

Impairment of Non-financial Assets

At each balance sheet date, the Directors review the carrying amounts of the Group’s tangible and intangible assets, other than goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

An impairment loss is recognised as an expense immediately.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised in the Income Statement immediately.

Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorised as FVOCI or FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Impairment of Financial Assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model to be applied. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on trade receivables.

In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and embedded derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

If the terms of financial liabilities are modified, the new terms are examined to assess whether the change constitutes a substantial modification. If it does, for instance where the present value of new cash flows differs by more than 10% from the present value of cash flows under the original arrangement, this is treated as extinguishment of the old liability and recognition of a new liability. A gain or loss is recognised based on the difference between the derecognised carrying amount of the original liability and the opening measurement of the new liability.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or fair value gains/(losses) on derivative financial instruments.

Embedded derivative financial instruments and hedging instruments

A borrowing arrangement structured as a prepaid commodity swap with monthly repayments over 30 months has embedded in it a derivative that is indexed to the price of the commodity. This is considered to be a separable embedded derivative of a loan instrument.

At the date of issue, the fair value of the embedded derivative is estimated by considering the derivative as a series of forward contracts with modelling of the fixed and floating legs to determine a repayment schedule and derive a net present value for the forward contract embedded derivative.

This amount is recognised separately as a financial liability or financial asset and measured at fair value through the income statement. The residual amount of the loan is then recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

At inception of a hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items.

For cash flow hedges, the portion of the gains and losses on the hedging instrument that is determined to be an effective hedge is taken to other comprehensive income and the ineffective portion is recognised in the income statement. The gains and losses taken to other comprehensive income are subsequently transferred to the income statement during the period in which the hedged transaction affects the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price of inventory on hand less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less losses provision, when required.

Trade and other payables
Trade and other payables are generally stated at amortised cost using the effective interest rate.

Leases
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, prepayments made on the lease at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

Provisions
A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions for the costs to decommission oil and gas properties are recognised when the Group has an obligation required by the terms and conditions of the agreements and when a reliable estimate can be made. The provision for the costs of decommissioning oil and gas properties at the end of their economic lives is estimated using existing technology, at future prices, depending on the expected timing of the activity, and discounted using the nominal discount rate. Estimates are regularly reviewed and adjusted as appropriate for new circumstances. This decommissioning provision is included in the group Balance Sheet due to the structure of joint operations.

Taxation

Current taxation for each taxable entity in the Group is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred Taxation

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax liabilities are provided for in full.

Deferred 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.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the Income Statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share-based Payments

Where share-based payments (warrants and options) have been granted, IFRS 2 has been applied whereby the fair value of the share-based payments is measured at the grant date and spread over the period during which they vest. A valuation model is used to assess the fair value, taking into account the terms and conditions attached to the share-based payments. The fair value at grant date is determined including the effect of market-based vesting conditions, to the extent such vesting conditions have a material impact.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the holders become fully entitled to the award ("the vesting date").

The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee, as measured at the date of modification.

Where an equity-settled award (share options) is cancelled, it is treated as if it had vested on the date of cancellation if it had not yet fully vested, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Where an equity-settled award is forfeited, the cumulative charge expensed up to the date of forfeiture is credited to the Income Statement. Upon expiry of an equity-settled award, the cumulative charge expensed is transferred from the Share-based payment reserve to retained earnings.

Equity

Equity comprises the following:

- "Share capital" represents amounts subscribed for shares at nominal value.
- "Share premium" represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- "Share-based payment reserve" represents the accumulated value of share-based payments.
- "Retained earnings" represents the accumulated profits and losses attributable to equity shareholders.
- "Translation reserve" represents the exchange differences arising from the translation of the financial statements of subsidiaries into the Group's presentational currency.
- "Merger reserve" represents amounts arising from statutory merger relief arising on business combinations.

New and Amended International Financial Reporting Standards Adopted by the Group

The Group has adopted the following standards, amendments to standards and interpretations which are effective for the first time this year. The impact is shown below:

New/Revised International Financial Reporting Standards		Effective Date; annual periods beginning on or after	UKEB adopted	Impact on the Group
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current	1 January 2023	Yes	No impact
IAS 1	Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023	Yes	No impact
IAS 8	Definition of accounting estimate (amendment to IAS 8))	1 January 2023	Yes	No impact
IAS 12	Amendments to IAS 12: Deferred Tax relating to Assets and Liabilities arising from a Single Transaction	1 January 2023	Yes	No impact

International Financial Reporting Standards in Issue But Not Yet Effective

At the date of authorisation of the consolidated financial statements, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Group. For the next reporting period, applicable International Financial Reporting Standards will be those endorsed by the UK Endorsement Board (UKEB).

New / revised International Financial Reporting Standards which are not considered to potentially have a material impact on the Group's financial statements going forwards have been excluded from the above.

New/Revised International Financial Reporting Standards		Effective Date; annual periods beginning on or after	UKEB adopted
IFRS 16	Lease liability in a sale and leaseback (amendment to IFRS 16)	1 January 2024	Yes
IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	No confirmed date	n/a
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current	1 January 2024	Yes
IAS 7 and IFRS 7	Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024	Yes

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not listed above are not expected to have a material impact on the Group's financial statements.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the key estimates used in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Reserve Estimates

Reserves are estimates of the amount of product that can be economically and legally extracted from the Group's properties. In order to calculate the reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and/or grade of reserves requires the size, shape and depth of fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

Given that the economic assumptions used to estimate reserves change from year to year, and because additional geological data is generated during the course of operations, estimates of reserves may change from year to year. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- Asset carrying values may be affected by possible impairment due to adverse changes in estimated future cash flows;
- Depreciation, depletion and amortisation charged in the Income Statement may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change.

Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is any indication that these assets may be impaired as indicated in note 11. If such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less cost to sell'. The Group considers the quantities of the Proven and Probable Reserves, future production levels and future oil prices as well as other IAS 36 criteria in their assessment of indicators of impairment.

In November 2023, the company agreed to the outline terms for selling the Abu Sennan concession in Egypt to the Operator. As a result, the company's current and prior year results for Egypt are presented as discontinued operations, as shown on the income statement and detailed in Note 1 of the accounts.

Due to the outlined sale terms and the anticipated default notice in January 2024 for the Abu Sennan concession, the directors decided to write down the capitalised tangible oil and gas assets at the end of 2023, resulting in a $21.7 million write-down.

Valuation of embedded derivatives within financial liability and standalone derivatives

In determining the value of the embedded derivatives, the Group makes assumptions about future events and market conditions. The fair value is determined using a valuation model which is dependent on further estimates.

Such assumptions are based on publicly available information and are detailed further in note 20. Different assumptions about these factors to those made by the Group could materially affect the reported value of the embedded derivative liability.

As the financial liability is computed as the residual amount after deduction of the embedded derivative valuation, any material difference in the value of the embedded derivative liability on initial recognition would materially reduce (or increase) the loan financial liability thus increasing (or decreasing) the effective interest rate applicable.

