BUCCANEER ENERGY PLC

ANNUAL REPORT AND ACCOUNTS 2025

Registration number: 05338258

Contents

	Page
Company Information	1
Chairman's Report	2
Chief Executive Officer's Report	3
Strategic Report	6
Directors' Report	9
Directors' Information	13
Corporate Governance Report	14
Independent Auditor's Report	18
Consolidated Income Statement	25
Consolidated Statement of Comprehensive Income	26
Consolidated Statement of Financial Position	27
Company Statement of Financial Position	28
Consolidated Statement of Changes in Equity	29
Company Statement of Changes in Equity	30
Consolidated and Company Statement of Cash Flows	31
Notes to the Financial Statements	32

Company Information

Directors
Stephen Staley (Non-Executive Chairman)
Paul Welch (Chief Executive Director)
James Newman (Non-Executive Director)

Secretary
D&A Secretarial Services Limited

Registered office
6th Floor,
99 Gresham Street,
London EC2V 7NG

Registered number
05338258 (England and Wales)

Auditor
MAH, Chartered Accountants
2nd Floor
154 Bishopsgate
London EC2M 4LN

Nominated adviser & Broker
SP Angel Corporate Finance LLP
Prince Fredrik House
35-39 Maddox Street
London W1S 2PP

Broker
Oak Securities
90 Jermyn Street
London SW1Y 6JD

Solicitors
Keystone Law
48 Chancery Lane
London, WC2A 1JF

Bankers
Washington Federal Bank
425 Pike Street,
Seattle, WA 98101
USA

Registrars
Share Registrars Ltd
The Courtyard
17 West Street
Farnham
Surrey GU9 7DR

Website
www.buccaneerenergy.co.uk

Chairman's Report

Buccaneer continues to "stick to the knitting"

During 2025 Buccaneer continued to take advantage of the low operating costs associated with its core assets in East Texas and carried out a range of activities that provided additional value for the Company through organic growth. This represents a continuation of the strategy put in place in 2024 to use Buccaneer's local knowledge and contacts and our highly experienced operations staff to optimise the performance of any assets that the Company may acquire in the area.

WTI prices were erratic during the period, but saw an overall decline from about $70/bbl in early January 2025 until the middle of December 2025, when it had fallen to $55/bbl. Subsequent to this, and continuing in the period post year end, there was a steady rise in WTI as tensions rose in the Middle East until 28th February 2026, when the start of hostilities in Iran and the Gulf caused prices to spike. Prices at the time of writing are over $100/bbl and, although forward price curves show prices falling later in 2026, they are not expected to fall to the levels of late 2025 for a considerable time to come, subject, of course, to a very large degree of unpredictability. Hence, the Board is likely to continue to maintain its core strategy, established in 2024, through 2026. This seeks to take advantage of elevated oil prices and traditionally low operating costs that should not increase markedly, resulting in further substantial improvements in our operating margins.

As well as low operating costs, the Pine Mills area and its surrounds continue to provide Buccaneer with opportunities to improve production from its existing wells through workovers, waterflood and using Organic Oil Recovery. A successful pilot project to trial the latter was carried out in 2025 by Hunting PLC, a long-established, £740 million market cap, UK-based service provider to the oil & gas and other industries.

During 2025, the Company also acquired carefully targeted assets in the Pine Mills area. This included the Turner acreage, which lies to the west and down-dip of our existing producers and is planned to be an integral part of our waterflood plans for 2026. After the period end, Buccaneer acquired a 100% interest in the Carlisle-1 well. This immediately added substantial daily volumes to our Pine Mills production and provided potential for further volumes from the upcoming waterflood.

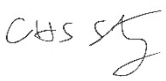
Buccaneer continues to assess opportunities both in our core East Texas area and further afield with the goal of substantially increasing the Company's production and its reserve base. In all cases, we will only pursue them if they are both economically and technically attractive and can make a material positive impact on Buccaneer's position.

In January 2025, our credit facility with WAFD was extended for three years on continued favourable terms. The Fed's target rate fell by 0.75% from then until early 2026, reducing the Company's interest payments. In January 2026, after the end of the reporting period, Buccaneer's reserve base was assessed by WAFD's independent engineer as having increased by 6% since the previous assessment in mid-2025.

In June 2025, to reflect the new direction of the Company, Nostra Terra Oil & Gas Company plc was renamed Buccaneer Energy plc, its logo changed, and its website updated. We also added OAK Securities as joint broker during 2025.

With continued progress being made at its operations, The Board believes that Buccaneer's market capitalisation substantially undervalues it in relation to the value of its assets.

I look forward to reporting further progress in 2026. On behalf of the board of Buccaneer, I would like to thank shareholders for their continued support.



Dr Stephen Staley
Chairman
22 May 2026

Chief Executive Officer's Report

In 2025, the Company focused on improving production reliability, growing production volumes, and developing identified reserve volumes.

Change continued across the Company in 2025, with the completion of several initiatives started in 2024, including the workover program and the drilling of a development well in the Fouke area.

A transformative workover program, which commenced in 2024 with an initial 5-well program, was completed in 2025. The second phase targeted the 5 remaining idle wells and returned them to production. The second set of workovers was technically more challenging, as many required new casing strings to be run to repair holes in the existing tubulars. At the conclusion of the second program, all identified idle wells had been returned to production, and the technical team focused on subsurface opportunities within the existing field area. Production in the field peaked at 186 bopd, up from 50 bopd at the time of the management change. Unfortunately, a very wet spring, resulting in 3 times more storms and rain than the 30-year average, flooded several parts of the field, requiring them to be shut in for almost a month. Eventually, all wells were successfully returned to production.

During 2025, we also continued our technical efforts in the Fouke area, where we hold a 32.5% Working Interest. A development well location, the Allar #1, north of the Fouke #1, which we believed contained another 300 MBO of recoverable oil volume, was drilled in October 2025. The location was placed as close to a bounding fault as possible to maximize the recoverable volume potential. Unfortunately, this location proved to be too close to the bounding fault, and a significant section of the reservoir was faulted out. As a result, the well was deemed to be uneconomic, and the lower section was plugged. After the well was drilled, acreage to the west of the existing leasehold, the Turner lease, was acquired so that a future sidetrack to the west could be completed and this remains under active review and consideration for further field development. The Turner acreage also contained two existing but idle wells. One of these wells, the Turner #1, was identified as an ideal location for a downdip water-injection well for the future Fouke waterflood. Post-period, this well was returned to production while technical, legal, and administrative work on the Fouke waterflood is undertaken. The Fouke waterflood is anticipated to go on stream in the late 3rd quarter of 2026, subject to regulatory approval.

Post period End

Post-period end, in March 2026, the Carlisle-1 well was acquired. This well is one of three producing wells in the Fouke area that was not owned by Buccaneer or our partner. The Company bought a 100% working interest in the well and plans to include it in the Fouke waterflood. As a result, the company's working interest in the Fouke waterflood is anticipated to increase from 32.5% to over 50%, allowing it to become the operator in the area.

Finally, post-period end, the company initiated a successful Organic Oil Recovery (OOR) project in the north end of the Pine Mills field. The project resulted in the doubling of oil production in the pilot area while reducing water production and water cuts at the treated wells. One of the treated producing wells went from a 90% water cut to water-free and has continued to produce with less than 10% water cut, some four months after the treatment.

Outlook

Going forward, we look to materially increase production in 2026 through the implementation of the Fouke waterflood and the expansion of the OOR project across the entire Pine Mills field, which would be expected to start to generate meaningful improvements in oil production during the 3rd quarter of 2026.

Revenues for the year were $1,514,000, a 26% decrease from $2,038,000 achieved in 2024. This is primarily due to a deterioration in the commodity price environment (the average price per barrel sold was $61.76 in 2025, compared with $72.24 in 2024). with lower prices subsisting through the first two months of 2026, prior to the start-up of hostilities in the Middle East at the end of February 2026. Our production remains unhedged, allowing us to benefit from the recovery in commodity prices. Gross profit before non-cash items (depreciation,

Chief Executive Officer's Report (continued)

depletion, and amortization) was $$267,000, a reduction from $825.000 in 2024, reflecting a decrease in average price received and 15% decrease in produced volumes due to a combination of natural decline in the Fouke area and shut-in volumes during flooding in the spring.

United States

All of Buccaneer's operations in the US target conventional reservoirs (i.e., not shale), typically with lower lifting costs and longer-life reserves than unconventional ones.

Area	2025 Production (Barrels sold)*	Percentage of Portfolio by sales
East Texas	21,565	89.4%
West Texas	2,196	9.1%
South Texas	366	1.5%

East Texas (33- 100% WI)

Buccaneer's core asset is the Pine Mills Field (100% WI), which, when fully operational, provides a baseline of low decline production at circa 100 bopd before royalties. In 2025, production from the area accounted for 89% of the Company's sales. After the first workover program, production from this core producing area increased by 40% in 2024. Production volumes in the area were impacted by localised flooding during the spring of 2025.

West Texas (50 – 100% WI)

In 2025, production from the area accounted for 9.1% of the Company's sales (50-75% WI). The Grant asset produced at a flat rate of 15 bopd throughout 2025.

South Texas (100% WI)

The Caballos Creek asset, comprising two leases, produced intermittently in 2025. The Company decided in 2024 not to invest further in the asset and has been trying to sell it, so far unsuccessfully, throughout the year. The asset continues to be produced on an infrequent basis while the search for a buyer continues.

