JERSEY OIL AND GAS PLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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FOR THE SIX MONTHS ENDED 30 JUNE 2024

Highlights

- Significant progress has been made across all engineering, subsurface and regulatory workstreams to position the Buchan Horst ("Buchan") project for formal approval

- The Company has been fully carried for its share of the £22 million that has been spent to date on the current phase of activities by the Buchan joint venture as a result of the farm-out agreements with NEO Energy ("NEO") and Serica Energy ("Serica")

- Multiple regulatory submissions have been made as part of moving towards Field Development Plan ("FDP") approval - a draft FDP to the North Sea Transition Authority, an Environmental Impact Assessment to the Offshore Major Accident Regulator and a "Relocation Notice" to the Health & Safety Executive concerning the floating production, storage and offloading vessel

- As at 30 June 2024, the Company had a cash balance of approximately £13 million and no debt. This reflects £5.5 million received during the first half of the year as a result of completing the Greater Buchan Area farm-out transaction with Serica

- The Company benefits from no financial exposure to its 20% share of the Buchan project's costs as a result of the farm-outs that have been completed with NEO and Serica

- Whilst clarity is awaited on the fiscal and regulatory uncertainties currently facing the UK's oil and gas industry, work on the project is being slowed down by the Buchan Operator and a licence extension is being requested

- Actions are being taken to further reduce the cash costs of the business in the near term ahead of Buchan FDP approval. Through various measures, including a reduction in salaries, staff and Director numbers, the cash costs of the business are forecast to fall by 50% from £3 million a year to under £1.5 million in 2025

- While the Company continues to seek compelling M&A opportunities that could bring cash flow, portfolio diversification and quality investment opportunities into the business, it is now looking through a wider lens than the historic focus on purely UK oil and gas assets

Andrew Benitz, CEO of Jersey Oil & Gas, commented:

"The first half of the year has been marked by both highs and lows for the Company. In February 2024, we celebrated completion of our second GBA farm-out transaction to Serica Energy. Critically, this enabled us to secure a fully funded 20% interest in the Buchan development project. This achievement was testament to the quality of the asset we have nurtured from inception and to the expertise and tenacity of the team.

The high of this farm-out success has been tempered over the course of the year by the fiscal and political turmoil the UK oil and gas industry has faced. Whilst demand for hydrocarbons continues during the energy transition, developing homegrown energy provides the UK with a cleaner and more secure solution than relying on carbon intensive imported fuels. The Buchan project has the potential to create over 1,000 jobs across many parts of the UK supply chain and over 200 project related jobs, attract private investment of around £1 billion into the UK economy, generate hundreds of millions in UK tax revenues and deliver accelerated investment in new offshore renewable electricity generation.

Against that backdrop, we hope that the Government will ensure that sense prevails and the right fiscal and regulatory environment is established to enable the UK's oil and gas industry to continue being a highly valuable contributor to the economy for years to come, whilst we transition to a lower carbon economy."

Following a transformational year for the Company in 2023, the start of 2024 commenced in a similar fashion with the farm-out of a further 30% interest in the Greater Buchan Area ("GBA") licences to Serica Energy (UK) Limited ("Serica") being successfully completed. This represented a key moment for the business, as it provided the Company with a fully funded solution for the planned redevelopment of the Buchan Horst ("Buchan") field. In addition to delivering a further upfront cash payment of nearly £6 million plus additional contingent cash payments, completing this farm-out secured the ability for our shareholders to access the significant potential upside associated with achieving a full carry for our remaining share of this substantial investment programme through to first production.

Following the success in achieving this major strategic milestone, the Company and the wider UK North Sea oil and gas industry have subsequently been impacted by the need to navigate an increasingly difficult and evolving UK political and fiscal backdrop.

Buchan Redevelopment Project's Progress
Since the start of the year, a significant amount of work has been completed by NEO Energy ("NEO"), as Operator of the GBA licences, on maturing the requisite engineering and plans for the sanction of the Buchan project. The plans involve the redeployment of the "Western Isles" Floating Production, Storage and Offloading vessel ("FPSO") as a production processing facility located over the Buchan field, with up to five gas-lifted production wells, supported by two water injection wells, connected via subsea infrastructure to the vessel. Following processing on the FPSO, the produced oil is to be exported via shuttle tankers and gas via a pipeline connection to nearby infrastructure. The Company has been fully carried for its share of the £22 million that has been spent to date on the current phase of activities by the Buchan joint venture as a result of its farm-out agreements with NEO and Serica.