The following are the significant judgements used in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Impairment of exploration licences
Management reviews intangible exploration assets for indicators of impairment under IFRS 6 – Exploration for and Evaluation of Mineral Resources at the end of each reporting period. This review of assets for potential indicators of impairment requires judgement including whether renewal of licences is planned, interpretation of the results of exploration activity and the extent to which the Group plans to continue substantive expenditure on the assets. In determining whether substantive expenditure remains in the Group’s plan, management considers factors including future oil prices, plans to develop or renew licences and future exploration plans. If impairment indicators exist the assets are tested for impairment and carried at the lower of the estimated recoverable amount and net book value.

In the UK North Sea, a Binding Asset Purchase Agreement had been signed with Quattro, in 2023, for the sale of P2519 containing the Maria discovery to Quattro Energy Limited for a maximum consideration of up to £5.7m – however the sale did not materialise due to the buyer’s inability to raise the funds and the deal was terminated 31 October 2023. As a result, and with the licence expiring on 30 November 2023, the directors decided not to seek a further extension and all costs incurred were written off to the value of $1.05m.

In November 2023, the company agreed to the outline terms for selling the Abu Sennan concession in Egypt to the Operator. As a result, the company's current and prior year results for Egypt are presented as discontinued operations, as shown on the income statement and detailed in Note 1 of the accounts.

Due to the outlined sale terms and the anticipated default notice in January 2024 for the Abu Sennan concession, the directors decided to write down the capitalised exploration and evaluation assets at the end of 2023, resulting in a $1.5 million write-down.

1. DISCONTINUED OPERATIONS

In November 2023, the Group made a decision to discontinue the Egypt operations.

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	31 December 2023 $	31 December 2022 $
Revenue	11,603,378	15,831,237
Other revenue	2,208,157	5,181,458
Cost of sales	(7,618,685)	(8,143,910)
Administrative expenses	(371,049)	(428,450)
Impairment of exploration & producing assets	(23,249,658)	(483,611)
Release other Egypt working capital	3,178,065	-
Foreign exchange losses	(130,446)	(1,111,649)
Interest expense	(793)	(11,510)
Loss before tax	(14,381,031)	10,833,565
Attributable tax expense	(2,208,157)	(5,181,458)
Net loss attributable to discontinued operations	(16,589,188)	5,652,107

The 2022 comparative results have been restated to show the effect of the discontinued operations separately from continuing operations in accordance with IFRS 5.

Assets and liabilities of Egypt have not been classified as held for sale at 31 December 2023 because all short-term assets and liabilities are expected to be either settled or transferred to continuing Group operations. These are included in the respective Group assets and liabilities and are as follows:

	31 December 2023 $
Assets	
Property, plant and equipment	6,309
Trade and other receivables	1,966,380
Cash	1,468,315
Total assets	3,441,004
Liabilities	
Trade and other payables	(9,917)
Lease liability	(8,616)
Total liabilities	(18,533)
Net assets	3,422,471

Cash flows from (used in) discontinued operations:

	31 December 2023 $	31 December 2022 $
Net cash from operating activities	10,730,660	10,654,073
Net cash used in investing activities	(5,593,613)	(6,982,899)
Net cash flows for the year	5,137,047	3,671,174

2. SEGMENTAL REPORTING

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources, assessing the performance of the operating segment and making strategic decision, has been identified as the Board of Directors.

The Group operates in four geographic areas – the UK & Europe, Latin America and Egypt. The Group's revenue from external customers and information about its non-current assets (other than financial instruments, deferred tax assets and post-employment benefit assets) by geographical location are detailed below.

The below information relates to both continuing and discontinued operations. The Egypt column represents the discontinued operations.

	UK and EU $	Latin America $	Egypt $	Total $
2023				
Revenue	-	-	11,603,378	11,603,378
Other revenue			2,208,157	2,208,157
Non-current assets	559,662	5,659,748	6,309	6,225,719
2022				
Revenue	-	-	15,831,237	15,831,237
Other revenue	-	-	5,181,458	5,181,458
Non-current assets	1,340,605	5,228,625	21,184,395	27,753,625

3. COST OF SALES

	31 December 2023 $	31 December 2022 $
Production costs	4,103,926	4,930,038
Depreciation, depletion & amortisation	3,514,759	3,213,872
Discontinued Cost of Sales (Note 1)	7,618,685	8,143,910

4. OPERATING (LOSS) / PROFIT

	31 December 2023 $	31 December 2022 $
Operating (loss) / profit is stated after charging:		
Depreciation:		
Owned assets	3,520,382	3,219,080
Right of use leased assets	97,780	88,382
Amortisation	-	2,478
Share based payments	188,849	246,707
Foreign exchange losses	1,334,903	1,106,614
Fees payable to the Company's auditors for the audit of the annual financial statements	110,000	110,000

5. DIRECTORS AND EMPLOYEES

The aggregate payroll costs of the employees, including Executive Directors and Non-Executive directors, were as follows:

	31 December 2023 $	31 December 2022 $
Staff costs		
Wages and salaries	1,476,066	1,566,200
Share-based payments	188,849	246,707
Pension	110,357	129,062
Social security	121,563	127,527
	1,896,835	2,069,496

Average monthly number of persons employed by the Group during the year was as follows:

	2023	2022
By activity		
Administrative	7	7
Directors	5	6
	12	13

	31 December 2023 $	31 December 2022 $
Remuneration of Directors		
Emoluments and fees for qualifying services	654,428	842,559
Share-based payments	74,214	153,458
Pension	57,945	72,379
Social security	67,768	60,891
	854,355	1,129,287

Key management personnel are identified as all the Directors.

6. FINANCE EXPENSE

	31 December 2023 $	31 December 2022 $
Fair value loss on derivatives	60,644	1,562,467
Effective interest on borrowings	12,276	41,760
Interest expense on lease liabilities	5,504	86,669
	78,424	1,690,896

In this note, finance expense includes amounts of $793 (2022: $11,510) relating to discontinued operations (see note 1).

7. TAXATION

	31 December 2023 $	31 December 2022 $
Profit before tax	(18,157,008)	7,530,235
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022: 19%)	(4,266,897)	1,430,744
Tax effects of:		
Foreign tax	2,208,157	5,181,458
Adjustments in respect of prior periods		-
Double tax relief	4,266,897	(1,430,744)
Corporation tax charge (Note 1)	2,208,157	5,181,458

The Group has accumulated tax losses of approximately $24.7m (2022: $6.8m). No deferred tax asset was recognised in respect of these accumulated tax losses as there is insufficient evidence that the amount will be recovered in future years.

The tax rate changed from 19% to 23.5% from 2022 to 2023 respectively and is reflected in the table.

8. EARNINGS PER SHARE

The Group has issued share warrants and options over Ordinary shares which could potentially dilute basic earnings per share in the future.

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

There were 60,070,869 (2022: 69,179,818) share warrants and options outstanding at the end of the year that could potentially dilute basic earnings per share in the future.

