RNS Number : 3118K
Jersey Oil and Gas PLC
28 May 2025

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Jersey Oil and Gas plc

("Jersey Oil & Gas", "JOG" or the "Company")

Final Results for the Year Ended 31 December 2024 & Notice of Annual General Meeting

Jersey Oil & Gas (AIM: JOG), an independent upstream oil and gas company focused on the UK Continental Shelf region of the North Sea, is pleased to announce its audited financial results for the year ended 31 December 2024 and the date of its forthcoming Annual General Meeting ("AGM").

Further to the successful Greater Buchan Area ("GBA") farm-outs to NEO Energy ("NEO") and Serica Energy ("Serica") in 2023-24, the Company has strategically positioned itself as one of the UK's leading UK quoted small-cap oil and gas companies with a high-quality development portfolio and the funding to deliver on its organic growth plans. Despite the uncertainties that have been created within the UK oil and gas industry as a result of the Energy Profits Levy ("EPL") and the on-going consultations that have been launched by the Government, the Company remains well placed to execute upon its plans for long-term value creation.

Buchan Redevelopment Project

Significant progress was made during 2024 to advance the Buchan Horst ("Buchan") redevelopment project towards sanction and Field Development Plan ("FDP") approval. Despite the project slowdown resulting from the various regulatory consultations and the need to obtain sufficient clarity on the outcome of these to finalise the way forward, three major workstreams have been matured:

- Detailed engagement has been on-going on the draft Buchan FDP with the North Sea Transition Authority ("NSTA"). In addition, the Buchan "Field Determination Area", that defines the maximum geological boundary of the field, was agreed with the NSTA
- The Environmental Impact Assessment ("EIA") for the project was issued to the Offshore Petroleum Regulator for the Environment and Decommissioning ("OPRED") and various activities have been completed to progress the regulatory evaluation.
- Front-end engineering and design ("FEED") studies were completed, the results of which have been used to define the details of the development execution plan. The primary engineering studies covered the appropriate solutions for the design of the wells, the subsea infrastructure and the necessary modification and life extension works required on the planned floating, production, storage and offloading ("FPSO") vessel. Offshore surveys were also completed to gather the geotechnical and geophysical data required for the subsea infrastructure and drilling rig contract tendering processes and to inform the FPSO mooring design

With the announcements during the year of three Government consultations concerning revised guidance for EIAs, the future for UK North Sea oil and gas licensing and the future fiscal regime, the timeline for progressing the project to the point of joint venture partner sanction and FDP approval was naturally delayed. An extension to the Buchan P2498 licence was obtained from the NSTA, which means that the joint venture has until 28 February 2027 to obtain FDP approval. Given the uncertainty surrounding the timing of FDP approval, the agreement for the acquisition of the "Western Isles" FPSO for redeployment on the Buchan field was terminated in March 2025 by Dana Petroleum ("Dana") after the longstop date in the agreement was passed. NEO, the Buchan Operator, is a 23% owner of the vessel and the possibility remains to recontract the vessel for deployment on Buchan.

Subject to satisfactory clarity being obtained from the Government consultations, there are clear steps that need to be completed to move the Buchan project forward to FDP approval and onward into the development execution phase of activities. These are:

- Reactivation and completion of the contract tender process for the main drilling, subsea and FPSO modification workscopes
- Re-contracting of the FPSO
- Submission to OPRED of an updated EIA that incorporates the requirements of the guidance resulting from the on-going consultation, which is expected to principally concern the inclusion of Scope 3 emission forecasts for the project
- Joint venture finalisation of the FDP and approval of the NSTA

While the exact timeline for completing these activities has not yet been finalised, it is likely that a positive outcome from the consultations would lead to FDP approval being targeted during 2026.

As a result of the farm-out transactions with NEO and Serica, the Company is carried for its 20% share of the costs to take Buchan through to FDP approval, along with its share of the development costs included in the approved FDP. To date, the financial benefit of this has totalled approximately 25 million in cash milestone payments and expenditure carry. Further cash milestone payments of 20 million are due upon Buchan FDP approval and receipt of the associated regulatory and legal consents.

Strategic Focus

The Company's vision is centred on successfully growing the business in a smart and sustainable way, developing important domestic energy supply in response to society's energy needs and creating value for our stakeholders. The organisation is "right sized" for the stage and scale of its activities and maintains a nimble approach to advancing its key strategic objectives.

The Company remains sharply focused on unlocking the organic value of its existing assets in the GBA, combined with the pursuit of accretive asset acquisitions that bring cash flow, diversity and quality investment opportunities into the portfolio. Such opportunities are thoroughly assessed in terms of their potential strategic fit, being mindful of the quality and unencumbered strengths of our existing portfolio.

Solid Outlook
Jersey Oil & Gas is well positioned to navigate through the current headwinds facing the UK oil and gas industry. With total year-end cash reserves of approximately £12.3 million and a current cash run rate of around £1.5 million per annum, the business is financially secure and funded for execution of the Buchan redevelopment programme. This backdrop provides an attractive springboard from which to realise the full potential and ambitions of the business for delivering shareholder value.

Andrew Benitz, CEO of Jersey Oil & Gas, commented:
"2024 was effectively a year of two halves. A significant amount of work was completed on progressing the Buchan redevelopment project to joint venture sanction and the securing of the necessary regulatory approvals. However, this progress was hampered in the latter part of the year as the Government announced its intention to launch various consultations that will determine the future direction of the UK's oil and gas industry.

Given the significant contribution that the industry can make to UK economic growth, jobs, tax revenues and both the energy transition and energy security, all of which are priorities for the current Government, we are optimistic that such consultations will provide sensible answers to the issues being considered. In the meantime, the Company remains in a solid financial position and we continue to evaluate opportunities to enhance the long-term value of the business."

Annual General Meeting
The Company also announces that its 2024 Annual Report and Financial Statements together with the AGM Notice and associated Form of Proxy are now available on the Company's website (www.jerseyoilandgas.com) and will be posted today to those shareholders who have elected to receive hard copy shareholder communications from the Company.

The Company will hold its AGM in respect of its financial year ended 31 December 2024 on 27 June 2025 at 10.00 a.m. at the offices of Strand Hanson Limited, 26 Mount Row, London W1K 3SQ.

Enquiries:

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Strand Hanson Limited	James Harris Matthew Chandler James Bellman	Tel: 020 7409 3494
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Camarco	Billy Clegg Rebecca Waterworth	Tel: 020 3757 4980

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Notes to Editors:
Jersey Oil & Gas (AIM: JOG) is a UK energy company focused on creating shareholder value through the development of oil and gas assets and the execution of accretive transactions.

The Company has a focused asset portfolio centred on developing homegrown North Sea resources that support the UK's energy requirements as it transitions towards net zero. JOG holds a 20% interest in each of licences P2498 (Blocks 20/5a, 20/5e and 21/1a) and P2170 (Blocks 20/5b and 21/1d) located in the UK Central North Sea and referred to as the "Greater Buchan Area" ("GBA"). Licence P2498 contains the Buchan Horst ("Buchan") oil field and J2 oil discovery and licence P2170 contains the Verbier oil discovery.