During the first half of the year, the focus of the main workstreams has been on completion of the necessary engineering and subsurface studies that are required to be able to prepare the development plan for sanction by the partners and regulatory authorities, such that the project can then move into the execution phase of activities. Front End Engineering and Design ("FEED") studies have been completed with input from a number of specialist engineering companies. These studies have been key to defining the appropriate solutions for the design of the wells, the subsea infrastructure and the necessary FPSO modification and life extension works. Alongside this activity, the Operator has also completed offshore surveys in order to gather the geotechnical and geophysical data that is required for the subsea and drilling rig contract tendering processes and to inform the FPSO mooring design.

There has been significant engagement between the joint venture partners throughout the FEED process, particularly around the key strategic engineering decisions and the plans for making the FPSO "electrification-ready" ahead of deployment. This engagement represents an important element of the assurance and peer review process that both JOG and Serica are required to complete in order to properly participate in the project sanction and regulatory approval processes.

As part of the wider project workstreams, in July 2024 the FPSO was moved from its operational location at the Western Isles fields in the UK Northern North Sea to Scapa Flow in the Orkney Isles by its existing Operator, Dana Petroleum (E&P) Limited ("Dana"). This marked an important step in the activities that are being completed by Dana in preparation for handover of the vessel to NEO following regulatory approval of the Buchan Field Development Plan ("FDP"). Alongside this work, NEO submitted a "Relocation Notification" to the Health & Safety Executive, in its role as the Offshore Major Accident Regulator, which was accepted, confirming the suitability of the FPSO's design for its proposed location on the Buchan field.

Following submission of the draft FDP to the North Sea Transition Authority ("NSTA") at the end of 2023, the Operator has been actively engaging with the regulator on addressing its subsurface and engineering evaluations concerning the development plan. In addition, the specification of the "Field Determination Area", which defines the maximum geological boundary of the field, has been agreed with the NSTA and this forms part of the required inputs to the formal FDP approval process. Finalisation of the FDP is advancing well, with the key remaining workstreams being completion of the subsurface studies required to finalise the drilling programme, operational verification of the FPSO now that it has reached its stacking location and finalisation of the overall capital expenditure forecast based on the FEED studies and the project's schedule.

As part of preparing for obtaining regulatory approval of the Buchan FDP, the required Environmental Impact Assessment ("EIA") was issued to the Offshore Petroleum Regulator for the Environment and Decommissioning ("OPRED") for public consultation early in the year. Regular engagement with OPRED has continued since then, with a view to closing out the environmental approval process ahead of year end. However, as announced in September 2024, this target has now been delayed following the UK Government's announcement that it is to launch a consultation on new environmental guidance for oil and gas firms in light of the recent Supreme Court "Finch" judgment requiring regulators to consider the impact of combustion of produced hydrocarbons, Scope 3 emissions, in the EIA for new projects. The Government is aiming to conclude its consultation by Spring 2025.

As a result of the consultation timeline, it is apparent that approval of the Buchan EIA and subsequent approval of the FDP will not be possible ahead of Spring 2025. Consequently, completion of the pre-sanction project activities are being materially slowed down by Buchan's Operator, pending the outcome of both the forthcoming UK Government's October Budget, particularly any potential additional changes to the Energy Profits Levy, and the environmental guidance consultation.

In light of the restrictions on the ability to achieve regulatory approval within the current "Second Term" of the Buchan licence (P2498), which runs until 28 February 2025, the joint venture has requested a licence extension from the NSTA. The Second Term defines the time period in which FDP approval for a field should be achieved, following which a licence moves into the "Third Term", which covers the development and production phase of activities for the life of the field.

Developing Homegrown Energy

Jersey Oil and Gas was awarded the Buchan licence in 2019 and was set the task of delivering a low carbon, area-wide offshore energy hub. Now in partnership with NEO and Serica, we have developed an investment opportunity through the Buchan project that has the potential to create over 1,000 jobs across many parts of the UK supply chain and over 200 project related jobs, private investment of around £1 billion into the UK economy, generate hundreds of millions in UK tax revenues and deliver accelerated investment in new offshore renewable electricity generation.