Basic and diluted earnings per share:

	2023 Cents	2022 Cents
Basic (loss) / earnings per share from continuing operations	(0.58)	(0.51)
Diluted earnings per share from continuing operations	(0.58)	(0.51)
Basic (loss) / earnings per share from continuing & discontinued operations	(3.10)	0.36
Diluted (loss) / earnings per share from continuing & discontinued operations	(3.10)	0.36

The (loss) and weighted average number of ordinary shares used in the calculation of earnings per share from continuing operations are as follows:

	2023 $	2022 $
(Loss) used in the calculation of basic and diluted earnings per share from continuing operations	(3,775,977)	(3,303,330)
(Loss) / profit used in the calculation of basic and diluted earnings per share from continuing and discontinued operations	(20,365,166)	2,438,777

Number of shares:

	2023	2022
Weighted average number of ordinary shares for the purposes of basic earnings per share	656,353,969	656,353,969
Dilutive shares	-	-
Weighted average number of ordinary shares for the purposes of diluted earnings per share	656,353,969	656,353,969

9. SUBSIDIARIES

Details of the Group's subsidiaries in 2023 are as follows:

Name and address of subsidiary	Principal activity	Class of shares	Place of incorporation	% ownership held by the Group 2023	% ownership held by the Group 2022
UOG Holdings Plc 2nd Floor, 38-43 Lincoln's Inn Fields, London, WC2A 3PE	Intermediate holding company	Ordinary	England and Wales	100	100
UOG Ireland Limited [1] 128 Lower Baggot Street, Dublin D02 A430, Ireland	Intermediate holding company	Ordinary	Ireland	100	100
UOG PL090 Ltd [1] 2nd Floor, 38-43 Lincoln's Inn Fields, London, WC2A 3PE	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Jamaica Ltd [1] 2nd Floor, 38-43 Lincoln's Inn Fields, London, WC2A 3PE	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Crown Ltd [1] 2nd Floor, 38-43 Lincoln's Inn Fields, London, WC2A 3PE	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Colter Ltd [1] 2nd Floor, 38-43 Lincoln's Inn Fields, London, WC2A 3PE	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Egypt Pty (Branch) 54 Ahmed Badawi Street, Upper Mearag, Cairo, Egypt	Oil and gas exploration	Ordinary	Australia	100	100

[1] Held indirectly by United Oil & Gas Plc

10. INTANGIBLE ASSETS

	Exploration and evaluation assets $	Computer software $	Total $
Cost			
At 1 January 2022	7,813,541	11,474	7,825,015
Additions	2,972,201	–	2,972,201
Foreign exchange differences	(44,093)	(657)	(44,750)
At 31 December 2022	10,741,649	10,817	10,752,466
Additions	1,280,665	–	1,280,665
Foreign exchange differences	74,386	366	74,752
At 31 December 2023	12,096,700	11,183	12,107,883
Amortisation and impairment			
At 1 January 2022	2,847,274	7,650	2,854,924
Charge for the year	–	2,478	2,478
Impairment	483,611	–	483,611
Foreign exchange differences	26,530	(403)	26,127
At 31 December 2022	3,357,415	9,725	3,367,140
Charge for the year	–	–	–
Impairment	2,602,234	–	2,602,234
Foreign exchange differences	–	329	329
At 31 December 2023	5,959,649	10,054	5,969,703
Net book value			
At 31 December 2023	6,137,051	1,129	6,138,180
At 31 December 2022	7,384,234	1,092	7,385,326

At 31 December 2023 the group's E&E carrying values of $6.1m related to our high impact exploration activity in Jamaica, and the Waddock Cross development campaigns.

In Jamaica, the work program continues in parallel with the ongoing farmout activity which is seeking to bring in a partner before the end of the current licence period. Currently the company has 4 interested partners under NDA, and the Licence has been extended to 31 January 2026. The Balance Sheet value of our Jamaican exploration asset was $5.7m at 31 Dec 2023, and given the ongoing work programme and active farmout process no conditions exist that would result in the impairment of the carrying value of the asset.

In the UK Waddock Cross licence, the Operator, Egdon Resources Ltd recently announced the licence has been granted a 5-year extension and expires in March 2029. Planning has been submitted for a redevelopment well and the operator expects the outcome of this to be granted in September 2024. As a result, and with an active work programme in place for 2024, the directors are of the view that all costs incurred on the licence at December 2023 are fully recoverable given the commercial viability of the development demonstrated by the operator. As a result, United continue to carry capitalised costs of $0.4m at 31 December 2023, which includes a decommissioning asset recognised of $0.25m.

In the UK North Sea, a Binding Asset Purchase Agreement had been signed with Quattro, in 2023, for the sale of P2519 containing the Maria discovery to Quattro Energy Limited for a maximum consideration of up to £5.7m – however the sale did not materialise due to the buyer's inability to raise the funds and the deal was terminated 31 October 2023. As a result, and with the licence expiring on 30 November 2023, the directors decided not to seek a further extension and all costs incurred were written off to the value of $1.05m.

In November 2023, the company agreed to the outline terms for selling the Abu Sennan concession in Egypt to the Operator. As a result, the company's current and prior year results for Egypt are presented as discontinued operations, as shown on the income statement and detailed in Note 1 of the accounts.

Due to the outlined sale terms and the anticipated default notice in January 2024 for the Abu Sennan concession, the directors decided to write down the capitalised exploration and evaluation assets at the end of 2023, resulting in a $1.5 million write-down.

Management reviews the intangible exploration assets for indications of impairment at each balance sheet date based on IFRS 6 criteria such as where commercial reserves have not yet been established and the evaluation, exploration work is ongoing and a development plan has not been approved. As a result of these reviews the Directors believe no impairment indicators exist on the company's remaining exploration portfolio, and as a result carry intangibles at cost value of $6.1m at 31 December 2023.

11. PROPERTY, PLANT AND EQUIPMENT

	Production assets $	Computer equipment $	Fixtures and fittings $	Right of use asset $	Total $
Cost					
At 1 January 2022	24,453,758	12,638	2,740	190,033	24,659,169
Additions	5,600,238	10,686	–	87,012	5,697,936
Foreign exchange differences	–	(724)	(157)	(3,508)	(4,389)
At 31 December 2022	30,053,996	22,600	2,583	273,537	30,352,716
Additions	4,958,276	1,198	–	91,234	5,050,708
Foreign exchange differences	–	764	87	7,982	8,833
At 31 December 2023	35,012,272	24,562	2,670	372,753	35,412,257
Depreciation					
At 1 January 2022	6,568,370	9,984	1,142	88,864	6,668,360
Charge for the year	3,213,872	4,359	849	88,382	3,307,462
Foreign exchange differences	–	(509)	(54)	9,158	8,595
At 31 December 2022	9,782,242	13,834	1,937	186,404	9,984,417
Charge for the year	3,514,760	4,967	656	97,780	3,618,163
Impairment	21,715,270	–	–	–	21,715,270
Foreign exchange differences	–	558	77	6,233	6,868
At 31 December 2023	35,012,272	19,359	2,670	290,417	35,324,718
Net book value					
At 31 December 2023	–	5,203	–	82,336	87,539
At 31 December 2022	20,271,754	8,766	646	87,133	20,368,299

In November 2023, the company agreed to the outline terms for selling the Abu Sennan concession in Egypt to the Operator. As a result, the company's current and prior year results for Egypt are presented as discontinued operations, as shown on the income statement and detailed in Note 1 of the accounts.

Due to the outlined sale terms and the anticipated default notice in January 2024 for the Abu Sennan concession, the directors decided to write down the capitalised tangible oil and gas assets at the end of 2023, resulting in a $21.7 million write-down.

