UNITED OIL & GAS

Annual Report and Financial Statements 2021

Focused on growth

United[1] are an oil and gas exploration and production company, headquartered in Dublin and listed on the AIM market of the London Stock Exchange. We have exploration, development, appraisal and production interests in Egypt, Jamaica and the UK.

Focused on growth. We have refocused our portfolio, have organic near-term growth opportunities and high-impact exploration. We are looking to complement this growth with M&A activity.

[1] United Oil & Gas PLC ("United" or "the Company") and its subsidiaries (together, "United" or "the Group").

UNITED OIL & GAS

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www.uogplc.com

United at a glance

Key Figures

Founding Year
2015

Employees
10

Countries
3

Licences
5

Acreage Km^2
23,980

Oil & Gas Fields
8

2021 Group Highlights

LTIF[1]
0
Per million man hours

Revenue
19.2
$m

Cash Opex
5.9
$/boe

Net Production
2,327
boepd

Gross Profit
12.2
$m

Profit After Tax
4.1
$m

[1] Lost Time Injury Frequency Rate

Egypt (P, D, A, E)

Abu Sennan

Our producing asset. We have scope for growth through discovered resources and low-risk exploration in Egypt.

Interest: 22%

Operational Phase: Production/ Development/Appraisal/Exploration

Operator: Kuwait Energy Egypt

3.0 mmboe[1]
2P net reserves

Jamaica (E)

Walton-Morant

Our high-impact exploration asset with a drill ready prospect. High quality 3D seismic supports compelling evidence for a working petroleum system.

Interest: 100%

Operational Phase: Exploration

Operator: United Oil & Gas

2.4 bn bbls
unrisked mean prospective resources

UK Central North Sea (D, A)

Maria (P2519)

Our UK assets includes the Maria discovery. The licence is located in a highly prospective area of the Central North Sea, close to existing infrastructure.

Interest: 100%

Operational Phase: Development/ Appraisal

Operator: United Oil & Gas

~6 mmboe
mid-case recoverable resources

D: Development, P: Production, A: Appraisal, E: Exploration

[1] ERCE reserves report, April 2022. Reserves of 3.0 MMboe are Net Working Interest and do not represent the Net Entitlement share of future production legally accruing under the terms of the development and production contract.

Our purpose

Responsibly producing energy for our communities and stakeholders.

Our vision

Our vision is to become a mid-cap energy company within 3-5 years.

Our strategy

Create value by actively managing our existing assets whilst growing our business through additional high-margin opportunities.

United's growth strategy is supported by four key pillars:

1/

Strength of our assets

- Active portfolio management unlocking the value of each asset at the optimum time
- Low-cost production leveraged to high oil prices that delivers positive cashflow at all oil price levels
- Organic growth potential
  - Egypt through developing discovered resources
  - Egypt production up 119% since effective date of acquisition, with a reserves replacement ratio of 114% over the same period
  - Low-risk exploration potential in a proven hydrocarbon basin
  - Jamaica - exploration assets with > 2.4bn barrel potential
  - UK Central North Sea has attractive investment and commercialisation opportunities

2/

Commitment to managing a responsible business

- Creating a safe work environment
- Producing energy in a safe and responsible way
- Excellent business ethics and conduct

3/

Financial and risk management

- Capital allocation
- Cost management discipline
- Management of financial risk
- Work programmes funded by cashflow generated from existing assets
- Ability to access finance to fund future growth opportunities

4/

Experienced team

- Technical, financial and commercial capabilities - expertise in identifying new opportunities
- Breadth of experience and strong industry relationships
- Track record of executing deals with large scale E&P companies
- Demonstrated ability in financing significant corporate growth

Our strategy in action

1/ Active portfolio management

Progress

Active portfolio management is the management of the asset portfolio through divestments and acquisitions. During 2021 following a review of the Company's portfolio we began the process to divest our non-core assets. This has now completed and United has exited activities in Italy.

Looking forward

- Jamaica - renewed farm-out campaign with confidence as we look for a strategic partner(s) to unlock the vast potential in this region.
- UK Central North Sea assets are located in a highly prospective area and have attractive investment and commercialisation opportunities.
- M&A - We continue to look for new business opportunities of scale, that will deliver growth and shareholder return.

2/ Abu Sennan: a platform for organic growth

Progress

Production averaged 2,327 boepd net. In 2021, a total of five wells at Abu Sennan were drilled. Two of these wells were exploration wells and three were development wells. All wells encountered commercial levels of hydrocarbons.

We had a 100% exploration and development success rate from the Egypt drilling programme, replacing reserves and accelerating production of existing reserves. We had commercial oil discoveries at the exploration wells, ASD-1X and ASX-1X. The exploration wells de-risked further exploration in the licence.

Looking forward

- Abu Sennan offers tangible production growth through development of discovered resources and low-risk exploration.
- The 2022 drilling programme consists of five wells, three development and two exploration. The exploration wells both have the potential to deliver large reserves and production additions targeting combined mean recoverable resources estimated by United at over 10 mmbbls gross.
- The Abu Sennan licence provides a platform for both organic growth and also a base from which we can review further growth opportunities in 2022 and beyond.

3/ Capital discipline and risk management

Progress

United has a strong focus on capital discipline, risk management and cost control ensuring that the business preserves capital and balance sheet strength.

Our producing asset in Egypt has demonstrated its resilience in a low-price oil environment and we are currently benefitting from higher commodity pricing. We invest capital where we believe we will get the best returns.

We have also divested non-core assets during 2021 to streamline the company and focus investment in assets that can drive growth.

Looking forward

- The existing portfolio is fully funded from operating cashflow.
- We have extended the maturity of our financing facility to provide financial flexibility
- We have the balance sheet strength to provide a stable platform for growth from both organic opportunities and via new business development opportunities.
- Deploying the proceeds of divestment into growth opportunities that generate the best returns.

A balanced full cycle portfolio

Dear Shareholders,

Introduction

I am pleased to report that in 2021 we took further steps to refocus the company into a cash generative, low-risk production business in Egypt complemented by high impact exploration opportunities.

Our production portfolio is delivering strong operational cashflow at current prices and I feel we are well placed to capitalise on the new opportunities we now see emerging across the industry and on our organic growth options.

In addition, in 2021 we strengthened our team in certain areas and I believe now have the capability to handle an asset base many times the current size without materially increasing our cost base.

Key activities in 2021

In Egypt, we continued the drilling successes of 2020 with a 100% success rate for the five exploration and development wells in the 2021 campaign. All of these wells encountered oil and were quickly brought into production, with the exploration successes further de-risking the upside on the licence. Our technical team continue to play a very important role in working closely with the operator and our Joint Venture (JV) partners in maximising the returns from these assets and realising their full potential.

While the revision in our production guidance for the Abu Sennan licence in September was disappointing, we are pleased that both the decline of the production and the increase in water-cut has been stable since September 2021. We will continue to work closely with the operator to monitor field performance and ensure that production from the field is optimised and new drilling opportunities are appropriately de-risked.

During the year, and consistent with our strategy, we took steps to divest our non-core assets in the UK Central North Sea (UK CNS) and in Italy, with a view to reinvesting the proceeds to support growth. The UK CNS transaction has now been terminated and we look forward to evaluating further commercialisation opportunities in what is now an area of significant development activity. The Italian asset divestment has completed (post-period end) and we were pleased to sign the settlement agreement on the Crown milestone payment accelerating the receipt of the milestone payment at a modest discount. The substantial proceeds raised from portfolio management will be reinvested in the business.

Climate change and energy transition position statement

United are acutely aware that our industry is facing increasing demands to clarify the implications of energy transitions for their operations and business model, and to explain the contributions that they can make to reducing greenhouse gas emissions and to achieving the goals of the Paris Agreement. The Board of United acknowledges and supports the global response to climate change towards a lower-carbon world, and more sustainable energy future and supports the United Nations Sustainable Development Goals, including universal access to affordable energy.

United is an oil and gas company, involved in the business of exploring, appraising, and developing and producing hydrocarbons. United recognises that the energy transition will take time and, in line with the International Energy Agency's (IEA) 2019 Sustainable Development Scenario, believe that oil and gas demand will remain strong across the globe for decades to come. This requires responsible, transparent and safe investment in existing and future fields. We see a place for United to responsibly and safely develop oil and gas resources to aid global economic development and deliver value for all our stakeholders.

In Jamaica, following close consultations with the Government, we were awarded an extension of the Walton Morant licence to January 2024. This affords us the time to complete a comprehensive farmout process to attract the most suitable partners to work with ourselves and the Government of Jamaica to unlock the full potential of this highly prospective area.

Business development opportunities across the full cycle continued to be offered to and assessed by the team in the course of 2021, and a number of such opportunities are still under consideration. However, only the most attractive ones consistent with our strategy and investment criteria will be taken forward.

Board and governance

There were no changes to the Board in the year, and the Board and all Committees functioned effectively under their respective Chairs, despite not being able to meet physically until the last meetings of the year in December. An internal Board and Committee evaluation was carried out post-year end, the findings, and conclusions from which are reported on page 55.

I believe that we continue to have a good balance of technical, financial, commercial and governance experience on the Board and that the non-executive directors give appropriate support and challenge to the executives both at and outside of Board and Committee meetings.

Strategy

Our strategy remains clear: create value by actively managing our existing assets whilst growing our business through additional high-margin opportunities.

Financial results for 2021

I am very pleased to report to a profit after tax in 2021 of $4.1m With our production and revenues continuing strongly, and with operating costs in 2021 of $5.90 per barrel, we entered 2022 with an asset base resilient to low oil prices and with a strong balance sheet.

Post year end

Since year-end we have made further progress. We commenced production from the Al Jahraa-13 development well which was the last well in the 2021 drilling campaign. Our 2022 drilling campaign is fully funded from operating cashflow and includes five wells. The campaign commenced with the ASD-2 development well which encountered at least 25.5m of net pay and commenced production at the end of March. We were also pleased to report the agreement of the Crown milestone payment which will bring in $2.5m by the end of 2022 and the completion of the Italy asset divestment which resulted in payment to United of c. €2.3m. The proceeds of both will be invested to grow the Group.

Impact of COVID-19

While COVID-19 had less of an impact on our activities in 2021 than in 2020, it continued to have some effect on the way in which we worked, our ability to travel freely and our interactions with employees, shareholders, and our other stakeholders. Despite this, I feel the company has come through this era well without significant disruption to our business and I'm pleased to report that all our staff are in good health.

Dialogue with shareholders

Shareholders' views on the company, its strategy, remuneration policy and indeed all aspects of our business and operations are very important to the Board and we welcome every opportunity to engage. We were particularly happy to have been able to meet a number of our shareholders in person in London last November and we look forward to further such meetings as COVID-19 restrictions begin to ease. However, we would be very happy to hear from you in whatever manner suits you best. I can be reached via the Company Secretary at info@uogplc.com.

Conclusion and outlook for 2022

2021 was another very successful year for the company in the development and pursuit of our strategy and I would like to record my thanks to our executives and staff for their continued commitment and energy throughout the year.

We look forward very positively to the year ahead. The oil price has started the year high, we have a balanced full cycle portfolio, a fully funded drilling and work programme in Egypt, engagement with potential partners on the Jamaica farm-out, and we have exciting new opportunities under review.

Graham Martin
Chair

25 April 2022

Recovery of the global economy

2021 was a year characterised by the world cautiously emerging following the worst of the COVID-19 pandemic and the roll-out of the COVID-19 vaccines.

The year began with the world facing the impact of the Beta variant of the virus, which had an impact on day-to-day living. As a result, the financial markets, economies and society became more accustomed to what had become the 'new-normal'. Growth was cautious, but strong during the year, with multiple high-profile IPO's successfully completing during the year. Financial markets began to invest again with most of the major indexes rebounding much faster than had been expected.

Towards the end of the year, we were once again reminded of the impact of the pandemic, when the Omicron variant began to increase in prevalence. Whilst eventually deemed to be a less severe version of COVID-19, the Omicron variant was a stark reminder of how disruptive the pandemic had been and could potentially be once again.

Despite this, we emerged into 2022 in a much more stable environment in which to do business, particularly in the oil and gas markets, where we saw brent closing the year at around $77 per barrel.

Political and economic

Politically, the year was dominated both by the continuing impact of the COVID-19 pandemic, how to, and when to impose lockdown restrictions as well as the implications of how to distribute COVID-19 vaccines to the population.

Also, during 2021 we saw continued government borrowing across the world which provided a stimulus to struggling businesses and supported growth. In contrast however and as a by-product of significant borrowing by world governments, we saw rising inflation across the world towards the end of the period. This seems to be a continuing trend into 2022.

Energy transition

During 2021, we saw further agreement amongst world bodies of the need for a meaningful and thought-through energy transition. This developed throughout the year, with many businesses and countries setting ambitious targets for net-zero emissions. Similarly, we also saw an increased scrutiny on new hydrocarbon developments such as Cambo in the North Sea. This has now led to new developments in the North Sea moving towards needing an environmental justification, in addition to an economic one, before they are developed. This trend was set to continue in the UK, with new offshore licensing rounds coming under increased scrutiny as to whether they are required in a country so focused on the energy transition. More recent developments in Ukraine have perhaps altered this view, with energy supply security an increasingly important factor.

Focus on the energy transition heightened in the lead up to the COP26 conference, hosted in Glasgow, which saw further discussion amongst nations regarding how best to tackle the looming issue of climate change. Of key importance at the conference was the role of methane emissions on climate change, which the oil and gas industry has been focused on for many years. Similarly, the conference recognised the importance for less reliance on coal as a power source for growing economies and saw nearly 200 countries agreeing the Glasgow Climate Pact. This pact asks that all of the 200 countries agree to keep global warming under 1.5°C and to accelerate action on climate change this decade.

