RNS Number : 3884E
Sound Energy PLC
10 April 2025

**The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.**

10th April 2025

**SOUND ENERGY PLC**
("Sound Energy", "Sound" or the "Company" and together with subsidiaries the ''Group'')

**FINAL RESULTS**

Sound Energy, the transition energy company, announces its audited final results for the year ended 31 December 2024.

**HIGHLIGHTS**

**Development of the Moroccan Tendrara Production Concession (the ''Concession'')**

- Phase 1 Micro LNG (''mLNG'') project (''Phase 1''):
    - Safely installed production tubing and completed workover of both wells necessary for first gas production
    - LNG storage tank at the final stage of construction at site, with roof installed
    - Extensive activity continued offsite with our contractor and its sub-contractors designing and constructing plant equipment and receiving the equipment at site
    - Key equipment arrived at site for commissioning
    - Processed gas expected at plant in Q4 2025

- Phase 2 Gas (pipeline) development (''Phase 2'')
    - Continued progress made for project financing from exclusive lead arranger, Attijariwafa Bank, Morocco's largest bank

**Exploration**

- Exploration licences are all in the process of extension and renewal

**Corporate**

- In December 2024, completed partial divestment of the Concession and Grand Tendrara and Anoual exploration permits, through the sale of the Company's subsidiary, Sound Energy Morocco East Limited (SEME), to Managem SA. SEME held a net 55% working interest in the Concession and 47.5% interest in the Grand Tendrara and Anoual exploration permits. The Completion of the transaction unlocked significant future funding of the Company's retained 20% interest in the Concession and 27.5% interest in the exploration permits

**Graham Lyon, Executive Chairman said:**

*''Significant progress has been made in advancing the sustainability of the Company through the transformational transaction with Managem which brings a substantial co-venturer that will operate the mLNG project, provide Sound Energy's equity funding to take FID on the Phase 2 pipeline project and fund two exploration wells for Sound. Sound is now able to evaluate further growth opportunities, either within the current asset base or externally whilst seeking to further strengthen its portfolio and balance sheet.*

*We have enjoyed a supportive working relationship with ONHYM, the Ministry and our various contractors in Morocco and, most importantly, we continue to benefit from the hard work and dedication of our own staff. We will continue to work diligently to deliver value, revenue and progress for all our shareholders during 2025 and beyond, as we focus on material developments in transition energy.''*

**For further information please visit www.soundenergyplc.com, follow on X @soundenergyplc and Linkedin or contact:**

| | |
|---|---|
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**STATEMENT FROM THE EXECUTIVE CHAIRMAN**

**Introduction**

2024 ended with the closure of a transformational transaction for Sound Energy PLC in which its subsidiary, Sound Energy Morocco East Limited (SEME), was sold to Managem SA (Managem), a large Moroccan based, pan-African mining company. This sale, of the Operating Company for Tendrara Concession (the Concession) and the Anoual and Greater Tendrara exploration licenses, brings Sound significant funding covering both development and exploration activities, as well as cash by way of the recovery of past investments from January 2022 to December 2024, thereby materially increasing the Company's cash position and positioning the Company well for future revenue growth and potentially significant exploration upside.

The micro LNG project activity at Tendrara is behind the initial 2024 delivery schedule due to the late delivery of equipment and construction overruns by the main contractor. Despite good progress being made on construction of the LNG storage tank, the construction supply chain and delivery of the key components were challenged. At year-end, major packages had either arrived or were enroute to site. With Managem now assuming operational responsibility for the Concession, value enhancing opportunities will continue to be pursued to ensure delivery of LNG in 2025. The scheduled 2024 Sound-operated development activities, including preparing the wells for production, were completed successfully with no lost time incidents and well integrity maintained.

The Phase 2 pipeline gas project matured with entry into a binding agreement with Managem (for equity development capital funding) for Sound Energy Meridja Limited by way of a development carry. The Company has a binding gas sales agreement with ONEE (Office National de l'Electricité et de l'Eau potable) and senior debt financing via Attijariwafa bank. Both are in place (effectiveness subject to certain conditions precedent). In order to take the next step to enable the Concession joint venture partners to take a Final Investment Decision ("FID") and commence execution of the project, an update of the Front-End Engineering & Design ("FEED") study to get relevant 2025 costings and an optimised design is required. As new operator, Managem plans to conclude all activities to undertake FID in 2025 - they have maintained momentum by using their own project management team as well as former SEME staff, and Sound plc staff are providing a comprehensive handover and continued support where required.

Exploration licenses are all in the process of extension and renewal. At year end we are awaiting the various authorities' final approval of the agreed licence amendments. Managem will operate the Anoual and Grand Tendrara exploration licenses and have agreed to carry Sound's costs on two exploration wells, one on each licence. Sidi Moktar remains operated by Sound Energy through its subsidiary Sound Energy Morocco South Limited (SEMS) and it is the intention of the company to progress a seismic survey over the licence in 2025 or early 2026. Logistics are such that until licenses are all fully approved by the various ministries, on-the-ground works cannot take place.

During 2024, we announced a joint study programme with Getech, a market leader in subsurface data, to evaluate natural Hydrogen and Helium potential in Morocco. We expect the study results in 2025.

During the year, the Company held regular shareholder meetings both online and in person. Shareholders requested interactive sessions where they do not need to travel and therefore five live webinar Q&A sessions were held and various video recordings answering questions submitted to the company took place. In 2025 regular engagements will be undertaken, as we continue to interact, listen and share information with our shareholder community.

**Corporate**

In August, we announced a small working capital bridge facility from 2i Partners which was available whilst the Managem transaction was closing. This facility was not fully utilised, and the amounts drawn down were repaid in December 2024, along with accrued interest.

During the year, the Company issued 117.5 million new ordinary shares (under its previous authorities) to settle 2023 Convertible loan note obligations. At year end, accrued interest of £568,800 was outstanding.

ESG and keeping our people safe sits at the heart of our business and, as operations continued, we have actively monitored and taken timely action on safety or environmental issues, reports or alerts, as have arisen. The Company has a robust health and safety management system in place and works hand in hand with our contractors and under the umbrella of our corporate environmental and safety standards. Our strong monitoring and constant improvement of working practices has proved robust; we have had very few incidents over the year; however, one contractor broke a leg falling from scaffolding that was marked not for use and a driving accident offsite and out of working hours occurred. Any environmental issues are also recorded and monitored. We instigated a $CO_2$ study with a contractor in 2024 for its potential recovery and sale. A modest 936 $tCO_2e$ were emitted in 2024 through diesel consumption which was primarily from heavy plant and equipment used in the mLNG facility civil construction / ground works, dozers, graders, compactors and the well workover operations on TE6 and TE7 completed by Star Valley 101.

Finally, we engage proactively with our local communities and in 2024, we laid a water line to a local school making running water available for the first time. We take steps not only to employ locals where we can, but to keep relevant stakeholders and communities in Morocco informed about our activities. Good corporate governance is maintained at all levels, and we are applying the revised QCA governance code during reporting year 2025.

The Company continues to manage its financial resources prudently whilst making significant capital investments in pursuing its strategy. The pathway to funding the company until the first revenues from Phase 1 is always under review and a variety of working capital sources are being evaluated. The transaction with Managem provided cash to the Company, however, as Sound now has less operated activities very careful cost management will continue to be applied in 2025 and moving forward. With significant debt on the Company's balance sheet, debt management will be a key focus for Sound in 2025.

Whilst new business opportunities were reviewed in 2024, the corporate focus was to deliver a sustainable Tendrara position and to fund the company for its key development and exploration priorities. With the phase 2 funding pathway contractually agreed, the Company will focus more management attention on growth and portfolio expansion to seek to accelerate its strategy of sustainable revenue generation.

In light of the agreed sale of SEME to Managem, the Company is required to compare the carrying value of its intangible and development assets with their fair market value (less cost of disposal). The Company determined that an impairment charge totalling £122.0 million was required for the retained development assets.

**Board**

During 2024, the Board continued to meet regularly and oversee effective implementation of the Company's strategy. Simon Ashby-Rudd stepped down as a board member on the announcement of the transaction with Managem. We thank Simon for his valued service, advice, and support to the Company particularly during the major transaction. Post year end, Mohammed Seghiri resigned from the Company and Board to join Managem SA, providing continuation of operations in Morocco. We thank Mohammed for his 8 years of service with Sound and look forward to continuing our close co-operation in his new role. The board now consists of one Executive and two Independent Non-Executive Directors.

Graham Lyon
Chairman (Executive)

**PORTFOLIO REVIEW**

**A blended portfolio of gas assets**

**Eastern Morocco**

Tendrara Production Concession

**Permit Area**

The permit in which Sound Energy has a 20% interest is located close to the Gazoduc Maghreb Europe ("GME") pipeline, approximately 120 kilometres to the North of it. The 522 kilometre-long Moroccan section is owned by the Moroccan State and operated by Office National des Hydrocarbures et des Mines (''ONHYM''). The pipeline connects Morocco to Spanish/Portuguese gas grids as well as Moroccan gas-fired power stations.