JOG's strategy is focused on unlocking the organic value of its GBA assets, combined with the pursuit of asset acquisitions that bring cash flow, diversity and quality investment opportunities into the portfolio. The Company's Board and Executive team have a wealth of experience in managing and growing publicly listed energy companies and a strong track-record of value creation in the UK North Sea oil and gas sector.

Forward-Looking Statements
This announcement may contain certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with an oil and gas business. Whilst the Company believes the expectations reflected herein to be reasonable in light of the information available to it at this time, the actual outcome may be materially different owing to factors beyond the Company's control or otherwise within the Company's control but where, for example, the Company decides on a change of plan or strategy.

CHAIRMAN & CHIEF EXECUTIVE OFFICER'S REPORT

Following the end of a highly successful year for the Company in 2023, we started 2024 with the completion of our second Greater Buchan Area ("GBA") farm-out transaction, with a further 30% interest in the GBA licences being sold to Serica Energy ("Serica"). This represented a key moment for the business, as it provided the Company with full funding for the planned redevelopment of the Buchan Horst ("Buchan") field. In addition, the transaction delivered an upfront cash payment of nearly £6 million plus potential future contingent cash payments. Completing this farm-out was a major step forward towards securing access to the significant value associated with a full carry for our remaining share of the Buchan project through to first production for our shareholders.

Buchan Project
During the year, a significant amount of work was completed by NEO Energy ("NEO"), as operator of the GBA licences, on maturing the requisite engineering and plans for the sanction of the Buchan project. The plans have been centred on the redeployment of the "Western Isles" Floating Production, Storage and Offloading vessel ("FPSO") as a production processing facility located over the Buchan field, with up to five gas-lifted production wells, supported by two water injection wells, connected via subsea infrastructure to the vessel. The FPSO solution involves the hydrocarbons produced from the field being processed offshore, with the oil exported to market via shuttle tankers and gas via a pipeline connection to nearby infrastructure. As a result of the farm-out agreements with NEO and Serica, we have been fully carried for our share of the approximately £24 million that has been spent to date on the current phase of activities by the Buchan joint venture.

Regulatory Engagement
Following submission of a draft Field Development Plan ("FDP") to the North Sea Transition Authority ("NSTA") at the end of 2023, the Operator has been actively engaging with the regulator throughout the year to assist with the evaluation of the development plan. In addition, the specification of the "Field Determination Area", which defines the maximum geological boundary of the field, has been agreed with the NSTA and this forms part of the required inputs to the formal FDP approval process.

As part of the preparation for obtaining regulatory approval of the Buchan FDP, an Environmental Impact Assessment ("EIA") was issued to the Offshore Petroleum Regulator for the Environment and Decommissioning ("OPRED") in early 2024. The EIA public consultation process was undertaken during the first quarter of the year and subsequent engagement with OPRED has progressed the required regulatory evaluation.

However, in September 2024, OPRED paused the EIA review process when the UK Government launched a consultation on new environmental guidance for oil and gas developments. This arose from the Supreme Court's "Finch" ruling, requiring regulators to consider the impact of combustion of produced hydrocarbons, Scope 3 emissions, in EIAs for new projects. The consultation was closed in January 2025, and it is expected that the Government will provide new guidance imminently. Based on the details within the Government consultation, it is expected that the Buchan EIA will require a second public consultation that examines the Scope 3 emissions associated with its development. Accordingly, preparatory work has been undertaken to prepare a revised EIA and allow submission to OPRED in a timely manner once the new guidance is published.

As a result of the environmental consultation timeline, along with the uncertainties created by instability in the Government's fiscal regime for North Sea oil and gas companies, completion of the pre-sanction project activities was materially slowed down by the Buchan operator in the second half of 2024. In terms of the fiscal landscape, in October 2024 the Government announced an increase in the tax rate on North Sea oil and gas companies to 78%, the extension of the Energy Profits Levy ("EPL") to March 2030, the removal of investment allowances associated with the EPL and its intention to launch a consultation on the long-term fiscal regime applicable to the industry. Furthermore, at the same time the Government also announced its intention to undertake a consultation on the future North Sea licensing regime. Satisfactory clarity on the results of these various consultations is naturally required to facilitate sanctioning of the Buchan project.

Given the unavoidable delay to progressing the approval process for the Buchan project, the joint venture partners submitted an application to the NSTA for a licence extension in 2024. We were pleased to announce earlier in the year that the Second Term of the P2498 Buchan licence has been extended by 24 months to 28 February 2027. This extension was requested to provide the licensees with the time required to finalise a FDP for the Buchan field.

Development Activities & Status
During the first half of the year, the main project workstreams were centred on completion of the engineering and subsurface studies required to enable preparation of the development plan for sanction by the partners and regulatory authorities, such that the project is capable of being moved into the execution phase of activities. Front End Engineering and Design ("FEED") studies were completed with input from several specialist engineering companies. These studies have been key to defining appropriate solutions for the design of the wells, the subsea infrastructure and the necessary FPSO modification and life extension works. Alongside this activity, the Operator also completed offshore surveys to gather the geotechnical and geophysical data required for the subsea and drilling rig contract tendering processes and to inform the FPSO mooring design.

Since the start of the project slowdown in the latter part of 2024, the focus of activities has largely been on closing out various technical and commercial matters that feed into the details of the development execution plan. These have included the agreement of commercial terms for utilisation of gas export infrastructure and continued engagement with wind farm developers regarding the future electrification potential of the FPSO, along with detailed engagement with Dana Petroleum ("Dana") on a multitude of pre-handover FPSO workstreams. This activity was matured to the point of obtaining clarity on the outstanding work required on the vessel to facilitate handover in the future, once completed.

While the majority of the required "Western Isles" FPSO inspection, verification and pre-transfer work has been completed by Dana to satisfy the main technical requirements of the sale and purchase agreement that was executed in 2023, the agreement longstop date was reached at the end of February 2025 before all work was completed. Dana subsequently terminated the agreement with NEO. The vessel remains anchored in Scapa Flow, in the Orkney Isles, with the Western Isles joint venture partnership responsible for on-going costs. NEO, the Buchan Operator, is a 23% owner of the vessel and the possibility remains to recontract the vessel for deployment on Buchan.

There continues to be strong engagement between the Buchan joint venture partners, particularly around the key strategic engineering decisions and plans for the development. This engagement represents an important element of the assurance and peer review process that both JOG and Serica are undertaking to properly participate in the project sanction and regulatory approval processes.

Buchan is widely regarded as one of the largest remaining undeveloped UK North Sea oil and gas opportunities. As such, it provides a route to meaningful growth in the maturing portfolios of our joint venture partners.

Solid Financial Position
Financially the Group is strongly positioned with total cash reserves at the end of 2024 of £12.3 million and no debt.

The total cash running cost of the business has been reduced by approximately 50% to an expected £1.5 million in 2025 because of actions taken by the Company following the slowdown in activities on the Buchan project. As a result of the terms of the farm-out agreements executed with NEO and Serica, the Company's 20% share of the Buchan project expenditure is fully carried by our two joint venture partners, based on the approved FDP budget. A further 20 million cash payment is payable under the terms of the farm-out agreements following approval of the

Buchan FDP by the NSTA and receipt of the associated regulatory and legal consents.

