

27 June 2025

Beacon Energy plc
("Beacon Energy" or the "Company")

Final Results and Publication of Annual Report

Beacon Energy (AIM:BCE), announces its Final Results for the period ended 31 December 2024.

Copies of the Annual Report and Accounts have today been posted to shareholders and made available on the Company's website at: <https://beaconenergyplc.com/>

Mark Rollins, Non-Executive Chairman of Beacon Energy, commented:

"It has been an extremely challenging year for your Company. During the year and subsequent period, the Board has worked tirelessly to stabilise the Company's financial position and deliver on its strategy which is to pursue the acquisition of value enhancing opportunities to develop and grow a self-funding upstream oil & gas company.

The Board is presently in discussions on a range of opportunities that will enable realisation of this strategy. Of these, the Company has signed a non-binding Heads of Terms and has entered into a period of exclusivity with a third party in relation to the potential acquisition of an interest in an onshore gas development asset located in Europe (the "Transaction"). It is anticipated that binding documentation related to the Transaction will be agreed and an Admission Document published by the end September 2025. While there can be no guarantee that agreement on such a Transaction will be reached, we believe that we have identified a compelling, value accretive opportunity and will continue our efforts to deliver on behalf of our shareholders.

We thank shareholders for their continuing support and patience and look forward to providing updates on our progress as we move through the rest of the year."

As the Transaction would be considered a reverse transaction under Rule 14 of the AIM Rules for Companies ("AIM Rules"), the Company has requested and been granted the immediate suspension of trading of its shares pending publication of an Admission Document. Shareholders should note that if the transaction was not to proceed after 6 July 2025 then trading in the shares would remain suspended as the shares were due to be suspended on 7 July 2025 in accordance with Rule 15 of the AIM Rules, as previously announced.

The Company is required to make an acquisition, or acquisitions, which constitutes a reverse takeover under AIM Rule 14 (including seeking re-admission under the AIM Rules for Companies) by 6 January 2026. Alternatively, within such time period, the Company can seek to become an investing company pursuant to AIM Rule 8, which requires, *inter alia*, the raising of at least £6 million and publication of an admission document. In the event that the Company does not complete a reverse takeover under AIM Rule 14 within that time or seek re-admission to trading on AIM as an investing company pursuant to AIM Rule 8, admission to trading on AIM of the Company's ordinary shares would be cancelled.

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CHAIRMAN'S REPORT

Dear fellow shareholders,

On behalf of the Board of Directors, I hereby present the financial statements of Beacon Energy plc ("Beacon")

or the "Company") for the year ended 31 December 2024.

It has been an extremely challenging year for your Company. During the year and subsequent period, the Board has worked tirelessly to stabilise the Company's financial position and deliver on its strategy which is to pursue the acquisition of value enhancing opportunities to develop and grow a self-funding upstream oil & gas company.

Following the acquisition of Rhein Petroleum GmbH ("Rhein Petroleum") in April 2023, the Company immediately secured a drilling rig to drill the Schwarzbach-2 development ("SCHB-2") well on the Erfelden field. While significant operational challenges were encountered while drilling, the wireline logs obtained confirmed that the SCHB-2 well encountered a 34-metre gross interval containing 28 metres of oil-bearing net reservoirs in the Pechelbronner-Schichten ("PBS") sandstones within the Stockstadt Mitte segment of the Erfelden field. As a result of the encouraging electronic log results, in November 2023, the Company updated its assessment of potential reserves in the central part of the Erfelden field to 7.2 mmbbls (Best Estimate Case), with range of 4.7 to 10.2 mmbbls (Low Case to High Case).

Following installation of a rod pump, production from the well stabilised at a disappointing 40 barrels of oil per day - materially below expectations given the results of the electronic logs. Various operations were undertaken during H1 2024 to improve production rates including the drilling of a side track, although production rates remained disappointing. Following extensive analysis by our technical team, the most likely explanation for the continued poor performance is a combination of residual reservoir damage in the upper section of the Upper PBS reservoir (where the sidetrack remains close to the original well bore which was invaded with drilling fluids) and poor permeability in this particular area of the Erfelden field in the Lower PBS reservoir.

As a result of the poor production performance, the Company took the difficult decision to place Rhein Petroleum into a formal process with its creditors (akin to US Chapter 11 bankruptcy protection), as announced on 28 June 2024. As part of the creditor process, the Company put forward a robust and fully financed restructuring plan aimed at maximising cash generation from the Rhein Petroleum business and delivering value for creditors. Given the poor (and declining) production rates seen at the SCHB-2 well, the Company was unable to put forward a restructuring offer which was agreeable to the Rhein Petroleum creditors. In January 2025, the Company was informed that Rhein Petroleum's creditor representative had completed a transaction to sell certain assets of Rhein Petroleum to a third party and that the process to liquidate Rhein Petroleum (the "Proposed Liquidation") would commence.

As a consequence of the Proposed Liquidation of Rhein Petroleum, Beacon Energy was reclassified as an AIM Rule 15 cash shell effective 6 January 2025.