**Geology**

The gas is trapped within the Triassic Argilo-Gréseux Inférieur (''TAGI[1]) reservoir within the structural fault block, termed the Tendrara TE-5 Horst, and sealed by the overlying salt. Reservoir characteristics are significantly enhanced by the application of proven hydraulic stimulation techniques to increase gas flow rates.

**Ongoing and Planned Developments**

Planned development of our discovered TE-5 gas to address gas demand in a phased manner is progressing, with Phase I being the implementation of a micro-LNG development scheme (currently underway) and a future Phase 2 being the development of a larger scale central processing facility ("CPF") and gas export pipeline to the GME pipeline.

**Phase 1- Micro LNG Development**

Supply of LNG displacing higher carbon footprint energy (such as heavy fuel, petcoke or imported LPG).

Funding is arranged to meet Sound Energy's share of sanctioned pre first gas development costs.

Deployment of field gas treatment, processing, liquefaction and storage facilities to deliver mobile LNG to buyer at site. The LNG buyer will distribute and sell on to its growing Moroccan industrial consumers within the domestic gas market. Supplies of LNG are to be an annual contractual quantity equivalent to approximately 100 million normal cubic metres of gas (approximately 3.5 billion standard cubic feet of gas per year) over a ten-year period.

A binding gas sales agreement and associated funding are in place with Afriquia Gaz, one of the largest LPG distributors in Morocco. There is a ten-year commitment from first gas to sell annual contractual quantity of 100 million Normal cubic metres per annum with take or pay agreement priced at 6- 8.346 per mmBTU ex plant.

Development utilises the existing wells TE-6 and TE-7, with the drilling of one new well, as required, to maintain the ten-year period of production at the plateau.

**LNG Central Processing Facility**

Micro LNG Plant to be designed, constructed, commissioned, operated and maintained by Italfluid with guarantees for plant operability and delivery.

Lease structure (with option to buy):

- Minimal LNG tank construction capital payments at and from FID, and following successful completion of Micro LNG Plant commissioning (including production build-up)
- Leasing solution substantially lowers capital investment requirements of Phase 1 development
- Daily rental payment paid to Italfluid on guaranteed daily volume only
- Performance guarantees on plant availability

In March 2025 (post period-end), the Company announced that the mLNG project main contractor, Italfluid, and the operator of the Tendrara Production Concession had agreed to amend their contractual arrangement by terminating the vendor financed lease agreement entered into in 2020 and entering into an engineering, procurement and Construction (EPC) contract. The parties are currently in advanced discussions to agree an operations and maintenance contract.

**Phase 2 - Tendrara TE-5 Development**

Concept - Processed gas as a transition fuel flowing to the GME pipeline:

- 20 inch, 120km Tendrara Gas Export Pipeline ("TGEP")
- Tie-in to existing GME pipeline (Station M04), approved by the GME operator ONHYM, which took over the GME operatorship at the end of Q4 2021
- Pipeline EIA permit approved, and pipeline corridor fully secured. Lease agreements signed with the landowners and the first lease payments have been paid
- CPF EIA permit approved
- Gas Sales Agreement ("GSA") with ONEE (Office National de l'Electricité et de l'Eau potable) signed November 2021 for domestic power plants for gas-to-power generation (transit via GME line), minimum volume of 0.3 bcm/year

(approximately 10.5 billion standard cubic feet of gas per year) at a fixed sale price over a ten-year term. Extended in 2023

- Up to six horizontal wells planned to achieve First Gas (Phase 2)
- Senior debt facility in place with Attijariwafa Bank (which is one of the top banks in Morocco and Africa), and part of the Al Mada Group (the Moroccan Monarchy's holding company) to fund a substantial part of the Phase 2 project. Fully termed and binding senior debt facility in place (subject to fulfilment of certain conditions precedent before FID)

**Exploration**

**Grand Tendrara - two Triassic TAGI discoveries**

| **Permit Details** | |
|---|---|
| **Area** | 14,411 km2 |
| **Status** | Petroleum Agreement: Exploration |
| **Effective date** | 1 October 2018 |
| **Net interest** | 27.5% |
| **Term** | 8 years |
| **Resource Potential** | Exploration potential in the Triassic TAGI[1] reservoir of 7.52 Tcf gross/2.07 Tcf net (arithmetical sum of mid-case un-risked GIIP[2]) identified in sub-salt concepts, leads and prospects. |

**Permit Area**

Surrounds the Tendrara Production Concession.

The permit in which Sound Energy has a 27.5% interest is located with access to the GME pipeline, situated approximately 120 kilometres to the north of it. The 522 kilometre long Moroccan section is owned and operated by the Moroccan State. The pipeline connects Morocco to Spanish/Portuguese gas grids as well as Moroccan gas-fired-power stations.

**Geology**

Only eight wells drilled across the entire area, all encountered evidence of a petroleum system. The primary reservoir is the Triassic TAGI charged from Palaeozoic petroleum source rocks and sealed by the overlying Triassic salt, which is present across much of the basin. This petroleum play is regionally extensive and extends into Morocco from Algeria.

Two Triassic TAGI gas discoveries exist within the permit area:

- SBK-1 tested by the previous permit holder at a peak rate of 4.41 mmscf/d in July 2000
- TE-10 flowed gas at non-commercial rates in May 2019

Exploration potential in the Triassic TAGI[1] reservoir of 7.52 Tcf gross/2.07 Tcf net (arithmetical sum of mid-case un-risked GIIP[2]) identified in sub-salt concepts, leads and prospects.

**Future Developments**

A number of targets are available for near-term drilling with two features, the SBK structure and the TE-4 Horst, high-graded for drilling. Both these structures were drilled by SBK-1 and TE-4, in 2000 and 2006, respectively, and both encountered gas shows in the TAGI reservoir. SBK-1 flowed gas to surface during testing in 2000 at a peak rate of 4.41 mmscf/d post acidification but was not tested with hydraulic stimulation. TE-4 was tested in 2006 but did not flow gas to the surface. Hydraulic stimulation has proven to be a key technology to commercially unlock the potential of the TAGI gas reservoir in the Tendrara TE-5 Horst gas accumulation and, accordingly, the Company believes this offers potential to develop commercial operations elsewhere in the basin.

The gross exploration potential of these high-graded structures, expressed as GIIP, is as follows:

| | **Unrisked Volume Potential Gas Initially in Place (Bcf)** | | | | |
|---|---|---|---|---|---|
| | **Gross (100%) basis** | | | | |
| **Target name** | **Low** | **Best** | **High** | **Mean** | **Chance of Success** |
| **TE-4 Horst Structure** | 153 | 260 | 408 | 273 | 36% |
| **SBK-1 Structure** | 71 | 130 | 225 | 140 | 50% |

A discovery in either structure would have the potential to be commercialised through the proposed development infrastructure centred on the TE-5 Horst, with sufficient capacity in the planned Tendrara Export Pipeline or as standalone mLNG projects.

Subject to approval by the Ministry of Energy Transition and Sustainable Development and the Ministry of Economy and Finance, the Company has elected to enter the voluntary first Complementary period, which commenced October 2022 with the commitment to be drill one well. A well drilled on either the SBK structure or the TE-4 Horst would satisfy this commitment.

**Anoual**

| **Permit Details** | |
|---|---|
| **Area** | 8,873 $km^2$ |
| **Status** | Petroleum Agreement: Exploration |
| **Effective date** | 8 September 2017 |
| **Net interest** | 27.5% |
| **Term** | 10 years |

| | |
|---|---|
| **Resource Potential** | Exploration potential in the Triassic TAGI[1] reservoir of 11.51 Tcf gross/3.17 Tcf net (arithmetical sum of mid-case un-risked GIIP[2]) identified in sub-salt concepts, leads and prospects |

**Permit Area**

The permit in which Sound Energy has a 27.5% interest is located with access to Gazoduc Maghreb Europe ("GME") pipeline approximately 120 kilometres to the North. The 522 kilometre-long Moroccan section is owned and operated by the Moroccan State. The pipeline connects Morocco to Spanish/Portuguese gas grids as well as Moroccan gas-fired power stations.

**Geology**

Only one well drilled across the entire area. The primary reservoir is the Triassic TAGI[1] charged from Palaeozoic petroleum source rocks and sealed by the overlying Triassic salt, which is present across much of the basin. This petroleum play is regionally extensive and extends into Morocco from Algeria. Committed geophysical surveying completed with a single well commitment remaining. Exploration potential in the Triassic TAGI[1] reservoir of 11.51 Tcf gross/3.17 Tcf net (arithmetical sum of mid-case un-risked GIIP[2]) identified in sub-salt concepts, leads and prospects.

**Future Developments**

"M5" prospect high graded for drilling a TAGI[1] target, operational planning is progressing. The Company's estimation of the gross exploration potential of the M5 exploration prospect, a possible candidate for the exploration well, expressed in GIIP, is as follows:

| | Unrisked Volume Potential Gas Initially In Place (Bcf) | | | | |
|---|---|---|---|---|---|
| | Gross (100%) basis | | | | |
| **Target name** | **Low** | **Best** | **High** | **Mean** | **Chance of Success** |
| **M5 Exploration** | 332 | 800 | 1728 | 943 | 21% |

**Sidi Moktar**

**Permit Details**

| | |
|---|---|
| **Area** | 4,712 $km^2$ |
| **Status** | Petroleum Agreement: Exploration |
| **Effective date** | April 2018 |
| **Net interest** | 75% |
| **Term** | 10 years |
| **Resource Potential** | Unrisked exploration potential of 8.9 Tcf gross/6.68 Tcf net (arithmetical sum of mid-case un-risked GIIP[2]) following interpretation of the historical 2D seismic identified in sub-salt leads |

**Permit Area**

The permit in which Sound Energy has a 75% interest is located onshore on the Atlantic seaboard of Morocco, approximately 100 kilometres to the west of Marrakech.

