UK Oil & Gas Plc
Report and Accounts
the year ended 30 September 2024

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Strategic Report for the year ended 30 September 2024

Our Business - Hydrogen storage, hydrogen generation

UKOG is a pioneering energy developer transitioning away from its prior onshore UK and Turkey petroleum business into Clean Power. We have a bold vision to use our core subsurface, engineering and facilities skills to develop at-scale salt cavern hydrogen storage projects in South Dorset and East Yorkshire. We are one of a handful of first movers in this new and vital energy storage sector, projected by National Grid and The Royal Society to grow substantively from nearly zero today to 50-100 TWh demand by 2050.

Harnessing excess clean renewable power, converting it into green hydrogen and storing for future use to generate electricity when the wind doesn't blow, or the sun doesn't shine, or demand outstrips supply, is crucial for the UK's Clean Power system, addressing the inherent intermittency of wind and solar. It will remove the current necessity of using natural gas to fill the intermittency gap. This will also help substantially reduce the UK's current £1 billion annual spend on wind turbine curtailment.

Our Mission: Deliver our first UK hydrogen storage site by the early 2030s, supporting the transition to net zero by 2050. Our 100% owned subsidiary, UK Energy Storage (UKEn), has been diligently working on a £1 billion underground hydrogen storage project in South Dorset for the past four years. If delivered, this will be the UK's largest, with an envisioned maximum annual capacity of up to 30 TWh. A second major site in East Yorkshire aims for an initial 7 TWh annual capacity, with potential expansion to match Dorset's capacity.

Technology: Storage will be via large new-build underground salt caverns, a proven, safe, and cost-effective technology established in the UK since the 1970s. Only three areas in the UK onshore have thick enough underground rock salt deposits for large scale caverns; Dorset, East Yorkshire, and Cheshire. Our proposed two sites in South Dorset and East Yorkshire will connect to the UK-wide Project Union hydrogen pipeline, integrating into the national Clean Power system.

Strategic Locations: Our two sites are strategically placed within the UK's largest forecast hydrogen demand clusters: the South (including South Wales) and the East Coast/Teesside, which together account for 70% of National Grid's projected 2040 hydrogen demand. Our Yorkshire site will also help decarbonise the East Coast Cluster, the UK's largest CO2 emitting region, by enabling the adoption and optimisation of reliable renewable and hydrogen power.

Benefits: Our hydrogen storage will provide resilience, flexibility, and security of supply to primary hydrogen clusters, buffering demand spikes and ensuring pipeline stability. This will keep the lights on and support the decarbonisation of the South and East Coast's gas-to-power plants - Drax Power (the UK's and North's largest CO2 emitter) and Fawley Refinery, the South's largest CO2 emitter.

We are also exploring early-stage green hydrogen generation opportunities close to our storage projects, leveraging coastal locations for electrolysis, identified offtakers and proximity to proposed new windfarm power landfalls to help underpin and develop the nascent hydrogen economy.

Our Strategy

UKOG aims to build a diverse, sustainable and self-funding energy business which has the following strategic objectives:

Hydrogen and Renewables:

1. **Hydrogen generation and storage**
    - Investigate potential sites for green hydrogen generation, salt cavern storage and hydrogen battery concept.
    - Focus initially on the UK, with international expansion thereafter if commercially viable opportunities arise.
    - Early stage operated entry through planning permission stages, with possible subsequent strategic partnerships/JV arrangements with large infrastructure players.
    - Strategic partnerships with sector technology specialists.
2. **UK Energy Diversification - reduce carbon footprint of Company's existing legacy petroleum sites**
    - Where viable, implement geothermal and/or solar energy cogeneration plus electrical battery storage by repurposing existing petroleum wells/sites to extend economic life cycle.
    - Where viable, add new standalone geothermal and battery storage for grid/heat export.
    - Investigate replacement of diesel powered off grid mobile power generation
3. **Find and develop new stand-alone geothermal energy-hub projects**
    - Early stage entry, either operated or as joint venture partner.

- UK initial focus, international expansion thereafter if commercially viable opportunities arise.

Petroleum:

1. **Balance Risk and Reward**
   - Maximising return on investment by considering divestment after an asset has been de-risked, where appropriate.
   - Ensure risk-free operations of current sites
   - Extend asset life with development of energy transition opportunities such as repurposing to geothermal.
2. **Targeted Portfolio Management:**
   - Continuously review and upgrade our portfolio to either acquire or divest further stakes in existing assets.
   - We also look to acquire assets at any stage in the life cycle and are not limited by geography, where we can create significant value for shareholders.

UKOG shares its vision and strategy internally through dialogue with its employees and externally to shareholders and stakeholders via public announcements, the Company's website and the Annual Report and Accounts.

Chairman's Statement

It has been a year of shifting direction as the UKOG team have poured their energies into Clean Power, as the new Government like to call renewable low carbon energy. Our historic core petroleum exploration business of has taken more of a back seat as the Company looks to store hydrogen in salt caverns a mile or so under our feet and generate green hydrogen via electrolysis.

A hugely positive acknowledgement of UKOG's South Dorset hydrogen storage project by the Prime Minister was followed by the publication of a report by Quod, an independent planning and economics consultancy, predicting the facility could make a significant and material financial contribution to the local and national hydrogen economy and provide an equally impressive number of jobs.

The Company's core skillsets can now be utilised to place subsidiary company UK Energy Storage Ltd (UKEn) at the vanguard of providing the country with much-needed hydrogen storage to keep the lights and the heating on over the next decade and beyond.

There now follows an active period where we will look to prepare an application for hydrogen storage revenue support in the Department of Energy Security and Net Zero's (DESNZ) first allocation round, pursue the Company's first green hydrogen generation and potential green ammonia/hydrogen generation projects in Dorset, secure a strategic investor/partner and conclude further letters of intent and MOUs with hydrogen producers, offtakers and pipeline providers to further strengthen and support our allocation submissions and Clean Energy business.

We will also continue our engagement with government ministers and DESNZ to further both UKEn's individual business position and promote our strategic positions in the Dorset Clean Energy Super Cluster and Solent Cluster, the largest integrated clean power and decarbonisation clusters in the south of the UK.

To help achieve these Clean Power goals we plan to continue discussions with potential strategic investors to help fund our hydrogen storage projects. We will also aim to restore production at Horse Hill in 2026 so that any future revenues can be utilised to help fund our hydrogen ventures. Where appropriate we will also investigate the future repurposing of our existing boreholes to harness geothermal energy via our continued collaboration with one of the UK's leading geothermal engineering companies, Ceraphi Energy Ltd.

Let us enjoy the journey towards a sustainable low carbon future.

Nicholas Mardon Taylor
Non-Executive Chairman

Chief Executive's Statement

Transition

The Company is advancing its transition from a petroleum exploration company to a pioneering clean energy developer with a bold vision to deliver nationally significant salt cavern hydrogen storage projects in South Dorset and East Yorkshire. This transition is fully in line with the Government's Clean Power 2030 target. We regard our planned at scale storage projects to be key enablers to deliver the government's clean power targets in the south and north east of the UK.

Clean Energy

UK Energy Storage Ltd (UKEn), our wholly owned subsidiary, is at the vanguard of this exciting and real ambition and is one of a handful of potential hydrogen storage operators liaising with the Department of Energy Security and Net Zero's Hydrogen Storage Business Model group.

Post period in early 2025, prompted by a question from the South Dorset MP Lloyd Hatton, Prime Minister Sir Keir Starmer said: "We are committing £2.3 billion to support hydrogen projects, and I recognise the huge potential of South Dorset to become home to a (hydrogen) storage hub."

This hugely positive comment during PMQs in the Commons, coincided with a report by Quod, an independent planning and economics consultancy, specialising in modelling the economic impacts of major infrastructure projects, which stated that our South Dorset project could contribute £2.3bn annually to the UK economy during its 30+ year operational life.

In addition, the Quod UKEn South Dorset project report states that a further £665 million Gross Value Added (GVA) of direct and indirect/supply chain economic benefits could result from the planned four-year construction phase, meaning the creation of up to 2,100 jobs directly and a further 5,100 jobs in the supply chain during construction.

In January of this year, we reported the findings of DEEP.KBB GmbH, one of Europe's leading salt cavern design and underground energy storage engineering groups, who had completed preliminary project design for our proposed new storage facility located west of Weymouth in Dorset.

The design confirmed the site would comprise 24 caverns providing up to 1.01 billion standard m^3 ("bcm") working hydrogen volume, 12% greater than our original project at Portland Port, with hydrogen withdrawal and injection rates providing up to 2.9 times the annual cycling capacity of Portland, creating a technical maximum annual storage capacity of 30.2 TWh[1]/yr vs Portland's 10.4 TWh[1]/yr.

The other key game-changer was the design's adoption of a conventional "cushion gas" operating scheme which would significantly reduce project development costs (CAPEX) by around 36% compared to Portland, reducing costs by around £450 million. The design's resultant increased cycling capacity, lower CAPEX and operating costs create potential for a significantly increased future annual revenue base versus Portland and a more competitive submission for government revenue support.

However, UKEn executed two Memorandums of Understanding with Portland Port to jointly pursue hydrogen opportunities centred around the Port and our South Dorset Storage site, including the generation of 1 GW of green hydrogen via import by ship of green hydrogen carrier liquids, and the generation of green hydrogen via electrolysis within Portland Port.

This addition of a potential material source of green hydrogen, directly linked to UKEn's South Dorset storage site, would both enhance our project's national significance and the prospects of UKEn securing revenue support in the government's forthcoming Hydrogen Storage allocation round.

Our hydrogen storage projects have also received full letters of support from Japanese conglomerate Sumitomo, SGN, RWE and The Solent Cluster, which constitutes the primary near-term industrial user base. We have further similar agreements in the pipeline.

The Solent Cluster is one of six large UK industrial clusters planning to decarbonise via a switch to hydrogen and other sustainable low-carbon power sources. It is the major industrial cluster and carbon emitter in the southern half of England and encompasses UKEn's planned storage facility at its western limit.

Complementing the Solent Cluster, the £28 billion Dorset Clean Energy Super Cluster (DCESC) was officially launched at UKREiiF 2025. Anchored around Portland Port and fully supported by Dorset Council, the initiative encompasses the company's Dorset hydrogen projects alongside 2 GW of offshore wind in the English Channel, carbon capture and storage (CCS), and the development of a new deepwater facility for wind farm construction and maintenance. This marks a pivotal and forward looking development for the company, positioning it at the heart of one of the UK's most ambitious and innovative clean energy clusters.

Petroleum

As Clean Power and hydrogen storage is now our primary focus, the Company has also ceased its petroleum exploration and appraisal activities in Turkey. After successful reperforating and extensive swab testing by operator Aladdin Middle East ("AME"), we mutually concluded that, in the absence of commercial rates of hydrocarbons, no further testing of Pinarova-1 would take place. We have decided to end our exploration and appraisal activities in Turkey by transferring our 50% interest in the Resan licence to our joint venture partners AME.

With respect to Loxley, our 100%-owned hybrid gas and hydrogen feedstock project, marketing activities by our appointed project marketing specialists, Envoi Limited, to farmout up to a 50% working interest to fully fund the planned Loxley-1 appraisal drilling and testing programme continued throughout the period.

In an increasingly difficult and hostile environment for the UK petroleum sector, notably following the introduction of the petroleum sector policies of the new Labour government, Envoi Limited were unable to find a farminee and no farmout resulted. Consequently, in June 2025 the Company decided to relinquish PEDL234, containing the Loxley and Broadford Bridge discoveries.

However, at Broadford Bridge, negotiations are well advanced with CeraPhi Energy Ltd and the North Sea Transition Authority regarding the repurposing of the Broadford Bridge borehole and site into a CeraPhi operated geothermal clean energy agriculture development. As the proposed new scheme falls outside of the Petroleum Sector it does not require an oil & gas licence, requiring Town and Country Planning consent for the development and the North Sea transition Authority's consent to the switch of use and abandonment obligations. The Company aims to conclude an agreement with Ceraphi to proceed by the end of 2025.

In June last year, the Supreme Court finally decided by a three to two majority that Surrey County Council's 2019 grant of planning consent for oil production at Horse Hill did not consider in their assessment an estimate of the end-use carbon combustion emissions of produced hydrocarbons. Consequently, the existing planning consent was deemed to be invalid.

The ruling now retrospectively requires that the end-use combustion emissions must be included in the Horse Hill's Environmental Impact Assessment ("EIA") and assessed as part of the grant of planning consent for the development.

Consequently, we ceased all production and removed key equipment from the site, whilst an updated planning application including the amended EIA is prepared for submission later in 2025. The Company currently aims to restore production at the site in H1 2026.

During the long shut-in period at Horse Hill, given the geology and historic reservoir production behaviour of the field, we would expect a significant reservoir pressure build-up to have occurred. Consequently, we expect that any re-start of production is likely to be at higher rates than those 7immediately prior to the shut-in date.

Should this be the case and given that the produced volumes to date represent less than a few percent of the assessed oil in place the Company regards the remaining untapped recoverable resource perspective as potentially significant. Consequently, given the restoration of planning consent we consider Horse Hill offers the potential to remain a future strategic asset and to help contribute revenue towards our energy transition Clean Power projects.

In the light of our general direction of travel into Clean Power, the Horse Hill situation and relinquishments of Loxley and Turkey, we believe that the most prudent course of action following our year-end impairment reviews was to recognise impairments on these legacy oil and gas assets. The impairments are detailed in the Financial Review.

In respect of Horse Hill, we expect that once planning consent is restored and the potentially increased production rates are confirmed, the field has the potential to regain asset value and to potentially partly or fully reverse the current impairments which are detailed in the Financial Review.

Asset realisations

Fully in line with this shift of emphasis towards renewable energy storage, post year-end we also agreed the sale of our 100%-owned subsidiary UKOG (GB) Limited, subject to the customary petroleum sector regulatory approval, to Servatec Holdings Limited for a cash consideration of £400,000. UKOG (GB)'s assets are a 10% non-operated interest in the Horndean oil field and a 5% non-operated interest in the Avington oil field.

With our pivot to clean energy now firmly underway, we are building a platform designed to meet the UK's future hydrogen needs at scale. The road ahead is ambitious, but we are confident that our assets, partnerships, and vision position us to lead, not follow, in the UK's energy transition.

Stephen Sanderson
Chief Executive

Operational Review

Hydrogen Storage Assets

Letters of support for UKOG's hydrogen storage projects in Dorset and East Yorkshire were received from Sumitomo, SGN, RWE and The Solent Cluster. We also became founding members of the Dorset Clean Energy Super Cluster, centred on Portland Port.

South Dorset Hydrogen Storage (UKEn 100%)

DEEP.KBB GmbH, one of Europe's leading salt cavern design and underground energy storage engineering groups, completed preliminary project design for the Company's proposed new South Dorset underground hydrogen storage facility, located west of Weymouth. The design confirms the suitability of the site for a material scale hydrogen storage project, comprising 24 salt caverns (three clusters of 8 caverns) at a depth of ~1330m below surface. The project is fully in keeping with the Government's Clean Power 2030 ambitions.

The following metrics summarise the design and its advantages versus UKEn's original Portland harbour site ("Portland"):

- The Design comprises 24 caverns at South Dorset providing up to 1.01 billion standard m^3 ("bcm") working hydrogen volume, 12% greater than Portland's 0.9 bcm;
- Calculated hydrogen withdrawal and injection rates at South Dorset could provide up to 2.9 times the annual cycling capacity of Portland, creating a technical maximum annual storage capacity of 30.2 TWh[1]/yr vs Portland's 10.4 TWh[1]/yr, a substantive increase;
- If delivered and operated at full capacity, the site's technical maximum 30.2 TWh[1]/yr annual storage capacity could represent a material proportion of the currently predicted UK 2050 annual hydrogen storage demand of 50-100 TWh[1]/yr[2];
- The design's adoption of a conventional "cushion gas" operating scheme would significantly reduce project development costs (CAPEX) by around 36% compared to Portland, reducing costs by around £450 million to £800 million;
- The design's resultant increased cycling capacity, lower CAPEX and operating costs create potential for a significantly increased future annual revenue base versus Portland and a more competitive submission for government revenue support;
- The site also lies closer to the planned H2 Connect hydrogen trunk pipeline, designed to connect South Dorset to the UK hydrogen transmission pipeline system (Project Union) and the main hydrogen clusters in the South, East Coast and Northwest.

Notes: [1] *TWh = terawatt hours; 1 bcm of pure hydrogen has the energy equivalent of ~3.0 TWh;*
[2] *based upon 2023 National Grid/NESO and Royal Society hydrogen demand predictions as per RNS 27/06 and 21/08/2024.*

The Design's significantly greater injection and withdrawal rates and consequent increased annual energy storage capacity compared to Portland, are a direct consequence of the underlying geology at the location. The Triassic salt is thicker, permitting larger caverns, and lies 1,070m closer to surface at 1,330m versus 2,400m at Portland. The associated lower hydrostatic pressure and temperatures within the salt underlying the Site enable a simple, conventional "cushion gas" scheme to be utilised to provide the minimum necessary cavern working pressure required to maintain cavern integrity.

The cushion gas scheme, as proposed by DEEP.KBB, is a proven technology used in numerous salt caverns in the UK, Europe and USA, offering a much simpler development and operation than the required brine compensation scheme (see glossary) at Portland. The Design's scheme requires no additional brine wells, brine facility or brine pipelines, plus there is only one well per storage cavern versus two for brine compensation.

Portland Energy Hub (UKEn 100%)

The Company has made a strategic decision that it will pursue revenue support only for its more competitive South Dorset and East Yorkshire projects and will no longer pursue the Portland project for storage.

However, given our positive relationship with Portland Port and the role of hydrogen in decarbonising the marine sector, the Company believes that there remain synergies between our South Dorset project and the port. To this end, UKEn and Portland Port have executed two Memorandums of Understanding to jointly pursue the following joint venture hydrogen opportunities centred around the Port and UKEn's material scale South Dorset Storage site (see RNS of 28 January 2025):

i. Generation of 1 GW of green hydrogen via import by ship of green hydrogen carrier liquids (and/or compressed green hydrogen) into Portland Port. Produced hydrogen gas to be piped locally into UKEn's nearby South Dorset salt cavern hydrogen storage site and then onwards to the wider UK.

ii. a. Generation of green hydrogen via electrolysis within Portland Port. Designed to capture excess 'locally' generated clean renewable (wind/solar) energy in UKEn's South Dorset storage. Stored energy would ultimately be converted to electrical power for future use/demand during low wind/solar periods, thus helping 'cure' the inherent intermittency of renewables (i.e., "a Hydrogen Battery").

b. Hydrogen to power generation within Portland Port. Designed to meet initial power requirements for UKEn's South Dorset Storage site and its environs.