United are acutely aware that our industry is facing increasing demands to clarify the implications of energy transitions for their operations and business model, and to explain the contributions that they can make to reducing greenhouse gas emissions and to achieving the goals of the Paris Agreement. Our position statement outlines our stance on Climate chance and the energy transition, see page 9.

Oil price

In line with the recovery of the global economy and the cancellation of travel restrictions, demand for oil increased by 5.7mmbbls/d during the period. This, combined with the significant underinvestment in exploration over prior years and OPEC+ retaining production restrictions policies which it had implemented during April 2020, we saw supply not meeting the increasing demand.

As a result, during 2021 average oil prices during the period increased to $71 per barrel, up 64% on 2020.

This supply issue was most evident during the tail end of the year, where we saw a significant increase in both oil and European gas prices, again, because of a lack of investment in new production opportunities.

United sought to dynamically adjust its strategy to benefit from this increase in oil price, drilling multiple wells at its assets in Abu Sennan with the target of increasing the total oil production of the Company. During the period, the Company averaged a realised price per barrel of $68.90/bbl, representing an 82% increase on previous years.

All five Egypt wells were successful

During 2021 United's focus has been to reshape the portfolio via divestment of non-core assets work with the Joint Venture (JV) partners to increase and proactively manage production from Abu Sennan, and further strengthen the business through the pursuit of organic and inorganic opportunities to build scale. We have also worked on moving forward the Jamaica farm-out process following the extension of the exploration licence and we continue to manage the business with a focus on capital and cost discipline.

Dear Shareholders,

COVID-19 and our response

The health, safety and wellbeing of our employees, contractors and all our stakeholders is a priority for United. As the global pandemic continued in 2021, the Joint Operating Company ('JOC') in Egypt, continued with the measures in place to minimise the risk of any COVID-19 outbreak and procedures such that mitigation measure were in place to ensure the impact of any outbreak could be quickly contained. There was no disruption to the operations in Egypt. Our head office staff continued to work remotely in line with government directives with negligible disruption to our business.

Egypt success

Our Egyptian portfolio includes exploration, production, and development opportunities in the Abu Sennan licence. There are currently eight producing fields. Production in 2021 averaged 2,327 boepd (2020: 2,195 boepd). In 2021 we drilled five wells in total: two exploration and three development wells. The two exploration wells ASD-1X and AS1-1X were commercial discoveries and the JV partners were granted two new 20-year development leases covering the new discoveries. The development wells, ASH-3, AJ-8, and AJ-13 also encountered oil. All five wells were successful, replacing reserves and accelerating production of existing reserves. They were brought into production within short timeframes, adding immediate cashflow to the Company, and all of the wells demonstrated exceptionally short payback periods of 3-12 months. The sub-surface information gathered from the wells further de-risks future exploration. While JV partners had originally planned to drill four wells based on the success of the initial drilling programme and the increase in commodity price the JV partners added the AJ-13 development well to the programme making it the fifth and final well of the 2021 drilling campaign. This flexibility and adjustment to the drilling programme allows the JV partners to capitalise when oil prices are high and also allows us to adjust the drilling programme in a low oil-price environment.

Operational challenges and remedial work

Operationally 2021 was not without its challenges. In the latter part of 2021, the wells in one of the producing fields, ASH, started to experience an increase in the proportion of water to oil being produced (water-cut) and associated decline in production. As a result, the Company revised its full-year guidance for the Abu Sennan licence from 2,500-2,700 to 2,100-2,300 boepd. Although this was disappointing, the technical team now have more data and information on how the reservoir functions and can use this information to optimise future drill targets. Since the beginning of September 2021, decline of the production and the increase in water-cut has been stable, and United modestly exceeded the revised guidance. Electrical Submersible Pumps ('ESP') will be installed in all three producing wells located in the ASH field as part of the 2022 work programme. The ESPs will be aiming to maintain the flow rates, optimise production and extend the life of field.

A producing, cash generative business

Refocusing our portfolio

I am pleased with the progress the Company has made during 2021. Following a review of the Company's portfolio we began the process to divest our non-core assets in Italy and the UK Central North Sea. Since year-end we have made further progress. We have completed the Italy divestment. We also agreed a settlement regarding the Crown milestone payment. These two transactions will bring in approximately $5m in aggregate and we will be re-investing the proceeds to support growth. We decided to terminate the UK CNS deal, and we look forward to evaluating further commercialisation opportunities in an area of significant development activity when oil prices are at a seven-year high.

The Company’s portfolio is re-focused on the cash generative Egyptian producing asset and the high-impact exploration in Jamaica and a development asset in the UK, which gives us a strong platform for organic growth.

2022 production guidance

Average production for the first quarter of 2022 was 1,567 boped net, well within the guided range of 1,500-1,650 boepd for H1. The H1 production guidance range of 1,500-1,650 boepd has now been extended to the full-year 2022. A prudent approach has been taken to provide this full-year guidance, which includes production from the current wells declined in line with historic trends, production from Al Jahraa-14 commencing in Q3 and production from ASH-5 commencing in Q4. No production additions have been included for the two exploration wells that are planned for 2022.

Jamaica progress

We were delighted to report that United was granted a two-year extension to the Initial Exploration Period of the Walton Morant Licence, Jamaica, by the Jamaican Cabinet. The Initial Exploration period will now run to 31 January 2024. The support of the Government of Jamaica has been excellent and reflects our strong relationship and the positive outlook for the industry in Jamaica. United has done extensive technical work on this asset, which has over 2.4 billion barrels of unrisked oil potential and the basin-opening Colibri prospect at a drill-ready stage. The extension allows us to continue the farm-out process with confidence as we look for an investment partner(s) to unlock the vast potential in this region.

Environmental, Social, Governance

United is committed to conducting business in a safe and responsible manner to deliver long term growth. We are working with the operator in Egypt to identify, quantify and categorise our emissions. Once we establish a baseline, we will work with our JV partners to consider initiatives that may help to reduce emissions. Our community and social investment programmes focus on capacity building, health and education. In 2021 United sponsored the Capacity Building Feature at the Upstream Technical Convention in Egypt. United also supporting the Al Amal mentorship programme for over 40 students. Further information can be found in the Corporate Responsibility Report on pages 44.

Multiple growth opportunities

United has several growth opportunities in its current portfolio and looks to complement this growth with inorganic growth to build scale. Egypt is a dynamic and growing economy, providing a stable business environment. In Egypt, we have an asset with high-quality oil production operations, development and exploration upside, and our current organic growth opportunities include near-term development from existing resources and low-risk exploration. The 2022 drilling programme has started and consists of both development and exploration wells. The exploration wells, ASF-1X and ASV-1X,will target combined mean recoverable resources estimated by United in excess of 10 mmbbls gross. This is five times the mean recoverable resources that the JV partners targeted in 2021. The two exploration wells that will be drilled in

2022 are part of a wider portfolio of over 20 exploration prospects and leads at Abu Sennan. We look forward to building on the impressive returns to date and optimising production from this licence in the years to come.

In Jamaica the sentiment to exploration and recovery of the investment cycle is returning due to higher commodity prices, the expectation that the energy transition will take time, and the recent discoveries in new basins such as Namibia and Morocco. We are encouraged by the interest shown in our farm-out process so far and we look forward to pursuing this significant opportunity.

Our people

Another year of the global pandemic has meant the lives of individuals across the globe continue to change in extraordinary ways. As variants of COVID-19 developed and lockdowns across the world occurred our colleagues had to keep adapting their working environments to working from home. I wish to add my own thanks to the staff at United for all their commitment, enthusiasm and energy.

Outlook

We are focusing on near term-value adding activities in Egypt, which have potential to generate additional free cash flow, and on the longer-term prospects in Jamaica.

There are extensive growth opportunities remaining in the Abu Sennan licence, as demonstrated by the drilling success so far, and it has the potential to deliver large reserve and production upside.

Our Egypt production base continues to deliver operational cashflow, and this, combined with our portfolio management initiatives, ensure that United remains in a strong position to execute our strategy.

We enter 2022 as a producing, cash generative business, with a complementary portfolio of low-risk development and exploration in Egypt, with the potential of high impact exploration in Jamaica and a development asset in UK with commercialisation opportunities. We have had a great start to the year, with the encouraging result achieved on the first well in the 2022 drilling campaign. We were also pleased to finalise a Crown milestone settlement agreement and complete the divestment of our Italian assets which will bring in c. $5m of proceeds.

United has a balanced portfolio, we have a constant focus on cost control, and careful investment of our capital to maximise returns for our stakeholders. With an entrepreneurial management team and a diverse, experienced Board, we can leverage on our extensive industry relationships and knowledge to use our refocused portfolio as a platform from which to grow the business through organic opportunities within our current portfolio and new business opportunities. We are confident that our continued focus on long-term growth will generate value for our shareholders. I would like to thank our shareholders and stakeholders for their continued support throughout the period.

Brian Larkin
Chief Executive Officer

25 April 2022

A focus on future growth

1/ Value opportunity

Oil prices at a seven-year high

2/ Managed risk across portfolio

Producing business, generating cash with development and exploration upside

3/

Portfolio of organic opportunities

Egypt

- Production and cash generative
- Clear path to near term low-cost low-risk production and exploration growth
- 100% Exploration success rate in Egypt since United entered the licence

Jamaica

- Long term upside potential
- 2.4 billion barrels unrisked mean prospective resources across the basin

UK

- Maria discovery close to existing infrastructure
- Located in a highly prospective area of the Central North Sea
- 6 million barrels mid-case recoverable resources

4/

Growth ambitions via further inorganic growth

Demonstrated by Egyptian acquisition

5/

Disciplined capital allocation and flexiblity, low G&A

- Work programme funded by operating cashflow
- Proportional spend on exploration and production
- Low capex commitments

Underpinned by:

/ Experienced Board and entrepreneurial Executive team
/ Strong balance sheet
/ Commitment to running a responsible business
/ Strong subsurface, commercial and technical capabilities

Our business model is to deliver value for stakeholders

What we need to execute our business model

Our people, our strengths and capabilities

We rely on our people; their experience and diverse skill sets to deliver for our stakeholders. We have;

- Business ethics and integrity.
- Highly skilled subsurface, commercial, finance and investor relations teams who have considerable experience with capital markets and in supporting local management.
- A track record of delivery.
- Strong industry relationships.

Our assets/portfolio

We have a full cycle oil & gas portfolio and work programmes on our assets actively unlocking value.

- In Egypt we have production and organic growth potential through discovered reserves and resources and existing field exploration options. 2P numbers are 13.3 mmboe gross, 3.0 mmboe net and United estimate net unrisked summed mean recoverable resources of 10.4 mmboe contained within over 30 identified prospects and leads.
- In Jamaica, we have an estimated 2.4 billion barrels unrisked mean prospective resources across the basin.
- We actively manage our portfolio to achieve best commercialisation opportunities at the right time of our current portfolio.
- We look to also grow by pursuing new venture opportunities that meet our investment criteria.
- We commit to working responsibly across all our activities. This means working in a safe, secure, environmentally, and socially responsible manner.

Financial Flexibility

We apply strict capital discipline and investment criteria to our investment decisions and actively manage our portfolio to optimise capital allocation

- We have a capital allocation policy of 90:10, with 90% of our capital focussed on growing our producing business and 10% on high impact exploration assets.
- Our producing asset has a very low operating cost by industry standards.
- Work programmes for our current portfolio are funded by cash generated from our producing assets.
- We have access to capital markets and have established relationships with debt and equity providers.

What we do

Produce, develop, and explore

Grow

Monetise

We are an oil and gas company. United's business model is to hold assets within the oil and gas life cycle to deliver value for stakeholders. The cash flow from our production funds our work programmes. We review our portfolio regularly and our assets are monetised at different stages of oil and gas exploration, development and production to optimise the portfolio and value creation.

We drill wells with our Joint Venture Partners on existing discovered reserves and resources to produce oil and gas. We maximise returns through our low-operating costs and optimising production. We explore for oil and gas in our existing licences. We conduct operations responsibly and safely.

Organic growth through disciplined and careful reinvestment into existing assets that will generate value (drilling, work programmes, workovers, operational efficiencies)

Inorganic growth via acquisitions with a focus on production and a small proportion of high impact exploration.

We have a track record of creating significant growth and value demonstrated through our acquisition of the Abu Sennan, Egypt licence.

We have the ability to move quickly to pursue opportunities.

We assess our portfolio regularly and look for commercialisation opportunities that can be monetised at different stages of oil and gas exploration, development, and production.

Responsible value creation

We are committed to making a positive contribution, wherever we do business by delivering tangible benefits to our stakeholders. This includes the value distributed through salaries, taxes, payments to authorities, contractors and suppliers, capital spending and social investment.

Shareholders and financing partners

- Oil and Gas revenue and cashflows.

Employees

- Zero incidents recorded for LTI's.
- Salaries and benefits.

Business partners and suppliers

- Joint operating company has contributed to national economic growth through local sourcing, employment and using local suppliers.

Governments and regulators

- Payments to Governments via royalties, taxes and levy's.
- 100% oil and gas produced is sold domestically.

Local Community investment

- Social Investment into capacity building.
- Joint operating companies, have contributed to national economic growth through local employment, training and industry upskilling.