In July 2017, the Company reported the results of the re-entry, completion, perforation and flow testing of the existing Koba-1 well, with a focus on previously producing relatively shallow gas reservoirs.

Strategically, the Company has shifted its focus on the Sidi Moktar area towards what it believes has the potential to be the most significant opportunity amongst the deeper Triassic TAGI[1] and Palaeozoic gas plays in the region, already demonstrated by the gas and condensate producing adjacent Meskala Field operated by our partner ONHYM. In June 2018, the Company was awarded a new eight-year Petroleum Agreement and is now actively seeking a partner to participate in a geophysical survey programme focused on these deeper objectives.

In December 2022, the Company announced a further one-year extension to the initial period of the Sidi Moktar permit and that the work programme for the initial period of the Sidi Moktar permit remained unchanged.

**Geology**

There is initial un-risked exploration potential of up to 8.9 Tcf gross gas/6.68 Tcf net gas (arithmetical sum of mid-case un-risked GIIP[2]) following interpretation of the historical 2D seismic. The Company believes the pre-salt plays have been overlooked in the region with limited drilling to specifically target these deeper successions.

The sub-salt plays are underexplored with more than 60 historical exploration wells focused on shallower objectives in the Jurassic post-salt carbonate successions. The few historical sub-salt tests were drilled on the basis of poor sub-salt seismic imaging. Recent improvements in seismic acquisition and processing technologies are expected to provide enhanced imaging of the sub-salt structure and geology.

**Future Developments**

Our next step is to mature the identified leads to drillable prospects with improved seismic imaging. We aim to acquire new, high-quality 2D seismic data, focused on improving the sub-salt imaging. This work is hoped to lead to an exploration well targeting a high-impact gas prospect.

1. Trias Argilo-Gréseux Inférieur ("TAGI") are sandstones deposited in a fluvial-alluvial environment and are significant oil and gas reservoirs across Algeria, extending into Morocco

2. Internal exploration potential estimates, arithmetical sum of mid-case unrisked Gas Initially In Place ("GIIP")

**Financial Review**

**Income Statement**

The pre-tax loss for the year from continuing operations was £150.8 million (2023: £7.2 million). The loss for the year primarily relates to an impairment loss of approximately £122.0 million recognised during the year. In light of the sale of SEME to Managem SA, the Company was required to compare the carrying value of its intangible and development assets with the fair market value (less cost of disposal) which led to the recognition of the impairment loss. Loss on discontinued operations amounted to approximately £24.2 million after taking account the cash consideration received of £10.2 million and deferred consideration of £20.7 million. The deferred consideration represents the fair value of up to 24.5 million net carry through Managem SA funding of the Group's remaining 20% interest in future Concession Phase development,1.5 million payable to the Group no later than one year after first gas from Concession Phase 2 development,3.6 million net carry through funding the Group's remaining 27.5% Grand Tendrara permit interest in drilling exploration well and 2.6 million net carry through funding the Group's remaining 27.5% Anoual permit interest in drilling an exploration well.

Administrative costs at £4.6 million were higher than 2023 administration costs (£2.3 million) reflecting an increase in activities related to the divestment, non-cash excess of par value of shares issued over the fair value and increase in staff costs.

Foreign exchange losses primarily related to intra-Group loans, which were partially offset by exchange gains in US dollar denominated borrowings. Foreign exchange gains and losses arising from inter-company loans that originated on acquisition of Moroccan permits are recognised in the other comprehensive income section of the statement of comprehensive income.

**Cash Flow/Financing**

Cash inflow from disposal of SEME, net of cash sold with the subsidiary amounted to approximately £9.2 million.

Proceeds from borrowings were approximately £5.8 million (2023: £4.4 million) and interest paid amounted to approximately £1.2 million (2023: £0.4 million). The Company commenced payment of interest on the Afriquia loan facility from Q2 2024 and the total interest paid during the year relating to this facility amounted to £0.6 million.

In Q3 2024, the Company entered into a short-term bridge financing facility with a high-net-worth investor for up to £1.5 million, available for three months and any amount drawn down attracted interest of 15% per quarter. The Company made drawdowns amounting to £1.1 million which attracted interest of £133,000. The principal and interest amounts were repaid in December 2024. The Company also repaid £0.25 million, being the remaining principal element of the convertible bond, leaving approximately £0.6m of accrued interest outstanding.

Financing costs during the year were £2.3 million (2023: £1.9 million), primarily due to the amortised costs of the Company's Euro denominated loan notes, the US dollar Afriquia loan facility and unwinding of discount related to convertible bonds, net of interest capitalised to the development and exploration permits of £0.2 million (2023: £0.3 million). The increase in finance costs arose principally due to a further 6.0 million drawdown from the Afriquia facility.

The Group spent £5.4 million (2023: £2.9 million) on investing activities during 2024 primarily related to the Group's Micro-LNG project with the balance relating to expenditure on the Group's exploration permits in Morocco and capitalised general and administrative expenses.

**Balance Sheet**

As at 31 December 2024, the carrying amount of property, plant and equipment was £10.5 million (2023: £157.9 million), primarily related to the development and production assets in Morocco with a carried value of £10.5 million (2023: £157.8 million). The decrease from the previous year is primarily due to the impairment loss recognition and disposal of SEME.

Intangible assets, with a carrying amount of £14.1 million (2023: £35.0 million), primarily relates to the Group's investment in its exploration permits in Morocco. The decrease from previous year is primarily due to the disposal of SEME.

Non-current prepayments of £1.5 million (2023: £5.1 million) relate to the Group's Phase 1 mLNG project.

Deferred consideration receivable of £21.0 million relates to the elements of SEME disposal consideration receivable in the future as described under the income statement section. The carrying amount on the balance sheet includes the effect of foreign exchange movements.

Other receivables, amounting to £3.2 million (2023: £0.9 million), are primarily related to the amount receivable for services provided by the Company supporting the joint operations and cash calls paid in advance of work being undertaken on our Morocco permits and recoverable VAT.

Trade and other payables amounting to £3.7 million (2023: £2.5 million) primarily related to accruals for advisers' fees in respect of the SEME disposal, staff costs accrual and accruals for operations in the Group's permits in Morocco.

During 2024, the Company issued 117,500,000 ordinary shares following the conversion of £1,175,000 of accrued interest by convertible bonds holders.

**Going Concern**

As detailed in note 1 to the financial statements, the Company's cash flow forecasts, for the next twelve-month period to April 2026, indicate that additional funding will be required to enable the Company to continue to meet its obligations. This condition indicates the existence of a material uncertainty regarding the Company's ability to continue as a going concern.

**Consolidated Statement of Comprehensive Income**

For the year ended 31 December 2024

| | Notes | **2024 £'000s** | 2023 £'000s |
|---|---|---|---|
| **Continuing operations** | | | |
| **Revenue** | | **-** | - |
| Other income | | **-** | 4 |
| Impairment on development assets and exploration costs | | **(122,042)** | - |
| **Gross profit** | | **(122,042)** | 4 |
| Administrative expenses | | **(4,586)** | (2,311) |
| **Group operating (loss) / profit from continuing operations** | | **(126,628)** | (2,307) |
| Finance revenue | | **12** | 25 |
| Foreign exchange gain/(loss) | | **2,294** | (2,719) |
| Finance expense | | **(2,302)** | (1,893) |
| **Loss for the year before taxation** | | **(126,624)** | (6,894) |
| Tax expense | 3 | **-** | (1) |

| | | | |
|---|---|---|---|
| Loss for the year after taxation | | **(126,624)** | (6,895) |
| **Discontinued operations** | | | |
| Loss for the period after tax from discontinued operations | 11 | **(24,196)** | (265) |
| **Total loss for the year** | | **(150,820)** | (7,160) |

**Other comprehensive income**

Items that may subsequently be reclassified to the profit and loss account

| | | | |
|---|---|---|---|
| Foreign currency translation gain/(loss) | | **9** | (6,555) |
| **Total comprehensive loss for the year** | | **(150,811)** | (13,715) |
| **Loss for the year attributable to:** | | | |
| Owners of the Company | | **(150,811)** | (13,715) |

| | | **2024 Pence** | 2023 Pence |
|---|---|---|---|
| Basic and diluted loss per share for the year from continuing and discontinued operations attributable to the equity shareholders of the parent | 4 | **(7.48)** | (0.38) |
| Basic and diluted loss per share for the year from continuing operations attributable to the equity shareholders of the parent | 4 | **(6.28)** | (0.37) |