A full Financial Review is provided on page 8 of the full Annual Report.

Developing Homegrown Energy
The UK's Climate Change Committee's ("CCC") Seventh Carbon Budget, published on 26 February 2025, forecasts that the UK will consume between 13-15 billion barrels of oil equivalent ("boe") between now and 2050, with 4 billion boe produced domestically. This forecast represents the necessity of continued oil production in our journey to achieving net zero emissions and demonstrates why the Government is right to say that the UK's North Sea oil and gas industry will continue to play an essential role in meeting our energy needs for decades to come.

Opponents of our industry believe that curtailing supply will reduce consumption, but the CCC's forecast demonstrates the reality of our energy needs. As do the latest Government figures for the fourth quarter of 2024, which showed that whilst domestic production of primary oil fell by 9%, demand fell by only 0.4%. The gap between supply and demand is therefore met by imports, produced at higher carbon intensities, that now contribute two thirds of the UK's trade deficit.

If we are to become less reliant on fossil fuels, then we must reduce demand through changes in behaviour by both business and the public. This will require national level investment in large-scale infrastructure projects, but also individual households to commit their resources to new technologies. Investment in increased renewable electricity generation and an enhanced distribution grid will be for nothing if the public cannot in tandem afford to buy new electric vehicles or heat pumps for their homes. We therefore need a strong economy if the net zero objectives are to be met in the desired timescales.

The CCC's forecast shows the contribution that our domestic industry can deliver to the UK economy. Unlocking additional resources from waters around the coast of Britain could add £150bn of gross value to the UK economy, on top of the £200bn of economic value expected from current plans, according to the OEUK Business Outlook Report 2025. In addition, the 2025 Business Outlook produced by Offshore Energies UK reports further upside on offer with new investment in the sector potentially delivering an additional 3 billion boe. In the right regulatory and fiscal environment, the industry can supply half of the UK's oil domestically as we work towards delivering net zero by 2050.

Government must recognise that a continuation in the prevailing negative sentiment towards the industry of the last few years, coupled with a punitive EPL, means that delivery of the baseline 4 billion boe is by no means certain and the benefits of the potential upside will never be realised. The Office for Budget Responsibility, for example, reports a 26% reduction in North Sea investment since the introduction of the EPL, and we are witnessing the early cessation of production from numerous assets across the basin. This trend needs to be reversed.

A reset is therefore required, one that recognises and supports the role our domestic oil and gas industry can play in providing our vital energy needs and strengthening our economic outlook. We welcome and are encouraged by the Government's recent consultations on the future of the North Sea and on the introduction of a fairer fiscal mechanism for the industry. We have worked with our peers and industry associations in responding to the consultations, highlighting the contribution the Buchan development can deliver; namely £1 billion investment into the UK economy and direct job creation. This will stimulate a supply chain that needs support now if it is to invest and expand its offerings to the technologies of the future, facilitating investment in increased renewables infrastructure and injecting hundreds of millions into the UK Treasury.

The UK therefore has an opportunity to show true climate leadership, by demonstrating that through collaboration between Government, oil and gas and clean energy developers, we can maximise production of our own natural resources, delivering them at lower carbon intensities than imports and in turn strengthening our economy and facilitating investment in new technologies. Government can show this leadership through the introduction of a sustainable fiscal and licensing regime, that encourages investment in the oil and gas sector, slows or even reverses the rate of production decline and defers decommissioning. In doing so we can enhance our energy security and bolster our economy.

Summary and Outlook
We will continue to work tirelessly in our efforts to drive the Buchan development to a successful conclusion over the months ahead, alongside setting the right long-term future direction for the business. JOG has been at the forefront of championing a fully integrated production hub energy project that aligns with the industry's decarbonisation strategy. We believe there is more for us to do as we grow our business in the North Sea. In order to both accelerate potential value creation from the Company's existing UK tax allowances of over 100 million and bring cash flow into the business, a number of potential UK producing asset acquisitions are being actively evaluated and we continue to be proactive in our efforts to grow the business further for the collective benefit of our shareholders and other stakeholders.

The JOG team has demonstrated through our achievements to date that the Company has the skills and capabilities to deliver upon the strategic imperatives of a well-defined business plan. Accordingly, as we shape our next steps, we will draw upon those key resources to maximise the long-term value of the business for our shareholders. We greatly appreciate and value the support and patience we have received from our shareholders at this complicated time for the industry.

Les Thomas,
Non-Executive
Chairman

Andrew Benitz,
Chief Executive Officer

27 May 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024

Continuing operations	Note	**2024** **£**	2023 £
Administrative expenses		**(4,079,726)**	(5,706,675)
Operating loss	7	**(4,079,726)**	(5,706,675)
Finance income	6	**542,637**	114,825
Finance expense	6	**(3,185)**	(3,503)
Loss before tax	7	**(3,540,274)**	(5,595,353)

Tax	8	**-**	-
Loss for the year		**(3,540,274)**	(5,595,353)
Total comprehensive loss for the year (net of tax)		**(3,540,274)**	(5,595,353)
Total comprehensive loss for the year attributable to:			
Owners of the parent		**(3,540,274)**	(5,595,353)
Loss per share expressed in pence per share:			
Basic	9	**(10.84)**	(17.19)
Diluted	9	**(10.84)**	(17.19)

The notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Note	**2024** **£**	2023 £
Non-current assets			
Intangible assets - exploration & development costs	10	**11,741,406**	16,421,797
Property, plant and equipment	11	**1,675**	-
Right-of-use assets	12	**83,797**	139,661
Deposits		**17,466**	2,692
		11,844,344	16,564,150
Current assets			
Trade and other receivables	13	**86,732**	478,234
Cash and cash equivalents	14	**6,185,872**	5,482,935
Term deposits	15	**6,150,000**	5,000,000
		12,422,604	10,961,169
Total assets		**24,266,948**	27,525,319
Equity			
Called up share capital	16	**2,574,529**	2,574,529
Share premium account		**110,535,059**	110,535,059
Share options reserve	20	**4,504,673**	3,890,986
Accumulated losses		**(93,349,289)**	(89,960,102)
Reorganisation reserve		**(382,543)**	(382,543)
Total equity		**23,882,429**	26,657,929
Liabilities			
Non-current liabilities			
Lease liabilities	12	**14,585**	71,309
		14,585	71,309
Current liabilities			
Trade and other payables	17	**313,211**	740,927
Lease liabilities	12	**56,723**	55,154
		369,934	796,081
Total liabilities		**384,519**	867,390
Total equity and liabilities		**24,266,948**	27,525,319

The financial statements were approved by the Board of Directors and authorised for issue on 27 May 2025. They were signed on its behalf by Graham Forbes - Chief Financial Officer.