The company's South Dorset hydrogen projects are now positioned at the core of the ambitious £28 billion Dorset Clean Energy Super Cluster (DCESC), officially launched at UKREiiF in May 2025. With full backing from Dorset Council, the cluster brings together clean hydrogen production and storage, 2 GW of offshore wind in the English Channel, carbon capture and storage (CCS), and the development of a new deepwater facility for wind farm fabrication and maintenance—all centred around Portland Port. The company is actively collaborating with the DCESC team to advance its projects, strengthen stakeholder engagement, and build both regional and national political support.

East Yorkshire Hydrogen Storage (UKEn 100%)

The Company is planning a further hydrogen storage project in East Yorkshire, located nearby to the existing SSE Thermal/Equinor Aldbrough gas storage site.

Petroleum Assets

OG Asset Status Summary

Asset / Licence	Status	Notes	Date of Change
Horse Hill Oil Field (PEDL137 & PEDL246)	Temporarily shut in, still owned	Awaiting new retrospective planning consent following Supreme Court ruling; production to resume if approved	June 2024 (shut-in); new submission due 2025
Loxley (PEDL234)	Relinquished	Planning permission upheld, but no farmout secured; licence surrendered	End-June 2025
Broadford Bridge (PEDL234)	Relinquished	Planning extension refused; licence surrendered; commercials negotiations with Ceraphi Energy Ltd for re-purposing to geothermal	End-June 2025
Turkey – Basur-Resan Licence	Exited	Pinarova-1 non-commercial; UKOG ceased activities and transferred 50% interest to AME	2024/25
Horndean Oil Field (PL211, 10%)	Post year end sale	Sold via sale of UKOG (GB) Ltd to Servatec Holdings Ltd	Early 2025
Avington Oil Field (PEDL070, 5%)	Post year end sale (shut in)	Included in sale of UKOG (GB) Ltd to Servatec; remains shut-in	Early 2025

Horse Hill Oil Field, PEDL137 and PEDL246 (UKOG 85.635%)

The field and surrounding licences are operated by UKOG's subsidiary company HHDL in which UKOG has 77.9% ownership. The Licensees are HHDL (65% interest) and UKOG (137/246) Ltd (35% interest).

Following construction and baseline monitoring of three groundwater monitoring boreholes, all permit pre-operational conditions were submitted to the Environment Agency ("EA") for discharge in line with the permit requirements. The EA subsequently awarded a permit for water injection operations via the Horse Hill-2z well in Oct-2024.

In June 2024, the Supreme Court ruled that in its 2019 grant of planning consent for the Company's oil production at Horse Hill, Surrey County Council ("SCC") did not request and consider in their assessment an estimate of the end-use carbon combustion emissions of produced hydrocarbons. The ruling now retrospectively requires that the end-use combustion emissions must be included in the development's Environmental Impact Assessment ("EIA") and assessed as part of the grant of planning consent for the development.

Consequently, the Company is working closely with SCC to rectify the situation, via a new retrospective planning submission later in 2025. By agreement with SCC Horse Hill oil production was temporarily shut in pending restoration of planning approval. On resumption of its profitable production operations the company will assess the future opportunities for Horse Hill.

At the time of this production shut-in 212,000 bbl of Brent quality crude had been produced and exported from the Portland and Kimmeridge pools.

Loxley, Broadford Bridge, PEDL234 (UKOG (234) 100%)

In January 2024, the Court of Appeal issued a final decision refusing permission for any further appeal regarding the planning consent granted for UKOG's Loxley gas and hydrogen feedstock project in Surrey. This decision upheld the High Court's July 2023 ruling, which similarly denied appeal permission. Both judgments concluded that any appeal would have no reasonable prospect of success. As a result, the planning permission for the Loxley site remained valid for its full approved term.

Following this legal outcome, the North Sea Transition Authority (NSTA) granted a one-year extension to the Retention Area Work Programme under licence PEDL234, which includes the Loxley gas discovery.

UKOG engaged Envoi Limited, a UK-based specialist in oil and gas divestment and project marketing, to facilitate a farmout of up to a 50% working interest in the Loxley project. The objective of the farmout was to secure full funding for the planned Loxley-1 appraisal drilling and testing programme, with UKOG's share of costs to be carried by the farminee(s).

According to the February 2023 Competent Persons Report (CPR), the Loxley discovery was assessed to contain mid-case recoverable 2C Contingent Resources of 31.0 billion cubic feet net to UKOG. The associated net post-tax present values to UKOG were estimated at £124 million based on 31 December 2022 gas prices, and £87 million using RPS Energy's forward price forecast. Further appraisal and development activities were required to reclassify these resources as Reserves.

Separately, UKOG submitted an application to West Sussex County Council's Planning Committee seeking a two-year extension of planning permission for the Broadford Bridge-1z Kimmeridge oil discovery. This application was refused.

Due to the refusal of the Broadford Bridge extension and the absence of a successful farmout amid challenging market conditions for UK onshore oil and gas, UKOG elected to relinquish licence PEDL234, which includes both the Loxley and Broadford Bridge discoveries, effective at the end of June 2025.

Commercial discussions continue with CeraPhi Energy Ltd regarding potential for a geothermal energy agriculture project incorporating the Broadford Bridge asset.

Turkey, Basur-Resan Licence (UKOG 50%)

The Basur-Resan anticline containing the Basur-1 oil discovery is located within the surrounding 305 km² Resan M47-b1, b2 licence in SE Turkey, in which UKOG's wholly owned subsidiary, UKOG Turkey Ltd, holds a 50% non-operated interest.

In January 2024 licence operator Aladdin Middle East ("AME") successfully completed reperforating and extensive swab testing at Pinarova-1. However, UKOG and AME mutually concluded that, in the absence of commercial rates of hydrocarbons, no further testing will take place.

As clean power and hydrogen storage are now UKOG's primary focus, the Company ceased its activities in Turkey, transferring its licence interest to AME.

Horndean Oil Field (UKOG 10%)

UKOG's second producing field is Horndean located in Hampshire. Star Energy, the Horndean oil field operator, carried out well interventions resulting in a 11% oil production increase in 2024 versus the budget. Horndean oil production in 2025 is forecast to be 24% above 2024 actual production. January 2025 production averaged 200 barrels of oil per day, 60% higher than the production in January 2024. As such, UKOG anticipates that Horndean reserves will be increased when Star Energy issues its end-2024 Competent Persons Report.

As a result of this positive production news and in keeping with our strategic move away from fossil fuels, the Company agreed the sale of its 100%-owned subsidiary UKOG (GB) Limited to Servatec Holdings Limited for a cash consideration of £400,000 post year-end. The carrying value of this cash generating unit at 30 September 2024 exceeded recoverable amount, necessitating impairments recognised in the year in the amount of £0.8m. This included the minority non-operated interests in two UK onshore petroleum licences, a 10% interest in PL211 and a 5% interest in PEDL070, containing the Horndean and Avington oil fields, respectively. Both licences are located in Hampshire.

Avington Oil Field (UKOG 5%)

Production from the Avington oil field remains shut in.

Kris Bone
Chief Technical Officer

Matt Cartwright
Commercial Director

Reserves and Resources

Total aggregate net discovered 2C (mid case) contingent resources and 2P (mid case) reserves now stand at 2.8 mmboe.

HH-1 production remains in contingent resource category, as the company looks to reinstate planning consent. Once the company reinstates planning permission and gets sufficient data it intends to review the HH-1 production decline and attribute reserves to HH-1, thus transferring them from Contingent Resources to Reserves category.

Table 1: Recoverable Reserves mmbbl: Producing Fields, Gross and Net (as of 31 December 2024)

		Gross mmbbl			Net Attributable mmbbl			
Asset	**UKOG % Interest**	**1P**	**2P**	**3P**	**1P**	**2P**	**3P**	**Operator**
Horndean 1	10	0.88	1.01	1.14	0.09	0.10	0.11	Star Energy
TOTAL (mmbbl)					0.09	0.10	0.11	

Notes: [1] DeGolyer and MacNaughton ("D&M") for Star Energy Jan 2024

Table 2: Contingent Resources mmbbl/mmboe (i.e., discovered and drill ready recoverable volumes)

			Gross mmbbl/mmboe				Net Attributable mmbbl/mmboe				
	Licence	**UKOG %**	**1C**	**2C**	**3C**	**mean**	**1C**	**2C**	**3C**	**mean**	**Operator**
Horse-Hill Portland [1]	PEDL137	85.64	0.4	1.3	3.4	1.7	0.4	1.2	2.9	1.5	HHDL
Horse-Hill Kimmeridge [4]	PEDL137	85.64	0.4	1.6	6.1	2.7	0.3	1.4	5.2	2.3	HHDL
Avington [2]	PEDL070	5	0.6	0.8	1.1	0.8	0.03	0.04	0.05	0.04	Star Energy
Horndean [2]	PL211	10	0.3	0.8	1.3	0.8	0.03	0.08	0.13	0.08	Star Energy
TOTAL mmboe							0.8	2.7	8.3	3.9	

Notes: [1] Xodus June 2018 less Portland production to end Dec 2024, estimates for Horse Hill are deterministic based upon per well recoveries,
[2] D&M for Star Energy February 2025, estimates for Horndean and Avington are deterministic, not probabilistic,
[3] RPS CPR February 2023, probabilistic based upon range of recovery factors, 4. RPS Jun 2019

Health, Safety and the Environment

UKOG is committed to providing, so far as is reasonably practicable, a quality working environment that is safe and one that poses no risks to the health and safety of our employees, contractors, the local community and stakeholders.

The health & safety of employees and the public, and the protection of the environment are core business objectives of UKOG. They rank equally with the company's other business objectives.

Health, safety and environmental ("HSE") risks associated with the business practices of UKOG are addressed through the effective implementation of our HSE Policy, which is designed to ensure that every person who works for UKOG is responsible for ensuring that health and safety is managed in all aspects of our business.

The Company's HSE aspirations are: "get it right, first time, every time with no accidents, no harm to people, the ecology and the environment."

To achieve the identified objectives, we will ensure that all necessary and reasonable resources are made available. We will confirm that objectives are being met by reviewing and reporting on performance and auditing the implementation and operation of UKOG's HSE Management System.

Our full HSE framework is available on our website: http://www.ukogplc.com/page.php?pID=101

Health & Safety Review

UKOG, under our operating subsidiary HHDL, continued production activities at Horse Hill, until production was suspended post period. Post suspension of production, the site remains under care and maintenance oversight.

There were no lost time injuries or environmental incidents on any of UKOG's sites or at AME's Pinarova well site in Turkey during the reporting period or post period. The lost time injury frequency was also zero.

The EA made a number of site visits to both Horse Hill and Broadford Bridge.

UKOG continues to maintain good housekeeping standards on its sites. The Company continuously monitors all its live operations for noise, ensuring noise from its sites is kept to a minimum and is compliant with the levels set by the relevant site planning approval. UKOG only utilises service companies that can demonstrate commitment to our HSE standards.

Community Engagement

Any complaints received are reviewed and responded to. Communication links are in place with the residents close to our sites, who can call UKOG at any time.

The Company meets and communicates regularly with local police to give operational updates where necessary.

Route to Development

UKOG operates within a highly regulated industry, led by the NSTA, a government agency reporting to DESNZ, who among other things are responsible for checking a company's financial and operational competency before issuing a Petroleum Exploration and Development Licence ("PEDL") and other regulatory approvals.

Once a potential site has been identified, UKOG must secure landowner consent and a land lease to operate on the land, before the EA assess any risk to groundwater and air quality, as well as the arrangements for waste management.

In parallel with seeking EA permits, discussions with local planning authorities begin. They in turn seek the views of the local community and statutory consultees. The Health and Safety Executive also regulates and monitors all onshore oil & gas exploration and production activities.

Financial Review

Overview

The financial year ended 30 September 2024 marked a period of strategic realignment for UKOG, with a shift in operational focus from oil exploration and production to hydrogen storage. The Group maintained financial discipline while progressing its flagship hydrogen storage projects in South Dorset and East Yorkshire and managing its oil assets.

Income Statement

The Group recognised revenues of **£1.1 million** for the year (2023: £1.5 million), derived entirely from crude oil sales at Horse Hill and Horndean. The reduction reflects the natural decline at mature assets and oil prices reduction partially offset by increased production at Horndean.

Cost of sales totalled **£0.9 million** (2023: £1.3 million) and included:

Depletion, Depreciation and Amortisation (DDA): **£0.3 million** (2023: £0.2 million)

Gross loss for the year was **£0.1 million** (2023: profit £0.3 million).

Administrative expenses reduced to **£1.7 million** (2023: £3.3 million), reflecting tighter cost control and overall strategic realignment.

A credit arising from the reassessment of decommissioning provisions, reflecting updated cost estimates and discount rate assumptions, contributed significantly to the Group's administrative expenditure in the year (£1.1m).

Net finance costs totalled £0.2 million (2023: cost £0.6 million), with the balance largely attributable to the full repayment of the RiverFort convertible loan facility in June 2024.

Impairment reviews

As part of the year-end review, the Group carried out impairment testing of its oil and gas and exploration and evaluation assets in accordance with IFRS. This resulted in impairments across a number of legacy oil and gas interests, as summarised below.

The impairments primarily reflect external regulatory and commercial factors beyond the Company's direct control, not adverse geological or operational conditions. **Importantly, the impairments are non-cash accounting charges** that while increasing reported losses **do not impact the Group's cash resources.**

Horse Hill was reviewed in light of the 2024 Supreme Court ruling which found that Surrey County Council's (SCC) decision to grant planning consent was unlawful as it had not assessed end use carbon emissions and that planning consent must be redetermined before production can resume. By agreement with SCC, oil production has been temporarily shut in from November 2024 until planning approval is restored, after which the Company will resume production and reassess the implementation of identified longer-term value opportunities in the field. It should be noted that the Company's positive view of the field's remaining recoverable oil and value remains essentially unchanged from the prior reported values and the impairment is a result of the fact that the field's consent to produce carries a level of uncertainty, being dependent on SCC's redetermination post this audit period and the significant funds needed to execute exploration projects in Horse Hill.

Licence/ Subsidiary	**Impairment (£m)**	**Reason**
Horse Hill (E&E)	20.0	Planning consent uncertainty; production resumption dependent on retrospective approval by SCC; production shut-in agreed with SCC; political landscape, significant funds needed to execute exploration projects
Horse Hill (producing)	2.1	Cash flows restricted to existing consents and shut-in status pending planning resolution/retrospective approval
UKOG (GB) Ltd (Horndean)	0.8	Carrying value exceeded recoverable amount; disposal agreed in July 2025

Licence/ Subsidiary	Impairment (£m)	Reason
Turkey	3.4	No further expenditure planned; commercial development unlikely, exit from licence subsequent to 30 September
PEDL234	8.7	No further expenditure planned; commercial development unlikely, farm in partner not found, subsequent relinquishment subsequent to 30 September 2024

By recognising the Horse Hill impairment in this audit cycle the Board has adopted a prudent approach that ensures asset values reflect current regulatory realities and is also fully consistent with the Company's goal to transition into clean power via its hydrogen storage and generation activities. The Board also notes that, should Horse Hill planning consent be reinstated in 2026 as envisaged, given that the remaining recoverable oil volumes remain positive and unchanged from the Company's last reporting, there is a likelihood that a portion of current impairment could be reversed in future periods. These impairments also allows the Group to sharpen its focus on advancing its hydrogen storage and clean energy strategy. While statutory losses for the year were significant, **net operating cash outflows fell compared with the prior year**, underlining that the Group's forward cash requirements are materially lower than headline losses suggest.

The Group recorded an **operating loss of £37.8 million** (2023: £4.1 million).

Capital Expenditure

During the period, the Group continued to invest in both its oil and gas and hydrogen assets. Capital expenditure was funded through a combination of operating cash flows, equity placings, and the previously secured debt facility.

Balance Sheet

Non-current assets decreased to £2.1 million at 30 September 2024 (2023: £37 million), reflecting impairment charges recognised in the year. The balance primarily comprised capital expenditure on the hydrogen storage project. Exploration and evaluation assets relating to Turkey, PEDL 234 and Horse Hill were impaired in full at the reporting date.

Cash Flow and Financing

Net cash outflow from operating activities was £1.8 million (2023: £2.9 million). The improvement was due to lower working capital outflows and reduced investment related to Turkey.

Cash and cash equivalents at year-end stood at £1.0 million (2023: £1.9 million). During the year, the Group raised gross proceeds of £2.3 million through equity placements to support working capital and advance project development.

Summary

UKOG has made meaningful progress in reshaping its business toward hydrogen storage. The Group retains a lean cost base, has exited legacy oil exploration in Turkey, and is well-positioned to deliver long-term value through hydrogen storage.

Principal Risks and Uncertainties

UKOG continuously monitors its risk exposures and reports its review to the board of directors ("The Board"). The Board reviews these risks and focuses on ensuring effective systems of internal financial and non-financial controls are in place and maintained.

Key Risk Areas

The high-risk areas surrounding our existing business is tabulated below; the key areas are Strategic, Operational and Financial.