In order to preserve optionality, the Board have undertaken an extensive cost reduction program to minimise expenditure prior to securing the Company's next growth opportunity. As part of the Company's broader cost reduction measures, the directors continue to defer or receive a significant proportion of their fees in shares. In addition, Larry Bottomley and Stephen Whyte agreed to leave the Company's board, effective 1 July 2024. I take this opportunity to thank Larry and Steve for their valuable contributions to Board deliberations. Our thanks go especially to Larry for stepping into the CEO role in early 2022 and leading the Company through the reverse takeover and subsequent re-listing of the Company in 2023. As a result, the board now comprises Mark Rollins (Non-executive Chairman), Stewart MacDonald (CEO), Ross Warner (Independent Non-executive Director) and Leo Koot (Non-executive Director).

The Company's strategy continues to be the creation a self-funding upstream oil & gas company taking advantage of growth opportunities resulting from industry players as they reshape their portfolios.

The Board is presently in discussions on a range of opportunities that will enable realisation of this strategy. Of these, the Company has signed a non-binding Heads of Terms and has entered into a period of exclusivity with a third party in relation to the potential acquisition of an interest in an onshore gas development asset located in Europe (the "Transaction"). It is anticipated that binding documentation related to the Transaction will be agreed (and an Admission Document published) by the end of September 2025. While there can be no guarantee that agreement on such a Transaction will be reached, we believe that we have identified a compelling, value accretive opportunity and will continue our efforts to deliver on behalf of our shareholders.

As the Transaction would be considered a reverse transaction under Rule 14 of the AIM Rules for Companies, the Company has requested and been granted the immediate suspension of trading of its shares pending publication of an Admission Document.

We thank shareholders for their continuing support and patience and look forward to providing updates on our progress as we move through the rest of the year.

Mark Rollins

Non-Executive Chairman

26 June 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | | <u>For the year ended</u> <u>31 December 2024</u> | <u>For the year ended</u> <u>31 December 2023</u> <u>Restated</u> |
|--|-------------|--|---|
| | <u>Note</u> | <u>US '000</u> | <u>US '000</u> |
| - | | | |
| Income: | | | |
| <u>Operating Income</u> | | = | = |
| <u>Other income</u> | | = | = |
| <u>Total Income</u> | | = | = |
| <u>Cost of goods sold</u> | | = | = |
| <u>Operating expenses</u> | | = | = |
| <u>Operating loss</u> | | = | = |
| <u>Other administrative expenses</u> | <u>6</u> | <u>(2,545)</u> | <u>(3,830)</u> |
| <u>Net loss before finance costs and taxation</u> | | <u>(2,545)</u> | <u>(3,830)</u> |
| <u>Finance costs</u> | | = | = |
| <u>Effects of exchange gain/loss</u> | | <u>(35)</u> | <u>125</u> |
| <u>At acquisition negative goodwill</u> | <u>11</u> | = | <u>3,556</u> |
| <u>Loss before tax</u> | | <u>(2,580)</u> | <u>(149)</u> |
| <u>Tax expense</u> | <u>10</u> | = | <u>(1)</u> |
| <u>Loss from continuing operations</u> | | <u>(2,580)</u> | <u>(150)</u> |
| <u>Discontinued operations</u> | | | |
| <u>Loss from discontinued operations net of tax</u> | <u>11</u> | <u>(16,004)</u> | <u>(3,306)</u> |
| <u>Loss for the year</u> | | <u>(18,584)</u> | <u>(3,456)</u> |
| <u>Other comprehensive income</u> | | | |
| <u>Exchange differences on translation of foreign operations</u> | | = | <u>(276)</u> |
| <u>Total comprehensive loss for the year attributable to owners of the parent</u> | | <u>(18,584)</u> | <u>(3,732)</u> |
| <u>Basic loss per share attributable to owners of the parent during the year (expressed in US cents per share)</u> | <u>7</u> | <u>(0.11)</u> | <u>(0.04)</u> |

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing.

The accompanying notes form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | | <u>As at</u> <u>31 December</u> <u>2024</u> | <u>As at</u> <u>31 December</u> <u>2023</u> |
|--|-------------|---|---|
| | <u>Note</u> | <u>US '000</u> | <u>US '000</u> |
| Assets | | | |
| <u>Non-current assets</u> | | | |
| <u>Property, plant & equipment</u> | <u>12</u> | = | <u>20,336</u> |
| <u>Intangible assets</u> | | = | <u>29</u> |
| <u>Total non-current assets</u> | | = | <u>20,365</u> |
| <u>Current assets</u> | | | |
| <u>Other receivables</u> | | <u>23</u> | <u>875</u> |
| <u>Restricted cash</u> | <u>14</u> | = | <u>2,075</u> |
| <u>Cash and cash equivalents</u> | | <u>866</u> | <u>2,754</u> |

| | | |
|--|-----------------|-----------------|
| <u>Total current assets</u> | <u>889</u> | <u>5,704</u> |
| <u>Total assets</u> | <u>889</u> | <u>26,069</u> |
| <u>Liabilities</u> | | |
| <u>Trade and other payables</u> | <u>15</u> | <u>(1,189)</u> |
| <u>Non-current liability</u> | <u>16</u> | <u>-</u> |
| <u>Total liabilities</u> | <u>(1,189)</u> | <u>(11,460)</u> |
| <u>Net (liabilities)/assets</u> | <u>(300)</u> | <u>14,609</u> |
| <u>Equity attributable to the owners of the parent</u> | | |
| <u>Share premium</u> | <u>13</u> | <u>68,344</u> |
| <u>Share reserve</u> | <u>3,101</u> | <u>2,801</u> |
| <u>Foreign Currency Translation Reserve</u> | <u>-</u> | <u>(276)</u> |
| <u>Accumulated deficit</u> | <u>(71,745)</u> | <u>(53,161)</u> |
| <u>Total shareholder funds</u> | <u>(300)</u> | <u>14,609</u> |