Two new exploration discoveries

Introduction

There was a significant amount of operational activity for United in 2021. In Egypt, the run of success experienced with the drill-bit since United acquired the licence continued, with successful results from all five of the wells drilled in 2021 – including two new exploration discoveries that were rapidly brought onstream. This brought the number of fields in production on the Abu Sennan licence up to eight, delivering record-high full-year average production of 2,327 boepd net.

In Jamaica, as well as the good progress that was made with the continuing work programme, the granting of a two-year extension to the Initial Exploration Period of the Walton Morant licence puts United in a strong position to take advantage of the positive sentiment that is returning to exploration and progressing the farm-down.

Walton Morant Licence
Offshore Jamaica

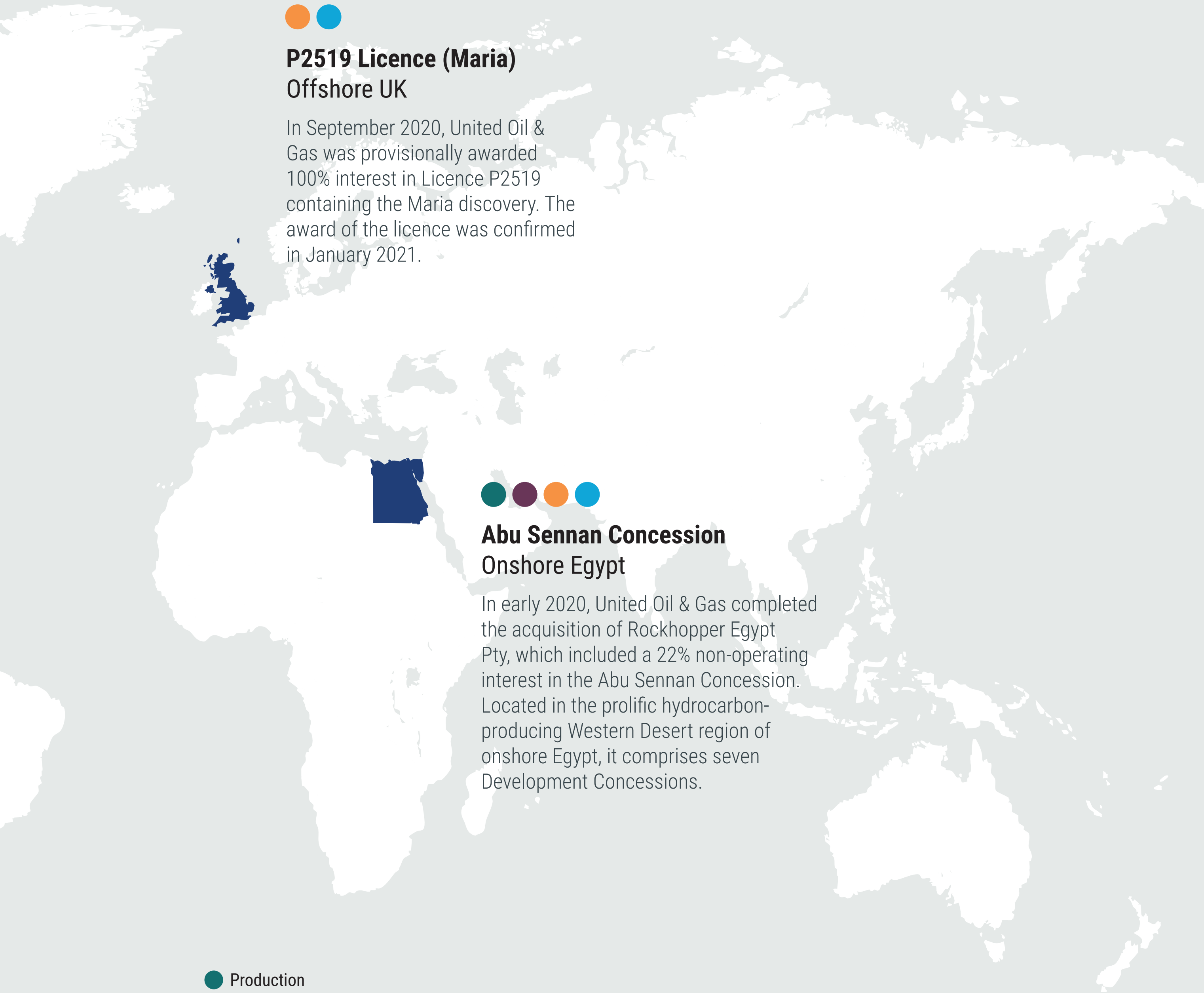
The Walton Morant Licence covers an extensive area (c. 22,400 km^2) and contains numerous follow-up structures which could be significantly de-risked by an initial drilling success at Colibri.

Countries
3

Licences
5

Oil & Gas Fields
8

Acreage Km^2
23,980



P2519 Licence (Maria)
Offshore UK

In September 2020, United Oil & Gas was provisionally awarded 100% interest in Licence P2519 containing the Maria discovery. The award of the licence was confirmed in January 2021.

Abu Sennan Concession
Onshore Egypt

In early 2020, United Oil & Gas completed the acquisition of Rockhopper Egypt Pty, which included a 22% non-operating interest in the Abu Sennan Concession. Located in the prolific hydrocarbon-producing Western Desert region of onshore Egypt, it comprises seven Development Concessions.

- Production
- Development
- Appraisal
- Exploration

Egypt
Abu Sennan

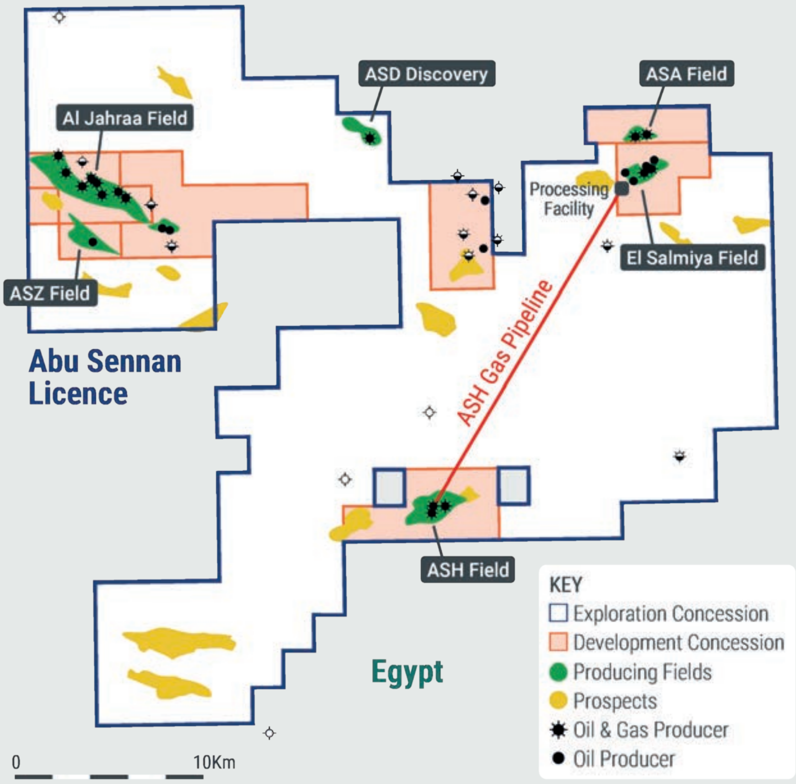
Egypt (22% non-operated working interest, operated by Kuwait Energy Egypt)

The Abu Sennan licence is located in the Western Desert, onshore Egypt, c.200km west of Cairo. United acquired its 22% working interest in the licence in April 2020. The licence offers low-risk development and exploration. The entirety of the Abu Sennan licence area of 644 km^2 is covered by existing 3D seismic data, with multiple exploration prospects and leads identified in what has proven to be a prolific petroleum basin. There are eight producing fields the largest of which are the Al Jahraa and the ASH fields.

Net Production

2,327

boepd



Production

Full-year 2021 production averaged 2,327 boepd net (1,869 bopd oil and 458 boepd gas) (2020: 2,195 boepd), slightly above the production guidance of 2,100-2,300 issued on 6 September 2021.

This production is split between eight separate fields, and although there were issues with increased water-cut at the ASH field in the beginning of Q3 2021, production from Abu Sennan remained stable through the second part of Q3 and Q4.

2021 Abu Sennan work programme

The 2021 work programme at Abu Sennan consisted of five wells and six workovers. All five wells encountered oil and were quickly brought into production.

The drilling programme began with the ASH-3 development well. This reached total depth (TD) of 4,087m in February, and encountered 27.5m of net pay in the Alam El Bueib (AEB) reservoir. It was brought onstream at gross rates of over 3,000 bopd in early March, achieving payback in less than three months.

This was followed by the ASD-1X exploration well. This reached TD of 3,750m in March, and encountered 22m of net oil pay in Abu Roash, Bahariya and Kharita reservoirs. ASD-1X was announced as a commercial discovery on 4 May and after approval was granted from the Minister of Petroleum for the award of a 20-year development lease covering the new discovery, it was brought into production on 26 May with average flow-rates of c. 600 bopd, less than two months after the initial well results.

The third well in the 2021 drilling programme was the Al Jahraa-8 development well, which was side-tracked to a TD of 4,314m in July. The side-track encountered over 40m of net oil pay across three different reservoir units including over 30m of net pay in the Upper and Lower Bahariya reservoirs, significantly above pre-drill expectations. The well was brought onstream during August, with gross initial flow rates in excess of 950 boepd.

The fourth 2021 well was the ASX-1X exploration well. This reached TD of 4,272m in September, encountering over 10m of net pay in a new commercial discovery. Approval was granted from the Minister of Petroleum for the award of a 20-year development lease over the new discovery in October, and the Abu Roash C reservoir was brought onstream at an initial gross production rate of 870 bopd - just three weeks after the initial drilling results

A fifth well, the Al Jahraa-13 development well, was added to the 2021 programme in September. The well reached TD of 3,840m on the 15 December, and encountered 17.5m of net pay in the Upper and Lower Bahariya. The well was brought onstream on the 11 January 2022 at gross flow-rates of c.600 bopd. This led to the Al Jahraa field becoming the largest producing field on the licence.

Egypt Abu Sennan

2022 work programme and production guidance

Average production for the first quarter of 2022 was 1,567 boped net, well within the guided range of 1,500-1,650 boepd for H1. The H1 production guidance range of 1,500-1,650 boepd has now been extended to the full-year 2022. A prudent approach has been taken to provide this full-year guidance, which includes production from the current wells declined in line with historic trends, production from Al Jahraa-14 commencing in Q3 and production from ASH-5 commencing in Q4. No production additions have been included for the two exploration wells that are planned for 2022.

The 2022 approved work programme consists of five firm wells (three development and two exploration wells) and eight workovers. The fifth well was included in the programme following the results of ongoing technical studies, and is planned to be the Al Jahraa-14 ('AJ-14') development well. The workovers planned for 2022 will include the installation of Electrical Submersible Pumps ('ESPs') in all three producing wells located in the ASH field. The ESPs will be aiming to maintain the flow rates, optimise production and extend the life of field, and two of these have already been installed.

Seismic reprocessing of a 452km^2 area of the Abu Sennan 3D seismic volume is currently nearing completion. This reprocessing work will cover the ASH field and neighbouring AEB targets, as well as the ASF prospect (to be drilled in 2022). Additional seismic reprocessing in the north-east of the licence area is planned to be carried out later in 2022.

The drilling programme commenced in late January 2022 with the ASD-2 development well. This was drilled to test the north-western culmination of the ASD field discovered last year, and safely reached TD of 3,631m in March. The well encountered at least 25.5 metres of net pay and was brought onstream less than six days after completion at an initial gross rate of c. 2,100 bopd.

In March, United announced that the second well in the 2022 programme would be the ASV-1X exploration well, which spud on the 14 April. The ASV-1X exploration well is a high impact well, targeting unrisked mean recoverable resources estimated by United at c.2.6 mmbbls gross. The primary targets are Abu Roash reservoirs, similar to those currently in production at the Al Jahraa field. A secondary target will be tested at the deeper Kharita level.

This AJ-14 development well is planned to be the third well drilled in 2022. This will be followed by ASH-5, a development well to be drilled in the ASH field, targeting the prolific Alam El Bueib ('AEB') reservoirs that have so far delivered in excess of 3.5 million barrels of oil from the field.

Analysis of the ASH field incorporating the results of the ASH-3 well indicates a large in-place oil volume estimated by United to be in the range of 14-16 mmbbls gross, with significant potential remaining within the structure. Seismic reprocessing is currently underway to ensure that this development drilling is located optimally in the field.

The fifth and final well in the 2022 programme is the ASF-1X exploration well. The ASF-1X well has been high-graded by United, and will target unrisked mean recoverable resources estimated by United at c.8 mmbbls gross in the AEB and Abu Roash reservoirs to the south-west of the ASH field. The well location will be finalised using the reprocessed seismic data.

Jamaica Walton Morant

In Jamaica, United holds a 100% working interest in the Walton Morant licence.

This is a 22,400 km^2 offshore exploration licence, located to the south of the island of Jamaica. It offers a high-impact frontier exploration opportunity with the potential to open an entirely new hydrocarbon frontier.

With extensive seismic data coverage, including 2,250 km^2 of 3D data, numerous plays and prospects have already been identified and mapped across the area – leading to over 2.4 billion barrels unrisked mean prospective resources being assigned to the licence. Indeed, the drill-ready, high-impact Colibri prospect alone contains mean prospective resources of 406 mmbbls.