Senior Lending Facility

The facility is currently close to its maximum level of US$4,450,000. The facility's cost decreased over the year, in line with the reduction in US Federal Reserve interest rates. Further reductions in interest rates are anticipated in 2026. The lending base is reviewed twice annually, and we anticipate its capacity to increase in line with the increased volumes and reserves that the Company has developed and acquired due to commodity price increases. This increased capacity can then be utilised to further grow the production base.

*Net Working Interest barrels before royalty

Chief Executive Officer's Report (continued)

Outlook

The Company intends to continue to focus on reducing costs and generating positive cash flow from the existing asset base, while increasing oil production and delivering growth. We intend to pursue organic growth opportunities from our Fouke waterflood project and, field-wide, from the expansion of the OOR project if results continue to perform as seen in the pilot area. We will continue efforts to identify solutions for the non-core South Texas assets. We will continue our review of acquisition opportunities to identify candidates that can add complementary producing assets that fit with our existing East and West Texas asset positions, our business model, and our growth strategy.

Thank you for your support. We look forward to continuing to identify and deliver additional value from the existing portfolio and growing the Company for the advantage of all our shareholders.

Paul Welch
Chief Executive Officer
22 May 2026

Strategic Report

The directors present their Strategic Report for Buccaneer Energy plc ("the Company") and its subsidiaries (collectively "the Group") covering the year ended 31 December 2025.

Principal activity

The Group's principal activity is the exploitation of hydrocarbon resources, focusing currently on the USA.

Our strategy

1 Grow Production and Reserves from Pine Mills
2 Increase cashflows
3 Make acquisitions that are accretive to shareholders
4 Use technical advances to extract further value from maturing assets
5 Develop strategic partnerships that allow the Company to leverage our existing assets to generate returns or create value through new opportunities

Our business model

Buccaneer Energy is focused on achieving profitable and sustainable growth within established hydrocarbon provinces. We see the scope for sustained profitable growth throughout many well-established hydrocarbon systems. Our business model is to continue upgrading our exploration and production portfolio by identifying, screening, and investing in a diverse portfolio of upstream assets, targeting the most attractive opportunities. We focus on conventional reservoirs with lower lifting costs and long-life reserves.

Review of business, future developments, trading outlook, and future strategy

The results for the year and the financial position of the Company and the Group are shown in the financial statements. They are also noted in the Chairman's Report on page 2 and the Chief Executive Officer's Report on page 3.

Growth opportunities

Buccaneer Energy is focused on existing, proven basins with conventional reservoirs in Texas, USA. The Company is also pursuing growth opportunities outside the USA.

Key Themes for 2025

- Commodity price variability due to the ongoing military action in both Iran and the Ukraine.
- Continued growth in production from the Pine Mills asset.
- Implementation of a waterflood in the Fouke area, taking over operatorship of this area
- Selective review of producing asset acquisition opportunities in the areas in which the Company operates.
- Efficient cash flow generation from our existing assets.

Strategic Report (continued)

Key performance indicators

At this stage in the Company's development, the directors regularly monitor key performance indicators primarily: production rates, operating costs, general administrative expenses cash flows and bank balances, which are tightly controlled.

	2025 $'000	2024 $'000
Cash and cash equivalents	117	106
Administrative expenses	1,380	1,177
	BOE	**BOE**
Production (net)	24,127	28,112

Principal risks and uncertainties

Managing Our Risk

Risk management is at the core of achieving our strategy and delivering long-term value to shareholders. The Board, its committees, and the executive team are actively engaged in setting the risk agenda and managing risks and opportunities of the Company. The Company maintains a Risk Register as a part of the Board's fiduciary and oversight responsibilities.

Definition of Risk

A risk is defined here as a potential future event that may influence the achievement of business objectives. This includes both "upside" (opportunity) and "downside" (threat) risks. Threats and opportunities can come from various sources and can be directly related to the Company's operational and commercial activities and support functions, or they can arise externally: from suppliers, regulators, competitors; from the economic environment or political climate.

Risk Management

The Company is acutely aware of oil and gas activity risks. Such risks range from global commercial risks, such as stock market volatility and commodity pricing, to geopolitical risks in terms of market access, tariffs, and contractual relationships, through to operational risks. In addressing the latter, ensuring the safety of our personnel and subcontracting staff and protecting the environment in which we work are paramount.

The key risk in development and production is the technical risk of not finding and producing sufficient hydrocarbons to be economic. While the US mid-continent is a proven hydrocarbon region and is seeing resurgence through the application of new drilling and well completion technologies, there are also environmental and economic risks, as there are in any hydrocarbon region. Further information relating to risk can be found on note 19 of these accounts.

Strategic Report (continued)

Companies Act S.172

The Directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have, individually and together, acted in the way that, in good faith, would most likely promote the Company's success for the benefit of its members as a whole. In doing so, they have had regard (amongst other matters) to:

- the likely consequences of any decision in the long term. The Group's long-term strategic objectives, including progress made during the year and principal risks to these objectives, are shown in the strategic report and the key performance indicators.
- the interests of the Company's employees. Our employees are fundamental to us achieving our long-term strategic objectives.
- the impact of the Company's operations on the community and the environment. The Group operates honestly and transparently. We consider the impact on the environment of our day-to-day operations and how we can minimise this.
- the desirability of the Company maintaining a reputation for high standards of business conduct. We will behave responsibly, operating within the high standard of business conduct and good corporate governance.
- the need to act fairly as between members of the Company. We will behave responsibly towards our shareholders and treat them fairly and equally, so they may benefit from the successful delivery of our strategic objectives.

2026 Middle East Conflict

The Group is monitoring the conflict in the Middle East following the escalation of hostilities in February 2026. The resulting closure of the Strait of Hormuz and disruption to regional energy infrastructure have led to increased volatility in global energy prices and heightened supply chain lead times. While the Group is anticipating a positive impact on oil prices, management continues to assess the impact of sustained inflationary pressures on operational costs. At present, these events are not expected to impact the Group's status as a going concern, though the Group remains vigilant in its risk mitigation strategies.

This Strategic Report was approved by the board of directors on 22 May **2026** and signed on behalf of the board by:

Paul Welch

Chief Executive Officer

Directors' Report

The directors present their annual report and audited financial statements for the year ended 31 December 2025.

The review of business and future developments has been undertaken in the strategic report for the year ended 31 December 2025.

Listing

The Company's ordinary shares have been quoted on the AIM market of the London Stock Exchange since 20 July 2007. SP Angel Corporate Finance LLP is the Company's nominated advisor and broker. The closing mid-market price at 31 December 2025 was 0.0065p (2024: 0.078p).

Results and dividends

The loss for the year ended 31 December 2025 was $2,178,000 (2024: $1,509,000).

No dividends will be distributed for the year ended 31 December 2025 (2024: $nil).

Directors

The following directors have held office for the year ended 31 December 2025:

J Stafford (resigned 1 January 2025)
S Staley
P Welch
J F Newman.

Directors' remuneration for the years ended 31 December 2025 and 2024 are summarised as follows:

	Salary $	Fees $	Share-based payments $	2025 Total $
S Staley	-	63,000	-	63,000
J Stafford	-	-	-	-
P Welch	188,000	-	-	188,000
J F Newman	-	-	-	-
Total	**188,000**	**63,000**		**251,000**

31 December 2024:

	Salary $	Fees $	Share-based payments $	2024 Total $
M B Lofgran	111,000	-	2,721	113,721
S Staley	-	64,000	-	64,000
J Stafford	-	39,000	-	39,000
P Welch	119,000	17,000	-	136,000
J F Newman				
Total	**230,000**	**120,000**	**2,721**	**352,721**

Directors' Report (continued)

There were no benefit-in-kind payments during the year.

More detail on the share options issued to Directors' during the year are disclosed within the share-based payment note together with the outstanding options and warrants at the year-end, please refer to note 23.

At 31 December 2025, the directors' beneficial interests in the Company's issued share capital were as follows:

	Number of ordinary shares of 0.01 p each	31.12.25 Percentage of issued share capital	Number of ordinary shares of 0.01 p each	31.12.24 Percentage of issued share capital
S Staley	136,063,281	0.92%	24,833,334	0.52%
P Welch	216,231,884	1.47%	51,014,493	1.07%
J Newman	389,998,062	2.65%	323,695,652	6.78%

Remuneration Committee and Policy

The Remuneration Committee takes into account both group and individual performance, market value, and sector conditions in determining executive directors' remuneration. The Group's policy is to pay competitive yet affordable salaries relative to peer companies in the oil and gas sector, until the Group has established a strong position in acreage, assets, income, and cash at hand. All current salaries are without pension or benefits.

Substantial shareholders

As at 27 April 2026, the Company was aware of the following interests in its issued share capital

	Number of ordinary shares of 0.01 p each	Percentage of issued share capital
Premier Miton Group PLC	3,209,907,275	17.29%
Peel Hunt LLP	1,429,433,266	7.70%
Aj Bell Securities Limited	1,346,514,328	7.25%
Interactive Investor Services Limited	1,310,878,885	7.06%
Halifax Share Dealing Limited	1,156,742,015	6.23%
Bono Energy Group Limited	1,147,460,000	6.18%
Hargreaves Lansdown Stockbrokers	1,043,100,480	5.62%
Spreadex Limited	800,000,000	4.31%
Barclays Stockbrokers Limited	755,596,342	4.07%
First Equity Limited	577,450,980	3.11%

Directors' Report (continued)

Events after the reporting period

Refer to note 26 for details.

Publication of accounts on company website

The Company publishes the financial statements on its website. The directors are responsible for the website's maintenance and integrity, and their responsibility also extends to the financial statements contained therein.

Indemnity of officers

The Group may purchase and maintain, for any director or officer, insurance against any liability. The Group maintains appropriate insurance cover against legal action brought against its directors and officers.