12. INVENTORY

	2023 $	2022 $
Oil in tanks	–	268,859
	–	268,859

With the anticipated default from the Abu Sennan licence in January 2024, all Oil inventory value has been written down to zero in accordance with the terms of exiting the licence and reassigning of our 22% share to the remaining JV partners on the licence.

13. TRADE AND OTHER RECEIVABLES

	2023 $	2022 $
Trade receivables	873,165	3,549,051
Prepayments	7,174	6,941
Contract assets	1,093,215	873,206
Other tax receivables	38,704	40,295
	2,012,258	4,469,493

The Directors consider that the carrying values of trade and other receivables are approximate to their fair values.

No expected credit losses exist in relation to the Group's receivables as at 31 December 2023 (2022: $nil).

Trade receivables represent amounts invoiced for oil and gas sold in the year, not yet received from EGPC and a provision of $500k to cover the potential assignment bonus and legal fees associated with the Abu Sennan concession transfer. Contract assets relate to two month's Oil & Gas invoices not received at year-end for the Abu Sennan producing assets in Egypt under the receivable terms of the agreement with EGPC.

14. CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank (GBP)	18,438	52,251
Cash at bank (EUR)	109,854	23,620
Cash at bank (USD)	608,679	799,390
Cash at bank (EGP)	1,255,525	470,202
	1,992,496	1,345,463

At 31 December 2023 and 2022 all significant cash and cash equivalents were deposited in creditworthy financial institutions in UK, Ireland and Egypt.

15. SHARE CAPITAL, SHARE PREMIUM AND MERGER RESERVE

Allotted, issued, and fully paid:

	Number	Share capital $	2023 Share premium $
Ordinary shares of £0.01 each			
At 1 January 2023	656,353,969	8,839,679	16,798,823
At 31 December 2023	656,353,969	8,839,679	16,798,823

	Number	Share capital $	2022 Share premium $
Ordinary shares of £0.01 each			
At 1 January 2022	644,803,969	8,416,182	16,215,361
Effect of Parent company functional currency change	-	283,278	523,376
Allotments:			
Shares issued for cash (exercise of warrants)	11,550,000	140,219	60,086
At 31 December 2022	656,353,969	8,839,679	16,798,823

As regards income and capital distributions, all categories of shares rank pari passu as if the same constituted one class of share. Deferred shares are disclosed in Note 18.

16. SHARE-BASED PAYMENTS

Share Options

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

2023	Number of Options	WAEP £
Outstanding at the beginning of the year	61,648,984	0.04
Issued	-	
Expired	(9,108,949)	0.03
Outstanding at the year end	52,540,035	0.04
Number vested and exercisable at 31 December 2023	36,280,628	0.04

2022	Number of Options	WAEP £
Outstanding at the beginning of the year	49,604,414	0.04
Issued	13,662,005	0.02
Expired	(1,617,435)	0.02
Outstanding at the year end	61,648,984	0.04
Number vested and exercisable at 31 December 2022	14,431,374	0.04

Directors or employees are required to be employed by the company at the time of the vesting of the option to exercise their option awards. At the discretion of the Board, this condition can be waived by up to 1 year from the date of cessation of employment. No additional performance conditions are attached to option awards.

The fair values of share options issued in the current and previous financial year were calculated using the Black Scholes model as follows:

	Share options	Share options
Date of grant	30 Sep 2022	30 Sep 2022
Number granted	6,862,005	6,800,000
Share price at date of grant	£0.016	£0.016
Exercise price	£0.025	£0.016
Expected volatility	68.15%	68.15%
Expected life from date of grant (years)	6.34	6.41
Risk free rate	4.3172%	4.3172%
Expected dividend yield	0%	0%
Fair value at date of grant	£0.009	£0.011
Earliest vesting date	31 May 2025	25 Jul 2025
Expiry date	29 May 2032	23 Jul 2032

Expected volatility was determined based on the historic volatility of the Company's shares for a period averaging 1 year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of $188,849 (2022: $246,707) in the income statement in relation to share options accounted for as equity-settled share-based payment transactions during the year. Also in the year a credit for options that have lapsed which previously incurred a SBP charge for an amount of $224,852 was credited directly to the SBP reserve account. The balance of the share based payment reserve at 31 December 2023 was $2,511,685 (2022: $2,547,688).

Warrants

Details of the number of share warrants and the weighted average exercise price (WAEP) outstanding during the year are as follows:

2023	Number of Options	WAEP £
Outstanding at the beginning of the year	7,530,834	0.03
Outstanding at the year end	7,530,834	0.03
Number vested and exercisable at 31 December 2023	7,530,834	0.03

2022	Number of Options	WAEP £
Outstanding at the beginning of the year	64,093,040	0.05
Exercised	(11,550,000)	0.01
Expired	(45,012,206)	0.08
Outstanding at the year end	7,530,834	0.03
Number vested and exercisable at 31 December 2022	7,530,834	0.03

Expected volatility was determined based on the historic volatility of a comparable company's shares for a period averaging 1 year. Management believes a 1 year volatility period is sufficient for a company of United's short history and long enough for option holders to gauge performance over this period, and is sufficient when compared with peer companies of United's size in the industry. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of $nil (2022: $nil) in relation to share warrants accounted for as equity-settled share-based payment transactions during the year.

17. TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade payables	458,509	499,217
Other payables	1,257,326	1,295,680
Deferred shares (note 18)	40,476	40,476
Accruals	144,463	1,874,294
	1,900,774	3,709,667

18. DEFERRED SHARES

On 12 October 2015, the Company issued 30,000 Deferred Shares of £1 for £30,000 to the founder, which have an entitlement to a non-cumulative annual dividend at a fixed rate of 0.1 per cent of their nominal value. The Deferred Shares have no voting rights attached to them and may be redeemed in their entirety by the Company for an aggregate redemption payment of £1. They were initially recognised at their proceeds and carried at amortised amounts.

19. LEASES

Right of Use Assets

The Group used leasing arrangements relating to property, plant and equipment. As the Group has the right of use of the asset for the duration of the lease arrangement, a "right of use" asset is recognised within property, plant and equipment.

When a lease begins, a liability and right of use asset are recognised based on the present value of future lease payments.

	2023 $	2022 $
Interest expense on lease liabilities	5,504	86,669
Total cash outflow for leases	(101,310)	(176,765)
Additions to right-of-use assets	91,234	87,012
Disposals from right-of-use assets	-	-
Depreciation charge – right of use assets	(97,780)	(88,382)
Foreign exchange movement on right of use assets	1,752	(12,666)
Right of use assets - carrying amount at the beginning of the year	87,133	101,169
Carrying amount at the end of the year	82,339	87,133

Lease liabilities

	2023 $	2021 2022
Current	94,348	83,985
Non-current	-	7,356
	94,348	91,341

20. BORROWINGS AND DERIVATIVES

Amounts payable on borrowings held by the Group falling due within one year and in more than one year are:

	2023 $	2022 $
Secured – at amortised cost		
Current	1,189,356	2,964,225
	1,189,356	2,964,225

The assets of the Group are held as security against the loan.

	2023 $	2022 $
Separated embedded derivative		
Loan derivative (asset) / liability	-	(120,168)
	-	(120,168)

Summary of Borrowing Arrangements

In February 2020, the Group entered into a prepaid commodity swap arrangement for $8 million to part-finance the acquisition of Rockhopper Egypt Pty Ltd. The repayment schedule provided for 30 monthly repayments which were structured as a fixed notional amount with variations based on movements in oil prices with a cap.

