

28 June 2024

**UK OIL & GAS PLC
("UKOG" or the "Company")**

Unaudited results for the six-month period ended 31 March 2024

CHIEF EXECUTIVE'S STATEMENT

I am pleased to present the unaudited results of UK Oil & Gas PLC ("UKOG") for the six-month period ended 31 March 2024.

This interim period has been a reflection of our diverse spread of interests, with positive and encouraging activity surrounding the Company's wholly-owned subsidiary, UK Energy Storage Ltd ("UKEn") in Dorset. UKEn plans to create a significant 3 Terawatt hour ("TWh", equivalent to c. 1 billion m³) hydrogen storage facility in underground salt caverns as a key strategic element of the UK's future hydrogen energy infrastructure.

UKEn's Dorset project has the potential to provide the hydrogen storage needs for the Solent Cluster and Southern England and, if delivered, would be a key enabler for the decarbonisation of an area projected by National Grid to consume 56% of the UK's hydrogen demand by 2040.

Our new Yorkshire project concept has a similar planned strategic storage capability to serve both the nascent Humber and Teesside hydrogen clusters, being a co-located salt cavern site close to these future expected high hydrogen demand areas. It is also within pipeline reach of Sumitomo's planned 590 Megawatt Bacton hydrogen plant via the proposed Project Union pipeline system.

Post period, we were delighted to receive a valuable letter of support ("LOS") from Summit Energy Evolution Ltd ("SEEL"), a wholly owned subsidiary of major Japanese trading conglomerate Sumitomo Corporation ("Sumitomo"). The LOS stated the UK-based hydrogen and energy transition subsidiary, "commits to continue to cooperate with UK Energy Storage, with a view to SEEL or Sumitomo investing in UKEn's future hydrogen storage projects".

SEEL also envisage that "UKEn's hydrogen storage projects could provide keystone storage for SEEL's Bacton Hydrogen Project", its planned major blue hydrogen plant at Bacton, Norfolk.

This was an important step for the Company's hydrogen storage projects as applicants for government funded Revenue Support via the Department of Energy Security and Net Zero's ("DESNZ") forthcoming First Hydrogen Storage Allocation Round ("Allocation Round") will be required to furnish such LOS from identified hydrogen storage users and financial backers in order to be successful.

The letter means that one of Japan's most significant global trading houses has recognised the strategic significance and potential material future value of our planned hydrogen storage projects.

Similarly, a further LOS has been received from SGN, operator of the natural gas distribution pipeline networks in Scotland and in the south of England, who plan to build the H2 Connect hydrogen pipeline which will link our Dorset hydrogen storage with the Solent Cluster, Southern England and the wider UK.

In addition to the LOS, SGN provided us with the following statement of support: "We believe hydrogen has a key role in decarbonising the national energy system and support UKEn's proposed hydrogen storage facility in Dorset."

"This project has the potential to store 3 TWh of hydrogen in subsurface constructed salt caverns and is essential to decarbonising the Solent Cluster and southern England. This hydrogen storage will provide inter-seasonal capacity, security of supply and pipeline stability for our proposed development of hydrogen pipelines in the region.

"It will enable the end use of hydrogen across industry, heating and transport, help meet growing regional energy demand, and support the transition to net zero emissions."

Also post period we took an important step towards progressing our 100%-owned hybrid gas and hydrogen feedstock project at Loxley by appointing divestment and project marketing specialists, Envoi Limited, to facilitate the farmout of up to a 50% working interest.

The farmout seeks to fully fund the planned Loxley-1 appraisal drilling and testing programme with the Company's share of costs being carried by the farminee or farminees. The project has incontestable planning consent to proceed ahead following the Court of Appeal's decision in January to refuse permission for any further appeal against the grant of planning consent for our project in Surrey.

As I have stated several times over a number of years, exploration drilling and testing is never guaranteed to deliver success, even if all prior indicators are positive. This was certainly the case for Pinarova-1 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 would take place.

Given the prior recovery of mobile light 42° API oil from the mud pit and strong oil odours at surface, we were disappointed that Pinarova-1 failed to meet our joint expectations.

However, we believe that the drilling and testing results indicate Pinarova likely penetrated the feather edge of a small oil accumulation and that the source of these shallow light oils is most likely from spill or seepage from an underlying deeper light oil pool in the Kezer-Pinarova area. We continue to investigate the commercial potential of future targets.

Finally, we successfully completed a major capital restructuring of the Company in March. We were given the authority to consolidate the 32,539,926,104 ordinary shares on a 10:1 ratio into 3,253,992,610.