Financial instruments

The Group does not have formal policies on interest rate risk or foreign currency risk. The Group would be exposed to foreign currency risk on sales and purchases that are denominated in a currency other than United States Dollars ($). The Group maintains a natural hedge that minimises its foreign exchange exposure by matching foreign currency income with foreign currency costs. For the time being, the Group does not consider it necessary to enter into foreign exchange contracts to manage its foreign currency risk, given the nature of its business.

Going concern

The directors believe that, based on the forecasts and projections they have prepared, the resources available will be sufficient for the Company and its subsidiaries to continue as a going concern for the foreseeable future when taking into account proceeds generated from production. Going concern is discussed more fully in note 1.

The Directors have concluded that the Group will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors are required to prepare the Group and Company financial statements in accordance with UK adopted International Accounting Standards.

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 profit or loss of the Group and Company for that period.

Directors' Report (continued)

Statement of directors' responsibilities (continued)

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the UK adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping accounting records that are sufficient to show and explain the Group's and Company's transactions. These records must disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable the Directors to ensure that any financial statements prepared comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud, error, non-compliance with law and regulations 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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Company is compliant with AIM Rule 26 regarding the Company's website.

Statement as to disclosure of information to auditors

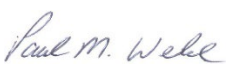
Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

MAH, Chartered Accountants have expressed their willingness to continue in office as auditors and will be proposed for reappointment at the next Annual General Meeting.

This report was approved by the board of directors on 22 May 2026 and signed on behalf of the board by:



Paul Welch

Chief Executive Officer

Directors' Information

Dr Stephen Staley *Non-Executive Chairman*

Dr Stephen Staley (66) has over 40 years of wide-ranging management, technical and commercial experience in the international oil, gas and power sectors. Steve was until October 2019 the CEO, director and co- founder of Upland Resources Limited, a London-listed oil & gas company currently with interests in the UK and Sarawak. Until March 2022, he was also non-executive chairman of Predator Oil & Gas Holdings PLC, an oil & gas company on the Standard List of the London Stock Exchange. He is a non-executive director of 88 Energy Ltd, which is listed on both AIM and the ASX. He has also co-founded and floated two further London-listed oil & gas companies and was both a technical consultant to, and non-executive director of, Cove Energy plc – the highly successful East Africa focused explorer. Prior to this he has worked for companies including Cinergy Corp. and Conoco. He holds a BSc (Hons.) in Geophysics from Edinburgh University, a PhD in Petroleum Geology from Sheffield University and an MBA from Warwick University. He is a Fellow of the Geological Society , the GESGB and The Arctic Club.

Paul Welch *Chief Executive Director*

Paul (63) is an international energy executive with over 30 years of industry experience having worked for Shell Oil Company and several large independents including Hunt Oil Company, Pioneer Natural Resources and as CEO of AIM listed explorer Chariot Limited (previously Chariot Oil and Gas Limited) (AIM: CHAR) (2009-2012) and CEO of Sea Dragon Energy (2013-2015) which in October of 2015 became SDX Energy plc (AIM: SDX) (2015-2019) following the merger with Madison PetroGas. He was subsequently appointed CEO of Cosimo Holdings Ltd in 2019, a private oil and gas company. Paul graduated from the Colorado School of Mines with both a Bachelor's and a Master's degree in Petroleum Engineering. He also holds an MBA in Finance from Southern Methodist University (SMU) in Dallas, Texas.

Jim Newman *Non-Executive Technical Director*

Jim Newman (62) has over 35 years of industry experience in multiple facets of the oil & gas industry, including well abandonment, well intervention, water management, and completions. He started his career at Triple N Services (22 years), which he sold to Basic Energy Services LP, where he served in various positions for 13 years, ultimately as the Executive Vice President of Operations until he stepped down in 2021. He is the managing partner of Clean Rig Power and Dos Hermanos International and the CEO of Aquafortus.

He graduated from the Colorado School of Mines with a bachelor's degree in petroleum engineering and is a registered Professional Engineer in Texas, USA

Corporate Governance Report

As an AIM-quoted company, the Company is required to apply a recognised corporate governance code, demonstrating how the Group complies with such corporate governance code and where it departs from it.

The directors have formally taken the decision to apply the QCA Corporate Governance Code (the "QCA Code"). The Board recognises the principles of the QCA Code, which focus on the creation of medium to long-term value for shareholders without stifling the entrepreneurial spirit in which small to medium-sized companies, such as Buccaneer, have been created.

QCA Principles

The Board recognises the importance of corporate governance, and we therefore apply the QCA code.

QCA Code Principle	Disclosure	Buccaneer Reference
1	Establish a strategy and business model which promote long-term value for shareholders.	See Strategic Report of this 2025 Annual Report
2	Promote a corporate culture that is based on ethical values and behaviours.	Detailed within AIM Rule 26, available to view via www.buccaneerenergy.co.uk
3	Seek to understand and meet shareholder needs and expectations.	See the Chief Executive Officer's Statement of this 2025 Annual Report
4	Take into account wider stakeholder and social responsibilities and their implications for long-term success.	Detailed within AIM Rule 26, available to view via www.buccaneerenergy.co.uk
5	Embed effective risk management, considering both opportunities and threats throughout the organisation.	See note 20 of this 2025 Annual Report
6	Establish and maintain the board as a well-functioning, balanced team led by the Chair.	See the Corporate Governance Report of this 2025 Annual Report
7	Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities.	Detailed within AIM Rule 26, available to view via www.buccaneerenergy.co.uk
8	Evaluate the Board performance based on clear and relevant objectives, seeking continuous improvement.	Buccaneer's board is small and extremely focused on implementing the Company's strategy. Given the size and nature of Buccaneer, the Board does not consider it appropriate to have a formal performance evaluation procedure in place. As described and recommended in Principle 8 of the QCA Code, the board will closely monitor the situation as it grows.
9	Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture	See the Corporate Governance Report of this 2025 Annual Report
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	See the Corporate Governance Report of this 2025 Annual Report

Corporate Governance Report (continued)

Accountability

The Board of Directors

The board comprises one executive director and two non-executive directors. The non-executive directors are considered independent. It meets at least four times a year and as issues arise which require board attention. The board has a formal schedule of matters specially referred to it for decision.

The directors are responsible for:

- Management structure and appointments
- Consideration of strategy and policy
- Approval of major capital investments and transactions
- Significant financing matters

The board has Audit, Remuneration and Nomination Committees, the roles and responsibilities of which are discussed below.

Audit Committee

The Audit Committee comprises James Newman as Chairman, and Steve Staley. Both have considerable and relevant financial experience.

The Audit Committee has terms of reference agreed by the board and meets at least twice a year.

The committee provides an opportunity for reporting by the Company's auditors, and is responsible for:

- Monitoring, in discussion with the auditors, the integrity of the financial statements and announcements of the Company
- Reviewing the Company's internal financial controls and risk management systems
- Reviewing and monitoring the external auditor's independence, and the objectivity and effectiveness of the audit process, taking into consideration relevant UK and other professional and regulatory requirements

The Audit Committee is also responsible for making recommendations to the board to be put to shareholders for their approval in a general meeting in relation to the appointment, reappointment, and removal of the external auditors and to approve the external auditors' remuneration and terms of engagement. Other responsibilities include annually assessing whether an internal audit function is needed and making a recommendation to the board, and reviewing arrangements by which the Group's staff can raise concerns about possible improprieties in financial reporting or other matters related to the Group.

Remuneration and Nomination Committees

The Remuneration and Nomination Committees, which meet at least twice a year, consist of Stephen Staley as Chairman and James Newman. Based on the terms of reference approved by the board, the Remuneration Committee is responsible for:

- Determining and agreeing with the board the framework or broad policy for the remuneration of the Chief Executive Officer and other members it is designated to consider
- Setting the remuneration for all executive directors and the Company Secretary
- Recommending and monitoring the level and structure of remuneration for senior management
- Determining targets for any performance-related pay schemes operated by the Group
- Determining the policy and scope of pension arrangements for each executive director
- Ensuring that contractual terms on termination and any payments made are fair to the individual and the Company.

Corporate Governance Report (continued)

Remuneration and Nomination Committees (continued)

The Remuneration Committee determines the terms and conditions of service of executive directors. This includes agreeing the policy for authorising claims for expenses from the Chief Executive Officer and, within the terms of the agreed policy, recommending the total individual remuneration package of any executive director including, where appropriate, bonuses, incentive payments and share options.

The Nomination Committee is responsible for ensuring all director appointments are considered by the Committee before their formal recommendation to the board for approval.

Shareholder Relations

Communications with shareholders are very important and are given a priority. The Company maintains a website, www.buccaneerenergy.co.uk, to improve information flow to shareholders and potential investors. It contains, inter alia, information about the Company's activities and annual and interim reports.

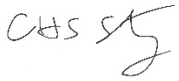
Shareholders are welcome to make enquiries on any matters relating to the business and to their shareholdings. The Company encourages shareholders to attend the Annual General Meeting, at which they will be given the opportunity to put questions to the chairman and other members of the board.

All regulatory information is published via a Regulatory Information Service before anywhere else.

Internal Financial Control

The board is responsible for establishing and maintaining the Company's system of internal controls and for reviewing their effectiveness. They are designed to safeguard the Company's assets and to ensure the reliability of the financial information for both internal use and external publication. The controls, that include financial, operational and compliance matters and management, are reviewed on an ongoing basis.

A system of internal control can provide only reasonable, and not absolute, assurance that material financial irregularities will be detected or that risk of failure to achieve business objectives is eliminated. The board has considered the need for an internal audit function but because of the size and nature of its operations does not consider it necessary at this time.



