

United Oil & Gas PLC / Index: AIM / Epic: UOG / Sector: Oil & Gas

25 June 2024

United Oil and Gas plc
("United" or "the Company")

Final audited results for the year ended 31 December 2023 and Notice of AGM

United Oil & Gas Plc (AIM: "UOG"), the oil and gas company with a high impact exploration asset in Jamaica and a development asset in the UK is pleased to announce its audited results for the year ended 31 December 2023.

Brian Larkin, CEO, commented:

"2023 was a transitional year for United, starting with the conditional sale of Quattro in January 2023 which ultimately was terminated in November 2023 due to the inability of Quattro to raise the funds to finalise the deal and the licence expiring at the end of November 2023.

Egypt delivered steady production throughout the year with several wells successfully drilled and brought into production. We maintained the record of zero LTI's, TRIR's and only a minor environmental incident.

Due to the declining economic situation in Egypt and the outbreak war in Gaza and the ongoing issues in repatriating USD dollars, the company made the strategic decision to divest from Egypt in late 2023. The company was in advanced discussions with the operator regarding the potential sale of our 22% interest in the Abu Sennan concession. However, the discussions were aborted with the operator following legal advice, notwithstanding attempts to agree a mutual acceptable sale and purchase agreement. In January 2024, we received a default notice for unpaid cashcall of \$3.8m from the operator which we did not remedy. This has started a process which will lead to the Company withdrawing from the Abu Sennan Concession.

As we move into 2024, the company was granted a two-year extension to the Jamaican licence which extends it out to 31 January 2026. We appointed a Jamaican country manager in February 2024 to support the current work programme, further strengthening our team focused on Jamaica, Iman Hill was appointed as a consultant in April 2024 to support the progress of the Jamaican project and particularly the farmout of the licence.

The successful £1 million equity placing will allow the United to move with the farmout programme for Jamaica and advance the work programme.

At the start of April 2024, we were granted a five-year extension to the Waddock Cross licence in which we hold 26.25% interest, which allows us to move towards the preparation of drilling a well during 2025.

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

Operational summary

- Group full-year 2023 production averaged 1,015 boepd net in line with guidance
- 2023 Egypt work programme completed, consisting of two development wells, two exploration wells, and several workovers
- Safety and the environment: Zero lost time incident frequency rate. A minor environmental spills, no restricted work incidents or medical treatment incidents

INCIDENTS OF MEDICAL TREATMENT INCIDENTS

- In Jamaica, the completion of additional technical studies that were agreed as part of the licence extension have provided additional positive support to the farm-out process
- Post year end, we received a default notice from the operator for unpaid cash call of \$3.8m, which was not remedied and we are in the process of withdrawing from the concession.

Financial summary

- Group revenue (discontinued operations) for full year 2023 was \$11.6m⁽¹⁾ (2022 : \$15.8m)
- The average realised oil price per barrel from Egypt achieved was approx. \$81.38/bbl (2022 : \$96.10/bbl)
- Gross profit (discontinued operations) \$6.2m (2022: \$12.9m)
- Loss after tax (\$20.4m) (2022: Profit \$2.3m)
- Group Cash balances as at 31 December 2023 were \$2.0m with Net cash \$0.8m (2022 Cash balances \$1.4m : Net Debt \$1.5m)
- Cash capital expenditure was \$6.2m (2022 : \$8.6m)
- Receivables of \$2m (2022 : \$4.4m) (\$50k was received in January 2024 and \$1m in April 2024)