OPERATIONAL REVIEW

Health, Safety and Environment

There were again no Lost Time Injuries, reportable environmental incidents or health issues on any of UKOG's sites during the period or post period, including during Pinarova-1 testing operations in Turkey. The operational team maintain focus on health, safety, and environmental performance as it is number one priority.

Following a review of the Horse Hill crude composition and the crude storage at the site, Horse Hill Developments Ltd ("HHDL") has notified The Control of Major Accident Hazards ("COMAH") Authority that Horse Hill no longer falls under the COMAH regulations.

Ongoing liaison continues with the Health and Safety Executive and the Environment Agency ("EA") to ensure the Horse Hill site maintains its regulatory obligations.

HYDROGEN STORAGE ASSETS (UKEn 100%)

The Company continues to progress its strategic hydrogen storage project in Dorset through its 100% hydrogen storage subsidiary UKEn.

UKEn is a member of the Solent Cluster and the Underground Energy Storage Operators trade body.

UKEn worked closely with the DESNZ in the development of DESNZ's hydrogen storage business model, which was announced and launched in December 2023. DESNZ's first hydrogen storage allocation round is scheduled to open in Q3 2024, with applications due to be made by end-2024.

UKEn has also identified an opportunity for a further hydrogen storage project located in Yorkshire.

UKEn completed an update of the original Portland Port salt cavern design basis and a conceptual design report has been finalised. A project cost estimate and financial model have been prepared.

UKEn has received an LOS from SEEL, a wholly owned subsidiary of Sumitomo. The LOS states that SEEL, Sumitomo's UK based hydrogen and energy transition subsidiary, "commits to continue to cooperate with UKEn, with a view to SEEL or Sumitomo investing in UKEn's future hydrogen storage projects."

UKEn's Dorset hydrogen storage project received a further LOS from SGN, the operator of the planned H2 Connect hydrogen pipeline, which aims to link the Company's storage with both the Solent Cluster and the wider UK (via Project Union's

planned national hydrogen trunk pipeline system). SGN currently operate Southern England and Scotland's natural gas distribution network.

SGN provided UKEn with the following statement for public dissemination: "We believe hydrogen has a key role in decarbonising the national energy system and support UKEn's proposed hydrogen storage facility in Dorset. This project has the potential to store 3 TWh of hydrogen in subsurface constructed salt caverns and is essential to decarbonising the Solent Cluster and southern England. This hydrogen storage will provide inter-seasonal capacity, security of supply and pipeline stability for our proposed development of hydrogen pipelines in the region. It will enable the end use of hydrogen across industry, heating and transport, help meet growing regional energy demand, and support the transition to net zero emissions."

The Company expects to receive further LOS in due course.

UKEn continues to pursue sources of finance for its hydrogen storage projects, as well as being in discussions with further potential hydrogen storage customers within Southern England and in the North East around UKEn's new Yorkshire project concept.

OIL AND GAS ASSETS

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

In January 2024, the Court of Appeal upheld the planning permission for the Loxley hybrid gas and hydrogen feedstock project, which will now remain in full force and effect for its full term. The Court of Appeal's decision is final and cannot be further reviewed or appealed.

Following the conclusion of the discharge of the Loxley planning conditions with Surrey County Council, UKOG will be in a position to commence site construction ready for the drilling of Loxley-1z. Prior to commencing operations UKOG is looking to de-risk commercial exposure in the project. To this end, post-period UKOG appointed UK based oil and gas divestment and project marketing specialists, Envoi Limited to facilitate the farmout of up to a 50% working interest in Loxley. The farmout seeks to fully fund the planned Loxley-1 appraisal drilling and testing programme with the Company's share of costs being carried by the farminee or farminees.

Technical and commercial discussions continue to progress with CeraPhi Energy regarding potential for a geothermal and agribusiness project incorporating the Broadford Bridge asset and site. The repurposing of Broadford Bridge offers an exciting niche business opportunity aligned with the national energy transition and travel to net zero.

Horse Hill Oil Field, PEDL137 and PEDL246 (UKOG 85.64%)

Production has continued from the Horse Hill-1 oil well ("HH-1"). As of end-May nearly 207,000 bbl of Brent quality crude had been produced and exported from the Portland and Kimmeridge pools.

Post period, the Supreme Court ruled by a three to two majority 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 now plans to work closely with SCC to promptly rectify the situation, either via an amendment to the original 2018 planning application's EIA or via a new retrospective planning submission, for which there is recent planning precedent within Surrey.

In the case of a retrospective planning solution, the field's historic and future expected production volumes would fall below the 500 tonnes/day (c. 3,700 barrels/day) production threshold for which an EIA is mandatory for petroleum extraction developments.

Following a period of baseline monitoring of the groundwater monitoring boreholes, water reinjection via Horse Hill-2z ("HH-2z") has been approved by the EA.