Dr Stephen Staley

Non-Executive Chairman

22 May 2026

Independent Auditor's Report

To the members of Buccaneer Energy plc

Opinion

We have audited the financial statements of Buccaneer Energy Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2025 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of cash flows, the consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In our opinion the financial statements,

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- 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 the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 note 1 in the financial statements, which indicate that the incurred group loss of $2,178,000 during the year ended 31 December 2025 and, at that date, the net current liabilities of $373,000 and net liabilities of $1,445,000. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a critical assessment on budgets, including challenging models and undertaking stress tests, and a detailed discussion with management on the key cashflow pinch points, including loan repayments and funding available to the Group.

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

Independent Auditor's Report (continued)

To the members of Buccaneer Energy plc

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure we performed sufficient work to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate. The Group's financial statements are a consolidation of 3 reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of Buccaneer Energy Plc, New Horizons Energy LLC, and Buccaneer Operating LLC, which were individually financially significant and accounted for 100% of the Group 's revenue and 100% of the Group's absolute loss before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units).

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matter
Carrying value of producing oil and gas assets The Group holds multiple leases over producing oil and gas assets (wells) which are recorded as both tangible and intangible assets. Carrying values at the year-end are: • Intangibles: $2,655k (2024: $2,517k) • Tangibles: $971k (2024: $1,196k)	**Carrying value of producing oil and gas assets** We have understood and assessed the methodology used in the capitalisation of these assets. A review of the producing wells was undertaken with a view of identifying any indication of impairment. This entailed comparing oil reserves and net present values from the independent reserves report produced by APN Consultants LLC to the asset carrying values, and a detailed review of producing wells.

Independent Auditor's Report (continued)

To the members of Buccaneer Energy plc

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Our application of materiality (continued)

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

	Group financial statements	Company financial statements
Overall materiality	$23,000	$22,500
How we determined it	1.5% of revenue	2.5% of net liabilities
Rationale for benchmark applied	The Group has invested heavily in leases and equipment in the past years to drive revenue growth and profits. As such we believe that revenue is the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.	As the company is a holding company, we believe net assets is the primary measure used by the shareholders in assessing the performance of the Company and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The materiality allocated across components $22,500.

Independent Auditor's Report (continued)

To the members of Buccaneer Energy plc

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report (continued)

To the members of Buccaneer Energy plc

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement as set out on pages 9-12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent Auditor's Report (continued)

To the members of Buccaneer Energy plc

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including AIM rules and the Companies Act 2006.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

Independent Auditor's Report (continued)

To the members of Buccaneer Energy plc

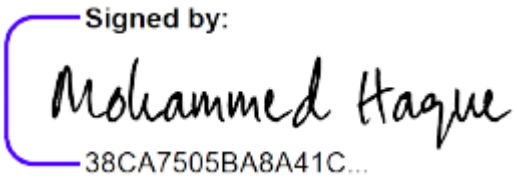
There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of this report

This 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.



Mohammed Haque
Senior Statutory Auditor
For and on behalf of MAH, Chartered Accountants
Statutory Auditor
2nd Floor, 154 Bishopsgate,
London EC2M 4LN
22 May 2026

Consolidated Income Statement
For the year ended 31 December 2025

	Notes	2025 $'000	2024 $'000
Continuing operations			
REVENUE		1,514	2,038
COST OF SALES			
Production costs		(1,247)	(1,213)
Depletion, depreciation, amortisation		(713)	(681)
Total cost of sales		**(1,960)**	**(1,894)**
GROSS LOSS		**(446)**	**144**
Share based payment		(18)	(41)
Administrative expenses		(1,380)	(1,177)
Foreign exchange gain / (loss)		6	(26)
OPERATING LOSS	7	**(1,838)**	**(1,100)**
Finance costs	5	(362)	(409)
Other income	6	22	-
LOSS BEFORE TAX		**(2,178)**	**(1,509)**
Income tax	8	-	-
LOSS FOR THE YEAR		**(2,178)**	**(1,509)**
ATTRIBUTABLE TO:			
Owners of the company		**(2,178)**	**(1,509)**
EARNINGS PER SHARE			
Continued operations			
Basic & diluted (cents per share)	10	(0.02)	(0.08)

The accompanying accounting policies and notes are an integral part of these financial statements

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2025

	2025 $'000	2024 $'000
LOSS FOR THE PERIOD	**(2,178)**	**(1,509)**
OTHER COMPREHENSIVE INCOME:		
Currency translation differences	-	-
Total comprehensive income for the year	(2,178)	(1,509)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:		
Owners of the company	**(2,178)**	**(1,509)**

The accompanying accounting policies and notes are an integral part of these financial statements

Consolidated Statement of Financial Position
As at 31 December 2025

	Notes	2025 $'000	2024 $'000
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	11	2,655	2,517
Property, plant and equipment, Oil and gas assets	12	971	1,196
Total non-current assets		**3,626**	**3,713**
CURRENT ASSETS			
Trade and other receivables	15	482	479
Cash and cash equivalents	16	117	106
Total current assets		**599**	**585**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	972	922
Borrowings	18	-	49
Total current liabilities		**972**	**971**
NET CURRENT LIABILITIES		**(373)**	**(386)**
NON-CURRENT LIABILITIES			
Decommissioning liabilities	17	451	428
Borrowings	18	4,247	4,247
Total non-current liabilities		**4,698**	**4,675**
NET LIABILITIES		**(1,445)**	**(1,348)**
EQUITY			
Share capital	19	10,287	8,971
Share premium		23,625	22,902
Share based payment reserve		566	523
Translation reserve		(676)	(676)
Retained losses		(35,247)	(33,068)
Total equity		**(1,445)**	**(1,348)**

The financial statements were approved and authorised for issue by the Board of Directors on 22 May 2026 and were signed on its behalf by:

Paul Welch

Director

Company registration number: 05338258. The accompanying accounting policies and notes are an integral part of these financial statements.

Company Statement of Financial Position
As at 31 December 2025

	Notes	2025 $'000	2024 $'000
ASSETS			
NON-CURRENT ASSETS			
Fixed asset investments	14	-	-
Intangible assets	11	186	224
Property, plant and equipment, Oil and gas assets	12	94	112
Total non-current assets		**280**	**336**
CURRENT ASSETS			
Trade and other receivables	15	34	30
Cash and cash equivalents	16	25	93
Total current assets		**59**	**123**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	2,475	3,461
Borrowings	18	-	49
Total current liabilities		**2,475**	**3,510**
NET CURRENT LIABILITIES		**(2,416)**	**(3,387)**
NON-CURRENT LIABILITIES			
Decommissioning liabilities	17	53	42
Borrowings	18	-	-
Total non-current liabilities		**53**	**42**
NET LIABILITIES		**(2,189)**	**(3,093)**
EQUITY			
Share capital	19	10,287	8,971
Share premium		23,625	22,902
Share based payment reserve		566	523
Translation reserve		(676)	(676)
Retained losses		(35,991)	(34,813)
Total equity		**(2,189)**	**(3,093)**

The parent company's loss for the financial year was $1,178,000 (2024: $1,172,000).
The financial statements were approved and authorised for issue by the Board of Directors on 22 May 2026 and were signed on its behalf by:

Paul Welch

Director

Company registration number: 05338258. The accompanying accounting policies and notes are an integral part of these financial statements.

Consolidated Statement of Changes in Equity
For the year ended 31 December 2025

	Share capital	Deferred shares	Share premium	Share option reserve	Translation reserve	Retained losses	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 January 2024	**1,593**	**6,549**	**22,115**	**464**	**(676)**	**(31,559)**	**(1,514)**
Loss for the year	-	-	-	-	-	(1,509)	(1,509)
Total comprehensive loss for the year	-	-	-	-	-	(1,509)	(1,509)
Division of shares	(1,749)	1,749	-	-	-	-	-
Shares issued	829	-	787				1,616
Share based payments	-	-	-	59	-	-	59
As at 31 December 2024	**673**	**8,298**	**22,902**	**523**	**(676)**	**(33,068)**	**(1,348)**
Loss for the year	-	-	-	-	-	(2,178)	(2,178)
Total comprehensive loss for the year	-	-	-	-	-	(2,178)	(2,178)
Shares issued	1,316	-	723				2,039
Share based payments	-	-	-	43	-	-	43
Other movements	-	-	-	-	-	(1)	(1)
As at 31 December 2025	**1,989**	**8,298**	**23,625**	**566**	**(676)**	**(35,247)**	**(1,445)**

The accompanying accounting policies and notes are an integral part of these financial statements.

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of those shares net of share issue expenses. Share issue expenses in the year comprise costs incurred in respect of the issue of new shares.

Share based payment reserve is a reserve used to recognize the cost and equity associated with the fair value of issues of share options and warrants.

Translation reserves arose due to the adoption of US dollars as the presentational currency at the start of a prior accounting period.

Retained loss represents the cumulative losses of the company attributable to owners of the company.