Risk	Mitigation	Magnitude and likelihood
Strategic risks		
Exposure to political risk, UKOG operates within the United Kingdom and may in future evaluate opportunities in other regions. Even within stable jurisdictions, political, economic and regulatory changes can arise that may impact the Group. Examples include amendments to energy and environmental regulation, changes in taxation policy, evolving planning and permitting requirements, and shifts in government priorities regarding fossil fuels and the energy transition.	Through industry associations and direct contact, the Company engages with Government and other appropriate organisations to ensure the Company is kept abreast of expected potential changes and takes an active role in making appropriate representations.	Magnitude - High Likelihood High
Climate change and energy transition risk – UK net-zero targets and investor, public and regulatory expectations may reduce demand for hydrocarbons and increase climate-related disclosure and operational costs. Could impact asset viability and access to capital.	The Group is aligning with evolving UK climate policy and stakeholder expectations and is actively developing hydrogen storage.	Magnitude - Low to Moderate Likelihood - Low to Moderate
Operational risks		
Permitting risk, planning, environmental, licensing and other permitting risks associated with our operations particularly with hydrogen storage operations	UKOG is compliant with regulations and is proactive in engagement with regulators, communities and the expertise and experience of the management teams.	Magnitude - Moderate Likelihood - Moderate to High
Exploration risk, the Company fails to locate and explore hydrocarbon-bearing prospects that have the potential to deliver commercially, e.g. key wells are dry or less successful than anticipated.	Analysis of available technical information to determine the work programme. Risk-sharing arrangements entered to reduce downside risk.	Magnitude - Moderate Likelihood - Moderate
Oil production may not be resumed or achieved at the anticipated levels from the Group's assets, or production may not be economically viable, particularly in light of the current regulatory and planning uncertainties	In light of current developments, we continue to analyse available technical data to enhance our understanding of the reservoir, while reviewing the cost base to ensure production remains economically viable. We also monitor and manage planning risks that may impact the timing and continuity of production.	Magnitude - Low Likelihood - High

Operational risks (continued)		
Prices and markets. The Group's financial performance is exposed to fluctuations in the prices of oil, gas and refined products. These prices are driven by international supply and demand dynamics and can be highly volatile. Contributing factors include political developments, increased supply from new oil and gas projects or alternative low-carbon energy sources, technological change, global economic conditions, and public health events.	The Group keeps this risk under review. At this point, the Group continues to review costs where appropriate.	Magnitude - Moderate Likelihood - Moderate to High
Loss of key staff	Provide and maintain competitive remuneration packages to attract the right calibre of staff. Build a strong and unified team.	Magnitude - Moderate Likelihood - Low
Financial risks		
Liquidity risk. The Group is exposed to liquidity risk through its operations, with a material uncertainty regarding its ability to generate and access sufficient funds to meet its obligations as they fall due.	To mitigate this risk, the Group prepares regular cash flow forecasts, closely monitors working capital, and seeks to align expenditure with available resources. The Group also relies on access to external funding, including credit facilities and equity financing, and retains the flexibility to defer or reduce discretionary expenditure where necessary.	Magnitude - High Likelihood - Moderate

Climate-Related Disclosures

The Company acknowledges the increasing relevance of climate-related risks and opportunities to its operations, strategy, and financial position. In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the following narrative summarises the Group's current approach across the four core TCFD pillars: Governance, Strategy, Risk Management, and Metrics & Targets.

1. Governance

Board Oversight

Throughout 2023 and 2024, the Board retained ultimate responsibility for the oversight of all material risks, including those relating to climate change. The Board periodically reviewed updates from management on environmental and regulatory developments, ensuring climate-related risks were appropriately captured in the risk register and strategic plans.

Management's Role

Management is responsible for implementing the Group's sustainability strategy, assessing emerging risks, and embedding climate considerations into capital allocation and planning decisions. In 2024, this included specific focus on energy transition activities such as hydrogen storage feasibility.

2. Strategy

Climate-related Risks and Opportunities

During 2023 and 2024, the Group continued to monitor the UK's evolving energy policies and investor expectations around decarbonisation. Transition risks, particularly regulatory and reputational, remain relevant to the Group's oil and gas portfolio. In parallel, new opportunities are emerging from the Group's plans to diversify into hydrogen storage, hydrogen production and other low-carbon infrastructure.

Time Horizons

- Short term (1–3 years): Reporting obligations and operational emissions controls.
- Medium term (3–5 years): Strategic pivot toward transitional energy assets.
- Long term (5+ years): Repositioning business model in line with a lower-carbon economy.

Impacts on Strategy and Financial Planning

Climate-related risks influenced the Group's impairment assessments and licence development strategies in both 2023 and 2024. The business continues to shift its focus from oil & gas projects to broader energy solutions aligned with net-zero objectives.

3. Risk Management

Identification and Assessment

The Group uses a structured risk management framework, updated regularly, to identify and evaluate emerging climate-related risks. These are considered alongside other operational and market risks at management and Board levels.

Management Processes

Mitigation activities include asset diversification, regulatory engagement, and ongoing environmental assessments. In 2024, enhanced emphasis was placed on regulatory compliance related to emissions and energy usage.

Integration into Enterprise Risk Management

Climate-related risks have been embedded within the Group's enterprise risk register and are reviewed at least annually. Specific climate-linked risks are assigned owners and mitigation strategies.

4. Metrics and Targets

Emissions Monitoring

The Group plans to track and report Scope 1 and Scope 2 GHG emissions from its Horse Hill site from 2025. Flaring rates are metered and reported monthly to the NSTA. These have been zero since Horse Hill production was shut in post period.

Key Targets

- Once Scope 1 and Scope 2 emissions (tCO_2e) are tracked and reported, targets for reduced emissions will be put in place

- Reducing energy use per operating site
- Full environmental permit compliance
- Climate impact in project assessments (where applicable)

Key Performance Indicators (KPIs)

The Group monitors a range of financial and operational key performance indicators (KPIs) to assess performance against strategic goals, ensure efficient operations, and manage risks across its oil and gas portfolio. These KPIs are reviewed regularly by management and the Board to inform decision-making and resource allocation.

Operational KPIs

KPI	Definition	2024	2023	Commentary
Average Daily Production (bopd)	Gross barrels of oil produced per day from operated assets	45 bopd	92 bopd	Slight production decline at Horse Hill and natural depletion; partially offset by increased production at Horndean

Reserves & Resources KPIs

KPI	Definition	2024	2023	Commentary
Total Net 2P Reserves	Net mid-case proven plus probable reserves (mmboe)	0.10 mmboe	0.10 mmboe	Stable reserves from Horndean field based on 2024 CPR
Total Net 2C Contingent Resources	Net mid-case discovered resources (mmboe)	8.0 mmboe	8.1 mmboe	Includes Horse Hill, Loxley, Horndean and others

Financial KPIs

KPI	Definition	2024	2023	Commentary
Revenue	Total oil sales revenue	£1.1m	£1.5m	Reflects lower production at Horse Hill
Operating Loss	Loss from continuing operations	£37.8m	£4.1m	Driven by reduced production, impairment charges, strategic refocus on hydrogen
Cash Balance (Year-End)	Cash and cash equivalents	£1.0m	£1.9m	Reflects investment in hydrogen storage and repayment of £2m loan facility

Directors' Section 172 Statement

The following disclosure describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the Directors' statement required under section 414CZA of The Companies Act 2006.

The matters set out in section 172(1) (a) to (f) are that a Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers/customers and others;
- the impact of the company's operations on the community and environment;
- the company's reputation for high standards of business conduct; and
- the need to act fairly between members of the company.

As set out above in the Strategic Report the Board remains focused on providing value for shareholders through the long-term success of the Company. The means by which this is achieved is set out further below.

Likely consequences of any decisions in the long term

The statement from the Chairman, the Chief Executive's Statement and the Strategic Review set out the Company's strategy. In applying this strategy, particularly in seeking new projects and developing current ones to deliver reserves and resource growth, the Board assesses the long-term future of our projects and investments with a view to maximise shareholder return. The approach to general strategy and risk management strategy of the group is set out in the Statement of Compliance with the QCA Code of Practice (Principles 1 and 4).

Interest of employees

The Group has a very limited number of employees and all have direct access to the Executive Directors on a daily basis and to the Chairman, if necessary. The Group has a formal Employees' Policy manual which includes processes for confidential report and whistleblowing.

Need to foster the Company's business relationships with suppliers/customers and others

The Group continuously interacts with a variety of suppliers and customers important to its success. The Group strives to strike the right balance between engagement and communication. Furthermore, the Company works within the limitations of what can be disclosed to the various stakeholders with regards to maintaining confidentiality of market and/or commercially sensitive information. Our suppliers are fundamental to ensuring that the Group can execute its development and production strategy on time and on budget. Using quality suppliers ensures that as a business we meet the high standards of performance that we expect of ourselves and vendor partners. Our management team work closely with our suppliers, via one-on-one meetings and where possible supplier site visits and facility reviews to ensure our suppliers are able to meet our requirements.

Impact of the Company's operations on the community and environment

The Group takes its responsibility within the community and wider environment seriously. Its approach to its social responsibilities is set out in the Statement of Compliance with the QCA Code of Practice (Principle 3).

The Company's commitment to maintain a reputation for high standards of business conduct

The Directors are committed to high standards of business conduct and governance and have adopted the QCA Code of Practice which is set out on pages 20 to 22. Where there is a need to seek advice on particular issues, the Board will consult with its lawyers and nominated advisers to ensure that its reputation for good business conduct is maintained.

The need to act fairly between members of the Company

The Board's approach to shareholder communication is set out in the Statement of Compliance with the QCA Code of Practice (Principle 2) on page 23. The Company aims to keep shareholders fully informed of significant developments in the Group's progress. Information is disseminated through Stock Exchange announcements, website updates and, where appropriate, video-casts.

During 2024, the Company issued numerous stock exchange announcements on operational issues. All information is made available to all shareholders at the same time and no individual shareholder, or group of shareholders, is given preferential treatment.

Corporate Governance

Introduction to governance

The Directors recognise that good corporate governance is a key foundation for the long-term success of the Company. As the Company is listed on the AIM market of the London Stock Exchange it also is subject to the continuing requirements of the AIM Rules. The Board is committed to maintaining high standards of corporate governance and complies with the provisions of the Quoted Companies Alliance (QCA) Corporate Governance Code 2018 ("QCA code"). The 2023 updates to the QCA Code, which are effective from financial years beginning after 1 April 2024, are designed to better align with changing expectations for corporate governance. There are three main aims of the Code – to deliver growth, to maintain a dynamic management framework, and to build trust.

1. Establish a strategy and business model which promote long- term value for shareholders

UK Oil & Gas Plc ("UKOG") provides shareholders with a full discussion of corporate strategy within our Annual Report. A dedicated section explains how we will establish long term shareholder value, as set out on page 6-7.

The Group is focused on three key strategic goals: moving into hydrogen storage projects as a central element of its future growth strategy; maximising production and recovery from its existing oil and gas portfolio; and actively managing costs and risks through strong operational and management oversight across all entities.

Projects are evaluated based on many characteristics to mitigate risk to our current activities, including but not limited to, alignment with the Company's core competencies, geography, time horizon and value creation. Further, a core component of the Company's activities includes an active dialogue with our legal and legislative advisors to ensure the Company remains up to date on current legislation, policy and compliance issues.

Key business challenges and how they may be mitigated are detailed on pages 16 to 17.

2. Seek to understand and meet shareholder needs and expectations

UKOG encourages two-way communication with institutional and private investors. The Chief Executive talks regularly with the Company's major shareholders and ensures that their views are communicated fully to the Board. Where voting decisions are not in line with the company's expectations the Board will engage with those shareholders to understand and address any issues. The Company Secretary is the main point of contact for such matters.

The Company seeks out appropriate platforms to communicate to a broad audience its current activities, strategic goals and broad view of the sector and other related issues. This includes but is not limited to media interviews, website videos, in-person investor presentations and written content.

Communication to all stakeholders is the direct responsibility of the Senior Management team. Managers work directly with professionals to ensure all inquiries (through established channels for this specific purpose such as email or phone) are addressed in a timely matter and that the Company communicates with clarity on its proprietary internet platforms. Senior management routinely provides interviews to local media and business reporters in support of the company's activities. The Board routinely reviews the Company communication policy and programmes to ensure quality communication with all stakeholders.

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

The Company seeks out methodologies, processes and expertise in order to address the concerns of the non-investment community. As such, it actively identifies the bespoke needs of local communities and their respective planners. For example, the company provides for local hotlines and establishes community liaison groups to address local questions and concerns.

UKOG seeks to maintain positive relationships within the communities in which it operates. As such, UKOG is dedicated to ensuring:

- Open and honest dialogue
- Engagement with stakeholders at all stages of development
- Proactive addressing of local concerns
- Active minimisation of impact on our neighbours
- Adherence to a strict health and safety code of conduct

As a responsible OGA approved and Environmental Agency permitted UK operator, UKOG is committed to utilising industry best practices and achieving the highest standards of environmental management and safety.

Our operations:

- Continuously assess and monitor environmental impact
- Promote internally and across our industry best practices for environmental management and safety
- Constant attention to maintaining our exemplary track record of safe oil & gas production.

4. Embed effective risk management, considering both opportunities and threats, throughout the organization

Risk Management details risks to the business, how these are mitigated and the change in the identified risk over the last reporting period.

The Board considers risks to the business at every Board meeting (at least 10 meetings are held each year) and the risk register is updated at each meeting. The Company formally reviews and documents the principal risks to the business at least annually.

Both the Board and senior managers are responsible for reviewing and evaluating risk and the Executive Directors meet at least monthly to review ongoing trading performance, discuss budgets and forecasts and new risks associated with ongoing trading.

5. Maintain the Board as a well-functioning, balanced team led by the chair

Oversight of UK Oil & Gas Plc is performed by the Company's Board of Directors. Nicholas Mardon Taylor, the Non-Executive Chairman, is responsible for the running of the Board and Stephen Sanderson, the Chief Executive, has executive responsibility for running the Company's business and implementing Company strategy. All Directors receive regular and timely information regarding the Company's operational and financial performance.

Relevant information is circulated to the Directors in advance of meetings. In addition, minutes of the meetings of the Directors of the UK subsidiaries are circulated to the Board. All Directors have direct access to the advice and services of the Company Secretary and are able to take independent professional advice in the furtherance of their duties, if necessary, at the company's expense.

The Board comprises two Executive Directors and two Non-Executive Directors with a mix of significant industry and business experience within public companies. The Board considers that all Non-Executive Directors bring an independent judgement to bear. All Directors must commit the required time and attention to thoroughly fulfil their duties.

The Board has a formal schedule of matters reserved to it and is supported by the Audit, Remuneration, Nomination and AIM Rules compliance committees. The Schedule of Matters Reserved and Committee Terms of Reference are available on the Company's website and can be accessed on the Corporate Governance page of the website.

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

The Nomination Committee will determine the composition of the Board of the Company and appointment of senior employees. It will develop succession plans as necessary and report to the Directors. Where new Board appointments are considered, the search for candidates is conducted, and appointments are made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender.

The Company Secretary supports the Chairman in addressing the training and development needs of Directors.

As a small company, all members of the Board share responsibility for all Board functions. As such the Board will from time to time engage outside consultants to provide an independent assessment.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Board intends to carry out an internal evaluation on individual Directors on an ad-hoc basis in the form of peer reviews and appraisals. The individual reviews and appraisals are used to identify group and individual targets which are reviewed and assessed at the end of the financial year.

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

The Company is committed to maintaining and promoting high standards of business integrity. Company values, which incorporate the principles of corporate social responsibilities (CSR) and sustainability, guide the Company's relationships with clients, employees and the communities and environment in which we operate. The Company's approach to sustainability addresses both our environmental and social impacts, supporting the Company's vision to remain an employer of choice, while meeting client demands for socially responsible partners.

Company policy strictly adheres to local laws and customs while complying with international laws and regulations. These policies have been integral in the way group companies have done business in the past and will continue to play a central role in influencing the Group's practice in the future.

The ethical values of UKOG including health, safety, environmental, social and community and relationships, are set out on page 19 of the Annual Report.

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

The Company has adopted a model code for directors' dealings and persons discharging managerial responsibilities appropriate for an AIM company, considering the requirements of the Market Abuse Regulations "MAR"), and takes reasonable steps to ensure compliance is also observed by the Company's employees (AIM Rule 21 in relation to directors' dealings).

The Corporate Governance Statement details the company’s governance structures, the role and responsibilities of each director. Details and members of the Audit Committee and Remuneration Committee can be found on page 20 & 21.

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

The Company encourages two- way communication with both its institutional and private investors and responds quickly to all queries received. The Chief Executive talks regularly with the Company’s major shareholders and ensures that their views are communicated fully to the Board.

The Board recognises the AGM as an important opportunity to meet private shareholders. The Directors are available to listen to the views of shareholders informally immediately following the AGM.

To the extent that voting decisions are not in line with expectations, the Board will engage with shareholders to understand and address any issues.

In addition to the investor relations activities carried out by the Company as set out above, and other relevant disclosures included within the Investor Relations section of the Company’s website, reports on the activities of each of the Committees during the year are set out in the Annual Report.

While building a strong governance framework the Company also tries to ensure that it takes a proportionate approach and that its processes remain fit for purpose as well as embedded within the culture of the organisation. We continue to evolve our approach and make ongoing improvements as part of building a successful and sustainable company.

Board of Directors

The Board consists of a team of experienced multidisciplinary members who are committed to delivering shareholder value.

Nicholas Mardon Taylor, Non-Executive Chairman

Nicholas Mardon Taylor served as the Chief Financial Officer of Hurricane Energy PLC from May 2012 until January 2016. He has worked in the oil industry for over 35 years, his first involvement in the North Sea being in the early licensing rounds. He was with Hurricane from 2005 to January 2016 when he was the Company’s first CFO and was subsequently responsible for the Company’s Environmental Management System.

Stephen Sanderson, Chief Executive

Stephen Sanderson joined UK Oil & Gas Plc in September 2014. He was appointed Executive Chairman and Chief Executive in July 2015 and in August 2018 ceded his role as Executive Chairman as part of improvements in corporate governance. A highly experienced petroleum geologist, oil industry veteran and upstream energy business leader, with over 30 years operating experience, Stephen is a proven oil finder and has been instrumental in the discovery of more than 12 commercial conventional fields, including the Norwegian Smorbuk-Midgaard field complex.

Stephen held a variety of senior management roles for ARCO (which was acquired by BP in 2000), Wintershall AG (a subsidiary of German chemical giant BASF) and three junior start-ups. He created and ran successful new exploration businesses in Africa, Europe and South America. He has significant technical and commercial expertise in the petroleum systems of Africa, the North Sea, Norway, onshore UK & Europe, South America, the South Atlantic, Middle East, Asia, India, Australia and the USA. He is a graduate and Associate of the Royal School of Mines, Imperial College, London, a Fellow of the Geological Society of London and a member of the American Association of Petroleum Geologists.