In December HHDL and UKOG (137/246) extended until 30 June their conditional binding term sheet with Pennpetro Energy ("PPP"), whereby PPP will farm into Horse Hill on an incremental production basis via funding the acquisition of 3D seismic and the drilling of the next infill production well, Horse Hill-3 ("HH-3").

Technical planning work continued for the drilling of HH-3, in an optimum location up-dip of HH-1 and HH-2z. This is expected to be a low cost well utilising existing UKOG stock equipment (e.g. wellhead, casing, etc). Economic evaluation indicates HH-3 is a strong infill well project opportunity.

indicates HH-3 is a strong mineral project opportunity.

Cost savings and overhead reductions have been implemented at the Horse Hill field and continue to be routinely reviewed.

A technical review and remapping of PEDL246 was carried out. As a result, it was determined that the exploration prospectivity is limited and the licence has been relinquished effective 30 June. This results in a saving of the annual licence fees payable to the North Sea Transition Authority ("NSTA").

Horndean Oil Field (UKOG 10%)

A new Competent Person's Report ("CPR") has been completed on the Horndean field by Dallas, Texas based DeGolyer & MacNaughton, a globally recognised oil & gas reserve estimation and valuations consultancy.

As of 31 December 2023, UKOG's 10% share of mid case 2P Reserves in the Horndean field is assessed at 106,400 barrels, with its share of mid case 2C Contingent Resources estimated at 79,800 barrels, an aggregate total of 186,200 UKOG net (up from 179,300 barrels in 2022).

In 2023, UKOG's net share of Horndean production revenues was £297,000 (up from £287,000 in 2022), with net earnings after costs of £147,000 (up from £136,000 in 2022). Total gross field production in 2023 averaged 123 barrels of oil per day up from 101 barrels of oil per day in 2022, an increase of 22%.

Installation of new electric surface pumps was completed in 2022, which resulted in increased production rates, lower electrical power consumption and a corresponding increase in 2023 field earnings, despite a number of workovers and rod replacements being required throughout the past year.

Avington Oil Field (UKOG 5%)

A workover of the Avington-3z well is being scheduled, followed by surface facilities modifications to allow for the re-start of production.

Turkey, Resan Licence (UKOG 50%)

Following the drilling, logging and initial testing of the Pinarova-1 well, larger, more powerful, 7-inch perforating guns, capable of fully penetrating Pinarova's 9 5/8-inch casing and cement were sourced from outside the country. Reperforation and testing operations were successfully completed including full communication with the formation, but in the absence of commercial rates of hydrocarbons it was agreed with AME that no further Pinarova-1 testing will take place.

UKOG and AME are now jointly assessing future prospectivity within the Resan Licence.

FINANCIAL REVIEW

The operating loss for the six months to 31 March 2024 of £1.0 million improved compared to £1.3 million for the six months to 31 March 2023. Revenue for the six months reduced to £0.6 million which was largely due to an oil production decrease at Horse Hill.

Net cash outflow from operations decreased from £1.6 million to £0.8 million; this was primarily attributable to working capital movements and operating cash flows from Horse Hill in the period to 31 March 2024.

In June 2023, the Company secured a £2 million facility with RiverFort Global Opportunities PCC Ltd and YA II PN Ltd as working capital for key activities in Turkey, Loxley, and hydrogen storage. At 31 March 2024, the outstanding loan balance was £0.66 million.

In January 2024, the Company successfully raised gross proceeds of £0.75 million by means of a placing of new ordinary shares. To further progress its planned hydrogen storage projects, the Company will likely be required to raise further funds by the end of the third quarter this year.

On 5 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.

Qualified Person's Statement

Matt Cartwright, UKOG's Commercial Director, who has 40 years of relevant experience in the global oil industry, has approved the information contained in this announcement. Mr Cartwright is a Chartered Engineer and member of the Society of Petroleum Engineers.

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Glossary of Terms:

Term	Meaning
2C	The mid-case or average estimate of Contingent Resources. There is estimated to be a 50% probability that the quantities actually recovered could equal or exceed this estimate, i.e., P50 case.
2P	The mid-case or proven plus probable estimate of Reserves. There is estimated to be a 50% probability that the quantities actually recovered could equal or exceed this estimate, i.e., P50 case.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies. Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.
CPR	Competent Person's Report, a Petroleum Resources report prepared by an independent Competent Person(s), providing an estimated range of remaining recoverable resources and their potential monetary valuation in accordance with the relevant reporting standard. This CPR has not been prepared under the AIM rules for oil & gas companies.
discovery	A petroleum accumulation for which one or several exploratory wells have established through testing, sampling and/or logging the existence of a significant quantity of potentially moveable hydrocarbons.
Reserves	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial and remaining (as of the evaluation's effective date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status.