From inception we have had a low carbon vision for our project with plans to electrify the production facilities and power them from new offshore wind energy. This represents a significant step forward for the future of the UK North Sea, where the Buchan project is facilitating investment into cutting edge floating offshore wind. This innovative and collaborative approach with partners in the renewable sector is a clear demonstration of energy transition in action that the UK should be proud to champion.

Over recent years, the landscape in the UK North Sea has dramatically shifted away from "Big Oil" to smaller British independents like JOG, that are fully invested in UK waters. Successive unwarranted fiscal raids on our domestic energy industry is disproportionately damaging to these companies, which collectively account for the majority of current production in the region, as well as representing the primary source of future investment potential. With economic growth at the heart of the new UK Government's agenda, it is hoped that the on-going fiscal and environmental reviews that the Government is consulting on will not lose sight of the essential importance of implementing measures that support investment, jobs and the acceleration of economic value creation for the UK economy. Along with our joint venture partners, over the last twelve months we have been actively engaging with the Government on the critical issues facing the industry and will continue to do so as the consultations progress.

Financial Review

The Company's cash position was approximately £13.0 million as of 30 June 2024 (31 December 2023: £10.5 million) including £11.0 million (31 December 2023: £5.0m) in term deposits. The cash position grew due to £5.5 million (H1 2023: £1.7 million) of transaction proceeds being received following the completion of the Serica farm-out and interest received on the cash and term deposits of £0.2 million (H1 2023: £Nil). These were partially offset by cash outflows of £3.1 million. JOG had no production revenue during the period.

The underlying cash expenditure incurred in running the business in the first half of 2024 was down 17% from the same period last year at £1.5 million (H1 2023: £1.8 million) - this was in turn a 15% reduction from the first half of 2022. During the first six months of the year there were also transaction costs of £1.2 million associated with the Serica farm-out, which crystallised upon completion of the deal in February 2024. In addition, there was a non-cash share-based compensation charge of £0.5 million (H1 2023: £1 million). There were no share options issued in the period. These business costs are partially recognised as Administrative Expenses through the Profit and Loss account, £2.8 million (H1 2023: £2.9 million) and partially capitalised on the Balance Sheet as Intangible Asset Additions, £0.4 million (H1 2023: £0.6 million).

The loss for the period, before and after tax, was approximately £2.6 million (H1 2023: £2.9 million).

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

In light of the recently announced slow down in Buchan project activities, the Company will implement a number of measures to further reduce the cash costs of running the business for a period of time. These measures are forecast to result in the cash costs falling by 50% from the current underlying level of £3 million a year to under £1.5 million.

- The Board of Directors is to be reduced to four individuals through the planned forthcoming retirement of a Non-Executive Director;
- All remaining staff and Directors' salaries are being reduced by 50%; and
- Corporate and operational running costs are forecast to be reduced by a further £0.5 million.

Summary and Outlook

As an entrepreneurial company that has grown from humble beginnings to being on the cusp of delivering a material investment project that has the potential to deliver significant value to all our stakeholders, we have demonstrated the strength and skills that lie within the business to be a corporate success.

We will continue to work tirelessly in our efforts to drive the Buchan development to a successful conclusion over the coming months, alongside setting the right long term future direction for the business. While we continue to seek compelling M&A opportunities that could bring cash flow, portfolio diversification and quality investment opportunities into the business, the Company is now looking through a wider lens than the historic focus on purely UK oil and gas assets.

While our short term success is clearly dependent on the UK Government making sensible fiscal and regulatory decisions that harness the value that can be generated from a managed energy transition that works in tandem with the undeniable benefits that the oil and gas industry can continue to provide, our long term success lies in our own hands. The JOG team has demonstrated through our achievements to date that the Company has the skills and capabilities to deliver upon the strategic imperatives of a well-defined business plan. Accordingly, as we shape our next steps, we will draw upon those key resources to maximise the long term value of the business for our shareholders.