⁽¹⁾22% working interest net of Government Take

Corporate summary

- Resignation of Jonathan Leather as a Director of the Company effective 31 August 2023
- Termination of Quattro sale process, and hand back of Maria Licence to North Sea Transition Authority ('NSTA') November 2023
- Resignation of Peter Dunne from the Company on 31 December 2023 and from the Board and Company Secretary effective 15 December 2023
- Simon Brett appointed as Interim Chief Financial Officer November 2023 and Company Secretary effective 15 December 2023
- Two year licence extension for Walton Morant from the Jamaican Ministry of Science, Energy, Telecommunications and Transport ('MSETT') through to 2026.
- £1m equity raise in March 2024
- Appointment of Iman Hill as consultant for Jamaica & five year licence extension secured for Waddock Cross , onshore UK April 2024
- Settlement agreement terms reached with our Debt provider in May 2024
- The Company initiated a full review of its G&A expenditure in late 2023 and has commenced a programme to reduce these costs in 2024 compared to 2023

Outlook

- Farm-out campaign for the Walton Morant licence, Jamaica, continues to accelerate with the appointment of Iman Hill
- The work programme on Jamaica is being advance with the appointment of the Jamaican Country Manager
- Finalisation of withdrawal from the Abu Sennan Concession
- Continued evaluation of new opportunities in the Greater Mediterranean area, United Kingdom and North and West Africa regions to grow the business in line with the strategy

Notice of Annual General Meeting ("AGM")

The Company also announces that its AGM, at which shareholders will have the opportunity to consider the Serious Loss of Capital under section 656 of the Companies Act 2006, will be held at the offices of Laytons ETL, Yarnwicke, 1st Floor, 119-121 Cannon Street, London, EC4N 5AT at 11.00 a.m. on 14 August 2024

The Annual Report & Accounts the year ended 31 December 2023, Notice of AGM, and a Form of Proxy will be posted to shareholders and shortly be available on the Company's website at <https://www.uogplc.com/investors/reports-cpr/>

ENDS

This announcement contains inside information for the purposes of Article 7 of Regulation 2014/596/EU which is part of domestic UK law pursuant to the Market Abuse (Amendment) (EU Exit) regulations (SI 2019/310).

Enquiries

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("Beaumont Cornish") is the Company's Nominated Adviser and is authorised and regulated by the FCA. Beaumont Cornish's responsibilities as the Company's Nominated Adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies and AIM Rules for Nominated Advisers, are owed solely to the London Stock Exchange. Beaumont Cornish is not acting for and will not be responsible to any other persons for providing protections afforded to customers of Beaumont Cornish nor for advising them in relation to the proposed arrangements described in this announcement or any matter referred to in it.

Notes to Editors

United Oil & Gas is an oil and gas company with a development asset in the UK and a high impact exploration licence in Jamaica.

The business is led by an experienced management team with a strong track record of growing full cycle businesses, partnered with established industry players and is well positioned to deliver future growth through portfolio optimisation and targeted acquisitions.

United Oil & Gas is listed on the AIM market of the London Stock Exchange. For further information on United Oil and Gas please visit www.uogplc.com

CHAIR'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

Dear Shareholders,

Introduction

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

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

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

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

Post year end

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

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

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

Strategy

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

Board and governance

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

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

ability to deliver on our strategy. Our Board and I are committed to ensuring that the Company's performance is in line with our strategy and that we bring to United a wealth of sectoral and public market experience.

Dialogue with shareholders

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

Conclusion and outlook for 2024

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

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

Graham Martin

Chair

Chief Executive Officer's Review

Well-positioned to capitalise on emerging opportunities

Operational Highlights

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

Maria Discovery

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

Waddock Cross - providing exposure to onshore UK

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

Abu Sennan - provided steady production throughout the year

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

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

Jamaica - a transformational asset with significant support from government

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

Financial Performance

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

Outlook and Future Prospects

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

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

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

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

Brian Larkin
Chief Executive Officer

REVIEW OF OPERATIONS

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

Introduction

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

Walton Morant Licence - (100% working interest)

The Walton Morant licence is a 22,400km² offshore exploration block situated to the south of the island of Jamaica. Although considered to be a frontier exploration licence, it benefits from excellent data coverage, including 2,250km² of 3D data, and this has helped define multiple plays, and material prospectivity within the acreage. Over 7 billion barrels of mean/mid-case recoverable unrisks potential prospective resources have been identified within the Walton Morant Licence area. This estimation is based on United's arithmetic sum of the mean/mid-case prospective resources for each prospect and lead identified by United and previous operators. The area includes over 21 prospects and leads, each containing more than 100 million barrels of oil. The largest of which potentially contains more than 1.1 billion barrels mid case prospective resource recoverable.