Consolidated Income Statement (Unaudited)

for the six months ended 31 March 2024

	6 months 31 March 2024 (Unaudited) £'000	6 months 31 March 2023 (Unaudited) £'000
Revenue	627	890
Depletion, Depreciation and Amortisation	(51)	(235)
Other Cost of sales	(354)	(310)
Gross profit	222	345
Operating expenses		
Administrative expenses	(1,280)	(1,676)
Foreign exchange gains/ losses	12	(3)
Other income	90	14
Operating loss	(956)	(1,320)
Finance costs	(469)	(76)
Loss before taxation	(1,425)	(1,396)
Taxation	-	-
Retained loss for the period	(1,425)	(1,396)

Retained loss attributable to:

Owners of the parent	(1,222)	(1,482)
Non-controlling interest	(203)	86
	(1,425)	(1,396)

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

All operations are continuing.

Earnings per share

		Pence	Pence
Basic and diluted	2	(0.0004)	(0.0007)

Consolidated Statement of Financial Position (Unaudited)
as at 31 March 2024

	31 March 2024 (Unaudited) £'000	31 March 2023 (Unaudited) £'000
Assets		
Non-current assets		
Exploration & evaluation assets	34,070	32,839
Oil & Gas properties	2,308	2,279
Property, Plant & Equipment	1,391	1,490
Total non-current assets	37,768	36,608
Current assets		
Inventory	28	3
Trade and other receivables	491	757
Cash and cash equivalents	952	2,262
Total current assets	1,471	3,022
Total Assets	39,239	39,630
Trade and other payables	(703)	(344)
Borrowings	(3,800)	(3,166)
Total current liabilities	(4,503)	(3,510)
Provisions	(1,442)	(1,442)
Non-current Liabilities	(1,442)	(1,442)
Total liabilities	(5,945)	(4,952)
Net Assets	33,294	34,678
Shareholders' Equity		
Share capital	14,183	13,693
Share premium account	111,245	110,480
Share-based payment reserve	2,044	1,746
Accumulated losses	(93,975)	(91,039)
	33,497	34,880
Non-controlling interest	(203)	(202)
Total shareholders' equity	33,294	34,678

Statement of Cash Flows (Unaudited)
for the six months ended 31 March 2024

6 months 31 March 2024 (Unaudited) £'000	6 months 31 March 2023 (Unaudited) £'000
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	2024	2023
Cash flows from operating activities		
Loss from operations	(956)	(1,320)
Depletion & impairment	51	235
Decrease / (increase) in trade and other receivables	263	(7)
Increase / (decrease) in trade and other payables	68	(477)
Net cash outflow from operating activities	(574)	(1,569)
Cash flows from investing activities		
Expenditures on exploration & evaluation assets	(862)	(640)
Expenditures on oil & gas properties	(83)	(115)
Expenditures on property, plant & equipment	-	(9)
Net cash outflow from investing activities	(945)	(764)
Cash flows from financing activities		
Proceeds from issue of share capital	705	-
Repayment of minority interest loans	(102)	-
Net cash inflow from financing activities	603	-
Net change in cash and cash equivalents	(916)	(2,333)
Cash and cash equivalents at the beginning of the period	1,868	4,595
Cash and cash equivalents at the end of the period	952	2,262

Notes to the half-yearly results

1. Basis of preparation

As permitted by IAS 34, 'Interim Financial Reporting' has not been applied to these half-yearly results. The financial information of the Company for the six months ended 31 March 2024 have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("adopted IFRS") and are in accordance with IFRS as issued by the IASB. The condensed interim financial information has been prepared using the accounting policies which will be applied in the Company's statutory financial statements for the period ending 30 September 2024.

The financial information shown in this publication is unaudited and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. Comparative figures for the financial year ended 30 September 2023 have been derived from the statutory accounts for 30 September 2023. The statutory accounts have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified and did not contain statements under the section 498(2) or 498(3) of the Companies Act 2006.

2. (Loss) per share

The calculation of the basic and diluted (loss) per share is based upon

	6 months 31 March 2024 (Unaudited) £'000	6 months 31 March 2023 (Unaudited) £'000
Group		
(Loss) attributable to ordinary shareholders	(1,222)	(1,482)
	Number	Number*
Weighted average number of ordinary shares for calculating basic loss per share	2,719,274,165	2,109,637,610
	Pence	Pence

*number of shares in 2023 has been restated to reflect the capital reorganisation

3. Availability of the Interim Report

Copies of the report will be available from the Company's registered office and also from the Company's website www.ukogplc.com

The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014.



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