We greatly appreciate and value the support and patience we have received from our shareholders at this complicated time for the industry

Les Thomas
Non-Executive Chairman

Andrew Benitz
Chief Executive Officer

18 September 2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	6 months to 30/06/24 (unaudited) £	6 months to 30/06/23 (unaudited) £	Year to 31/12/23 (audited) £
Administrative expenses	4	(2,791,954)	(2,941,550)	(5,706,675)
OPERATING LOSS		(2,791,954)	(2,941,550)	(5,706,675)
Finance income		171,601	47,149	114,825
Finance expense		(1,799)	(1,297)	(3.503)
LOSS BEFORE TAX		(2,622,152)	(2,895,698)	(5,595,353)
Tax	5	-	-	-
LOSS FOR THE PERIOD		(2,622,152)	(2,895,698)	(5,595,353)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(2,622,152)	(2,895,698)	(5,595,353)
Total comprehensive loss attributable to:				
Owners of the parent		(2,622,152)	(2,895,698)	(5,595,353)
Loss per share expressed in pence per share:				
Basic	6	(8.03)	(8.89)	(17.19)
Diluted	6	(8.03)	(8.89)	(17.19)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

JERSEY OIL AND GAS PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	30/06/24 (unaudited) £	30/06/23 (unaudited) £	31/12/23 (audited) £
NON-CURRENT ASSETS				
Intangible assets - exploration & development costs	7	11,334,984	23,304,939	16,421,797
Property, plant and equipment	8	2,050	3,294	-
Right-of-use assets	12	111,729	182,809	139,661
Deposits		18,772	2,692	2,692
		11,467,535	23,493,734	16,564,150
CURRENT ASSETS				
Trade and other receivables	9	314,171	456,199	478,234
Cash and cash equivalents	10	2,031,761	5,633,066	5,482,935
Term deposits	11	11,000,000	-	5,000,000
		13,345,932	6,089,265	10,961,169
TOTAL ASSETS		24,813,467	29,582,999	27,525,319
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital		2,574,529	2,573,395	2,574,529
Share premium account		110,535,059	110,309,524	110,535,059
Share options reserve		4,432,875	3,431,457	3,890,986
Accumulated losses		(92,582,254)	(87,347,793)	(89,960,102)
Reorganisation reserve		(382,543)	(382,543)	(382,543)
TOTAL EQUITY		24,577,666	28,584,040	26,657,929
NON-CURRENT LIABILITIES				
Lease liabilities	12	43,105	99,092	71,309
		43,105	99,092	71,309
CURRENT LIABILITIES				
Trade and other payables	13	136,710	845,532	740,927
Lease liabilities	12	55,986	54,335	55,154
		192,696	899,867	796,081
TOTAL LIABILITIES		235,800	998,959	867,390
TOTAL EQUITY AND LIABILITIES		24,813,467	29,582,999	27,525,319

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

JERSEY OIL & GAS PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Called up share capital £ (unaudited)	Share premium account £ (unaudited)	Share options reserve £ (unaudited)	Accumulated Losses £ (unaudited)	Re-organisation reserve £ (unaudited)	Total equity £ (unaudited)
At 1 January 2023	2,573,395	110,309,524	2,566,343	(84,600,273)	(382,543)	30,466,446
Loss for the period and total comprehensive income	-	-	-	(2,895,698)	-	(2,895,698)
Lapsed share options	-	-	(148,178)	148,178	-	-
Share based payments	-	-	1,013,292	-	-	1,013,292
At 30 June 2023	2,573,395	110,309,524	3,431,457	(87,347,793)	(382,543)	28,584,040
At 1 January 2024	2,574,529	110,535,059	3,890,986	(89,960,102)	(382,543)	26,657,929
Loss for the period and total comprehensive income	-	-	-	(2,622,152)	-	(2,622,152)
Share based payments	-	-	541,889	-	-	541,889
At 30 June 2024	2,574,529	110,535,059	4,432,875	(92,582,254)	(382,543)	24,577,666