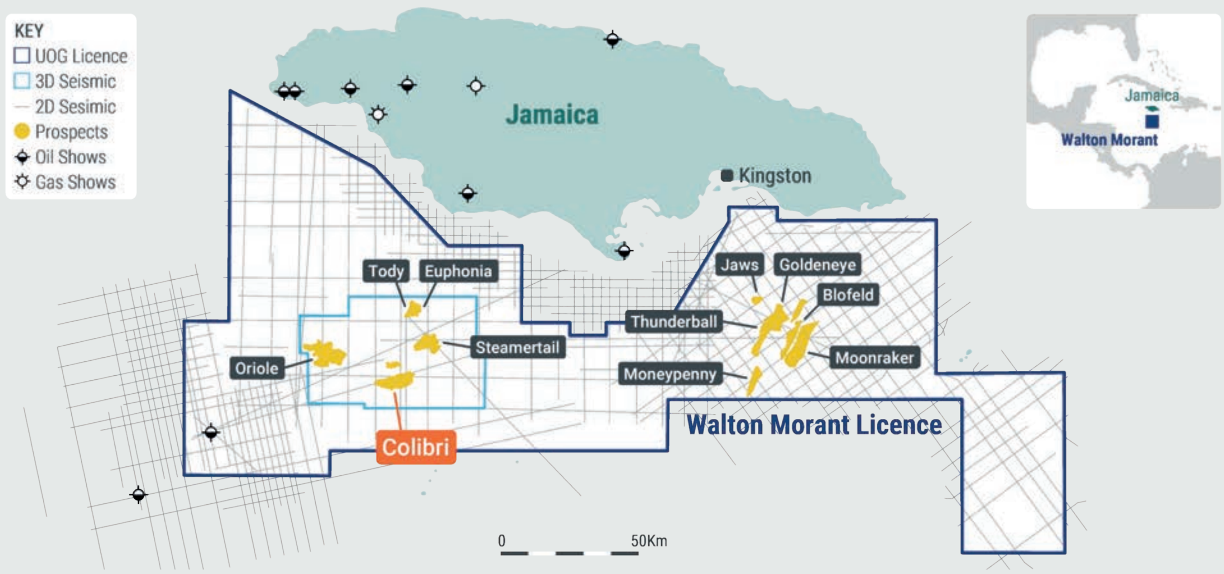
The results of the work programme carried out in 2021 have enhanced understanding of regional source rock development, quantified the basin-wide potential, and demonstrated robust economics based on an independent assessment of viable development options for the high-graded Colibri prospect.

A formal farm-out campaign was launched in April 2021, assisted by Envoi, a specialist Upstream Acquisition and Divestment advisory group. In November 2021 United announced that the request for a two-year extension to the Initial Exploration Period of the Walton Morant Licence was granted by the Jamaican Cabinet. Final signature from the Ministry of Science, Energy and Technology to the amended Production Sharing Agreement was received in January 2022. The Initial Exploration period will now run to 31 January 2024.

The extension allows us to continue the farm-out process with confidence as we look for an investment partner(s) to unlock the vast potential in this region.

Unrisked mean prospective resources

2.4 bn bbls



UK
P2480 and P2519

United holds a 100% working interest in the P2519 and P2480 licences.

Licences P2519 (Maria) and P2480 (Zeta) cover a combined area of c.725km^2 in the Outer Moray Firth Basin of the UK Central North Sea (CNS).

Maria

Licence P2519 includes Blocks 15/18e and 15/19c and covers an area of c. 225 km^2. The licence contains the existing Maria discovery in the Forties Sandstone, drilled by Shell/Esso in 1976. United estimated as part of its licence application that Maria holds c. 6 mmboe mid-case recoverable resources. The P2519 Licence also contains two Jurassic discoveries, Brochel and Maol. Maol was drilled by Shell in 1987, and on test flowed at over 2,000 boepd.

Previous analysis suggests that the commercial threshold for oil developments with proximity to infrastructure in this part of the North Sea is c. 4-5 MMbbls, indicating that a viable development should be possible, and indeed these economics are likely to be further enhanced in light of the recent increase in commodity prices.

During the first- half of 2021 progress was made on the work programmes associated with the licences: new 3D seismic data was purchased and interpreted, with the initial mapping providing positive indications on the existing Maria, Brochel and Maol discoveries, and on the identified prospectivity, including Zeta, Dunvegan, and the deeper Jurassic targets.

In September 2021, the Company announced that it had entered into a binding sale and purchase agreement ('SPA') with Quattro Energy Limited (Quattro) to sell its UK Central North Sea Licences. Completion of the sale was conditional on receipt of approval from the Oil and Gas Authority (OGA) and Quattro completing a fundraising process. OGA approval was received, however, Quattro did not complete a fundraising process by the long stop date (28 February 2022). In Mach 2022 United terminated the SPA with Quattro and have retained the licences as part of the Company's portfolio.

Both licences are located in a highly prospective area of the CNS, where there is significant development activity taking place. They are situated close to existing infrastructure as well as the Marigold and Yeoman discoveries, and the substantial Piper, MacCulloch and Claymore oil fields.

There are low-cost commitments on both licences, and with rising commodity prices and renewed activity in the nearby area United believes they each contain attractive investment opportunities. United look forward to progressing the commercialisation opportunities and potential partnerships the assets offer.

Waddock Cross (26.25% working interest, non-operator)

Licence PL090 containing the shut-in Waddock Cross Field is situated c. 11km to the east of Dorchester, in the onshore Wessex Basin, UK.

The operator, Egdon Resources U.K. Limited has updated the modelling for the shut-in field, demonstrating that a possible phased redevelopment of Waddock Cross would be commercial. A Final Investment Decision is expected to be made by the end of 2022. Waddock Cross remains non-core, and United are continuing to review alternatives for this asset.

Italy

Selva

(20% working interest, non-operator)

United has completed the sale of 100% of the share capital of UOG Italia Srl PXOG Marshall Limited, a subsidiary of Prospex Energy PLC ('Prospex'), for a consideration of €2.165m (c. $2.54m) with an effective date of 1 January 2021.

Health, Safety and Environment

While United had no field activity in 2021 in which we were the operator, we continued to work with our Joint Venture partners and as part of the Joint Operating Company (JOC) in Egypt. Measures were in place to minimise the risk of any COVID-19 outbreak and procedures were in place to ensure the impact of any outbreak could be quickly contained. There was no disruption to the operations in Egypt.

Our operator in Egypt maintained another year of zero Fatalities, Medical Treatment Cases, Restricted Work Injuries and a zero rate for Lost Time Injury frequency and Total recordable incidents frequency or environmental spills. There were three motor vehicle incidents with no harm to the drivers. All incidents were investigated, and lessons learned as appropriate and actions to prevent recurrence were implemented. There was also a fire incident, during the periodic maintenance of a plant generator by a contractor's technician. The trained team at the gas plant quickly controlled the fire using fire extinguishers. The preliminary investigation revealed that the fire caused by damaged insulation of the electric cable of the motor oil charging pump. The fire resulted in damage to the generator and minor injury on the hand of the contractor's technician. A detailed investigation will be carried out to understand mitigation measure and lessons learnt.

Group reserves and resources

Country	Egypt	Jamaica	UK	UK	UK	Total
Asset	Abu Sennan[1]	Walton Morant	Maria	Zeta	Waddock Cross	
Working Interest	22%	100%	100%	100%	26.25%	
Net 2P Reserves (mmboe)	3.0[1]	-	-	-	-	3.0
Net 2C Resources (mmboe)	-	-	6.1[3]	-	0.4[4]	6.5
Net Prospective Resources[5] (mmboe)	10.4[3]	2,421[2]	-	27.5[3]	2.3[3]	2,461.2

[1] ERCE reserves report, April 2022. Reserves of 3.0 MMboe are Net Working Interest and do not represent the Net Entitlement share of future production legally accruing under the terms of the development and production contract.

[2] GaffneyCline & Associates report, December 2020; Summation of Walton Morant Prospective Resources completed by United .

[3] Figures based on United interpretation and calculations.

[4] ERCE Competent Persons Report, December 2019.

A stable platform for growth

United's Financial Strategy underpins the business strategy and is founded on three core principles: capital discipline, financial management and risk management.

The existing portfolio is funded entirely from operating cashflow, and we have further strengthened the balance sheet since the start of 2022 via the refinancing of our prepaid swap facility, the agreement on the Crown milestone payment and the completion of our Italian divestment. Our balance sheet provides a stable platform for growth from both organic opportunities and via new business development opportunities. Our cash operating costs are low by industry standards and we are fully leveraged to benefit from the current high oil price environment.

Revenue

19.2

$m

Cash Opex

5.9

$/boe

Gross Profit

12.2

$m

Profit After Tax

4.1

$m

Financial results summary

	2021	2020[1]
Net average production volumes (boepd)	2,327	2,195
Oil price realised ($/bbl)	68.90	37.76
Gas price realised ($/mmbtu)	2.63	2.63
Revenue	$19.2m	$9.1m[2]
Gross profit	$12.2m	$2.5m
Cash operating cost per boe[3]	$5.90	$5.77
Exploration costs written off	$0.4m	$0.3m
Impairment of property, plant and equipment	$0.6m	-
Profit after tax	$4.1m	$.9m
Basic profit per share (cents)	0.64	0.15
Cash capex	$5.5m	$2.5m
EBITDAX[3]	$13.6m	$3.5m
Operating cashflow	$9.1m	$4.8m

[1] Amounts stated are for the 10 months from completion date of Egyptian Acquisition

[2] 22% interest net of government take

[3] See Non-IFRS measure

Group Production and Commodity Prices

Total group working interest production 2021 was 2,327 boepd an increase of 6% for the year (2020: 2,195 boepd for ten months). The Group's average realised oil price was $68.90/bbl representing an increase of 82% on the prior year, and the average (fixed) gas price was $2.63/mmbtu. Group revenue for the year totalled $19.2m representing an increase of 110% on the prior year largely down to higher commodity prices and also increased production. Revenues from the Abu Sennan concession are stated after accounting for government entitlements under the production sharing contract. Crude oil from Abu Sennan is sold as Western Desert Blend and the average discount to Brent was $1.85/bbl.

Group Operating Costs

Group cash operating costs were $4.9m (2020: $3.9m) an increase of $1.0m on the prior mainly due to an additional two months reported in 2021 and higher production during the year. The cash operating cost per barrel of $5.90/boe remains largely unchanged in 2021 (2020: $5.77/boe) which demonstrates the efficiency of our Egyptian assets.

Group DD&A

Group DD&A associated with producing and development assets amounted to $4.0m (2020: $2.6m). DD&A per boe is currently $4.70/boe.

Administrative Expenses

Administrative Expenses for the year totalled $3.4m (2020: $1.7m) Adjusting for the non-cash items under IFRS 2 Share Based Payment and IFRS 16 Leases, the administrative expense is $3m (2020: $1.4m). This included $0.4m on new venture activity relating to the evaluation of business development opportunities, a write-down of $0.39m relating to the Crown milestone agreement of $2.5m and the carried receivable was $2.85m a and a net impairment charge on development assets of $0.6m (2020: $Nil) relating to the Waddock Cross asset in the UK. The gain on non-current assets held for sale of $0.1m relates to the divestment of the Italian business.

Divestments

During 2021 the Group signed conditional sale and purchase agreements (SPA's) for the disposal of the share capital of UOG Italia Srl for a consideration of €2.165m (c. $2.54m) with an effective date of 1 January 2021 and to sell its UK Central North Sea (UK CNS) Licences; P2480 and P2519 for a consideration of up to £3.2m (c. $4.4m). On 28 February 2022 the SPA for the sale of the UK CNS licences was terminated. The assets and liabilities of UOG Italia Srl are held as assets for sale on the balance sheet as at 31 December 2021. This divestment completed on 8 April 2022.

Derivative financial instrument

The Company's pre-payment facility with BP provided downside protection by effectively hedging a volume of bbls of oil at $60/bbl per month for a thirty-month term from March 2020 through to September 2022. As at 31 December 2021, an unrealised loss of $1.5m has been recognised as a result of oil price movements in the period. On 31 January 2022 the Company and BP extended the maturity of this facility until 31 December 2023 to create further financial flexibility for the Company. The new terms provide downside protection at $70/bbl for a volume of bbls through to end December 2023.

Taxation and Other Income

The Egypt concession is subject to corporate income tax at the standard rate of 40.55%. However, responsibility for payment of corporate income taxes falls upon EGPC on behalf of UOG Egypt Pty Ltd. The Group records a tax charge with a corresponding increase in other income for the tax paid by EGPC on its behalf. Due to accumulated tax- deductible balances there was no tax due in the prior period.

Profit post tax

The profit for the year from continuing operations and prior to any exceptional costs was $4.1m (2020: $0.9m).

Cash flow

Net cashflow from continuing operations amounted to $9.1m (2020: $4.8m). An increase/decrease of 90% compared to 2020. Cost control and liquidity management both served to protect the cashflows. A significant year end revenue receipt of $0.8m was not received at our bank until 2 January 2022 and hence is not reflected in the year end cash balance.

Capital investment

Total capital expenditure on continuing operations for the year amounted to $5.5m (2020: $2.5m); with $2.3m incurred on the two successful development wells, $2.7m on other exploration, development and infrastructure projects in Abu Sennan. The remaining $0.5m was invested in other assets across the remainder of the portfolio.

The company will continue to focus on capital discipline with 2022 capital investment largely directed at maximising value from the Group's producing assets. The Group's cash capital expenditure for the full year is forecasted to be approx. $6m, fully funded from existing operations, with circa $5.5m to be invested in Egypt and up to $0.5m across the other assets in the portfolio.