Due to the price structure, the arrangement includes an embedded derivative (a forward contract). For financial reporting purposes, this must be separately accounted for at fair value at each balance sheet date. The balance of proceeds that did not relate to the derivative were treated as the opening carrying amount of the loan which will then be measured at amortised cost over its life, with finance charges recognised to give an even return over the loan life and repayments of capital allocated appropriately.

As at 31 December 2023, a fair value loss of $60,644 has been recognised (as finance expense) as a result of oil price movements in the period (2022: $1,562,467 loss). Settlement terms were reached with the debt provider and the residual balance outstanding as of date of signing of the group accounts will be repaid at the earlier of the next EGPC payment or September 2025. As a result only short term debt is recognised on the balance sheet and all derivative instruments have been removed at year end (2022: $120,168).

In January 2022 the Group extended the final maturity date on the facility from 30 September 2022 to 31 December 2023. The new terms with revised terms. As a result, a modification occurred and the loan and embedded derivative were remeasured. The new terms provide downside protection at $70/bbl for a volume of bbls through to the end of 2023. Revised settlement terms were reached post year end which have been stated above.

The valuations of the host debt and derivative on initial recognition and valuation of the remaining embedded derivative as at 31 December 2022 were undertaken using data provided by independent third parties.

The fair value of the contracts has been estimated using a valuation technique that maximises the use of observable market inputs. These are classified as Level 2 in the fair value hierarchy (see note 22).

Reconciliation of liabilities / (assets) arising from financing activities

2023	At 1 January 2023 $	Interest accrued $	Repaid in cash $	Transfers $	Fair value movements $	At 31 December 2023 $
Loan	2,964,225	63,549	(1,718,250)	(120,168)	-	1,189,356
Embedded derivative	(120,168)	-	-	120,168	-	-
	2,844,057	63,549	(1,718,250)	-	-	1,189,356

2022	At 1 January 2022 $	Interest accrued $	Repaid in cash $	Modifications & Fair Value Movements $	At 31 December 2022 $
Loan	2,422,212	41,760	(1,452,118)	1,952,371	2,964,225
Embedded derivative	1,346,044	-	(1,522,892)	56,680	(120,168)
	3,768,256	41,760	(2,975,010)	2,009,051	2,844,057

Fair value movements are recognised in finance costs (see note 6).

21. PROVISIONS

	2023 $	2022 $
Opening balance	233,630	-
Changes in provision during the year	(2,124)	233,630
Accretion of provision	9,372	-
Uses of provision in the year	13,190	-
Closing balance	254,068	233,630

The decommissioning provision is for the existing wells, WX-2 and WX-3, previously drilled on the Waddock Cross licence, onshore UK. The decommissioning provision has been calculated assuming industry established oilfield decommissioning techniques and technology at current prices and is discounted at 3.81% per annum reflecting the associated risk profile.

22. FINANCIAL INSTRUMENTS

Classification of Financial Instruments

The fair value hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The only financial instruments measured at fair value in the balance sheet are the embedded derivatives and standalone derivatives which are classified as Level 2 according to the above definitions. There were no transfers in or out of Level 2 in the year.

There are no financial instruments classified at Level 1 or Level 3 in the years presented.

The tables below set out the Group's accounting classification of each class of its financial assets and liabilities.

Financial assets measured at amortised cost	2023 $	2022 $
Trade receivables (note 13)	873,165	3,549,051
Contract assets (note 13)	1,093,215	873,206
Cash and cash equivalents (note 14)	1,992,496	1,345,463
	3,958,876	5,767,720

All of the above financial assets' carrying values are approximate to their fair values, as at 31 December 2023 and 2022.

Financial liabilities measured at amortised cost	2023 $	2022 $
Trade payables (note 17)	458,509	499,217
Other payables (note 17)	1,257,326	1,295,680
Lease liabilities (note 19)	94,348	91,341
Borrowings (note 20)	1,189,356	2,964,225
Accruals (note 17)	144,463	1,874,294
	3,144,002	6,724,757

In the view of management, all of the above financial liabilities' carrying values approximate to their fair values as at 31 December 2023 and 2022.

	Measured at fair value through profit or loss	
	2023 $	2023 $
Derivative financial (assets) / liabilities (note 20)	-	(120,168)
	-	(120,168)

Fair Value Measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis
The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values (due to their nature and short times to maturity).

Fair value of financial liabilities that are measured at fair value on a recurring basis
The fair value of derivative financial instruments has been estimated using a valuation technique that maximises the use of observable market inputs.

23. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT

The Group's operations expose it to degrees of financial risk that include liquidity risk, credit risk, interest rate risk.

This note describes the Group's objectives, policies and process for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented in notes 13, 14, 17, 19, 20, 22 and 24.

Liquidity Risk

Liquidity risk is dealt with in note 24 of these financial statements.

Credit Risk

The Group's credit risk is primarily attributable to its cash balances.

The credit risk on liquid funds is limited because the third parties are large international banks with a minimum investment grade credit rating.

The Group's total credit risk amounts to the total of trade receivables, other receivables and cash and cash equivalents. Credit assessments are routinely reviewed on all of the Group's joint venture partners and other counterparties.

As described in note 13, there are no expected credit losses on trade receivables. This conclusion was reached by applying the matrix approach described in IFRS 9, grouping trade receivables based on their characteristics and applying known default rates to each group. Since there is no history of default for trade receivables in any of the groupings, there are no lifetime expected credit losses to recognise.

Market risk - interest rate risk

The Group's only exposure to interest rate risk is the interest received on the cash held on deposit, which is immaterial. The Group's borrowings outstanding at 31 December 2023 and 31 December 2023 are structured in such a way, through the use of a pre-paid commodity swap, so that the notional interest charge is fixed and therefore there is no net interest rate risk. IBOR reform has had no effect on interest rate risk as the group does not have borrowings or investments based on such an index.

Market risk - commodity Price risk

The company manages its exposure to commodity price risk on an ongoing basis. The loan for the acquisition of Rockhopper Egypt also involved a derivative arrangement to manage the exposure arising from having the loan payments based on oil quantities rather than a fixed cash price. In this arrangement the combined put and call arrangements provide the group with protection against price movements on either side of a protected collar. The risk has been eliminated by 31 December 2023 as the loan is now short-term creditors with no further hedging components.

Market risk - foreign exchange risk

The Group is exposed to foreign exchange movements on monetary assets and liabilities denominated in currencies other than USD. The Group's operational and administrative transactions are carried out predominantly in USD but also in GBP, EUR and EGP.

The monetary assets and liabilities denominated in currencies other than USD are relatively immaterial (see notes 13 and 14), with the exception of EGP cash balances which pose the primary transactional risk at this time due to the Central Bank of Egypt imposing restrictions on the remittance of USD outside the country. This is considered manageable as the majority of payments in Egypt can be made in local currency. However, where we are required to repatriate USD funds after restrictions imposed, has incurred foreign exchange loss as lack of counterparties for any deals with EGP to USD. The situation has changed since the EGP has been allowed to freefloat. All receivables remain denominated in USD reducing any currency exposure.

