UK Oil & Gas Plc
Report and Accounts
the year ended 30 September 2025

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Our Business and Strategy

Our Business – Long Duration Energy Storage

UK Oil & Gas PLC ("UKOG" or the "Group") is a pioneering energy developer transitioning away from its prior onshore UK petroleum business into Clean Power. We have a bold vision to use our core subsurface, engineering and facilities skills to develop at-scale underground salt cavern hydrogen-ready gas storage projects in South Dorset and East Yorkshire. We are one of a handful of first movers in this new and vital energy storage sector, projected by National Grid and The Royal Society to grow substantively from nearly zero today to 50-100 TWh demand by 2050.

Harnessing excess clean renewable power, converting it into green hydrogen and storing for future use to generate electricity when the wind doesn't blow, or the sun doesn't shine, or demand outstrips supply, is crucial for the UK's Clean Power system, addressing the inherent intermittency of wind and solar. It will remove the current necessity of using natural gas to fill the intermittency gap. This will also help substantially reduce the UK's current £1 billion annual spend on wind turbine curtailment.

Our Mission: Deliver our first UK hydrogen-ready gas storage site by the early 2030s, supporting the transition to net zero by 2050. Our 100% owned subsidiary, UK Energy Storage (UKEn), has been diligently working on a £1 billion underground hydrogen-ready gas storage project in South Dorset for the past four years. If delivered, this will be the UK's largest, with an envisioned maximum annual capacity of up to 30 TWh. A second major site in East Yorkshire aims for an initial 7 TWh annual capacity, with potential expansion to match Dorset's capacity.

Technology: Storage will be via large new-build underground salt caverns, a proven, safe, and cost-effective technology established in the UK since the 1970s. Only three areas in the UK onshore have thick enough underground rock salt deposits for large scale caverns; Dorset, East Yorkshire, and Cheshire. Our proposed sites in South Dorset and East Yorkshire aim to connect to the UK-wide Project Union hydrogen pipeline, integrating into the national Clean Power system.

Strategic Locations: Our two sites are strategically placed within the UK's largest forecast hydrogen demand clusters: the South (including South Wales) and the East Coast/Teesside. Our projects are designed to supply at least ~10% of the forecast maximum NESO 2050 hydrogen storage requirement of 39 TWh. Our Yorkshire site will also help decarbonise the East Coast Cluster, the UK's largest CO_2 emitting region, by enabling the adoption and optimisation of reliable renewable and hydrogen power.

Benefits: Our hydrogen-ready gas storage will provide resilience, flexibility, and security of supply to primary hydrogen clusters, buffering demand spikes and ensuring pipeline stability. This will keep the lights on and support the decarbonisation of the South and East Coast's gas-to-power plants - Drax Power (the UK's and North's largest CO_2 emitter) and Fawley Refinery, the South's largest CO_2 emitter.

We are also exploring early-stage green hydrogen generation opportunities close to our storage projects, leveraging coastal locations for electrolysis, identified off-takers and proximity to proposed new windfarm power landfalls to help underpin and develop the nascent hydrogen economy.

Our Strategy

UKOG aims to build a diverse, sustainable and self-funding energy business which has the following strategic objectives:

Long Duration Energy Storage and Renewables:

1. Hydrogen generation and storage
    - Investigate potential sites for green hydrogen generation, salt cavern storage and hydrogen battery concept.
    - Early stage operated entry through planning permission stages, with possible subsequent strategic partnerships/JV arrangements with large infrastructure players.
    - Strategic partnerships with sector infrastructure and technology specialists.
    - Focus initially on the UK, with international expansion thereafter if commercially viable opportunities arise.
2. UK Energy Diversification - reduce carbon footprint of Company's existing legacy petroleum sites
    - Where viable, implement renewables energy cogeneration plus electrical battery storage by repurposing existing petroleum wells/sites to extend economic life cycle for brownfield sites.
    - Where viable, add new standalone renewables and battery storage for grid/heat export.
    - Investigate replacement of diesel powered off grid mobile power generation

Petroleum:

Balance Risk and Reward

- Maximising return on investment by considering divestment after an asset has been de-risked, where appropriate.
- Ensure safe and compliant operations across our existing sites
- Extend asset life with development of energy transition opportunities such as repurposing to geothermal.
- Decommission at the end of economic life.

UKOG shares its vision and strategy internally through dialogue with its employees and externally to shareholders and stakeholders via public announcements, the Company's website and the Annual Report and Accounts.

Chairman's Statement

We can celebrate a positive end of the financial year as the Company continues its transition from oil and gas explorer to clean energy developer. Following the restoration of trading, the Company successfully raised additional funding and continued its strategic transition towards clean energy, with an increasing focus on hydrogen storage through its wholly owned subsidiary, UK Energy Storage ("UKEn").

This transition includes the completion of plugging and abandonment of Broadford Bridge well, the sale of UKOG GB Ltd and planning for the future of Horse Hill, the field which started the Company on its exploration adventure in 2014.

Our ability to nimbly adjust our strategy has enabled us to adapt to new challenges and set new goals as we move towards achieving an energy storage economy across the UK. We look forward to working with new associates as we build towards our planned Yorkshire and Dorset underground salt cavern hydrogen-ready gas storage sites.

On behalf of the Board, I would like to thank our shareholders for their continued support during this period of transition and our management team for their dedication and focus in delivering against the Company's evolving strategy.

Nicholas Mardon Taylor
Non-Executive Chairman

Chief Executive's Statement

We have established important alliances for the future stability and growth of the Company which will stand us in good stead for 2026 and beyond.

Our 100% owned subsidiary UK Energy Storage ("UKEn") has signed memorandums of understanding with potential pipeline connectors, National Gas and Wales and West Utilities. We view these as essential building blocks towards achieving our mutually shared ambition of creating a joined-up long duration energy storage economy across the UK, both north, south and west.

We look forward to working with National Gas and to the day that their Project Union links seamlessly with UKEn's planned Yorkshire and Dorset storage sites.

In addition, we are working closely with the Dorset Clean Energy Super Cluster ("DCESC") and plan to establish similar connections in East Yorkshire.

With DCESC we had an enjoyable morning in Parliament meeting Energy Minister Michael Shanks MP and five other MPs with an interest in clean energy.

It was encouraging to hear from Mr Shanks that the Department for Energy Security and Net Zero ("DESNZ") have reaffirmed its intention to launch the first transport and storage allocation rounds in Spring 2026. I believe this adds further importance to a discussion on how the Government can deploy these models most effectively to remove market barriers and stimulate private investment.

The meeting with the Minister enabled us to stress that UKEn's Dorset scheme is currently the largest planned hydrogen storage site in the UK and is the sole planned national scale hydrogen storage solution in southern England – critical to supporting the region's clean power grid infrastructure.

We also explained that our Yorkshire scheme is strategically positioned to support the decarbonisation of the UK's highest CO_2 emitting region, the East Coast Cluster, as well as Drax Power – the country's largest single CO_2 emitter.

October 1st 2025 saw the restoration of the Company's trading on AIM following the temporary suspension and subsequent publishing of the annual audited accounts and half-yearly report.

This was followed by four successful placings in October and November 2025, totalling over £5 million, reflecting the keen interest in our energy storage projects. These funds will permit the Company to further accelerate and strengthen the primary technical, economic modelling studies. Additionally, the funding will also assist UKEn in further progressing a potential electrolytic hydrogen generation project in Dorset.

From a financial perspective, the year reflects both the impact of operational and regulatory changes and the Group's strategic transition. Further detail is provided in the Financial Review section.

As part of the Company's strategic transition and increasing focus on hydrogen storage, the Board agreed the disposal of its wholly owned subsidiary, UKOG (GB) Limited. Following approval from the North Sea Transition Authority (NSTA), the disposal became effective on 3 December 2025, subsequent to the reporting date.

In February 2026, as part of the Company's commitment to transitioning into clean energy, it has successfully Plugged and Abandoned (P&A) its Broadford Bridge-1/1z well.

Stephen Sanderson
Chief Executive

Operational Review

Long Duration Energy Storage (LDES) Assets

In October 2025, UK Energy Storage Ltd ("UKEn") has executed Memoranda of Understanding ("MOUs") with National Gas Transmission plc ("National Gas") and Wales & West Utilities Limited ("WWU"), strengthening the strategic positioning of its hydrogen-ready gas storage portfolio. The MOU with National Gas establishes the parties' intent to collaborate on the development of Project Union, the proposed national 100% hydrogen transmission backbone, and its direct connection to UKEn's planned onshore salt cavern hydrogen storage projects in East Yorkshire and South Dorset. The collaboration is intended to support potential joint engagement under the Government's Hydrogen Transport and Hydrogen Storage Business Model ("HT&SBM"), with allocation rounds scheduled to commence in 2026. National Gas recognises the importance of large-scale hydrogen storage in buffering supply and demand and enabling efficient operation of a national hydrogen pipeline system. Project Union's first phase, currently targeted for operation by 2032, is expected to connect the East Coast hydrogen cluster, with envisaged routing also facilitating UKEn's East Yorkshire project. National Gas and UKEn both recognise that UKEn's planned South Dorset storage would be critical to facilitate Project Union's connection to the south, southwest of England and south Wales. The South Dorset project being, to date, the sole planned national scale hydrogen storage node in southern England offering strategic importance for the development of a national hydrogen economy. The south coast location also offers itself a key enabler for potential future maritime import and export to national networks.

In March 2026, UKEn also executed an MOU with WWU, the principal gas distribution network operator for Wales and the South West of England. This MOU provides a framework for collaboration on the development of a future hydrogen pipeline connection between WWU's proposed HyLine South West hydrogen transmission system and UKEn's planned South Dorset hydrogen storage facility. The parties intend to work together to support potential joint applications under the HT&SBM, recognising the need for coordinated development of hydrogen transport and storage infrastructure.

Together, these MOUs demonstrate growing engagement from both national and regional gas network operators and reinforce UKEn's pivotal role as a potential provider of nationally significant hydrogen storage infrastructure, supporting the development of a resilient UK hydrogen economy.

Letters of support for UKEn's hydrogen storage projects in Dorset and East Yorkshire were received during the year from Sumitomo, SGN, RWE and The Solent Cluster. UKEn also became a founding member of the Dorset Clean Energy Super Cluster, centred on Portland Port, and continued an active programme of political and stakeholder engagement.

South Dorset Long Duration Energy Storage (UKEn 100%)

DEEP.KBB GmbH, one of Europe's leading salt cavern design and underground energy storage engineering groups, completed preliminary project design for the Company's proposed new South Dorset underground hydrogen storage facility, located west of Weymouth. The design confirms the suitability of the site for a material scale hydrogen storage project, comprising 24 salt caverns (three clusters of 8 caverns) at a depth of ~1330m below surface. The project is fully in keeping with the Government's Clean Power 2030 ambitions.

The following metrics summarise the design and its advantages versus UKEn's original Portland harbour site ("Portland"):

- The Design comprises 24 caverns at South Dorset providing up to 1.01 billion standard m^3 ("bcm") working hydrogen volume, 12% greater than Portland's 0.9 bcm;
- Calculated hydrogen withdrawal and injection rates at South Dorset could provide up to 2.9 times the annual cycling capacity of Portland, creating a technical maximum annual storage capacity of 30.2 TWh[1]/yr vs Portland's 10.4 TWh[1]/yr, a substantive increase;
- If delivered and operated at full capacity, the site's technical maximum 30.2 TWh[1]/yr annual storage capacity could represent a material proportion of the currently predicted UK 2050 annual hydrogen storage demand of 50-100 TWh[1]/yr[2];
- The design's adoption of a conventional "cushion gas" operating scheme would significantly reduce project development costs (CAPEX) by around 36% compared to Portland, reducing costs by around £450 million to £800 million;
- The design's resultant increased cycling capacity, lower CAPEX and operating costs create potential for a significantly increased future annual revenue base versus Portland and a more competitive submission for government revenue support;
- The site also lies closer to the planned H2 Connect hydrogen trunk pipeline, originally designed to connect South Dorset to the UK hydrogen transmission pipeline system (Project Union) and the main hydrogen clusters in the South, East Coast and Northwest. Latest designs would see the National Gas Project Union pipeline coming directly to this nationally strategic storage facility.

Notes: [1] *TWh = terawatt hours; 1 bcm of pure hydrogen has the energy equivalent of ~3.0 TWh;*
[2] *based upon 2023 National Grid/NESO and Royal Society hydrogen demand predictions as per RNS 27/06 and 21/08/2024.*

The Design's significantly greater injection and withdrawal rates and consequent increased annual energy storage capacity compared to Portland, are a direct consequence of the underlying geology at the location. The Triassic salt is thicker, permitting larger caverns, and lies 1,070m closer to surface at 1,330m versus 2,400m at Portland. The associated lower hydrostatic pressure and temperatures within the salt underlying the Site enable a simple, conventional "cushion gas" scheme to be utilised to provide the minimum necessary cavern working pressure required to maintain cavern integrity.

The cushion gas scheme, as proposed by DEEP.KBB, is a proven technology used in numerous salt caverns in the UK, Europe and USA, offering a much simpler development and operation than the required brine compensation scheme at Portland. The Design's scheme requires no additional brine wells, brine facility or brine pipelines, plus there is only one well per storage cavern versus two for brine compensation.

The Company also continues to review additional strategic Dorset storage locations that further enhance the Dorset portfolio development and optionality.

Portland energy hub (UKEn 100%)

The Company made a strategic decision that it will pursue revenue support only for its more competitive South Dorset and East Yorkshire projects and will no longer pursue the Portland project for storage. This strategic decision has been reflected in the Group's financial statements, with costs directly attributable to the Portland project reviewed and, where no longer meeting the capitalisation criteria under IAS 38, expensed or impaired during the year.

However, given our positive relationship with Portland Port and the role of hydrogen in decarbonising the marine sector, the Company believes that there remain synergies between our South Dorset project and the port. To this end, UKEn and Portland Port executed two Memorandums of Understanding to jointly pursue the following joint venture hydrogen opportunities centred around the Port and UKEn's material scale South Dorset Storage site (see RNS of 28 January 2025):

i. Generation of 1 GW of green hydrogen via import by ship of green hydrogen carrier liquids (and/or compressed green hydrogen) into Portland Port. Produced hydrogen gas to be piped locally into UKEn's nearby South Dorset salt cavern hydrogen storage site and then onwards to the wider UK.

ii.

a. Generation of green hydrogen via electrolysis within Portland Port. Proposed to capture excess 'locally' generated clean renewable (wind/solar) energy in UKEn's South Dorset storage. Stored energy would ultimately be converted to electrical power for future use/demand during low wind/solar periods, thus helping 'cure' the inherent intermittency of renewables (i.e., "a Hydrogen Battery").

b. Hydrogen to power generation within Portland Port. Proposed to meet initial power requirements for UKEn's South Dorset Storage site and its environs.

The company's South Dorset hydrogen projects are now positioned at the core of the ambitious £28 billion Dorset Clean Energy Super Cluster (DCESC), officially launched at UKREiiF in May 2025. With full backing from Dorset Council, the cluster brings together clean hydrogen production and storage, 2 GW of offshore wind in the English Channel, carbon capture and storage (CCS), and the development of a new deepwater facility for wind farm fabrication and maintenance—all centred around Portland Port. The company is actively collaborating with the DCESC team to advance its projects, strengthen stakeholder engagement, and build both regional and national political support.

The Company also continues to review additional strategic Dorset hydrogen production opportunity that further enhance development optionality in the region.

East Yorkshire Hydrogen Storage (UKEn 100%)

The Company is planning a further hydrogen storage project in East Yorkshire, located nearby to the existing SSE Thermal/Equinor Aldbrough gas storage site. Technical studies and land acquisition efforts moving forward in order to mature the project to sufficient levels to achieve the eligibility and assessment criteria for the hydrogen transport and storage business model (HT&SBM) allocation rounds.

The Company is engaging DEEP.KBB to undertake a concept feasibility study for an East Yorkshire development and we look forward to sharing the results once completed.

Petroleum Assets

OG Asset Status Summary

Asset / Licence	Status	Notes	Date of Change
Horse Hill Oil Field (PEDL137 & PEDL246)	Temporarily shut in, still owned	Awaiting new retrospective planning consent following Supreme Court ruling; production to resume if approved, the impairment recognised in 2024	June 2024 (shut-in); submitted at the end of April 2026 PEDL246 Relinquished June 2024
Loxley (PEDL234)	Relinquished	Planning permission upheld, but no farmout secured; licence surrendered, the impairment recognised in 2024	End-June 2025
Broadford Bridge (PEDL234)	Relinquished	Planning extension refused; licence surrendered; commercial negotiations with Ceraphi Energy Ltd for re-purposing surface site to geothermal ongoing, the impairment recognised in 2024. BB1z P&A complete February 2026.	End-June 2025
Horndean Oil Field (PL211, 10%)	Post year end sale	Sold via sale of UKOG (GB) Ltd to Servatec Holdings Ltd, recognised as an asset held for sale under IFRS 5	Q4 2025
Avington Oil Field (PEDL070, 5%)	Post year end sale (shut in)	Included in sale of UKOG (GB) Ltd to Servatec Holdings Limited remains shut-in, recognised as an asset held for sale under IFRS 5	Q4 2025

Horse Hill Oil Field, PEDL137 (UKOG 85.635%)

The field and surrounding licences are operated by UKOG's subsidiary company HHDL in which UKOG has 77.9% ownership. The Licensees are HHDL (65% interest) and UKOG (137/246) Ltd (35% interest).

In June 2024, the Supreme Court ruled that in its 2019 grant of planning consent for the Company's oil production at Horse Hill, Surrey County Council ("SCC") did not request and consider in their assessment an estimate of the end-use carbon combustion emissions of produced hydrocarbons. The ruling now retrospectively requires that the end-use combustion emissions must be included in the development's Environmental Impact Assessment ("EIA") and assessed as part of the grant of planning consent for the development.