Balance sheet

Intangibles Assets additions during the period amounted to $3m and were then reduced by both a transfer of Exploration success wells at both ASD 1X and ASX 1X amounting to $2.5m in total, and the transfer of Italian assets for divestment to Assets Held for sale ('AHFS'), leaving a closing Intangibles Balance Sheet position of $5m comprised of $4.5m in Jamaica and $.5m on our North Sea assets (2020: $7.9m). Of the additions in 2021 $1.7m relates to the two exploration campaigns in Abu Sennan, $0.9m was spent in Jamaica on the Walton Morant licence and the remainder of the movement of $0.4m on other exploration assets within the portfolio. The movement in Property, Plant and Equipment was $4.4m which represents spend on the five well campaign, two exploration successes transferred from Intangibles, and two development wells plus additional facilities and workovers on the Abu Sennan producing assets in Egypt. Additions were $8.5m in total, offset by $4m of DD&A on a unit of production basis. Trade and other receivables amounted to $7.7m and included $5m of accrued income on oil and gas sales plus $2.5m relating to the Crown disposal milestone payment. Borrowings at year end were $3.8m.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chair's statement and the Strategic Report.

United regularly monitors its business activities, financial position, cash flows and liquidity through detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, including changes in commodity prices and in production levels from the existing assets, plus other factors which could affect the Group's future performance and position.

A base case forecast has been considered which uses budgeted commitments and prevailing forward curve assumptions for oil prices. The key assumptions and related sensitivities include a "Reasonable Worst Case" ('RWC') sensitivity where the Board has considered a scenario with significant aggregated downside, including a reduction in forecast production rates of 15%, a reduction in oil prices by 20% and an increase in forecast capital expenditure in Egypt by 10%.

Both the base case and RWC take into consideration the Crown Milestone Settlement Agreement for $2.5m and the completion of the Italian divestment for €2.2m in early 2022. The likelihood of all these downside sensitivities taking place simultaneously and lasting for the entire forecast period is considered to be remote. Under such a RWC scenario, we have identified appropriate mitigating actions, including the deferral of additional uncommitted capital expenditure, further divestment of the portfolio, restructuring of debt arrangements and adjustment of the Group cost base, which would be available to us and have been demonstrated as effective strategies in previous periods of low oil prices. Our business in Egypt remains robust given cash operating costs of less than $6/boe, flexible drilling contracts, downside price protection on our hedged volumes and gas contracts that are fixed price in nature.

There are limited capital commitments in the other assets in our portfolio. The forecasts outlined above show that the Group will have sufficient financial headroom for the 12 months from the date of approval of the 2021 Accounts. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to use the going concern basis of accounting in preparing the annual Financial Statements.

Financial Outlook

United's financial strength is founded on our long-term approach to prudently managing capital to generate value. United has a streamlined portfolio of assets which are funded from operating cashflow. We have taken significant steps to strengthening our balance sheet and generate investment flexibility, via the completion of two of our asset divestments and extending the maturity on our pre-paid swap facility with the ongoing support of our debt provider BP. The measures that we have taken and the benefits of our stable low-cost production benefitting from the prevailing stronger commodity price environment ensures that our balance sheet provides a stable platform for growth from both organic and inorganic opportunities.

A consistent approach to risk

United continuously monitors and assesses its Principal and Emerging risks faced across the Company. During 2021, these risks particularly included the evolving risk landscape during the COVID-19 pandemic and the global macroeconomic/geopolitical environment. The Audit and Risk Committee has delegated powers from the Board for oversight of Risk Management including risk management assessment criteria, decision making on how to increase the effectiveness of risk mitigations and oversight of the Group risk register. The Audit and Risk Committee reports to the Board regarding the adequacy of Risk Management measures ensuring that the approach to risk is consistent with the Group's strategy and risk appetite.

The Board has closely considered the potential impact of these risks and related events on its corporate strategy, and stakeholders' perspectives of the Company.

Emerging risks

Within the Company Risk Management, emerging risks are considered as part of the identification phase. These are risks that cannot yet be fully assessed, risks that are known but are not likely to have an impact for several years, or risks which are unknown but could have implications for the business going forward.

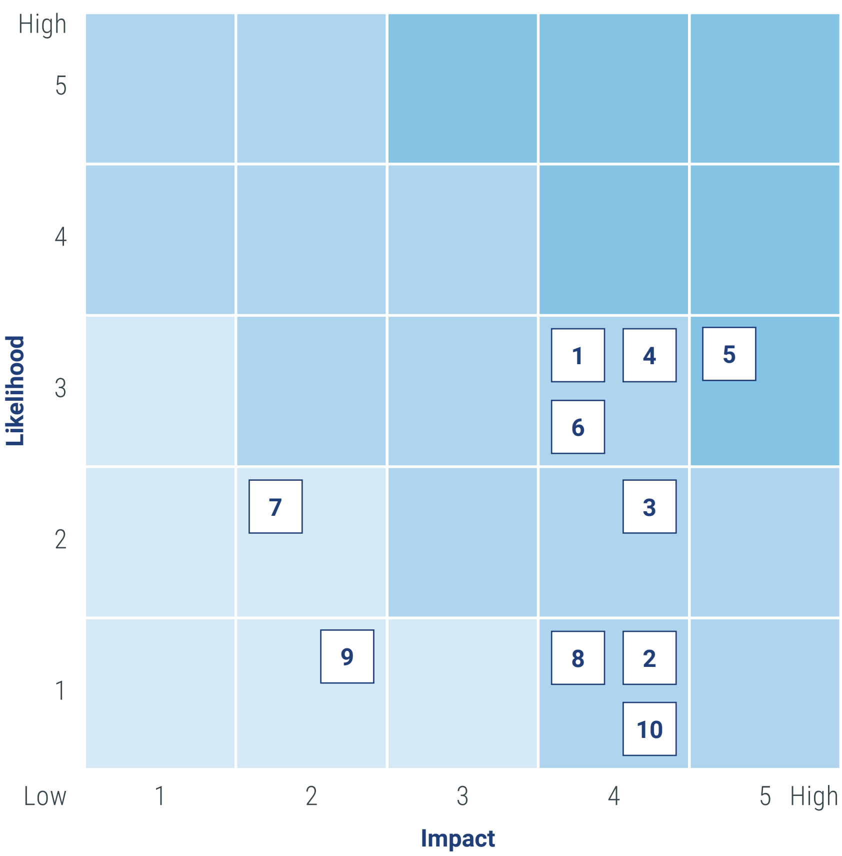
COVID-19 is an example of an emerging risk which was identified in 2020 as a known potential risk which was challenging to fully assess. The ever changing landscape of the global response to COVID-19 and the implications this has had on the industry was difficult to predict. In response to the continued pandemic, the Company has taken steps throughout 2021 to ensure the safety of our staff and the continued delivery of our business-critical activities. The Joint Operating Company (JOC) in Egypt, continued with the measures in place to minimise the risk of any COVID-19 outbreak and procedures such that mitigation measure were in place to ensure the impact of any outbreak could be quickly contained. There was no disruption to the operations in Egypt. Our head office staff continued to work remotely in line with government directives with negligible disruption to our business.

The speed of energy transition away from fossil fuels are watched closely by oil and gas independents. Climate change, changes in public perceptions, investors' attitudes, energy and climate policy, carbon pricing and the development of new technologies to reduce CO_2 emissions are all combining to change the landscape for all oil and gas companies and this emerging risk is a subset of the principal risk of Climate change.

The following pages provide a summary overview of the principal risks to the Company at the end of 2021, the potential impacts, causes and the mitigation measures.

Corporate Risk Marix

Plots the likelihood of each risk that the management believe could influence performance



Strategic

1. Insufficient capital available to complete further acquisitions in line with growth strategy
2. Health, Safety, Environmental and Social risk
3. Climate change and energy transition[1]

Financial

4. Commodity price risk
5. Liquidity risk for completion of planned work programmes and going concern

Operations

6. Unable to achieve production targets / recover reserves
7. Misalignment of joint venture partners causing impact on work programmes and cash flow

Reputational

8. Reputational damage
9. Business conduct & bribery
10. Political / regional risk[1]

[1] New risk added

These risks are similar to those faced by many companies in the oil and gas industry. A description of the principal risks, impact, cause and mitigating factors and controls, are set out in the table on page 34. The risks in the table are not in order of priority nor is it an exhaustive list of all risks that may impact the Group, but rather the Board's view of principal risks at this point in time.

The principal risks and their mitigations are detailed below:

STRATEGIC	
Risk	**Impact**
1. Insufficient capital available to complete further acquisitions in line with growth strategy	• Work programme restricted by reduced capital availability • Inability to grow in line with growth strategy • Failure to replenish the portfolio • Loss of value • Inability to replace reserves and sustain production levels
2. Health, Safety, Environmental ('HSE') and Social risk	• Serious injury or death Environmental impacts Reputational damage • Regulatory penalties and clean-up costs • Operational outages leading to lower production
3. Climate change and energy transition	• Providers of capital limit exposure to fossil fuel projects • Climate-related policy changes • Reputational damage • Retaining and attracting talent • Risk of additional impairment of assets

FINANCIAL	
Risk	**Impact**
4. Commodity Price risk	• Reduction in future cash flow • Uncertainty in planning • Inability to fund work programme or invest for growth • Value impairment of development exploration projects
5. Liquidity Risk for completion of planned work programmes and going concern	• Work programme restricted by reduced capital availability • Inability to grow in line with growth strategy • Loss of value • Inability to replace reserves and sustain production levels

Causes	Mitigation
• Equity and debt markets reducing investment in oil and gas activities • Pressure on capital providers to avoid fossil fuel projects • Commodity Prices/Economic Conditions • Geopolitical risks	• Regular review of funding options • Proactive discussions with equity and debt providers • Seek to ensure adequate returns are generated for investors
• HSE risks or environmental and safety incidents • Climate change impacts on the sector • Preclusion from activity due to Governmental / Societal view of industry	• Better understanding and input into our Operator's health and safety processes and metrics • Insurance procured to address insurable risks • Comply with all legislative/regulatory frameworks where applicable • Engage more widely to advocate the continuing importance of the role of oil and gas in the global energy mix • ESG Committee of the Board
• Pressure on investors to divest out of fossil fuel companies / projects • Inability to find economically viable CO_2 reduction solutions • Global transition to a lower carbon intensity economy Increased climate regulation and disclosure • Increase in carbon taxes / decarbonisation charges • Consumer sentiment, potentially causing radical / transformational shifts in consumption of fossil fuels • Increased frequency of extreme weather occurrences	• Using our influence with the Joint Venture ('JV') partner to identify emissions, and emissions reduction plan • Building in a carbon intensity study and mitigations into any new exploration development scenario

Causes	Mitigation
• Oil and gas market volatility • Lower long-term prices	• Oil hedging framework in place which complies with lending obligations • Close monitoring of business activities and cashflows including downside oil price scenarios • Fixed price gas sales • Capital discipline with focus on progressing investments that are robust in a low oil price environment
	• Capital Allocation ensuring robust investments are approved • Active management of discretionary costs • Effective cashflow forecasting and liquidity management • Maintain effective systems and controls

OPERATIONAL	
Risk	**Impact**
6. Unable to achieve production targets/recover reserves	• Future cashflow depend on production/ reserves • Negative impact on asset value • Liquidity issues • Reputational damage
7. Misalignment of joint venture partners causing impact on work programmes and cash flow	• Cost/schedule overruns • Poor performance of assets • HSE performance • Delay in oil from development projects Negative impact on asset value

REPUTATIONAL	
Risk	**Impact**
8. Reputational Damage	• Loss of value • Stakeholder relations breakdown • Social licence to operate damaged
9. Business Conduct & Bribery	• Fines • Criminal prosecution • Reputational damage
10. Political / regional risk	• Higher operating costs • Adversely effect operations • Compliance and taxation • Uncertain financial outcomes

Causes	Mitigation
• Subsurface uncertainty and inaccurate field / reserves modelling • Disruption to facilities / equipment (e.g., from adverse weather, mechanical failure etc) • Lack of success from development drilling and field interventions • Over-reliance on single asset	• Engagement of reputable reserves auditors with focus on consistency and transparency • Appropriate disclosures on reserves movements • Challenging technical engagement with Operators of Producing Assets • Timely production reporting from Operators • Maintenance of company technical analysis and understanding of assets • Adequate technical resources in place • Expand production base to spread production across a larger number of assets
• Joint venture partners having different views on drilling and work programme • Financial capability of joint venture partners	• Active participation in joint venture process • Manage own technical work and asset understanding • Financial capability assessment on current and potential joint venture parties

Causes	Mitigation
• Sub-optimal capital allocation • Activities run by asset operators causing safety or environmental issues	• High grading opportunities based on clear financial metrics such as NPV, IRR and payback • Seek to maximise influence on operators of our producing assets • Maintain a balanced portfolio across both oil and gas and producing, development and exploration assets • Active and regular dialogue with Shareholders
• Present in countries in challenging regulatory and political environments • Transacting with counterparties with sub-optimal reputational and compliance record	• Usage of in country and international professional advisers • Ensure adequate due diligence prior to on-boarding counterparties including external compliance reports • Annual training in anti-bribery and corruption
• Geopolitical issues • Operations in challenging regulatory and political environments • Sudden changes to fiscal regimes • Government reform, political instability, civil unrest	• Maintain positive relationships with governments and key stakeholders. • Ongoing monitoring of the political and regulatory environments in which we operate.