The accompanying notes form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | <u>Share premium</u> | <u>Share reserve</u> | <u>Foreign Currency Translation reserve</u> | <u>Accumulated deficit</u> | <u>Total equity</u> |
|--|--------------------------|--------------------------|---|--------------------------------|-------------------------|
| | <u>US '000</u> | <u>US '000</u> | <u>US '000</u> | <u>US '000</u> | <u>US '000</u> |
| <u>Balance at 1 January 2023</u> | <u>48,128</u> | <u>2,036</u> | <u>-</u> | <u>(49,705)</u> | <u>459</u> |
| <u>Loss for the year to 31 December 2023</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,456)</u> | <u>(3,456)</u> |
| <u>Other comprehensive income</u> | | | | | |
| <u>Exchange differences on translation of foreign operations</u> | <u>-</u> | <u>-</u> | <u>(276)</u> | <u>-</u> | <u>(276)</u> |
| <u>Total comprehensive income</u> | <u>-</u> | <u>-</u> | <u>(276)</u> | <u>(3,456)</u> | <u>(3,732)</u> |
| <u>Transactions with equity shareholders of the parent</u> | | | | | |
| <u>Proceeds from shares issued</u> | <u>17,713</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>17,713</u> |
| <u>Cost of shares issued</u> | <u>(596)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(596)</u> |
| <u>Share based payments</u> | <u>-</u> | <u>765</u> | <u>-</u> | <u>-</u> | <u>765</u> |
| <u>Balance at 31 December 2023</u> | <u>65,245</u> | <u>2,801</u> | <u>(276)</u> | <u>(53,161)</u> | <u>14,609</u> |
| <u>Loss for the year to 31 December 2024</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(18,584)</u> | <u>(18,584)</u> |
| <u>Other comprehensive income</u> | | | | | |
| <u>Exchange differences on translation of foreign operations</u> | <u>-</u> | <u>-</u> | <u>276</u> | <u>-</u> | <u>276</u> |
| <u>Total comprehensive income</u> | <u>-</u> | <u>-</u> | <u>276</u> | <u>(18,584)</u> | <u>(18,308)</u> |
| <u>Transactions with equity shareholders of the parent</u> | | | | | |
| <u>Proceeds from shares issued</u> | <u>3,262</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,262</u> |
| <u>Cost of shares issued</u> | <u>(163)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(163)</u> |
| <u>Share based payments</u> | <u>-</u> | <u>300</u> | <u>-</u> | <u>-</u> | <u>300</u> |
| <u>Balance at 31 December 2024</u> | <u>68,344</u> | <u>3,101</u> | <u>-</u> | <u>(71,745)</u> | <u>(300)</u> |

The accompanying notes form an integral part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year

For the year

| | <u>ended</u> <u>31 December</u> <u>2024</u> <u>US '000</u> | <u>ended</u> <u>31 December</u> <u>2023</u> <u>US '000</u> |
|---|---|---|
| Cash flows from operating activities: | | |
| Net loss for the year | (18,584) | (3,456) |
| Adjustments for: | | |
| Share based payments | 300 | 765 |
| Depreciation on property plant and equipment | - | - |
| Negative Goodwill | - | (3,556) |
| Tax expense | - | - |
| Interest paid | - | - |
| Change in working capital items: | | |
| Decrease/(Increase) in other receivables | 538 | 3 |
| (Decrease)/Increase in trade and other payables | 662 | (41) |
| Net cash used in operations | (17,084) | (6,285) |
| Cash flows from investing activities | | |
| Loss on discontinued operations | 16,004 | 3,306 |
| Adjustments cash transferred to Rhein | (3,866) | 2,667 |
| Purchase of property, plant & equipment discontinued operation | - | (9,673) |
| Net cash used in investing activities | 12,138 | (3,700) |
| Cash flows from financing activities | | |
| Proceeds from issue of share capital | 3,262 | 12,570 |
| Share issue costs | (163) | (596) |
| Net cash generated by financing activities | 3,099 | 11,974 |
| Net (decrease)/increase in cash and cash equivalents | (1,847) | 1,989 |
| Cash and cash equivalents, at beginning of the year | 2,640 | 306 |
| Effect of foreign exchange rate changes | 73 | 345 |
| Cash and cash equivalents, at end of the year | 866 | 2,640 |

The accompanying notes form an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1 Reporting Entity

Beacon Energy plc (the "Company") is domiciled in the Isle of Man. The Company's registered office is at 55 Athol Street, Douglas, Isle of Man IM1 1LA. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the E&P business.