Kris Bone, Chief Technical Officer (Appointed on 1 October 2024)

Kris is a petroleum engineer with 28 years international exploration, appraisal, development and production experience in oil, gas and energy transition sectors. Before joining UKOG in April 2019, Kris held positions including Well Engineering Director, Asset Manager, Subsurface Manager, Production Manager, and senior operational and engineering roles. His previous experience includes onshore and offshore UKCS, offshore Ireland, Eastern and Central Europe, Central Asia, Caspian Region, Middle East Gulf and North America. His leadership and management experience covers across petroleum and subsurface engineering, drilling & completions, production operations, gas storage, decommissioning, asset management and regulatory compliance. Kris is a graduate of Newcastle University (BEng Chemical Engineering) and Edinburgh Heriot-Watt University (MEng Petroleum Engineering), a Chartered Engineer (CEng) with Institute of Chemical Engineers.

Allen D Howard, Non-Executive Director

Allen Howard was Senior Vice President of Houston-based Premier Oilfield Laboratories, having been Chief Operating Officer of well analysis experts Nutech. Allen also held senior positions with Schlumberger. He holds a degree in Chemical Engineering from Texas Tech University and an MBA from Mays Business School in Texas. Allen was appointed as Non-Executive Chairman for UKOG in August 2018, before taking up his current Executive role at the beginning of 2022.

Kiran Morzaria, Non-Executive Director (resigned on 1 October 2024)

Kiran Morzaria holds a Bachelor of Engineering (Industrial Geology) from the Camborne School of Mines and an MBA (Finance) from CASS Business School. He has extensive experience in the mineral resource industry working in both operational and management roles. Mr Morzaria spent the first four years of his career in exploration, mining and civil engineering. He then obtained his MBA and became the Finance Director of Vatukoula Gold Mines Plc for seven years. He has served as a director of a number of public companies in both an executive and non-executive capacity; he is a non-executive director of European Metals Holdings Ltd and the Chief Executive Officer for Cadence Minerals Plc. Mr Morzaria previously served in an Executive capacity as the Finance Director of UKOG, transitioning to his current Non-Executive position at the beginning of 2022.

Board and Committee membership at the date of approval of this Annual report

Member	Board Title	Audit Committee Title	Remuneration Committee Title
Stephen Sanderson	Chief Executive		
Allen D Howard	Non-Executive Director	Member	Member
Nicholas Mardon Taylor	Non-Executive Chairman	Chaiman (from 1 October 2024)	Chaiman (from 1 October 2024)
Kris Bone	Executive Director		

The Board and its Committees

The Board of the Company consists of two Executive Directors and two Non-Executive Directors. The Non-Executive Directors are not considered independent under the QCA Code as they hold options and/or shares in the Company. However, the Board considers that the Non-Executive Directors are independent of management under all other measures and are able to exercise independence of judgement.

The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day-to-day management is devolved to the executive directors, who are charged with consulting the Board on all significant financial and operational matters. The Board retains ultimate accountability for governance and is responsible for monitoring the activities of the executive team.

The roles of Chairman and Chief Executive are split in accordance with best practice. The Chairman has the responsibility of ensuring that the Board discharges its responsibilities. The Chairman is also responsible for the leadership and effective working of the Board, for setting the Board agenda, and ensuring that Directors receive accurate, timely and clear information. No one individual has unfettered powers of decision.

The Chief Executive has the overall responsibility for creating, planning, implementing, and integrating the strategic direction of the Company. This includes responsibility for all components and departments of the business. The Chief Executive ensures that the organisation's leadership maintains constant awareness of both the external and internal competitive landscape, opportunities for expansion, customer base, markets, new industry developments and standards.

The Board met regularly during the year. Tabulated below is the attendance of Board Members during the reporting period.

Board Member	Meetings attended (out of a total possible)
Nicholas Mardon Taylor	10/10
Stephen Sanderson	10/10
Allen D Howard	10/10
Kiran Morzaria	10/10

Audit Committee

The audit committee consists now of Nicholas Mardon Taylor (Chairman) and Allen D Howard . Prior to 1 October 2024 the audit committee consisted of Kiran Morzaria and Nicholas Mardon Taylor. The Audit Committee met once during the year. Kiran Morzaria resigned on 1 October 2024.

Board member	Meetings attended (out of a total possible)
Kiran Morzaria (until 1 October 2024)	1/1
Nicholas Mardon Taylor	1/1
Allen Howard	1/1

The principal duties and responsibilities of the Audit Committee include:

- Overseeing the Company's financial reporting disclosure process; this includes the choice of appropriate accounting policies
- Monitoring the Company's internal financial controls and assess their adequacy
- Reviewing key estimates, judgements and assumptions applied by management in preparing published financial statements
- Annually assessing the auditor's independence and objectivity
- Making recommendations in relation to the appointment, re-appointment and removal of the company's external auditor
- The Audit Committee is responsible for overseeing the integrity of the Group's financial reporting, the effectiveness of its risk management and internal control framework, and the performance and independence of the external auditors. During the year, the Committee met regularly with management to review key accounting matters, significant judgements and estimates, and to monitor the robustness of the Company's financial controls.

  Significant accounting and reporting matters
  In considering the Annual Report and Accounts for the year ended 30 September 2024, the Committee focused on those areas which involved the greatest degree of judgement and estimation, and which were also highlighted by the external auditors in their report. These included the Group's ability to continue as a going concern, impairment assessments of producing and exploration assets, the accounting treatment of exploration and evaluation expenditure and hydrogen storage projects.
- For each of these matters, the Committee received detailed reports from management, scrutinised the key assumptions and sensitivities, and discussed conclusions with the external auditors before determining the appropriateness of the accounting treatment and disclosures. In particular, the Committee challenged the cash flow forecasts underpinning the going concern assessment, the assumptions used in impairment models, and the valuation techniques applied to decommissioning provisions for each asset.
- The Committee is satisfied that, taken together, these activities provided a sound basis for the Board's confirmation that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable.

Remuneration Committee

The Remuneration Committee consists now of Nicholas Mardon Taylor (Chairman) and Allen D Howard . Prior to 1 October 2024 the committee consisted of Kiran Morzaria and Nicholas Mardon Taylor. The Committee met once during the year. Kiran Morzaria resigned on 1 October.

Board member	Meetings attended (out of a total possible)
Kiran Morzaria	1/1
Nicholas Mardon Taylor	1/1

The principal duties and responsibilities of the Remuneration Committee include:

- Setting the remuneration policy for all Executive Directors
- Recommending and monitoring the level and structure of remuneration for senior management
- Approving the design of, and determining targets for, performance related pay schemes operated by the company and approve the total annual payments made under such schemes
- Reviewing the design of all share incentive plans for approval by the board and shareholders

None of the Committee members have any personal financial interest (other than as shareholders and option holders), conflicts of interest arising from cross-directorships or day-to-day involvement in the running of the business. No director plays a part in any financial decision about his or her own remuneration.

Internal controls

The Board is responsible for establishing and maintaining the Company's system of internal controls and reviewing its effectiveness. The procedures that include financial, operational, health and safety, compliance matters and risk management are reviewed on an ongoing basis.

The Company's internal control procedures include the following:

- Board approval for all significant projects, including corporate transactions and major capital projects;
- The Board receives and reviews regular reports covering both the technical progress of projects and the Company's financial affairs to facilitate its control;
- There is a comprehensive budgeting and planning system for all items of expenditure with an annual budget approved by the Board;
- The Company has in place internal control and risk management systems in relation to the Company's financial reporting process and the Company's process for preparing consolidated accounts. These systems include policies and procedures to ensure that adequate accounting records are maintained, and transactions are recorded accurately and fairly to permit the preparation of consolidated financial statements in accordance with UK-Adopted IAS; and
- The Audit Committee reviews draft annual and interim reports before recommending their publication to the Board. The Audit Committee discusses with the Chief Financial Officer and external auditors the significant accounting policies, estimates and judgements applied in preparing these reports.

The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has considered the need for a separate internal audit function but, bearing in mind the present size and composition of the Company, does not consider it necessary at the current time.

UK Bribery Act

UK Oil & Gas Plc has reviewed the appropriate policies and procedures to ensure compliance with the UK Bribery Act. The Company continues actively to promote good practice throughout the Company and has initiated a rolling programme of anti-bribery and corruption training for all relevant employees.

Relations with shareholders

Communications with shareholders are considered important by the Directors. The primary contact with shareholders, investors and analysts is the Chief Executive. Other senior management, however, regularly speak to investors and analysts during the year.

Company circulars and press releases have also been issued throughout the year for the purpose of keeping investors informed about the Company's progress and in accordance with AIM regulations.

The Company also maintains a website (www.ukogplc.com) which is regularly updated and contains a wide range of information about the Company.

Directors' Remuneration Report

This report explains our remuneration policy for Directors and sets out how decisions regarding Directors' pay for the period under review have been taken.

Directors' remuneration policy

The Company's policy is to maintain levels of remuneration sufficient to attract, motivate and retain senior executives.

Executive Director's remuneration currently consists of basic salary, pensions, annual bonus (based on annually set targets) and long-term incentives (to reward long term performance).

The Company seeks to strike an appropriate balance between fixed and performance-related reward so that the total remuneration package is structured to align a significant proportion to the achievement of performance targets, reinforcing a clear link between pay and performance. The performance targets for staff, senior executives and the Executive Directors are each aligned to the key drivers of the business strategy, thereby creating a strong alignment of interest between staff, Executive Directors and shareholders.

The Remuneration Committee will continue to review the Company's remuneration policy and make amendments, as and when necessary, to ensure it remains fit for purpose and continues to drive high levels of executive performance and remains both affordable and competitive in the market.

Remit of the Remuneration Committee

The remit of the Remuneration Committee is provided in the Corporate Governance section.

Share price movements during the year

The share price range during the year was £0.000140 to £0.00035 due to share consolidation (2023: £0.00033 to £0.0012).

Current arrangement in financial year (audited)

Executive Directors are employed under rolling contracts with notice periods of 12 months or less from the Company. Non-Executive Directors are employed under rolling contracts with notice period of three months, under which they are not entitled to any pension, benefits or bonuses.

During the years ended 30 September 2024 and 2023 the Directors occupied the following Board positions: Nicholas Mardon Taylor (Non-Executive Chairman), Stephen Sanderson (Chief Executive Officer), Allen D Howard (Executive Director), Kiran Morzaria (Non-Executive Director), The Directors' emoluments for the year were as follows:

2024	Fees and salaries £'000	Bonuses £'000	Pension £'000	Benefits in Kind £'000	Share based payments (*) £'000	Total £'000
Stephen Sanderson	313	-	1	-	-	314
Kiran Morzaria	27	-	-	-	-	27
Allen Howard	62	-	-	-	-	62
Nicholas Mardon Taylor	54	-	-	-	-	54
Total	**456**	**-**	**1**	**-**	**-**	**457**

2023	Fees and salaries £'000	Bonuses £'000	Pension £'000	Benefits in Kind £'000	Share based payments (*) £'000	Total £'000
Stephen Sanderson	337	-	1	-	-	338
Kiran Morzaria	27	-	-	-	-	27
Allen Howard	82	-	-	-	-	82
Nicholas Mardon Taylor	61	-	-	-	-	61
Total	**507**	**-**	**1**	**-**	**-**	**508**

** Share based payments are non-cash remuneration by way of the issue of share options in the company.*

As at 30 September 2024, the outstanding long-term incentives, in the form of options, held by the Directors who served during the period are set out in the table below.

Share options	At 1 October 2023 No. million	Issued during the year No. million	lapsed / exercised during the year No. million	At 30 September 2024 No. million	Exercise price	Date from which exercisable	Expiry date
Stephen Sanderson	25	-	(25)	-	0.0130	27/09/2020	25/09/2024
Total	**25**	**-**	**(25)**	**-**			

Share options	At 1 October 2023 No. million	Issued during the year No. million	lapsed / exercised during the year No. million	At 30 September 2024 No. million	Exercise price	Date from which exercisable	Expiry date
Kiran Morzaria	6.5	-	(6.5)	-	0.0130	27/09/2020	25/09/2024
Total	**6.5**	**-**	**(6.5)**	**-**			

Share options	At 1 October 2023 No. million	Issued during the year No. million	lapsed / exercised during the year No. million	At 30 September 2024 No. million	Exercise price	Date from which exercisable	Expiry date
Allen Howard	5	-	(5)	-	0.0130	27/09/2020	25/09/2024
Total	**5**	**-**	**(5)**	**-**			

Share options	At 1 October 2023 No. million	Issued during the year No. million	lapsed / exercised during the year No. million	At 30 September 2024 No. million	Exercise price	Date from which exercisable	Expiry date
Nicholas Mardon Taylor	4	-	(4)	-	0.0130	27/09/2020	25/09/2024
Total	**4**	**-**	**(4)**	**-**			

Report of the Directors

The Directors present their annual report together with the audited consolidated financial statements of the Group for the year ended 30 September 2024.

Business review and future developments

A review of business activities in the year and future developments is outlined in the Chief Executive's Statement, the Statement from the Chairman, and the Operational Review.

Principal activity and business review

The principal activity of the Group is hydrogen storage and exploring for, appraising and developing oil & gas assets.

Results and dividends

Loss on ordinary activities of the Group amounted to £37,824,000 (2023: loss of £4,069,000). The Directors do not recommend the payment of a dividend (2023: £nil). The Company has no plans to adopt a dividend policy in the immediate future.

Principal risks and uncertainties

Information of the principal risks and uncertainties facing the Group is included in the Principal Risks and Uncertainties section of the Strategic Report.

Financial risk management objectives and policies

The Group's principal financial instruments are trade receivables, trade payables, cash at bank, and borrowings. The main purpose of these financial instruments is to fund the Group's operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Group's financial instruments is liquidity risk. The Board reviews and agrees policies for managing this risk and this is summarised below.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of equity and its cash resources. Further details of this are provided in the section "Going concern" below and the financial statements.

Key Performance Indicators ("KPIs")

KPIs adopted by the Group are detailed in the KPIs section of the Strategic Report.

Going concern

The accounts have been prepared on a going concern basis.

The Directors note the losses and cash outflows incurred by the Group for the year ended 30 September 2024. In assessing the Group's ability to continue as a going concern, the Directors have prepared detailed cash flow forecasts covering the period to 30 September 2026. These forecasts incorporate assumptions regarding anticipated production levels and operating costs, the forward Brent crude oil price curve, expected revenue streams, and access to external funding. The Board recognises, however, that unforeseen events outside its control could affect these forecasts.

These forecasts indicate that in order to both maintain its ongoing status as a going concern and to further progress its Clean Power and hydrogen storage projects the Group anticipates the need to enact an already advanced number of financing initiatives during the next 6 months, namely;

- the Group is advancing the disposal of its subsidiary UKOG (GB) Ltd, with completion anticipated in the middle of October 2025; and
- the Group has agreed key commercial terms with a finance provider for a new credit facility and plans to execute by the end of October 2025.

The group has already secured sufficient share headroom to conduct an equity placing as a further potential source of funding. In addition, the Company has successfully implemented wide raging cost reductions and management would, if necessary, seek to implement further cost control measures and negotiate extended payment terms with key suppliers.

At 30 September 2024, the Group reported a net current liability position. This is being managed through a combination of close working capital management and constructive negotiations with certain creditors. Borrowings now consist solely of shareholder loans relating to Horse Hill Development Ltd, which are not expected to be repaid until Horse Hill returns to production. In addition, the Board has implemented reductions in discretionary expenditure and is closely monitoring cash flows.

The Board recognises that certain assumptions in the forecasts are subject to uncertainty, particularly the timing of proceeds from the planned disposal of a subsidiary and the amount of equity financing that may be secured. If these inflows are lower or later than expected, the Group has a number of mitigating options available, including drawing on the credit facility, tighter cost control, and deferral of expenditure.

While these actions are expected to provide the necessary resources, the Directors acknowledge that there can be no absolute assurance that the funding initiatives will complete as planned or that the forecast inflows will materialise when required. These conditions represent a material uncertainty that may cast significant doubt on the Company and the Group's ability to continue as a going concern.

Notwithstanding this material uncertainty, the Directors remain confident in the Group's ability to secure the required funding, given the advanced progress made on the credit facility, the subsidiary disposal, and the Group's established track record of raising capital. Accordingly, the financial statements have been prepared on a going concern basis. The independent auditor's report draws attention to this material uncertainty.

Events after the reporting period

Events after the Reporting Period are outlined in Note 24 to the Financial Statements.

Corporate governance

Information in relation to the Corporate Governance of the Group is contained within the Corporate Governance Section of the Strategic Report.

Suppliers' payment policy

The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement provided the supplier has met the terms and conditions. Suppliers are typically paid within 30 days of issue of invoice.

Charitable contributions

During the year, the Group made charitable donations amounting to £Nil (2023 - £Nil).

Substantial shareholdings update

As at 30 June 2025 the Company had been notified of the following substantial shareholdings in its ordinary share capital:

Shareholder	Number of Ordinary Shares	Holding %
Interactive Investor (Manchester)	3,012,249,826	17.42
Hargreaves Lansdown Asset Mgt (Bristol)	2,932,801,301	16.96
Halifax Share Dealing (Halifax)	1,449,171,381	8.38
A J Bell Securities (Tunbridge Wells)	945,409,763	5.47
Trading 212 (London)	902,800,015	5.22
MUFG Corporate Markets Trustees (Nominees) Limited (Regional (England))	864,485,685	5.00

Current Board and directors' interests

Nicholas Mardon Taylor	Non-Executive Chairman
Stephen Sanderson	Chief Executive
Allen D Howard	Non-Executive Director
Kris Bone	Executive Director appointed on 1 October 2024

The directors hold options to purchase new ordinary shares in the Company, details of which are specified in the Remuneration Report. In addition, Stephen Sanderson holds 12,457,310 ordinary shares in the Company and Kiran Morzaria holds 4,508,178 ordinary shares in the Company.

Annual General Meeting

Notice of the forthcoming Annual General Meeting will be provided separately.

Statement of directors' responsibilities

The Directors are responsible for preparing the annual report and 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 have elected to prepare the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. 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 for that period. These financial statements have been prepared in accordance with:

- UK-adopted international accounting standards
- The requirements of the Companies Act 2006.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions. The Company's website is maintained in accordance with AIM Rule 26.