Graham Forbes
Chief Financial Officer 27 May 2025
Company Registration Number: 07503957

The notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

		Called up share capital £	**Share premium account £**	**Share options reserve £**	**Accumulated losses £**	**Reorganisation reserve £**	**Total equity £**
At 1 January 2023	Note	2,573,395	110,309,524	2,566,343	(84,600,273)	(382,543)	30,466,446
Loss and total comprehensive loss for the year		-	-	-	(5,595,353)	-	(5,595,353)
Transactions with owners in their capacity as owners							

Issue of share capital		1,134	225,535	-	-	-	226,669
Expired share options	20	-	-	-	-	-	-
Lapsed share options	20	-	-	(148,178)	148,178	-	-
Exercised share options	20	-	-	(87,346)	87,346	-	-
Share based payments	20	-	-	1,560,167	-	-	1,560,167
At 31 December 2023 and 1 January 2024		2,574,529	110,535,059	3,890,986	(89,960,102)	(382,543)	26,657,929
Loss and total comprehensive loss for the year		-	-	-	(3,540,274)	-	(3,540,274)
Transactions with owners in their capacity as owners							
Expired share options	20	-	-	(151,087)	151,087	-	-
Share based payments	20	-	-	764,774	-	-	764,774
At 31 December 2024		**2,574,529**	**110,535,059**	**4,504,673**	**(93,349,289)**	**(382,543)**	**23,882,429**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December	Note	**2024 £**	2023 £
Cash flows from operating activities			
Cash used in operations	22	**(3,359,763)**	(4,185,049)
Interest paid	6	**(3,185)**	(3,503)
Net cash used in operating activities		**(3,362,948)**	(4,188,552)
Cash flows from investing activities			
Farm-out proceeds		**5,519,216**	9,103,944
Interest received	6	**490,674**	114,825
Purchase of tangible assets	11	**(2,363)**	-
Purchase of intangible assets	10	**(736,487)**	(1,013,081)
Investing cash flows before movements in capital balances		**5,271,040**	8,205,688
Changes in Term deposits:	15	**(1,150,000)**	(5,000,000)
Net cash from investing activities		**4,121,040**	3,205,688
Cash flows from financing activities			
Principal elements of lease payments		**(55,155)**	(113,550)
Net cash (used in)/generated from financing activities		**(55,155)**	(113,550)
Decrease in cash and cash equivalents	22	**702,937**	(1,096,414)
Cash and cash equivalents at beginning of year	14	**5,482,935**	6,579,349
Cash and cash equivalents at end of year	14	**6,185,872**	5,482,935

The notes are an integral part of these financial statements

Notes to the Consolidated Financial Statements
For the year ended 31 December 2024

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

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

2. Material accounting policies
The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Accounting

Basis of Accounting
The consolidated financial statements of Jersey Oil and Gas Plc as of 31 December 2024 and for the year then ended (the "consolidated financial statements") were prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 (the "Companies Act").

The financial statements have been prepared under the historic cost convention, except as disclosed in the accounting policies below. All amounts disclosed in the financial statements and notes have been rounded off to the nearest one thousand pounds unless otherwise stated.

Going Concern
The Group has sufficient resources to meet its liabilities as they fall due for a period of at least 12 months after the date of issue of these financial statements. The Group has cash reserves following the successful farm-out of the GBA licences and receipt of initial funds resulting from the two transactions with NEO and Serica. The Group now has a fully funded 20% interest in the on-going Buchan redevelopment project. Other work that the Group is undertaking in respect of the GBA licenses and surrounding areas is modest relative to its current cash reserves. The Company's current cash reserves are therefore expected to more than exceed its estimated cash outflows in all reasonable scenarios for at least 12 months following the date of issue of these financial statements. Even in a scenario where the Buchan redevelopment did not progress for any reason and any future instalment payments were not realised the Group already has in place a cost structure and expenditure profile that enables the business to continue beyond the next 12 months solely from utilisation of its existing cash resources. The directors have also considered the risk associated with contractual arrangements associated with the farm-outs and are satisfied that the Group is not exposed to any contractual commitments which could impact on the Group's going concern status over the next 12 months. Based on these circumstances, the directors have considered it appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements.

New and amended standards adopted by the Group. The Group has applied the following amendments for the first time for the annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted
Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods or on foreseeable future transactions.

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments
- to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

Significant Accounting Judgements and Estimates
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of expenses, assets and liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change. The Group's accounting policies make use of accounting estimates and judgements in the following areas:

- The judgement of the existence of impairment triggers (note 10).
- The estimation of share-based payment costs (note 20).
- The judgement associated with the treatment of farm-out transactions.

Impairments
The Group tests its capitalised exploration licence costs for impairment when indicators, further detailed below under 'Exploration and Evaluation Costs' as set out in IFRS 6, suggest that the carrying amount exceeds the recoverable amount which is inherently judgmental. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of the Cash Generating Unit is the higher of an asset's fair value less costs of disposal and value in use. The Group assessed that there were no impairment triggers during the year.

Share-Based Payments
The Group currently has several share schemes that give rise to share-based payment charges. The charge to operating profit for these schemes amounted to £764,774 (2023: £1,560,167). Estimates and judgements for determining the fair value of the share options are required. For the purposes of the calculation, a Black-Scholes option pricing model has been used. Based on experience, it has been assumed that options will be exercised, on average, at the mid-point between vesting and expiring. The share price volatility used in the calculation is based on the actual volatility of the Group's shares since 1 January 2017. The risk-free rate of return is based on the implied yield available on zero coupon gilts with a term remaining equal to the expected lifetime of the options at the date of grant. Estimates are also used when calculating the likelihood of share options vesting given the vesting conditions of time and performance on the options granted. Share options that expire unexercised are accounted for by reversing any previously recognised expense. Expired options do not result in a cash outflow and have no further impact on the Group's financial position beyond the reversal of previously recognised charges.

Farm-out transactions
Determining the value of the consideration received for a farm-out disposal of assets with proven resources can be challenging. This is even more the case for assets which are farmed out in the pre proven resources phase. A judgement has been made that for such farm-outs only cash payments received will be recognised and no recognition will be made of any consideration in respect of the future value of work to be performed and carried by the farmee. Rather, the Group will carry the remaining interest at the previous full interest cost reduced by the amount of any cash consideration received from entering into the agreement. The effect will be that there is no gain recognised on the farm-out unless the cash consideration received exceeds the carrying value of the entire asset held. Upon FID, the Group will start recognising both cash payments received and the value of future carried assets to be received and will recognise a future asset receivable with an accompanying gain in the income statement for the equity share of the asset disposed of.

Basis of Consolidation
(a) Subsidiaries
Subsidiaries are all entities over which the Group has the power to govern their financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of

potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of *de facto* control. De facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other Shareholders give the Group the power to govern the financial and operating policies.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the Group ceases to have control.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated on consolidation. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.
The following subsidiaries which are included in these consolidated accounts are exempt from the requirements of the Companies Act relating to the audit of their accounts under section 479A of the Companies Act 2006:

Subsidiary	**Registration number**	**Country of Incorporation**
Jersey North Sea Holdings Ltd	06451896	England & Wales
Jersey Petroleum Ltd	06490608	England & Wales
Jersey V&C Ltd	10853027	England & Wales
Sunny Day 123 Ltd*	15207887	England & Wales
Jersey E & P Ltd**	SC319467	Scotland
Jersey Oil Ltd**	SC319461	Scotland
Jersey Exploration Ltd**	SC319459	Scotland
Jersey Oil & Gas E & P Ltd	115157	Jersey

*Dissolved 25 February 2025
**Dissolved 11 February 2025

Acquisitions, Asset Purchases and Disposals
Transactions involving the purchase of an individual field interest, farm-ins, farm-outs or acquisitions of exploration and evaluation licences for which a development decision has not yet been made that do not qualify as a business combination, are treated as asset purchases. Accordingly, no goodwill or deferred tax arises. The purchase consideration is allocated to the assets and liabilities purchased on an appropriate basis. Proceeds on disposal (including farm-ins/farm-outs) are applied to the carrying amount of the specific intangible asset or development and production assets disposed of, and any surplus is recorded as a gain on disposal in the Consolidated Statement of Comprehensive Income.