**Consolidated Balance Sheet as at 31 December 2024**

| | Notes | **2024 £'000s** | 2023 £'000s |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | **10,489** | 157,927 |
| Intangible assets | 6 | **14,097** | 35,002 |
| Prepayments | | **1,522** | 5,092 |
| Deferred consideration | 7 | **21,045** | - |
| | | **47,153** | 198,021 |
| **Current assets** | | | |
| Inventories | | **69** | 915 |
| Other receivables | | **3,247** | 924 |
| Prepayments | | **25** | 1,342 |
| Cash and short-term deposits | | **7,895** | 3,016 |
| | | **11,236** | 6,197 |
| **Total assets** | | **58,389** | 204,218 |
| **Current liabilities** | | | |
| Trade and other payables | | **3,665** | 2,495 |
| Tax liabilities | | - | 199 |
| Lease liabilities | | - | 121 |
| | | **3,665** | 2,815 |
| **Non-current liabilities** | | | |
| Tax liabilities | | - | 1,410 |
| Loans and borrowings | 10 | **37,707** | 33,285 |
| | | **37,707** | 34,695 |
| **Total liabilities** | | **41,372** | 37,510 |
| **Net assets** | | **17,017** | 166,708 |
| **Capital and reserves** | | | |
| Share capital and share premium | 8 | **41,073** | 39,898 |
| Shares to be issued | | **374** | 374 |
| Accumulated (deficit) /surplus | | **(28,137)** | 122,443 |
| Warrant reserve | | **2,071** | 2,071 |
| Convertible bond reserve | | **28** | 28 |
| Foreign currency reserve | | **1,608** | 1,894 |
| **Total equity** | | **17,017** | 166,708 |

**Consolidated Statement of Changes in Equity**

## Consolidated Statement of Changes in Equity

| | Notes | Share capital £'000s | Share premium £'000s | Shares to be issued £'000s | Accumulated Surplus/ (deficit) £'000s | Warrant reserve £'000s | Convertible Bond reserve £'000s | Foreign currency reserves £'000s | Total equity £'000s |
|---|---|---|---|---|---|---|---|---|---|
| **At 1 January 2024** | | **19,631** | **20,267** | **374** | **122,443** | **2,071** | **28** | **1,894** | **166,708** |
| Total loss for the year | | - | - | - | (150,820) | - | - | - | (150,820) |
| Other comprehensive gain | | - | - | - | - | - | - | 9 | 9 |
| Total comprehensive loss | | - | - | - | (150,820) | - | - | 9 | (150,811) |
| Issue of share capital on conversion of bond | 10 | 1,175 | - | - | (554) | - | - | - | 621 |
| Transfer to profit and loss account on bond conversion to shares | | - | - | - | 554 | - | - | - | 554 |
| Reclassification to profit and loss account on disposal of subsidiary | | - | - | - | - | - | - | (295) | (295) |
| Share-based payments | | - | - | - | 240 | - | - | - | 240 |
| **At 31 December 2024** | | **20,806** | **20,267** | **374** | **(28,137)** | **2,071** | **28** | **1,608** | **17,017** |

| | Notes | Share capital £'000s | Share premium £'000s | Shares to be issued £'000s | Accumulated surplus £'000s | Warrant reserve £'000s | Convertible Bond reserve £'000s | Foreign currency reserves £'000s | Total equity £'000s |
|---|---|---|---|---|---|---|---|---|---|
| **At 1 January 2023** | | **18,487** | **20,134** | **404** | **129,004** | **1,607** | **-** | **8,449** | **178,085** |
| Total loss for the year | | - | - | - | (7,160) | - | - | - | (7,160) |
| Other comprehensive loss | | - | - | - | - | - | - | (6,555) | (6,555) |
| Total comprehensive loss | | - | - | - | (7,160) | - | - | (6,555) | (13,715) |
| Issue of share capital on conversion of bond | | 1,000 | 46 | - | - | - | - | - | 1,046 |
| Other share capital issues | | 114 | 87 | - | - | - | - | - | 201 |
| Transfer to share capital on issue of shares | | 30 | - | (30) | - | - | - | - | - |
| Fair value of warrants issued during the year | | - | - | - | - | 464 | - | - | 464 |
| Equity component of convertible bond | | - | - | - | - | - | 562 | - | 562 |
| Cost of issue allocated to equity component | | - | - | - | - | - | (174) | - | (174) |
| Transfer to accumulated surplus on bond conversion to shares | | - | - | - | 360 | - | (360) | - | - |
| Share-based payments | | - | - | - | 239 | - | - | - | 239 |
| **At 31 December 2023** | | **19,631** | **20,267** | **374** | **122,443** | **2,071** | **28** | **1,894** | **166,708** |

**Consolidated Statement of Cash Flows**
For the year ended 31 December 2024

| | Notes | **2024 £'000s** | 2023 £'000s |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Cash flow from operations | | **(2,352)** | (1,403) |
| Interest received | | **23** | 42 |
| Tax paid | | **-** | (134) |
| **Net cash flow from operating activities** | | **(2,329)** | (1,495) |
| **Cash flow from investing activities** | | | |
| Disposal of subsidiary | 11 | **9,236** | - |
| Capital expenditure | | **(4,640)** | (1,600) |
| Exploration expenditure | | **(651)** | (660) |

| | | |
|---|---|---|
| Prepayment for Phase 1 the mLNG project | **(143)** | (820) |
| Receipt from interest in Badile land | **-** | 134 |
| **Net cash flow from investing activities** | **3,802** | (2,946) |
| **Cash flow from financing activities** | | |
| Net proceeds from borrowings | **5,822** | 4,442 |
| Interest payments | **(1,168)** | (441) |
| Loan repayments | **(1,350)** | - |
| Lease payments | **(124)** | (180) |
| **Net cash flow from financing activities** | **3,180** | 3,821 |
| Net increase(decrease)/increase in cash and cash equivalents | **4,653** | (620) |
| Net foreign exchange difference | **226** | (225) |
| Cash and cash equivalents at the beginning of the year | **3,016** | 3,861 |
| **Cash and cash equivalents at the end of the year** | **7,895** | 3,016 |

**Note to Statement of Cash Flows**
For the period ended 31 December 2024

| | 2024 | 2023 |
|---|---|---|
| | **£'000s** | £'000s |
| **Cash flow from operations reconciliation** | | |
| Loss before tax for the year from continuing operation | **(126,624)** | (6,894) |
| Loss before tax for the period from discontinued operations | **(24,196)** | (258) |
| Loss for the year before tax | **(150,820)** | (7,152) |
| Finance revenue | **(23)** | (42) |
| (Increase)/decrease in drilling inventories | **(260)** | 48 |
| Decrease in receivables and prepayments | **803** | 688 |
| Increase/(decrease) in accruals and short-term payables | **1,113** | (343) |
| Impairment on development assets and exploration costs | **122,042** | - |
| Loss on disposal of subsidiary | **23,438** | - |
| Foreign currency translation loss reclassified from other comprehensive income | **295** | - |
| Impairment of interest in Badile land | **-** | 125 |
| Depreciation | **128** | 194 |
| Share-based payments charge and remuneration paid in shares | **794** | 239 |
| Finance expense and exchange adjustments | **138** | 4,840 |
| **Cash flow from operations** | **(2,352)** | (1,403) |

Non-cash transactions during the period included the issue of 117.5 million ordinary shares, following partial conversion of accrued interest on the convertible bond. The Group has provided collateral of nil (2023: 1.75 million) to the Moroccan Ministry of Petroleum to guarantee the Group's minimum work programme obligations for the Anoual, and Sidi Moktar permits. The cash was held in a bank account under the control of the Company and, as the Group expects the funds to be released as soon as the commitment is fulfilled, on this basis, the amount remains included within cash and cash equivalents.

**Notes to the Financial Statements for the year ended 31 December 2024**

**1. Accounting Policies**

Sound Energy plc is a public limited Company registered and domiciled in England and Wales under the Companies Act 2006. The Company's registered office is 20 St Dunstan's Hill, London EC3R 8HL.

The consolidated financial information contained within this announcement does not constitute statutory accounts for the year ended 31 December 2024 within the meaning of Section 434 of the Companies Act 2006 but is derived from those audited accounts. The auditors reported on those accounts and their report was unqualified and did not contain any statement under section 498(2) or section 498(3) of the Companies Act 2006. The statutory accounts for the year ended 31 December 2024 will be delivered to the Registrar of Companies in due course. The annual report and statutory accounts will be sent to shareholders and will be made available to the public on the Company's website: www.soundenergyplc.com or, upon request, copies may be obtained from the Company Secretary at the registered office of Sound Energy plc 20 St Dunstan's Hill, London, EC3R 8HL.

**a) Basis of preparation**

The financial statements of the Group and its parent Company have been prepared in accordance with UK-adopted International Accounting Standards.

The consolidated financial statements have been prepared under the historical cost convention, except to the extent that the following policies require fair value adjustments. The Group and its parent Company's financial statements are presented in sterling (£) and all values are rounded to the nearest thousand (£'000) except when otherwise indicated.

The principal accounting policies set out below have been consistently applied to all financial reporting periods presented in these consolidated financial statements and by all Group entities, unless otherwise stated. All amounts classified as current are expected to be settled/recovered in less than 12 months unless otherwise stated in the notes to these financial statements. The Group and its parent Company's financial statements for the year ended 31 December 2024 were authorised for issue by the Board of Directors on [9 April 2025].