Delay in publication of this Annual report

PKF Littlejohn LLP resigned as the Company's auditor on 24 January 2025, and Moore Kingston Smith LLP was appointed. However, the Company experienced timing challenges encountered during the audit. The audit did not progress in line with expectations, ultimately affecting the Group's ability to meet the reporting deadline under AIM Rule 19. As a result of the delay in publishing the audited annual results, the Company's shares were temporarily suspended from trading on AIM, in accordance with AIM Rule 19.

In July 2025, MKS LLP resigned, and the Board subsequently appointed PKF Littlejohn LLP as the Company's new auditor. MKS's resignation letter did not raise any matters to be brought to the attention of shareholders. While this transition was necessary to move the audit forward, it inevitably resulted in some disruption to the overall timetable.

Statement as to disclosure of information to the auditor

As at the date of this report the serving directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- They have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor are aware of that information.

On behalf of the board

Stephen Sanderson
Director
30 September 2025

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

Opinion

We have audited the financial statements of UK Oil & Gas Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent company Statement of Financial Position, the Consolidated and Parent company Statement of Changes in Equity, the Consolidated and Parent company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- The financial statements give a true and fair view of the state of the group and the parent company's affairs as at 30 September 2024 and of the group's loss for the year then ended;
- the group financial statement have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statement have been properly prepared in accordance with UK-adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 2a in the financial statements, which indicates that the group require additional funding in quarter four 2025 in order to meet their ongoing cash requirements. Whilst the directors anticipate that such funding may be obtained from a number of sources, including a planned equity placing and/or via the use of a credit facility there can be no certainty that such sources of funding will be obtained in the timeframes necessary. As stated in note 2a, these events or conditions, along with the other matters as set forth in note 2a, 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- a review of budgets and cash flow forecasts covering a period of at least 12 months from the date of approval of the financial statements,
- challenging of management on assumptions used within the forecasts and obtaining support for inputs and various payment plans, together with ascertaining the most recent cash position of the group;

- assessing the Group's plans to raise further finance and considering the timing and amounts required ;
- reviewing the latest management accounts, and identifying subsequent events that may impact the going concern;

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

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as a magnitude of misstatement that makes it probable that the economic decisions of a reasonable knowledgeable person, relying on the financial statements, would be charged or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceed materiality for the financial statements as a whole.

Materiality for the group financial statements was set at £75,000 (2023: £666,000). This was calculated based on 2% of gross assets (2023: 2% of net assets). Gross assets was used as the benchmark for the basis of materiality being the key area of relevance to stakeholders in assessing the financial performance of the group in its early years of production, exploration and hydrogen storage. The basis for the calculation of materiality for the Parent company financial statements was 3.5% of adjusted loss before tax being £48,000 (2023: £665,999 2% net assets). The basis of materiality changed from the prior year due to the significant impairments processed during the year which have impacted the net asset position and we considered the gross assets benchmark more appropriate for the Group and given the losses generated in the parent company and impairment of the investments in and loans to the subsidiaries we considered that loss before tax is the most appropriate benchmark.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality for the group and Parent company was set at £48,000 (2023: £432,900) and £30,000 (2023: £432,899) respectively, being 65% of materiality for the financial statements as a whole.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £3,500 (2023: £33,300) for group and £2,400 (2023: £33,300) for Parent company. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

As part of our planning, we assessed all components of the group for their significance under ISA (UK) 600 in order to determine the scope of the work to be performed. Those entities of the group which were considered to be material components and subject to full scope audit procedures, being UK Oil & Gas plc and Horse Hill Developments Limited, and those considered to be material, being UKOG (137/246) Limited, UKOG (234) Limited, UKOG Turkey Limited, UKOG GB, UK Energy Storage Limited and UK Geothermal Limited were subject to audit procedures on significant and identified risk areas and material balances only, in accordance with ISA (UK) 600. Procedures were then performed to address the risks identified and for the most significant assessed risks of material misstatement, the procedures are outlined below in the key audit matters section of this report.

We did not rely on the work of any component auditors.

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. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Carrying value and correct classification of exploration and evaluation assets (Note 11)	
The Group accounts for exploration and evaluation (E&E) costs in accordance with the requirements of IFRS 6 – Exploration for and evaluation of mineral resources. Costs such as exploration licences, leasehold land and property acquisition costs and costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets. There is a risk that the exploration and evaluation assets are incorrectly valued or need to be impaired. If no future activity is planned, the licence has been relinquished or has expired, or where development is likely to proceed but there are indications that the E&E asset costs are unlikely to be recovered in full, the carrying value of the asset is written off to the income statement. During the year, Broadford Bridge (UKOG 234) and UKOG Turkey were fully impaired by the Group. Planning permission for the Horse Hill licence and development was suspended in 2024 with the last production at HH-1 taking place in October 2024. The changing landscape for the UK oil and gas industry during 2024 further increased the risk. The projects also need to be assessed to determine whether they are correctly classified under IFRS 6 or whether they should be classified under a different accounting standard. This risk is classed as a KAM given that management's review for indicators of impairment may be subject to significant judgements and estimates and is one of the most significant balances on the statement of financial position.	Our work in this area included: • Vouching a sample of additions in the period to supporting documentation and ensuring they have been capitalised in line with the classification requirements of IFRS 6; • A review of management's indicators of impairment review and performing an independent assessment to ascertain whether indicators of impairment exist under IFRS 6. This included challenging estimates and assumptions made by management; • Obtaining and reviewing the latest Competent Person's Report for Horse Hill and Horndean, as well as any other relevant technical reports, and considering the impact of any key findings on the indicators of impairment review; • Assessing whether good title to the licences in place remains and whether they are valid for the period under review; • Reviewing the terms of the licenses to identify any stipulations and assessing whether these have been met; • Ensuring disclosures made in the financial statements in relation to critical accounting estimates and judgments are adequate and in

	line with our understanding of the group and its activities. • Critically assessing the impairment reviews for projects where indicators of impairment were identified agreeing impairment charges for the exploration projects amounting to £32,544,000. • Critically assessing the classification of the Group's hydrogen storage project and agreeing the re-classification to a development asset in the year.
Carrying value of producing assets (Note 12)	
The Group carries a material amount of producing assets on its statement of financial position. Management reviews the Group's producing assets annually to determine whether any indication of impairment exists. Where indicators exist, a formal estimate of the recoverable amount is made, which requires the use of key assumptions and judgements such as long-term oil prices, foreign exchange rates, discount rates, reserves, production profiles and capital expenditure all of which are subject to risk and uncertainty. There is therefore a risk of material misstatement around the carrying value of PPE, as to whether any impairment is required. Planning permission for the Horse Hill licence and development was suspended in 2024 with the last production at HH-1 taking place in October 2024. This is classed as a KAM given that management's valuation workings are subject to significant judgements and estimates.	Our work in this area included: • A critical assessment of managements impairment review of the carrying value of the producing assets, including management's net present value workings, and challenging key assumptions made including the discount rate, forecasted oil price, production levels and reserves estimates; • Verifying the mathematical accuracy of the calculations prepared by management; • Assessing the completeness and accuracy of the impairment charges identified; and • Ensuring disclosures made in the financial statements in relation to critical accounting estimates and judgments are adequate and in line with our understanding of the group and its activities.
Carrying value of investments – company only (Note 13)	
The investments held in UKOG Plc have a significant balance. At the end of each year the Directors carry out an impairment review of the Company's investment in subsidiaries applying the same assumptions used for the impairment review of oil and gas properties within Horse Hill Developments	Our work in this area included: • Reviewing valuation and/or impairment workings, including testing key inputs to supporting documentation and challenging

Ltd, impairment review of exploration assets within the other subsidiaries and impairment review of producing assets There is a risk that these investments in subsidiaries are not fairly valued as there have been historic impairments of investments and impairment of investments in the current year. This risk is classed as a KAM given that management's valuation and classification of investments are subject to significant judgements and estimates.	estimates and assumptions made by management; • Agreeing investment holdings to supporting documentation to support the ownership; • Agreeing capitalisation of intercompany loans to supporting documentation; and • Reviewing the impairment charges recognised in the current year and assessing the completeness and accuracy of the charge recognised..

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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, 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, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from:
    - Companies Act 2006
    - UK adopted International Accounting Standards
    - Employment Law
    - Bribery Act 2010
    - Tax legislation
    - Health and Safety legislation
    - Environmental law
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
    - enquiries of management
    - review of RNS announcements
    - review of board and other committee minutes
    - review of legal correspondence
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls and in revenue recognition, that the potential for management bias was identified in relation to the impairment of the carrying value of exploration and evaluation assets, oil and gas assets and investments in subsidiaries. We addressed this by challenging the assumptions and judgements made by management when auditing them. We did not identify any significant fraud risks.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 our 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.

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

30 September 2025

Financial Statements

Consolidated statement of comprehensive income for year ended 30 September 2024

	Notes	30 Sep 2024 £'000	30 Sep 2023 £'000
REVENUE	6	**1,110**	**1,538**
Cost of sales			
Depletion, Depreciation and Amortisation		(303)	(244)
Other Cost of Sales		(912)	(1,019)
Gross (loss)/ profit		**(105)**	**275**
Operating expenses			
Administrative expenses		(1,729)	(3,320)
Impairment of oil and gas assets		(3,227)	-
Impairment of E&E assets	11	(32,544)	(402)
Foreign exchange gain/ losses		1	(33)
Operating loss	5	**(38,710)**	**(3,480)**
Net finance income/(cost)	8	(220)	(589)
Loss before taxation		**(37,824)**	**(4,069)**
Taxation	9	-	-
Retained loss for the year		(37,824)	(4,069)
Retained loss attributable to			
Equity holders of the Parent		(37,168)	(3,777)
Non-Controlling Interests		(656)	(292)
		(37,824)	(4,069)

There are no other comprehensive income or expenses during the two reported periods to disclose.

All operations are continuing.

	Note	Pence	Pence
Earnings per share			
Basic and diluted	10	(0.09)	(0.02)

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

Consolidated statement of financial position as at 30 September 2024

	Notes	30 Sep 2024 £'000	30 Sep 2023 £'000
ASSETS			
Non-current assets			
Exploration & evaluation assets	11	-	33,201
Development assets	11	1,497	-
Oil & Gas properties	12	598	2,276
Property, Plant & Equipment	12	13	1,439
Total non-current assets		**2,108**	**36,916**
Current assets			
Inventory	14	2	18
Trade and other receivables	15	614	754
Cash and cash equivalents	16	1,039	1,868
Total current assets		**1,655**	**2,640**
Total assets		**3,763**	**39,556**
LIABILITIES			
Current liabilities			
Trade and other payables	17	(1,268)	(635)
Borrowings	18	(3,310)	(4,784)
Total current liabilities		**(4,578)**	**(5,419)**
Non-current Liabilities			
Provisions	19	(759)	(1,451)
Total non-current liabilities		**(759)**	**(1,451)**
Total liabilities		**(5,337)**	**(6,869)**
Net Assets		**(1,574)**	**32,687**
Equity			
Share capital	20	14,846	13,808
Share premium account		113,766	110,915
Own shares held in trust		(326)	-
Share based payment and other reserve	21	82	2,039
Accumulated losses		(127,964)	(92,753)
		405	**34,009**
Non-controlling interest		(1,979)	(1,322)
Total shareholders' equity		**(1,574)**	**32,687**

These financial statements were approved by the Board of Directors on 30 September 2025 and are signed on its behalf by:

Stephen Sanderson
Director

Allen Howard
Director

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

Company statement of financial position
as at 30 September 2024

	Notes	2024 £'000	2023 £'000
ASSETS			
Non-current assets			
Exploration & evaluation assets	11	-	1,166
Development assets	11	638	-
Investment in subsidiary companies	13	197	26,242
Property, Plant and Equipment	12	5	1,412
Total non-current assets		**840**	**28,820**
Current assets			
Trade and other receivables	15	617	172
Intercompany balances	15	1,018	13,157
Cash and cash equivalents	16	751	497
Total current assets		**2,386**	**13,826**
TOTAL ASSETS		**3,226**	**42,646**
LIABILITIES			
Current liabilities			
Trade and other payables	17	(657)	(254)
Borrowings		-	(1,540)
Total Current Liabilities		**(657)**	**(1,794)**
TOTAL LIABILITIES		**(657)**	**(1,794)**
Net Assets		**2,569**	**40,852**
Shareholders' Equity			
Share capital	20	14,846	13,808
Share premium account		113,766	110,915
Share based payment and other reserves		82	2,039
Accumulated losses		(126,126)	(85,910)
Total shareholders' equity		**2,569**	**40,852**

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The parent company loss for the year was £42,172,916 (2023: loss £16,757,000).

These financial statements were approved by the Board of Directors on 30 September 2025 and are signed on its behalf by:

Stephen Sanderson
Director

Allen Howard
Director

Registered number: 05299925

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

Consolidated statement of changes in equity for the year ended 30 September 2024

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Own shares held in trust	Accumulated losses £'000	Total £'000	Non-controlling Interests £'000	Total £'000
Balance at 30 September 2022	**13,693**	**110,480**	**1,745**		**(88,976)**	**36,942**	**(1,030)**	**35,912**
Loss for the year	-	-	-		(3,777)	(3,777)	(292)	(4,069)
Total comprehensive income	**-**	**-**	**-**		**(3,777)**	**(3,777)**	**(292)**	**(4,069)**
Loan conversion	115	435	-		-	550	-	550
Warrants issued	-	-	294		-	294	-	294
Total transactions with owners	115	435	294			844	-	844
Balance at 30 September 2023	**13,808**	**110,915**	**2,039**		**(92,753)**	**34,009**	**(1,322)**	**32,687**
Loss for the year	-	-	-		(37,168)	(37,168)	(656)	(37,824)
Total comprehensive income	**-**	**-**	**-**		**(37,168)**	**(37,168)**	**(656)**	**(37,824)**
Issue of shares	682	1,968	-	(326)	-	2,324	-	2,324
Share options expiry			(1,957)		1,957			
Loan conversion	356	884	-		-	1,240	-	1,240
Total transactions with owners	1,038	2,852	(1,957)	(326)	1,957	3,564	-	3,564
Balance at 30 September 2024	**14,846**	**113,766**	**82**	**(326)**	**(127,964)**	**405**	**(1,979)**	**(1,574)**

Company statement of changes in equity for the year ended 30 September 2024

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Accumulated losses £'000	Total £'000
Balance at 30 September 2022	13,693	110,480	1,745	(69,055)	56,863
Loss for the year				(1,716)	(1,716)
Total comprehensive income				**(1,716)**	**(1,716)**
Issue of shares	485	3,764	-	-	4,249
Cost of share issue	-	(381)	163	-	(218)
Share options expired	-	-	(474)	474	-
Total transactions with owners	485	3,383	(311)	474	4,031
Balance at 30 September 2023	**13,808**	**110,915**	**2,039**	**(85,910)**	**40,852**
Loss for the year				(42,174)	(42,174)
Total comprehensive income				**(42,174)**	**(42,174)**
Issue of shares	682	1,967	-	-	2,649
Loan conversion	356	884	-	-	1,240
Share options expired			(1,957)	1,957	-
Total transactions with owners	1,038	2,852			3,889
Balance at 30 September 2024	**14,846**	**113,766**	**82**	**(126,126)**	**2,569**

Consolidated statement of cash flow for the year ended 30 September 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Loss before tax	(37,824)	(4,069)
Depletion & impairment of oil and gas assets	3,227	244
Impairment of E&E assets	32,544	402
Movement in provisions	(692)	(8)
Inventories	16	(15)
Decrease/Increase in Trade & other receivables	140	(6)
Increase/ Decrease in Trade & other payables	633	(167)
Finance costs	150	683
Net cash outflow from operating activities	**(1,808)**	**(2,936)**
Cash flows from investing activities		
Expenditures on exploration & evaluation assets	(840)	(1,448)
Expenditures on oil & gas properties	(61)	(225)
Expenditures on plant, property & equipment	(2)	-
Net cash outflow from investing activities	**(903)**	**(1,673)**
Cash flows from financing activities		
Proceeds from issue of share capital	2,342	-
Repayment of/ Proceeds from convertible loan	(330)	1,882
Repayment of shareholders loan	(103)	
Net cash inflow from financing activities	**1,879**	**1,882**
Net change in cash and cash equivalents	**(829)**	**(2,726)**
Cash and cash equivalents at beginning of the period	1,868	4,595
Cash and cash equivalents at end of the period	**1,039**	**1,868**

Company statement of cash flow
for the year ended 30 September 2024

	2024 £'000	2023 £'000
Cash flows from operating activities		
Loss before tax	(42,173)	(16,757)
Depletion & impairment	40,078	14,690
Decrease/(increase) in trade & other receivables	(444)	136
(Decrease)/increase in trade & other payables	404	(71)
Interest income	(903)	(724)
Finance cost	1	502
Net cash (outflow) from operating activities	**(2,249)**	**(2,224)**
Cash flows from investing activities		
Expenditure on development assets	261-	
Expenditures on property, plant & equipment	(2)	(2)
Loan advanced to subsidiary	484	(2,792)
Net cash (outflow) from investing activities	**(220)**	**(2,794)**
Cash flows from financing activities		
Proceeds from issue of share capital	2,643	-
Loan transaction fees	(30)	
Repayment/ Proceeds from loan	(330)	1,882
Net cash inflow from financing activities	**2,283**	**1,882**
Net change in cash and cash equivalents	**254**	**(3,137)**
Cash and cash equivalents at beginning of the period	497	3,635
Cash and cash equivalents at end of the period	**751**	**497**

Notes to the Financial Statements

1. Corporate information

The consolidated financial statements of UK Oil & Gas Plc (the Company) and its subsidiaries (collectively, the Group), for the year ended 30 September 2024 were authorised for issue by the directors on 30 September 2025. UK Oil & Gas Plc (the Company & parent) is a public limited company incorporated in England and Wales under the UK Companies Act and listed on the Alternative Investment Market (AIM). The registered office is located at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW.

The Group is engaged in oil production and oil & gas exploration and evaluation (see Note 4) and salt cavern hydrogen storage projects in South Dorset and East Yorkshire. Information on the Group's structure is provided in Note 13 and information on other related parties is provided in Note 25.

2. Principal accounting policies

a) Basis of preparation

The consolidated financial statements of the UK Oil & Gas Plc (the Company) and subsidiaries (the Group) have been prepared in accordance with UK- Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 as they apply to the Group for the year ended 30 September 2024.