On 1 June 2024 Stewart MacDonald was appointed as the Chief Executive Officer. Effective 1 July 2024 Larry Bottomley and Stephen Whyte resigned as non-executive directors.

2 Basis of accounting

These consolidated financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards ("IFRS"). They were approved and authorised for issue by the Company's Board of directors on 26 June 2025.

Details of the Group's accounting policies are included below:

Standards and amendments effective for periods beginning 1 January 2025 or later

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- Lack of Exchangeability - Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates
- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures;
 - IFRS 1 First-time Adoption of International Financial Reporting Standards.
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7

- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7.
 - IFRS 9 Financial Instruments.
 - IFRS 10 Consolidated Financial Statements.
 - IAS 7 Statement of Cash flows.
- IFRS 18 Presentation and Disclosure in Financial Statements.

A. Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in Other Comprehensive Income (OCI):

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into USD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

C. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees and other service providers is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is

measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

D. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

E. Exploration expenditure

Costs incurred prior to acquiring the right to explore an area of interest are expensed as incurred. Exploration and evaluation assets are intangible assets.

Exploration and evaluation assets represent the costs incurred on the exploration and evaluation of potential hydrocarbon resources, and include costs such as seismic acquisition and processing, exploratory drilling, activities in relation to the evaluation of technical feasibility and commercial viability of extracting hydrocarbons, and general administrative costs directly relating to the support of exploration and evaluation activities.

The Group assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. Assets are allocated to cash generating units not larger than operating segments for impairment testing. Purchased exploration and evaluation assets are recognised as assets at their cost of acquisition or at fair value if purchased as part of a business combination. They are subsequently stated at cost less accumulated impairment. Exploration and evaluation assets are not amortised.

When proved reserves of oil and gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties.

Oil and gas properties and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost (if the asset was previously classified as assets in development), any costs directly attributable to bringing the asset into operation, the initial estimate of the

decommissioning obligation and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Oil and gas properties are depreciated on a unit-of-production basis over the total proved developed and undeveloped reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case, the straight-line method is applied.

F. Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

G. Impairment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the Cash Generating Unit (CGU), and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

H. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

I. Operating Income

Operating income represents revenue from contracts with customers and is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in all of its revenue arrangements since it controls the goods or services before transferring them to the customer.

J. Going concern

The financial statements have been prepared on a going concern basis.

The Group monitors its cash position, cash forecasts and liquidity on a regular basis and takes a conservative approach to cash management.

As at 31 December 2024, the Company had available cash resources of US 0.86 million and no debt. Monies are owed (related to unpaid fees) to the Directors and a former Director and (related to the Earn Out associated with the Rhein Petroleum acquisition) the Company's largest shareholder, Tulip Oil Holdings Limited. Agreement has been reached to defer the payment of such monies until the Company has secured its next growth opportunity.

As a result of the poor production performance, the Company took the difficult decision to place Rhein Petroleum into a formal process with its creditors (akin to US Chapter 11 bankruptcy protection), as announced on 28 June 2024. As part of the creditor process, the Company put forward a robust and fully financed restructuring plan aimed at maximising cash generation from the Rhein Petroleum business and delivering value for creditors. Given the poor production rates seen at the SCHB-2 well, the Company was unable to put forward a restructuring offer which was agreeable to the Rhein Petroleum creditors. In January 2025, the Company was informed that Rhein Petroleum's creditor representative had completed a transaction to sell certain assets of Rhein Petroleum to a third party and that the process to liquidate Rhein

Petroleum (the "Proposed Liquidation") would commence.

As a result of material cost reduction initiatives previously announced, and the deferral of monies owed to Directors, a former Director and Tulip Oil, Management's base case suggests that the Company has sufficient liquidity to progress, and complete, an acquisition and fund raise by end 2025.

Management have also considered a number of downside scenarios, including scenarios where a transaction cannot be agreed or where the costs of executing a transaction increase materially.

Potential mitigants include further deferral and/or reduction of expenditure and raising additional funding.

As a result, the Directors are of the opinion that the Group is likely to operate as a going concern for at least the next twelve months from the date of approval of these financial statements.

Nonetheless, these conditions indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would be required if the Group were unable to continue as a going concern.

3 Functional and presentation currency

These consolidated financial statements are presented in US Dollars ("USD" or "US \$"), which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 18 - consolidation: whether the Group has de facto control over an investee.
- Note 12 - impairment considerations in relation to property, plant and equipment.

B. Assumptions and estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed below:

Share based payments (note 8)

The Group has made awards of options and warrants over its unissued capital. The valuation of these options and warrants involve making a number of estimates relating to price volatility, future dividend yields, expected life and forfeiture rates.

1) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Decommissioning provision (note 16)

The Group has estimated the present value of the amounts that will be required in relation to the future decommissioning of its oil and gas operation. This is based on a security certificate issued with the mining authority in the

decommissioning of its oil and gas operation. This is based on security amounts agreed with the mining authority in the jurisdiction, however, there are estimation uncertainties in respect of the inflation and discount rates used.