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

Reserve	**Description and purpose**
Called up share capital	Represents the nominal value of shares issued
Share premium account	Amount subscribed for share capital in excess of nominal value
Share options reserve	Represents the accumulated balance of share-based payment charges recognised in respect of share options granted by the Company less transfers to retained deficit in respect of options exercised or cancelled/lapsed
Accumulated losses	Cumulative losses recognised in the Condensed Consolidated Statement of Comprehensive Income
Reorganisation reserve	Amounts resulting from the restructuring of the Group at the time of the Initial Public Offering (IPO) in 2011

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes

JERSEY OIL AND GAS PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Notes	6 months to 30/06/24 (unaudited) £	6 months to 30/06/23 (unaudited) £	Year to 31/12/23 (audited) £
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash used in operations	14	(2,678,054)	(2,041,225)	(4,185,049)
Net interest received		171,601	47,149	114,825
Net interest paid		(1,799)	(1,297)	(3,503)
Net cash used in operating activities		(2,508,252)	(1,995,373)	(4,073,727)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds received from farm-out transaction	7	5,519,216	1,684,990	9,103,944
Purchase of tangible assets	8	(2,363)	-	-
Purchase of intangible assets	7	(432,402)	(549,314)	(1,013,081)
Investing cash flows before movements in capital balances		5,084,451	1,135,676	8,090,863
Changes in term deposits		(6,000,000)	-	(5,000,000)
Net cash generated from/(used in) investing activities		(915,549)	1,135,676	(3,090,863)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal elements of lease payments		(27,372)	(86,586)	(113,550)
Net cash used in financing activities		(27,372)	(86,586)	(113,550)
DECREASE IN CASH AND CASH EQUIVALENTS		(3,451,173)	(946,283)	(1,096,414)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		5,482,935	6,579,349	6,579,349
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10	2,031,761	5,633,066	5,482,935

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

1. GENERAL INFORMATION

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

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

The reporting period of the Group's condensed consolidated interim financial statements is the six-month period from 1 January 2024 to 30 June 2024 and these were authorised for issue in accordance with a resolution of the Board of Directors on 18 September 2024.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2024 were prepared in accordance with UK-adopted International Accounting Standard 34 "Interim Financial Reporting" and in conformity with the requirements of the Companies Act 2006 (the "Companies Act").

These unaudited interim condensed consolidated financial statements of the Group have been prepared following the same accounting policies and methods of computation as the consolidated financial statements for the year ended 31 December 2023. These unaudited interim condensed consolidated financial statements do not include all the information and footnotes required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the consolidated financial statements and the notes thereto in the Company's annual report for the year ended 31 December 2023.

The financial information contained herein does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

Consolidated statutory accounts for the year ended 31 December 2023, on which the auditors gave an unqualified audit report, have been filed with the registrar of Companies.

The Group's financial statements have been prepared on a historical cost basis. The condensed consolidated interim financial statements are presented in Sterling, which is also the Group's functional currency.

Going Concern

The Group has sufficient resources to meet its liabilities as they fall due for a period of at least 12 months after the date of issue of these condensed consolidated interim financial statements. The Company's current cash reserves are therefore expected to more than exceed its estimated cash outflows in all reasonable scenarios for at least 12 months following the date of issue of these condensed consolidated interim financial statements. Even in a scenario where the GBA development did not progress for any unforeseen reason and the future farm-out instalment payments were not realised the Group has the funds to continue in business beyond the next 12 months solely from utilisation of its existing cash resources. The directors have also considered the risk associated with contractual arrangements associated with progression of the GBA development and are satisfied that the Group is not exposed to any contractual commitments which could impact on the Group's going concern status over the next 12 months. Based on these circumstances, the directors have considered it appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

Accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's latest audited annual financial statements for the year ended 31 December 2023.

The impact of seasonality or cyclicality on operations is not considered significant on the condensed consolidated interim financial statements.

3. SEGMENTAL REPORTING

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

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

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

During the period to 30 June 2024 and during the year ended 31 December 2023 the Group had no revenue.

4. ADMINISTRATIVE COSTS

The following significant costs are included:

	30/06/24 (unaudited)	30/06/23 (unaudited)
	£	£
Third Party Transaction Fees / Bonuses	1,187,661	765,660
Non-Cash Share Based Payments	541,889	1,103,292

The H1 2024 Transaction Fees/Bonuses include payments of £490,000 to the Executive Directors earned as a result of the Serica Farm-out and settled conditional upon deal completion. Non-Cash Share Based Payments decreased in H1 2024 mainly as a result of no new additional Share Options being granted.