Consequently, the Company is working closely with its planning consultants ("Zetland Group") and SCC to rectify the situation, via a new retrospective planning submission, filed at the end of April 2026. During 2025 extensive ecology and environmental background surveys have been undertaken to support the application and the final process of third-party reporting is nearing completion. By agreement with SCC Horse Hill oil production was temporarily shut in pending restoration of planning approval. The asset remains on a care and maintenance basis. On resumption of its profitable production operations the company will assess the future opportunities for Horse Hill, including further production development, from which valuable revenue generation can support the company's transition to clean energy.

At the time of this production shut-in 212,000 bbl of Brent quality crude had been produced and exported from the Portland and Kimmeridge pools.

Following a technical review which determined limited remaining exploration prospectivity, the Company relinquished PEDL 246 effective 30 June 2024, resulting in the cessation of associated licence fees payable to the North Sea Transition Authority.

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

According to the February 2023 Competent Persons Report (CPR), the Loxley discovery was assessed to contain mid-case recoverable 2C Contingent Resources of 31.0 billion cubic feet net to UKOG. The associated net post-tax present values to

UKOG were estimated at £124 million based on 31 December 2022 gas prices, and £87 million using RPS Energy's forward price forecast. Further appraisal and development activities were required to reclassify these resources as Reserves.

In May 2024, UKOG engaged Envoi Limited, a UK-based specialist in oil and gas divestment and project marketing, to facilitate a farmout of up to a 50% working interest in the Loxley project. The objective of the farmout was to secure full funding for the planned Loxley-1 appraisal drilling and testing programme, with UKOG's share of costs to be carried by the farminee(s).

In an increasingly difficult and hostile environment for the UK petroleum sector, notably following the introduction of the petroleum sector policies of the new Labour government, Envoi Limited were unable to find a farminee and no farmout resulted. Consequently, in June 2025 the Company decided to relinquish PEDL234, containing the Loxley and Broadford Bridge discoveries.

Commercial discussions continued with CeraPhi Energy Ltd and the regulators regarding potential for a geothermal energy agriculture project incorporating the Broadford Bridge surface site. Notwithstanding this, in February 2026, as part of the Company's commitment to transitioning into clean energy, it successfully Plugged and Abandoned its Broadford Bridge-1/1z well. The operation, which commenced in late 2025 and finished on 4 February 2026, was carried out in full accordance with all pertinent regulatory requirements, agreed programmes and consents. This milestone confirms the Company's compliance with its regulatory obligations, demonstrating its continued commitment to responsible operations and asset stewardship during its transition into clean energy. West Sussex County Council, the governing local planning authority, were kept fully informed regarding the operation and its progress.

Horndean Oil Field (UKOG 10%)/ Avington Oil Field (UKOG 5%)

UKOG's producing field Horndean located in Hampshire. Horndean reserves have increased as a result of well interventions on the field, as outlined in the Reserves & Resources section.

In line with our strategic move away from fossil fuels, during the year, the Company agreed the sale of its 100%-owned subsidiary UKOG (GB) Limited to Servatec Holdings Limited for a cash consideration of £400,000. This included the minority non-operated interests in two UK onshore petroleum licences, a 10% interest in PL211 and a 5% interest in PEDL070, containing the Horndean and Avington oil fields, respectively. Both licences are located in Hampshire. On 3 December 2025, subsequent to the reporting date, the Group completed the disposal of UKOG (GB) Limited, following receipt of approval from the North Sea Transition Authority ("NSTA"), which constituted the final condition precedent to the transaction.

Kris Bone
Chief Technical Officer

Reserves and Resources

Total aggregate net discovered 2C (mid case) contingent resources and 2P (mid case) reserves now stand at 2.8 mmboe.

Horndean reserves are based on the 2024 Competent Persons Report, as no independent CPR has been prepared for 2025. The Group's interest in Horndean was held within UKOG (GB) Limited, classified as an asset held for sale at 30 September 2025, and was disposed of subsequent to the reporting date.

HH-1 is currently shut-in and remains in contingent resource category, as the company looks to reinstate planning consent. Once the company reinstates planning permission and gets sufficient data it intends to review the HH-1 production decline and attribute reserves to HH-1, thus transferring them from Contingent Resources to Reserves category.

Table 1: Recoverable Reserves mmbbl: Producing Fields, Gross and Net (as of 31 December 2024)

Asset	UKOG % Interest	Gross mmbbl			Net Attributable mmbbl			Operator
		1P	2P	3P	1P	2P	3P	
Horndean [1]	10	0.88	1.01	1.14	0.09	0.10	0.11	Star Energy
TOTAL (mmbbl)					0.09	0.10	0.11	

Notes: [1] *DeGolyer and MacNaughton ("D&M") for Star Energy Jan 2024*

Table 2: Contingent Resources mmbbl/mmboe (i.e., discovered and drill ready recoverable volumes)

	Licence	UKOG %	Gross mmbbl/mmboe				Net Attributable mmbbl/mmboe				Operator
			1C	2C	3C	mean	1C	2C	3C	mean	
Horse-Hill Portland [1]	PEDL137	85.64	0.4	1.3	3.4	1.7	0.4	1.2	2.9	1.5	HHDL
Horse-Hill Kimmeridge [4]	PEDL137	85.64	0.4	1.6	6.1	2.7	0.3	1.4	5.2	2.3	HHDL
Avington [2]	PEDL070	5	0.6	0.8	1.1	0.8	0.03	0.04	0.05	0.04	Star Energy
Horndean [2]	PL211	10	0.3	0.8	1.3	0.8	0.03	0.08	0.13	0.08	Star Energy
TOTAL mmboe							0.8	2.7	8.3	3.9	

Notes: [1] *Xodus June 2018 less Portland production to end Dec 2024, estimates for Horse Hill are deterministic based upon per well recoveries,*
[2] *D&M for Star Energy February 2025, estimates for Horndean and Avington are deterministic, not probabilistic,*
[3] *RPS CPR February 2023, probabilistic based upon range of recovery factors,*
[4] *RPS June 2019*

Health, Safety and the Environment

UKOG is committed to providing, so far as is reasonably practicable, a quality working environment that is safe and one that poses no risks to the health and safety of our employees, contractors, the local community and stakeholders.

The health & safety of employees and the public, and the protection of the environment are core business objectives of UKOG. They rank equally with the company's other business objectives.

Health, safety and environmental ("HSE") risks associated with the business practices of UKOG are addressed through the effective implementation of our HSE Policy, which is designed to ensure that every person who works for UKOG is responsible for ensuring that health and safety is managed in all aspects of our business.

The Company's HSE aspirations are: "get it right, first time, every time with no accidents, no harm to people, the ecology and the environment."

To achieve the identified objectives, we will ensure that all necessary and reasonable resources are made available. We will confirm that objectives are being met by reviewing and reporting on performance and auditing the implementation and operation of UKOG's HSE Management System.

Our full HSE framework is available on our website: http://www.ukogplc.com/page.php?pID=101

Health & Safety Review

UKOG, under our operating subsidiary HHDL, continued production activities at Horse Hill, until production was suspended. Post suspension of production, the site remains under care and maintenance oversight.

The Broadford Bridge-1/1z well plugging and abandonment operations were planned and executed successfully by the team without any health, safety or environmental incidents.

There were no lost time injuries or environmental incidents on any of UKOG's sites during the reporting period or post period. The lost time injury frequency was also zero.

The EA made a number of site visits to both Horse Hill and Broadford Bridge.

UKOG continues to maintain good housekeeping standards on its sites. The Company continuously monitors all its live operations for noise, ensuring noise from its sites is kept to a minimum and is compliant with the levels set by the relevant site planning approval. UKOG only utilises service companies that can demonstrate commitment to our HSE standards.

Community Engagement

Any complaints received are reviewed and responded to. Communication links are in place with the residents close to our sites, who can call UKOG at any time.

The Company meets and communicates regularly with local police to give operational updates where necessary.

Route to Development

UKOG operates within a highly regulated industry, led by the NSTA, a government agency reporting to DESNZ, who among other things are responsible for checking a company's financial and operational competency before issuing a Petroleum Exploration and Development Licence ("PEDL") and other regulatory approvals.

Once a potential site has been identified, UKOG must secure landowner consent and a land lease to operate on the land, before the EA assess any risk to groundwater and air quality, as well as the arrangements for waste management.

In parallel with seeking EA permits, discussions with local planning authorities begin. They in turn seek the views of the local community and statutory consultees. The Health and Safety Executive also regulates and monitors all onshore oil & gas exploration and production activities.

Financial Review

Overview

The financial year ended 30 September 2025 marked a period of strategic realignment for the Group as the Group continued its transition from legacy oil production towards hydrogen storage and clean energy infrastructure. During the year, the Group maintained strict financial discipline while advancing its flagship hydrogen storage projects and actively managing its remaining oil assets.

Subsequent to the year end, the Group strengthened its financial position through the successful raising of £5.0 million of additional funding, which improved short-term liquidity and provided working capital to support ongoing operations and continued advancement of its hydrogen storage strategy. While the Group continues to operate in a net liability position, this post year-end financing has provided additional near-term headroom.

Income Statement

Group revenue for the year amounted to £0.4 million (2024: £1.1 million), generated from crude oil sales at the Horse Hill and Horndean fields.

The reduction in revenue compared with the prior year primarily reflects the temporary suspension of production at the Horse Hill oil field, following the UK Supreme Court ruling requiring the reconsideration of the planning consent and the inclusion of downstream combustion emissions within the Environmental Impact Assessment. Production at Horse Hill was therefore shut-in during November 2024 pending submission of a revised planning application.

Cost of sales totalled £0.4 million (2024: £0.9 million), including depletion, depreciation and amortisation charges of £0.03 million (2024: £0.4 million).

As a result, the Group reported a gross loss of £0.02 million (2024: £0.2 million).

Administrative expenses increased to £2.6 million (2024: £1.7 million), reflecting a year of the Group's strategic transformation and the dual audit process, partially offset by ongoing cost control measures. The increase also includes a charge of £0.5 million (2024: income £1.1million) recognised in respect of the decommissioning provision following a reassessment of estimates during the year.

In addition, the Group recognised a prior period adjustment in respect of the decommissioning provision following a reassessment of the discount rate applied under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Management concluded that the discount rate applied in prior periods was not consistent with IAS 37 and, accordingly, comparative information has been restated in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. This resulted in an increase in the decommissioning provision with a corresponding adjustment to opening reserves. Further details are provided in the note 3 to the financial statements.

During the year, the Group classified UKOG (GB) Limited as an asset held for sale, with disposal completed subsequent to the reporting date. The subsidiary contained the Group's minority non-operated interests in the Horndean and Avington oil fields. The disposal does not represent a discontinued operation, as it does not constitute a separate major line of business or geographical area of operations. Accordingly, the results of these assets were included within continuing operations for the reporting period.

Impairment reviews

As part of the year-end review in 2024, the Group carried out impairment testing of its oil and gas and exploration and evaluation assets in accordance with IFRS. This resulted in significant impairments across a number of legacy oil and gas interests.

The impairments primarily reflected external regulatory and commercial factors beyond the Company's direct control, not adverse geological or operational conditions.

By recognising the Horse Hill impairment in the year ended 30 September 2024, the Board adopted a prudent approach that ensured asset values appropriately reflected the regulatory position and uncertainties existing at that time. Given the planning and regulatory uncertainty prevailing during the 2025 reporting period, no reversal of impairment was recognised, notwithstanding that the Company's assessment of the field's remaining recoverable oil volumes was unchanged from prior periods. This accounting treatment was consistent with applicable accounting standards and the approach to asset valuation while the timing of planning redetermination remained uncertain.

During the year, the Group's decision not to progress the Portland hydrogen storage project prompted a comprehensive review of costs across its hydrogen storage and related energy transition project portfolio. This review identified that certain costs

had been recognised as development expenditure ahead of all of the recognition criteria under IAS 38.57 being met. These costs primarily related to early-stage technical evaluation, feasibility studies and project scoping activities, which should have been classified within the research phase in historic periods and expensed as incurred. Accordingly, the Group has corrected this misclassification as a prior period adjustment in accordance with IAS 8. Amounts of approximately £0.2 million and £0.3 million have been recognised as adjustments to opening retained earnings at 1 October 2023 and 1 October 2024 respectively.

Furthermore, the Group recognised an impairment charge of approximately £0.92 million in respect of intangible assets in the current year. This primarily relates to development expenditure associated with projects that are no longer being progressed, including the Portland project.

Further details of the prior period adjustment are provided in Note 3, and the impairment charge is disclosed within Note 12 Intangible Assets.

Balance Sheet

Non-current assets decreased to £0.3 million at 30 September 2025 (2024: £1.7 million). The reduction primarily reflects the Group's continued rationalisation of its legacy oil and gas portfolio in line with its strategic transition towards hydrogen storage and clean energy infrastructure.

During the year, the Group classified its subsidiary UKOG (GB) Limited as an asset held for sale under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, following the Board's decision to dispose of the entity.

Upon classification as held for sale, the asset was measured at the lower of its carrying amount and fair value less costs to sell. This resulted in the recognition of an impairment charge of £0.11 million, aligning the carrying value of the subsidiary with the expected disposal proceeds.

Subsequent to the reporting date, the disposal completed on 3 December 2025, following receipt of the required approval from the North Sea Transition Authority (NSTA).

The Group's remaining non-current asset base primarily comprises capitalised expenditure relating to the development of hydrogen storage projects and associated technical studies.

Cash Flow and financing

Cash and cash equivalents at the financial year end stood at £0.04 million (2024: £1.0 million), reflecting the Group's continued investment in its transition strategy, the management of legacy assets, and the timing of funding activities during the period. Subsequent to 30 September 2025, the Group successfully raised a further £5.0 million of funding (before expenses). This post-year-end financing has significantly strengthened the Group's liquidity position and provides the financial flexibility required to progress its strategic priorities.

Summary

During the year ended 30 September 2025, UKOG progressed the repositioning of its business towards hydrogen storage. The Group maintained a lean cost base, exited legacy oil exploration activities, and continued to advance its hydrogen storage projects. The Group's activities during the year reflect a clear strategic focus on hydrogen storage as its primary area of future development.

Principal risks and uncertainties

UKOG continuously monitors its risk exposures and reports its review to the board of directors ("The Board"). The Board reviews these risks and focuses on ensuring effective systems of internal financial and non-financial controls are in place and maintained.

Key Risk Areas

The high-risk areas surrounding our existing business is tabulated below; the key areas are Strategic, Operational and Financial.

Risk	Mitigation	Magnitude and likelihood
Strategic risks		
Exposure to political risk, UKOG operates within the United Kingdom and may in future evaluate opportunities in other regions. Even within stable jurisdictions, political, economic and regulatory changes can arise that may impact the Group. Examples include amendments to energy and environmental regulation, changes in taxation policy, evolving planning and permitting requirements, and shifts in government priorities regarding fossil fuels and the energy transition.	Through industry associations and direct contact, the Company engages with Government and other appropriate organisations to ensure the Company is kept abreast of expected potential changes and takes an active role in making appropriate representations.	Magnitude - High Likelihood High
Climate change and energy transition risk – UK net-zero targets and evolving investor, public and regulatory expectations may reduce demand for hydrocarbons and increase climate-related disclosure and operational costs. This may impact asset viability, access to capital and the Group's strategic direction. The Group is actively transitioning its focus towards hydrogen storage, including the development of salt cavern storage projects in South Dorset. However, these projects remain at an early stage and are subject to significant technical, regulatory, planning and funding risks.	The Group is aligning with evolving UK climate policy and stakeholder expectations and is actively developing hydrogen storage.	Magnitude - Low to Moderate Likelihood - Low to Moderate
Operational risks		
Permitting risk, planning, environmental, licensing and other permitting risks associated with our operations particularly with hydrogen storage operations	UKOG is compliant with regulations and is proactive in engagement with regulators, communities and the expertise and experience of the management teams.	Magnitude - Moderate Likelihood - Moderate to High
Oil production may not be resumed or achieved at the anticipated levels from the Group's assets, or production may not be economically viable, particularly in	Production at Horse Hill has been shut-in since November 2024 pending the outcome of planning redetermination. There is no certainty when consent will be reinstated or that production will	Magnitude - High Likelihood - High

light of the current regulatory and planning uncertainties	recommence. The Group continues to evaluate available technical data and maintain cost discipline; however, the timing, level and economic viability of any future production remain uncertain. .	

Operational risks (continued)		
Prices and markets. The Group's financial performance is exposed to fluctuations in the prices of oil, gas and refined products. These prices are driven by international supply and demand dynamics and can be highly volatile. Contributing factors include political developments, increased supply from new oil and gas projects or alternative low-carbon energy sources, technological change, global economic conditions, and public health events.	The Group keeps this risk under review. At this point, the Group continues to review costs where appropriate.	Magnitude - Moderate Likelihood - Moderate to High
Loss of key staff	Provide and maintain competitive remuneration packages to attract the right calibre of staff. Build a strong and unified team.	Magnitude - Moderate Likelihood - Low
Financial risks		
Liquidity risk. The Group is exposed to liquidity risk through its operations, with a material uncertainty regarding its ability to generate and access sufficient funds to meet its obligations as they fall due.	To mitigate this risk, the Group prepares regular cash flow forecasts, closely monitors working capital, and seeks to align expenditure with available resources. The Group also relies on access to external funding, and retains the flexibility to defer or reduce discretionary expenditure where necessary.	Magnitude - High Likelihood - Moderate

Climate-Related Disclosures

The Company acknowledges the increasing relevance of climate-related risks and opportunities to its operations, strategy, and financial position. In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the following narrative summarises the Group's current approach across the four core TCFD pillars: Governance, Strategy, Risk Management, and Metrics & Targets.

Board Oversight

Throughout 2025, the Board retained ultimate responsibility for the oversight of all material risks, including those relating to climate change. The Board periodically reviewed updates from management on environmental and regulatory developments, ensuring climate-related risks were appropriately captured in the risk register and strategic plans.

Management's Role

Management is responsible for implementing the Group's sustainability strategy, assessing emerging risks, and embedding climate considerations into capital allocation and planning decisions. In 2025, this included specific focus on energy transition activities such as hydrogen storage feasibility.