Acquisitions of oil and gas properties are accounted for under the purchase method where the acquisitions meet the definition of a business combination. The Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred, and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.
Any contingent consideration to be transferred on a business combination by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of the non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Exploration and Evaluation Costs
The Group accounts for oil and gas exploration and evaluation costs using IFRS 6 "Exploration for and Evaluation of Mineral Resources". Such costs are initially capitalised as Intangible Assets and include payments to acquire the legal right to explore, together with the directly related costs of technical services and studies, seismic acquisition, exploratory drilling and testing. The Group only capitalises costs as intangible assets once the legal right to explore an area has been obtained. The Group assesses the intangible assets for indicators of impairment at each reporting date.
Potential indicators of impairment include but are not limited to:

a. the period for which the Group has the right to explore in the specific area has expired during the period or will expire soon and is not expected to be renewed.
b. substantive expenditure on further exploration for and evaluation of oil and gas reserves in the specific area is neither budgeted nor planned.
c. exploration for and evaluation of oil and gas reserves in the specific area have not led to the discovery of

c. exploration for and evaluation of oil and gas reserves in the specific area have not led to the discovery of commercially viable quantities of oil and gas reserves and the entity has decided to discontinue such activities in the specific area.
d. sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The Group analyses the oil and gas assets into cash generating units (CGUs) for impairment and reporting purposes. In the event an impairment trigger is identified the Group performs a full impairment test for the CGU under the requirements of IAS 36 Impairment of assets. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs of disposal and value in use.
As at 31 December 2024, the carrying value of intangible assets was £11.7m, as per Note 10 'Intangible Assets'. The Group considered other factors which could give rise to an impairment trigger such as commodity prices, licence expiration dates, budgeted spend and movements in estimated recoverable reserves. Based on this assessment, no impairment triggers existed in relation to exploration assets as of 31 December 2024. For more detail on the current position, please refer to note 23, Post Balance Sheet Events.

Property, Plant and Equipment
Property, plant and equipment is stated at historic purchase cost less accumulated depreciation. Asset lives and residual amounts are reassessed each year. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.
Depreciation on these assets is calculated on a straight-line basis as follows:
Computer & office equipment 3 years

Leases
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group where possible, uses recent third-party rates provided by banks or financial institutions as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.
Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise any lease with a value of £5,000 or less.

Joint Ventures
The Group participates in joint venture/co-operation agreements with strategic partners, these are classified as joint operations. The Group accounts for its share of assets, liabilities, income and expenditure of these joint venture agreements and discloses the details in the appropriate Statement of Financial Position and Statement of Comprehensive Income headings in the proportion that relates to the Group per the joint venture agreement.

Investments
Fixed asset investments in subsidiaries are stated at cost less accumulated impairment in the Company's Statement of Financial Position and reviewed for impairment if there are any indications that the carrying value may not be recoverable.

Financial Instruments
Financial assets and financial liabilities are recognised in the Group and Company's Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. The Group does not have any derivative financial instruments.

Cash and cash equivalents include cash in hand and deposits held on call with banks with a maturity of three months or less.

Term deposits are those amounts held by third parties on behalf of the Group and are not available for the Group's use; these are recognised separately from cash and cash equivalents on the balance sheet.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any expected credit loss. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The carrying amount of the asset is reduced with an allowance account, and the amount of the loss will be recognised in the Consolidated Statement of Comprehensive Income within administrative expenses. Subsequent recoveries of amounts previously provided for are credited against administrative expenses in the Consolidated Statement of Comprehensive Income.

Trade payables are stated initially at fair value and subsequently measured at amortised cost.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the Consolidated Statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Deferred Tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred taxation liabilities are provided, using the liability method, on all taxable temporary differences at the reporting date. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date.

Current Tax
The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where Jersey Oil and Gas Plc and its subsidiaries operate and generate taxable income. We periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate based on amounts expected to be paid to the tax authorities.

Current tax is payable based upon taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Any Group liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Foreign Currencies
The functional currency of the Company and its subsidiaries is Sterling. Monetary assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Gains and losses arising on retranslation are recognised in the Consolidated Statement of Comprehensive Income for the year.

Employee Benefit Costs
Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to contributions.

Share-Based Payments
Equity settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The total amount to be expensed is determined by reference to the fair value of the options granted using the Black-Scholes Model:

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

The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity settled employee benefits reserve.

Equity settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods, or the counterparty renders the service.

Exercise proceeds net of directly attributable costs are credited to share capital and share premium.

Contingent Liabilities & Provisions
In accordance with IAS 37, provisions are recognised where a present obligation exists to third parties because of a past event, where a future outflow of resources with economic benefits is probable and where a reliable estimate of that outflow can be made. If the criteria for recognising a provision are not met, but the outflow of resources is not remote, such obligations are disclosed in the notes to the consolidated financial statements (see note 19). Contingent liabilities are only recognised if the obligations are more certain, i.e. the outflow of resources with economic benefits has become probable and their amount can be reliably estimated.

Share Capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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

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

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

During 2024 and 2023 the Group had no revenue.

4. Financial risk management
The Group's activities expose it to financial risks and its overall risk management programme focuses on minimising potential adverse effects on the financial performance of the Group. The Company's activities are also exposed to risks through its investments in subsidiaries and it is accordingly exposed to similar financial and capital risks as the Group.

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Risk management is carried out by the Directors, and they identify, evaluate, and address financial risks in close co-operation with the Group's management. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange risks and investing excess liquidity.

Credit Risk
The Group's credit risk primarily relates to its trade receivables. Responsibility for managing credit risks lies with the Group's management.

A debtor evaluation is typically obtained from an appropriate credit rating agency. Where required, appropriate trade finance instruments such as letters of credit, bonds, guarantees and credit insurance will be used to manage credit risk.

Liquidity Risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity through continuous monitoring of cash flows from operating activities, review of actual capital expenditure programmes, and managing maturity profiles of financial assets and financial liabilities.

Capital Risk Management
The Group seeks to maintain an optimal capital structure. The Group considers its capital to comprise both equity and net debt.

The Group monitors its capital mix needs and suitability dependent upon the development stage of its asset base. Earlier stage assets (pre-production) typically require equity rather than debt given the absence of cash flow to service debt. As the asset mix becomes biased towards production then typically more debt is available. The Group seeks to maintain progress in developing its assets in a timely fashion. With the completion of the NEO Energy farm-out in 2023 and the Serica Energy farm-out during the year, the Group expects 's that the introduction of these two industry partners will deliver sufficient cash to progress its assets to first oil in return for a capital (equity) contribution via the farm-outs. As the GBA development project progresses towards first oil, debt will become available and may be sought to enhance equity returns. As at 31 December 2024 there are no borrowings within the Group (2023: Nil).