5. TAX

Jersey Oil and Gas plc is a trading company but no liability to UK corporation tax arose on its ordinary activities for the period ended 30 June 2024 due to trading losses. As at 31 December 2023, the Group held tax losses of approximately £63m (2022: £62m).

6. EARNINGS/(LOSS) PER SHARE

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

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

There is no difference between dilutive and basic loss per share due to there being a loss recorded in the period.

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

	Losses attributable to ordinary shareholders	Weighted average number of shares	Per share amount
	£		Pence
Period ended 30 June 2024			
Basic and Diluted EPS			
Loss attributable to ordinary shareholders	(2,622,152)	32,667,343	(8.03)

7. **INTANGIBLE ASSETS**

	Exploration Costs £
COST	
At 1 January 2024	16,597,038
Additions	432,403
Farm out	(5,519,216)
At 30 June 2024	11,510,225
ACCUMULATED AMORTISATION	
At 1 January 2024	175,241
At 30 June 2024	175,241
CARRYING AMOUNT 30 June 2024	11,334,984

Additions represent the work capitalised on the GBA assets.

In February 2024, Jersey Oil and Gas plc completed a farm-out transaction with Serica Energy (UK) Limited ("Serica Energy"). As a result, the licences that comprise the Greater Buchan Area ("GBA"), being P2498 ("Buchan") and P2170 ("Verbier") are now owned by NEO Energy (50% interest, Operator), Serica Energy (UK) Limited (30% interest) and JOG (20% interest).

In exchange for entering into definitive agreements to divest a 30% working interest in the GBA licences, the Company received from Serica on Completion £5.5m and:

- a 7.5% carry of the costs to take the Buchan field through to FDP approval
- a 7.5% carry of the Buchan field development costs, up to the budget included in the approved FDP; equivalent to a 1.25 carry ratio
- a $7.5 million cash payment on approval of the Buchan FDP by the NSTA
- $3 million cash payments on each FDP approval by the NSTA in respect of the J2 and Verbier oil discoveries

In line with the NEO Energy transaction (details of which can be found in the Company's Annual Report for 2023), the completion payment of £5.5m has been recorded as a disposal reducing the intangible carrying value of the GBA. No value for the development carries or the future contingent payments is currently being recognised in the interim condensed consolidated statement of financial position.

Based on the Company's assessment, as at 30 June 2024, there are not deemed to be any indicators that the licences are not commercial and the net carrying value of £11,334,984 continues to be supported by ongoing development work on the licence areas, with no impairments considered necessary. It is noted that increases to the UK North Sea's fiscal regime were announced by the new Government after the UK General Election in July 2024 and further changes are anticipated in the October 2024 budget which are expected to result in a trigger for impairment testing by the year end.

8. **PROPERTY, PLANT AND EQUIPMENT**

	Computer and office equipment £
COST	
At 1 January 2024	228,447
Additions	2,363
At 30 June 2024	230,810
ACCUMULATED AMORTISATION, DEPLETION AND DEPRECIATION	
At 1 January 2024	228,447
Charge for period	313
At 30 June 2024	228,760
CARRYING AMOUNT 30 June 2024	2,050

9. TRADE AND OTHER RECEIVABLES

	30/06/24 (unaudited) £	30/06/23 (unaudited) £	31/12/23 (audited) £
Other receivables	48,687	30	328,166
Prepayments and accrued income	218,572	378,468	68,222
Value added tax	46,912	77,701	81,846
	314,171	456,199	478,234

As at 30 June 2024, there were no trade receivables past due nor impaired. There are immaterial expected credit losses recognised on these balances.