Climate-related Risks and Opportunities

During 2025, the Group continued to monitor the UK's evolving energy policies and investor expectations around decarbonisation. Transition risks, particularly regulatory and reputational, remain relevant to the Group's oil and gas portfolio. In parallel, new opportunities are emerging from the Group's plans to diversify into hydrogen storage, hydrogen production and other low-carbon infrastructure.

Time Horizons

- Short term (1–3 years): Reporting obligations and operational emissions controls.
- Medium term (3–5 years): Strategic pivot toward transitional energy assets.
- Long term (5+ years): Repositioning business model in line with a lower-carbon economy.

Impacts on Strategy and Financial Planning

The business continues to shift its focus from oil & gas projects to broader energy solutions aligned with net-zero objectives.

1. Risk Management

Identification and Assessment

The Group uses a structured risk management framework, updated regularly, to identify and evaluate emerging climate-related risks. These are considered alongside other operational and market risks at management and Board levels.

Management Processes

Mitigation activities include asset diversification, regulatory engagement, and ongoing environmental assessments. In 2025, enhanced emphasis was placed on regulatory compliance related to emissions and energy usage.

Integration into Enterprise Risk Management

Climate-related risks have been embedded within the Group's enterprise risk register and are reviewed at least annually. Specific climate-linked risks are assigned owners and mitigation strategies.

2. Metrics and Targets

Emissions Monitoring

The Group plans to track and report Scope 1 and Scope 2 GHG emissions from its Horse Hill site from 2026. Flaring rates are metered and reported monthly to the NSTA. These have been zero since Horse Hill production was shut in.

Key Targets

- Once Scope 1 and Scope 2 emissions (tCO_2e) are tracked and reported, targets for reduced emissions will be put in place
- Reducing energy use per operating site
- Full environmental permit compliance
- Climate impact in project assessments (where applicable)

Key Performance Indicators (KPIs)

The Group monitors a range of financial and operational key performance indicators (KPIs) to assess performance against strategic goals, ensure efficient operations, and manage risks across its oil and gas portfolio. These KPIs are reviewed regularly by management and the Board to inform decision-making and resource allocation.

Operational KPIs

KPI	Definition	2025	2024	Commentary
Long Duration Energy Storage (Hydrogen) strategy	Progression of the Group's hydrogen storage and energy transition strategy, including project development, partnerships, and infrastructure planning	In progress	Early stage	Advancement of hydrogen storage initiatives, including South Dorset and engagement in regional infrastructure development
Horse Hill planning progress	Advancement of planning status for Horse Hill, including regulatory resubmission and redetermination process	In progress	n/a	Planning resubmission and redetermination ongoing
Broadford Bridge Decommissioning	Completion of abandonment, site restoration	P&A complete	n/a	Decommissioning activities ongoing, P&A complete and restoration works in progress

Financial KPIs

KPI	Definition	2025	2024	Commentary
Revenue	Total oil sales revenue	£0.4m	£1.1m	Reflects lower production at Horse Hill
Operating Loss	Loss from continuing operations	£3.9m	£38.3m	Driven by strategic refocus on hydrogen
Cash Balance (Year-End)	Cash and cash equivalents	£0.04m	£1.0m	Reflects investment in hydrogen storage
Post Year-End funding raised	Gross proceeds from equity raises after year-end	£5.0m	n/a	Strengthened short-term liquidity following year-end

Directors' Section 172 Statement

The following disclosure describes how the Directors have had regard to the matters set out in section 172(1)(a) to (f) and forms the Directors' statement required under section 414CZA of the Companies Act 2006.

The matters set out in section 172(1) (a) to (f) are that a Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers/customers and others;
- the impact of the company's operations on the community and environment;
- the company's reputation for high standards of business conduct; and
- the need to act fairly between members of the company.

As set out above in the Strategic Report the Board remains focused on providing value for shareholders through the long-term success of the Company. The means by which this is achieved is set out further below.

Likely consequences of any decisions in the long term

The statement from the Chairman, the Chief Executive's Statement and the Strategic Review set out the Company's strategy. In applying this strategy, particularly in seeking new projects and developing current ones to deliver reserves and resource growth, the Board assesses the long-term future of our projects and investments with a view to maximise shareholder return. The approach to general strategy and risk management strategy of the group is set out in the Statement of Compliance as set out in the Group's QCA Code disclosures.

Interest of employees

The Group has a very limited number of employees and all have direct access to the Executive Directors on a daily basis and to the Chairman, if necessary. The Group has a formal Employees' Policy manual which includes processes for confidential report and whistleblowing.

Need to foster the Company's business relationships with suppliers/customers and others

The Group continuously interacts with a variety of suppliers and customers important to its success. The Group strives to strike the right balance between engagement and communication. Furthermore, the Company works within the limitations of what can be disclosed to the various stakeholders with regards to maintaining confidentiality of market and/or commercially sensitive information. Our suppliers are fundamental to ensuring that the Group can execute its development and production strategy on time and on budget. Using quality suppliers ensures that as a business we meet the high standards of performance that we expect of ourselves and vendor partners. Our management team work closely with our suppliers, via one-on-one meetings and where possible supplier site visits and facility reviews to ensure our suppliers are able to meet our requirements.

Impact of the Company's operations on the community and environment

The Group takes its responsibility within the community and wider environment seriously. Its approach to its social responsibilities is set out in the Statement of Compliance with the Group's QCA Code disclosures.

The Company's commitment to maintain a reputation for high standards of business conduct

The Directors are committed to high standards of business conduct and governance and have adopted the QCA Code disclosures. Where there is a need to seek advice on particular issues, the Board will consult with its lawyers and nominated advisers to ensure that its reputation for good business conduct is maintained.

The need to act fairly between members of the Company

The Board's approach to shareholder communication is set out in the Statement of Compliance the Group's QCA Code disclosures. The Company aims to keep shareholders fully informed of significant developments in the Group's progress. Information is disseminated through Stock Exchange announcements, website updates and, where appropriate, video-casts.

During 2025, the Company issued numerous stock exchange announcements on operational issues. All information is made available to all shareholders at the same time and no individual shareholder, or group of shareholders, is given preferential treatment.

Corporate Governance

The Company has adopted the QCA Corporate Governance Code (the "QCA Code"), which is considered the most appropriate governance framework having regard to the Company's size, strategy, resources and stage of development. The Board recognises that effective corporate governance is critical to delivering long-term shareholder value and is committed to maintaining a governance framework that supports the Group's strategic transition towards sustainable energy infrastructure.

The ten QCA Code principles applied by the Company are:

1. Establish a strategy and business model which promote long-term value for shareholders
2. Promote a corporate culture that is based on ethical values and behaviours
3. Seek to understand and meet shareholder needs and expectations
4. Take into account wider stakeholder interests, including social and environmental responsibilities
5. Embed effective risk management, internal controls and assurance activities
6. Establish and maintain the Board as a well-functioning, balanced team led by the Chair
7. Maintain appropriate governance structures and ensure directors have the necessary skills and capabilities
8. Evaluate board performance based on clear and relevant objectives
9. Establish a remuneration policy which supports long-term value creation
10. Communicate how the Company is governed and is performing

Application of the QCA code

The Board adopts a pragmatic and outcomes-based approach to governance, ensuring that governance arrangements remain proportionate while providing effective oversight, supporting decision-making and strengthening accountability. The Company provides disclosures in line with the QCA Code within this Annual Report and on its website, and will continue to evolve its governance framework as the Group progresses its strategic transition.

Strategy and business model – QCA Principle One

The Group is an energy company focused on maximising value from its existing oil and gas portfolio while progressing its transition towards sustainable energy infrastructure.

The Company's strategy is built around:

- disciplined management of legacy producing and development assets; and
- advancement of hydrogen storage projects through UK Energy Storage Ltd

This transition reflects the Group's response to the evolving UK energy landscape and the increasing importance of low-carbon energy solutions.

During the year and post period-end, the Group continued to rationalise its portfolio, including the disposal of UKOG (GB) Limited, and progressed strategic initiatives in hydrogen storage.

The Group's risks and mitigation strategies are explained in the Strategic Report.

Corporate culture – QCA Principle Two

The Board promotes a corporate culture based on integrity, accountability and transparency. This is supported by established governance frameworks, including financial controls and regular Board oversight of operational and financial performance.

The Group operates in a highly regulated environment and is committed to maintaining high ethical standards across all activities. The Board sets the tone from the top and monitors adherence through regular reporting, Board discussions and engagement with management.

Policies supporting this culture include internal controls over financial reporting and approval processes, which have been reviewed during the year, with a clear plan in place for further improvements, reflecting the Group's focus on financial discipline.

Shareholder engagement – QCA Principle Three

The Company maintains regular communication with shareholders through:

- Annual and interim reports
- Regulatory announcements
- Direct engagement with investors

Directors are available at the Annual General Meeting to respond to shareholder questions and engage with investors.

The Company also maintains a website where key information is available, including:

- regulatory announcements
- information on the Group's operations and strategy
- details of significant shareholders

The Board recognises the importance of clear and timely communication, particularly during periods of operational change and financial complexity. Shareholder feedback is considered by the Board.

Stakeholder responsibilities – QCA Principle Four

The Group engages with a broad range of stakeholders, including regulators (such as the North Sea Transition Authority), industry partners, local communities, and employees and contractors.

Engagement is undertaken through ongoing regulatory dialogue, project-specific consultations, and operational interactions, ensuring that stakeholder considerations are taken into account in decision-making.

The Board recognises the importance of maintaining strong relationships with stakeholders, particularly in the context of the Group's transition towards lower-carbon energy projects, and seeks to ensure that its activities are conducted responsibly and in compliance with regulatory and environmental requirements.

Risk management, internal controls and assurance – QCA Principle Five

The Group maintains an established risk management framework, under which principal risks are identified, assessed and monitored on an ongoing basis. The Board has overall responsibility for risk management and reviews the Group's risk register regularly, with input from management.

Climate-related risks have been incorporated into the Group's enterprise risk management framework, reflecting the Group's transition towards lower-carbon energy activities. Further details of principal risks and mitigating actions are set out in the Strategic Report.

Audit committee and financial reporting oversight

The Audit Committee supports the Board in fulfilling its responsibilities for financial reporting, internal controls and risk management. The Committee's responsibilities include:

- Reviewing the integrity of the financial statements
- Monitoring the effectiveness of internal control systems

- Overseeing the audit process and auditor independence
- Reviewing significant accounting judgements and estimates

During the year, the Committee focused on key areas of judgement, including:

- Classification of hydrogen-related expenditure between research and development and prior period adjustments
- Decommissioning provisions and discount rate assumptions and prior period adjustments
- Going concern and liquidity assessments

The Committee has considered the findings arising from the audit process and will oversee the implementation of control improvements identified. The Board acknowledges the importance of timely, accurate and well-supported financial information and remains committed to strengthening financial reporting processes and internal controls.

Board composition and balance – QCA Principle Six

The Board comprises a balance of executive and non-executive Directors, bringing an appropriate mix of skills, experience and independence to support the Group's strategy. The Board considers its composition on an ongoing basis to ensure it remains appropriate as the Group evolves, particularly in the context of its transition towards hydrogen and clean energy.

The Board meets regularly to consider strategy, operational performance, financial position and risk, and maintains effective oversight of the Group's activities. Non-executive Directors provide independent challenge and support to management in Board discussions and decision-making.

All Directors are subject to re-election in accordance with the Company's Articles of Association, ensuring accountability to shareholders.

Board skills and governance structures – QCA Principle Seven

The Board possesses a broad and complementary range of skills and experience relevant to the Group's operations and strategic direction, including oil and gas operations, energy transition and infrastructure development, finance and capital markets, and regulatory and governance expertise.

The Board considers that its current composition provides an appropriate balance of technical, financial and commercial expertise to oversee the Group's activities and strategic transition. The Board continues to review its skills and capabilities to ensure it remains aligned with the evolving needs of the business.

The Group has established appropriate structures to support effective decision-making, including the Audit Committee, which assists the Board in overseeing financial reporting, internal controls and risk management. The Board keeps its governance arrangements under review and adapts them as necessary to reflect the size and complexity of the Group.

Board effectiveness – QCA Principle Eight

The Board keeps its effectiveness under regular review and considers the need for formal evaluation processes. The Chair is responsible for ensuring effective Board operation, including:

- Maintaining constructive and open dialogue
- Ensuring appropriate information flows
- Supporting effective decision-making

Board processes include:

- A formal schedule of matters reserved for the Board

- Circulation of comprehensive board papers in advance of meetings
- Accurate recording of decisions and tracking of follow-up actions

The Board recognises the importance of continuous improvement and considers the need for formal evaluation processes, taking into account the size and stage of development of the Group.

Remuneration – QCA Principle Nine

The Company seeks to ensure that remuneration policies are aligned with the long-term success of the Group and the creation of shareholder value. The Board is responsible for determining the remuneration of executive Directors and ensuring that remuneration structures are appropriate for the size and stage of development of the Group.

Remuneration structures are designed to:

- attract and retain individuals with the appropriate skills and experience;
- align management incentives with the Company's strategic objectives; and
- reflect individual performance, responsibilities and contribution to the Group.

The Board keeps remuneration arrangements under review to ensure they remain appropriate in the context of the Group's evolving strategy and financial position. Further details are provided in the Remuneration Report.

Governance and shareholder communication – QCA Principle Ten

The Company communicates its governance framework and performance to shareholders through its Annual and Interim Reports, regulatory announcements and its website.

The Company maintains a dedicated investor relations section on its website, where key governance information is available in accordance with the QCA Code, including details of Board composition, governance structures and policies.

The Board is committed to providing clear, balanced and understandable information to shareholders and ensures that disclosures are reviewed as part of the financial reporting process. The Board continues to enhance its disclosures in line with best practice and the evolving needs of shareholders.

The Board will continue to review its governance arrangements and disclosures to ensure ongoing compliance with the QCA Code and AIM Rule requirements.

Corporate Governance (continued)

Board of Directors

The Board consists of a team of experienced multidisciplinary members who are committed to delivering shareholder value.

Nicholas Mardon Taylor, Non-Executive Chairman

Nicholas Mardon Taylor served as the Chief Financial Officer of Hurricane Energy PLC from May 2012 until January 2016. He has worked in the oil industry for over 35 years, his first involvement in the North Sea being in the early licensing rounds. He was with Hurricane from 2005 to January 2016 when he was the Company's first CFO and was subsequently responsible for the Company's Environmental Management System.

Stephen Sanderson, Chief Executive

Stephen Sanderson joined UK Oil & Gas Plc in September 2014. He was appointed Executive Chairman and Chief Executive in July 2015 and in August 2018 ceded his role as Executive Chairman as part of improvements in corporate governance. A highly experienced petroleum geologist, oil industry veteran and upstream energy business leader, with over 30 years operating experience, Stephen is a proven oil finder and has been instrumental in the discovery of more than 12 commercial conventional fields, including the Norwegian Smorbuk-Midgaard field complex.

Stephen held a variety of senior management roles for ARCO (which was acquired by BP in 2000), Wintershall AG (a subsidiary of German chemical giant BASF) and three junior start-ups. He created and ran successful new exploration businesses in Africa, Europe and South America. He has significant technical and commercial expertise in the petroleum systems of Africa, the North Sea, Norway, onshore UK & Europe, South America, the South Atlantic, Middle East, Asia, India, Australia and the USA. He is a graduate and Associate of the Royal School of Mines, Imperial College, London, a Fellow of the Geological Society of London and a member of the American Association of Petroleum Geologists.

Kris Bone, Chief Technical Officer (Appointed on 1 October 2024)

Kris is a Petroleum and Chemical Engineer with 30 years of international experience spanning the oil, gas and energy-transition sectors. He has a strong track record of leading multidisciplinary technical and operational teams, delivering complex projects across the UK and key global energy regions. His expertise covers subsurface and petroleum engineering, drilling, development and production operations, gas storage, decommissioning and regulatory governance. Kris is recognised for combining deep technical capability with strategic leadership, supporting energy organisations as they navigate the shift toward cleaner, more sustainable and lower-carbon energy systems. He holds a BEng in Chemical Engineering from Newcastle University and an MEng in Petroleum Engineering from Heriot-Watt University. Kris is a Chartered Engineer with the Institution of Chemical Engineers.

Allen D Howard, Non-Executive Director

Allen Howard was Senior Vice President of Houston-based Premier Oilfield Laboratories, having been Chief Operating Officer of well analysis experts Nutech. Allen also held senior positions with Schlumberger. He holds a degree in Chemical Engineering from Texas Tech University and an MBA from Mays Business School in Texas. Allen was appointed as Non-Executive Chairman for UKOG in August 2018, before taking up his current Executive role at the beginning of 2022.

Board and Committee membership at the date of approval of this Annual report

Member	Board Title	Audit Committee Title	Remuneration Committee Title
Stephen Sanderson	Chief Executive		
Allen D Howard	Non-Executive Director	Member	Member
Nicholas Mardon Taylor	Non-Executive Chairman	Chairman (from 1 October 2024)	Chairman (from 1 October 2024)
Kris Bone	Executive Director		

The Board and its Committees

The Board of the Company consists of two Executive Directors and two Non-Executive Directors. The Non-Executive Directors are not considered independent under the QCA Code as they hold options and/or shares in the Company. However, the Board considers that the Non-Executive Directors are independent of management under all other measures and are able to exercise independence of judgement.

The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day-to-day management is devolved to the executive directors, who are charged with consulting the Board on all significant financial and operational matters. The Board retains ultimate accountability for governance and is responsible for monitoring the activities of the executive team.

The roles of Chairman and Chief Executive are split in accordance with best practice. The Chairman has the responsibility of ensuring that the Board discharges its responsibilities. The Chairman is also responsible for the leadership and effective working of the Board, for setting the Board agenda, and ensuring that Directors receive accurate, timely and clear information. No one individual has unfettered powers of decision.