The accounting policies have been applied consistently throughout the preparation of these financial statements, the financial report is presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated. The consolidated financial statements provide comparative information in respect of the previous period.

Subsidiary undertakings exempt from audit
UK Oil & Gas Plc has guaranteed the liabilities of the subsidiaries listed below under section 479A of the Companies Act 2006 in respect of the year ended 30 September 2023.

- UK Energy Storage Ltd – 14108327
- UKOG (234) Ltd – 07055133
- UKOG (GB) Limited – 04050227
- UKOG (137/246) Holdings Ltd – 09010542
- UKOG (137/246) Ltd – 06807023
- UK Oil & Gas Investments Ltd – 11252712
- UKOG (Turkey) Ltd – 10212262
- UK Geothermal Ltd – 13386906

New and amended standards and interpretations
There is no material impact on the financial statements following the adoption of new standards and interpretations.

New and amended standards, and interpretations issued and effective for the financial year beginning 1 October 2023
There were no new standards, amendments or interpretations effective for the first time for periods beginning on or after 1 October 2023 that had a material effect on the Group or Company financial statements.

New standards, amendments and interpretations in issue but not yet effective

At the date of approval of these financial statements, the following standards, amendments and interpretations had been issued by the IASB but were not yet effective and have not been early adopted by the Group:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective 1 January 2024). These amendments clarify how covenants and other conditions affect the classification of liabilities.
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective 1 January 2024). These amendments aim to improve the relevance of accounting policy disclosures by requiring entities to focus on material information.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective 1 January 2024). These amendments clarify the subsequent measurement of lease liabilities arising from sale and leaseback transactions.

- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements (effective 1 January 2024). These amendments introduce additional disclosure requirements about supplier finance (reverse factoring) arrangements.
- Amendments to IAS 21: Lack of Exchangeability (effective 1 January 2025). These amendments provide guidance on how to determine the spot exchange rate when exchangeability between two currencies is lacking.
- Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments (effective 1 January 2026). These amendments modify certain requirements for derecognition, presentation and disclosures of financial instruments.
- IFRS 18 Presentation and Disclosure in Financial Statements (effective 1 January 2027). This new standard will replace IAS 1 and introduce revised presentation and disclosure requirements, including new categories for the statement of profit or loss and enhanced disclosure requirements.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027). This new standard permits eligible subsidiaries to apply reduced disclosure requirements while applying full recognition and measurement of IFRS.

The Directors do not expect that the adoption of these new standards and amendments will have a material impact on the Group's consolidated financial statements in future periods, although additional disclosures may be required.

Going concern

The accounts have been prepared on a going concern basis.

The Directors note the losses and cash outflows incurred by the Group for the year ended 30 September 2024. In assessing the Group's ability to continue as a going concern, the Directors have prepared detailed cash flow forecasts covering the period to 30 September 2026. These forecasts incorporate assumptions regarding anticipated production levels and operating costs, the forward Brent crude oil price curve, expected revenue streams, and access to external funding. The Board recognises, however, that unforeseen events outside its control could affect these forecasts.

These forecasts indicate that in order to both maintain its ongoing status as a going concern and to further progress its Clean Power and hydrogen storage projects the Group anticipates the need to enact an already advanced number of financing initiatives during the next 6 months, namely;

- the Group is advancing the disposal of its subsidiary UKOG (GB) Ltd, with completion anticipated in the middle of October 2025; and
- the Group has agreed key commercial terms with a finance provider for a new credit facility and plans to execute by the end of October 2025.

The group has already secured sufficient share headroom to conduct an equity placing as a further potential source of funding. In addition, the Company has successfully implemented wide raging cost reductions and management would, if necessary, seek to implement further cost control measures and negotiate extended payment terms with key suppliers.

At 30 September 2024, the Group reported a net current liability position. This is being managed through a combination of close working capital management and constructive negotiations with certain creditors. Borrowings now consist solely of shareholder loans relating to Horse Hill Development Ltd, which are not expected to be repaid until Horse Hill returns to production. In addition, the Board has implemented reductions in discretionary expenditure and is closely monitoring cash flows.

The Board recognises that certain assumptions in the forecasts are subject to uncertainty, particularly the timing of proceeds from the planned disposal of a subsidiary and the amount of equity financing that may be secured. If these inflows are lower or later than expected, the Group has a number of mitigating options available, including drawing on the credit facility, tighter cost control, and deferral of expenditure.

While these actions are expected to provide the necessary resources, the Directors acknowledge that there can be no absolute assurance that the funding initiatives will complete as planned or that the forecast inflows will materialise when required. These conditions represent a material uncertainty that may cast significant doubt on the Company and the Group's ability to continue as a going concern.

Notwithstanding this material uncertainty, the Directors remain confident in the Group's ability to secure the required funding, given the advanced progress made on the credit facility, the subsidiary disposal, and the Group's established track record of raising capital. Accordingly, the financial statements have been prepared on a going concern basis. The independent auditor's report draws attention to this material uncertainty.

a) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. All intercompany transactions and balances between Group companies, including unrealised profits arising from them, are eliminated in full.

At 30 September 2024, the Group comprised the Company and entities controlled by UK Oil & Gas Plc (its subsidiaries) (note 13).

b) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

c) Joint arrangements

Some of the Group's licence interests are held jointly with others under arrangements whereby unincorporated and jointly controlled ventures are used to explore, evaluate and ultimately develop and produce from its oil & gas interests. The Group's share of assets, liabilities, income and expenditure of these joint operations, have been classified in the appropriate balance sheet and income statement headings, except where its share of such amounts remain the responsibility of another party in accordance with the terms of carried interests.

When the Group, acting as an operator or manager of a joint arrangement, receives reimbursement of direct costs recharged to the joint arrangement, such recharges represent reimbursements of costs that the operator incurred as an agent for the joint arrangement and therefore have no effect on profit or loss.

d) Revenue

Revenue comprises the invoiced value of goods and services supplied by the Group, excluding value added tax and trade discounts. Revenue is recognised when control passes to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. In the case of oil and petroleum products, this generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism.

Revenue from the production of oil, from fields in which the Group has an interest with other producers, is recognised based on the Group's working interest and the terms of the relevant production sharing contracts. Differences between oil lifted and sold and the Group's share of production are not significant.

e) Non-current assets

Intangible exploration and evaluation assets
The Group accounts for exploration and evaluation costs in accordance with the requirements of IFRS 6 Exploration for and Evaluation of Mineral Resources as follows:

- Pre-licence costs (costs incurred prior to obtaining the legal rights to explore an area) are expensed immediately to the Income Statement.

- Exploration licence and leasehold land and property acquisition costs are capitalised in intangible assets.
- Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.
- Costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and consumables, drilling (including coring and sampling), evaluation of technical feasibility and commercial viability (including appraisal drilling and production testing).

Exploration and evaluation assets are assessed for impairment at each reporting date, before reclassification and whenever facts and circumstances suggest that they may be impaired. If no future activity is planned, the licence has been relinquished or has expired, or where development is likely to proceed but there are indications that the exploration and evaluation asset costs are unlikely to be recovered in full either by development or through sale, the carrying value of the asset is written off to the Income Statement.

Property, plant and equipment - oil & gas properties
Oil & gas properties are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of any associated finance lease is also included within property, plant and equipment.

Oil & gas properties are depreciated/amortised on a unit-of-production basis over the total proved developed and undeveloped reserves of the field concerned. The unit-of-production rate calculation for the depreciation/amortisation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

The Group’s interests in oil & gas properties are assessed for indicators of impairment including events or changes in circumstances which indicate that the carrying value of an asset may not be recoverable. Any impairment in value is charged to the Income Statement.

Intangible Assets
Intangible assets are recognised at cost, less any accumulated amortisation and impairment losses. Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development expenditure is capitalised only when it meets the recognition criteria under IAS 38, including the demonstration of technical feasibility, intention and ability to complete the asset, and availability of resources to do so.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives and assessed for impairment whenever there is an indication that the carrying amount may not be recoverable.

The Group’s Hydrogen Storage project has been classified as an intangible asset with an indefinite useful life. This assessment reflects the following factors:

the project is at a development stage and will not be subject to systematic amortisation until it is available for use;

there is no foreseeable limit to the period over which the project is expected to generate net cash inflows, given the long-term strategic demand for large-scale energy storage;

the Group has no legal, regulatory, contractual, or economic factors that would indicate a finite limit to the project’s useful life.

Intangible assets with an indefinite useful life are not amortised but are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other property, plant and equipment
Other property, plant and equipment is stated at cost to the Group less accumulated depreciation. These assets are generally depreciated on a straight-line basis over their estimated useful lives, depending on the type of asset.

Decommissioning assets
A decommissioning asset is recognised in the appropriate category of the Group's non-current assets (intangible exploration and evaluation assets and property, plant and equipment) depending on the underlying accounting treatment for the operations or asset leading to the associated decommissioning provision. The asset is assessed for impairment as necessary and otherwise depleted on a straight-line basis over the estimated period to future removal of production facilities or site restoration.

f) Decommissioning provisions

A provision for decommissioning is recognised where a liability for the removal of production facilities or site restoration exists. Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

g) Segmental information

An operating segment is a distinguishable component of the Group that is involved in oil production, oil exploration or related activities, within a particular economic environment, which is subject to risks and rewards that are different from those of other segments.

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

h) Financial instruments

Financial assets
Financial assets are divided into the following categories: loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired, and are recognised when the Group becomes party to contractual arrangements. Both loans and receivables and available for sale financial assets are initially recorded at fair value.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables, most other receivables and cash and cash equivalents fall into this category of financial assets. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Cash and cash equivalents comprise cash on hand and short-term deposits. Any interest earned is classified as interest income within finance income.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred, and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Financial liabilities
Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial liabilities initially recognised at fair value less transaction costs and thereafter carried at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement. A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Impairment of financial assets
At the end of each reporting period, a provision is made if there is sufficient evidence that a financial asset or group of financial assets has been impaired. Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount

of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of materials is the purchase cost, determined on first-in, first-out basis. The cost of crude oil and refined products is the purchase cost, the cost of refining, including the appropriate proportion of depreciation, depletion and amortisation and overheads based on normal operating capacity, determined on a weighted average basis. The net realisable value of crude oil and refined products is based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

j) Taxation

The tax charge includes both current and deferred tax.

Current tax assets and liabilities are measured at the amount expected to be paid to or received from the tax authorities, calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Taxable profits or losses differ from the reported profit or loss before taxation in the Income Statement as it excludes items that are taxable or deductible in different periods, as well as items that are never deductible or taxable.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

No deferred tax liability was recognised as the Group has substantial brought-forward ring-fence and supplementary charge losses. These are offsetable against future tax liabilities and offsetable with the same tax authority. PPE are in entities that have the losses and any tax base differences have merely been recognised as unrecognised deferred tax losses .

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

k) Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

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

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances, employees may provide services in advance of the grant date, and therefore the grant-date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

l) Equity

Equity comprises the following:

- "Share capital" representing the nominal value of equity shares.
- "Share premium" representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- “Share based payment reserve” represents the value of equity benefits provided to employees and directors as part of their remuneration and provided to consultants and advisors hired by the Group from time to time as part of the consideration paid.
- "Accumulated losses " represents retained and (losses).
- “Own shares held in trust” represents shares held by Employee Benefit Trust

m) Employee Benefit Trust (EBT)

The Company has established an Employee Benefit Trust (“EBT”) to facilitate the operation of its employee share incentive schemes. In accordance with IFRS 10 Consolidated Financial Statements, the EBT is consolidated as it is considered to be controlled by the Company. The assets, liabilities, income and expenses of the EBT are therefore included in the consolidated financial statements on a line-by-line basis.

Own shares of the Company held by the EBT are presented as a deduction from equity within “Own shares held in trust”. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments by the EBT. Transactions of the EBT relating to the Company’s own shares are accounted for directly in equity.

n) Foreign currencies

The consolidated financial statements are presented in UK pound sterling, the functional currency of the Group. Transactions in other currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise. Exchange differences on non-monetary items are recognised in other comprehensive income to the extent that they relate to a gain or loss on that non-monetary item taken to other comprehensive income, otherwise such gains and losses are recognised in the income statement. The Group and Company's functional currency and presentational currency is Sterling.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses during the reporting period, and reported amounts of assets and liabilities, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required, and where if actual results were to differ, this could materially affect the financial position of financial results reported in a future period. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements.

Judgements

(i) Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(ii) Hydrocarbon reserve and resource estimates

The Group estimates and reports hydrocarbon reserves in line with the principles contained in the SPE Petroleum Resources Management Reporting System (PRMS) framework. As the economic assumptions used may change, and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change.

The volume of proved and probable oil & gas reserves is an estimate that affects:

- the unit of production depreciation of producing oil & gas property, plant and equipment (see Note 11);
- the measurement of decommissioning provisions (see Note 19);
- impairment calculations of oil & gas properties (see Note 11).
- Proved and probable reserves and contingent resources are estimated using standard recognised evaluation techniques. Estimates are reviewed at least annually and are regularly assessed by independent consultants. Future development costs are estimated taking into account the level of development required to produce the reserves, by reference to operators (where applicable) and internal engineers.

(iii) Recoverable value of intangible exploration and evaluation assets
The Group has capitalised intangible exploration and evaluation assets in accordance with IFRS 6. Significant judgement is required to determine whether it continues to be appropriate to carry these costs on the balance sheet and whether the assets have been impaired.

The key areas in which management have applied judgement include the Group's intention to proceed with a future work programme for a prospect or licence, the likelihood of licence and planning permission renewal, plans for relinquishment, assessment of results from wells or geological or geophysical studies, and the assessment of whether the carrying value of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

In both the above areas, the assessments include estimates and assumptions such as long-term oil prices, foreign exchange rates, discount rates, reserves, production profiles and capital expenditure, all of which are subject to risk and uncertainty. It is possible therefore that changes in these estimates may impact the recoverable values of exploration and evaluation assets.

Details of the Group's intangible exploration and evaluation assets are disclosed in Note 11 to the financial statements.

(iv) Recoverable value of property, plant and equipment
At each reporting date, management reviews the Group's property, plant and equipment to assess whether there is any indication of impairment. If such an indicator exists, the recoverable amount of the asset or cash-generating unit (CGU) is estimated. The recoverable amount is the higher of (i) fair value less costs of disposal and (ii) value in use, which is determined by discounting the expected future cash flows from the asset or CGU.

This assessment requires significant judgement, including assumptions on long-term oil price forecasts, foreign exchange rates, discount rates, reserves, production profiles, and capital expenditure plans, all of which involve risk and uncertainty. Changes in these assumptions could materially affect the recoverable amount and lead to the recognition or reversal of impairment losses.

Impairment losses are recognised in the income statement when the carrying amount of an asset or CGU exceeds its recoverable amount. Where an impairment loss is subsequently reversed, the carrying amount is increased to the revised estimate of the recoverable amount, subject to not exceeding the carrying amount that would have been determined had no impairment been recognised previously.

Further details of the Group's property, plant and equipment are provided in Note 12 to the financial statements.

(v) Decommissioning costs
The estimated cost of decommissioning at the end of the producing lives of fields is periodically reviewed and is based on forecast prices and technology at the balance sheet date which are provided by technical teams. Provision is made for the estimated cost using a discounted cash flow method and a weighted average costs of capital. Details of the Group's decommissioning provisions are disclosed in Note 19 to the financial statements.

4. Segmental reporting

In 2024 and 2023, all the Group's assets and operations were in the United Kingdom and Turkey. For management purposes, the Group is organised into business units based on the main types of activities and has three reportable segments, as follows:

- Oil production: includes producing business activities
- Oil exploration and evaluation: includes non-producing activities
- Head Office, corporate and administrative, including parent company activities.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments.

The accounting policies used by the Group in reporting segments internally are the same as those used in the financial statements.

Revenues of £829,018 are derived from a single external customer. These revenues are attributed to the oil production segment.

Year ended 30 September 2024

Group	Oil production £'000	Oil exploration & evaluation £'000	Corporate & administrative £'000	Consolidated £'000
REVENUE				
External Customers	1,110	-	-	1,110
Total revenue	**1,110**	**-**	**-**	**1,110**
Results				
Depreciation, Depletion & Amortisation	(220)	-	(84)	(303)
Exploration write offs & Impairment charges	(959)	(34,812)	-	(35,771)
Finance income/ costs	(190)	-	(30)	(220)
Loss before taxation	(2,853)	(12,923)	(22,048)	(37,824)
Taxation	-	-	-	-
Loss after taxation	(2,853)	(12,923)	(22,048)	(37,824)
Segment assets	776	777	2,210	3,763
Segment liabilities	(4,310)	(368)	(658)	(5,337)
Other disclosures:				
Capital expenditure [(1)]	-	840	2	842

(1) Capital expenditure consists of capitalised exploration expenditure, development expenditure, additions to oil & gas properties and to other intangible assets including expenditure on assets from the acquisition of subsidiaries.

Year ended 30 September 2023

Group	Oil production £'000	Oil exploration & evaluation £'000	Corporate & administrative £'000	Consolidated £'000
REVENUE				
External Customers	1,538	-	-	1,538
Total revenue	**1,538**	**-**	**-**	**1,538**
Results				
Depreciation, Depletion & Amortisation	(98)	(49)	(98)	(244)
Write offs & Impairment	-	(402)	-	(402)
Finance costs	(135)	(92)	(505)	(731)
Loss before taxation	(779)	(630)	(2,881)	(4,069)
Taxation	-	-	-	-
Loss after taxation	(779)	(630)	(2,882)	(4,069)
Segment assets	1,036	4,675	33,846	39,556
Segment liabilities	(3,049)	(2,021)	(1,798)	(6,868)
Other disclosures:				
Capital expenditure (1)	225	1,448	-	1,673

(1) Capital expenditure consists of capitalised exploration expenditure, development expenditure, additions to oil & gas properties and to other intangible assets including expenditure on assets from the acquisition of subsidiaries.

5. Operating loss

Group	2024 £'000	2023 £'000
Operating (loss) is stated after charging:		
Directors' remuneration – fees & salaries	456	490
Auditors' remuneration		
Audit-related assurance services (PKF)	90	85
Audit-related assurance services (MKS)	75	
Non-audit services	-	-
Depletion of oil & gas properties	26	125

6. Revenue

The Group has recognised the following amounts relating to revenue in the statement of comprehensive income:

Group	2024 £'000	2023 £'000
Revenue from contracts with customers	1,110	1,538
Total	**1,110**	**1,538**

All revenue is derived from sales of oil from one geographic location and is recognised at a point in time.