The Group does not hold material foreign currency balances other than EGP funds and currently does not consider it necessary to take any action to mitigate these foreign exchange risk due to the level of immateriality of the risk.

24. LIQUIDITY RISK

United closely monitors and manages its liquidity risk using both short and long term cashflow projections, supplemented by debt and equity financing plans and active portfolio management. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, changes in asset production profiles and cost schedules. Prudent liquidity risk management includes maintaining sufficient cash balances to ensure the Group can meet liabilities as they fall due.

In managing liquidity risk, the main objective of the Group is therefore to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. The table below shows the undiscounted cash flows on the Company's / Group's financial liabilities as at 31 December 2023 and 2022 on the basis of their earliest possible contractual maturity.

	Total $	Payable on demand $	Within 2 months $	Within 2 -6 months $	Within 6 – 12 months $	Within 1-2 years $
At 31 December 2023						
Trade payables	458,509	–	458,509	–	–	–
Other payables	1,257,326	1,257,326	–	–	–	–
Lease liabilities	95,809	–	21,413	39,074	35,322	–
Borrowings	1,189,356	–	350,000	650,000	189,356	–
Accruals	144,463	–	–	144,463	–	–
	3,145,463	1,257,326	829,922	833,537	224,678	–

	Total $	Payable on demand $	Within 2 months $	Within 2 -6 months $	Within 6 – 12 months $	Within 1-2 years $
At 31 December 2022						
Trade payables	499,217	–	499,217	–	–	–
Other payables	1,295,680	1,295,680	–	–	–	–
Lease liabilities	182,302	–	19,373	35,336	39,428	88,165
Borrowings	2,968,200	–	236,941	473,882	2,257,377	–
Derivative financial instruments	(120,168)	–	(20,028)	(40,056)	(60,084)	–
Accruals	1,874,294	–	–	1,874,294	–	–
	6,699,525	1,295,680	735,503	2,343,456	2,236,721	88,165

Details of the Groups Borrowings and Derivatives can be found in Note 20.

The Group deposits cash with a number of international and UK financial institutions, ensuring sufficient liquidity to enable the Group to meet its short and medium-term expenditure requirements.

25. CAPITAL MANAGEMENT

The Group's capital management objectives are:

- To provide long-term returns to shareholders; and
- To ensure the Group's ability to continue as a going concern.

The Group defines and monitors capital on the basis of the carrying amount of equity plus borrowings less cash and cash equivalents as presented on the face of the balance sheet and as follows:

	2023 $	2022 $
Equity	6,791,927	26,958,745
Borrowings	1,189,356	2,964,225
Lease liabilities	94,348	91,341
Derivatives	-	(120,618)
Cash and cash equivalents	(1,992,496)	(1,345,463)
	6,083,135	28,548,230

The Board of Directors monitors the level of capital as compared to the Group's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares. The Group is not subject to any externally imposed capital requirements.

These policies have not changed in the year. The Directors believe that they have been able to meet their objectives in managing the capital of the Group.

26. RELATED PARTY TRANSACTIONS

Key management personnel are identified as the Directors of the Company, and their remuneration is disclosed in note 5.

28. FINANCIAL COMMITMENTS

As at 31 December 2023, the Group's commitments comprise their exploration expenditure interests in the Walton-Morant licence in Jamaica.

These commitments have been summarised below:

Exploration/Production Licence	31 December 2023 $m	31 December 2022 $m
Abu Sennan	-	5.6
Walton Morant	0.7	0.4
Waddock Cross	-	-
	0.7	6.0

Contingencies

In January 2024, UOG Egypt Pty Limited, a subsidiary company, received a default notice for unpaid cash calls of approximately $3.8 million. This default notice was not remedied. The Group is currently negotiating to exit the Abu Sennan concession. To facilitate this transfer, the debt provider has provided a waiver to the security over the Abu Sennan concession. However, if a mutual agreement with the joint venture partners cannot be reached, the subsidiary company may face arbitration in the UK to resolve any disputed amounts. The outcome of such arbitration is uncertain

28. ULTIMATE CONTROLLING PARTY

The Directors do not consider there to be an ultimate controlling party.

29. EVENTS AFTER THE BALANCE SHEET DATE

- On 18 January 2024, the Group received a default notice for $3.8m for unpaid cash calls from the Operator of the Abu Sennan Concession. The default was not remedied, and we are working towards an orderly exit from the concession.
- At the end of January 2024, the Group was notified that it had received a two-year licence extension for Jamaica, taking the licence tenure to 31 January 2026.
- In March 2024, the Group raised £1 million through an equity offering, issuing 500,000,000 new ordinary shares at £0.002 each. As part of the offering, the Group issued one warrant for every three shares purchased, with an exercise price of £0.0028. The warrants will expire on 31 December 2024. The nominal value of the shares was changed from £0.01 to £0.00001.
- On 1 April 2024 the Group announced that it had received a five-year licence extension for the Waddock Cross licence, taking the licence tenure to March 2029.
- Early April 2024, the Group received USD $1 million from Egyptian General Petroleum Corporation in regarding it's receivables balance that was outstanding. The remaining balance is expected to be received over the summer months.
- In April 2024, Iman Hill agreed to provide consultancy services to the Group to support the progress of the Jamaica project. The initial contract is for three months, with the possibility of extension by mutual agreement or termination with one month's notice. Iman is a non-executive Director of the Company.
- In May 2024, the Group reached an agreement with its debt facility provider regarding the repayment terms of the outstanding debt.

30. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of directors and authorised for their issue on 24 June 2024 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer

COMPANY BALANCE SHEET
For the year-ended 31 December 2023

	Note	31 December 2023 $	31 December 2022 $
Assets:			
Non-current assets			
Investments	2	2,097,692	21,758,070
Current assets			
Trade and other receivables	3	8,851,288	8,161,944
Derivative financial instruments		-	120,168
Cash and cash equivalents	4	411,638	399,954
		9,262,926	8,682,066
Total Assets		11,360,618	30,440,136
Equity and liabilities:			
Capital and reserves			
Share capital	8	8,839,679	8,839,679
Share premium	8	16,798,823	16,798,823
Share-based payment reserve		2,511,686	2,547,688
Retained losses:			
Opening retained losses		(13,992,148)	(10,708,297)
Other movements		224,851	-
Loss for the year		(23,071,884)	(3,283,851)
Total retained earnings		(36,839,181)	(13,992,148)
Shareholders' funds		(8,688,993)	14,194,042
Current liabilities			
Trade and other payables	5	18,819,780	13,241,394
Borrowings	7	1,189,356	2,964,225
Deferred shares	6	40,475	40,475
		20,049,611	16,246,094
Total liabilities		20,049,611	16,246,094
Total equity and liabilities		11,360,618	30,440,136

The notes to these financial statements form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for their issue on 24 June 2024 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer

Registered number: 09624969

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year-ended 31 December 2023

	Share capital $	Share premium $	Share-based payments reserve $	Retained earnings $	Total $
For the year ended 31 December 2022					
Balance at 1 January 2022	8,699,461	16,738,736	2,300,982	(10,708,297)	17,030,882
Loss for the financial year	-	-	-	(3,283,851)	(3,283,851)
Total comprehensive income	-	-	-	(3,283,851)	(3,283,851)
Transactions with owners:					
Share based payments	-	-	246,706	-	246,706
Shares issued	140,218	60,087	-	-	200,305
Total transactions with owners	140,218	60,087	246,706	-	447,011
Balance at 31 December 2022	8,839,679	16,798,823	2,547,688	(13,992,148)	14,194,042