**Going concern**

As at 31 March 2025, the Group's cash balance was £3.1 million. The directors have reviewed the Company's cash flow forecasts for the next 12-month period to April 2026. The Company's forecasts and projections indicate that, to fulfil its other obligations, primarily the Company's SIDI Moktar permit commitments, the Company will require additional funding. Following the sale of its subsidiary SEME, the Company's share of the financial obligations for a well commitment on each of the retained 27.5% working interests on the Grand Tendrara (up to 3.6m) and Anoual licences (up to 2.6m), is to be funded by the acquirer of SEME, as well as up to24.5m of the pipeline led development of the Tendrara Production Concession (Concession Phase 2). The Concession Phase 2 partners are progressing towards a final investment decision and received a conditional offer for partial financing of the Phase 2 development and continue to work to satisfy the conditions precedents and other elements necessary for the taking of Phase 2 FID.

The need for additional financing indicates the existence of a material uncertainty, which may cast significant doubt about the Group and Company's ability to continue as a going concern. These financial statements do not include adjustments that would be required if the Company was unable to continue as a going concern. The Company continues to exercise rigorous cost control to conserve cash resources, and the directors believe that there are several corporate funding options available to the Company, including a farm-down on the Sidi Moktar permit, and various debt, equity and equity-linked funding options. The directors, therefore, have a reasonable expectation that the Company and the Group will be able to secure the funding required to continue in operational existence for the foreseeable future, and have made a judgement that the Group will continue to realise its assets and discharge its liabilities in the normal course of business. Accordingly, the directors have adopted the going concern basis in preparing the consolidated financial statements.

**Use of estimates and key sources of estimation uncertainty**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Estimation and assumptions**

The key sources of estimation uncertainty, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are the impairment of intangible exploration and evaluation ("E&E") assets, impairment of development and production assets, investments, warrants, and the estimation of share-based payment costs.

**E&E, development and production assets**

When considering whether E&E assets are impaired, the Group first considers the IFRS 6 indicators set out in note 6. The making of this assessment involves judgement concerning the Group's future plans and current technical and legal assessments. In considering whether development and production assets are impaired, the Group considers various impairment indicators and whether any of these indicate existence of an impairment. If those indicators are met, a full impairment test is performed.

**Impairment test**

When value in use calculations are undertaken, management estimates the expected future cash flows from the asset and chooses a suitable discount rate to calculate the present value of those cash flows. In undertaking these value in use calculations, management is required to make use of estimates and assumptions similar to those described in the treatment of E&E assets above. Further details are given in note 6.

In June 2024, the Company signed a binding SPA with Managem for the sale of 55% interest on the Tendrara Production Concession, 47.5% interest in the Grand Tendrara licence and 47.5% interest in the Anoual licence. Following the signing of the SPA, the Company undertook an impairment test as at 30 June 2024 and updated it on completion of the sale in December 2024. A significant portion of the Group's net assets is the carrying value of the development and producing assets and disclosures relating to management's assessment of impairment for these assets and the investment in subsidiaries are included in note 5, on the basis that the recoverability of the investment in subsidiaries in the Company balance sheet is linked to the value of the development and producing assets as, ultimately, the cash flows these generate will determine the subsidiaries' ability to pay returns to the Company.

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. If there is no binding sales transactions or observable market prices, the fair value is estimated using a discounted cash flow model ('DCF model''). The cash flows are derived from the latest budgets, expenditure and price data in signed gas sales agreements (for contracted gas sales volumes), market based price data (for uncontracted gas sales volumes), project contract or agreed heads of terms, and the latest management plans on project phasing. The recoverable amount is sensitive to the discount rate and gas price assumption as well as the Brent price assumption that impacts condensate sales pricing in the DCF model. The impairment test led to an impairment charge of approximately £122.0m being recognised as at 31 December 2024 for continuing operations. The key assumptions used to determine the recoverable amount of the development and production assets are disclosed in note 5.

**Share-based payments**

The estimation of share-based payment costs requires the selection of an appropriate valuation model, consideration as to the inputs necessary for the valuation model chosen, and the estimation of the number of awards that will ultimately vest, inputs for which arise from judgements relating to the continuing participation of key employees (note 9).

**Fair value of warrants**

Significant judgement and estimation is also required in the determination of the fair value of warrants.

**Fair value of convertible bonds**

The calculation of fair value on convertible bonds requires estimation of the discount rate to use when discounting outstanding principal and interest amounts at each reporting date. The discount rate is a significant input into the discounted cashflow model used by the Company to estimate the fair value of the convertible bonds.

**Taxation**

The Group seeks professional tax and legal advice to make a judgement on application of tax rules on underlying transactions within the Group or with third parties. Tax treatment adopted by the Group may be challenged by tax authorities.

**Intercompany loans**

The Company has funded its subsidiaries through non-interest bearing loans payable on demand. Given that the Company has no intention to call in the loans in the foreseeable future, the loans are classified as non-current investments. Other sources of estimate concern IFRS 9 on intercompany loans at parent Company level.

**(a) Investment in subsidiaries**

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Such power, generally but not exclusively, accompanies a shareholding of more than one-half of the voting rights. The Group uses the purchase method of accounting for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Costs of acquisition are expensed during the period they are incurred.

**(b) Foreign currency translation**

The functional currency of the Company is GBP sterling. The Group also has subsidiaries whose functional currencies are

The functional currency of the Company is GBP sterling. The Group also has subsidiaries whose functional currencies are US dollar.

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

On consolidation, the assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the balance sheet date. Income and expenses are translated at weighted average exchange rates for the year unless this is not a reasonable approximation of the rates on the transaction dates. The resulting exchange differences are recognised in other comprehensive income and held in a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that foreign operation is recognised in the income statement.

**(c) Discontinued operations**

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. Cash flows from discontinued operations are included in the consolidated statement of cash flows and are disclosed separately in note 11. The group includes proceeds from disposal in cash flows from discontinued operations. Additional disclosures are provided in note 11. All other notes to the financial statements include amounts for continuing operations unless indicated otherwise.

**(d) Deferred consideration**

Deferred consideration relates to future funding to be received by the group from the purchaser (the purchaser) of the Company's subsidiary disposed of during the year (note 11). The Company's share of its future expenditure on the Morocco licences will be funded by the purchaser up to specified amounts detailed in note 11. Deferred consideration is recognised at fair value.

**2. Segment information**

The Group categorises its operations into three business segments based on corporate, exploration and appraisal, and development and production.

In the year ended 31 December 2024, the Group's development, exploration and appraisal activities were primarily carried out in Morocco.

The Group's reportable segments are based on internal reports about components of the Group, which are regularly reviewed and used by the Board of Directors, being the Chief Operating Decision Maker ("CODM"), for strategic decision making and resource allocation, in order to allocate resources to the segment and to assess its performance.

Details regarding each of the operations of each reportable segments are included in the following tables.

Segment results for the year ended 31 December 2024:

| | Corporate £'000s | Development and production £'000s | Exploration and appraisal £'000s | Total £'000s |
|---|---|---|---|---|
| Other income | - | - | - | - |
| Impairment of development assets and exploration costs | - | (122,042) | - | (122,042) |
| Administration expenses | (4,586) | - | - | (4,586) |
| **Operating (loss)/profit segment result** | (4,586) | (122,042) | - | (126,628) |
| Interest receivable | 12 | - | - | 12 |
| Finance expense and exchange adjustments | (8) | - | - | (8) |
| **Loss for the year before taxation from continuing operations** | (4,582) | (122,042) | - | (126,624) |

The segments assets and liabilities at 31 December 2024 is as follows:

| | Corporate £'000s | Development and production £'000s | Exploration and appraisal £'000s | Total £'000s |
|---|---|---|---|---|
| Non-current assets | 61 | 28,707 | 18,385 | 47,153 |
| Current assets | 9,513 | 1,649 | 74 | 11,236 |
| Liabilities attributable to continuing operations | (25,818) | (15,433) | (121) | (41,372) |

The geographical split of non-current assets is as follows:

| | UK £'000s | Morocco £'000s |
|---|---|---|
| Development and production assets | - | 10,485 |
| Fixtures, fittings and office equipment | 3 | 1 |
| Deferred consideration | - | 21,045 |
| Software | 49 | 8 |
| Prepayments | - | 1,522 |
| Exploration and evaluation assets | - | 14,040 |
| **Total** | 52 | 47,101 |

Segment results for the year ended 31 December 2023 were as follows:

| | Corporate £'000s | Development and production £'000s | Exploration and appraisal £'000s | Total £'000s |
|---|---|---|---|---|
| Other income | - | - | 4 | 4 |
| Impairment of development assets and exploration costs | - | - | - | - |
| Administration expenses | (2,311) | - | - | (2,311) |
| Operating (loss)/profit segment result | (2,311) | - | 4 | (2,307) |
| Interest receivable | 25 | - | - | 25 |
| Finance expense and exchange adjustments | (4,612) | - | - | (4,612) |
| (Loss)/profit for the year before taxation from continuing operations | (6,898) | - | 4 | (6,894) |