Company Statement of Changes in Equity
For the year ended 31 December 2025

	Share capital	Deferred shares	Share premium	Share option reserve	Translation reserve	Retained losses	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 January 2024	**1,593**	**6,549**	**22,115**	**464**	**(676)**	**(33,639)**	**(3,594)**
Loss for the year	-	-	-	-	-	(1,174)	(1,174)
Total comprehensive loss for the year	-	-	-	-	-	(1,174)	(1,174)
Subdivision of shares	(1,749)	1,749	-	-	-	-	-
Shares issued	829	-	787	-	-	-	1,616
Share based payments	-	-	-	59	-	-	59
As at 31 December 2024	**673**	**8,298**	**22,902**	**523**	**(676)**	**(34,813)**	**(3,093)**
Loss for the year	-	-	-	-	-	(1,178)	(1,178)
Total comprehensive loss for the year	-	-	-	-	-	(1,178)	(1,178)
Shares issued	1,316	-	723	-	-	-	2,039
Share based payments	-	-	-	43	-	-	43
As at 31 December 2025	**1,989**	**8,298**	**23,625**	**566**	**(676)**	**(35,991)**	**(2,189)**

The accompanying accounting policies and notes are an integral part of these financial statements.
Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of those shares net of share issue expenses. Share issue expenses in the year comprise costs incurred in respect of the issue of new shares.

Share based payment reserve is a reserve used to recognize the cost and equity associated with the fair value of issues of share options and warrants.

Translation reserves arose due to the adoption of US dollars as the presentational currency at the start of a prior accounting period.

Retained loss represents the cumulative losses of the company attributable to owners of the company.

Consolidated and Company Statement of Cash Flows
For the year ended 31 December 2025

	GROUP		COMPANY	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
LOSS FOR THE YEAR	**(2,178)**	**(1,509)**	**(1,178)**	**(1,173)**
ADJUSTMENTS FOR:				
Depreciation	396	383	18	18
Amortisation	267	253	37	40
Depletion	50	46	11	12
Loss/(Profit) on disposal of Fixed Assets	74	11	-	-
Loss/(Profit) on disposal of Intangibles	215	72	-	-
Foreign exchange	(6)	26	(6)	3
Share based payments	18	41	18	41
Other income	(22)	-	(22)	-
Operating cash flows	(1,187)	(678)	(1,121)	(1,059)
Decrease/(increase) in receivables	26	122	(4)	(6)
(Decrease)/increase in payables	85	(424)	(940)	(342)
(Increase)/decrease in deposits & prepayments	(30)	(24)	-	-
Interest paid	362	409	2	7
Net cash from operating activities	**(744)**	**(595)**	**(2,063)**	**(1,400)**
Cash flows from investing activities:				
Purchase of plant and equipment	(269)	(348)	-	-
Purchase of intangibles	(611)	(106)	-	-
Disposal proceeds	-	40	-	-
Increase in decommissioning liabilities	-	-	-	-
Net cash from/(used) in investing activities	**(880)**	**(414)**	**-**	**-**
Cash flows from financing activities				
Shares issued	2,039	1,630	2,039	1,630
Costs of shares issued		-	-	-
Net borrowing	(49)	(133)	(49)	(133)
Finance costs	(362)	(409)	(2)	(7)
Net cash from/ (used) in financing activities	**1,628**	**1,088**	**1,988**	**1,490**
Net increase / (decrease) in cash and cash equivalents	**4**	**80**	**(75)**	**90**
Effect of exchange rate fluctuations on cash held	**7**	-	**7**	-
Cash and cash equivalents at the beginning of the year	106	26	93	3
Cash and cash equivalents at the end of the year	**117**	**106**	**25**	**93**

The accompanying accounting policies and notes are an integral part of these financial statements.

Notes to the Financial Statements
For the year ended 31 December 2025

General Information

Buccaneer Energy plc (Buccaneer) is a company incorporated in England and Wales and quoted on the AIM market of the London Stock Exchange. The address of the registered office is disclosed on the company information page of this annual report. The principal activity of the Group is described in the directors' report.

1. Summary of significant accounting policies

The financial statements are presented in United States Dollars, rounded to the nearest $'000, as that is the currency of the primary environment in which the Group operates.

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

Basis of preparation

These financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards and IFRIC interpretations issued by the International Accounting Standards Board (IASB) (IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern

The financial statements have been prepared on the assumption that the Group is a going concern. When assessing the foreseeable future, the directors have looked at a period of 12 months from the date of approval of this report.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chief Executive Officer's report and Directors' report. In addition, note 20 to the financial statements includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk.

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group should be able to operate within the level of its current cash resources, however a material uncertainty exists in relation to the Group's ability to repay its liabilities as they become due. We note that as at the balance sheet date, the Group has net current liabilities of $372,000 and net liabilities of $1,445,000.

The directors prepare annual budgets and cash flow projections that extend beyond 12 months from the date of this report. These projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company's and Group's overheads and planned discretionary project expenditures and to maintain the Company and Group as going concerns.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the Group's and Company's ability to continue as going concerns and, therefore, that they may be unable to realise their assets and discharge their liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and exploration costs for the foreseeable future and therefore the directors believe that the going concern basis is appropriate for the preparation of the financial statements.

After making enquiries, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis in preparing the annual report and financial statements, however as noted above a material uncertainty exists which may cast significant doubt on the Group's ability to continue operating as a going concern.

New standards, amendments and interpretations adopted by the Group and Company

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21)

These amendments had no effect on the consolidated financial statements of the Group. In the current year the group has applied a number of new and amended IFRS Accounting Standards issued by the International accounting Standards Board ("IASB") and adopted by the UK, that are effective for the first time for the financial year beginning 1 January 2025 Their adoption has not had any material impact on the disclosure or on the amounts reported in these financial statements.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

New standards, amendments and interpretations not yet adopted

New standards, interpretations and amendments effective from 1 January 2025 onwards

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

		Effect annual periods beginning before or after
IFRS 7	Financial Instruments: Disclosure Amendments regarding the classification and measurement of financial instruments	1st January 2026
IFRS 7	Financial Instruments: Disclosure Amendments resulting from Annual Improvements to IFRS Accounting Standards	1st January 2026
IFRS 7	Financial Instruments Contracts Referencing Nature-dependent Electricity	1st January 2026
IFRS 9	Financial Instruments Amendments regarding the classification and measurement of financial instruments	1st January 2026
IFRS 9	Financial Instruments Amendments resulting from Annual Improvements to IFRS Accounting Standards	1st January 2026
IFRS 9	Financial Instruments Contracts Referencing Nature-dependent Electricity	1st January 2026
IFRS 18	Presentation and Disclosure of Financial Statements Original issue	1st January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures Original issue	1st January 2027

With the exception of IFRS 18, which could alter the presentation of the Income Statement, the Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Subsidiaries

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group allocates goodwill to each business segment in each country in which it operates.

Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimated 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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried art a revalued amount in which case the reversal of impairment loss is treated a revaluation increase.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Property, plant and equipment

Tangible non-current assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery – over 7 years

The assets' residual values and useful economic lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Investments

Investments are stated at cost less provision for any impairment value.

Cash and cash equivalents

Included in the statement of financial position comprise cash at bank and in hand and other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the year of the borrowings using the effective interest method.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Borrowings (continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Functional currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency), which is mainly United States Dollars (US$). The financial statements are presented in United States Dollars (US$), which is the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the presentational currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(iii) Group Companies

All consolidated entities are presented in US$ and so no translation is required on consolidation.

Share capital

Ordinary shares are classified as equity.

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

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on the taxable profit for the year. Taxable profit differed from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The entity's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary arises from goodwill or from the initial recognition) other than in a business

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Deferred tax (continued)

combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited directly to equity; in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Financial instruments

Financial assets and financial liabilities are initially classified as measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows expire, or the Group no longer retains the significant risks or rewards of ownership of the financial asset. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

Financial assets are classified dependent on the Group's business model for managing the financial and the cash flow characteristics of the asset. Financial liabilities are classified and measured at amortised cost except for trading liabilities, or where designated at original recognition to achieve more relevant presentation. The Group classifies its financial assets and liabilities into the following categories:

Financial assets at amortised cost

The Group's financial assets at amortised cost comprise trade and other receivables. These represent debt instruments with fixed or determinable payments that represent principal or interest and where the intention is to hold to collect these contractual cash flows. They are initially recognised at fair value, included in current and non-current assets, depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method less any provision for impairment.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise finance lease obligations and trade and other payables. They are classified as current and non-current liabilities depending on the nature of the transaction, are subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets at fair value through profit and loss

The Group holds a derivative against the price of oil held for operation purposes. These are recognised and measured at fair value using the most recent available market price with gains and losses recognised immediately in the profit and loss.

The fair value measurement of the Group's financial and non- financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy').

Level 1 Quoted prices in active markets

Level 2 Observable direct or indirect inputs other than Level 1 inputs

Level 3 Inputs that are not based on observable market data

The Group measures financial instruments relating to platform holdings at fair value using Level 1.

The Company provides financial guarantees to licensed banks for credit facilities extended to a subsidiary company. The fair value of such financial guarantees is not expected to be significantly different as the probability of the subsidiary company defaulting on the credit lines is remote.

Impairment of trade and other receivables

In accordance with IFRS 9 an expected loss provisioning model is used to calculate an impairment provision. We have implemented the IFRS 9 simplified approach to measuring expected credit losses arising from trade and other receivables, being a lifetime expected credit loss. This is calculated based on an evaluation of our historic experience plus an adjustment based on our judgement of whether this historic experience is likely reflective of our view of the future at the balance sheet date. In the previous year the incurred loss model is used to calculate the impairment provision.

Oil and gas assets

The Group applies the successful efforts method of accounting for oil and gas assets and has adopted IFRS 6 Exploration for and evaluation of mineral resources.

Exploration and evaluation ("E&E") assets

Under the successful efforts method of accounting, all licence acquisition, exploration and appraisal costs are initially capitalised in well, field or specific exploration cost centres as appropriate, pending determination. Expenditure incurred during the various exploration and appraisal phases is then written off unless commercial reserves have been established or the determination process has not been completed.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Pre-licence costs

Costs incurred prior to having obtained the legal rights to explore an area are expensed directly to the income statement as they are incurred.