5 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments and make strategic decisions, has been identified as the Directors of the Group. In the opinion of the Directors, the operations of the Group comprise one operating segment comprising oil and gas exploration and production operations. As a result, the Group considers that it only has one reportable segment, and the Directors consider that the primary financial statements presented substantially reflect all the activities of the Company.

6 Administrative expenses

Administration fees and expenses consist of the following:

| | 2024 | 2023 |
|--|--------------|--------------|
| | December | December |
| | US '000 | US '000 |
| Audit fees | 61 | 47 |
| Professional fees | 324 | 418 |
| Administration costs | 129 | 816 |
| Employee share-based payments (Note 9) | 141 | 19 |
| Director share-based payments (Note 9) | 1,271 | 1,010 |
| Directors' fees (Note 9) | 595 | 661 |
| Travel and entertainment | 24 | 28 |
| Acquisition amounts written off | - | 831 |
| Other administrative expenses | 2,545 | 3,830 |

7 Earnings per share

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

| | 2024 | 2023 |
|---|-------------------|-----------|
| | December | December |
| Loss attributable to owners of the Group (USD thousands) | (18,584) | (3,456) |
| Weighted average number of ordinary shares in issue (thousands) | 17,695,389 | 8,863,248 |
| Loss per share (US cents) | (0.11) | (0.04) |

In accordance with International Accounting Standard 33 'Earnings per share', no diluted earnings per share is presented as the Group is loss making.

8 Share-based payment arrangements

The following is a summary of the share options and warrants outstanding and exercisable as at 31 December 2024, 31 December 2023 and 31 December 2022, and the changes during each year:

| | Number of options and warrants | Weighted average exercise price (pence) |
|--|--------------------------------|---|
| Outstanding and exercisable at 31 December 2022 | 613,268,824 | 0.43 |
| Outstanding and exercisable at 31 December 2023 | 3,295,965,536 | 0.15 |
| Outstanding and exercisable at 31 December 2024 | 3,522,872,036 | 0.13 |

The above weighted average exercise prices have been expressed in pence and not cents due to the terms of the options and warrants. The following share options or warrants were outstanding and exercisable in respect of the ordinary shares:

| Grant Date | Expiry Date | 31 December 2022 | Issued | Expired /Cancelled | 31 December 2023 | Exercise Price |
|-----------------|-------------|------------------|--------|--------------------|------------------|----------------|
| Warrants | | | | | | |
| 10.12.20 | 09.12.23 | 545,455 | - | (545,455) | - | 0.22p |
| 31.03.21 | 31.03.26 | 38,511,644 | - | - | 38,511,644 | 0.00p |
| Consolidation | | (35,151,395) | - | 490,910 | (34,660,485) | |
| 19.04.21 | 19.04.24 | 21,488,500 | - | - | 21,488,500 | 2.60p |
| 19.04.21 | 19.04.26 | 24,064,620 | - | - | 24,064,620 | 2.60p |
| 26.07.22 | 27.07.25 | 500,000,000 | - | - | 500,000,000 | 0.13p |

| | | | | | | |
|----------|----------|---|---------------|---|---------------|-------|
| 11.04.23 | 11.04.28 | - | 1,325,753,299 | - | 1,325,753,299 | 0.11p |
| 20.09.23 | 20.09.28 | - | 116,700,000 | - | 116,700,000 | 0.15p |

Options

| | | | | | | |
|---------------|----------|--------------------|----------------------|---------------------|----------------------|-------|
| 01.10.18 | 01.10.23 | 4,500,000 | - | (4,500,000) | - | 2.00p |
| 01.02.20 | 01.02.25 | 31,250,000 | - | (31,250,000) | - | 0.30p |
| 01.02.20 | 01.02.25 | 31,250,000 | - | (31,250,000) | - | 0.30p |
| Consolidation | | (60,300,000) | - | 60,300,000 | - | |
| 19.04.21 | 19.01.26 | 27,110,000 | - | (27,110,000) | - | 2.60p |
| 17.03.22 | 17.03.27 | 30,000,000 | - | - | 30,000,000 | 0.30p |
| 19.12.22 | 19.12.27 | - | 188,803,430 | - | 188,803,430 | 0.00p |
| 19.12.22 | 19.12.27 | - | 581,738,888 | - | 581,738,888 | 0.11p |
| 20.12.23 | 20.12.28 | - | 266,972,202 | - | 266,972,202 | 0.15p |
| 20.12.23 | 20.12.28 | - | 236,593,438 | - | 236,593,438 | 0.15p |
| | | 613,268,824 | 2,716,561,257 | (33,864,545) | 3,295,965,536 | |

| Grant Date | Expiry Date | 31 December 2023 | Issued | Expired /Cancelled | 31 December 2024 | Exercise Price |
|-----------------|-------------|---------------------|-------------|-----------------------|---------------------|-------------------|
| Warrants | | | | | | |
| 31.03.21 | 31.03.26 | 38,511,644 | - | - | 38,511,644 | 0.00p |
| Consolidation | | (34,660,485) | - | - | (34,660,485) | |
| 19.04.21 | 19.04.24 | 21,488,500 | - | (21,488,500) | - | 2.60p |
| 19.04.21 | 19.04.26 | 24,064,620 | - | - | 24,064,620 | 2.60p |
| 26.07.22 | 27.07.25 | 500,000,000 | - | - | 500,000,000 | 0.13p |
| 11.04.23 | 11.04.28 | 1,325,753,299 | - | - | 1,325,753,299 | 0.11p |
| 20.09.23 | 20.09.28 | 116,700,000 | - | - | 116,700,000 | 0.15p |
| 28.02.24 | 28.02.29 | - | 248,400,000 | - | 248,400,000 | 0.05p |