The segments assets and liabilities at 31 December 2023 were as follows:

| | Corporate £'000s | Development and production £'000s | Exploration and appraisal £'000s | Total £'000s |
|---|---|---|---|---|
| Non-current assets | 137 | 162,908 | 34,976 | 198,021 |
| Current assets | 1,959 | 2,897 | 1,341 | 6,197 |
| Liabilities | (23,551) | (11,368) | (2,591) | (37,510) |

The geographical split of non-current assets were as follows:

| | UK £'000s | Morocco £'000s |
|---|---|---|
| Development and production assets | - | 157,816 |
| Fixtures, fittings and office equipment | 4 | 6 |
| Right of use assets | 101 | - |
| Software | 18 | 8 |
| Prepayments | - | 5,092 |
| Exploration and evaluation assets | - | 34,976 |
| Total | 123 | 197,898 |

**3. Taxation**

**Analysis of the tax charge for the year:**

| | **2024 £'000s** | 2023 £'000s |
|---|---|---|
| Current tax | | |
| UK Corporation Tax | **-** | - |
| Adjustment to tax expense in respect of prior years | **-** | (1) |
| Tax cases settlement (overseas tax) | **-** | - |
| **Total current tax (charge)/credit** | **-** | (1) |
| Deferred tax credit arising in the current year | **-** | - |
| **Total tax (charge)/credit** | **-** | (1) |

**(b) Reconciliation of tax charge**

| | **2024 £'000s** | 2023 £'000s |
|---|---|---|
| Loss before tax | **(126,624)** | (6,894) |
| Tax (charge)/credit charged at UK corporation tax rate of 25% (2023: 23.5%) | **31,656** | 1,620 |
| Tax effect of: | | |
| Expenses not deductible for tax purposes | **(231)** | (78) |
| Impairment not deductible for tax purposes | **(30,511)** | - |
| Tax losses not recognised | **(924)** | (1,232) |
| Change in UK tax rate | **-** | (310) |
| Differences in overseas tax rates | **10** | (1) |
| **Total tax (charge)/credit** | **-** | (1) |

Deferred tax assets have not been recognised in respect of tax losses available due to the uncertainty of the utilisation of those assets. Unused tax losses as at 31 December 2024 were estimated to be approximately £6.9 million (2023: £9.8 million). The decrease in estimated losses arose following disposal of SEME.

The Group had tax cases where Morocco Tax Authority had claimed taxes relating to the Group's historical permits transfers and intragroup transactions. In May 2023, the Company entered into a settlement agreement with Morocco Tax Authority on a phased payment schedule back ended over 6 years.

The table below sets out the current and non-current tax liability and the movement during the year.

| | **2024** | 2023 |
|---|---|---|
| | **£'000s** | £'000s |
| Amounts due within one year | **-** | 199 |
| Amounts due after more than one year | **-** | 1,410 |
| | **-** | 1,609 |

The movement during the year is as below:

| | | |
|---|---|---|
| As at 1 January | **1,609** | 1,631 |
| Change in/unwinding of discount | **(165)** | 101 |
| Tax payment | - | (126) |
| Exchange adjustment | **(14)** | 3 |
| Disposal of subsidiary | **(1,430)** | - |
| **As at 31 December** | **-** | 1,609 |

**4. (Loss)/profit per share**

The calculation of basic profit/(loss) per ordinary share is based on the profit/(loss) after tax and on the weighted average number of ordinary shares in issue during the year. The calculation of diluted profit/(loss) per share is based on profit/(loss) after tax on the weighted average number of ordinary shares in issue, plus the weighted average number of shares that would be issued if dilutive options and warrants were converted into shares. Basic and diluted profit/(loss) per share is calculated as follows:

| | **2024** | 2023 |
|---|---|---|
| | **£'000s** | £'000s |
| Loss after tax from continuing operations | **(126,624)** | (6,895) |
| Loss after tax from discontinued operations | **(24,196)** | (265) |
| **Total loss for the year after taxation** | **(150,820)** | (7,160) |

| | **2024** | 2023 |
|---|---|---|
| | **Million** | Million |
| **Basic weighted average shares in issue** | **2,017** | 1,882 |
| Dilutive potential ordinary shares | **-** | - |
| **Diluted weighted average number of shares** | **2,017** | 1,882 |

| | **2024** | 2023 |
|---|---|---|
| | **Pence** | Pence |
| Basic and diluted loss per share from continuing operations | **(6.28)** | (0.37) |
| Basic and diluted loss per share from discontinued operations | **(1.20)** | (0.01) |
| **Basic and diluted loss per share from continuing and discontinued operations** | **(7.48 )** | (0.38) |

Due to loss during the year, the effect of the potential dilutive shares on the earnings per share would have been anti-dilutive and therefore were not included in the calculation of the dilutive earnings per share.

**5. Property, Plant and Equipment**

| | Development and production assets | Fixtures, fittings and office equipment | Right-of-use assets | **2024** |
|---|---|---|---|---|
| | £'000s | £'000s | £'000s | **£'000s** |
| **Cost** | | | | |
| At 1 January 2024 | 157,816 | 644 | 331 | **158,791** |
| Additions | 5,258 | 2 | - | **5,260** |
| Exchange adjustments | 2,023 | - | - | **2,023** |
| Disposal on expiry of lease | - | - | (331) | **(331)** |
| Disposal on sale of subsidiary | (30,191) | (278) | - | **(30,469)** |
| **At 31 December 2024** | **134,906** | **368** | **-** | **135,274** |
| **Impairment and depreciation** | | | | |
| At 1 January 2024 | - | 634 | 230 | **864** |
| Charge for period | 129,845 | 2 | 101 | **129,948** |
| Exchange adjustments | 2,393 | - | - | **2,393** |
| Disposal on expiry of lease | - | - | (331) | **(331)** |
| Disposal on sale of subsidiary | (7,817) | (272) | - | **(8,089)** |
| **At 31 December 2024** | 124,421 | 364 | **-** | **124,785** |
| **Net book amount** | **10,485** | **4** | **-** | **10,489** |

| | Development and production assets | Fixtures, fittings and office equipment | Right-of-use assets | 2023 |
|---|---|---|---|---|
| | £'000s | £'000s | £'000s | £'000s |

| | | | | |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2023 | 163,074 | 656 | 331 | 164,061 |
| Additions | 2,737 | 2 | - | 2,739 |
| Exchange adjustments | (7,995) | (14) | - | (8,009) |
| At 31 December 2023 | 157,816 | 644 | 331 | 158,791 |
| **Impairment and depreciation** | | | | |
| At 1 January 2023 | - | 642 | 57 | 699 |
| (Reversal)/charge for period | - | 4 | 173 | 177 |
| Exchange adjustments | - | (12) | - | (12) |
| At 31 December 2023 | - | 634 | 230 | 864 |
| Net book amount | 157,816 | 10 | 101 | 157,927 |

In June 2024, the Company entered into a binding sale and purchase agreement (SPA) with Managem SA for the disposal of SEME (Note 11). Property, plant and equipment of the disposal group were measured at the lower of their carrying amount and fair value less costs to sell and as a result, impairment loss was recognised. Similarly, for continuing operations, the Company estimated the recoverable amount by reference to the fair value of the Tendrara Production Concession (Concession) attributable to the discontinued operation and recognised an impairment loss. The transaction with Managem completed in December 2024 (note 11) and an update of the impairment test was undertaken. In calculating the fair value less cost to sell, the Company included in its valuation the consideration received and receivable from sale of SEME, which comprised; expenditure incurred on the licence from 1 January 2022 to the date of disposal (back costs), Concession Phase 2 funding of up to 24.5 million, funding for one exploration well each on the Anoual and Grand Tendrara licences of up to 2.6 million and 3.6 million, respectively and 1.5 million on achieving first gas on Concession Phase 2. The funding for Concession Phase 2 and the exploration wells is expected to be received over the period to July 2028 based on the Company's understanding of the timing of the operations. The impairment test calculations in prior year were based on a discounted cashflow model that took account of forecast and projections of various elements including, future gas prices, field production profile, development expenditure among others. In the current year, the Company has used fair value less cost to sell as explained above, as the basis for the impairment test since a recent market transaction was considered a reasonable basis use. The impairment loss has primarily arisen due the change in the impairment test method during the period.

The total impairment loss for discontinued operation recognised amounted to approximately £7.8 million and in respect of the continuing operations, approximately £124.4m (inclusive of exchange rate movements). The Company used a discount rate of 10.55% at 31 December 2024, a decrease from 11.25% at 31 December 2023 due to changes in financial market conditions and certain corporate parameters during the period. A change in the discount rate by 1% has a £0.1m impact of the impairment charge for continuing operation and a 10% reduction in amount receivable for future funding of Concession Phase 2 and the exploration wells would increase the impairment charge for continuing operations by £0.6 million.