Exploration and evaluation ("E&E") costs

Costs of E&E are initially capitalised as E&E assets. Payments to acquire the legal right to explore, together with the directly related costs of technical services and studies, seismic acquisition, exploratory drilling and testing are capitalised as intangible E&E assets.

Tangible assets used in E&E activities (such as the Group's drilling rigs, seismic equipment and other property, plant and equipment used by the company's exploration function) are classified as property, plant and equipment. However, to the extent that such a tangible asset is consumed in developing an intangible E&E asset, the amount reflecting that consumption is recorded as part of the cost of the intangible asset. Such intangible costs include directly attributable overheads, including the depreciation of property, plant and equipment utilised in E&E activities, together with the cost of other materials consumed during the exploration and evaluation phases.

E&E costs are not amortised prior to the conclusion of appraisal activities.

Treatment of E&E assets at the conclusion of appraisal activities

Intangible E&E assets relating to each exploration licence/prospect are carried forward until the existence (or otherwise) of commercial reserves has been determined, subject to certain limitations including review for indications of impairment. If commercial reserves are discovered the carrying value, after any impairment loss of the relevant E&E assets, is then reclassified as development and production assets. If, however, commercial reserves are not found, the capitalised costs are charged to expense after conclusion of appraisal activities.

Development and production assets

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

The cost of development and production assets also includes the cost of acquisitions and purchases of such assets, directly attributable overheads and the cost of recognising provisions for future restoration and decommissioning.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Decommissioning liability

Where a material liability for the removal of production facilities and site restoration at the end of the productive life of the assets exist, a provision for decommissioning liability is recognised. The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements. An intangible asset of an amount equivalent to the provision is recognised and depreciated on a unit production basis. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated intangible asset. Period changes in the present value arising from discounting are included in depletion, depreciation and amortisation cost in cost of sales.

Commercial reserves

Commercial reserves are proven and probable oil and gas reserves, which are defined as the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible.

Depletion, amortisation and impairment of oil and gas assets

All expenditure carried within each field is amortised from the commencement of production on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of commercial reserves at the end of the period plus the production in the period, on a field-by-field basis. Costs used in the unit of production calculation comprise the net book value of capitalised costs plus the estimated future field development costs to access the related commercial reserves. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively.

Where there has been a change in economic conditions that indicates a possible impairment in an oil and gas asset, the recoverability of the net book value relating to that field is assessed by comparison with the estimated discounted future cash flows based on management's expectations of future oil and gas prices and future costs. Any impairment identified is charged to the income statement as additional depletion and amortisation. Where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the income statement, net of any depreciation that would have been charged since the impairment.

Share-based compensation

The fair value of the employee and suppliers' services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting year is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Share-based compensation (continued)

The fair value of share-based payments recognised in the statement of comprehensive income is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarks against peer companies in the industry.

The Group does not operate any cash-settled share-based payments and as such are not affected by the amendments to IFRS 2 – Share-based payments.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable in relation to the proceeds by the prospects which the company has a working interest in. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group. Revenue is recognised when the oil and gas produced is despatched and received by the customers. The directors consider this the point when the Company's performance obligation is satisfied.

The directors consider that revenue generation is exclusively for oil production in the US and so no further segmentation is required.

Leased assets

The Group as a lessee

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

1. Summary of significant accounting policies (continued)

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in trade and other payables.

Notes to the Financial Statements (continued)

For the year ended 31 December 2025

2. Critical accounting estimates and judgements

The preparation of consolidated financial statements requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgments 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. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below:

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is determined based on value in use calculations prepared on the basis of management's assumptions and estimates.

Recoverability of exploration and evaluation costs

E&E assets are assessed for impairment when circumstances suggest that the carrying amount may exceed their recoverable value, including decommissioning costs. This assessment involves judgment as to (i) the likely future commerciality of the asset and when such commerciality should be determined, and (ii) future revenues and costs pertaining to the asset in question, and the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value.

Share-based payments

Note 1 sets out the Group's accounting policy on share-based payments, specifically relating to the share options and warrants granted by the Company. The key assumptions underlying the fair value of such share-based payments are discussed in note 23. The fair value amounts used by the Group have been derived by external consultants using standard recognised valuation techniques.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

3. Segmental analysis

In the opinion of the directors, the Group has one class of business, being the exploitation of hydrocarbon resources.

The Group's primary reporting format is determined by geographical segment according to the location of the hydrocarbon assets. The Group's reportable segments under IFRS 8 in the year are as follows:

United Kingdom - being the location of the head office.

US Mid-Continent properties at year end included the following:

- East Texas: 100% working interest in the Pine Mills oilfield
- East Texas: 32.5% working interest in the Cypress farmout area of Pine Mills
- West Texas: 53% working interest leases located in the Permian Basin
- South Texas: 100% working interest in the Caballos Creek oilfield

The chief operating decision maker's internal report for the year ended 31 December 2025 is based on the location of the oil properties as disclosed in the below table:

SEGMENTAL RESULTS	US mid-continent 2025 $'000	Head office 2025 $'000	Total 2025 $'000
Operating profit (loss) before depreciation, well impairment, share-based payment charges, restructuring costs and gain (loss) on sale of assets and foreign exchange:	25	(1,187)	(1,162)
Depreciation of tangibles	(396)	-	(396)
Amortisation of intangibles	(267)	-	(267)
Share based payments	-	(18)	(18)
Other movements	-	(1)	(1)
Foreign exchange gain / (loss)	-	6	6
Operating loss	**(638)**	**(1,200)**	**(1,838)**
Finance expense	(360)	(2)	(362)
Other income	-	22	22
Loss before taxation	**(998)**	**(1,180)**	**(2,178)**

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

3. Segmental analysis (continued)

SEGMENTAL ASSETS	US mid-continent 2025 $'000	Head office 2025 $'000	Total 2025 $'000
Property, plant and equipment	971	-	971
Intangible assets	2,655	-	2,655
Cash and cash equivalents	92	25	117
Trade and other receivables	448	34	482
	4,166	**59**	**4,225**

The chief operating decision maker's internal report for the year ended 31 December 2024 is based on the location of the oil properties as disclosed in the below table:

SEGMENTAL RESULTS	US mid-continent 2024 $'000	Head office 2024 $'000	Total 2024 $'000
Operating profit (loss) before depreciation, well impairment, share-based payment charges, restructuring costs and gain (loss) on sale of assets and foreign exchange:	700	(1,098)	(398)
Depreciation of tangibles	(383)	-	(383)
Amortisation of intangibles	(253)	-	(253)
Share based payments	-	(41)	(41)
Foreign exchange gain (loss)	-	(26)	(26)
Operating profit/(loss)	**64**	**(1,164)**	**(1,100)**
Finance expense	(402)	(7)	(409)
Other income	-	-	-
Profit/(loss) before taxation	**(338)**	**(1,171)**	**(1,509)**
SEGMENTAL ASSETS			
Property, plant and equipment	1,196	-	1,196
Intangible assets	2,517	-	2,517
Cash and cash equivalents	13	93	106
Trade and other receivables	448	30	478
	4,174	**123**	**4,297**

Revenue of $1,514,000 (2024: $2,038,000) has been allocated to the US mid-continent segment.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

4. Employees and Directors

	2025 $'000	2024 $'000
Directors' fees	63	120
Directors' remuneration	188	230
Social security costs	15	9
	266	**359**

	2025 Number	2024 Number
The average monthly number of employees (including directors) during the year was as follows:		
Directors	3	4

Directors' remuneration

Other than the directors, the Group had no other employees. Total remuneration paid to directors during the year was as listed above.

The director's emoluments and other benefits for the year ended 31 December 2025 is as follows:

	2025 $'000	2024 $'000
P Welch	188	136
J Newman	-	-
S Staley	63	64
J Stafford	-	39
M B Lofgran	-	111

5. Finance expense

	2025 $'000	2024 $'000
Finance expense	362	409

Finance expense relates to interest charged on borrowings. Further details for which can be found in note 18.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

6. Other income

	2025 $'000	2024 $'000
Other income	22	-
	22	**-**

Other income relates to VAT refunds received during the year in respect of amounts previously written off in prior years.

7. Operating loss

	2025 $'000	2024 $'000
The operating loss the year ended 31 December is stated after Charging:		
Depreciation of property, plant, and equipment	396	383
Amortisation of intangibles	267	253
Depletion	51	45
Well impairment	-	-
Total depletion, depreciation, amortisation	713	681

The analysis of administrative expenses in the consolidated income statement by nature of expense:		
Directors' remuneration	188	230
Social security costs	15	9
Directors' fees	63	120
Travelling and entertainment	24	23
Accountancy fees	86	61
Legal and professional fees	261	204
Auditors' remuneration	22	22
Loss on disposal of assets	288	83
Other expenses	433	425
Total administrative expenses	**1,380**	**1,177**

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

8. Income tax

The income tax charge for the year was as follows:	2025 $'000	2024 $'000
Current tax	-	-
Corporation tax	-	-
Overseas corporation tax	-	-
TOTAL	**-**	**-**
Loss before tax	(2,178)	(1,509)
Loss on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 25% (2024:25%)	(544)	(377)
Effects of:		
Non-deductible expenses	5	10
Other tax adjustments	539	367
CURRENT TAX CHARGE	**-**	**-**

At 31 December 2025, the Group had an estimated tax losses to carry forward of $10,003,000 (2024: $7,844,000). The deferred tax asset at 25% (2024: 25%) on these tax losses of $2,501,000 (2024: $1,961,000) has not been recognised due to the uncertainty of recovery. The current US corporate tax rate is 21%.