	Share capital $	Share premium $	Share-based payments reserve $	Retained earnings $	Total $
For the year ended 31 December 2023					
Balance at 1 January 2023	8,839,679	16,798,823	2,547,688	(13,992,149)	14,194,042
Loss for the financial year	-	-	-	(23,071,884)	(23,071,884)
Total comprehensive income	-	-	-	(23,071,884)	(23,071,884)
Transactions with owners:					
Share based payments	-	-	188,849	-	188,849
Lapsed share based payments	-	-	(224,851)	224,851	-
Total transactions with owners	-	-	(36,002)	224,851	188,849
Balance at 31 December 2023	8,839,679	16,798,823	2,511,686	(36,839,181)	(8,688,993)

The notes to these financial statements form an integral part of these financial statements.

1. ACCOUNTING POLICIES

Basis of Preparation

The annual financial statements of United Oil & Gas (the Parent Company financial statements) have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ("FRS 100") and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with the Company's wholly owned subsidiaries.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's Consolidated Financial Statements. These financial statements do not include certain disclosures in respect of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value)
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value)
- Related party transactions
- Share-based payments

As permitted by section 408 of Companies Act 2006, a separate Income Statement for the Company has not been included in these financial statements. The Company's loss for the year ended 31 December 2023 was $23,071,884 (2022: $3,283,851).

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chair's statement and the Strategic Report.

United regularly monitors its business activities, financial position, cash flows and liquidity through the preparation and review of detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, which could affect the Group's future performance and position. A base case forecast has been considered which includes budgeted commitments, a Jamaican farmout with some back costs recovered, the 166m warrants being exercised in December 2024 and receipt of our outstanding receivables from the Egyptian General Petroleum Corporation.

The Director's noted that the company's shareholder funds are negative at the 31 December 2023 with the current liabilities of c. $10.8 million and net liabilities of c. $8.7 million. However, the Director's believe that the company's underline investment in the Jamaica and Waddock Cross licences supports, future opportunities for the company and potential returns for the shareholders if successful.

The key assumptions and related sensitivities include a "Reasonable Worst Case" ("RWC") sensitivity where the Board has considered a scenario with significant aggregated downside, including a delay in the farmout, subject to different terms and conditions than budgeted, delay in exercise of warrants, delay in receiving the outstanding receivables and an equity raise.

Under the combined RWC, the Group forecasts there will be sufficient resources to continue in operational existence for the foreseeable future. The various assumptions considered were:

a. 50% reduction in receivables from Egyptian General Petroleum Corporation

b. Securing a Jamaica farmout with various reimbursement of back costs

c. No Jamaica Farmout in the period

d. Exercise of the Warrants in December 2024

e. No Exercise of Warrants

The likelihood of all the downside sensitivities occurring simultaneously is unlikely. Under such a RWC scenario, we have identified suitable mitigating actions, including deferring capital expenditure, adjusting the Group's cost base, and potentially undertaking an equity raise, which would be subject to market conditions and is not guaranteed to succeed. However, based on past experience, the Directors believe that an equity raise is likely to be successful.

Based on the forecast prepared by the Directors, the Group and Company will be able to discharge all liabilities as they fall due.

The Directors believe that the Company is reasonably likely to achieve a Jamaican farmout or, if necessary, obtain further equity funding. However, there is no guarantee that the Company will be able to secure a farmout or such equity funding.

The Directors have considered the various matters set out above and have concluded that a material uncertainty exists that may cast significant doubt on the ability of the Group and Company to continue as a going concern and the Group and Company may therefore be unable to realise their assets or discharge their liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the Directors are of the view that the Group and Company will have sufficient cash resources available to meet their liabilities and continue in operational existence for at least 12 months from the date of approval of these 2023 financial statements.

On that basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustment that would result from the going concern basis of preparation as not appropriate to use.

Investments

Fixed asset investments in subsidiaries are stated at cost. Investments are tested for impairment when circumstances indicate that the carrying value may be impaired. This year, as a result of UOG Egypt PTY Limited being accounted as a discontinued operation, the directors have decided to write down the investment in this subsidiary to zero carrying value resulting in an impairment of $19.6m.

Impairment of Non-financial Assets

At each balance sheet date, the Directors review the carrying amounts of the Company's tangible and intangible assets, other than goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

An impairment loss is recognised as an expense immediately.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised in the Income Statement immediately.

Intercompany Balances

Amounts due to and from subsidiaries via intercompany loans are reviewed by the directors for recoverability at each balance sheet date, and where any impairment exists the recoverability is estimated and loans are written down accordingly in the books of plc and the subsidiary, respectively.

Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVOCI or FVTPL.

The classification is determined by both:

- the entity’s business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Impairment of Financial Assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model to be applied. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on trade receivables.

IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL.

Classification and measurement of financial liabilities

The Company's financial liabilities include trade and other payables, borrowings and derivatives.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Embedded derivative financial instruments

A borrowing arrangement structured as a prepaid commodity swap with monthly repayments over 30 months has embedded in it a derivative that is indexed to the price of the commodity. This is considered to be a separable embedded derivative of a loan instrument.

At the date of issue, the fair value of the embedded derivative is estimated by considering the derivative as a series of forward contracts with modelling of the fixed and floating legs to determine a repayment schedule and derive a net present value for the forward contract embedded derivative.

This amount is recognised separately as a financial liability or financial asset and measured at fair value through the income statement. The residual amount of the loan is then recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Current Taxation

Current taxation is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred Taxation

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax liabilities are provided for in full.

Deferred 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.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end date. All differences are taken to the Income Statement.

Share-based Payments

Where share-based payments (warrants and options) have been issued, IFRS 2 has been applied whereby the fair value of the share-based payment is measured at the grant date and spread over the vesting period. A valuation model is used to assess the fair value, taking into account the terms and conditions attached to the share-based payments. The fair value at grant date is determined including the effect of market based vesting conditions, to the extent such vesting conditions have a material impact.

The cost of equity¬-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date").

The cumulative expense recognised for equity¬-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The charge or credit for a period to the income statement represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where the terms of an equity-¬settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-¬based payment arrangement or is otherwise beneficial to the recipient as measured at the date of modification.

Where an equity-¬settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Where an equity-settled award is forfeited, the cumulative charge expensed up to the date of forfeiture is credited to the income statement.

Equity

Equity comprises the following:

- "Share capital" represents amounts subscribed for shares at nominal value.
- "Share premium" represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- "Share-based payment reserve" represents amounts credited to equity as part of the accounting for share-based payments.
- "Retained losses" represents the accumulated profits and losses attributable to equity shareholders.

2. INVESTMENTS

	Investments in Subsidiaries $
Cost	
As at 1 January 2022	21,758,070
Additions	-
As at 31 December 2022	21,758,070
Additions	-
As at 31 December 2023	21,758,070
Impairment	
As at 1 January 2022	-
As at 31 December 2022	-
Impairment charge	19,660,378
As at 31 December 2023	19,660,378
Net book value	
As at 31 December 2023	2,097,692
As at 31 December 2022	21,758,070

The Company's subsidiaries are detailed in note 9 to the consolidated financial statements.