Options

| | | | | | | |
|----------|----------|----------------------|--------------------|---------------------|----------------------|-------|
| 17.03.22 | 17.03.27 | 30,000,000 | - | - | 30,000,000 | 0.30p |
| 19.12.22 | 19.12.27 | 188,803,430 | - | - | 188,803,430 | 0.00p |
| 19.12.22 | 19.12.27 | 581,738,888 | - | - | 581,738,888 | 0.11p |
| 20.12.23 | 20.12.28 | 266,972,202 | - | - | 266,972,202 | 0.15p |
| 20.12.23 | 20.12.28 | 236,593,438 | - | - | 236,593,438 | 0.15p |
| | | 3,295,965,536 | 248,400,000 | (21,488,500) | 3,522,877,036 | |

The options and warrants issued during the period were valued using the Black-Scholes valuation method and the assumptions used are detailed below. The expected future volatility has been determined by reference to the historical volatility:

| Grant date | Share price at grant | Exercise price | Volatility | Option life | Dividend yield | Risk-free investment rate | Fair value per option |
|------------|----------------------|----------------|------------|-------------|----------------|---------------------------|-----------------------|
| 19.12.22 | 0.175p | 0.00p | 237% | 5 years | 0% | 3.503% | 0.15p |
| 19.12.22 | 0.175p | 0.11p | 237% | 5 years | 0% | 3.503% | 0.09p |
| 20.12.23 | 0.95p | 0.15p | 98% | 5 years | 0% | 3.525% | 0.05p |

The Group recognised US 300,000 (2023: US 765,000) relating to equity-settled share-based payment transactions during the year arising from Option or Warrant grants, which was charged US Nil (2023: US Nil) in respect of services performed in connection with the issue of new shares charged to share premium, US Nil (2023: US 765,000) in respect of directors' fees and US Nil reversed (2023: US Nil) in respect of employee costs to the income statement.

The 21,488,500 options granted on 19 April 2021 vested on 19 April 2024. Vesting of the options is subject to the option holder providing continuous service during the vesting period and there are no other performance conditions attached to the options.

For the share options and warrants outstanding as at 31 December 2024, the weighted average remaining contractual life is 3 years (2023: 4 years).

9 Employee benefits (including directors)

The group employed an average of 4 individuals during the period, including the directors (2023: 14).

| | 2024 | 2023 |
|--|--------------|--------------|
| | December | December |
| | US '000 | US '000 |
| Directors' remuneration (see below) | 595 | 661 |
| Wages cost | - | 958 |
| Share based payments - Directors (see below) | 1,271 | 1,010 |
| Share based payments - Employees | 141 | 19 |
| | 2,007 | 2,648 |

Key management of the Group are considered to be the Directors.

The remuneration of the directors during the period ended 31 December 2024 was as follows:

| | Short term employee benefits | Social security payments | Pension contribution | Share based payments | Total |
|-----------------------------------|------------------------------------|--------------------------------|-------------------------|----------------------------|--------------|
| | US '000 | US '000 | US '000 | US '000 | US '000 |
| Ross Warner | 40 | - | - | 11 | 51 |
| Mark Rollins | 60 | - | - | 201 | 261 |
| Stewart MacDonald | 260 | 32 | 32 | 342 | 666 |
| Steve Whyte (resigned 1/7/24) | 33 | 2 | - | 59 | 94 |
| Larry Bottomley (resigned 1/7/24) | 88 | 8 | - | 599 | 695 |
| Leo Koot | 40 | - | - | 59 | 99 |
| Total Key Management | 521 | 42 | 32 | 1,271 | 1,866 |

The remuneration of the directors during the period ended 31 December 2023 was as follows:

| | Short term employee benefits | Social security payments | Pension contribution | Share based payments | Total |
|--|------------------------------------|--------------------------------|-------------------------|----------------------------|--------------|
| | US '000 | US '000 | US '000 | US '000 | US '000 |
| Ross Warner | 45 | - | - | 71 | 116 |
| Mark Rollins | 75 | - | - | 152 | 227 |
| Stewart MacDonald (appointed 11/4/24) | 196 | 22 | 23 | 201 | 442 |
| Steve Whyte | 45 | 4 | - | 71 | 120 |
| Larry Bottomley | 200 | 21 | - | 515 | 736 |
| Leo Koot (appointed 11/4/24) | 30 | - | - | - | 30 |
| Total Key Management | 591 | 47 | 23 | 1,010 | 1,671 |

10 Income tax expense

The Parent Company is resident for tax purposes in the Isle of Man and is subject to Isle of Man tax at the current rate of 0% (2023: 0%). During the period and in the prior year, no subsidiaries were subject to material corporation tax.