In accordance with section 172(1) of the Companies Act 2006, The Directors of the Company have a statutory duty to promote the success of the Company.

Stakeholder	How management/Directors engaged	Issues considered/key topics of engagement

Employees
• United remains a relatively small company in terms of its full-time staff of 10 employees (excluding non-executive directors) in Dublin and a Country Manager supported by a small team in Cairo.
Why we engage
• We recognise that employees are a valued and key part of our business.
• We are dependent on employees' performance.
• We have a legal and ethical responsibility to their well-being.
• They bring a diverse perspective, and broad range of experience and expertise to the identification of opportunities and ways of working and essential to the delivery of our strategic objectives.
• We engage with our employees in a variety of ways to ensure that they are well informed, motivated to execute our strategy such that we can deliver on the long-term goals of the business.
	Given the Company's relatively small size, communication is very fluid, and exchange of information is very easy. There is no requirement for "town hall" meetings at this stage of the Company's cycle. We have an open, collaborative, and inclusive management structure and engage very regularly with our employees. Formal and informal meetings take place in the form of:
	• Regular staff meetings and team meetings;
	• Face to face meetings; and
	• Team building events.
	These were either in person or virtual as COVID-19 restrictions allowed.
		• Strategy
		• HR Policies
		• Remuneration and benefits
		• Anti-bribery and Corruption
		• Company News
		• Ways of working
		• Lessons learned from projects
		• Internal communication
		• Collaboration across teams and that the Company:
		  • Maintains a healthy, safe, and secure working environment;
		  • Treats all employees in a fair and transparent manner;
		  • Provides business appropriate training and career development opportunities;
		  • Retains its culture of respect, integrity, honesty, and transparency;
		  • Is a successful company which our employees are proud to be part of;
		  • All aware of aligned with our strategy; and
		  • Provides opportunities for employees to share ideas for business improvements with senior management.

Shareholders, and financing partners
• Our shareholders include both high net worth individuals and retail investors who are principally based in the UK. Our top 10 shareholders account for approx. 60% of our shareholder base.
• The Board has maintained its relationship with BP throughout 2020 and regards BP as a highly valued stakeholder.
Why we engage
• Our strategic and operational decision-making is influenced by our investors' views.
• We are dependent on access to funding.
• We are accountable to our shareholders.
• We believe that maintaining a regular and transparent dialogue with our shareholders and lenders is essential to earn and retain their confidence. In line with the QCA Corporate Governance Code, the Board must manage shareholders' expectations and should try to understand the purpose behind their voting decisions.
• The lenders are an important source of funding for the Group's operations.
	• Our comprehensive investor relations programme is designed to answer investor queries and provide public disclosure on results and other material developments within the business as well as ensuring that shareholders' views are communicated to the Board and considered in the Company's decision making.
	• Our investor relations programme includes regular updates via RNS's, webcasts, calls, meetings, investor roadshows, social media and our Annual General Meeting as well as participation in investor and industry conferences.
	• In line with COVID-19 restrictions as appropriate, the Company held several physical and virtual investor roadshows / meetings during the year with investors in addition.
	• Regular contact is maintained with our lenders through a combination of physical and virtual meetings.
		• Strategy
		• Operational and Financial Performance
		• Investment Returns
		• Risk Management and Funding
		• Corporate governance
		• Board composition / remuneration and that the Company:
		  • Delivers long-term share price performance and adopts a strategy, culture and business model designed to enable this;
		  • Maintains appropriate operational, financial and sustainability reporting procedures; and
		  • Actively engages with lenders regarding servicing existing debt facilities.

The duty under S172(1) is applied in addition to the other duties of a director. Each Director must discharge these duties in accordance with the duty of care, skill and diligence both objectively and to a subjective standard. The Board at United, as individuals and collectively consider that they have acted in a way that would most likely promote the success of the Company, to deliver the goals and objectives.

The Board of Directors of United recognises the importance of building and sustaining relationships with all of its stakeholders, considering the long-term consequences of our decisions, and the need to foster a good culture and good business conduct.

The Board of Directors have identified the following stakeholder groups as being important to our success and we set out below the methods by which we engage with them.

Outcomes of engagement and examples of such engagements	COVID-19 considerations
• The Company's initiatives supported, informed, and motivated our employees through a difficult year. They helped the business to continue to function with negligible disruption during 2021 despite the continued COVID-19 pandemic. • Enhanced communication of our strategic priorities and performance. • In person team events were held to strengthen cross-functional collaboration (where government regulations allowed). • During the pandemic restrictions, including the requirement to work from home, the directors have hosted a daily call with employees. • When restrictions were eased by the government, all United employees, including the Board, came together for a corporate day for the discussion of business matters. This was the first time in two years all the team had been together. • Hybrid work is a new working model with office staff having the option to work from home and the office as they feel comfortable.	• The main impact was the reduction in travel and the lack of face time across the business. Our office staff worked from home. Our Country Manager is based in Egypt and was able to undertake regular visits to our business partners required. • We ensured our office-based workers had what they needed to work efficiently from home. When restrictions extended into 2021, business travel was restricted and COVID-19 safe office was provided to those unable to work from home, in line with government guidelines. Once restrictions were lifted, staff were given the option to return to work if they felt comfortable and air purifiers were provided in the office and deep cleaning implemented. • In the operations in Egypt the Joint Operating Company ('JOC') had stringent health and safety measure in place to mitigate the risk of infection. • Read more in our Corporate Responsibility Report page 44.

• Shareholders and lenders were keen to participate in regular communication with the Company, with both physical and virtual meetings and investor roadshows well attended.
• 2021 was a very active year for the Company seeing over 40 RNS Announcements covering all aspects of the business in a very transparent manner. These included announcements on governance, technical, financial, strategic and portfolio management matters. All shareholders are invited to participate in shareholder calls hosted by the executive directors.
• Our annual investor programme, which during 2021[(1)] was managed in person and using virtual technologies, and included:
  • Over 50 Investor interactions with the executive team;
  • Over 40 one-to-one meetings with current and new shareholders including group meetings;
  • Over 425 contacts met;
  • Four webcasts for analysts and shareholders to take part in; and
  • Numerous virtual conferences and interviews on retail platforms.
• Appointment of a new Joint Broker- Tennyson.
	• Communication and transparency of our COVID-19 strategic response: capital and portfolio management and reassurance on business continuity.
	• The main impact of COVID-19 was Annual General Meeting in June 2021 were held virtually for the second time in compliance with the UK's COVID-19 regulations. Shareholders were able to submit questions in advance, all of which were answered during the meetings by management. In general, there was a greater proportion of shareholder and lender interaction through virtual meetings and calls than face-to-face meetings during the year.

[(1)] Data collection from August 2021 onwards

Stakeholder	How management/Directors engaged	Issues considered/key topics of engagement

Local Communities
• Our host countries are currently Egypt where we have non-operating assets, Jamaica and the UK CNS (which we divested out of) where we have exploration licences. In Egypt the operator (KEE) work closely with the local communities in our areas of business.
• In Jamaica we have licences offshore. We are in the first exploration stage and work comprises of geological and geophysical studies.
Why we engage
• Engagement is key to maintaining our social license to operate. United is committed to being a positive presence in the regions where we do business.
• Our corporate responsibility ethos is that our projects should benefit all of our stakeholders and particularly our host countries and the local communities.
• Acting in a responsible way towards our stakeholders is seen as critical to the ongoing effectiveness of our business. Local communities provide a diverse perspective leading to new understanding of situations and the mitigation of tensions.
• We have an ethical responsibility to minimise impact on livelihoods and the environments in which we operate – and where we are a non-operator, United will use its relationships and influence as Joint Venture partner and its role in the Joint Operating Company to achieve these aims.
	• In Egypt where we are a non-operator, United uses its relationships and influence as Joint Venture partner and its role in the Joint Operating Company to monitor the operator's performance and adherence to Health, Safety, and Environmental policies and procedures.
	• KEE have been operating in Egypt for over a decade. They have a constructive and positive approach to working with local communities, seeking to maintain good relationships with them.
	• Our Country Manager in Egypt and Senior Management have visit and engage with the operators regularly.
		• Corporate Responsibility
		• Environmental Management
		• Access to employment and business opportunities
		• Protection of resources and livelihoods
		• Community development and social investment and that the Company:
		  • Delivers local and national economic benefits;
		  • Safeguards the environment; and
		  • Acts as a responsible neighbour and good corporate citizen.

Governments and Regulatory Agencies
• In Egypt, United has good relations with the Egyptian General Petroleum Corporation (EGPC) and the Ministry of Petroleum and Mineral Resources and in Jamaica the Ministry for Science, Energy and Technology (MSET).
Why we engage
• Maintain collaborative partnerships with government agencies that generates value for both parties.
• We are responsible to them for compliance with local and/or international laws.
• Their permissions are required for us to access acreage and operate.
	• We take a constructive and positive approach to working with national and local authorities, as well as regulators in both countries, seeking to maintain good relationships with them all.
	• We contribute to government and local authorities in the countries in which we have assets in the form of royalties, taxes and fees every year.
	• The Board meets with the Egyptian General Petroleum Corporation (EGPC) and the Ministry of Petroleum and Mineral Resources (Ministry) each time an executive director visits Egypt. The Country Manager maintains an ongoing dialogue, including face to face meetings with both EGPC and the Ministry. Since taking on operatorship of the Walton Morant licence in Jamaica, travel restrictions have prevented directors from visiting Jamaica, but instead, monthly videoconferences have taken place with the Ministry for Science, Energy and Technology.
		• Legal Matters
		• Asset Management
		• Social Initiatives
		• Revenue Collection
		• Legal Compliance
		• Major accident prevention
		• Investment and economic growth and it is important that United:
		  • Interacts in an appropriately open and transparent manner with these stakeholders;
		  • Has in place the policies and procedures to ensure internationally recognised practices are followed by our people and that local laws are complied with;
		  • Operates in a healthy, safe, and secure manner;
		  • Contributes towards national and local economic development; and
		  • Secures required approvals and licence renewals from regulatory bodies to maintain our regulatory license to operate.

Outcomes of engagement and examples of such engagements	COVID-19 considerations
• The engagement process further strengthened the existing relationships between the Joint Venture partners and the operator and the local communities in Egypt. • Community investment focus around supporting industry capacity to build industry specific skills. • Gross annual contribution, as part of the Joint Operating agreement, into a training fund for capacity building in Egypt and for Training and Education in Jamaica. • Sponsorship of the Capacity Building Feature, as part of the 4th Upstream Technical Convention in Egypt. • Sponsorship of the Al Amal mentorship programme for university students to help build skills to find jobs with international oil companies. • Read more in our Corporate Responsibility Report page 44.	• We continued with our social investment programs as they were relating to education and training and capacity building. They were maintained despite restrictions and governmental lockdowns.
• Reviewing feedback and commentary from government and regulatory bodies regarding performance expectation. • Maintained good, productive and collaborative working relationship with the various government agencies we interact with in Egypt and Jamaica. • The CEO and COO of United have made several in person trips to Egypt as restrictions have eased to meet with our stakeholders. • Since taking on operatorship of the Walton Morant licence in Jamaica, travel restrictions have prevented directors from visiting Jamaica, but instead, monthly videoconferences have taken place. • Attended the British Egyptian Business Association (BEBA) the Ministry for Science, Energy and Technology conference.	• Observed host government regulations in respect to the COVID-19 pandemic restriction.

Stakeholder	How management/Directors engaged	Issues considered/key topics of engagement
Joint Venture Partners, Peers, Business partners • KEE are the operators in Egypt and the Joint Operating Company consists of KEE, Global connect ltd, and Dover investment. In Jamaica we are the operators. In Italy we are divesting our asset. Why we engage • Their performance directly impacts our financial, operational and responsible performance. • We are reliant on viable partners in joint ventures. • We are commercially responsible to contractors, suppliers and partners.	• In 2021, engagement was carried out using virtual technologies and face-to-face meetings as COVID-19 restrictions eased. Meetings with partners, peers and contractors with board members and senior executives in addition to regular joint venture and operations, and technical planning meetings. • Maintaining membership of industry bodies • Active management of key projects and assets (including alignment of project deliverables).	• Asset Planning • Budget Planning • Billings and cash calls • Interaction with government and regulatory agencies • Operations and health and safety • Policies and standards • Industry reputation • Investment opportunities for growth • Long-term relationships • ESG matters

Suppliers
• United does not require a large network of suppliers due to our position as a non-operator for our producing and development assets and with limited activities taking place on our exploration and appraisal assets suppliers support the Company predominantly in support activities.
• Interaction with suppliers is on an as needs basis and all suppliers are dealt with integrity and respect.
	• Interaction in 2021 was via:
	  • Video conferencing;
	  • Email;
	  • Telephone;
	  • Written communications; and
	  • Face to face meetings (where government regulations allowed).
		• Technical, Regulatory, Financial and Legal Support
		• Policies and standards
		• Industry reputation
		• Long-term relationships
		• ESG matters

Principal Decisions

For each of the principal decisions made by the Board, we provide a description of

- How stakeholders' interests were considered and what influence this has on the decision
- The impact on risk management and the Company's principal or emerging risks
- The consequences for the Company's long-term success
- The impact of affected stakeholders and (where relevant the environment)
- Principal decisions considered by the Board

Principal decisions considered by the Board	Stakeholders considered
• Holding the 2021 Annual General Meeting (AGM) as closed meetings.	• Shareholders (directly impacted by the decision because under normal circumstances general meetings allow shareholders to attend in person, to vote at the meeting on a poll and hold the Board to account through Q&A and discussion). • Colleagues (affected by safety concerns of not having a closed meeting).
• Remote working, and ensuring protection of our colleagues.	• Employees (directly impacted by working remotely).