10. CASH AND CASH EQUIVALENTS

The amounts disclosed in the condensed consolidated statement of cash flows in respect of cash and cash equivalents are in respect of these consolidated statement of financial position amounts:

	30/06/24 (unaudited) £	30/06/23 (unaudited) £	31/12/23 (audited) £
Cash and cash equivalents	2,031,761	5,633,066	5,482,935

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

11. TERM DEPOSITS

	30/06/24 (unaudited) £	30/06/23 (unaudited) £	31/12/23 (audited) £
Maturing within six months	11,000,000	-	5,000,000

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

12. LEASES

Amounts recognised in the statement of financial position:

Right-of-use Assets	30/06/24 (unaudited) £	30/06/23 (unaudited) £	31/12/23 (audited) £
Buildings	111,729	182,809	139,661
	111,729	182,809	139,661

Lease liabilities	30/06/24 (unaudited) £	30/06/23 (unaudited) £	31/12/23 (audited) £
Current	55,986	54,335	55,154
Non-current	43,105	99,092	71,309
	99,091	153,427	126,463

The liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3%. The borrowing rate applied for 2024 remained at 3% and the leases relate to office space. A new lease agreement was entered into in June 2023 for a total of 9 years with break clauses after 3 and 6 years. Given the 3-year break clause and the future plans for the business it was deemed appropriate to recognise the liability relating to a 3-year period.

Amounts recognised in the statement of comprehensive income:

	30/06/24 (unaudited) £	30/06/23 (unaudited) £	31/12/23 (audited) £
Depreciation charge of right-of-use asset			
Buildings	51,840	51,840	94,988
	51,840	51,840	94,988

	30/06/24 (unaudited) £	30/06/23 (unaudited) £	31/12/23 (audited) £
Interest expenses (included in finance cost)			
Buildings	(1,799)	(1,297)	(3,503)
	(1,799)	(1,297)	(3,503)

13. TRADE AND OTHER PAYABLES

	30/06/24 (unaudited) £	30/06/23 (unaudited) £	31/12/23 (audited) £
Trade payables	59,920	221,847	345,814
Accrued expenses	16,024	440,583	256,283
Taxation and Social Security	50,086	183,102	127,860
Other payables	10,680	-	10,970
	136,710	845,532	740,927

14. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

RECONCILIATION OF LOSS BEFORE TAX TO CASH USED IN OPERATIONS

	30/06/24 (unaudited) £	30/06/23 (unaudited) £	31/12/23 (audited) £
Loss for the period before tax	(2,622,152)	(2,895,698)	(5,595,353)
Adjusted for:			
Depreciation	313	6,909	10,203
Depreciation on right-of-use asset	27,932	51,840	94,988
Share based payments (net)	541,889	1,013,292	1,560,167
Finance costs	1,799	1,297	3,503
Finance income	(171,601)	(47,149)	(114,825)
	(2,221,820)	(1,869,509)	(4,041,317)
Decrease/(increase) in trade and other receivables	147,983	(94,994)	(109,685)
Decrease in trade and other payables	(604,217)	(76,722)	(34,047)
Cash used in operations	(2,678,054)	(2,041,225)	(4,185,049)

15. POST BALANCE SHEET EVENTS

Changes were announced to the Energy Profits Levy ("EPL") in a policy paper published on 29 July 2024 as part of announcements made by the Chancellor of the Exchequer, the Rt Hon Rachel Reeves MP.

- EPL to increase to 38% from 1 November 2024, bringing the headline rate of tax on upstream oil and gas activities to 78%
- EPL to be extended to 31 March 2030 with the Energy Security Investment Mechanism remaining in place meaning the levy will cease to apply if prices fall consistently to, or below, historically normal levels for a sustained period
- The EPL's main 29% investment allowance for qualifying expenditure incurred will be removed from 1 November 2024
- Capital allowance claims that can be taken into account in calculating EPL profits will be reduced; however, the extent of the reduction will only be announced in the 2024 October Budget following engagement with stakeholders

In addition, following the UK Government's announcement in August 2024 concerning its plans for a consultation on new environmental guidance for oil and gas firms, Buchan's Operator, NEO, announced its decision to materially slow down activities across all the development assets in its portfolio. In relation to the Buchan Horst project, NEO advised that it was awaiting clarity around the UK's regulatory and fiscal framework so that the full impact could be assessed. NEO advised that this would inevitably delay first oil timing in relation to the project, which was previously forecast to be late 2027. NEO also confirmed that the Joint Venture would seek a licence extension in order to continue technical evaluation in light of the changes to tax and environmental consents.

16. AVAILABILITY OF THE INTERIM REPORT 2024

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