Taxation reconciliation

The charge for the year can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

| 2024 | 2023 |
|----------|----------|
| December | December |

| | December | December |
|---|----------|----------|
| | US '000 | US '000 |
| Loss before income tax | (18,584) | (3,456) |
| Tax on loss at the weighted average corporate tax rate of 0% (2023: 0%) | - | - |
| Tax - German authorities | - | 1 |
| Total income tax expense | - | 1 |

The deferred tax asset has not been recognised, in accordance with IAS 12. The Group does not have a material deferred tax liability at the year end.

11 Discontinued Operations

On 11 April 2023, the Company acquired the entire issued share capital of Rhein Petroleum GmbH, an upstream oil and gas business operating in Germany. This transaction can be best described as a business combination under IFRS3.

As a result of the poor production performance, the Company took the difficult decision to place Rhein Petroleum into a formal process with its creditors (akin to US Chapter 11 bankruptcy protection), as announced on 28 June 2024. For the purposes of the financial statements, the Company has considered this date to be the date of loss of control of its subsidiary as from this point the Company was unable to direct the actions of the entity.

As part of the creditor process, the Company put forward a robust and fully financed restructuring plan aimed at maximising cash generation from the Rhein Petroleum business and delivering value for creditors. Given the poor production rates seen at the SCHB-2 well, the Company was unable to put forward a restructuring offer which was agreeable to the Rhein Petroleum creditors. In January 2025, the Company was informed that Rhein Petroleum's creditor representative had completed a transaction to sell certain assets of Rhein Petroleum to a third party and that the process to liquidate Rhein Petroleum (the "Proposed Liquidation") would commence.

From the date of loss of control, the investment in this entity was treated as an unconsolidated investment. However, as no further amounts were receivable back from this entity, this investment is held at nil value and when the creditor processes are concluded after the year-end, this entity will be treated as fully disposed of.

As a result of this Rhein has been accounted for as a discontinued operation. And the loss on the discontinued operation is as per below:

| | 2024 | 2023 |
|--|-----------------|----------------|
| | '000 | '000 |
| Loss on Discontinued operations | | |
| Other Income in relation to discontinued operations | 702 | 971 |
| Expenses in relation to discontinued operations | (1,591) | (4,277) |
| Unaudited losses generated by discontinued operations* | (889) | - |
| Loss on disposal of subsidiary** | (15,115) | - |
| Total loss on discontinued operations | (16,004) | (3,306) |

*No tax was payable in relation to this operation so this represents both the pre- and post-tax loss.

** The audited net assets of the discontinued operations at 31 December 2023 was 11,850,000. Due to the loss of control of the subsidiary in the period, it is not possible to prepare an audited financial position for the discontinued operations at the date the Group lost control, however, the total loss on disposal is known as this is the net assets held by the Group at the previous period end plus the additional amounts provided to this entity which are no longer recoverable.

At acquisition negative goodwill 2023

Goodwill

| | '000 |
|---|----------------|
| Consideration transferred at Fair value | 5,143 |
| Less: Net identifiable liabilities at acquisition | 18,769 |
| Goodwill at acquisition | 23,912 |
| Less: adjustments of loan balance acquired | (27,468) |
| Negative goodwill at reporting date | (3,556) |

12 Property, plant and equipment

| Oil and gas properties and equipment | Oil and gas properties and equipment |
|--|--|
| 2024 | 2023 |
| US '000 | US '000 |

| | | |
|----------------------------------|----------|--------|
| Cost | 20,762 | - |
| Acquired in year | - | 20,762 |
| Disposal in the year | (20,762) | - |
| Cost at 31 December | - | 20,762 |
| Depreciation | | |
| Depreciation at 1 January | (426) | - |
| Depreciation charge | - | (426) |
| Depreciation write off | 426 | |
| Depreciation at 31 December 2023 | - | (426) |
| Net book value - 1 January | 20,336 | - |
| Net book value - 31 December | - | 20,336 |

13 Capital and reserves

All shares are Nil Coupon fully paid and each ordinary share carries one vote. No warrants have been exercised at the reporting date.

| Allotted, called-up and fully paid: | Number | Pence per share | Share premium US '000 |
|-------------------------------------|-----------------|-----------------|--------------------------|
| Balance at 1 January 2023 | 1,527,614,008 | | 48,128 |
| Cancelled shares | (1,527,614,008) | | |
| 11 April 2023-Equity placing | 10,507,679,620 | 0.11 | 12,639 |
| 15 September 2023-Equity placing | 2,867,000,000 | 0.15 | 5,074 |
| Cost of issue | | | (596) |
| Balance at 31 December 2023 | 13,374,679,620 | | 65,245 |
| Cancelled shares | | | |
| 28 February 2024-Equity placing | 5,137,000,000 | 0.14 | 3,262 |
| Cost of issue | | | (163) |
| Balance at 31 December 2024 | 18,511,679,620 | | 68,344 |

14 Restricted cash

As a result of Rhein Petroleum liquidation commencement, the Group has no restricted cash. At reporting date, the Group had US Nil (2023: US 2,075,000) restricted cash, which is backing guarantees to the mining authority related to future decommissioning.