Outcomes of engagement and examples of such engagements	COVID-19 considerations
• Ongoing close collaboration with JV partners to successfully deliver objectives. • Our senior management engages in regular meetings with our customers, suppliers and partners and we also participate in local industry events. The purpose of this engagement is to establish and maintain relationships with these important stakeholder groups. • Operators of our assets host Technical Operating Committees and Operating Finance Committees over the course of the year and the Chief Operating Officer attends. There are routine interactions over the course of the year on budget, technical and financial matters.	• We have monitored how non-operating partners have conducted drilling campaigns during the pandemic, ensuring that best practice has been followed.
	• Communication was virtual or in person as pandemic restriction allowed.

Engaging with and considering stakeholder interests	Effect of engagement with stakeholders on Board decisions and impact of decisions on risk
• The Board decided to hold the 2021 AGM as a closed meeting in order to protect the health and safety of our shareholders and colleagues. This was in accordance with guidance issued by the UK Government. Shareholders were strongly encouraged to exercise their votes by submitting their proxy forms. Shareholder contribution to these meetings is valued by the Board.	• The decisions taken by the Board were designed to prioritise and protect the health and safety of our employees and our shareholders in the face of the global public health risk.
• In order to protect our colleagues during the COVID-19 pandemic, the Board agreed that, where possible, employees should work remotely.	• The Board was mindful of the impact of these decisions on our employees. In this respect discussed the importance of mental health and encouraged employees to ask for help. There was no business impact.

Our purpose is to responsibly produce energy for our communities and stakeholders

Doing business with integrity, ethically and safely is our priority. We also see reporting transparently as important. United's corporate responsibility is integrated within the business and focuses on four key areas; Our People and Communities, Health and Safety, Environment, and Values and Governance. To demonstrate our commitment to corporate responsibility and how it is embedded within the organisation specific Environment, social and governance ('ESG') Key performance indicators ('KPI's') are linked to executive bonus payments. Corporate KPI's are based on Production reserves, Portfolio management, Financial corporate activity and ESG. Further details can be found in the Remuneration Report (page 60).

Currently United is a non-operating partner in an oil and gas development and production asset in Egypt, is operator of an exploration licence in Jamaica, and is a licence administrator in the UK Central North Sea. As non-operator we use our relationships and influence as a Joint Venture partner and our role in the Joint Operating Committee to conduct business ethically.

United is committed to conducting our operations in a safe and responsible manner to deliver long term growth, while complying with all applicable laws and regulations and limiting our environmental impact. We contribute to host country development goals, and access to affordable energy and supporting the local communities where we have business activities.

We manage our risks and seek to minimise any potential adverse impacts we may have. The United Health, Safety and Environment Management System ('HSES MS') describes the Group's internal processes to manage risks and is based on a number of guidelines and standards including the internationally recognised standard, ISO 14001.

The Chief Executive Officer is accountable to the Board for implementation of Health, and Safety policy and the Environmental policy. United also has Human Rights guidelines. The ESG Committee oversees the adequacy and effectiveness of our policies, standards and management system for HSES.

Our people and communities

Our people

United remains a relatively small company in terms of its full-time staff of 10 employees (excluding non-executive directors) in Dublin and a Country Manager supported by a small team in Cairo. United is committed to creating a safe work environment. We are an equal opportunity employer promoting diversity and treating all employees with respect and fairness. We have technical, engineering, finance, commercial, investor relations and administrative teams. Our employees have a diverse range of skill sets, backgrounds and expertise which help deliver our strategy. We have a culture conducive to working cross functionally and encouragement of constructive debates. Our size of direct employees facilitates daily direct dialogue amongst personnel and Executive Directors.

Local capability building

We are committed to providing meaningful opportunities for technical co-operation, training and capability building in host countries. All our licence agreements include a high degree of local content, which commits us to hire locally where possible and provide training to develop new skills. In Egypt, as part of the Abu Sennan Concession Agreement, the Company commits to a total of $50,000 per annum for training and development of employees to support developing future Egyptian expertise in the industry. Similarly in the Jamaican Production Sharing Agreement United commits to $100,000 per annum to a Training and Education Fund.

Community and social investment

Our social investments have been based on the needs of the local communities where we have licences. We believe social investment is part of being a good corporate citizen where stakeholders can benefit from United's business activities. Our country manager in Egypt, identified that social investment into projects focusing on Health and Education would be most beneficial to the local community.

In 2021 United supported a number of social programmes in Egypt:

- United sponsored the Capacity Building Sponsor as part of the industry capacity building, sponsorship of the Capacity Building Feature at the Upstream Technical Convention in Egypt
- The Al Amal Mentoring Programme Sponsorship supporting 40 students to find jobs in international oil companies.

Case study

Al Amal (meaning hope) has been established for 14 years and consists of a yearly cohort of about 40 students, 30-40% of which are women. It is a three-month full-time programme that helps university graduate students to compete for jobs with international oil companies and help companies to find the right calibre candidates. The programme includes classroom studies such as Communication skills, Emotional intelligence, IT, Business skills, teamwork and interview skills, project work, and field trips. In 2020, the Program was online for the first time, due to the pandemic but has returned to being face-to-face in 2021.

Students on the Al Amal mentorship programme.

Health and Safety

United is focused on ensuring that all employees have awareness, information, and resources to be able to prioritise health and safety and implement best practice to ensure that the chances of any incidents are minimised.

Our Health and Safety policy commits us to: protecting the health and safety of our employees; providing a workplace free of discrimination where diversity is valued and to ensuring that we consult and engage with our employees.

In response to the continuing pandemic, the Company has taken steps throughout 2021 to ensure the safety of our staff and the continued delivery of our business-critical activities. These steps included:

- Regular communication with in-country managers and employees
- Working from home options given to employees
- Directors have hosted a daily call with employees
- Regular updates to staff on hygiene measures and action in case of symptoms
- Travel guidance / restriction if appropriate
- Adherence to all in-country governmental and operators' guidelines on COVID-19 prevention

While United had no field activity in 2021 in which we were the operator. We continued to work with our Joint Venture partners and as part of the Joint Operating Company (JOC) in Egypt, with the measures in place to minimise the risk of any COVID-19 outbreak and procedures were in place to ensure the impact of any outbreak could be quickly contained. There was no disruption to the operations in Egypt.

Our operators in Egypt maintained another year of zero Fatalities, Medical Treatment Cases, Restricted Work Injuries and a zero rate for Lost Time Injury frequency and Total recordable incidents frequency. There were three motor vehicle incidents with no harm to the drivers. All incidents were investigated, and lessons learned as appropriate and actions to prevent recurrence were implemented. There was also a fire incident, during the periodic maintenance of a plant generator by a contractor's technician. The trained team at the gas plant quickly controlled the fire using fire extinguishers. The preliminary investigation revealed that the fire caused by damaged insulation of the electric cable of the motor oil charging pump. The fire resulted in damage to the generator and minor injury on the hand of the contractor's technician. A detailed investigation will be carried out to understand mitigation measure and lessons learnt.

Safety indicators (reported by operator) 2021

Indicator	2021
Lost time injury frequency rate - LTIR	0[1]
Total recordable incident frequency rate - TRIR	0[2]
Fatal accidents	0
Medical treatment cases	0
Restricted work injury	0
Number of motor vehicle incidents	3
Property damage/fire	1
Near misses	0
Security breaches	0
EAS's employees' and contractors' YTD man-hours worked	1,511,005

[1] Lost time injury frequency rate: Number of lost time injuries per million man-hours for both employees and contractors.

[2] Total Recordable Injury rate: Number of recordable injuries per million man-hours for both employees and contractors

Human Rights

United subscribes to Principle One of the United Nations Global Compact: Human Rights. This Principle sets out the UN Global Compact's overarching expectation of business on human rights, namely, to respect and support human rights.

United's Human Rights guidelines provides information and ensures respect of Human Rights and we will follow any relevant industry guides and international standards on Human Rights. The appraisal of any potential human rights issues will be included in the scope of work of all Environmental and Social Impact Assessments (ESIA's) commissioned by United for any exploration or production project. We take steps to ensure our agents, contractors and suppliers are aware of and comply with our policies and seek to use our influence with our Joint Venture partners to ensure the same.

Environment

United places great importance on limiting the impact our activities have on the environment. The Company complies with all of the environmental regulatory requirements in each country that it is present in to ensure that all activity is undertaken safely. While United had no field activity in 2021 in which we were the operator, we continued to work with our partners in the Joint operating company to use our relationship and influence to promote best practice.

We are pleased to report that in 2021 the operator reported no spills.

Climate risk and global energy transition

Climate change is considered a principal risk to United and its business over the medium and long term, and this is discussed in more detail in the Risk Report on page 32.

Global energy transition is a factor that impacts many of the Group's principal risks including those associated with commodity price, reserves, operations, and political, stakeholder and reputational issues. United's approach to climate change and the energy transition is set out in our position statement. See page 9.

Greenhouse gas emissions ('GHG')

We are working with the operator in Egypt to identify, quantify and categorise our emissions. We will consider emissions scope, reporting boundary, and methodology. We intend to report on these in next year's annual report and work with the Joint Venture partners to assess the data and identify opportunities for efficient decarbonisation. We will be very transparent in our disclosures and what can be achieved with regards to emissions.

Values/ Governance

United is committed to operating responsibly and ethically across our business activities and does not tolerate bribery or corruption. We expect our employees to adhere to high ethical standards.

The board believe that ESG and all it entails is integral to any organisation. As such the directors bonus pay remuneration is not only linked to corporate key performance indicators but also ESG targets.

Business partners and influence

Relationships with business partners, host governments and regulatory authorities where we have assets are critical for our business. We are committed to doing business honestly and ethically and to complying with all applicable laws and regulations. Our ability to influence our business partners depends on our degree of ownership and operatorship. Where we are the designated operator (Jamaica) we fully apply the United HSES MS. Where we a non-operating partner (Egypt and UK), we seek to influence, make our views heard and ensure that minimum standards are met in accordance with our policies, statements and codes.

Preventing corruption

United has non-operating assets in Egypt which is allocated a score on Transparency International's most recently published Corruption Perception Index ('CPI'), featuring at number 117 out of 180 countries in the 2021 CPI. In Jamaica and the UK where United has exploration licences, Jamaica has a score of 70 and the UK has a score of 11 on the same index.

United maintains internal control systems to ensure that our ethical business standards for relationships with others are achieved. Bribery is prohibited throughout the organisation, both by our employees and by those performing work on our behalf. The Antibribery and corruption policy is designed to prevent corruption and ensure systems are in place to detect, remediate and learn from any potential violations. This includes due diligence on new vendors, appropriate training for all personnel, and 'whistleblowing' arrangements.

Payments to host governments

Revenues generated by a country's natural resources plays an important part in the growth and development of countries in which we have business. Revenues to governments become payable by United due to oil production entitlements, taxes, royalties, licence fees and infrastructure improvements.

Objectives for 2022

We seek to continually improve and have identified objectives for 2022 in the four key areas in our corporate responsibly.

Key Area	Objectives for 2022
People and Communities	• Continue investment in, and engagement with employees and local communities • Formalise a social investment policy
Health and Safety	• Continue to use our influence and relationships to promote best practice in Health and Safety as a Joint Venture partner • Maintain dialogue with employees regarding their preference for home/office working and wellbeing
Environment	• Continue to minimise the impact of our operations • Work with the operator of the Egyptian assets to understand the GHG emissions at Abu Sennan including - baseline of emissions data, methodology for recording, reporting boundaries, emissions scope, water management and effluents and waste
Values and Governance	• Review our policies, statements and procedures commensurate to our size and that that reflect our non-operating and operating licences • Training for staff in relevant areas and polices • Continue supplier due diligence • All personnel to complete the annual Anti-Bribery & Corruption training • Continue to review the Anti-Bribery & Corruption programme and update as required

Approval of the Strategic Report

This report was approved by the Board of Directors on 25 April 2022 and signed on its behalf by

Brian Larkin
Chief Executive Officer

Corporate Governance Statement in respect of United Oil & Gas PLC

The Board recognises the importance of sound corporate governance in the management of the Company and in achieving its strategic goals. Accordingly, the Company has adopted the Alliance Corporate Governance Code (the "QCA Code') published in April 2018. The QCA code is tailored to meet the needs of small and mid-size quoted firms and the Board believe that this code provides the most appropriate framework for a company of our size and stage of development. The Board will annually assess its compliance with the QCA code and will consider as part of that review, whether the QCA code continues to remain the most appropriate code for the Company to adopt.

Chair’s Corporate Governance Statement

As Chair of the Board of Directors United Oil & Gas PLC my role is to lead the Board, ensuring sound high standards of corporate governance, establishing a consistent and sustainable corporate culture of respect, integrity, honesty, and transparency. We believe that strong corporate governance underpins our business to the benefit of all our stakeholders.

We are focussed on all aspects of ESG and integrating it within the business. Where we are non-operator, we will use our relationships and influence to shape the ESG agenda. The focus on the ‘S’- social has been at the forefront as the global pandemic has swept across the globe. The Board are committed to ensuring the health and safety of all who work with us and are in the communities in which we work.

Deliver growth

Principle 1

Establish a strategy and business model which promotes long-term value for shareholders

The Board has concluded that the highest medium and long-term value can be delivered to its shareholders by the adoption of a strategy to create value by actively managing our existing assets whilst growing our business through additional high-margin opportunities.