**6. Intangibles**

| | Software £'000s | Exploration & Evaluation Assets £'000s | 2024 £000s |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2024 | 382 | 45,582 | **45,964** |
| Additions | 53 | 696 | **749** |
| Exchange adjustments | (1) | 335 | **334** |
| Disposal | (252) | (32,573) | **(32,825)** |
| **At 31 December 2024** | **182** | **14,040** | **14,222** |
| **Impairment and depreciation** | | | |
| At 1 January 2024 | 356 | 10,606 | **10,962** |
| Charge for the year | 25 | 16,501 | **16,526** |
| Exchange adjustments | (4) | 211 | **207** |
| Disposal | (252) | (27,318) | **(27,570)** |
| **At 31 December 2024** | **125** | **-** | **125** |
| **Net book amount** | **57** | **14,040** | **14,097** |

| | Software £'000s | Exploration & Evaluation Assets £'000s | 2023 £'000s |
|---|---|---|---|
| Cost | | | |
| At 1 January 2023 | 375 | 46,594 | 46,969 |
| Additions | 22 | 729 | 751 |
| Exchange adjustments | (15) | (1,741) | (1,756) |
| At 31 December 2023 | 382 | 45,582 | 45,964 |
| Impairment and depreciation | | | |
| At the start of the year | 356 | 10,606 | 10,962 |
| Charge for the year | 17 | - | 17 |
| Exchange adjustments | (17) | - | (17) |
| At 31 December 2023 | 356 | 10,606 | 10,962 |
| Net book amount | 26 | 34,976 | 35,002 |

**Exploration and evaluation assets**

Details regarding the geography of the Group's E&E assets is contained in note 2. The directors assess for impairment when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. In making this assessment, the directors have regard to the facts and circumstances noted in IFRS 6 paragraph 20. In performing their assessment of each of these factors, at 31 December 2024, the directors have:

- reviewed the time period that the Group has the right to explore the area and noted no instances of expiration, or permits that are expected to expire in the near future and not be renewed;
- determined that further E&E expenditure is either budgeted or planned for all permits;
- not decided to discontinue exploration activity due to there being a lack of quantifiable mineral resource; and
- not identified any instances where sufficient data exists to indicate that there are permits where the E&E spend is unlikely to be recovered from successful development or sale.

On the basis of the above assessment, the directors are not aware of any facts or circumstances that would suggest the carrying amount of the E&E asset may exceed its recoverable amount. Included in the charge for the year is approximately £16.5 million impairment following the measurement of intangible assets at the lower of their carrying amount and fair value less costs to sell on signing of the SPA with Managem SA (note 11).

**7. Deferred consideration**

| | **2024** | 2023 |
|---|---|---|
| | **£'000s** | £'000s |
| At 1 January | **-** | - |
| Fair value of consideration receivable | **20,696** | - |
| Exchange adjustments | **349** | - |
| At 31 December | **21,045** | - |

Deferred consideration relates to future funding to be received by the group from the purchaser (the purchaser) of the Company's subsidiary disposed of during the year (note 11). The Company's share of its future expenditure on the Tendrara Production Concession Phase 2 development (Phase 2 development) will be funded by the purchaser up to24.5 million, the purchaser will also fund the drilling of one exploration well on each of the Anoual and Grand Tendrara licences for up to 2.6 million and 3.6 million, respectively, and pay to the group 1.5 million upon achieving first gas on the Phase 2 development. The Company has calculated the deferred consideration after taking account of the expected timing of receipt of the various elements of the deferred consideration based on current estimates of the timing of the operations and applied a discount rate of 10.55% (note 5).

**8. Capital and Reserves**

| | **2024 Number of shares** | **£'000s** | 2023 Number of shares | £'000s |
|---|---|---|---|---|
| Ordinary shares - 1p | **2,080,622,679** | **20,806** | 1,963,122,679 | 19,631 |

| | **2024 Number of shares** | 2023 Number of shares |
|---|---|---|
| At 1 January | **1,963,122,679** | 1,848,702,674 |
| Issued during the year for cash | **-** | - |
| Non-cash share issue | **117,500,000** | 114,420,005 |
| **At 31 December** | **2,080,622,679** | 1,963,122,679 |

The share issues described below were all non-cash transactions.

**Share issues**

In April 2024, the Company issued 30,000,000 shares following a partial accrued interest conversion amounting to £300,000 by the holders of the Company's convertible bonds.

In July 2024, the Company issued 50,000,000 shares following a partial accrued interest conversion amounting to £500,000 by the holders of the Company's convertible bonds.

In October 2024, the Company issued 37,500,000 shares following a partial accrued interest conversion amounting to £375,000 by the holders of the Company's convertible bonds.

**Reserves**

In 2018, the Company sought, and was granted, a court order approving a capital reduction following the cancellation of the share premium account. This resulted in the transfer of £277.7 million to distributable reserves.

**9. Share based payments**

| | **2024** | 2023 |
|---|---|---|
| | **£'000s** | £'000s |
| Expense arising from equity settled LTIP | **240** | 239 |
| | **240** | 239 |

**LTIP Awards**

The Company has a long term incentive plan (the "LTIP"), designed to reward, incentivise and retain the Company's Executives and senior management to deliver sustainable growth for shareholders.

The maximum number of awards that may be issued under the LTIP from time to time will be limited to 3% of the Company's issued share capital on the date of grant of awards, and, together with all other options issued by the Company under any employee share scheme from time to time, will not exceed an aggregate of 15% of the Company's issued ordinary share capital in a rolling ten year period. Awards granted under the LTIP will, generally, be subject to a three-year vesting period from the date of grant, the number of awards, ultimately, vesting dependent on the grantee's continued service and on additional performance conditions set by the Remuneration Committee.

additional performance conditions set by the Remuneration Committee.

The Company issued 48,875,515 options to subscribe for new ordinary shares under the LTIP, out of which 31,769,085 options were allocated to qualifying Executives and senior management and the balance of 17,106,430 was retained for future allocations. The LTIP awards are exercisable at 2.4 pence per share and expire ten years after the grant.

The fair value of LTIP awards granted was estimated at the date of grant using a Black-Scholes model, taking account of the terms and conditions upon which the awards were granted. The expected life of the LTIP award is based on the maximum award period and is not necessarily indicative of exercise patterns that may occur. Expected volatility was determined by reference to the historical volatility of the Company's share price over a five-year period. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

No LTIP awards were granted during 2024 or 2023. The remaining contractual life of the LTIP awards outstanding at 31 December 2024 is 7.3 years. If all the 31,769,085 LTIP awards were exercisable immediately, new ordinary shares equal to approximately 1.5% (2023: 1.6%) of the shares currently in issue, would be created

**Nil cost options**

The Company has outstanding nil-cost options that were granted to employees in previous years in settlement of bonus awards. The nil-cost options vested immediately and expire 5 years from the grant date.

| | **Number** | Number |
|---|---|---|
| | **2024** | 2023 |
| Nil cost options outstanding at the start of the year | **13,796,793** | 16,812,583 |
| Granted during the year | **-** | - |
| Exercised during the year | **-** | (3,015,790) |
| Expired during the year | **-** | - |
| Nil cost options outstanding at the end of the year | **13,796,793** | 13,796,793 |

The weighted average share price at the date of vesting of the RSU awards was n/a (2022: 2.5 pence).

**Warrants**

As at 31 December 2024, the Company had the following outstanding warrants to subscribe to the Company's ordinary shares.

| **2024** | **Exercise price Pence** | **Expiry date** | **Number at 1 January** | **Granted /(exercised)** | **Expired** | **Number at 31 December** |
|---|---|---|---|---|---|---|
| **2023 Warrants** | **2.25** | **13 June 2026** | **40,476,190** | **-** | **-** | **40,476,190** |
| **2022 Warrants** | **2.75** | **13 June 2025** | **7,056,875** | **-** | **-** | **7,056,875** |
| **2021 Warrants** | **2.75** | **21 December 2027** | **99,999,936** | **-** | **-** | **99,999,936** |
| | | | **147,533,001** | **-** | **-** | **147,533,001** |

| 2023 | Exercise price Pence | Expiry date | Number at 1 January | Granted /(exercised) | Expired | Number at 31 December |
|---|---|---|---|---|---|---|
| 2023 Warrants | 2.25 | 13 June 2026 | - | 40,476,190 | - | 40,476,190 |
| 2022 Warrants | 2.75 | 13 June 2025 | 7,056,875 | - | - | 7,056,875 |
| 2021 Warrants | 2.75 | 21 December 2027 | 99,999,936 | - | - | 99,999,936 |
| | | | 107,056,811 | 40,476,190 | - | 147,533,001 |