No new investments were recognised in the year. The directors' are of the view that the recoverable value of the assets are in excess of the investments at 31 December 2023.

3. TRADE AND OTHER RECEIVABLES

	2023 $	2022 $
Amounts due from group undertakings	8,824,569	8,140,470
Other tax receivables	26,719	21,474
	8,851,288	8,161,944

Amounts due from subsidiary companies relates to are unsecured, interest free, and repayable on demand.

4. CASH AND CASH EQUIVALENTS

	2023 $	2022 $
Cash at bank	411,638	399,954

5. TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade payables	230,551	86,970
Amounts due to group undertakings	18,189,149	12,692,235
Other payables	304,370	369,987
Accruals	95,710	92,202
	18,819,780	13,241,394

Amounts due to subsidiary companies relates to day-to-day intercompany balances accumulated with other Group entities, are interest free, and repayable on demand.

6. DEFERRED SHARES

On 12 October 2015, the Company issued 30,000 Deferred Shares of £1 for £30,000 to the founder, which have an entitlement to a non-cumulative annual dividend at a fixed rate of 0.1 per cent of their nominal value. The Deferred Shares have no voting rights attached to them and may be redeemed in their entirety by the Company for an aggregate redemption payment of £1. They were initially recognised at their proceeds and carried at amortised amounts.

7. BORROWINGS AND DERIVATIVES

	2023 $	2022 $
Secured – at amortised cost		
Other loans	1,189,356	2,964,225
Current	1,189,356	2,964,225
Non-current	–	–
	1,189,356	2,964,225

	2023 $	2022 $
Separated embedded derivative		
Loan derivative (asset) / liability (current)	–	(120,168)
	–	(120,168)

In February 2020, the Company entered into a prepaid commodity swap arrangement for $8 million to part-finance the acquisition of Rockhopper Egypt Pty Ltd. The repayment schedule provided for 30 monthly repayments which were structured as a fixed notional amount with variations based on movements in oil prices with a cap.

Due to the price structure, the arrangement includes an embedded derivative (a forward contract). For financial reporting purposes, this must be separately accounted for at fair value at each balance sheet date. The balance of proceeds that did not relate to the derivative were treated as the opening carrying amount of the loan which will then be measured at amortised cost over its life, with finance charges recognised to give an even return over the loan life and repayments of capital allocated appropriately.

As at 31 December 2023, a fair value loss of $60,644 has been recognised (as finance expense) as a result of oil price movements in the period (2022: $1,562,467 loss). Settlement terms were reached with the debt provider and the residual balance outstanding as of date of signing of the group accounts will be repaid at the earlier of the next EGPC payment or September 2025. Post year end settlement terms were reached with the debt provider and the residual balance outstanding as of date of signing the accounts will be repaid at the earlier of next EGPC payment or September 2025 and as a result only short term debt is recognised on the balance sheet and all derivative instruments have been removed at year end (2022: $120,168).

8. SHARE CAPITAL

Allotted, issued, and fully paid:

	Number	Share capital $	Share premium $
Ordinary shares of £0.01 each			
At 1 January 2023	656,353,969	8,839,679	16,798,823
At 31 December 2023	656,353,969	8,839,679	16,798,823
At 1 January 2022	644,803,969	8,699,461	16,738,736
Allotments:			
Shares issued for cash (exercise of warrants)	11,550,000	140,218	60,087
At 31 December 2022	656,353,969	8,839,679	16,798,823

The Company has one class of ordinary shares which carry no fixed right to income.

9. EVENTS AFTER THE BALANCE SHEET DATE

See note 29 of the Notes to the Consolidated Financial Statements.

10 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of directors and authorised for their issue on 24 June 2024 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer

GLOSSARY – ALTERNATIVE PERFORMANCE MEASURES

Non-IFRS measures

The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles, but are additional and useful performance indicators both of the operational and financial performance of the group, and important metrics both from a management and reader perspective of the financial statements

Cash-operating costs per barrel

Cash operating costs are defined as cost of sales less depreciation, depletion and amortisation, production based taxes, movements in inventories and certain other immaterial cost of sales.

Cash operating costs are then divided by barrels of oil equivalent produced to demonstrate the cash cost incurred to producing oil and gas from the Group's producing assets.

	Year ended 31 December 2023 $	Year ended 31 December 2022 $
Cost of Sales	7,618,685	8,143,910
Less:		
Depreciation, depletion, and amortisation	(3,514,759)	(3,213,872)
Inventories	-	-
Cash operating costs	4,103,926	4,930,038
Production (boepd)	1,015	1,312
Cash Operating Cost / boe ($)	11.08	10.29

EBITDAX

EBITDAX is earnings from continuing activities before interest, tax, depreciation, amortisation, reversal of impairment, and exploration expenditure and exceptional items in the current year.

	Year ended 31 December 2023 $	Year ended 31 December 2022 $
Operating Loss / (Income)	(20,286,740)	9,221,131
Depreciation, Depletion & Amortisation	3,618,163	3,307,462
Impairment	21,500,468	767,886
	4,831,891	13,296,479

GLOSSARY

Bbl	Barrels
/Bbl	Per barrel
Bn	Billion
bopd	Barrels of oil per day
Boepd	Barrels of oil equivalent per day
Capex	Capital Expenditure
EGPC	Egyptian General Petroleum Corporation
ESG	Environment, Social, Governance
ESP	Electrical Submersible Pumps
HCIIP	Hydrocarbon initially in place
HSE	Health, safety and environment
JOC	Joint Operating Company
JV	Joint Venture
km	Kilometres
km^2	Square kilometres
KPI(s)	Key performance indicator(s)
m	Metres
M	Thousand
MBbl	Thousand barrels
Mbopd	Thousands of barrels of oil per day
MM	Million
MMBbl	Million barrels
MMboe	Million barrels of oil equivalent
MSET	Ministry for Science, Energy and Technology
NPV	Net present value
OGA	Oil and Gas Authority
OPEX	Operating expenditure
Q1	First Quarter
Q2	Second Quarter
Q3	Third Quarter
Q4	Fourth Quarter
scf	Standard cubic feet
SPA	Sales and Purchase Agreement
TD	Total Depth
UK CNS	UK Central North Sea
WI	Working interest
%	Percentage
2C	Best estimate of contingent resources
2D	Two-dimensional
3D	Three-dimensional
2P	Proved plus probable reserves

COMPANY INFORMATION

Directors	Graham Martin (Chair) Brian Larkin Iman Hill
Company Secretary	Simon Brett
Registered Number	09624969
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Joint Broker	Optiva Securities Ltd 7 Harp Lane London EC3R 6DP Tennyson Securities 65 Petty France London SW1H 9EU Shard Capital Limited 36-38 Cornhill London EC3V 3NG
Independent Auditors	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 D02 DE03
Legal Advisers	Armstrong Teasdale LLP 38-43 Lincoln's Inn Fields London WC2A 3PA
Principal Bankers	Bank of Ireland Raheny Dublin 5 Barclays Bank plc 1 Churchill Place London E14 5HP
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