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

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

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

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

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

Waddock Cross was the first asset United Oil & Gas acquired in 2016, shortly after the company was set up, and is a key asset for the company. Reservoir modelling work recently completed by the operator estimates that Waddock Cross contains a significant Stock Tank Initial in Place oil volume of 57 mmbbls. A new well with a horizontal section in the reservoir could yield commercial oil production of between 500 and 800 bopd and such a horizontal well could ultimately result in the recovery of around 1 mmbbls of gross oil.

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

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

UK Offshore P2519 Outer Moray Firth

Licence P2519 containing the Maria discovery covered an area of circa 225 km² in the Outer Moray Firth Basin of the UK Central North Sea (CNS). In January 2023, United announced the completion of a Contingent Resources Report (CPR) on the Maria Discovery located within Licence P2519. The report broadly agreed with United's own assessment of the discovery and assigned midcase 2C gross contingent resources for the Forties and Dornoch reservoirs of the Maria discovery are estimated at 6.3 mmbbls and 23.3Bcf (10.2 mmboe).

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

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

The Abu Sennan licence is located in the Abu Gharadig Basin in the Western Desert, onshore Egypt, circa 200km west of Cairo. United acquired its 22% working interest in the licence in February 2020. United's working interest production for 2023 averaged 1,015 boepd for the year which was in line with guidance. The company was involved in the drilling and/or completion of 4 wells in 2023, 2 exploration and 2 appraisal/development. During the year a number of workovers were completed in order to maintain or enhance production from existing wells.

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

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

mmscra, net to United's 22% working interest.

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

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

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

FINANCIAL REVIEW

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

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

Net production was down 23% and revenue down 26.58% while the cash generated from operations was \$910.1m (2022: \$8.7m) and EBITDAX \$4.8m (2022: \$13.3m) taking into account discontinued operations. The net cash generated for the Group was approximately \$2m (2022: \$2m) in line with previous year. The net cash generated for the group was achieved through tight management of the cashflows and delay in the payment of the debt facility. The capital program for 2023 was \$6.2m (2022: \$8.6m).

Financial results summary	2023	2022
Net Average Production volumes (boepd)	1,015	1,312
Oil Price Realised (\$/bbl)	81.38	96.10
Gas Price Realised (\$/mmbtu)	2.63	2.63
Revenue - (discontinued operations)	\$11.6m	\$15.8m
Gross Profit - (discontinued operations)	\$6.2m	\$12.9m
Cash operating cost per boe ³	\$11.08	\$10.30
Exploration costs written off	\$1.4m	\$0.7m
(Loss)/profit after Tax	(\$20.4m)	\$2.3m
Basic (loss)/profit per share (cents)	(3.10)	0.36
Capex	\$6.2m	\$8.6m
EBITDAX ³	\$4.8m	\$13.3m
Cashflow from Operating Activities	\$10.1m	\$8.7m

² 22% interest net of government take

³ See Non-IFRS measure

Group Production and Commodity Prices - discontinued operations

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

Western Desert Blend and the average discount to Brent was \$1.56/bbl.

Group Operating Costs

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

Group Depreciation, Depletion and Amortisation (DD&A)

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

Administrative Expenses

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

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

Divestments

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

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

Derivative financial instrument

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

Taxation and Other Income

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

(Loss)/profit post tax

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

Cash flow

Net cashflow from continuing operations amounted to \$10.1m (2022: \$8.7m), an increase of 14.80% compared to 2022. Cost control and liquidity management both served to protect the cashflows.