The Chief Executive has the overall responsibility for creating, planning, implementing, and integrating the strategic direction of the Company. This includes responsibility for all components and departments of the business. The Chief Executive ensures that the organisation's leadership maintains constant awareness of both the external and internal competitive landscape, opportunities for expansion, customer base, markets, new industry developments and standards.

The Board met regularly during the year. Tabulated below is the attendance of Board Members during the reporting period.

Board Member	Meetings attended (out of a total possible)
Nicholas Mardon Taylor	8/8
Stephen Sanderson	8/8
Allen D Howard	8/8
Kris Bone	8/8

Audit Committee

The audit committee consists now of Nicholas Mardon Taylor (Chairman) and Allen D Howard. The Audit Committee met twice during the year. Kiran Morzaria resigned on 1 October 2024.

Board member	Meetings attended (out of a total possible)
Nicholas Mardon Taylor	2/2
Allen Howard	2/2

The principal duties and responsibilities of the Audit Committee include:

- Overseeing the Company's financial reporting disclosure process; this includes the choice of appropriate accounting policies
- Monitoring the Company's internal financial controls and assess their adequacy
- Reviewing key estimates, judgements and assumptions applied by management in preparing published financial statements
- Annually assessing the auditor's independence and objectivity
- Making recommendations in relation to the appointment, re-appointment and removal of the company's external auditor
- The Audit Committee is responsible for overseeing the integrity of the Group's financial reporting, the effectiveness of its risk management and internal control framework, and the performance and independence of the external auditors. During the year, the Committee met regularly with management to review key accounting matters, significant judgements and estimates, and to monitor the robustness of the Company's financial controls.

Significant accounting and reporting matters

In considering the Annual Report and Accounts for the year ended 30 September 2025, the Committee focused on areas involving significant judgement and estimation, including the Group's ability to continue as a going concern, impairment assessments, the classification of exploration and evaluation expenditure, and the accounting treatment of hydrogen storage project costs.

During the year, the Group's decision not to progress the Portland hydrogen storage project prompted a comprehensive review of costs across its hydrogen storage and related energy transition project portfolio. This review identified that certain costs had been recognised as development expenditure ahead of all of the recognition criteria under IAS 38.57 being met. These costs primarily related to early-stage technical evaluation, feasibility studies and project scoping activities, which should have

been classified within the research phase in historic periods and expensed as incurred. Accordingly, the Group has corrected this misclassification as a prior period adjustment in accordance with IAS 8. Amounts of approximately £0.2 million and £0.3 million have been recognised as adjustments to opening retained earnings at 1 October 2023 and 1 October 2024 respectively.

Furthermore, the Group recognised an impairment charge of approximately £0.92 million in respect of intangible assets in the current year. This primarily relates to development expenditure associated with projects that are no longer being progressed, including the Portland project. Further details of the prior period adjustment are provided in Note 3, and the impairment charge is disclosed within Note 12 Intangible Assets.

Auditor appointment and independence

PKF Littlejohn LLP were re-appointed as the Group's external auditors for the FY2025 audit. The Committee is satisfied that PKF Littlejohn have performed the audit with appropriate rigour and independence. In line with the UK Corporate Governance Code and the FRC's Ethical Standard, the Committee's policy is that the external audit will be put out to tender at least every ten years, with mandatory audit firm rotation after no more than twenty years. The timing of any future tender will be kept under review to ensure audit quality and continuity are maintained.

Risk management and internal control

The Committee reviewed the effectiveness of the Group's risk management and internal control systems during the year. Reports were received from management on the principal risks facing the business, including funding, commodity price volatility, regulatory approvals, and project delivery. The Committee considered the adequacy of mitigating actions in place and was satisfied that the control framework continued to operate effectively.

Internal and external assurance

Given the Group's current scale, it does not maintain a dedicated internal audit function. Instead, the Committee receives assurance from management's monitoring of financial controls and delegated authorities, from the work of the external auditors. The Committee considered whether the absence of an internal audit function remained appropriate and concluded that the current arrangements provide sufficient assurance at this stage of the Group's development. This position will be kept under review as the Group grows.

The Committee is satisfied that, taken together, these activities provided a sound basis for the Board's confirmation that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable.

Remuneration Committee

The Remuneration Committee consists now of Nicholas Mardon Taylor (Chairman) and Allen D Howard. The Committee met once during the year. Kiran Morzaria resigned on 1 October 2024.

Board member	Meetings attended (out of a total possible)
Allen D Howard	1/1
Nicholas Mardon Taylor	1/1

The principal duties and responsibilities of the Remuneration Committee include:

- Setting the remuneration policy for all Executive Directors
- Recommending and monitoring the level and structure of remuneration for senior management
- Approving the design of, and determining targets for, performance related pay schemes operated by the company and approve the total annual payments made under such schemes
- Reviewing the design of all share incentive plans for approval by the board and shareholders

None of the Committee members have any personal financial interest (other than as shareholders and option holders), conflicts of interest arising from cross-directorships or day-to-day involvement in the running of the business. No director plays a part in any financial decision about his or her own remuneration.

Internal controls

The Board is responsible for establishing and maintaining the Company's system of internal controls and reviewing its effectiveness. The procedures that include financial, operational, health and safety, compliance matters and risk management are reviewed on an ongoing basis.

The Company's internal control procedures include the following:

- Board approval for all significant projects, including corporate transactions and major capital projects;
- The Board receives and reviews regular reports covering both the technical progress of projects and the Company's financial affairs to facilitate its control;
- There is a comprehensive budgeting and planning system for all items of expenditure with an annual budget approved by the Board;
- The Company has in place internal control and risk management systems in relation to the Company's financial reporting process and the Company's process for preparing consolidated accounts. These systems include policies and procedures to ensure that adequate accounting records are maintained, and transactions are recorded accurately and fairly to permit the preparation of consolidated financial statements in accordance with UK-Adopted IAS; and
- The Audit Committee reviews draft annual and interim reports before recommending their publication to the Board. The Audit Committee discusses with the Chief Financial Officer and external auditors the significant accounting policies, estimates and judgements applied in preparing these reports.

The internal control system can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has considered the need for a separate internal audit function but, bearing in mind the present size and composition of the Company, does not consider it necessary at the current time.

UK Bribery Act

UK Oil & Gas Plc has reviewed the appropriate policies and procedures to ensure compliance with the UK Bribery Act. The Company continues actively to promote good practice throughout the Company and has initiated a rolling programme of anti-bribery and corruption training for all relevant employees.

Relations with shareholders

Communications with shareholders are considered important by the Directors. The primary contact with shareholders, investors and analysts is the Chief Executive. Other senior management, however, regularly speak to investors and analysts during the year.

Company circulars and press releases have also been issued throughout the year for the purpose of keeping investors informed about the Company's progress and in accordance with AIM regulations.

The Company also maintains a website (www.ukogplc.com) which is regularly updated and contains a wide range of information about the Company.

Directors' Remuneration Report

This report explains our remuneration policy for Directors and sets out how decisions regarding Directors' pay for the period under review have been taken.

Directors' remuneration policy

The Company's policy is to maintain levels of remuneration sufficient to attract, motivate and retain senior executives.

Executive Director's remuneration currently consists of basic salary, pensions, annual bonus (based on annually set targets) and long-term incentives (to reward long term performance).

The Company seeks to strike an appropriate balance between fixed and performance-related reward so that the total remuneration package is structured to align a significant proportion to the achievement of performance targets, reinforcing a clear link between pay and performance. The performance targets for staff, senior executives and the Executive Directors are each aligned to the key drivers of the business strategy, thereby creating a strong alignment of interest between staff, Executive Directors and shareholders.

The Remuneration Committee will continue to review the Company's remuneration policy and make amendments, as and when necessary, to ensure it remains fit for purpose and continues to drive high levels of executive performance and remains both affordable and competitive in the market.

Remit of the Remuneration Committee

The remit of the Remuneration Committee is provided in the Corporate Governance section.

Share price movements during the year

The share price range during the year was £0.000175 to £0.00035 (2024: £0.000140 to £0.0035).

Current arrangement in financial year

Executive Directors are employed under rolling contracts with notice periods of 12 months or less from the Company. Non-Executive Directors are employed under rolling contracts with notice period of three months, under which they are not entitled to any pension, benefits or bonuses.

During the years ended 30 September 2025 the Directors occupied the following Board positions: Nicholas Mardon Taylor (Non-Executive Chairman), Stephen Sanderson (Chief Executive Officer), Kris Bone (Executive Director, appointed on 1 October 2024), Allen D Howard (Non-Executive Director), The Directors' emoluments for the year were as follows:

2025	Fees and salaries £'000	Bonuses £'000	Pension £'000	Benefits in Kind £'000	Share based payments (*) £'000	Total £'000
Stephen Sanderson	236	-	1	6	-	243
Kris Bone	209	-	1	6	-	216
Allen Howard	18	-	-	-	-	18
Nicholas Mardon Taylor	27	-	-	-	-	27
Total	490	-	2	12	-	504

2024	Fees and salaries £'000	Bonuses £'000	Pension £'000	Benefits in Kind £'000	Share based payments (*) £'000	Total £'000
Stephen Sanderson	313	-	1	-	-	314
Kiran Morzaria	27	-	-	-	-	27
Allen Howard	62	-	-	-	-	62
Nicholas Mardon Taylor	54	-	-	-	-	54
Total	456	-	1	-	-	457

** Share based payments are non-cash remuneration by way of the issue of share options in the company.*

As at 30 September 2025, there were no outstanding long-term incentive awards in the form of share options held by Directors who served during the period, as all such awards had expired during the year.

In accordance with IFRS 2, the lapse of these options does not result in a reversal of previously recognised share-based payment charges, and no further expense has been recognised in the current period.

As at 30 September 2024, the outstanding long-term incentives are set out in the table below.

Share options	At 1 October 2023 No. million	Issued during the year No. million	lapsed / exercised during the year No. million	At 30 September 2024 No. million	Exercise price	Date from which exercisable	Expiry date
Stephen Sanderson	25	-	(25)	-	0.0130	27/09/2020	25/09/2024
Total	25	-	(25)	-			

Share options	At 1 October 2023 No. million	Issued during the year No. million	lapsed / exercised during the year No. million	At 30 September 2024 No. million	Exercise price	Date from which exercisable	Expiry date
Kiran Morzaria	6.5	-	(6.5)	-	0.0130	27/09/2020	25/09/2024
Total	6.5	-	(6.5)	-			

Share options	At 1 October 2023 No. million	Issued during the year No. million	lapsed / exercised during the year No. million	At 30 September 2024 No. million	Exercise price	Date from which exercisable	Expiry date
Allen Howard	5	-	(5)	-	0.0130	27/09/2020	25/09/2024
Total	5	-	(5)	-			

Share options	At 1 October 2023 No. million	Issued during the year No. million	lapsed / exercised during the year No. million	At 30 September 2024 No. million	Exercise price	Date from which exercisable	Expiry date
Nicholas Mardon Taylor	4	-	(4)	-	0.0130	27/09/2020	25/09/2024
Total	4	-	(4)	-			

Report of the Directors

The Directors present their annual report together with the audited consolidated financial statements of the Group for the year ended 30 September 2025.

Business review and future developments

A review of business activities in the year and future developments is outlined in the Chief Executive's Statement, the Statement from the Chairman, and the Operational Review.

Principal activity and business review

The principal activity of the Group is hydrogen storage and exploring for, appraising and developing oil & gas assets.

Results and dividends

Loss on ordinary activities of the Group amounted to £4,098,000 (2024: loss of £38,490,000 restated). The Directors do not recommend the payment of a dividend (2024: £nil). The Company has no plans to adopt a dividend policy in the immediate future.

Principal risks and uncertainties

Information of the principal risks and uncertainties facing the Group is included in the Principal Risks and Uncertainties section of the Strategic Report.

Financial risk management objectives and policies

The Group's principal financial instruments are trade receivables, trade payables, cash at bank, and borrowings. The main purpose of these financial instruments is to fund the Group's operations.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Group's financial instruments is liquidity risk. The Board reviews and agrees policies for managing this risk and this is summarised below.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of equity and its cash resources. Further details of this are provided in the section "Going concern" below and the financial statements.

Key Performance Indicators ("KPIs")

KPIs adopted by the Group are detailed in the KPIs section of the Strategic Report.

Going concern

The accounts have been prepared on a going concern basis.

The Directors note the losses and cash outflows incurred by the Group for the year ended 30 September 2025. In assessing the Group's ability to continue as a going concern, the Directors have prepared detailed cash flow forecasts covering the period to 1 May 2027. These forecasts incorporate assumptions regarding anticipated production levels and operating costs, expected revenue streams, and access to external funding. The Board recognises that forecasts are inherently subject to uncertainty and may be affected by events outside the Group's control.

At 30 September 2025, the Group was in a net liability position. Notwithstanding this, the Directors considered the Group's ability to actively manage its cost base and liabilities, including the timing of payments, working capital management and the deferral of discretionary expenditure where appropriate. Subsequent to the year end, during October and November 2025, the Group successfully raised £5.0 million of funding, materially strengthening its liquidity position. This funding provides additional headroom to support ongoing operations and the continued progression of the Group's Clean Power and hydrogen storage activities.

However, the forecasts remain dependent on a number of key assumptions, including the timing of future revenue generation, and the availability of additional funding if required. As a result, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Nevertheless, after considering the Group's cash flow forecasts, the actions available to management and the post year-end funding raised, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the financial statements for the year ended 30 September 2025 have been prepared on a going concern basis.

Events after the reporting period

Events after the Reporting Period are outlined in Note 26 to the Financial Statements.

Suppliers' payment policy

The Group's policy is to agree payment terms with suppliers in advance and to settle invoices in accordance with those terms. Trade payables at the balance sheet date comprised amounts due within agreed credit terms, a significant proportion of which have been settled subsequent to the year end.

Charitable contributions

During the year, the Group made charitable donations amounting to £Nil (2024 - £Nil).

Substantial shareholdings

As at 31 December 2025, the Company had been notified of the following substantial shareholdings in its ordinary share capital:

Shareholder	Shares	%	Total
Hargreaves Lansdown Asset Mgt (Bristol)	5,819,077,343	15.94	2,933,795,530
Interactive Investor (Manchester)	5,578,437,506	15.28	3,214,513,401
Peel Hunt (London)	3,277,862,687	8.98	823,205,241
Shore Capital Stockbrokers (London)	3,195,125,961	8.75	154,661,040
Halifax Share Dealing (Halifax)	2,603,889,985	7.13	1,448,373,624
MUFG Corporate Markets Trustees (Nominees) Limited (Regional England)	1,824,912,685	5.00	1,824,912,685
IG Markets (London)	1,602,325,862	4.39	433,779,041
AJ Bell Securities (Tunbridge Wells)	1,569,311,762	4.30	943,295,369
Barclays Wealth (London)	1,529,486,653	4.19	794,730,405
Trading 212 (London)	1,318,992,167	3.61	905,435,182
TOTAL	28,319,422,611	77.57	13,476,701,518

Current Board and directors' interests

Nicholas Mardon Taylor	Non-Executive Chairman
Stephen Sanderson	Chief Executive
Allen D Howard	Non-Executive Director
Kris Bone	Executive Director

The directors hold options to purchase new ordinary shares in the Company, details of which are specified in the Remuneration Report. In addition, Stephen Sanderson holds 12,457,310 ordinary shares in the Company.

Annual General Meeting

Notice of the forthcoming Annual General Meeting will be provided separately.

Statement of directors' responsibilities

The Directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. Under Company law the Directors must

not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions. The Company's website is maintained in accordance with AIM Rule 26.

Statement as to disclosure of information to the auditor

As at the date of this report the serving directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- They have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditor are aware of that information.

On behalf of the board

Stephen Sanderson
Director
1 May 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK OIL & GAS PLC

Opinion

We have audited the financial statements of UK Oil & Gas Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent company Statement of Financial Position, the Consolidated and Parent company Statement of Changes in Equity, the Consolidated and Parent company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- The financial statements give a true and fair view of the state of the group and the parent company's affairs as at 30 September 2025 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which describes the uncertainty surrounding a number of key assumptions including the future revenue generation and availability of future funding if required. The group incurred a net loss of £4.09m during the year ended 30 September 2025 and the group is in a £5.68m net liability position. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- a review of budgets and cash flow forecasts covering a period of at least 12 months from the date of approval of the financial statements,
- challenging of management on the basis of preparation and assumptions used within the forecasts and obtaining support for input, together with ascertaining the most recent cash position of the group and company,
- Comparing prior year forecast with actual results to assess historical accuracy;
- Performing sensitivity analysis on the forecasts to assess the impact of changes to key inputs on the Group's ability to operate in the next 12 months after approval of the financial statements;
- Obtaining copies of the bank statements as close to the date of sign off and reconcile to the forecasts provided;
- Performing an assessment of management's identified cash inflows and outflows in the period to assess likelihood of being able to obtain the funds and meet their payment obligations; and
- identifying any subsequent events impacting the going concern assessment.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as a magnitude of misstatement that makes it probable that the economic decisions of a reasonable knowledgeable person, relying on the financial statements, would be charged or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceed materiality for the financial statements as a whole.

Materiality for the group financial statements was set at £91,000 (2024: £75,000). This was calculated based on 2% of total expenses (2024: 2% of gross assets). Total expenses were used as the benchmark for the basis of materiality being the key area of relevance to stakeholders in assessing the financial performance of the group in its early years of production, exploration and hydrogen storage. The previous benchmark is no longer considered appropriate due to the significant impairments processed on the assets and the group moving away from oil and gas exploration. Expenses is considered the most appropriate benchmark and these are where most of the costs being incurred by the group are taking place whilst this transition is taking place. The basis for the calculation of materiality for the Parent company financial statements was 2% of total expenses being £51,000 (2024: £48,000 3.5% of adjusted loss before tax). The key driver for users of the Parent's financial statements are the expenses being incurred.

We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality for the group and Parent company was set at £59,000 (2024: £48,000) and £33,000 (2024: £30,000) respectively, being 65% of materiality for the financial statements as a whole.