The Group monitors its capital structure by reference to its net debt to equity ratio. Net debt to equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents. Total equity comprises all components of equity.

Maturity analysis of financial assets and liabilities
Financial assets

	2024 **£**	2023 £
Up to 3 months	**18,798**	410,011
3 to 6 months	**-**	-
Over 6 months	**17,466**	-
	36,264	410,011

Financial liabilities

	2024 **£**	2023 £
Up to 3 months	**281,102**	613,067
3 to 6 months	**-**	-
Over 6 months	**-**	-
	281,102	613,067

Lease liabilities

	2024 **£**	**2023** **£**
Up to 3 months	**14,585**	14,585
3 to 6 months	**14,585**	14,585
Over 6 months	**43,755**	102,095
	72,925	131,265

5. Employees and Directors

	2024 **£**	2023 £
Wages and salaries	**2,356,684**	**2,860,964**
Social security costs	**229,520**	**289,654**
Share-based payments (note 20)	**764,774**	**1,560,167**
Other pension costs	**304,165**	**265,538**
	3,655,143	**4,976,323**

Other pension costs include employee and Group contributions to money purchase pension schemes.

The average monthly number of employees during the year was as follows:

	2024 **No.**	2023 No.
Directors	**5**	5
Employees - Finance	**1**	1
Employees - Technical	**5**	8
	11	14

Directors Remuneration:	**2024** **£**	2023 £
Directors' remuneration	**1,162,791**	1,174,317
Payment in lieu of notice	**14,150**	-
Directors' pension contributions to money purchase schemes	**36,102**	39,047
Share-based payments (note 20)	**447,420**	853,551

Benefits	**9,377**	9,585
	1,669,840	2,076,500

The average number of Directors to whom retirement benefits were accruing was as follows:

	2024 No.	2023 No.
Money purchase schemes	**2**	2

Information regarding the highest paid Director is as follows:

		2024 £		2023 £
Aggregate emoluments and benefits	**507,798**		520,586	
Share-based payments	**211,884**		324,902	
Pension contributions	**22,917**		26,667	
	742,599		872,155	

Key management compensation
Key management includes Directors (Executive and Non-Executive) and an adviser to the Board. The compensation paid or payable to key management for employee services is shown below:

	2024 £		2023 £
Wages and short-term employee benefits	**1,186,318**		1,193,901
Share-based payments (note 20)	**447,420**		853,551
Pension Contributions	**36,102**		39,047
	1,669,840		2,086,499

6. Net Finance Income

	2024 £	2023 £
Finance income:		
Interest received	**542,637**	114,825
	542,637	114,825
Finance costs:		
Interest paid Interest on lease liability	**-** **(3,185)**	- (3,503)
	(3,185)	(3,503)
Net finance income	**539,452**	111,322

7. Loss Before Tax

The loss before tax is stated after charging/(crediting):

	2024 £	2023 £
Depreciation - tangible assets	**688**	10,203
Depreciation - right-of-use asset	**55,864**	94,988
Auditors' remuneration - audit of parent company and consolidation	**84,325**	85,000
Auditors' remuneration - audit of subsidiaries	**-**	-
Auditors' remuneration - non-audit work	**-**	-
Foreign exchange gain	**(3,792)**	(26,774)

8. Tax

Reconciliation of tax charge

	2024 £	2023 £
Loss before tax	**(3,540,274)**	(5,595,353)
Tax at the standard rate of 25% avg. (2023: 23.5%avg.)	**(885,069)**	(1,314,908)
Capital allowances in excess of depreciation	**14,002**	(671,854)
Expenses not deductible for tax purposes and non-taxable income	**193,551**	370,622
Deferred tax asset not recognised	**677,516**	1,616,140
Total tax expense reported in the Consolidated Statement of Comprehensive Income	**-**	-

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2024, or for the year ended 31 December 2023.

In April 2023, the rate of corporation tax rose to 25% for profits over £250,000.

The Group has not recognised a deferred tax asset due to the uncertainty over when the tax losses can be utilised. At the year end, the usable tax losses within the Group were approximately £62 million (2023: £63 million). During the year the Company transferred tax losses as a component of the farm out to Serica Energy.

9. Loss Per Share
Basic loss per share is calculated by dividing the losses attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

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

There is no difference between dilutive and ordinary earnings per share due to there being a loss recorded in the year.

The share options (note 20) issued in the Group that would potentially dilute earnings per share in the future have not been included in the calculation of diluted loss per share as their effect would be anti-dilutive.

	Loss attributable to ordinary shareholders £	**Weighted average number of shares**	**Per share Amount pence**
Year ended 31 December 2024			
Basic and Diluted EPS			
Basic & Diluted	**(3,540,274)**	**32,667,467**	**(10.84)**
Year ended 31 December 2023			
Basic and Diluted EPS			
Basic & Diluted	(5,595,353)	32,557,964	(17.19)

10. Intangible assets

	Exploration costs £
Cost	
At 1 January 2023	24,548,122
Additions	1,152,860
Farm-out	(9,103,944)
At 31 December 2023	16,597,038
Additions	838,825
Farm-out	(5,519,216)
At 31 December 2024	**11,916,647**
Accumulated Amortisation	
At 1 January 2023	175,241
Charge for the year	-
At 31 December 2023	175,241
At 31 December 2024	**175,241**
Net Book Value	
At 31 December 2024	**11,741,406**
At 31 December 2023	16,421,797

At the start of 2023 the Company owned 100% interests in two licenses; P2498 containing the Buchan field and J2 Discovery, and P2170 containing the Verbier discovery.

At the end of 2023 the costs incurred in acquiring and advancing the licenses to their current state was £25,700,982 (2022: £24,548,122). During 2023 a farm-out of a 50% interest in both licenses to NEO was completed and in 2024 a farm out of a 30% interest in both licenses to Serica was completed. Both deals had similar terms whereby in exchange for the farm in, the respective parties agreed to a series of cash payments and both a pre-development and development carry on the Buchan Redevelopment project. In accordance with our farm-out policy for assets at this stage of development (please refer to section on Acquisitions, Asset Purchases and Disposals on page 56 of the full Annual Report) the cash proceeds of £5,519,216 in 2024 and £9,103,944 in 2023 have both been deducted from the carrying value of the assets.

In line with the requirements of IFRS 6, we have considered whether there are any indicators of impairment on the exploration and development assets. Based on our assessment, as at 31 December 2024 there are not deemed to be indicators that the licences are not commercial and that the carrying value of £11,741,406 continues to be supported by ongoing exploration and development work on the licence areas with no impairments considered necessary. For further information please refer to note 23, Post balance sheet events, for discussion of potential future impairment triggers.