7. Directors and employees

The Company employed the services of an average of 12 employees in the year (2023: 14). Remuneration in respect of these employees was:

Group	2024 £'000	2023 £'000
Employment costs, including Directors, during the year:		
Wages and salaries	1,613	1,628
Social security costs	210	215
Employee pension costs	13	13
Benefits in kind	18	11
Total	**1,854**	**1,867**

Employee pension costs payable at the end of the year amounted to £2,000 (2023: £2,000).

Average number of persons, including Executive Directors employed

	2024 No.	2023 No.
Administration	7	8
Operations	6	6
Total	**13**	**14**

Further details of Directors' remuneration, including share-based payments, pension contributions and other benefits, are provided in the Directors' Remuneration Report (pages 32-33).

8. Finance costs

	2024 £'000	2023 £'000
Loan interest due to non-controlling interests	128	139
Interest income	-	31
Unwind discount on decommissioning provision (note 19)	62	128
Change in estimate of decommissioning liability		(68)
Convertible loan fees	30	502
Total - Finance income/cost	**220**	**589**

9. Income tax

The Group's oil and gas activities in the UK fall within the ring fence corporation tax regime. Profits from these activities are subject to a combined rate of **40%** (2023: 40%), comprising mainstream corporation tax at 30% and a supplementary charge of 10%.

The tax reconciliation below shows how the reported loss before taxation would reconcile to the theoretical tax charge at the applicable ring fence rate. However, no deferred tax asset has been recognised in respect of carried-forward tax losses, reflecting the uncertainty over the timing of their utilisation.

	2024 £'000	2023 £'000
Loss for the year before tax	(37,824)	(4,069)
Tax rate 40% (30% for ring-fenced activities plus 10% ring fence supplement)	40%	40%
Expected tax credit	(15,130)	(1,628)
Impairments and exploration write-offs not deductible for tax	12,550	322
Tax impact of losses carried forward	2,573	
Tax impact of capital allowances	(20)	(10)
Temporary differences not recognised	55	699
Utilisation of losses brought forward	(30)	0
Other movements	2	487
Total - Actual tax expense	-	-

At 30 September 2024, the Group had accumulated tax losses available for carry forward of £56,376,149 (2023: £20,313,000). No deferred tax asset has been recognised in respect of these losses, impairments or other deductible temporary differences due to the uncertainty over future taxable profits against which they may be utilised.

No deferred tax liability was recognised as the Group has substantial brought-forward ring-fence and supplementary charge losses. These are offsetable against future tax liabilities and offsetable with the same tax authority. PPE are in entities that have the losses and any tax base differences have merely been recognised as unrecognised deferred tax losses .

Deferred tax assets have not been recognised in respect of the unprovided deferred taxation items because it is not probable that future taxable profit will be available to utilise these deductible temporary differences.

During the year, the Group recognised a credit of £0.9 million from the remeasurement of decommissioning provisions. The associated deferred tax impact of approximately £0.2 million has not been recognised, consistent with the Group's policy of not recognising deferred tax assets where utilisation against future taxable profits is uncertain.

10. Earnings per share

The calculation of the basic loss per share is calculated by dividing the consolidated loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Group	2024 £'000	2023 £'000
Loss attributable to ordinary shareholders	(37,168)	(3,777)

Group	2024 No.	2023 No.
Weighted average number of ordinary shares for calculating basic loss per share (restated in 2023 due to share consolidation)	4,343,546,436	2,224,191,162

Group	2024 Pence	2023 Pence
Basic and diluted loss per share	(0.09)	(0.02*)

*Restated due to share consolidation

As inclusion of the potential ordinary shares would result in a decrease in the earnings per share, they are considered to be anti-dilutive, as such, diluted earnings per share is not included. The potential number of dilutive shares is nil.

11. Intangible assets

	Group		
Cost & Net Book Value	Exploration & evaluation costs £'000	Development asset £'000	Total £'000
As at 30 September 2022	**32,155**	**-**	**32,155**
Additions	1,448	-	1,448
Exploration Write offs & Amortisation	(402)	-	(402)
As at 30 September 2023	**33,201**	**-**	**33,201**
Additions	840	-	840
Reclassification to development asset	(1,497)	1,497	-
Impairment of E&E assets	(32,544)	-	(32,544)
LXR As at 30 September 2024	**-**	**1,497**	**1,497**

	Company	Company
Cost & Net Book Value	Exploration & evaluation costs £'000	Development assets £'000
As at 30 September 2022	**841**	**-**
Additions	325	-
Exploration Write offs & Amortisation	-	-
As at 30 September 2023	**1,166**	**-**
Additions	261	-
Exploration Write offs & Amortisation	(788)	-
Reclassification to development asset	(639)	639
As at 30 September 2024	**-**	**639**

Exploration and Evaluation assets

In accordance with IFRS 6 – Exploration for and Evaluation of Mineral Resources, the Group assesses at each reporting date whether there is any indication that an exploration and evaluation ("E&E") asset may be impaired. If such indicators exist, the Group performs an impairment test to determine the recoverable amount of the asset or cash-generating unit ("CGU"). Management has determined that each licence interest held by the Group constitutes a separate CGU, as this represents the lowest level at which largely independent cash inflows are expected to be generated.

Indicators considered include the period for which the Group has the right to explore, the likelihood of licence renewal, availability of funding for continued exploration, the results of technical evaluations, and whether further substantive expenditure is planned. Where such indicators exist, the recoverable amount of the CGU is estimated and compared with its carrying amount.

Impairment Indicators

During the year, the Group reviewed the carrying value of its E&E assets for indications of impairment. The following indicators were considered:

- The period for which the Group has the right to explore has expired or will expire in the near future, and is not expected to be renewed;
- Further exploration or evaluation is not planned or budgeted;
- Sufficient data exists to indicate that the carrying amount is unlikely to be recovered in full through successful development or sale;
- Adverse changes in regulatory or market conditions.

Impairment assessment

The impairments primarily reflect external regulatory and commercial factors beyond the Company's direct control, not adverse geological or operational conditions.

Horse Hill was reviewed in light of the 2024 Supreme Court ruling which found that Surrey County Council's (SCC) decision to grant planning consent was unlawful as it had not assessed end use carbon emissions and that planning consent must be redetermined before production can resume. By agreement with SCC, oil production has been temporarily shut in until planning approval is restored, after which the Company will resume production and reassess the implementation of identified longer-term value opportunities in the field. It should be noted that the Company's positive view of the field's remaining recoverable oil and value remains essentially unchanged from the prior reported values and the impairment is a result of the fact that the field's consent to produce carries a level of uncertainty, being dependent on SCC's redetermination post this audit period.

Licence/ Subsidiary	Impairment (£m)	Reason
Horse Hill (E&E)	20.0	Planning consent uncertainty; economic uncertainty on UK onshore oil and gas, the capital requirement and planning consent
Turkey	3.4	Exit from licence subsequent to 30 September 2024
PEDL234	9.2	Exit from licence subsequent to 30 September 2024

By recognising the Horse Hill impairment in this audit cycle the Board has adopted a prudent approach that ensures asset values reflect current regulatory realities and is also fully consistent with the Company's goal to transition into clean power via its hydrogen storage and generation activities. The Board also notes that, should Horse Hill planning consent be reinstated in 2026 as envisaged, given that the remaining recoverable oil volumes remain positive and unchanged from the Company's last reporting, there is a likelihood that a portion of current impairment could be reversed in future periods .

The recoverable value was assessed based on discounted cash flow techniques, applying assumptions consistent with market participant expectations.

Exploration costs impaired in the financial year to 30 September 2024 were £32.6 million (2023: £0.4 million).

Development assets

Expenditure of £1.5m hydrogen storage project previously classified as exploration and evaluation assets has been reclassified to development intangibles.

12. Oil & gas properties

Group	Oil & gas properties 2024	Decommissioning asset 2024	Property, plant & equipment 2024	Total 2024	Total 2023
Cost					
As at 1 October 2023	**17,481**	**385**	**2,241**	**20,107**	19,956
Transfers	-	-	-	-	-
Additions	61	-	2	63	225
Change in estimate	-	288	-	288	(75)
As at 30 September 2024	**17,542**	**673**	**2,243**	**20,458**	**20,106**
Depletion & impairment					
As at 1 October 2023	**(15,531)**	**(59)**	**(801)**	**(16,391)**	**(16,195)**
Impairment	(1,406)	(493)	(1,328)	(3,227)	-
Depletion charge	(26)	(102)	(101)	(229)	(244)
As at 30 September 2024	**(16,963)**	**(654)**	**(2,230)**	**(19,847)**	**(16,391)**
Carrying value					
As at 30 September 2024	**579**	**19**	**13**	**611**	**3,715**

Impairment of Oil and Gas Assets

Year ended 30 September 2024
Cash Generating Units (CGUs) for impairment purposes are defined as individual fields or groups of fields that generate largely independent cash flows. For the year ended 30 September 2024, the Group has identified two main producing CGUs: Horse Hill and Horndean.

Impairment reviews were triggered by increased uncertainty over the Horse Hill site following the Supreme Court ruling.

- Recoverable amounts have been determined based on value in use (VIU) calculations, using management's forecasts of future cash flows over the remaining economic lives of the assets. Key assumptions applied include:
- Discount rate: 16.2% pre-tax WACC, benchmarked to industry comparables and reflecting the risks specific to the assets.
- Oil price: based on the forward Brent crude curve as at 30 September 2024.
- Production volumes and operating costs: derived from internal forecasts.

Outcome of impairment reviews:
- **Horse Hill CGU**: The carrying value of the HH CGU well was £2.1 million, included within total oil and gas properties. The recoverable amount was assessed as nil (refer to note 11). As a result, the full impairment was recognised
- **Horndean CGU**: The carrying value of the related oil and gas properties was £1.5 million. Based on current production rates and internal forecasts, the recoverable amount was assessed at £0.6m. Impairment of £0.9m was recognised.

As the Horse Hill CGU has been fully impaired, any reasonably possible adverse changes in assumptions would not give rise to further impairment.

For Horndean, reasonably possible changes in assumptions could reduce the recoverable amount further, which would result in additional impairment charges.

Sensitivity analysis:
Management has performed sensitivity analyses on the key assumptions used in the VIU model for Horndean CGU. The results indicate that:

- A **10% reduction in Brent crude oil prices** would reduce recoverable amounts by approximately £0.2 million.
- A **1% increase in the discount rate** would reduce recoverable amounts by approximately £0.1 million.
- A **10% increase in operating costs** would reduce recoverable amounts by approximately £0.1 million.

Decommissioning asset

The Group reviews annually the estimated costs of decommissioning and restoring its oil and gas sites. These estimates are inherently uncertain and depend on the expected timing of abandonment, the scope of work required, future inflation and the discount rate applied.

During the year ended 30 September 2024, the Group updated its estimates to reflect changes in market-based assumptions. The discount rate applied increased from 10% to 16.2%, reflecting movements in UK government bond yields and increased risk premium. In addition, the expected timing of abandonment was revised in line with updated production forecasts.

The combined effect of these changes resulted in an increase of £288K in the decommissioning provision, with a corresponding adjustment to the related oil and gas assets. This represents a change in accounting estimate under IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and has been applied prospectively.

Property, plant & equipment (Company)

Company	2024 £'000	2023 £'000
Cost		
As at 1 October 2023	**1,829**	**1,824**
Additions	2	5
As at 30 September 2024	**1,831**	**1,829**
Depletion & impairment		
As at 1 October 2023	(416)	(319)
Depletion charge	(83)	(97)
Impairment	(1,328)	-
As at 30 September 2024	**(1,827)**	**(416)**
Carrying value		
As at 30 September 2024	**5**	**1,412**

13. Investment in subsidiaries

Company	2024 £'000	2023 £'000
Cost and net book amount		
At 1 October	26,242	26,242
Impairment	(26,045)	-
At 30 September	**197**	**26,242**

The Directors carried out an impairment review of the Company's Investment in its subsidiaries as at 30 September 2024 and determined that impairment in respect of Horse Hill Developments Ltd, UKOG Turkey Ltd, UKOG (234) and UKOG (GB) Ltd is required.

The Company holds more than 50 per cent of the share capital of the following companies as at 30 September 2024:

Company	Country of Registration	Proportion held	Functional Currency	Nature of business
UKOG (GB) Limited	UK	100%	GB£	Oil production
UKOG (234) Limited	UK	100%	GB£	Oil exploration
Horse Hill Developments Ltd	UK	77.9%	GB£	Oil production
UKOG (137/246) Holdings Ltd	UK	100%	GB£	Holding Company
UKOG (137/246) Ltd	UK	100%	GB£	Oil exploration
UKOG (Turkey) Ltd	UK	100%	GB£	Oil exploration
UK Energy Storage Ltd	UK	100%	GB£	Energy storage
UK Oil & Gas Investments Limited	UK	100%	GB£	Dormant
UK Geothermal Limited	UK	100%	GB£	Dormant
UK Oil & Gas Employee Benefit Trust	UK	Not owned, Consolidation explained below	GB£	Basis disclosed below

The registered address of each of these subsidiaries can be found on the Companies House website.

All subsidiary undertakings are included in the consolidated financial statements. The proportion of the voting rights in the subsidiary undertaking held directly by the parent company do not differ from the proportion of the ordinary shares held. The following companies are taking an exception from the audit of the financial statements as per S479A of the Companies Act; UKOG (GB) Limited (04050227), UKOG (234) Ltd (07055133), UKOG (137/246) Holdings Ltd (09010542), UKOG (Turkey) Ltd (10212262), UK Oil & Gas Investments Limited (11252712), UK Geothermal Limited (13386906), UKOG (137/246) Limited (06807023), UK Energy Storage Ltd (14108327).

Employee Benefit Trust (EBT)

The UK Oil & Gas Employee Benefit Trust ("EBT") has been consolidated in these financial statements in accordance with IFRS 10 *Consolidated Financial Statements*. Although the Company does not hold a direct equity interest in the trust, the Group is deemed to control it because:

- the trust operates solely for the benefit of the Company's employees and directors in connection with the Group's share incentive plans;
- the Group, through the Remuneration Committee, has the ability to direct the relevant activities of the trust, including decisions over the distribution of shares; and
- the Group is exposed to variable returns through the use of the trust to settle share-based payment arrangements.
- Shares in the Company held by the EBT are presented as a deduction from equity within "own shares held in trust." Transactions between the EBT and the Group relating to the Company's own equity instruments are accounted for directly in equity.
- At 30 September 2024, the EBT held 864,485,685 ordinary shares (2023: 250,000,000).

14. Inventory

Group	2024 £'000	2023 £'000
Inventories - Crude Oil	2	18
Total	**2**	**18**

15. Trade and other receivables

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade receivables	107	187	1	4
Other debtors	189	208	413	64
Loans to subsidiary companies	-	-	1,018	13,157
Prepayments and accrued income	319	359	204	104
Total	**615**	**754**	**2,386**	**13,329**

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current.

In 2024, the Directors carried out an impairment review of the loans to subsidiary companies and determined that an impairment charge of £12.1m is required in respect of the loan owed by Horse Hill Developments limited, UKOG Turkey and UKOG 234 Ltd.

16. Cash and cash equivalents

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Cash at bank and in hand	1,039	1,868	751	497
Total	**1,039**	**1,868**	**751**	**497**

17. Trade and other payables

	Group		Company	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade creditors	965	383	469	74
Other creditors	47	64	47	64
Accruals and deferred income	255	188	142	116
Total	**1,268**	**635**	**658**	**254**

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

18. Borrowings

	Group		Company	
Borrowings	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Convertible Loan notes	-	1,540	-	1,540
Loans payable to Non-Controlling Interests	3,310	3,244	-	-
Total	**3,310**	**4,784**	**-**	**1,540**

On 27 June 2023, the Company secured a £2 million committed funding facility with RiverFort Global Opportunities PCC Ltd and YA II PN Ltd ("Investors").

Facility Summary:

- £2 million
- 0% interest, repayable 18 months after each advance,
- Company retains a right to repay any outstanding amount of the Loan prior to the expiry of the term, subject to a repayment fee of 10% of the outstanding balance,
- Company can raise cash via equity as it may see fit during the Loan's term.

In addition, during 2023, 1,125,895,598 warrants were issued to note holders. On the drawdown date the note holders were granted warrants to subscribe for ordinary shares. Each note holder was granted such number of warrants as is equal to 33% (in aggregate) of the relevant advance divided by the applicable reference price for that advance. In respect of the first tranche the note holders were granted 1,125,895,598 warrants. The warrants were exercisable at a premium of 140% of the 5-day average VWAP prior to the relevant drawdown for a period of 36 months from the relevant date of grant. On 30 September 2024, the loan was fully repaid.

Loan discharge terms:

As part of the package the Company issued to the note holders ordinary shares ("Equity Shares"), which represent between approximately 37% and 51% of the value of the First Tranche, or 1.3 billion new ordinary shares, dependent on whether the shares are valued at the Variable Price or Fixed Price, definitions of which are stated below. The Loan may, at the sole discretion of the note holders, be repaid by first applying the Equity Shares or, provided all Equity Shares have been applied, by converting the Loan into new ordinary shares in the Company. The price at which the Loan may be discharged either by applying the Equity Shares or converting the Loan is the lower of:

- the Variable Price, being equivalent to 100% (i.e., zero discount) of the Company's lowest daily volume weighted average price ("VWAP") in the 15 trading days preceding the conversion date or the date the Equity Shares are applied to discharge the Loan; or
- the Fixed Price, being the lower of either a 35% premium to a Reference Price being the average of the 5 daily VWAPs prior to the date of the relevant Loan drawdown (i.e., 135% of the Reference Price) or the lowest price at which the Company has issued equity in a fundraising whilst the loan is outstanding.

The Company retains a right to repay any outstanding amount of the Loan prior to the expiry of the term, subject to a repayment fee of 10% of the outstanding balance.

Any Equity Shares unsold at the end of the loan term or on early repayment shall be sold by the Investors and the net proceeds repaid to the Company.