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £4,550 (2024: £3,500) for group and £2,550 (2024: £2,400) for Parent company. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit approach, we determined materiality and assessed risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgements made by management, including, the carrying amount and valuation of intangible assets, the carrying value and recoverability of investments and intra-group receivables. Procedures were then performed to address the risks identified and for the most significant assessed risks of misstatement, the procedures performed are outlined below in the key audit matters section of this report. We re-assessed the risks throughout the audit process and concluded that the scope remained in line with that determined at the planning stage of the audit.

An audit was performed on the financial information of the group’s full and specific components which, for the year ended 31 December 2025.

As a result of our materiality and risk assessments, we determined which components required a full scope audit of their financial information with consideration to their significance to the group, based on their contribution to overall expenses, the presence of material classes of transactions and account balances, and other risk characteristics. On this basis, two components (2024: two components) required a full scope audit of their financial information. Five (2024: five) components were subject to a specific scope audit whereby procedures were performed on one or more classes of transactions, account balances or disclosures. The remaining three (2024: three) components were not in scope due to the nature and conditions present in each component, and lack of material classes of transactions, account balances, and disclosures.

We did not rely on the work of any component auditors.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of

the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Carrying value of the development assets (Note 12)	
The group accounts for development assets in accordance with the requirements of International Accounting Standard 38: Intangible Assets. Expenditure on research activities are recognised as an expense in the period in which it is incurred. Development expenditure is capitalised only when it meets the recognition criteria under IAS 38, including the demonstration of technical feasibility, intention and ability to complete the asset, and availability of resources to do so. There is a risk that development costs are incorrectly valued or need to be impaired. This risk is classed as a Key Audit Matter given that management's assessment on the treatment and classification, valuation of the recoverable amount and review for indicators of impairment may be subject to significant judgements and estimates and is one of the most significant balances on the statement of financial position.	Our work in this area included: • Vouching a sample of additions in the period to supporting documentation and ensuring they have been capitalised in line with the requirements of IAS 38; • Reviewing management's assessment of costs capitalised and assessing these against the relevant IAS 38 criteria; • Reviewing management's impairment assessment and performing an independent assessment to ascertain whether indicators of impairment exist under IAS36; and • Assessing whether the disclosures made in the financial statements in relation to critical accounting estimates and judgments are adequate and in line with our understanding of the group and its activities.
Carrying value of investments and recoverability of intercompany balances (Parent company) (Notes 12, 13 and 14)	
The investments held by UKOG Plc in its subsidiary entities are valued at £197k at the year end. At the end of each year the Directors carry out an impairment review of the Company's investment in subsidiaries by applying the same assumptions and considerations used for the impairment review of producing assets in the case of UKOG (GB) Limited and impairment review of development assets in UK Energy to assess their net asset value and ultimate recoverability of investments and intercompany balances. There is a risk that these investments in subsidiaries are not recorded accurately as there have been historic impairments of investments.	Our work in this area included: • Agreeing investment holdings to supporting documentation to support the ownership as at year end; • Obtaining loan agreements and verifying repayment terms where applicable; • Reviewing impairment assessments for indicators of impairment and reviewing the net asset positions of any counterparties that have not yet paid to assess their ability to repay balances outstanding; and • Reviewing the disclosures and confirming they are in line with the accounting framework.

There is a risk of material misstatement around the recoverability of significant related party loan balances. This risk is classed as a KAM given that management's valuation and classification of investments are subject to significant judgements and estimates.	

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from:
    - Companies Act 2006
    - UK adopted International Accounting Standards
    - Employment Law
    - Bribery Act 2010
    - Tax legislation
    - Health and Safety legislation
    - Environmental law
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included, but were not limited to:
    - enquiries of management
    - review of RNS announcements
    - review of board and other committee minutes
    - review of legal correspondence
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to revenue recognition, the impairment of the carrying value of development assets and investments in subsidiaries. We addressed this by challenging the assumptions and judgements made by management when auditing them. We did not identify any significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

30 Churchill Place
Canary Wharf
London E14 5RE

Financial Statements

Consolidated statement of comprehensive income for year ended 30 September 2025

	Notes	30 Sep 2025 £'000	30 Sep 2024 (restated)* £'000
REVENUE	7	432	1,110
Cost of sales			
Depletion, Depreciation and Amortisation		(29)	(387)
Other Cost of Sales		(423)	(912)
Gross loss		(20)	(189)
Operating expenses			
Administrative expenses		(2,636)	(1,716)
Impairment of oil and gas assets	13	(121)	(3,603)
Impairment of exploration and evaluation assets	12	(227)	(32,544)
Impairment of development assets	12	(920)	(266)
Other income		29	-
Foreign exchange gain		-	1
Operating loss	6	(3,896)	(38,318)
Net finance cost	9	(202)	(172)
Loss before taxation		(4,098)	(38,490)
Taxation	10	-	-
Retained loss for the year		(4,098)	(38,490)
Retained loss attributable to			
Equity holders of the Parent		(3,757)	(37,750)
Non-Controlling Interests		(341)	(739)
Total Comprehensive Loss		(4,098)	(38,490)

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

All operations are continuing.

	Note	Pence	Pence (restated)
Earnings per share			
Basic and diluted	11	(0.043)	(0.87)

The accompanying accounting policies and notes form an integral part of these financial statements.

** The comparative information has been restated. Details of the prior period restatement are set out in Note 3.*

Consolidated statement of financial position as at 30 September 2025

	Notes	30 Sep 2025 £'000	(Restated)* 30 Sep 2024 £'000	(Restated)* 30 Sep 2023 £'000
ASSETS				
Non-current assets				
Exploration and evaluation assets	12	-	-	31,704
Development assets	12	335	999	1,266
Oil & Gas properties	13	-	693	2,276
Property, Plant & Equipment	13	2	13	1,439
Total non-current assets		**337**	**1,705**	**36,685**
Current assets				
Assets held for sale	25	601	-	-
Inventory	15	-	2	18
Trade and other receivables	16	166	614	754
Cash and cash equivalents	17	32	1,039	1,868
Total current assets		**799**	**1,655**	**2,640**
Total assets		**1,136**	**3,361**	**39,325**
LIABILITIES				
Current liabilities				
Liabilities associated with assets held for sale	25	(201)	-	-
Trade and other payables	18	(1,569)	(1,268)	(635)
Borrowings	19	(3,462)	(3,310)	(4,784)
Total current liabilities		**(5,231)**	**(4,578)**	**(5,419)**
Non-current Liabilities				
Provisions	20	(1,591)	(1,254)	(1,451)
Total non-current liabilities		**(1,591)**	**(1,254)**	**(1,451)**
Total liabilities		**(6,822)**	**(5,832)**	**(6,869)**
Net (liabilities) / assets		**(5,684)**	**(2,471)**	**32,456**
Equity				
Share capital	21	14,853	14,846	13,808
Share premium account		114,643	113,766	110,915
Own shares held in trust		(326)	(326)	-
Share based payment and other reserve	22	-	82	2,039
Accumulated losses		(132,453)	(128,778)	(92,984)
		(3,283)	**(410)**	**33,778**
Non-controlling interest		(2,401)	(2,061)	(1,322)
Total shareholders' equity		**(5,684)**	**(2,471)**	**32,456**

The accompanying accounting policies and notes form an integral part of these financial statements. These financial statements were approved by the Board of Directors on 1 May 2026 and are signed on its behalf by:

Stephen Sanderson
Director

Allen Howard
Director

** The comparative information has been restated. Details of the prior period restatement are set out in Note 3.*

Company statement of financial position
as at 30 September 2025

	Notes	30 Sep 2025 £'000	(Restated)* 30 Sep 2024 £'000	(Restated)* 30 Sep 2023 £'000
ASSETS				
Non-current assets				
Exploration and evaluation assets		-	-	527
Development assets	12	152	353	490
Investment in subsidiary companies	14	197	197	26,242
Property, Plant and Equipment	13	2	5	1,412
Total non-current assets		**351**	**556**	**28,671**
Current assets				
Trade and other receivables	16	407	617	172
Loans to subsidiary companies	16	1,464	1,282	13,157
Cash and cash equivalents	17	15	751	497
Total current assets		**1,886**	**2,649**	**13,826**
TOTAL ASSETS		**2,237**	**3,205**	**42,497**
LIABILITIES				
Current liabilities				
Loans from subsidiary companies	18	(410)	(264)	-
Trade and other payables	18	(1,166)	(657)	(254)
Borrowings		-	-	(1,540)
Total Current Liabilities		**(1,576)**	**(922)**	**(1,794)**
TOTAL LIABILITIES		**(1,576)**	**(922)**	**(1,794)**
Net Assets		**661**	**2,283**	**40,703**
Shareholders' Equity				
Share capital	21	14,853	14,846	13,808
Share premium account		114,643	113,766	110,915
Share based payment and other reserves		-	82	2,039
Accumulated losses		(128,834)	(126,411)	(86,059)
Total shareholders' equity		**661**	**2,283**	**40,703**

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The parent company loss for the year was £2,505,000 (2024: loss £42,309,000).

These financial statements were approved by the Board of Directors on 1 May 2026 and are signed on its behalf by:

Stephen Sanderson
Director

Allen Howard
Director

Registered number: 052126625

The accompanying accounting policies and notes form an integral part of these financial statements.

** The comparative information has been restated. Details of the prior period restatement are set out in Note 3.*

Consolidated statement of changes in equity for the year ended 30 September 2025

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Own shares held in trust	Accumulated losses £'000	Total £'000	Non-controlling Interests £'000	Total £'000
Balance at 30 September 2023 (as previously stated)	13,808	110,915	2,039	-	(92,753)	34,009	(1,322)	32,687
Prior period adjustment*					(231)	(231)		(231)
Balance at 30 September 2023 (restated)	13,808	110,915	2,039	-	(92,984)	33,778	(1,322)	32,456
Loss for the year (restated)	-	-	-	-	(37,750)	(37,750)	(739)	(38,490)
Total comprehensive income (restated)	-	-	-	-	(37,750)	(37,750)	(739)	(38,490)
Issue of shares	682	1,967		(326)	-	2,324	-	2,324
Share options expiry	-	-	(1,957)	-	1,957	-	-	-
Loan conversion	356	884	-	-	-	1,240	-	1,240
Total transactions with owners	1,038	2,852	(1,957)	(326)	1,957	3,564	-	3,564
Balance at 30 September 2024 (restated)	14,846	113,766	82	(326)	(128,778)	(410)	(2,061)	(2,471)
Loss for the year	-	-	-	-	(3,757)	(3,757)	(341)	(4,098)
Total comprehensive income	-	-	-	-	(3,757)	(3,757)	(341)	(4,098)
Issue of shares	7	877	-	-	-	884	-	884
Warrants expired	-	-	(82)	-	82	-	-	-
Total transactions with owners	7	877	(82)	-	82	884	-	884
Balance at 30 September 2025	14,853	114,643	-	(326)	(132,453)	(3,283)	(2,401)	(5,684)

* *The comparative information has been restated. Details of the prior period restatement are set out in Note 3.*

Company statement of changes in equity for the year ended 30 September 2025

	Share capital £'000	Share premium £'000	Share based payment reserve £'000	Accumulated losses £'000	Total £'000
Balance at 30 September 2023 (as previously stated)	13,808	110,915	2,039	(85,910)	40,852
Prior period adjustment	-	-	-	(149)	(149)
Balance at 30 September 2023 (restated)	13,808	110,915	2,039	(86,059)	40,703
Loss for the year (restated)	-	-	-	(42,309)	(42,309)
Total comprehensive income (restated)	-	-	-	(42,309)	(42,309)
Issue of shares	682	1,967	-	-	2,649
Loan conversion	356	884	-	-	1,240
Share options expired	-	-	(1,957)	1,957	-
Total transactions with owners	1,038	2,851	(1,957)	1,957	3,889
Balance at 30 September 2024 (restated)	14,846	113,766	82	(126,411)	2,283
Loss for the year	-	-	-	(2,505)	(2,505)
Total comprehensive income	-	-	-	(2,505)	(2,505)
Issue of shares	7	877	-	-	884
Shares held in trust	-	-	-	-	-
Warrants expired			(82)	82	-
Total transactions with owners	7	877	(82)	82	884
Balance at 30 September 2025	14,853	114,643	-	(128,834)	661

* *The comparative information has been restated. Details of the prior period restatement are set out in Note 3.*

Consolidated statement of cash flow
for the year ended 30 September 2025

	2025 £'000	*(Restated)** 2024 £'000
Cash flows from operating activities		
Loss before tax	(4,098)	(38,490)
Impairment of exploration and evaluation assets	227	32,544
Depletion & impairment of oil and gas assets	150	3,990
Impairment of development assets	920	266
Movement in decommissioning provision (Note 20)	449	(1,119)
Inventories	-	16
Decrease in Trade & other receivables	425	140
Increase in Trade & other payables	340	633
Finance costs	202	172
Adjustment for non-cash operating income	-	13
Net cash outflow from operating activities	(1,386)	(1,835)
Cash flows from investing activities		
Expenditures on exploration & evaluation and development assets	(483)	(840)
Expenditures on oil & gas properties	(9)	(61)
Expenditures on plant, property & equipment	(7)	(2)
Net cash outflow from investing activities	(499)	(903)
Cash flows from financing activities		
Proceeds from issue of share capital	884	2,342
Repayment of convertible loan	-	(330)
Repayment of shareholders loan	-	(103)
Net cash inflow from financing activities	884	1,909
Net change in cash and cash equivalents	(1,001)	(829)
Cash and cash equivalents at beginning of the period	1,039	1,868
Cash and cash equivalents at end of the period	38**	1,039

* *The comparative information has been restated. Details of the prior period restatement are set out in Note 3.*

** *Includes £6k of cash balances classified within assets held for sale (see Note 25).*

Company statement of cash flow
for the year ended 30 September 2025

	2025 £'000	(Restated)* 2024 £'000
Cash flows from operating activities		
Loss before tax	(2,505)	(42,309)
Depletion & impairment	551	40,214
E&E impairment	195	788
Decrease in trade & other receivables	210	(143)
Increase in trade & other payables	506	404
Interest income	-	(903)
Adjustment for non-operating income	(13)	1
Net cash outflow from operating activities	(1,056)	(1,948)
Cash flows from investing activities		
Expenditure on E&E and development assets	(350)	(261)
Expenditures on property, plant & equipment	-	(2)
Loan (to) / from subsidiaries	(213)	484
Net cash (outflow)/inflow from investing activities	(563)	221
Cash flows from financing activities		
Proceeds from issue of share capital	884	2,342
Repayment of convertible loan	-	(330)
Loan transaction fees		(30)
Net cash inflow from financing activities	884	1,982
Net change in cash and cash equivalents	(736)	254
Cash and cash equivalents at beginning of the period	751	497
Cash and cash equivalents at end of the period	15	751

* *The comparative information has been restated. Details of the prior period restatement are set out in Note 3.*

Notes to the Financial Statements

1. Corporate information

The consolidated financial statements of UK Oil & Gas Plc (the Company) and its subsidiaries (collectively, the Group), for the year ended 30 September 2025 were authorised for issue by the directors on 1 May 2026. UK Oil & Gas Plc (the Company & parent) is a public limited company incorporated in England and Wales under the UK Companies Act and listed on the Alternative Investment Market (AIM). The registered office is located at The Broadgate Tower, 20 Primrose Street, London EC2A 2EW.

The Group is engaged in oil production and oil & gas exploration and evaluation (see Note 5) and salt cavern hydrogen storage projects in South Dorset and East Yorkshire. Information on the Group's structure is provided in Note 14 and information on other related parties is provided in Note 27.

2. Principal accounting policies

a) Basis of preparation

The consolidated financial statements of the UK Oil & Gas Plc (the Company) and subsidiaries (the Group) have been prepared in accordance with UK- Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 as they apply to the Group for the year ended 30 September 2025.

The accounting policies have been applied consistently throughout the preparation of these financial statements, the financial report is presented in Pound Sterling (£) and all values are rounded to the nearest thousand pounds (£'000) unless otherwise stated. The consolidated financial statements provide comparative information in respect of the previous period.

Subsidiary undertakings exempt from audit
UK Oil & Gas Plc has guaranteed the liabilities of the subsidiaries listed below under section 479A of the Companies Act 2006 in respect of the year ended 30 September 2025.

- UK Energy Storage Ltd – 14108327
- UKOG (234) Ltd – 07055133
- UKOG (GB) Limited – 04050227
- UKOG (137/246) Holdings Ltd – 09010542
- UKOG (137/246) Ltd – 06807023
- UK Oil & Gas Investments Ltd – 11252712
- UKOG (Turkey) Ltd – 10212262
- UK Geothermal Ltd – 13386906

New and amended standards and interpretations
There is no material impact on the financial statements following the adoption of new standards and interpretations.

New and amended standards, and interpretations issued and effective for the financial year beginning 1 October 2024
There were no new standards, amendments or interpretations effective for the first time for periods beginning on or after 1 October 2024 that had a material effect on the Group or Company financial statements.

New standards, amendments and interpretations in issue but not yet effective

At the date of approval of these financial statements for the year ended 30 September 2025, the following standards and amendments had been issued by the International Accounting Standards Board ("IASB") but were not yet effective for the period and have not been early adopted by the Group:

- Amendments to IFRS 9 and IFRS 7 *Financial Instruments: Classification and Measurement*
  (effective for annual periods beginning on or after 1 January 2026).
  These amendments modify certain requirements relating to the classification, derecognition, presentation and disclosure of financial instruments.
- IFRS 18 *Presentation and Disclosure in Financial Statements*
  (effective for annual periods beginning on or after 1 January 2027).
  This new standard will replace IAS 1 and introduces revised presentation and disclosure requirements, including new defined subtotals in the statement of profit or loss.

- IFRS 19 *Subsidiaries without Public Accountability: Disclosures*
  (effective for annual periods beginning on or after 1 January 2027).
  This standard permits eligible subsidiaries to apply reduced disclosure requirements while continuing to apply full IFRS recognition and measurement principles.