11. Property, Plant and Equipment

	Computer and office equipment £
Cost	
At 1 January 2023	228,447
Additions	-
At 31 December 2023	228,447
Additions	2,363
At 31 December 2024	**230,810**
Accumulated Depreciation	
At 1 January 2023	218,244
Charge for the year	10,203
At 31 December 2023	228,447
Charge for the year	688
At 31 December 2024	**229,135**
Net Book Value	
At 31 December 2024	**1,675**
At 31 December 2023	-

12. Leases

Amounts Recognised in the Statement of financial position

	2024 £	2023 £
Right-of-use Assets Buildings	**83,797**	139,661
	83,797	139,661
Lease liabilities		

Current	**56,723**	55,154
Non-Current	**14,585**	71,309
	71,308	126,463

The liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3%. The borrowing rate applied for 2024 remained at 3% and the leases relate to office space.

A new lease agreement was entered into in June 2023 for a total of 9 years with break clauses after 3 and 6 years. The interest rate implicit in the agreement was 3% over the Bank of England's base rate. Given the 3-year break clause and the future plans for the business it was deemed appropriate to recognise the liability relating to a 3-year period. This lease was in relation to an office in Jersey.

Amounts Recognised in the Statement of comprehensive income

	2024 £	2023 £
Depreciation charge of right-of-use asset Buildings	**55,864**	94,988
	55,864	94,988
Interest expenses (included in finance cost)	**(3,185)**	(3,503)

13. Trade and other receivables

	2024 £	2023 £
Current:		
Other receivables	**29**	328,166
Value added tax	**18,769**	81,846
Prepayments	**67,934**	68,222
	86,732	478,234

Included within other receivables in 2023 is an amount of £233,055 relating to monies outstanding from the exercise of share options which was received during 2024.

14. Cash and cash equivalents

	2024 £	**2023 £**
Cash in bank accounts	**6,185,872**	**5,482,935**

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

15. Term deposits

	2024 £	2023 £
Maturing within ten months	**6,150,000**	5,000,000

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

16. Called up share capital

Issued: Number:	Class	Nominal value	**2024 £**	2023 £
32,667,627 (2023: 32,667,627)	Ordinary	1p	**326,676**	325,552
2,271,694 (2023: 2,271,694)	Deferred shares	99p	**2,248,977**	2,248,977

Ordinary shares have a par value of 1p. They entitle the holder to participate in dividends, distributions or other participation in the profits of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

Included in the above 2023 ordinary shares are 1,667 which were committed to be issued at the year-end but not allotted until January 2024.

In 2023, 113,334 new ordinary shares were issued to satisfy the exercise of share options which raised £233,053 (gross) which was not paid at the 2023 year end and was included in other receivables. All other issued share capital was fully paid.

17. Trade and other payables

	2024 £	2023 £
Current:		
Trade payables	**44,028**	345,814
Accrued expenses	**237,075**	256,283
Other payables	**-**	10,970
Taxation and Social Security	**32,108**	127,860
	313,211	740,927

18. Lease liabilities

	2024 £	2023 £
Non-Current		
Lease Liabilities	**14,585**	71,309
	14,585	71,309

19. Contingent Liabilities

19. Contingent Liabilities

i. **2015 settlement agreement with Athena Consortium:** In accordance with a 2015 settlement agreement reached with the Athena Consortium, although Jersey Petroleum Ltd remains a Licensee in the joint venture, any past or future liabilities in respect of its interest can only be satisfied from the Group's share of the revenue that the Athena Oil Field generates and up to 60 per cent. of net disposal proceeds or net petroleum profits from the Group's interest in the P2170 licence which is the only remaining asset still held that was in the Group at the time of the agreement with the Athena Consortium who hold security over this asset. Any future repayments, capped at the unpaid liability associated with the Athena Oil Field, cannot be calculated with any certainty, and any remaining liability still in existence once the Athena Oil Field has been decommissioned will be written off. A payment was made in 2016 to the Athena Consortium in line with this agreement following the farm-out of P2170 (Verbier) to Equinor and the subsequent receipt of monies relating to that farm-out.

ii. **Equinor UK Limited:** During 2020, JOG announced that it had entered into a conditional Sale and Purchase Agreement ("SPA") to acquire operatorship of, and an additional 70% working interest in Licence P2170 (Blocks 20/5b and 21/1d) from Equinor UK Limited ("Equinor"), this transaction completed in May 2020. The consideration for the acquisition consisted of two milestone payments, which will be accounted for in line with the cost accumulation model, as opposed to contingent liabilities:

- US 3 million upon sanctioning by the UK's North Sea Transition Authority ("NSTA") of a Field Development Plan ("FDP") in respect of the Verbier Field; and
- US 5 million upon first oil from the Verbier Field.

The earliest of the milestone payments in respect of the acquisition is not currently anticipated being payable before the start of 2028.

iii. **ITOCHU Corporation and Japan Oil, Gas and Metals National Corporation:** During 2020, JOG announced that it had entered into a conditional Sale and Purchase Agreement ("SPA") to acquire the entire issued share capital of CIECO V&C (UK) Limited, which was owned by ITOCHU Corporation and Japan Oil, Gas and Metals National Corporation, this transaction completed in April 2021. The acquisition was treated as an asset acquisition rather than a business combination due to the nature of the asset acquired. There were no assets or liabilities acquired other than the 12% interest in licence P2170 (Verbier). The consideration for the acquisition included a completion payment of £150k and two future milestone payments, which are considered contingent liabilities:

- £1.5 million in cash upon consent from the UK's North Sea Transition Authority ("NSTA") for a Field Development Plan ("FDP") in respect of the Verbier discovery in the Upper Jurassic (J62-J64) Burns Sandstone reservoir located on Licence P2170; and
- £1 million in cash payable not later than one year after first oil from all or any part of the area which is the subject of the FDP.

The earliest of the milestone payments in respect of the acquisition is not currently anticipated being payable before the start of 2028.

20. Share based payments

The Group operates several share options schemes. Options are exercisable at the prices set out in the table below. Options are forfeited if the employee leaves the Group through resignation or dismissal before the options vest.

Equity settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over the vesting period, based upon the Group's estimate of the number of shares that will eventually vest.

The Group's share option schemes are for Directors, Officers and employees. The charge for the year was £764,774 (2023: £1,560,167) and details of outstanding options are set out in the table below.