Capital investment

Total capital expenditure on continuing operations for the year amounted to \$6.2m (2022: \$8.6m), with \$1.7m incurred on the

two successful development wells, \$0.8m on one exploration wells and \$3.0m on other development and infrastructure projects in Abu Sennan. The remaining \$0.7m was invested in other assets across the remainder of the portfolio.

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

Balance sheet

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

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

Trade and other receivables amounted to \$2.0m and included \$1.1m of accrued income on oil and gas sales. Borrowings at year end were \$1.2m.

Going concern

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

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

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

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

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

Based on the forecast prepared by the Directors, the Group and Company will be able to discharge all liabilities as they fall due. The Directors believe that the Company is reasonably likely to achieve a Jamaican farmout or, if necessary, obtain further equity funding. However, there is no guarantee that the Company will be able to secure a farmout or such equity funding.

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

On that basis, the Directors consider it appropriate to prepare the financial statements on a going concern basis. These

financial statements do not include any adjustment that would result from the going concern basis of preparation as not appropriate to use.

Financial Outlook

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

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

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

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

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

Simon Brett
Interim Chief Financial Officer

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 \$	Restated 2022 \$
Continuing operations:			
Revenue	4	-	-
Other income	4	-	-
Cost of sales	5	-	-
Gross profit		-	-
Administrative expenses:			
Other administrative expenses		(1,065,013)	(1,344,704)
New Venture write offs		(1,428,875)	(284,275)
Foreign exchange (losses) / gains		(1,204,458)	5,035
Operating (loss)	6	(3,698,346)	(1,623,944)
Finance expense	7	(77,632)	(1,679,386)
(Loss) before taxation		(3,775,978)	(3,303,330)
Taxation	8	-	-
(Loss) for the financial year attributable to the Company's equity shareholders from continued operations		(3,775,978)	(3,303,330)
(Loss) / profit for the year from discontinued operations	3	(16,589,188)	5,652,107
(Loss) / profit for the financial year attributable to the Company's equity shareholders		(20,365,166)	2,348,777
Total (loss) / earnings per share			
From continuing operations expressed in cents per share:	9		
Basic		(0.58)	(0.51)
Diluted		(0.58)	(0.51)
From continuing and discontinued operations expressed in cents per share:	9		
Basic		(3.10)	0.36
Diluted		(3.10)	0.36

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

Consolidated Statement of Comprehensive Income

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

Consolidated Balance Sheet as at 31 December 2023

	Notes	2023 \$	2022 \$
Assets			
Non-current assets			
Intangible assets	10	6,138,180	7,385,326
Property, plant and equipment	11	87,539	20,368,299
		<u>6,225,719</u>	<u>27,753,625</u>
Current assets			
Inventory	12	-	268,859
Trade and other receivables	13	2,012,258	4,469,493
Derivative financial instruments		-	120,168
Cash and cash equivalents	14	1,992,496	1,345,463
		<u>4,004,754</u>	<u>6,203,983</u>
Current liabilities:			
Trade and other payables	16	(1,900,774)	(3,709,667)
Borrowings		(1,189,356)	(2,964,225)
Lease liabilities		(94,348)	(83,985)
Current tax payable		-	-
		<u>(3,184,478)</u>	<u>(6,757,877)</u>
Non-current liabilities:			
Provisions		(254,068)	(233,630)
Lease liabilities		-	(7,356)
		<u>(254,068)</u>	<u>(240,986)</u>

Net assets		6,791,927	26,958,745
Equity and liabilities			
Capital and reserves			
Share capital	15	8,839,679	8,839,679
Share premium	15	16,798,823	16,798,823
Share-based payment reserve		2,511,686	2,547,688
Merger reserve		(2,697,357)	(2,697,357)
Translation reserve		(998,638)	(1,008,137)
Retained earnings		(17,662,266)	2,478,049
Shareholders' funds		6,791,927	26,958,745