The Directors do not expect the adoption of these standards and amendments to have a material impact on the Group's consolidated financial statements, although additional disclosures may be required in future periods.

b) Going concern

The accounts have been prepared on a going concern basis.

The Directors note the losses and cash outflows incurred by the Group for the year ended 30 September 2025. In assessing the Group's ability to continue as a going concern, the Directors have prepared detailed cash flow forecasts covering the period to 1 May 2027. These forecasts incorporate assumptions regarding anticipated production levels and operating costs, expected revenue streams, and access to external funding. The Board recognises that forecasts are inherently subject to uncertainty and may be affected by events outside the Group's control.

At 30 September 2025, the Group was in a net liability position. Notwithstanding this, the Directors considered the Group's ability to actively manage its cost base and liabilities, including the timing of payments, working capital management and the deferral of discretionary expenditure where appropriate. Subsequent to the year end, during October and November 2025, the Group successfully raised £5.0 million of funding, materially strengthening its liquidity position. This funding provides additional headroom to support ongoing operations and the continued progression of the Group's Clean Power and hydrogen storage activities.

However, the forecasts remain dependent on a number of key assumptions, including the timing of future revenue generation, and the availability of additional funding if required. As a result, these conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Nevertheless, after considering the Group's cash flow forecasts, the actions available to management and the post year-end funding raised, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the financial statements for the year ended 30 September 2025 have been prepared on a going concern basis.

c) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. All intercompany transactions and balances between Group companies, including unrealised profits arising from them, are eliminated in full.

At 30 September 2025, the Group comprised the Company and entities controlled by UK Oil & Gas Plc (its subsidiaries) (Note 14).

d) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

e) Joint arrangements

Some of the Group's licence interests are held jointly with others under arrangements whereby unincorporated and jointly controlled ventures are used to explore, evaluate and ultimately develop and produce from its oil & gas interests. The Group's share of assets, liabilities, income and expenditure of these joint operations, have been classified in the appropriate balance sheet and income statement headings, except where its share of such amounts remain the responsibility of another party in accordance with the terms of carried interests.

When the Group, acting as an operator or manager of a joint arrangement, receives reimbursement of direct costs recharged to the joint arrangement, such recharges represent reimbursements of costs that the operator incurred as an agent for the joint arrangement and therefore have no effect on profit or loss.

f) Revenue

Revenue comprises the invoiced value of goods and services supplied by the Group, excluding value added tax and trade discounts. Revenue is recognised when control passes to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. In the case of oil and petroleum products, this generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism.

Revenue from the production of oil, from fields in which the Group has an interest with other producers, is recognised based on the Group's working interest and the terms of the relevant production sharing contracts. Differences between oil lifted and sold and the Group's share of production are not significant.

g) Intangible exploration and evaluation assets

The Group accounts for exploration and evaluation costs in accordance with the requirements of IFRS 6 Exploration for and Evaluation of Mineral Resources as follows:

- Pre-licence costs (costs incurred prior to obtaining the legal rights to explore an area) are expensed immediately to the Income Statement.
- Exploration licence and leasehold land and property acquisition costs are capitalised in intangible assets.
- Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.
- Costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and consumables, drilling (including coring and sampling), evaluation of technical feasibility and commercial viability (including appraisal drilling and production testing).

Exploration and evaluation assets are assessed for impairment at each reporting date, before reclassification and whenever facts and circumstances suggest that they may be impaired. If no future activity is planned, the licence has been relinquished or has expired, or where development is likely to proceed but there are indications that the exploration and evaluation asset costs are unlikely to be recovered in full either by development or through sale, the carrying value of the asset is written off to the Income Statement.

h) Property, plant and equipment - oil & gas properties

Oil & gas properties are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, 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. The capitalised value of any associated finance lease is also included within property, plant and equipment.

Oil & gas properties are depreciated/amortised on a unit-of-production basis over the total proved developed and undeveloped reserves of the field concerned. The unit-of-production rate calculation for the depreciation/amortisation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

The Group's interests in oil & gas properties are assessed for indicators of impairment including events or changes in circumstances which indicate that the carrying value of an asset may not be recoverable. Any impairment in value is charged to the Income Statement.

Other property, plant and equipment
Other property, plant and equipment is stated at cost to the Group less accumulated depreciation. These assets are generally depreciated on a straight-line basis over their estimated useful lives, depending on the type of asset.

Decommissioning assets
A decommissioning asset is recognised in the appropriate category of the Group's non-current assets (intangible exploration and evaluation assets and property, plant and equipment) depending on the underlying accounting treatment for the operations or asset leading to the associated decommissioning provision. The asset is assessed for impairment as necessary and otherwise depleted on a straight-line basis over the estimated period to future removal of production facilities or site restoration.

i) Intangible assets

Intangible assets are recognised at cost less accumulated amortisation and impairment losses.

The Group's hydrogen storage projects are currently in the development phase and are not amortised until the assets are available for use.

Development expenditure is capitalised as an intangible asset only when the criteria set out in IAS 38.57 are met.

- Technical feasibility of completing the asset
- Intention to complete and use or sell the asset
- Ability to use or sell the asset
- Probable future economic benefits
- Availability of adequate technical, financial and other resources
- Ability to reliably measure the expenditure attributable to the asset

Where these criteria are not fully satisfied, costs continue to be expensed as incurred.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives and are assessed for impairment whenever there is an indication that the carrying amount may not be recoverable.

Where management determines that an intangible asset has an indefinite useful life, the asset is not amortised but is tested annually for impairment, or more frequently if indicators of impairment arise.

j) Decommissioning provisions

A provision for decommissioning is recognised where a liability for the removal of production facilities or site restoration exists. Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

k) Segmental information

An operating segment is a distinguishable component of the Group that is involved in oil production, oil exploration or related activities, within a particular economic environment, which is subject to risks and rewards that are different from those of other segments.

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

l) Financial instruments

Financial assets
Financial assets are divided into the following categories: loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which they were acquired, and are recognised when the Group becomes party to contractual arrangements. Both loans and receivables and available for sale financial assets are initially recorded at fair value.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade receivables, most other receivables and cash and cash equivalents fall into this category of financial assets. Loans

and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the income statement.

Cash and cash equivalents comprise cash on hand and short-term deposits. Any interest earned is classified as interest income within finance income.

A financial asset is derecognised only where the contractual rights to the cash flows from the asset expire or the financial asset is transferred, and that transfer qualifies for derecognition. A financial asset is transferred if the contractual rights to receive the cash flows of the asset have been transferred or the Group retains the contractual rights to receive the cash flows of the asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

A financial asset that is transferred qualifies for derecognition if the Group transfers substantially all the risks and rewards of ownership of the asset, or if the Group neither retains nor transfers substantially all the risks and rewards of ownership but does transfer control of that asset.

Financial liabilities

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial liabilities initially recognised at fair value less transaction costs and thereafter carried at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement. A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

Impairment of financial assets

At the end of each reporting period, a provision is made if there is sufficient evidence that a financial asset or group of financial assets has been impaired. Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

m) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of materials is the purchase cost, determined on first-in, first-out basis. The cost of crude oil and refined products is the purchase cost, the cost of refining, including the appropriate proportion of depreciation, depletion and amortisation and overheads based on normal operating capacity, determined on a weighted average basis. The net realisable value of crude oil and refined products is based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

n) Taxation

The tax charge includes both current and deferred tax.

Current tax assets and liabilities are measured at the amount expected to be paid to or received from the tax authorities, calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Taxable profits or losses differ from the reported profit or loss before taxation in the Income Statement as it excludes items that are taxable or deductible in different periods, as well as items that are never deductible or taxable.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

No deferred tax liability was recognised as the Group has substantial brought-forward ring-fence and supplementary charge losses. These are offsetable against future tax liabilities and offsetable with the same tax authority. PPE are in entities that have the losses and any tax base differences have merely been recognised as unrecognised deferred tax losses.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

o) Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or 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).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances, employees may provide services in advance of the grant date, and therefore the grant-date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

p) Equity

Equity comprises the following:

- "Share capital" representing the nominal value of equity shares.
- "Share premium" representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Share based payment reserve" represents the value of equity benefits provided to employees and directors as part of their remuneration and provided to consultants and advisors hired by the Group from time to time as part of the consideration paid.
- "Accumulated losses " represents retained profits and (losses).
- "Own shares held in trust" represents shares held by Employee Benefit Trust

q) Employee Benefit Trust (EBT)

The Company has established an Employee Benefit Trust ("EBT") to facilitate the operation of its employee share incentive schemes. In accordance with IFRS 10 Consolidated Financial Statements, the EBT is consolidated as it is considered to be controlled by the Company. The assets, liabilities, income and expenses of the EBT are therefore included in the consolidated financial statements on a line-by-line basis.

Own shares of the Company held by the EBT are presented as a deduction from equity within "Own shares held in trust". No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments by the EBT. Transactions of the EBT relating to the Company's own shares are accounted for directly in equity.

r) Foreign currencies

The consolidated financial statements are presented in UK pound sterling, the functional currency of the Group. Transactions in other currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Non-monetary items that are

measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the profit or loss in the period in which they arise. Exchange differences on non-monetary items are recognised in other comprehensive income to the extent that they relate to a gain or loss on that non-monetary item taken to other comprehensive income, otherwise such gains and losses are recognised in the income statement. The Group and Company's functional currency and presentational currency is Sterling.

s) Assets held for sale (IFRS 5)

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and the asset (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets. Classification as held for sale requires that the sale is highly probable, management is committed to a plan to sell the asset, and the sale is expected to be completed within twelve months from the date of classification.

Assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss arising on classification as held for sale is recognised immediately in the income statement. Once classified as held for sale, depreciation, depletion and amortisation cease.

Where an asset held for sale forms part of a disposal group, the assets and liabilities of the disposal group are presented separately within the statement of financial position. Gains or losses arising on disposal are recognised in the income statement at the date of disposal.

If the criteria for classification as held for sale are no longer met, the asset (or disposal group) is remeasured at the lower of:

- its carrying amount before the asset was classified as held for sale, adjusted for depreciation or amortisation that would have been recognised had the asset not been classified as held for sale; and
- its recoverable amount at the date of the subsequent decision not to sell.

t) Investments in subsidiaries

Investments in subsidiaries are recognised at cost less any accumulated impairment losses. Cost includes directly attributable transaction costs.

Where there are indicators of impairment, the carrying amount of the investment is tested for impairment in accordance with IAS 36. Any impairment loss is recognised in the income statement.

Dividend income from subsidiaries is recognised in the income statement when the Company's right to receive payment is established.

3. Prior period restatement

During the year, the Group identified errors in:

- the capitalisation of development expenditure under IAS 38; and
- the measurement of decommissioning provisions under IAS 37.

These errors have been corrected retrospectively in accordance with IAS 8, and comparative information has been restated at 1 October 2023 and 1 October 2024.

Development assets
During the year, the Group's decision not to progress the Portland hydrogen storage project prompted a comprehensive review of costs across its hydrogen storage and related energy transition project portfolio. This review identified that certain costs had been recognised as development expenditure ahead of all of the recognition criteria under IAS 38.57 being met. These costs primarily related to early-stage technical evaluation, feasibility studies and project scoping activities, which should have been classified within the research phase in historic periods and expensed as incurred. Accordingly, the Group has corrected this misclassification as a prior period adjustment in accordance with IAS 8.

Furthermore, the Group recognised an impairment charge of approximately £0.92 million in respect of intangible assets in the current year. This primarily relates to development expenditure associated with projects that are no longer being progressed,

including the Portland project. Further details of the prior period adjustment are provided in Note 3, and the impairment charge is disclosed within Note 12 Intangible Assets.

Impact of restatement

Statement of Financial Position (Consolidated)

Amounts of £231,000 and £266,000 have been recognised as adjustments to opening retained earnings at 1 October 2023 and 1 October 2024 respectively.

£'000	As previously reported on 30 September 2024	Adjustment 1 October 2023	Adjustment 1 October 2024	Restated on 30 September 2024
Development assets	1,497	(231)	(266)	999

The cumulative reduction in retained earnings arising from this correction amounts to £497,000.

Statement of Profit or Loss – Year ended 30 September 2024

£'000	Adjustment
Impairment of development assets	266

Statement of Profit or Loss – Year ended 30 September 2023

£'000	Adjustment
Impairment of development assets	231

Basic and diluted loss per share for the year ended 30 September 2024 has been restated to reflect the increased loss of £266,000.

Statement of Financial Position (Company)

Amounts of £149,000 and £136,000 have been recognised as adjustments to opening retained earnings at 1 October 2023 and 1 October 2024 respectively.

£'000	As previously reported on 30 September 2024	Adjustment 1 October 2023	Adjustment 1 October 2024	Restated on 30 September 2024
Development assets	638	(149)	(136)	353

The cumulative reduction in retained earnings arising from this correction amounts to £285,000.

Statement of Profit or Loss – Year ended 30 September 2024

£'000	Adjustment
Impairment of development assets	136

Statement of Profit or Loss – Year ended 30 September 2023

£'000	Adjustment
Impairment of development assets	149

Decommissioning provision

During the year, the Financial Reporting Council ("FRC") conducted a Corporate Reporting Review of the Group's Annual Report for the year ended 30 September 2024. As part of this review, the FRC raised queries regarding the discount rate applied in measuring the Group's decommissioning provisions under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Having considered the points raised by the FRC, management has reassessed the discount rate applied in prior periods and concluded that it was not consistent with the requirements of IAS 37.

Accordingly, the Group has restated the comparative information to reflect the application of an appropriate discount rate, in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. The impact of this restatement on the Group's financial statements is presented below.

The FRC has confirmed that their enquiries have been closed. When reviewing the Group's Annual Report, the FRC has made clear the scope and limitations of its review as follows:

The review was based on the Group's Annual Report and did not benefit from detailed knowledge of the group's business or an understanding of the underlying transactions entered into. It was, however, conducted by staff of the FRC who have an understanding of the relevant legal and accounting framework. The FRC review provides no assurance that the group's annual report and accounts are correct in all material respects; the FRC's role is not to verify the information provided to it but to consider compliance with reporting requirements. Communications from the FRC are written on the basis that the FRC (which includes its officers, employees and agents) accepts no liability for reliance on them by the company or any third party, including but not limited to investors and shareholders.

Nature of the error

In prior reporting periods, the Group discounted its decommissioning obligations using rates derived from its weighted average cost of capital ("WACC"), being 16.2%.

IAS 37 requires provisions to be discounted using a pre-tax rate reflecting current market assessments of the time value of money and risks specific to the liability. Where risks are reflected within the estimated cash flows, the discount rate should reflect only the time value of money. The use of WACC was inconsistent with IAS 37 and constitutes a prior period error under IAS 8.

Correction applied

The decommissioning provision as at 30 September 2024 has been recalculated using appropriate risk-free pre-tax discount rates ranging from 3.72% to 4.16%, reflecting UK government bond yields matched to the expected timing of the related cash outflows.

The correction has been applied retrospectively.

Impact of restatement

Statement of Financial Position – As at 30 September 2024

£'000	As previously reported	Adjustment	Restated
Decommissioning provision	759	495	1,254
Decommissioning asset	19	95	114

Statement of Profit or Loss – Year ended 30 September 2024

£'000	Adjustment
Increase in administrative expenditure and change in estimate	450
Decrease in finance costs	(48)

4. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses during the reporting period, and reported amounts of

assets and liabilities, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required, and where if actual results were to differ, this could materially affect the financial position of financial results reported in a future period. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the financial statements.

Judgements

(i) Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(ii) Hydrocarbon reserve and resource estimates
The Group estimates and reports hydrocarbon reserves in line with the principles contained in the SPE Petroleum Resources Management Reporting System (PRMS) framework. As the economic assumptions used may change, and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change.

The volume of proved and probable oil & gas reserves is an estimate that affects:

- the unit of production depreciation of producing oil & gas property, plant and equipment (see Note 13);
- the measurement of decommissioning provisions (see Note 20);
- impairment calculations of oil & gas properties (see Note 12).
- Proved and probable reserves and contingent resources are estimated using standard recognised evaluation techniques. Estimates are reviewed at least annually and are regularly assessed by independent consultants. Future development costs are estimated taking into account the level of development required to produce the reserves, by reference to operators (where applicable) and internal engineers.

(iii) Recoverable value of intangible exploration and evaluation assets
The Group has capitalised intangible exploration and evaluation assets in accordance with IFRS 6. Significant judgement is required to determine whether it continues to be appropriate to carry these costs on the balance sheet and whether the assets have been impaired.

The key areas in which management have applied judgement include the Group's intention to proceed with a future work programme for a prospect or licence, the likelihood of licence and planning permission renewal, plans for relinquishment, assessment of results from wells or geological or geophysical studies, and the assessment of whether the carrying value of the exploration and evaluation assets is unlikely to be recovered in full from successful development or by sale.

In both the above areas, the assessments include estimates and assumptions such as long-term oil prices, foreign exchange rates, discount rates, reserves, production profiles and capital expenditure, all of which are subject to risk and uncertainty. It is possible therefore that changes in these estimates may impact the recoverable values of exploration and evaluation assets.

Details of the Group's intangible exploration and evaluation assets and goodwill are disclosed in Note 12 to the financial statements.

(iv) Recoverable value of property, plant and equipment
At each reporting date, management reviews the Group's property, plant and equipment to assess whether there is any indication of impairment. If such an indicator exists, the recoverable amount of the asset or cash-generating unit (CGU) is estimated. The recoverable amount is the higher of (i) fair value less costs of disposal and (ii) value in use, which is determined by discounting the expected future cash flows from the asset or CGU.

This assessment requires significant judgement, including assumptions on long-term oil price forecasts, foreign exchange rates, discount rates, reserves, production profiles, and capital expenditure plans, all of which involve risk and uncertainty. Changes

in these assumptions could materially affect the recoverable amount and lead to the recognition or reversal of impairment losses.