Date of Grant	Exercise price (pence)	Vesting date	Expiry date	No. of shares for which options outstanding at 1 Jan 2024	Options issued	Options Exercised	Options lapsed /non vesting during the year	No. of shares for which options outstanding at 31 Dec 2024
Jan-18	200	Jan-21	Jan-25	360,000	-	-	-	**360,000**
Jan-18	200	Jan-18	Jan-23*	56,666	-	-	(56,666)	**-**
Jan-18	200	Jan-19	Jan-23*	56,667	-	-	(56.667)	**-**
Jan-18	200	Jan-20	Jan-23*	56,667	-	-	(56,667)	**-**
Nov-18	172	Nov-21	Nov-25	150,000	-	-	-	**150,000**
Jan-19	175	Jan-20	Jan-26	88,333	-	-	-	**88,333**
Jan-19	175	Jan-21	Jan-26	88,333	-	-	-	**88,333**
Jan-19	175	Jan-22	Jan-26	68,333	-	-	-	**68,333**
Jan-19	175	Jan-20	Jan-24	11,667	-	-	(11,667)	**-**
Jan-19	175	Jan-21	Jan-24	11,667	-	-	(11,667)	**-**
Jan-19	175	Jan-22	Jan-24	11,667	-	-	(11,667)	**-**
Jun-19	200	Jan-21	Jun-29	120,000	-	-	-	**120,000**
Jun-19	110	Jun-19	Jun-29	40,000	-	-	-	**40,000**
Jan-21	155	Jan-22	Jan-28	83,333	-	-	-	**83,333**
Jan-21	155	Jan-23	Jan-28	75,000	-	-	-	**75,000**
Jan-21	155	Jan-24	Jan-28	60,000	-	-	-	**60,000**

Mar-21	210	Mar-22	Mar-26	11,666	-	-	-	**11,666**
Mar-21	210	Mar-23	Mar-26	11,667	-	-	-	**11,667**
Mar-21	210	Mar-24	Mar-26	11,667	-	-	-	**11,667**
Mar-21	210	Mar-22	Mar-28	130,001	-	-	-	**130,001**
Mar-21	210	Mar-23	Mar-28	86,666	-	-	-	**86,666**
Mar-21	210	Mar-24	Mar-28	78,333	-	-	-	**78,333**
Nov-21	147	Nov-22	Nov-28	233,334	-	-	-	**233,334**
Nov-21	147	Nov-23	Nov-28	233,333	-	-	-	**233,333**
Nov-21	147	Nov-24	Nov-28	233,333	-	-	-	**233,333**
Apr-22	230	Apr-23	Apr-29	278,333	-	-	-	**278,333**
Apr-22	230	Apr-24	Apr-29	268,333	-	-	-	**268,333**
Apr-22	230	Apr-25	Apr-29	268,333	-	-	(8,333)	**260,000**
Apr-22	230	Apr-23	Apr-27	45,000	-	-	-	**45,000**
Apr-22	230	Apr-24	Apr-27	45,000	-	-	-	**45,000**
Apr-22	230	Apr-25	Apr-27	45,000	-	-	-	**45,000**
Apr-23	247.5	Apr-24	Apr-30	169,167	-	-	-	**169,167**
Apr-23	247.5	Apr-25	Apr-30	169,167	-	-	(5,833)	**163,334**
Apr-23	247.5	Apr-26	Apr-30	169,166	-	-	(5,833)	**163,333**
Apr-23	247.5	Apr-24	Apr-28	28,334	-	-	-	**28,334**
Apr-23	247.5	Apr-25	Apr-28	28,333	-	-	-	**28,333**
Apr-23	247.5	Apr-26	Apr-28	28,333	-	-	-	**28,333**
							Total	**3,685,832**

*The share options issued in January 2018 had their expiry dates extended due to the Company being in several close periods whereby according to the scheme rules the options were unable to be exercised. The amended expiry date for these options was 29 January 2024 with the remaining outstanding balances expiring on this date.

There were no share option awards during the year. The weighted average remaining contractual life for all share option schemes was 3 years (2023: 4 years). During the year, 170,000 of the January 2018 issuance of share options that had an exercise price of 200 pence which had previously had their expiry date extended (to January 2024 from January 2023 due to being in several close periods), expired, as did a further 35,000 of share options with an exercise price of 175 pence from the January 2019 issuance. A further 20,000 share options were forfeited due to the departure of employees, these had a weighted exercise price of 240 pence. The weighted average exercise price for all outstanding options at 31 December 2024 was 200 pence. For details of the schemes and scheme rules, please refer to the Remuneration Report.

21. Related undertakings and ultimate controlling party
The Group and Company do not have an ultimate controlling party or parent Company.

Subsidiary	% owned	Country of Incorporation	Principal Activity	Registered Office
Jersey North Sea Holdings Ltd	100%	England & Wales	Non-Trading	1
Jersey Petroleum Ltd	100%	England & Wales	Oil Exploration	1
Jersey V&C Ltd	100%	England & Wales	Oil Exploration	1
Sunny Day 123 Ltd*	100%	England & Wales	Oil Exploration	4
Jersey E & P Ltd**	100%	Scotland	Non-Trading	2
Jersey Oil Ltd**	100%	Scotland	Non-Trading	2
Jersey Exploration Ltd**	100%	Scotland	Non-Trading	2
Jersey Oil & Gas E & P Ltd	100%	Jersey	Management services	3

*Dissolved 25 February 2025
**Dissolved 11 February 2025

Registered Offices
1. 71-75 Shelton Street, Covent Garden, London WC2H 9JQ
2. 7 Queen's Gardens, Aberdeen, Scotland AB15 4YD
3. First Floor, Tower House, La Route es Nouaux, St Helier, Jersey JE2 4ZJ
4. 10, The Triangle, NG2 Business Park Nottingham, Nottinghamshire NG2 1AE

22. Notes to the consolidated statement of cash flows

Reconciliation of Loss Before Tax to Cash Used in Operations

	2024 £	2023 £
Loss for the year before tax	**(3,540,274)**	(5,595,353)
Adjusted for:		

Adjusted for:		
Depreciation	**688**	10,203
Depreciation right-of-use asset	**55,864**	94,988
Share-based payments	**764,774**	1,560,167
Finance costs	**3,185**	3,503
Finance income	**(542,637)**	(114,825)
	(3,258,400)	(4,041,317)
(Increase)/decrease in trade and other receivables	**428,691**	(109,685)
Decrease in trade and other payables	**(530,054)**	(34,047)
Cash used in operations	**(3,359,763)**	(4,185,049)

Cash and cash equivalents

The amounts disclosed on the consolidated Statement of Cash Flows in respect of Cash and cash equivalents are in respect of these statements of financial position amounts:

Year ended 2024

	31 Dec 2024 £	01 Jan 2024 £
Cash and cash equivalents	**6,185,872**	5,482,935

Year ended 2023

	31 Dec 2023 £	01 Jan 2023 £
Cash and cash equivalents	**5,482,935**	6,579,349

	Analysis of net cash		
	At 1 Jan 2024 £	Cash inflow £	**At 31 Dec 2024 £**
Cash and cash equivalents	5,482,935	702,937	**6,185,872**
Net cash	5,482,935	702,937	**6,185,872**

23. Post balance sheet events

As highlighted in note 10, the Directors assessed that there were no conditions of impairment as at 31 December 2024. Post year end, on 7 March 2025, the Company reported that Dana Petroleum ("Dana") had terminated the agreement with the Buchan Horst ("Buchan") Operator, NEO Energy, in relation to the proposed purchase of the Western Isles floating, production, storage and offloading ("FPSO") vessel. This followed the agreement having reached its longstop date at the end of February 2025. The Buchan joint venture's ability to recommit to the acquisition of the FPSO is naturally linked to the satisfactory conclusion of the on-going fiscal and regulatory consultations and completion of the required pre-handover works on the vessel. In addition, the Brent oil price dropped below its previous 18-month range of 70-90 in Q2 2025 following the introduction of the US 'Trump Tariffs'. Both events will be considered in the 2025 reporting period as to whether either constitute an impairment trigger and consequently whether either will result in an impairment on the current carrying value of the Buchan field.

24. Availability of the annual report 2024

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

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