All Investor share transactions are subject to:

- an orderly market provision that provides that the maximum number of shares which can be traded by the Investors or any of their affiliates in any calendar month shall be such number of shares which is equal to twenty (20) per cent of the number of shares of the Company that have traded during the previous calendar month (as confirmed by the reports available by Bloomberg or their equivalent);
- neither the Investors nor any of their affiliates shall hold any net short position with respect to the equity of UKOG during the Loan term; and
- Investors will exercise any share voting rights in support of any resolutions proposed by the Company.

The principal amount of each Advance is deemed to have been established with an accrued premium of 4.5% on the relevant drawdown date (i.e., a fee of 4.5% is incurred on each drawdown which will be added to the principal sum to be repaid).

The loan was fully repaid as at 30 September 2024 (2023: £1.5 million outstanding).

Reconciliation of liabilities arising from financing activities

The table below provides a reconciliation between the opening and closing balances of liabilities arising from financing activities

£'000	Convertible loan
At 1 October 2023	1,500
Cash flows	
– Repayment of borrowings	(300)
– Interest paid	(30)
Non-cash changes	
– Conversion of loan to equity	(1,170)
At 30 September 2024	-

At 30 September 2024, the outstanding loan balances owed to HHDL's shareholders were; Alba Mineral Resources PLC (Alba) £2.6 million (2023: £2.1 million), Doriemus PLC (Doremius) £0.6 million (2023: £0.57 million) and UK Oil & Gas Plc £17.8 million (2023: £17.43million). The loans are payable on determination by the Board of HHDL. The loans currently attract an interest rate equivalent to the Bank of England base rate.

19. Provisions – decommissioning

Group	2024 £'000	2023 £'000
As at 1 October	1,451	1,442
Change of estimate	(754)	(119)
Unwind discount	62	128
As at 30 September	**759**	**1,451**

The amount provided for at 30 September 2024 represents the Group's share of decommissioning liabilities in respect of the Horndean and Avington fields, the producing site at Horse Hill and the Broadford Bridge drilling site.

The Company makes full provision for the future cost of decommissioning oil production facilities and pipelines on a discounted basis upon the installation of those facilities. The decommissioning provision represents the present value of decommissioning costs relating to oil & gas properties. These provisions have been created based on the Company's internal estimates.

The Group has recognised provisions for the estimated future costs of decommissioning oil and gas production and exploration facilities. These costs are expected to be incurred over the productive lives of the assets, which range from 4 to 10 years.

Key assumptions used in the calculation are:

- Discount rate: 16.2% pre-tax, reflecting management's assessment of risks not adjusted in the cash flows.
- Inflation rate: 3%
- Timing of outflows: based on current licence expiry dates and expected cessation of production.
- Site-specific provision amounts are as follows:

£'000	Horse Hill	Horndean	Avington	Broadford Bridge	Total
Undiscounted liability	1,043	178	190	214	1,625
Discounted provision at 30 September 2024 (16.2%)	492	37	40	190	759

Sensitivity analysis:

- A 1% reduction in the discount rate (to 15.2%) would increase the total provision by approximately £29k.
- A 1% increase in the inflation assumption would increase the provision by approximately £20k.

Assumptions used include an average group-wide discount rate of 16.2% and an annual inflation rate of 3.0% applied to future decommissioning costs. Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil & gas prices, which are inherently uncertain.

20. Share capital

Ordinary Shares	Number of ordinary shares	Nominal Value £	Total Value £'000
Issued at 30 September 2022	**21,096,376,104**	**0.0000001**	**2,109**
On 28 June 2023, for conversion	1,145,535,523	**0.0000001**	115
Issued at 30 September 2023	**22,241,911,627**	**0.0000001**	**2,224**
Share placings	3,750,000,000	**0.0000001**	375
Loan Conversion	3,543,014,469	**0.0000001**	354
EBT subscription	3,005,000,000	**0.0000001**	301
Reclassification to Deferred B			(3,250)
Share capital post share consolidation	3,253,992,610		**3**
Share issue, July 2024	3,333,333,333	**0.000001**	3
Share issue, August 2024	2,496,408,000	**0.000001**	2
EBT subscription	538,985,685	**0.000001**	1
Loan Conversion	1,518,042,206	**0.000001**	1.5
Issued at 30 September 2024	**11,140,761,833**	**0.000001**	**11**

In March 2024, further to the General Meeting, where all the resolutions successfully passed, the Company completed the share reorganisation to consolidate the 32,539,926,104 ordinary shares of £0.0000001 each in the capital of the Company on a 10:1 ratio into 3,253,992,610 ordinary shares of £0.000001 each.

Deferred shares

At 30 September 2024, the Company had 4,409,123,970,019 deferred shares in existence (2023: 1,158,385,352,229). These deferred shares do not carry voting rights.

Total Ordinary and Deferred shares

The issued share capital as at 30 September 2024 is as follows:

	Number of shares	Nominal Value £	Total Value £'000
Ordinary shares	11,140,761,833	0.000001	11
Deferred shares A	1,158,385,352,229	0.00001	11,584
Deferred shares B	3,250,738,617,790	0.000001	3,250
Total			**14,846**

21. Share based payments

Share options

No options were granted during the year (2023: nil).

As at 30 September 2024 options in issue were nil.

Exercise price	Expiry date	Options in issue 30 September 2024
1.13p	26 September 2024	-
Total		**-**

No options were exercised, and no options were cancelled during the year (2023: none exercised, none cancelled). 121,500,000 options lapsed during 2024 (2023:117,000,000).

Warrants

24.2 million warrants were in issue as of 30 September 2024 (2023: 1,505 million).

During the year ended 30 September 2023, a total of 1,125,895,598 warrants were issued to note holders in connection with the Group's convertible loan facility, as disclosed in Note 18. The warrants were granted at the time of drawdown and entitled the holders to subscribe for ordinary shares at a price equal to 140% of the 5-day average VWAP prior to the relevant drawdown. The number of warrants granted represented 33% of the advance amount divided by the reference price.

The fair value of these warrants was determined to be £294,597, which was recognised as a finance cost in 2023.

Employee Benefit Trust

The Company established the UK Oil & Gas Employee Benefit Trust ("EBT") on 29 September 2014 to facilitate the operation of the Company's existing share incentive plan over up to 10% of the Company's issued share capital from time to time, in a tax-efficient manner for the beneficiaries of that plan. The EBT is a discretionary trust for the benefit of directors, employees and consultants of the Company. Shares held in the EBT are intended to be used to satisfy future awards made by the Company's Remuneration Committee under the share incentive scheme.

At 30 September 2024, the EBT held 864,485,685 ordinary shares in the Company (2023: 250,000,000). Awards of ordinary shares to beneficiaries will be subject to vesting and other performance conditions determined by the Remuneration Committee, in line with prevailing market practice.

In accordance with IFRS, the EBT is consolidated into the Group's financial statements as the Company is considered to have control over the trust. As a result, the ordinary shares held by the EBT are presented as a deduction from equity within the consolidated statement of financial position, rather than as an investment. The cost of shares acquired by the EBT is recorded in equity, and no gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own shares.

Details of share options granted during the year to Directors, consultants & employees over the ordinary shares are as follows:

Share options*	At 1 October 2023 No. Million	Issued during the year No. Million	Lapsed / exercised during the year No. Million	At 30 September 2024 No. Million	Exercise price £	Date from which exercisable	Expiry date
Allen Howard	0.5	-	(0.5)	-	0.0113	27/09/2019	25/09/2024
Kiran Morzaria	0.65	-	(0.65)	-	0.0113	27/09/2019	25/09/2024
Stephen Sanderson	2.5	-	(2.5)	-	0.0113	27/09/2019	25/09/2024
Nicholas Mardon Taylor	0.4	-	(0.4)	-	0.0113	27/09/2019	25/09/2024
	4.05	**-**	**(4.05)**	**-**			
Consultants & employees	8.1	-	(8.1)	-	0.0113	27/09/2019	25/09/2024
Total	**12.15**	**-**	**(12.15)**	**-**			

*restated due to share consolidation

Share options*	At 1 October 2022 No. Million	Issued during the year No. Million	Lapsed / exercised during the year No. Million	At 30 September 2023 No. Million	Exercise price £	Date from which exercisable	Expiry date
Allen Howard	0.5	-	-	0.5	0.0113	27/09/2019	25/09/2024
Kiran Morzaria	0.65	-	-	0.65	0.0113	27/09/2019	25/09/2024
Stephen Sanderson	2.5	-	-	2.5	0.0113	27/09/2019	25/09/2024
Nicholas Mardon Taylor	0.4	-	-	0.4	0.0113	27/09/2019	25/09/2024
	4.05	**-**	**-**	**4.05**			
Consultants & employees	1.75	-	(1.75)	-	0.0160	13/04/2018	12/04/2023
Consultants & employees	8.1	-	-	8.1	0.0113	27/09/2019	25/09/2024
Total	**13.9**	**-**	**(1.75)**	**12.15**			

*restated due to share consolidation

The disclosure of Weighted Average Exercise Prices and a Weighted Average Contractual Life analysis is not viewed as informative because of the minimal variation of options currently in issue, and therefore, it has not been disclosed.

For those options granted where IFRS 2 "Share-Based Payment" is applicable, the fair values were calculated using the Black-Scholes model. The inputs into the model were as follows:

	Risk free rate	Share price volatility	Expected life	Share price at date of grant
13 April 2018 (0.4p)	0.8%	128.9%	1.72 years	£0.015
13 April 2018 (1.6p)	0.9%	128.9%	5 years	£0.015
27 September 2019 (1.13p)	0.4%	63.13%	5 years	£0.011

Expected volatility was determined by calculating the historical volatility of the Company's share price for 12 months prior to the date of grant. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The Company recognised total expenses of £nil (2023: £nil) relating to equity-settled share-based payment transactions during the year, and £1,958,000 (2023: £954,000) was transferred via equity to retained earnings on the exercising or lapse of options during the year.

Details of warrants are as follows:

Warrants	At 1 October 2023 No. Million	Issued during the year No. Million	Lapsed / exercised during the year No. Million	At 30 September 2024 No. Million	Exercise price £	Date from which exercisable	Expiry date
Note holders	1,125		(1,125)--	-	0.0105	28/06/2023	28/06/2024
Consultants	138	-	(138)	-	0.0016	02/07/2021	01/07/2024
Consultants	71	-	-	7.1*	0.0009	01/08/2022	01/08/2025
Consultants	171	-	-	17.1*	0.0009	09/09/2022	09/09/2025
Total	**1,505**	**-**	**(1,263)**	**24.2***			

*Restated due to share consolidation

22. Financial instruments and risk analysis

Financial assets by category

The categories of financial asset, all included initially measured at fair value and subsequently carried at amortised cost in the balance sheet and the headings in which they are included are as follows:

Current assets – Group	2024 £'000	2023 £'000
Inventory	2	18
Trade and other receivables	614	754
Cash and cash equivalents	1,039	1,868
Total	**1,655**	**2,640**

Current assets – Company	2024 £'000	2023 £'000
Trade and other receivables	617	172
Intercompany balances	1,018	13,157
Cash and cash equivalents	751	497
Total	**2,386**	**13,826**

Financial liabilities by category

The categories of financial liability all included at fair value and subsequently carried at amortised cost in the balance sheet and the headings in which they are included are as follows:

Current liabilities – Group	2024 £'000	2023 £'000
Trade and other payables	1,268	635
Borrowings	3,310	4,784
Total	**4,578**	**5,419**

Current liabilities – Company	2024 £'000	2023 £'000
Trade and other payables	657	258
Borrowings	-	1,540
Total	**657**	**1,798**

The group is exposed to market risk through its use of financial instruments and specifically to credit risk, and liquidity risk which result from both its operating and investing activities. The group's risk management is coordinated at its head office, in close co-operation with the board of Directors, and focuses on actively securing the group's short to medium term cash flows by minimising the exposure to financial markets.

Long term financial investments are managed to generate lasting returns. The group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the group is exposed to are described below.

Interest rate sensitivity

The group is not substantially exposed to interest rate sensitivity, other than in relation to interest bearing bank accounts.

Credit risk analysis

The group's exposure to credit risk is limited to the carrying amount of trade receivables and cash at bank. The group continuously monitors defaults of customers and other counterparties, identified either individually or by Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

The group's policy is to deal only with creditworthy counterparties. Group management considers that trade receivables that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. None of the group's financial assets are secured by collateral or other credit enhancements. The credit risk for liquid funds and other short-term financial assets is considered negligible since the counterparties are reputable banks with high-quality external credit ratings.

Liquidity risk analysis

The majority of the Group's liabilities are contractually due within one year. The loan due from Horse Hill Developments Limited to Alba and Doriemus is payable on determination by the Board of Horse Hill Developments Limited.

The convertible loan at 30 September 2024 was fully repaid (2023: £1.5m) through a conversion mechanism.

The group's continued future operations depend on its ability to raise sufficient working capital through the issue of equity share capital or debt financing. The Directors are confident that adequate funding will be forthcoming to finance operations. Controls over expenditure are carefully managed.

Capital management policies

The group's capital management objectives are to:

- Ensure the group's ability to continue as a going concern;
- Provide a return to shareholders; and
- To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure, to ensure an optimal capital structure, and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of oil & gas products it produces. The Group's policy is to manage these risks through the use of contract-based prices with customers.

Commodity Price Sensitivity

The table below summarises the impact of changes in commodity prices on profit before tax. The analysis assumes that the crude oil price moves 10%, resulting in a change of US$7.18/bbl (2023: US$7.80/bbl), with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the last two years' historical prices and economic forecasters' expectations.

Increase/decrease in crude oil prices	Effect on profit before tax for the year ended 30 September 2024 Increase/(Decrease) £'000	Effect on profit before tax for the year ended 30 September 2024 Increase/(Decrease) £'000
Increase US$ 7.18 /bbl (2023: US$ 7.80/bbl)	78	98
Decrease US$ 7.18 /bbl (2023: US$ 7.80/bbl)	(78)	(98)

Currency risk

The Group has no significant monetary assets or liabilities denominated in a foreign currency. However, the group is exposed to currency risk, with the price of Brent Crude Oil being denominated in US$. The current exposure is not seen as material, given the current level of revenue generated from it. The Board will continue to monitor this risk as the operations and/or revenues increase.

23. Commitments & contingent liabilities

Ongoing exploration expenditures are required to maintain title to the Group's exploration permits. No provision has been made in the financial statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the Group's operations. As of 30 September 2024, the Group had no further material commitments (2023: none).

24. Events after the reporting date

On 19 November 2024, the Company successfully raised gross proceeds of £0.5 million by means of a placing at a price of 0.025 pence per share. The Placing's proceeds were employed to enable the acquisition of the Company's first salt cavern hydrogen storage site in the East Yorkshire salt basin.

On 21 February 2025, the Company successfully raised gross proceeds of £0.4million by means of a private placing to a small number of professional investors at a price of 0.0102 pence per share.

On 1 April 2025, the Company's ordinary shares were suspended from trading on AIM pending publication of the Group's annual report and accounts for the year ended 30 September 2024, in accordance with AIM Rule 19. The suspension remains in place until the audited financial statements are published.

In June 2025, due to the refusal of the Broadford Bridge extension and the absence of a successful farmout amid challenging market conditions for UK onshore oil and gas, UKOG elected to relinquish licence PEDL234.

In July 2025, the Company agreed the sale of its 100%-owned subsidiary UKOG (GB) Limited to Servatec Holdings Limited for a cash consideration of £400,000. Completion is subject to the normal sector regulatory consents. UKOG (GB) holds minority non-operated interests in two UK onshore petroleum licences, a 10% interest in PL211 and a 5% interest in PEDL070, containing the Horndean and Avington oil fields, respectively.

In September 2025, the Group signed a term sheet with Riverfort in respect of a financing facility of up to £1,000,000. The facility, once executed, and should the Company draw down on the facility, is expected to provide additional working capital to support the Group's ongoing activities and finance projects.

25. Related party transactions

Transactions with related parties

UK Oil & Gas Plc paid a subscription fee for membership with United Kingdom Onshore Oil & Gas (UKOOG) during the year. UKOOG represents the onshore oil and gas industry and wider supply chain and provides the Company with general industry advice and representation. Stephen Sanderson, UKOG's Chief Executive, is a Director of UKOOG and, as a result, the subscription fee for membership is considered a related party transaction. During the year, the Company paid £4,500 for its membership with UKOOG (2023: £30,000).

Remuneration of key management personnel

The remuneration of the company's directors and other key management personnel is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures. The Directors Remuneration Report provides further details.

	2024 £'000	2023 £'000
Short-term employee benefits	457	508
Total	**457**	**508**

26. Ultimate controlling party

In the opinion of the Directors there is no controlling party.

Company Information

Company registration number	05299925
Registered office	The Broadgate Tower 8th Floor 20 Primrose Street London EC2A 2EW
Directors	Nicholas Mardon Taylor Stephen Sanderson Kris Bone Allen Howard
Auditors	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Nominated Adviser	Zeus Capital Limited 125 Old Broad Street London EC2N 1AR
Solicitors	Hill Dickinson The Broadgate Tower 8th Floor 20 Primrose Street London EC2A 2EW
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR

Forward-looking Statement

This annual report contains 'forward-looking information', which may include, but is not limited to, statements with respect to the future financial and operating performance of UK Oil & Gas Plc, its subsidiaries, investment assets and affiliated companies, the estimation of oil reserves or resources, the realisation of resource estimates, costs of production, capital and exploration expenditures, costs and timing of the development of new assets, requirements for additional capital, governmental regulation of operations and exploration operations, timing and receipt of approvals, licenses, environmental risks, title disputes or claims.

Often, but not always, forward-looking statements can be identified by the use of words such as 'plans', 'expects', 'is expected', 'budget', 'scheduled', 'estimates', 'forecasts', 'intends', 'anticipates' or 'believes', or variations (including negative variations) of such words and phrases, or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of UK Oil & Gas Plc and/or its subsidiaries, investment assets and/or its affiliated companies to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements.

Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of UK Pounds Sterling relative to the United States Dollar, and other foreign currencies; changes in project parameters as plans continue to be refined; future prices of products; possible variations in recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the oil & gas industry; political instability, adverse weather conditions, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although UK Oil & Gas Plc has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may well be other factors that cause actions, events or results to differ from those currently anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this annual report, and UK Oil & Gas Plc disclaims any obligation to update any forward looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. Nothing in this annual report should be construed as a profit forecast.