**10. Loans and borrowings**

| | **Secured Bonds £'000s** | **Loan note- Afriquia £'000s** | **Convertible Bonds £'000s** | **Short-term loan £'000s** | **2024 Total £'000s** |
|---|---|---|---|---|---|
| **Current liabilities** | | | | | |
| **At 1 January** | **-** | **-** | **-** | **-** | **-** |
| **Gross amount of loan drawn down** | **-** | **-** | **-** | **1,100** | **1,100** |
| **Accrued interest** | **-** | **-** | **-** | **133** | **133** |
| **Principal loan and interest repayment** | **-** | **-** | **-** | **(1,233)** | **(1,233)** |
| **At 31 December** | **-** | **-** | **-** | **-** | **-** |
| **Non-current liabilities** | | | | | |
| **At 1 January** | **21,980** | **10,276** | **1,029** | **-** | **33,285** |
| **Gross amount of loan drawdown during the year** | **-** | **4,722** | **-** | **-** | **4,722** |
| **Amortised finance charges** | **1,422** | **816** | **-** | **-** | **2,238** |
| **Unwinding of discount** | **-** | **-** | **166** | **-** | **166** |
| **Interest payments** | **(430)** | **(605)** | **-** | **-** | **(1,035)** |
| **Debt conversion to equity** | **-** | **-** | **(621)** | **-** | **(621)** |
| **Principal loan repayment** | **-** | **-** | **(250)** | **-** | **(250)** |
| **Exchange adjustments** | **(1,022)** | **224** | **-** | **-** | **(798)** |

| | | | | | |
|---|---|---|---|---|---|
| **At 31 December** | **21,950** | **15,433** | | **324** | **-37,707** |

| | Secured Bonds £'000s | Loan note- Afriquia £'000s | Convertible Bonds £'000s | 2023 Total £'000s |
|---|---|---|---|---|
| Current liabilities | | | | |
| At 1 January | 1,121 | - | - | 1,121 |
| Reclassification to non-current liability | (1,121) | - | - | (1,121) |
| At 31 December | - | - | - | - |
| Non-current liabilities | | | | |
| At 1 January | 20,855 | 8,213 | - | 29,068 |
| Gross amount of loan drawdown during the year | - | 2,017 | 2,500 | 4,517 |
| Amortised finance charges | 890 | 532 | - | 1,422 |
| Unwinding of discount | - | - | 137 | 137 |
| Interest payments | (441) | - | - | (441) |
| Gross equity component at date of issue | - | - | (562) | (562) |
| Debt conversion to equity | - | - | (1,046) | (1,046) |
| Exchange adjustments | (445) | (486) | - | (931) |
| Reclassification from current liabilities | 1,121 | - | - | 1,121 |
| At 31 December | 21,980 | 10,276 | 1,029 | 33,285 |

The Company has €25.32 million secured bonds (the "Secured Bonds"). The Secured Bonds mature on 21 December 2027. The Secured Bonds bear 2% cash interest paid per annum until maturity and a 3% interest per annum to be paid at redemption. The Company issued to the Bondholders 99,999,936 warrants to subscribe for new ordinary shares in the Company at an exercise price of 2.75 pence per share. The warrants expire on 21 December 2027. The Bonds are secured on the issued share capital of Sound Energy Morocco South Limited. After taking account of the terms of the Bonds, the effective interest is approximately 6.5%.

The Company has a18.0 million 6% secured loan note facility with Afriquia Gaz maturing in December 2033 (the ''Loan''). The drawn down principal bears 6% interest per annum payable quarterly, but was deferred and capitalised semi-annually, until the second anniversary of the issue of Notice to Proceed. Repayment of interest that is not deferred commenced in Q2 2024. The principal and deferred interest will be repayable annually in equal instalments commencing December 2028. The Loan is secured on the issued share capital of Sound Energy Meridja Limited. The weighted effective interest on the drawdowns made is approximately 6.2%.

In June 2023, the Company issued £2.5 million convertible bonds (the ''Bonds'') from a senior unsecured convertible bond facility of up to £4.0 million. The £2.5 million Bonds have a fixed conversion price of 2.25 pence per ordinary share. The term of the Bonds is 5 years from drawdown date, with interest of 15% per annum payable bi-annually in cash or capitalised to the principal, at the Company's election. The Company issued 33,333,333 warrants to subscribe for new ordinary shares in the Company at an exercise price of 2.25 pence per ordinary share with a term of 3 years. During the year, the Company issued 117.5 million new shares following the conversion of £1,175,000 of accrued interest on the Bonds, leaving £0.6 million accrued interest outstanding. The Company repaid £250,000, being the principal amount that was outstanding. The fair value of the debt converted to equity was £0.6 million which when compared to the par value of the shares issued of £1.2 million, resulted in a difference of £0.6 million that was first recorded in equity and subsequently transferred to the profit and loss account. The carrying amount of the Bonds is stated at fair value and is measured using the discounted cashflow method. A discount rate of 17.7% was used to discount the outstanding capitalised interest over the outstanding term of the Bonds.

In Q3 2024, the Company entered into a short-term bridge loan with a high-net-worth investor for up to £1.5 million, available for three months and any amount drawn down attracted interest of 15% per quarter. The Company made downs amounting to £1.1 million which attracted interest of £133,000. The principal and interest amounts were repaid in December 2024.

**Reconciliation of liabilities arising from financing activities**

| | | | **Non-cash changes** | | | |
|---|---|---|---|---|---|---|
| **2024** | **1 January 2024 £'000s** | **Cash flows £'000s** | **Finance charges £'000s** | **Exchange adjustments £'000s** | **Convertible Bonds non-cash movements £'000s** | **31 December 2024 £'000s** |
| **Long-term borrowings** | **33,285** | **3,304** | **2,537** | **(798)** | **(621)** | **37,707** |
| **Leases** | **121** | **(124)** | **3** | **-** | **-** | **-** |
| **Total liabilities from financing activities** | **33,406** | **3,180** | **2,540** | **(798)** | **(621)** | **37,707** |

| | | | Non-cash changes | | | |
|---|---|---|---|---|---|---|
| 2023 | 1 January 2023 £'000s | Cash flows £'000s | Finance charges £'000s | Exchange adjustments £'000s | Convertible Bonds non-cash movements £'000s | 31 December 2023 £'000s |
| Long-term borrowings | 30,189 | 4,001 | 1,559 | (931) | (1,533) | 33,285 |
| Leases | 283 | (180) | 18 | - | - | 121 |
| Total liabilities from financing | | | | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Total liabilities from financing activities | 30,472 | 3,821 | 1,577 | (931) | (1,533) | 33,406 |

**Reconciliation of finance expense**

| | **2024** | 2023 |
|---|---|---|
| | **£'000s** | £'000s |
| Amortised finance charges | **2,371** | 1,422 |
| Unwinding of discount | **169** | 256 |
| Bond issue costs expensed | **-** | 601 |
| Less capitalised interest | **(238)** | (285) |
| **Total finance expense for the year** | **2,302** | 1,994 |

**11. Discontinued operations**

On 14 June 2024, the Company announced that it had entered into a binding sale and purchase agreement with Managem SA for the disposal of SEME that owns:

- 55% interest in the Tendrara Production Concession, including the liability for payments arising from the Schlumberger net profit interest (NPI) agreement (pursuant to the acquisition of Schlumberger Silk Route Services Limited in 2021);
- 47.5% interest in the Grand Tendrara licence; and
- 47.5% interest in the Anoual licence.

The consideration included:

- Back costs (expenditure on licences) from 1 January 2022 to completion date, net of working capital and other adjustments, 13.1 million;
- Tendrara Production Concession Phase 2 carry of up to 24.5 million;
- Anoual licence carry on one well, 2.6 million;
- Grand Tendrara licence carry on one well, 3.6 million;
- On achieving Phase 2 first gas, 1.5 million.

The transaction was completed in December 2024 and the Company received 13.1 million cash with the other elements of the consideration remaining as deferred consideration.

The results of the discontinued operations are presented below.

| | **2024*** | 2023 |
|---|---|---|
| | **£'000s** | £'000s |
| **Other income** | **-** | 38 |
| Impairment of tangible and intangible assets | **-** | - |
| **Gross loss** | **-** | 38 |
| Administrative expenses | **(563)** | (85) |
| **Operating loss from discontinued operations** | **(563)** | (47) |
| Finance revenue | **11** | 17 |
| Foreign exchange loss | **(76)** | (127) |
| Finance costs recovery/expense) | **165** | (101) |
| Foreign currency translation loss reclassified from other comprehensive income | **(295)** | - |
| Loss on disposal of subsidiary | **(23,438)** | - |
| **Loss for the period before taxation from discontinued operations** | **(24,196)** | (258) |
| Tax expense | **-** | (7) |
| **Loss for the period after taxation from discontinued operations** | **(24,196)** | (265) |

- Represents the results for the period to divestment date on 10 December 2024.

The net cash flows of the discontinued operations were as follows:

| | 2024 | 2023 |
|---|---|---|
| | £'000s | £'000s |
| Net cash flow from operating activities | (816) | 189 |
| Net cash flow from investing activities | 9,236 | - |
| Net cash flow from financing activities | - | - |
| Net cash inflow/(outflow) | 8,420 | 189 |

The calculation of loss on disposal of subsidiary is shown below:

| | 2024 | 2023 |
|---|---|---|
| | £'000s | £'000s |
| **Consideration** | | |

| | | |
|---|---|---|
| Cash consideration received on completion | 10,240 | - |
| Fair value of deferred consideration | 20,696 | - |
| **Total consideration on disposal** | **30,936** | **-** |
| Carrying amount of net assets disposed | (28,807) | - |
| Impairment and other expenses on disposal | (25,567) | - |
| **Loss on disposal of subsidiary** | **(23,438)** | **-** |

**12. Post Balance Sheet Events**

In February 2025, the Company announced the resignation of its Chief Operating Officer as a director of the Company who left full-time employment of the Group in March 2025.

In March 2025, the Company announced the mLNG project main contractor, Italfluid, and the operator of the Tendrara Production Concession had agreed to amend their contractual arrangement by terminating the vendor financed lease agreement entered into in 2020 and entering into an engineering, procurement and Construction (EPC) contract.