Consolidated Statement of Changes in Equity

	Share capital \$	Share premium \$	Share- based payments reserve \$	Retained earnings \$	Translation reserve \$	Merger reserve \$	Total \$
For the year ended 31 December 2023							
Balance at 1 January 2023	8,839,679	16,798,823	2,547,689	2,478,048	(1,008,137)	(2,697,357)	26,958,745
Loss for the year	-	-	-	(20,365,166)	-	-	(20,365,166)
Foreign exchange difference	-	-	-	-	9,499	-	9,499
Total comprehensive income	-	-	-	(20,365,166)	9,499	-	(20,355,667)
Share-based payments	-	-	188,849	-	-	-	188,849
Lapsed share-based payments	-	-	(224,852)	224,852	-	-	-
Balance at 31 December 2023	8,839,679	16,798,823	2,511,686	(17,662,266)	(998,638)	(2,697,357)	6,791,927
For the year ended 31 December 2022							
Balance at 1 January 2022	8,416,182	16,215,361	2,247,465	201,543	(558,104)	(2,697,357)	23,825,090
Profit for the year	-	-	-	2,348,777	-	-	2,348,777
Foreign exchange difference	-	-	-	-	337,866	-	337,866
Total comprehensive income	-	-	-	2,348,777	337,866	-	2,686,643
Foreign exchange adjustment arising on change of parent company functional currency to USD	283,278	523,376	53,516	(72,271)	(787,899)	-	-
Shares issued	140,219	60,086	-	-	-	-	200,305
Share-based payments	-	-	246,707	-	-	-	246,707
Balance at 31 December 2022	8,839,679	16,798,823	2,547,688	2,478,049	(1,008,137)	(2,697,357)	26,958,745

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER

	2023 \$	2022 \$
Cash flow from operating activities		
(Loss) / Profit for the financial year before tax	(18,157,008)	7,530,235
Share-based payments	188,849	246,707
Depreciation & Amortisation	3,618,163	3,309,940
Fairvalue loss on derivatives	-	1,562,467
Impairment of intangible assets	2,602,234	483,611
Impairment of production assets	21,715,270	-
Interest expense	78,424	128,429
Foreign exchange movements	1,334,903	1,106,614
Tax paid	(2,208,157)	(5,238,704)
	9,172,678	9,129,299
Changes in working capital		
Decrease/(Increase) in inventory	268,859	(123,289)
Decrease in trade and other receivables	2,457,234	732,529
Decrease in trade and other payables	(1,797,824)	(1,032,853)
Cash inflow from operating activities	10,100,947	8,705,686

Cash outflow from investing activities		
Proceeds received on disposal of non-current assets	-	4,887,275
Purchase of property, plant & equipment	(4,959,474)	(5,610,924)
Spend on exploration activities	(1,280,665)	(2,972,201)
Net cash used in investing activities	(6,240,139)	(3,695,850)
Cash flow from financing activities		
Issue of ordinary shares net of expenses	-	200,305
Repayments on oil swap financing arrangement	(1,718,250)	(1,452,118)
Payments on oil price derivatives	-	(1,522,892)
Capital payments on lease	(95,806)	(90,096)
Interest paid on lease	(5,504)	(86,669)
Net cash used in financing activities	(1,819,560)	(2,951,470)
Net increase in cash and cash equivalents	2,041,248	2,058,366
Cash and cash equivalents at beginning of financial year	1,345,463	397,308
Effects of exchange rate changes	(1,394,215)	(1,110,211)
Cash and cash equivalents at end of financial year	1,992,496	1,345,463

1. Statutory Accounts

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 December 2023 or 2022 but is derived from those accounts. The Auditor has reported on those accounts, and its reports were unqualified and did not contain statements under sections 498(2) or (3) of the Companies Act 2006.

The statutory accounts for 2023 will be delivered to the Registrar of Companies following publication.

While the financial information included in this preliminary announcement has been prepared in accordance with UK-adopted International Accounting Standards ("framework"), this announcement does not itself contain sufficient information to comply with the framework. The Company expects to distribute the full financial statements that comply with UK-adopted International Accounting Standards by 30 June 2024.