Impairment losses are recognised in the income statement when the carrying amount of an asset or CGU exceeds its recoverable amount. Where an impairment loss is subsequently reversed, the carrying amount is increased to the revised estimate of the recoverable amount, subject to not exceeding the carrying amount that would have been determined had no impairment been recognised previously.

Further details of the Group's property, plant and equipment are provided in Note 13 to the financial statements.

(v) Decommissioning costs
The estimated cost of decommissioning at the end of the producing lives of fields is periodically reviewed and is based on forecast prices and technology at the balance sheet date which are provided by technical teams. Provision is made for the estimated cost using a discounted cash flow method and a risk-free rate. Details of the Group's decommissioning provisions are disclosed in Note 20 to the financial statements.

(vi) Classification as asset held for sale (IFRS 5)

Judgement is required in determining whether UKOG (GB) Limited meets the criteria for classification as an asset held for sale under IFRS 5.

Management assessed that, at 30 September 2025, the disposal was highly probable, the asset was available for immediate sale in its present condition, and an active programme to complete the sale had been initiated. Accordingly, the subsidiary was classified as held for sale and measured at the lower of its carrying amount and fair value less costs to sell.

Subsequent to the reporting date, the disposal completed following receipt of the required regulatory approvals.

5. Segmental reporting

In 2025 and 2024, all the Group's assets and operations were in the United Kingdom. For management purposes, the Group is organised into business units based on the main types of activities and has three reportable segments, as follows:

- Oil production includes producing business activities;
- Oil exploration and evaluation and energy transition activities includes non-producing activities and the Group's hydrogen storage and clean energy projects (analysed as one segment in 2024);
- Head Office, corporate and administrative, including parent company activities.

The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a group basis and are not allocated to operating segments. The accounting policies used by the Group in reporting segments internally are the same as those used in the financial statements.

Revenues of £432,000 are derived from a single external customer. These revenues are attributed to the oil production segment.

Year ended 30 September 2025

Group	Oil production £'000	Development assets	Oil exploration & evaluation £'000	Corporate & administrative and consolidation adjustments £'000	Consolidated £'000
REVENUE					
External Customers	432		-	-	432
Total revenue	432		-	-	432
Results					
Depreciation, Depletion & Amortisation	(26)		-	(3)	(29)
Exploration write offs & Impairment charges	(121)	(920)	(227)	-	(1,269)
Finance costs	(202)		-	-	(202)
Loss before taxation	(1,351)	(1,073)	(509)	(1,165)	(4,098)
Taxation	-		-	-	-
Loss after taxation	(1,351)	(1,073)	(509)	(1,165)	(4,098)
Segment assets	871	335	-	(70)	1,136
Segment liabilities	(5,085)	(87)	(629)	(1,021)	(6,822)
Other disclosures:					
Capital expenditure [1]	9	256	227	7	499

(1) Capital expenditure consists of capitalised exploration expenditure, development expenditure, additions to oil & gas properties and to other intangible assets including expenditure on assets from the acquisition of subsidiaries.

Year ended 30 September 2024

Group	Oil production £'000	Oil exploration & development £'000	Corporate & administrative and consolidation adjustments £'000	Consolidated £'000
REVENUE				
External Customers	1,110	-	-	1,110
Total revenue	1,110	-	-	1,110
Results				
Depreciation, Depletion & Amortisation	(303)	-	(84)	(387)
Exploration write offs & Impairment charges	(3,603)	(32,811)		(36,414)
Finance income/ costs	(142)	-	(30)	(172)
Loss before taxation	(3,230)	(35,455)	195	(38,490)
Taxation	-	-	-	-
Loss after taxation	(3,230)	(35,455)	195	(38,490)
Segment assets	872	565	1,924	3,361
Segment liabilities	(4,784)	(390)	(658)	(5,832)
Other disclosures:				
Capital expenditure [1]	61	840	2	903

(1) Capital expenditure consists of capitalised exploration expenditure, development expenditure, additions to oil & gas properties and to other intangible assets including expenditure on assets from the acquisition of subsidiaries.

6. Operating Loss

Group	2025 £'000	2024 £'000
Operating (loss) is stated after charging:		
Decommissioning expense/ (credit)	450	(1,119)
Directors' remuneration – fees & salaries	504	457
Auditors' remuneration		
Audit-related assurance services (PKF)	90	90
Audit-related assurance services (MKS)	-	75
Audit-related assurance services (MKS overruns)	104	-
Depletion of oil & gas properties	-	26

7. Revenue

The Group has recognised the following amounts relating to revenue in the statement of comprehensive income:

Group	2025 £'000	2024 £'000
Revenue from contracts with customers	432	1,110
Total	432	1,110

All revenue is derived from sales of oil from one geographic location and is recognised at a point in time.

8. Directors and employees

The Company employed the services of an average of 9 employees in the year (2024: 12). Remuneration in respect of these employees was:

Group	2025 £'000	2024 £'000
Employment costs, including Directors, during the year:		
Wages and salaries	1,098	1,613
Social security costs	148	210
Employee pension costs	10	13
Benefits in kind	26	18
Total	1,282	1,854

Employee pension costs payable at the end of the year amounted to £2,000 (2024: £2,000).

Average number of persons, including Executive Directors employed

	2025 No.	2024 No.
Administration	7	7
Operations	2	5
Total	9	12

Further details of Directors' remuneration, including share-based payments, pension contributions and other benefits, are provided in the Directors' Remuneration Report.

9. Finance costs

	2025 £'000	Restated 2024 £'000
Loan interest due to non-controlling interests	(152)	(128)
Unwind of discount on decommissioning provision (note 20), restated	(50)	(14)
Convertible loan fees	-	(30)
Total - Finance cost	(202)	(172)

Prior period adjustments have been recognised during the year. Further details of these adjustments are provided in Note 3.

10. Income tax

The Group's oil and gas activities in the UK fall within the ring fence corporation tax regime. Profits from these activities are subject to a combined rate of 40% (2024: 40%), comprising mainstream corporation tax at 30% and a supplementary charge of 10%.

The tax reconciliation below shows how the reported loss before taxation would reconcile to the theoretical tax charge at the applicable ring fence rate. However, no deferred tax asset has been recognised in respect of carried-forward tax losses, reflecting the uncertainty over the timing of their utilisation.

	2025 £'000	2024 £'000 (restated)
Loss for the year before tax	(4,098)	(38,490)
Tax at 40% (UK ring-fence corporation tax rate)	40%	40%
Tax at applicable rate (40%)	(1,639)	(15,396)
Non-deductible expenses (including impairments and exploration write-offs)	365	14,744
Temporary differences not recognised	1,228	523
Pre-trading expenditures deductible in later periods	61	142
Tax impact of capital allowances	(5)	(20)
Utilisation of losses brought forward	(106)	-
Relief of finance costs	95	
Other movements	1	(7)
Total tax charge/(credit)	-	-

Prior period adjustments have been recognised during the year. Further details of these adjustments are provided in Note 3.

The Group estimated carried forward tax losses none of which are recognised as a deferred tax asset.

At 30 September 2025, the Group had accumulated tax losses available for carry forward of £62,327,427 (2024: £57,190,149 restated). No deferred tax asset has been recognised in respect of these losses, impairments or other deductible temporary differences due to the uncertainty over future taxable profits against which they may be utilised.

No deferred tax liability was recognised as the Group has substantial brought-forward ring-fence and supplementary charge losses. These are offsetable against future tax liabilities and offsetable with the same tax authority. PPE are in entities that have the losses and any tax base differences have merely been recognised as unrecognised deferred tax losses .

Deferred tax assets have not been recognised in respect of the unprovided deferred taxation items because it is not probable that future taxable profit will be available to utilise these deductible temporary differences.

11. Earnings per share

The calculation of the basic loss per share is calculated by dividing the consolidated loss attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Group	2025 £'000	2024 £'000 restated
Loss attributable to ordinary shareholders	(3,757)	(37,750)

Group	2025 No.	2024 No.
Weighted average number of ordinary shares for calculating basic loss per share	8,689,253,916	4,343,546,436

Group	2025 Pence	2024 Pence Restated
Basic and diluted loss per share	(0.043)	(0.87)

As inclusion of the potential ordinary shares would result in a decrease in the earnings per share, they are considered to be anti-dilutive, as such, diluted earnings per share is not included. The potential number of dilutive shares is nil.

12. Intangible assets

Group

	Exploration & evaluation costs £'000	Development assets £'000	Total £'000
As at 30 September 2023 (Restated)	31,704	1,266	32,970
Additions	840	-	840
Impairment of exploration and evaluation assets	(32,544)	-	(32,544)
Impairment of development assets	-	(266)	(266)
As at 30 September 2024 (Restated)	-	999	999
Additions	227	256	483
Impairment of exploration and evaluation assets	(227)	-	(227)
Impairment of development assets	-	(920)	(920)
As at 30 September 2025	-	335	335

Prior period adjustments have been recognised in respect of 30 September 2023 and 30 September 2024. Further details of these adjustments are provided in Note 3.

During the year, management made the strategic decision to exit the Portland project. This decision represents an indicator of impairment under IAS 36, as it constitutes a significant adverse change in the extent to which the asset is expected to be used. Accordingly, the Group performed an impairment assessment of the relevant development assets. The recoverable amount was assessed with reference to fair value less costs of disposal, reflecting the absence of future economic benefits associated with the Portland project. As a result, an impairment charge of £920K was recognised.

Company

	Exploration & evaluation costs £'000	Development assets £'000	Total £'000
As at 30 September 2023 (Restated)	527	490	1,017
Additions	260	-	260
Impairment of assets	(788)	(136)	(924)
As at 30 September 2024 (Restated)	-	353	353
Additions	195	155	350
Impairment of E&E and development assets	(195)	(356)	(551)
As at 30 September 2025	-	152	152

Prior period adjustments have been recognised in respect of 30 September 2023 and 30 September 2024. Further details of these adjustments are provided in Note 3.

Following the impairment review disclosed above, the carrying value of development assets at the Company as at 30 September 2025 is £152K, representing assets associated with projects where management continues to expect future economic benefits.

Exploration and Evaluation assets in 2024

In accordance with IFRS 6 – Exploration for and Evaluation of Mineral Resources, the Group assesses at each reporting date whether there is any indication that an exploration and evaluation ("E&E") asset may be impaired. If such indicators exist, the Group performs an impairment test to determine the recoverable amount of the asset or cash-generating unit ("CGU"). Management has determined that each licence interest held by the Group constitutes a separate CGU, as this represents the lowest level at which largely independent cash inflows are expected to be generated.

Indicators considered include the period for which the Group has the right to explore, the likelihood of licence renewal, availability of funding for continued exploration, the results of technical evaluations, and whether further substantive expenditure is planned. Where such indicators exist, the recoverable amount of the CGU is estimated and compared with its carrying amount.

Licence/ Subsidiary	Impairment (£m)	Reason
Horse Hill (E&E)	20.0	Planning consent uncertainty; economic uncertainty on UK onshore oil and gas, the capital requirement and planning consent
Turkey	3.4	Exit from licence in FY 2025
PEDL234	9.2	Exit from licence in FY 2025

By recognising the impairment of the Horse Hill asset in 2024, the Board adopted a prudent approach to ensure that asset carrying values appropriately reflected the prevailing regulatory position. This approach is consistent with the Group's strategic transition towards clean power, including its hydrogen storage and generation activities.

The Board notes that, should planning consent for Horse Hill be reinstated in the future, there may be potential for a partial reversal of the impairment, subject to the requirements of IAS 36 and prevailing economic conditions. The recoverable value was assessed based on discounted cash flow techniques, applying assumptions consistent with market participant expectations.

Exploration costs in the financial year to 30 September 2025 were £0.2 million and impaired in full (2024: £32.5 million).

13. Oil & gas properties

Group

	Oil & Gas properties	Decommissioning asset	Property Plant & Equipment	Total £000	Total 2024 £000
Cost					
As at 30 September 2024 (Restated)	17,542	775	2,243	20,560	20,027
Additions	9	-	7	16	61
Change in estimate	-	(2)	-	(2)	472
As at 30 September 2025	17,551	773	2,250	20,574	20,560
Depletion & impairment					
As at 30 September 2024	(16,963)	(661)	(2,230)	(19,854)	(15,864)
Depletion and depreciation	-	(10)	(19)	(29)	(387)
Impairment	(8)			(8)	(3,603)
Impairment on classification as held for sale	(112)	-	-	(112)	-
As at 30 September 2025	(17,083)	(671)	(2,249)	(20,003)	(19,854)
Carrying value					
As at 30 September 2024	579	114	13	706	706
As at 30 September 2025 (before transfer to assets held for sale)	468	103	2	573	-
Transferred to assets held for sale	(468)	(103)	-	(571)	-
As at 30 September 2025	-	-	2	2	-

Prior period adjustments have been recognised during the year. Further details of these adjustments are provided in Note 3.

Impairment of Oil and Gas Assets

Cash-generating units ("CGUs") for impairment purposes are defined as individual fields or groups of fields that generate largely independent cash flows. The Group has historically identified two producing CGUs: Horse Hill and Horndean.

Impairment recognised in the prior year (2024)

The outcomes of the impairment reviews undertaken during the year ended 30 September 2024 were as follows:

- Horse Hill CGU
  The carrying value of the Horse Hill CGU was £2.1 million, included within oil and gas properties. The recoverable amount was assessed as nil (refer to note 12), resulting in a full impairment being recognised in 2024.
- Horndean CGU
  The carrying value of the Horndean oil and gas properties was £1.5 million. Based on production performance and internal forecasts at that time, the recoverable amount was assessed at £0.6 million, resulting in an impairment charge of £0.9 million in 2024.

Position in the current year (2025)

During the year ended 30 September 2025, the Horndean CGU was classified as an asset held for sale in accordance with IFRS 5, following entry into a Sale and Purchase Agreement ("SPA") with a consideration of £0.4 million.

On classification as held for sale, the carrying value of the Horndean assets was measured at the lower of carrying amount and fair value less costs to sell. As a result, an impairment charge of £112k was recognised in the year, reflecting the difference between the carrying value and the agreed SPA consideration.

Property, plant & equipment (Company)

Company	2025 £'000	2024 £'000
Cost		
As at 1 October 2024	1,831	1,829
Additions	15	2
As at 30 September 2025	1,846	1,831
Depletion & impairment		
As at 1 October 2024	(1,827)	(416)
Depletion charge	-	(83)
Impairment	(17)	(1,328)
As at 30 September 2025	(1,844)	(1,827)
Carrying value		
As at 30 September 2025	2	5

14. Investment in subsidiaries

Company	2025 £'000	2024 £'000
Cost and net book amount		
At 1 October	197	26,242
Impairment	-	(26,045)
At 30 September	197	197

The Directors carried out a review of the Company's investment in subsidiaries as at 30 September 2025.

During the prior year, the Company recognised a significant impairment in respect of its investments in subsidiaries, including Horse Hill Developments Ltd, UKOG Turkey Ltd, UKOG (234) Ltd and UKOG (GB) Limited, reflecting the reduced recoverable value of these investments.

No further impairment has been recognised in the current year, as the carrying value of the investments has been assessed as appropriate based on the Directors' review.

The Company holds more than 50 per cent of the share capital of the following companies as at 30 September 2025:

Company	Country of Registration	Proportion held	Functional Currency	Nature of business
UKOG (GB) Limited	UK	100%	GB£	Oil production
UKOG (234) Limited	UK	100%	GB£	Oil exploration
Horse Hill Developments Ltd	UK	77.9%	GB£	Oil production
UKOG (137/246) Holdings Ltd	UK	100%	GB£	Holding Company
UKOG (137/246) Ltd	UK	100%	GB£	Oil exploration
UKOG (Turkey) Ltd	UK	100%	GB£	Oil exploration
UK Energy Storage Ltd	UK	100%	GB£	Energy storage
UK Oil & Gas Investments Limited	UK	100%	GB£	Dormant
UK Geothermal Limited	UK	100%	GB£	Dormant
UK Oil & Gas Employee Benefit Trust	UK	Not owned,	GB£	Basis disclosed below

Company	Country of Registration	Proportion held	Functional Currency	Nature of business
		Consolidation explained below		

The registered address of each of these subsidiaries can be found on the Companies House website.

All subsidiary undertakings are included in the consolidated financial statements. The proportion of the voting rights in the subsidiary undertaking held directly by the parent company do not differ from the proportion of the ordinary shares held. The following companies are taking an exception from the audit of the financial statements as per S479A of the Companies Act; UKOG (GB) Limited (04050227), UKOG (234) Ltd (07055133), UKOG (137/246) Holdings Ltd (09010542), UKOG (Turkey) Ltd (10212262), UK Oil & Gas Investments Limited (11252712), UK Geothermal Limited (13386906), UKOG (137/246) Limited (06807023), UK Energy Storage Ltd (14108327).

Employee Benefit Trust (EBT)

The UK Oil & Gas Employee Benefit Trust ("EBT") has been consolidated in these financial statements in accordance with IFRS 10 *Consolidated Financial Statements*. Although the Company does not hold a direct equity interest in the trust, the Group is deemed to control it because:

- the trust operates solely for the benefit of the Company's employees and directors in connection with the Group's share incentive plans;
- the Group, through the Remuneration Committee, has the ability to direct the relevant activities of the trust, including decisions over the distribution of shares; and
- the Group is exposed to variable returns through the use of the trust to settle share-based payment arrangements.
- Shares in the Company held by the EBT are presented as a deduction from equity within "own shares held in trust." Transactions between the EBT and the Group relating to the Company's own equity instruments are accounted for directly in equity.

At 30 September 2025, the EBT held 1,824,912,685 ordinary shares (2024: 864,485,685).

15. Inventory

Group	2025 £'000	2024 £'000
Inventories - Crude Oil	-	2
Total	-	2

16. Trade and other receivables

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade receivables	-	107	-	1
Other debtors	86	189	339	413
Prepayments and accrued income	80	319	68	204
Loans to subsidiary companies	-	-	1,464	1,282
Total	166	614	1,871	1,899

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current.