9. Loss of Parent Company

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was $1,178,000 (2024: $1,172,000).

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

10. Earnings per share

The calculation of earnings per ordinary share is based on earnings after tax and the weighted average number of ordinary shares in issue during the year. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group had two classes of dilutive potential ordinary shares, being those share options granted to employees and suppliers where the exercise price is less than the average market price of the Group's ordinary shares during the year, and warrants granted to directors and one former adviser.

Details of the adjusted earnings per share are set out below:

GROUP	**2025**	**2024**
Loss attributable to ordinary shareholders ($'000)	**(2,178)**	**(1,509)**
Weighted average number of shares	**8,772,170,158**	**1,925,182,923**
CONTINUED OPERATIONS: **BASIC AND DILUTED EPS – LOSS (cents)**	**(0.02)**	**(0.08)**

The diluted loss per share is the same as the basic loss per share as the loss for the year has an antidilutive effect.

	2025 **$'000**	**2024** **$'000**
Gross Profit/loss before depreciation, depletion, amortisation and impairment	**267**	**824**
EPS on gross loss before depreciation, depletion, amortisation and impairment (cents)	**0.003**	**0.04**
RECONCILIATION FROM GROSS LOSS TO GROSS LOSS BEFORE DEPLETION, DEPRECIATION, AMORTISATION AND IMPAIRMENT		
Gross profit / (loss)	(446)	143
ADD BACK:		
Exploration	-	-
Well impairment	-	-
Depletion, depreciation and amortisation	713	681
Gross loss before depletion, depreciation, amortisation and impairment	267	824

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

11. Intangible assets

GROUP	Licences $'000	Exploration & evaluation assets $'000	Development & production assets $'000	Total $'000
COST				
At 1 January 2024	**524**	**1,939**	**4,708**	**7,171**
Additions	-	106	349	454
Disposals	-	-	(98)	(98)
At 31 December 2024	**524**	**2,045**	**4,958**	**7,527**
Additions	-	-	611	611
Other movements	-	-	2	2
Disposals	-	(106)	(1,107)	(1,213)
At 31 December 2025	**524**	**1,939**	**4,464**	**6,927**
PROVISION				
At 1 January 2024	524	1,939	2,318	4,781
Charge for the year	-	-	253	253
Impairment	-	-	-	-
Disposals	-	-	(24)	(24)
At 31 December 2024	**524**	**1,939**	**2,547**	**5,010**
Charge for the year	-	-	162	162
Impairment	-	-	-	-
Disposals	-	-	(901)	(901)
At 31 December 2025	**524**	**1,939**	**1,809**	**4,272**
CARRYING VALUE				
At 31 December 2025	**-**	**-**	**2,655**	**2,655**
At 31 December 2024	-	106	2,411	2,517

The Group assesses at each reporting date whether there is an indication that the intangible assets may be impaired, by considering the net present value of discounted cash flows forecasts. If an indication exists an impairment review is carried out by reference to available engineering information.

Amortisation, impairment charges and any profit or loss on disposal of the capitalised intangible costs is included within cost of sales in the consolidated income statement.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

11. Intangible assets (continued)

COMPANY	Development & production assets $'000	Total $'000
COST		
At 1 January 2024	**398**	**398**
Additions	-	-
Disposals	-	-
At 31 December 2024	**398**	**398**
Additions	-	-
Disposals	-	-
At 31 December 2025	**398**	**398**
PROVISION		
At 1 January 2024	135	135
Charge for the year	39	39
Impairment	-	-
Disposals	-	-
At 31 December 2024	**174**	**174**
Charge for the year	38	38
Impairment	-	-
Disposals	-	-
At 31 December 2025	**212**	**212**
CARRYING VALUE		
At 31 December 2025	**186**	**186**
At 31 December 2024	224	224

The Company assesses at each reporting date whether there is an indication that the intangible assets may be impaired, by considering the net present value of discounted cash flows forecasts. If an indication exists an impairment review is carried out by reference to available engineering information.

Amortisation, impairment charges and any profit or loss on disposal of the capitalised intangible costs is included within cost of sales in the consolidated income statement.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

12. Property, plant and equipment

GROUP	Office space – right of use $'000	Plant & equipment – oil and gas assets $'000	Total $'000
COST			
At 1 January 2024	**48**	**2,503**	**2,551**
Additions	-	530	530
Disposals	-	(250)	(250)
At 31 December 2024	**48**	**2,783**	**2,831**
Additions	-	269	269
Disposals	-	(177)	(177)
At 31 December 2025	**48**	**2,875**	**2,923**
DEPRECIATION			
At 1 January 2024	**48**	**1,273**	**1,321**
Charge for the year	-	382	382
Disposals	-	(68)	(68)
At 31 December 2024	**48**	**1,587**	**1,635**
Charge for the year	-	396	396
Disposals	-	(79)	(79)
At 31 December 2025	**48**	**1,904**	**1,952**
CARRYING VALUE At 31 December 2025	-	**971**	**971**
At 31 December 2024	-	1,196	1,196

Depreciation charges are included within cost of sales in the Consolidated Income Statement.

In addition, the directors are of the opinion that no impairment should be provided.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

12. Property, plant and equipment (continued)

COMPANY	Plant & equipment – oil and gas assets $'000	Total $'000
COST		
At 1 January 2024	**182**	**182**
Additions	-	-
Disposals	-	-
At 31 December 2024	**182**	**182**
Additions	-	-
Disposals	-	-
At 31 December 2025	**182**	**182**
DEPRECIATION		
At 1 January 2024	**52**	**52**
Charge for the year	18	18
Disposals	-	-
At 31 December 2024	**70**	**70**
Charge for the year	18	18
Disposals	-	-
At 31 December 2025	**88**	**88**
CARRYING VALUE		
At 31 December 2025	**94**	**94**
At 31 December 2024	112	112

Depreciation charges are included within cost of sales in the Consolidated Income Statement.

In addition, the directors are of the opinion that no impairment should be provided.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

13. Leases

The Group has a lease for the office space in Dallas, Texas, USA. The Company has entered into short-term lease effective from 1 February 2023 and is annually renewed. The Group does not hold any other office leases. No lease liabilities are presented in the Statement of Financial Position.

14. Fixed Asset Investments

COMPANY	Investment in subsidiaries $'000	Loans to subsidiaries $'000	Total $'000
COST			
At 1 January 2024	**1**	**15,434**	**15,435**
Additions	-	-	-
Reductions	-	-	-
At 31 December 2024	**1**	**15,434**	**15,435**
Additions	-	-	-
Disposals	-	-	-
At 31 December 2025	**1**	**15,434**	**15,435**
PROVISON			
At 1 January 2024	**(1)**	**(15,434)**	**(15,435)**
Charge for the year	-	-	-
Reductions	-	-	-
At 31 December 2024	**(1)**	**(15,434)**	**(15,435)**
Charge for the year	-	-	-
Reductions	-	-	-
At 31 December 2025	**(1)**	**(15,434)**	**(15,435)**
CARRYING VALUE			
At 31 December 2025	**-**	**-**	**-**
At 31 December 2024	-	-	-

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

14. Fixed Asset Investments (continued)

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the statement of financial position.

Historically, loans to participating interests are reported as an increase in the Company's investment in the joint venture but have been provided for. As the Group acquired 100% shareholding in the joint venture in 2017 this balance had been transferred to loan to subsidiaries.

The details of the subsidiaries held at 31 December 2025 are as set out below:

	Shareholding	Country of incorporation	Nature of business
New Horizon Energy 1 LLC (NHE)	100%	USA	Oil & gas exploration
Buccaneer Operating, LLC (Buccaneer LLC)	100%	USA	Oil & gas exploration

15. Trade and other receivables

	GROUP		COMPANY	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
CURRENT				
Trade receivables	90	103	-	-
Other receivables	392	376	34	30
	482	**479**	**34**	**30**

The directors consider the carrying value of the receivables to approximate their fair value.

16. Cash and cash equivalents

	GROUP		COMPANY	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Bank current accounts	117	106	25	93

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

17. Trade and other payables

	GROUP		COMPANY	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
CURRENT				
Trade payables	849	729	654	554
Amounts owed to group undertakings	-	-	1,732	2,748
Accruals and deferred income	72	71	38	37
Other taxes payables	-	3	-	3
Other payables	51	119	51	119
	972	**922**	**2,475**	**3,461**
NON CURRENT				
Decommissioning liability	**451**	**428**	**53**	**42**

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going expenses. The directors consider that the carrying amount of trade and other payables approximates their fair value.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and on-going expenses. The directors consider that the carrying amount of trade and other payables approximates their fair value.

The decommissioning liability has been calculated at a discount rate of 10% and an inflation factor of 3%. This is comparable to the Group's options at the time of the well in-service dates.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

18. Financial liabilities - borrowing

Maturity of the borrowings is as follows:	GROUP		COMPANY	
	2025	2024	2025	2024
	$'000	$'000	$'000	$'000
Repayable within one year				
Bank loan	-	-	-	-
Other loans	-	49	-	49
Repayable after one year				
Bank loan	4,247	4,247	-	-
Other loans	-	-	-	-
	4,247	**4,296**	**-**	**49**

Borrowings include a facility where the loans are secured against the Group's interest in its assets. At the year end the outstanding balance was $4,247,000 (2024: $4,247,000). Interest is currently charged for any day per annum at 7%. In January 2025 the nominal facility of $10 million was extended by three years to 29 January 2028. The Borrowing Base was determined to be US $10,452,850 based on improved production and cashflow during 2024. The size of the Facility and Borrowing Base will be reassessed at least twice yearly. The Board anticipates the Facility and Borrowing Base will increase as the Company's production and reserves increase.