2. Principal Accounting Policies

Basis of consolidation

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

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

Going Concern

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

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

The key assumptions and related sensitivities include a "Reasonable Worst Case" ("RWC") sensitivity where the Board has considered a scenario with significant aggregated downside, including a delay in the farmout,

subject to different terms and conditions than budgeted, delay in exercise of warrants, delay in receiving outstanding receivables and an equity raise.

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

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

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

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

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

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

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

New and amended International Financial Reporting Standards adopted by the Group

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

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

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

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

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

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

3. Discontinued operations

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

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

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

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

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

	2023 \$
<i>Assets</i>	
Property, plant and equipment	6,309
Trade and other receivables	1,966,380
Cash	1,468,315
Total assets	3,441,004

Liabilities

Trade and other payables	(9,917)
Lease liability	(8,616)
Total liabilities	(18,533)
Net assets	3,422,471

Discontinued Operations (continued)

Cash flows from (used in) discontinued operations

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

4. Segmental reporting

Operating segments

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

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

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

2023				
\$	UK & EU	Latin America	Egypt	Total
Revenue	-	-	11,603,378	11,603,378
Other income			2,208,157	2,208,157
Non-current assets	559,662	5,659,748	6,309	6,225,719

2022

\$	UK & EU	Latin America	Egypt	Total
Revenue	-	-	15,831,237	15,831,237
Other income	-	-	5,181,458	5,181,458
Non-current assets	1,340,605	5,228,625	21,184,395	27,753,625

5. Cost of sales

The below information relates to discontinued operations in Egypt:

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

6. Operating (Loss) / Profit

	2023 \$	2022 \$
Operating (loss) / profit is stated after charging:		
Depreciation:		
- Owned assets	3,520,382	3,219,080
- Right of use leased assets	97,781	88,382
Amortisation	-	2,478
Share based payments	188,849	246,707
Foreign exchange losses	1,334,903	1,106,614
Fees payable to the Company's auditors for the audit of the annual financial statements	110,000	110,000

7. Finance expense

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

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

8. Taxation

2023
\$

2022
\$

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

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

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

9. Earnings per share

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

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

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

Basic and diluted earnings per share

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

Basic and diluted earnings per share (continued)

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

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

Number of shares

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

10. Intangible assets

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

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

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

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

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

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

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

Management reviews the intangible exploration assets for indications of impairment at each balance sheet date based on IFRS 6 criteria such as where commercial reserves have not yet been established

and the evaluation, exploration work is ongoing and a development plan has not been approved. As a result of these reviews the Directors believe no impairment indicators exist on the company's remaining exploration portfolio, and as a result carry intangibles at cost value of \$6.1m at 31 December 2023.

11. Property, plant and equipment

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

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

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

12. Inventory

	2023 \$	2022 \$
Oil in tanks	-	268,859
	-	268,859

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

13. Trade and other receivables

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

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

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

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

14. Cash and cash equivalents

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

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

15. Share capital, share premium and merger reserve

Allotted, issued, and fully paid:

	No	Share capital \$	2023 Share premium \$
Ordinary shares of £0.01 each			
At 1 January 2023	656,353,969	8,839,679	16,798,823
At 31 December 2023	656,353,969	8,839,679	16,798,823

	No	Share capital \$	2022 Share premium \$
Ordinary shares of £0.01 each			
At 1 January 2022	644,803,969	8,416,182	16,215,361
Effect of Parent company functional currency change	-	283,278	523,376

Allotments:

Shares issued for cash (exercise of warrants)	11,550,000	140,219	60,086
At 31 December 2022	656,353,969	8,839,679	16,798,823

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

16. Trade and other payables

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

17. Events after the balance sheet date

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

GLOSSARY

Bbl	Barrels
/Bbl	Per barrel
Bn	Billion
bopd	Barrels of oil per day

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

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