In 2025, the Directors carried out an impairment review of the loans to subsidiary companies and determined that an impairment charge of £177k is required in respect of the loan owed by Horse Hill Developments limited, UKOG Turkey and UKOG 234 Ltd (2024: £12.1m).

17. Cash and cash equivalents

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash at bank and in hand	32	1,039	15	751
Total	32	1,039	15	751

18. Trade and other payables

	Group		Company	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade creditors	969	965	594	469
Other creditors	254	48	263	47
Amounts owed to group undertakings	-	-	410	264
Accruals and deferred income	346	255	309	142
Total	1,569	1,268	1,576	922

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

19. Borrowings

	Group		Company	
Borrowings	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Loans payable to Non-Controlling Interests	3,462	3,310	-	-
Total	3,462	3,310	-	-

At 30 September 2025, the outstanding loan balances owed to HHDL's shareholders were; Alba Mineral Resources PLC (Alba) £2.8 million (2024: £2.6 million), Doriemus PLC (Doremius) £0.6 million (2024: £0.6 million) and UK Oil & Gas Plc £18.0 million (2024: £17.8million). The loans are payable on determination by the Board of HHDL. The loans currently attract an interest rate equivalent to the Bank of England base rate.

20. Provisions – decommissioning

Group	2025 £'000	2024 £'000 (restated)
As at 1 October (restated)	1,254	1,451
Change of estimate (net)	450	(212)
Unwind of discount	50	14
Reclassified to liabilities associated with assets held for sale	(161)	-
As at 30 September	1,591	1,254

The amount provided for at 30 September 2025 represents the Group's decommissioning liabilities in respect of the producing site at Horse Hill and the Broadford Bridge drilling site.

The Company makes full provision for the future cost of decommissioning oil production facilities and pipelines on a discounted basis upon the installation of those facilities. The decommissioning provision represents the present value of

decommissioning costs relating to oil & gas properties. These provisions have been created based on the Company's internal estimates.

The Group has recognised provisions for the estimated future costs of decommissioning oil and gas production and exploration facilities. These costs are expected to be incurred over the productive lives of the assets, which range from 1 to 11 years.

Key assumptions used in the calculation are:

- Discount rate: 3.59% to 4.88% pre-tax, reflecting management's assessment of risks not adjusted in the cash flows.
- Inflation rate: 3%
- Timing of outflows: based on current licence expiry dates and expected cessation of production.
- Site-specific provision amounts are as follows:

£'000	Horse Hill	Broadford Bridge	Total
Discounted provision at 30 September 2025	1,184	407	1,591

Sensitivity analysis:

- A 1% reduction in the discount rate would increase the total provision by approximately £29k.
- A 1% increase in the inflation assumption would increase the provision by approximately £20k.

Assumptions based on the current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil & gas prices, which are inherently uncertain.

Reconciliation of decommissioning provisions to cash flows

The Group's decommissioning provisions are remeasured at each reporting date to reflect updated assumptions, including estimated costs, timing of settlement and applicable discount rates. In addition, the prior year comparative has been restated following a reassessment of the discount rate applied. These movements are non-cash in nature and therefore do not directly correspond to cash flows.

In accordance with IAS 7, the table below reconciles the movement in provisions recognised in the statement of financial position to the amounts reflected in the consolidated statement of cash flows.

	2025 £'000	2024 £'000 (restated)
Movement in provision per statement of financial position	337	(197)
Non-cash remeasurement of decommissioning provision	-	(908)
Unwinding of discount (included in finance costs)	(50)	(14)
Reclassified to liabilities associated with assets held for sale	161	-
Net adjustment in operating cash flows	449	(1,119)

21. Share capital

Ordinary Shares	Number of ordinary shares	Nominal Value £	Total Value £'000
Issued at 30 September 2024	11,140,761,833	0.000000001	11
Share issue, November 2024	2,000,000,000	0.000000001	2
Retail Offer, November 2024	222,148,000	0.000000001	0
Placing Shares, February 2025	3,925,797,833	0.000000001	4
EBT subscription	960,427,000	0.000000001	1
Issued at 30 September 2025	18,249,134,666	0.000000001	18

Deferred shares

At 30 September 2025 and 2024, the Company had 1,158,385,352,229 deferred shares in existence. These deferred shares do not carry voting rights.

Total Ordinary and Deferred shares

The issued share capital as at 30 September 2025 is as follows:

	Number of shares	Nominal Value £	Total Value £'000
Ordinary shares	18,249,134,666	0.000000001	18
Deferred shares A	1,158,385,352,229	0.00001	11,585
Deferred shares B	3,250,738,617,790	0.000001	3,250
Total			14,853

22. Share based payments

Share options

No share options were granted, exercised or cancelled during the year (2024: none granted, none exercised and none cancelled). At 30 September 2025, there were no share options in issue. The 121,500,000 share options outstanding at 30 September 2024 lapsed during that prior year.

Warrants

Nil warrants were in issue as of 30 September 2025 (2024: 24.2 million).

Employee Benefit Trust

The Company established the UK Oil & Gas Employee Benefit Trust ("EBT") on 29 September 2014 to facilitate the operation of the Company's existing share incentive plan over up to 10% of the Company's issued share capital from time to time, in a tax-efficient manner for the beneficiaries of that plan. The EBT is a discretionary trust for the benefit of directors, employees and consultants of the Company. Shares held in the EBT are intended to be used to satisfy future awards made by the Company's Remuneration Committee under the share incentive scheme.

At 30 September 2025, the EBT held 1,824,912,685 ordinary shares in the Company (2024: 864,485,685). Awards of ordinary shares to beneficiaries will be subject to vesting and other performance conditions determined by the Remuneration Committee, in line with prevailing market practice.

In accordance with IFRS, the EBT is consolidated into the Group's financial statements as the Company is considered to have control over the trust. As a result, the ordinary shares held by the EBT are presented as a deduction from equity within the consolidated statement of financial position, rather than as an investment. The cost of shares acquired by the EBT is recorded in equity, and no gain or loss is recognised on the purchase, sale, issue or cancellation of the Company's own shares.

Details of share options granted during the year to Directors, consultants & employees over the ordinary shares are as at 30 September 2024:

Share options	At 1 October 2023 No. Million	Issued during the year No. Million	Lapsed / exercised during the year No. Million	At 30 September 2024 No. Million	Exercise price £	Date from which exercisable	Expiry date
Allen Howard	5	-	(5)	-	0.0113	27/09/2019	25/09/2024
Kiran Morzaria	6.5	-	(6.5)	-	0.0113	27/09/2019	25/09/2024
Stephen Sanderson	25	-	(25)	-	0.0113	27/09/2019	25/09/2024
Nicholas Mardon Taylor	4	-	(4)	-	0.0113	27/09/2019	25/09/2024
	40.5	-	(40.5)	-			
Consultants & employees	81	-	(81)	-	0.0113	27/09/2019	25/09/2024
Total	121.5	-	(121.5)	-			

Details of warrants are as follows:

Warrants	At 30 September 2024 No. Million	Issued during the year No. Million	Lapsed / exercised during the year No. Million	At 30 September 2025 No. Million	Exercise price £	Date from which exercisable	Expiry date
Consultants	7.1	-	(7.1)	-	0.0009	01/08/2022	01/08/2025
Consultants	17.1	-	(17.1)	-	0.0009	09/09/2022	09/09/2025
Total	24.2	-	(24.2)	-			

23. Financial instruments and risk analysis

Financial assets by category

The categories of financial asset, all included initially measured at fair value and subsequently carried at amortised cost in the balance sheet and the headings in which they are included are as follows:

Current assets – Group	2025 £'000	2024 £'000
Trade and other receivables	166	614
Inventory	-	2
Cash and cash equivalents	32	1,039
Total	198	1,655

Current assets – Company	2025 £'000	2024 £'000
Trade and other receivables	407	617
Loans to subsidiary companies	1,464	1,282
Cash and cash equivalents	15	751
Total	1,886	2,650

Financial liabilities by category

The categories of financial liability all included at fair value and subsequently carried at amortised cost in the balance sheet and the headings in which they are included are as follows:

Current liabilities – Group	2025 £'000	2024 £'000
Trade and other payables	1,569	1,268
Borrowings	3,462	3,310
Total	5,031	4,578

Current liabilities – Company	2025 £'000	2024 £'000
Trade and other payables	1,166	657
Amounts owed to group undertakings	410	264
Total	1,576	921

The group is exposed to market risk through its use of financial instruments and specifically to credit risk, and liquidity risk which result from both its operating and investing activities. The group's risk management is coordinated at its head office, in

close co-operation with the board of Directors, and focuses on actively securing the group's short to medium term cash flows by minimising the exposure to financial markets.

Long term financial investments are managed to generate lasting returns. The group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the group is exposed to are described below.

Interest rate sensitivity

The group is not substantially exposed to interest rate sensitivity, other than in relation to interest bearing bank accounts.

Credit risk analysis

The group's exposure to credit risk is limited to the carrying amount of trade receivables and cash at bank. The group continuously monitors defaults of customers and other counterparties, identified either individually or by Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

The group's policy is to deal only with creditworthy counterparties. Group management considers that trade receivables that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due. None of the group's financial assets are secured by collateral or other credit enhancements. The credit risk for liquid funds and other short-term financial assets is considered negligible since the counterparties are reputable banks with high-quality external credit ratings.

Liquidity risk analysis

The majority of the Group's liabilities are contractually due within one year. The loan due from Horse Hill Developments Limited to Alba and Doriemus is payable on determination by the Board of Horse Hill Developments Limited.

The group's continued future operations depend on its ability to raise sufficient working capital through the issue of equity share capital or debt financing. The Directors are confident that adequate funding will be forthcoming to finance operations. Controls over expenditure are carefully managed.

Capital management policies

The group's capital management objectives are to:

- Ensure the group's ability to continue as a going concern;
- Provide a return to shareholders; and
- To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure, to ensure an optimal capital structure, and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

Commodity price risk

The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of oil & gas products it produces. The Group's policy is to manage these risks through the use of contract-based prices with customers.

Commodity Price Sensitivity

The table below summarises the estimated impact of reasonably possible changes in crude oil prices on profit before tax, with all other variables held constant. The analysis assumes a 10% movement in crude oil prices, equivalent to a change of approximately US$8.10/bbl (2024: US$7.18/bbl).

The sensitivity has been determined based on a review of historical price volatility and forward-looking market expectations.

Increase/decrease in crude oil prices	Effect on profit before tax for the year ended 30 September 2025 Increase/(Decrease) £'000	Effect on profit before tax for the year ended 30 September 2024 Increase/(Decrease) £'000
Increase US$ 8.10 /bbl (2024: US$ 7.18/bbl)	49	78
Decrease US$ 8.10 /bbl (2024: US$ 7.18/bbl)	(49)	(78)

Currency risk

The Group has no significant monetary assets or liabilities denominated in a foreign currency. However, the group is exposed to currency risk, with the price of Brent Crude Oil being denominated in US$. The current exposure is not seen as material, given the current level of revenue generated from it. The Board will continue to monitor this risk as the operations and/or revenues increase.

24. Commitments & contingent liabilities

Ongoing exploration expenditures are required to maintain title to the Group's exploration permits. No provision has been made in the financial statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the Group's operations. As of 30 September 2025, the Group had no further material commitments (2024: none).

Subsequent to the Group's exit from Turkey in October 2024, it received a claim of $100,000 from its former partner in relation to post exit operations. The Directors have carefully considered this matter, including the basis of the claim and the likelihood of whether any settlement was required.

The Group has assessed the nature of the claim and obtained legal advice, which confirmed the Directors' view that there was no remaining formal legal or contractual basis for the claim under the exit terms agreed with the operator. This position was communicated by the Company's solicitors to the operator at the time and, to date, nothing further has since been received on the matter. Accordingly, the Directors do not consider that a present obligation exists as at the reporting date and no provision has been recognised in the financial statements.

25. Non-current assets held for sale

In July 2025, the Company agreed the sale of its 100%-owned subsidiary UKOG (GB) Limited to Servatec Holdings Limited for a cash consideration of £400,000. Completion was subject to the normal sector regulatory consents. UKOG (GB) holds minority non-operated interests in two UK onshore petroleum licences, a 10% interest in PL211 and a 5% interest in PEDL070, containing the Horndean and Avington oil fields, respectively.

At 30 September 2025, the disposal met the criteria to be classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The sale was considered highly probable, management was committed to the disposal, regulatory consent was expected to be granted, and completion was expected within 12 months of the date of classification.

Accordingly, the assets and liabilities of UKOG (GB) Ltd were presented separately as assets held for sale and liabilities directly associated with assets held for sale as at 30 September 2025.

Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment arising on classification is recognised immediately in the income statement. Depreciation, depletion and amortisation cease from the date of classification.

The disposal does not constitute a discontinued operation as defined by IFRS 5, as it does not represent a separate major line of business or geographical area of operations. The assets disposed of comprised minority non-operated interests and did not represent a significant component of the Group's overall operations. Accordingly, the results of the disposal group have been presented within continuing operations.

On 3 December 2025, subsequent to the reporting date, the Group completed the disposal, following receipt of approval from the North Sea Transition Authority ("NSTA"), which constituted the final condition precedent to the transaction.

In accordance with the terms of the sale agreement, the transaction became effective upon receipt of NSTA approval, with completion being a consequential administrative step.

As at 30 September 2025

£'000	
Assets	
Oil & Gas properties	571
Trade and other receivables	22

Inventory	2
Cash and cash equivalents	6
Total assets classified as held for sale	601
Liabilities	
Provisions	(161)
Trade and other payables	(40)
Total liabilities associated with assets held for sale	(201)
Net assets of disposal group	400

26. Events after the reporting date

The Directors have considered events occurring after the reporting date and up to the date of approval of these financial statements.

Subsequent to 30 September 2025, during October and November 2025, the Group successfully raised approximately £5.0 million of funding (before expenses) through a series of equity placings, as announced via regulatory news service ("RNS") announcements during the period. The proceeds were raised to support working capital requirements and to fund the continued development of the Group's Clean Power and hydrogen storage projects.

On 1 October 2025, the Group's wholly owned subsidiary, UK Energy Storage Ltd, entered into a Memorandum of Understanding ("MOU") with National Gas Transmission PLC. The MOU provides a framework for collaboration in relation to the planned development of hydrogen transmission infrastructure in the UK, including the potential connection of UKEn's proposed hydrogen storage projects in South Dorset and East Yorkshire to National Gas's proposed Project Union hydrogen pipeline network. The MOU is non-binding and does not give rise to any financial commitments at the reporting date.

On 3 December 2025, the Group completed the disposal of its wholly owned subsidiary UKOG (GB) Ltd, following receipt of the relevant regulatory approvals. The disposal proceeds were received post year end. The assets and liabilities of UKOG (GB) Ltd had been classified as held for sale at 30 September 2025.

In February 2026, as part of the Company's commitment to transitioning into clean energy, it has now successfully Plugged and Abandoned its Broadford Bridge-1/1z well.

In March 2026, UK Energy Storage Limited, entered into a Memorandum of Understanding with Wales & West Utilities Limited to explore the potential integration of the Group's planned South Dorset hydrogen storage project with the proposed HyLine SouthWest hydrogen pipeline network. The MOU sets out the parties' intention to collaborate on potential pipeline connectivity, future joint applications for government support and the development of hydrogen infrastructure in the region. This agreement represents a non-binding arrangement and no financial commitments have been entered into at this stage.

On 1 April 2026, the Company's ordinary shares were suspended from trading on AIM pending publication of the Group's annual report and accounts for the year ended 30 September 2025, in accordance with AIM Rule 19. The suspension remains in place until the audited financial statements are published.

27. Related party transactions

Transactions with related parties

There were no material transactions with related parties during the year ended 30 September 2025 (2024: £4,500). UK Oil & Gas Plc paid a subscription fee for membership with United Kingdom Onshore Oil & Gas (UKOOG) during 2024. This was considered a related party transaction as a director of the Company also served as a director of UKOOG during the period.

Remuneration of key management personnel

The remuneration of the company's directors and other key management personnel is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures. The Directors Remuneration Report provides further details.

	2025 £'000	2024 £'000
Short-term employee benefits	504	457
Total	504	457

28. Ultimate controlling party

In the opinion of the Directors there is no controlling party.

Company Information

Company registration number	052126625
Registered office	The Broadgate Tower 8th Floor 20 Primrose Street London EC2A 2EW
Directors	Nicholas Mardon Taylor Stephen Sanderson Kris Bone Allen Howard
Auditors	PKF Littlejohn LLP 30 Churchill Place London E14 5RE
Nominated Adviser	Zeus Capital Limited 125 Old Broad Street London EC2N 1AR
Solicitors	Hill Dickinson The Broadgate Tower 8th Floor 20 Primrose Street London EC2A 2EW
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR

Forward-looking Statement

This annual report contains 'forward-looking information', which may include, but is not limited to, statements with respect to the future financial and operating performance of UK Oil & Gas Plc, its subsidiaries, investment assets and affiliated companies, the estimation of oil reserves or resources, the realisation of resource estimates, costs of production, capital and exploration expenditures, costs and timing of the development of new assets, requirements for additional capital, governmental regulation of operations and exploration operations, timing and receipt of approvals, licenses, environmental risks, title disputes or claims.

Often, but not always, forward-looking statements can be identified by the use of words such as 'plans', 'expects', 'is expected', 'budget', 'scheduled', 'estimates', 'forecasts', 'intends', 'anticipates' or 'believes', or variations (including negative variations) of such words and phrases, or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of UK Oil & Gas Plc and/or its subsidiaries, investment assets and/or its affiliated companies to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements.

Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations and studies; fluctuations in the value of UK Pounds Sterling relative to the United States Dollar, and other foreign currencies; changes in project parameters as plans continue to be refined; future prices of products; possible variations in recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the oil & gas industry; political instability, adverse weather conditions, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities.

Although UK Oil & Gas Plc has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may well be other factors that cause actions, events or results to differ from those currently anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this annual report, and UK Oil & Gas Plc disclaims any obligation to update any forward looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. Nothing in this annual report should be construed as a profit forecast.