15 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method. The majority of current liabilities and accruals balance relates to monies owed (related to unpaid fees) to directors, a former director and (related to the Earn Out associated with Rhein Petroleum) the Company's largest shareholder, Tulip Oil Holdings.

| | 2024 December US '000 | 2023 December US '000 |
|-----------------------------|-----------------------------|-----------------------------|
| Trade payables | 80 | 4,858 |
| Current liability | 157 | - |
| Accruals and other payables | 952 | 371 |
| | 1,189 | 5,229 |

16 Non-current liabilities

Non-current liabilities are US Nil in the current year. This is due to the loss of control of Rhein Petroleum. The non-current liabilities as at 31 December 2023 consist of a loan with Tulip Oil Holding B.V and provisions in relation to future abandonment and decommissioning costs.

Audited

Audited

| | Amount Outstanding at 31 Dec 2024 | Amount Outstanding at 31 Dec 2023 |
|--------------------------------|---|---|
| | US '000 | US '000 |
| Tulip Oil Holding loan payable | - | 3,724 |
| Provision for decommissioning | - | 2,412 |
| Other non-current liabilities | - | 95 |
| | - | 6,231 |

17 Risk Management

Financial Risks

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. The Board of Directors seek to identify and evaluate financial risks.

Market risk

A. Foreign currency exchange risk

Foreign exchange risk arises because the Group entities enter into transactions in currencies that are not the same as their functional currencies, resulting in gains and losses on retranslation into US Dollars. It is the Group's policy to ensure that individual Group entities enter into local transactions in their functional currency wherever possible and that only surplus funds over and above working capital requirements should be transferred to the treasury of the Parent Company. The Group and Company considers this policy minimises any unnecessary foreign exchange exposure. Despite this policy, the Group cannot avoid being exposed to gains or losses resulting from foreign exchange movements, at the reporting date a 5% decrease in the strength of the US Dollar would result in a corresponding reduction of US 1,650 (2023: US 559,000) in the net assets of the Group.

B. Cash flow interest rate risk

The Group's cash and cash equivalents are invested at short term market interest rates. As market rates are low, the Group is not subject to significant cash flow interest rate risk and no sensitivity analysis is provided. The Group is also not subject to significant fair value interest rate risk.

| | 2024 December US '000 | 2023 December US '000 |
|------------------------------------|--------------------------|--------------------------|
| Cash & Cash Equivalents | | |
| USD | 21 | 3 |
| GBP | 845 | 2,640 |
| EUR | - | 2,186 |
| Total Financial Assets | 866 | 4,829 |
| | | |
| Trade & other payables | | |
| USD | 952 | 249 |
| GBP | 80 | 128 |
| EUR | 157 | 4,852 |
| Total Financial Liabilities | 1,189 | 5,229 |

Credit risk

Credit risk arises on investments, cash balances and receivable balances. The amount of credit risk is equal to the amounts stated in the Statement of Financial Position for each of these assets. Cash balances and transactions are limited to high-credit-quality financial institutions. There are no impairment provisions as at 31 December 2024 (31 December 2023: nil).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group has adopted a policy of maintaining surplus funds with approved financial institutions.

Management of liquidity risk is achieved by monitoring budgets and forecasts against actual cash flows. Should the Group enter into borrowings during the year, management monitor the repayment and servicing of these arrangements against the contractual terms and reviewed cash flows to ensure that sufficient cash reserves were maintained.

Capital Risks

The Directors determine the appropriate capital structure of the Group, specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt), in order to finance the Group's business strategy. The Group's policy in the long term is to seek to maintain the level of equity capital and reserves to maintain an optimal financial position and gearing ratio which provides financial flexibility to continue as a going concern and to maximise shareholder value. The capital structure of the Group consists of shareholders' equity together with net debt (where relevant). The Group's funding requirements are met through a combination of debt, equity and operational cash flow.

18 List of subsidiaries and associates

The following table lists the subsidiaries and associates of the Group:

The parent of the Group has shareholdings in the following entities:

| Name | Interest 2024 | Interest 2023 | Country of incorporation | Nature of business |
|---------------------------|---------------|---------------|--------------------------|-------------------------|
| Advance Energy TL Limited | 100% | 100% | UK | Dormant |
| Eagle Gas Limited | 25% | 25% | UK | Oil and gas exploration |
| Beacon Energy RP Limited | 100% | 100% | Isle of Man | Dormant |
| Rhein Petroleum GmbH* | 100% | 100% | Germany | Oil and gas (insolvent) |

* For the purposes of these financial statements, the Company has considered the date of 28 June 2025 as the date of loss of control of its subsidiary.

19 Commitments

There were no capital commitments authorised by the Directors or contracted other than those provided for in these financial statements as at 31 December 2024 (31 December 2023: None).

20 Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence.

Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

Details of Directors remuneration are disclosed in Note 9 Directors Remuneration. For details of any related party transactions entered into after the year-end please refer to Note 21 Subsequent Events.

21 Subsequent events

On 6 January 2025, the Company announced that as a consequence of the proposed liquidation of Rhein Petroleum, it has become an AIM Rule 15 cash shell with effect from that day.

For further information, please visit www.beaconenergyplc.com

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