The Group also had no other loans outstanding with a balance as at the year-end of $Nil (2024: $49,000, with an 8% interest rate per year),

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

19. Share capital

Number	Class	Nominal value	2025 $'000	2024 $'000
14,736 million (2024: 4,775 million)	Ordinary	£0.00010	1,989	673
4,110 million (2024: 4,110 million)	Deferred	£0.00098	6,549	6,549
1,022 million (2024: 1,022 million)	Deferred	£0.00090	1,749	1,749

During the year there were a number of shares Issues:

- 4 March 2025 – 2,173,913,043 new ordinary shares issued at £0.00023 in respect of fund raise.
- 19 August 2025 – 4,400,000,000 new ordinary shares issued at £0.00015. 4,000,000,000 were fund raise shares, 400,000,000 were in lieu of fees shares.
- 5 September 2025 – 175,000,000 new ordinary shares issued at £0.00018 in lieu of media services.
- 3 November 2025 – 3,211,185,383 new ordinary shares issued at £0.00017. 2,961,185,383 were fund raise shares & 250,000,000 fee in lieu of marketing shares.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

20. Risk and sensitivity analysis

The Group's activities expose it to a variety of financial risks: interest rate risk, liquidity risk, foreign currency risk, capital risk and credit risk. The Group's activities also expose it to non-financial risks: market, legal and environment risk. The Group's overall risk management programme focuses on unpredictability and seeks to minimise the potential adverse effects on the Group's financial performance. The board, on a regular basis, reviews key risks and, where appropriate, actions are taken to mitigate the key risks identified.

Capital risk

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Market risk

The Group also faces risks in conducting operations in US mid-continent, which include but are not limited to:

- Fluctuations in the global economy could disrupt the Group's ability to operate its business in the US Mid-Continent and could discourage foreign and local investment and spending, which could adversely affect its production.

Environmental risk

The Group faces environmental risks in conducting operations in the US Mid-Continent which include but are not limited to:

- If the Group is found not to be in compliance with applicable laws or regulations, it could be exposed to additional costs, which might hinder the Group's ability to operate its business.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

20. Risk and sensitivity analysis (continued)

Volatility of crude oil prices

A material part of the Group's revenue will be derived from the sale of oil that it expects to produce. A substantial or extended decline in prices for crude oil and refined products could adversely affect the Group's revenues, cash flows, profitability and ability to finance its planned capital expenditure. West Texas Intermediate ("WTI") oil prices ranged from $78.68 to $55.27 in 2025 and $66.37.25 to $85.35 in 2024. The Group had no hedging activity during 2025.

Interest rate risk

The Group does not hedge this risk. At 31 December 2025, the Group had borrowings of $4,247,000 (2024: $4,296,000), with total interest for the year of $362,000 (2024: $409,000). A 100-basis point change in the rates will increase /(decrease) finance costs by $42,470.

Liquidity risk

The Group expects to fund its exploration and development programme, as well as its administrative and operating expenses throughout 2026, principally using existing working capital and expected proceeds from the sale of future crude oil production. The Group had a bank balance of approximately $117,000 at 31 December 2025 (2024: $106,000).

Cash flow risk

The Group expects to have sufficient working capital to continue operations and to remain cash flow positive through 2026. This will be continuously monitored and reviewed by the directors through the inclusion of regular cash flow forecasts in management reports.

21. Financial commitments

Capital commitments

The Group had no material capital commitments at the year-end.

22. Related party transactions

Group

No related party transactions other than those highlighted below.

Company

At the year end, the Company owed its subsidiaries $1,732,000 (2024: $2,747,000) in respect of intercompany loans that are unsecured and interest-free.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

23. Share-based payments

The Group has a share-ownership compensation scheme for senior executives of the Group whereby senior executives may be granted options to purchase ordinary shares in the Company. The Group has previously issued warrants to senior executives as a welcome incentive and to third parties as consideration for their services. A share-based payment charge of $18,463 (2024: $40,647) for share options was expensed during the year.

Date of grant	At 31.12.24	Granted	Exercised	Expired	At 31.12.25	Exercise price	Exercise/ vesting date	
						pence	From	To
Warrants								
11/01/24	17,000,000		-	-	17,000,000	0.012*	11/01/24	10/01/27
29/07/24	41,000,000		-	-	41,000,000	0.03	29/07/24	28/07/26
19/08/25		260,000,000			260,000,000	0.02	19/8/25	18/08/27
03/11/25		81,529,411			81,529,411	0.02	03/11/25	02/11/27
Options								
04/06/18	9,500,000	-	-	9,500,000	-	0.5*	04/06/18	03/06/25
29/09/20	5,000,000	-	-	5,000,000	-	0.05*	29/09/20	29/09/27
29/09/20	5,000,000	-	-	5,000,000	-	0.075*	29/09/20	29/09/27
29/09/20	5,000,000	-	-	5,000,000	-	0.1*	29/09/20	29/09/27
29/09/20	733,333	-	-	-	733,333	0.05*	29/09/20	29/09/27
29/09/20	733,333	-	-	-	733,333	0.075*	29/09/20	29/09/27
29/09/20	733,334	-	-	-	733,334	0.1*	29/09/20	29/09/27
29/09/20	1,666,666	-	-	-	1,666,666	0.05*	29/09/20	29/09/27
29/09/20	1,666,667	-	-	-	1,666,667	0.075*	29/09/20	29/09/27
29/09/20	1,666,667	-	-	-	1,666,667	0.1*	29/09/20	29/09/27
29/09/20	1,333,333	-	-	1,333,333	-	0.05*	29/09/20	29/09/27
29/09/20	1,333,333	-	-	1,333,333	-	0.075*	29/09/20	29/09/27
29/09/20	1,333,334	-	-	1,333,334	-	0.1*	29/09/20	29/09/27

* Prices have been divided by 10 to reflect the subdivision of Ordinary Shares from 0.1p to 0.01p on 19 July 2024.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

23. Share-based payments (continued)

The total number of options and warrants outstanding at 31 December 2025 and 31 December 2024 are as follows:

Total at 31 December 2025: 406,729,411

Total at 31 December 2024: 93,700,000

The number of options and warrants outstanding to the directors at the year-end were as follows:

Director	Warrants		Options		Total Warrants & Options	
	2025	2024	2025	2024	2025	2024
M Lofgran	-	-	-	21,000,000	-	21,000,000
S Staley	-	-	5,000,000	5,000,000	5,000,000	5,000,000
J Stafford	-	-	-	5,500,000	-	5,500,000
Total	**-**	**-**	**5,000,000**	**31,500,000**	**5,000,000**	**31,500,000**

The estimated fair value of the warrants issued in previous years was calculated by applying the Black-Scholes option pricing model. Volatility is based on historic share prices of the Company. The assumptions used in the calculation were as follows:

Warrants	19 Aug 2025	03 Nov 2025
Share price at grant date	0.015p	0.017p
Exercise price	0.015p*	0.017p
Option life in years	2 years	2 years
Risk free rate	3.99%	3.99%
Expected volatility	84%	128%
Expected dividend yield	0%	0%
Fair value of option/warrant	0.006p	0.010p
Weighted average remaining life (years)	1.63	1.84

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

23. Share-based payments (continued)

Options	28 Oct 2014	4 June 2018 - Directors	29 Sep 2020	29 Sep 2020
Share price at grant date	2.65p	2.50p	0.38p	0.38p
Exercise price	0.04p*	0.5p*	0.05p*	0.075p*
Option life in years	10 years	7 years	7 years	7 years
Risk free rate	1%	1%	1%	1%
Expected volatility	50%	50%	50%	50%
Expected dividend yield	0%	0%	0%	0%
Fair value of option/warrant	0.13p	1.85p	0.16p	0.50p
Weighted average remaining life (years)	-	0.43	2.75	2.75

Options	29 Sep 2020
Share price at grant date	0.38p
Exercise price	0.1p*
Option life in years	7 years
Risk free rate	1%
Expected volatility	50%
Expected dividend yield	0%
Fair value of option/warrant	0.26p
Weighted average remaining life (years)	2.75

* Prices have been divided by 10 to reflect the subdivision of Ordinary Shares from 0.1p to 0.01p on 17 July 2024.

Notes to the Financial Statements (continued)
For the year ended 31 December 2025

24. Contingent liabilities and guarantees

Other than the matter disclosed below, the Group has no contingent liabilities in respect of legal claims arising from the ordinary course of business and it is not anticipated that any material liabilities will arise from contingent liabilities other than those provided for.

On 2 September 2024, the Company terminated a 6-month consulting agreement that it had entered into with its former CEO, Matthew Blaine Lofgran, following his resignation on 19 May 2024. The Board of Directors terminated this agreement due to several material breaches of its terms by Mr. Lofgran. Mr. Lofgran is disputing this termination and has filed a case with the County Court in London on June 16, 2025, for damages totalling £68,343.16. The Company believes that his case is without merit and plans to defend its position vigorously.

25. Ultimate controlling party

The Company is quoted on the AIM market of the London Stock Exchange. At the date of the annual report there was no one controlling party.

26. Events after the reporting period

On 2 March 2026 the Company raised £350,000 (before expenses) through a subscription and placing of 3,500,000,000 new ordinary shares at a price of 0.01p per share. Part of the funds were used in the acquisition of a 100% working interest in the Carlisle-1 well located in the Fouke area of the Pine Mills field. The transaction closed on 13 March 2026, with an effective date of 1 January 2026.