The Company’s interests currently consist of a multi-stage portfolio of low- cost producing assets with significant development and exploration upside in Egypt, exploration and appraisal assets in the UK and an exploration asset in Jamaica.

Principle 2

Seek to understand and meet shareholder needs and expectations

The Company communicates with shareholders primarily via regular announcements of operational and corporate updates and semi-annual release of audited financial statements. The investor section of the Company’s website (www.uogplc.com/investors/) is updated regularly and includes regulatory news announcements (press releases), annual and interim reports, corporate presentations, and a list of major shareholders. Shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings, in presentations from the Company and on shareholder calls which are hosted a number of times a year.

The Company, through its public relations firms, attendance at shareholder events, website, conference calls, social media and its investor.relations@uogplc.com email address, seeks to provide multiple communication lines through which private shareholders can engage with the Company.

The Company shall include, when relevant, in its Annual Report, any matters of note arising from the Board Committees.

Principle 3

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that the long-term success of the Company is reliant upon maintaining effective working relationships across a wide range of stakeholder groups. These include the Company’s host governments and regulatory authorities, employees and contractors, joint venture partners, suppliers, shareholders and financing partners. Oversight of stakeholder engagement and the Company’s social responsibilities is provided by the Environmental, Social and Governance ('ESG') Committee. The Board values feedback from all stakeholders and has systems in place to ensure that there is oversight, accountability and contact with its key resources and relationships.

Principle 4

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Company maintains a principal risks and mitigations register that is reviewed by the Audit and Risk Committee on an annual basis. Risks are categorised as Strategic, Financial, Operational and Reputational and an explanation is given on how these risks are mitigated to enable the Company to achieve its strategic objectives. In addition, the management team meet quarterly to review the Risks and risk register.

Maintain a dynamic management framework

Principle 5

Maintain the Board as a well-functioning, balanced team led by the Chair

The Board comprises: an independent non-executive Chair, Chief Executive Officer, a Chief Operations Officer, a Chief Financial Officer and two non-executive directors who are considered by the Board to be independent. Biographies of the Board appear both on the Company's website and in the Annual Report.

Executive and non-executive directors are subject to re-election at the Company's Annual General Meeting at intervals of no more than three years although in practice all directors put themselves up for re-election annually. The service agreements and letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

The Board expects to meet at least six times per annum. It has established an Audit and Risk Committee, a Remuneration Committee, an Environmental, Social and Governance Committee and an AIM Rules Compliance Committee. Full details of the number of Board and Committee meetings and the attendance record of each director are set out in the Annual Report. The terms of reference for each Committee are set out on the Company's website www.uogplc.com. The Board has agreed that appointments to the Board at this stage would be made by the Board as a whole and so has not created a Nominations Committee.

Principle 6

Ensure that between them the directors have the necessary up to date experience, skills and capabilities.

The Company believes that, at its current stage of development as an independent upstream oil and gas company, the balance of skills on the Board as a whole, reflects a sufficiently broad range of technical, operational, commercial, legal, financial and risk management experience, together with an in-depth knowledge of the sector and experience of public markets, that are necessary to ensure the Company is equipped to deliver its strategy. The composition of the Board is kept under review to ensure that the necessary breadth and depth of skills are available to support the ongoing development of the Company. The directors have access to the Company's Nomad, legal advisors, tax advisors and auditors and are able to seek advice from other professional advisors as required.

Full Biographies of the Board are available on the Company's website www.uogplc.com and on page 56.

Principle 7

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis by way of individual discussions between the Chair and each director to determine the effectiveness and performance of the Board. A Board evaluation was conducted in 2021 and an overview is provided in the Annual Report.

The results and recommendations from the Board evaluation also identify the key corporate and personal targets relevant to each Director. Progress against previous targets shall also be assessed where relevant.

Principle 8

Promote a corporate culture that is based on ethical values and behaviours

The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate culture places a strong emphasis on conducting business ethically, transparently and with clear lines of responsibility. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

The Company maintains an open and respectful dialogue with employees, partners and other stakeholders acknowledging that sound ethical values and behaviours are crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback thus enabling positive and constructive challenge.

The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation.

Principle 9

Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Ultimate accountability for all aspects of the Company's activities rests with the Board, the respective responsibilities of the non-executive Chair and Chief Executive Officer arising as a consequence of delegation by the Board. The non-executive Chair is responsible for the effectiveness of the Board together with the responsibility to oversee the company's corporate governance practices. The Board has also established appropriate Committees as detailed below to oversee the effectiveness of its operations and governance. Terms of reference for each Committee are available on the Company's website at www.uogplc.com.

Audit and Risk Committee

The Audit and Risk Committee comprises Tom Hickey (Chair) and Iman Hill. This Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Group's accounting and internal controls. The Committee is also responsible for making recommendations to the Board on the appointment of auditors, the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. The Committee will meet no less than three times a year.

Remuneration Committee

The Remuneration Committee comprises Graham Martin (Chair), Tom Hickey and Iman Hill. This Committee is responsible for ensuring that executive remuneration is appropriate for this stage of the Company's growth. It has established a Remuneration Policy which outlines the principles on which executive remuneration will be structured, including an appropriately benchmarked base salary with bonus and share award opportunities which reflect the performance of the Company and take account of the interests and experience of shareholders. The Remuneration Policy also seeks to ensure that all employees have an opportunity to share in the Company's success. The Remuneration Policy is reviewed annually by the Committee. The Committee will meet no less than three times a year.

AIM Rules Compliance Committee
The AIM Rules compliance Committee comprises Graham Martin (Chair), Tom Hickey and Brian Larkin and its prime responsibility is to ensure the Company has sufficient procedures in place to ensure ongoing compliance with the AIM Rules. The Committee will meet at least once a year.

Environmental, Social and Governance ('ESG') Committee
The ESG Committee comprises Iman Hill (Chair), Graham Martin, David Quirke and Jonathan Leather. Its prime responsibility is to ensure sufficient oversight in the following areas of key importance to the Company: the environment, health and safety, corporate social responsibility, sustainability, reputation, diversity, equality and inclusion, and community issues. The Committee will meet no less than three times a year.

Nominations Committee
The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Meeting Attendance
Director's attendance at meetings during each director's respective term of office in 2021:

Director	Board	Audit and Risk Committee	Remuneration Committee	ESG Committee
Brian Larkin	11	-	-	-
Jonathan Leather	11	-	-	4
David Quirke	11	2[1]	-	4
Graham Martin	11	-	4	4
Iman Hill	11	2	4	4
Tom Hickey	11	2	4	-

1 The executive directors attended a number of meetings of Committees of which they were not members during the course of the year at the invitation of the Committee Chair.

The AIM Rules Compliance committee met once during the year.

The Board generally meets monthly. In addition to the scheduled monthly meetings the Board also regularly held additional update calls throughout the year to closely monitor progress on key matters. If any director was unable to attend, full comments on papers were received from that director in advance of the meeting.

As a result of the requirements of the UK Government with regard to social distancing, and in order to protect the health and safety of our shareholders and employees, the Board decided that the AGM in 2021 year would be convened as a closed meeting.

Principle 10

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The Board recognises that a healthy dialogue should exist between the board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the company. In particular, appropriate communication and reporting structures should exist between the board and all constituent parts of its shareholder base. This will assist the communication of shareholders' views to the board; and the shareholders' understanding of the unique circumstances and constraints faced by the company. The Corporate Governance section of the Annual Report includes disclosure of Board Committees, their composition and where relevant, any work undertaken during the year.

The company's website includes all historic Annual Reports, results announcement, results presentations and other governance-related material, including notices of all AGMs over the last six years.

To date, none of the resolutions proposed at United's AGMs have resulted in a material proportion of votes (e.g. 20% of independent votes) having been cast against them, but were this to happen the Company would announce this in a timely basis, including an explanation of what actions it intended to take to understand the reasons behind such a vote result and, where appropriate, any action it had taken, or would take, as a result of the vote.

Board Evaluation

The Board considers that regular evaluation of the Board, its committees and each of the directors is essential to the proper governance of the Company and for its success. An internal evaluation was carried out in late 2021/early 2022 by the Chair of the Board of Directors in the form of individual discussions between the Chair and each director. The Chair then provided feedback to the directors at the next board meeting.

Each discussion focussed on key agenda items circulated in advance by the Chair such as: the appropriateness of our current strategy; our culture and values; the adequacy of internal controls and risk management; the constitution and effectiveness of the Board Committees and board administration generally; and relationships with our major shareholders and other key stakeholders.

Each discussion was open, wide ranging and very constructive and covered any issues of concern or improvement any director wished to raise. The collective view of the directors was that our corporate strategy remained appropriate, in particular its flexibility in such volatile markets and uncertain economic times; that our culture and values were well aligned and reflected also in our staff; that the current size of the Board and structure of the Committees remained suitable for this stage in the Company's evolution and that the non-executive directors had complementary experience and diverse skill sets to enable appropriate support and challenge to the executive directors. There were no issues or concerns raised with our internal controls and risk management, and despite the travel and communication constraints of the COVID-19 restrictions in place in 2021 it was felt that relations with our key stakeholders were maintained to a high level.

A number of areas where improvement could be made to our structure, practices and procedures were suggested and these will be a focus of my and the Board's attention in 2022. These included the continued diversification and experience of our management and staff as opportunities arise to recruit; the return to in person board meetings as soon as possible, while maintaining the cost and time effectiveness of video conferencing where appropriate; ensuring more interaction by our directors with our stakeholders; and keeping our policies, procedures, and headcount "fit for purpose" and aligned with the evolution of our assets and opportunities.

Experienced Board

Brian Larkin
Chief Executive Officer

M

Brian is the founding director of United Oil and Gas PLC.

Brian is a Qualified Accountant and has an MBA from Dublin City University. Brian has extensive oil and gas industry experience having worked for both Tullow Oil plc and Providence Resources plc. At Tullow Oil, Brian held positions in both finance and commercial, and worked on a variety of production, development and exploration projects in South America and Asia and carried out numerous investment case recommendations.

At Providence, Brian worked in senior finance and commercial positions. During his time with Providence, Brian worked on a wide portfolio of assets in regions including the Gulf of Mexico, offshore Ireland, onshore United Kingdom, and offshore Nigeria.

Jonathan Leather
Chief Operating Officer

M

Jonathan has over 20 years experience in the oil industry and holds a Geology degree from Oxford University, a PhD in Sedimentology from Trinity College, Dublin, and an MBA from Warwick University. Jonathan worked for Tullow Oil plc from 2007 to 2015, where he held a number of senior positions, including membership of the Global Exploration Leadership Team. Jonathan also managed Tullow's Subsurface Technology Group – a team Jonathan established and built up to provide specialist technical input across the company in both exploration and development. As part of this, Jonathan worked on global assets and opportunities ranging from onshore producing fields to deepwater frontier exploration.

Prior to Tullow Oil, Jonathan worked for Shell UK Ltd. During his time there, Jonathan was involved in a number of exploration and development projects, and worked on North Sea, European, Middle Eastern and Malaysian assets.

David Quirke
Chief Financial Officer

M

David has 18 years of treasury and corporate finance experience in the upstream oil and gas sector. David established and led the Tullow Oil plc Group Treasury function for a fifteen-year period from 2003 to 2017, supporting a period of transformational growth. David has extensive experience of the key exploration & production ('E&P') debt and equity instruments such as Reserves Based Lending Facilities, Acquisition Facilities, Corporate Bonds, Trade Finance Facilities and Equity Transactions. More recently, David acted as a Treasury and Financial Consultant advising Assala Energy on their corporate finance and treasury following the acquisition of Shell's onshore assets in Gabon. David has also supported a number of small E&P companies in managing their capital structure and developing financial strategies. David is a qualified chartered management accountant. David holds a BA in Law and Accounting from the University of Limerick.

Graham Martin
Non-Executive Chairman

C M C

Graham is an experienced senior natural resources executive and brings a wealth of international expertise. From 1997 to 2016 he served as an Executive Director of Tullow Oil plc, an oil and gas exploration, development and production company listed in London, Dublin and in Ghana. Prior to Tullow, Graham was a partner at the US energy law firm Vinson & Elkins LLP, having started his legal career in Scotland. He is currently also a Non-Executive Director of Kenmare Resources plc, one of the leading global producers of titanium minerals and zircon listed in London and Dublin.

He holds a degree in Law and Economics from the University of Edinburgh.

Iman Hill
Non-Executive Director

C M M

Iman Hill is currently Executive Director of the International Association of Oil & Gas Producers. She also serves as non-executive Independent Board Director of Oil Spill Response Ltd and DHT Holding Inc.

Iman is a Petroleum Engineer with 30 years' experience in the oil and gas industry with extensive global expertise in the technical and commercial aspects of the petroleum business, in particular field development, capital projects and production operations. Iman's experience has been gained in the Middle East, North and West Africa, South America, the Far East, and the North Sea in a number of diverse settings from onshore to ultra-deep water with companies that include BP, Shell, BG Group and Dana Gas, where as well as her role as Technical Director, GM UAE and President Egypt, she also ran the one of the Egyptian join ventures as Managing Director and Board member of The Egyptian Bahraini Gas Derivatives Company.

Tom Hickey
Non-Executive Director

M M C

Tom is currently CEO of Boru Energy Limited, the West African focussed private oil and gas company, which is supported by The Carlyle Group. Tom is known across the oil and gas industry and beyond as a significant contributor to the success of Tullow Oil plc in his role as CFO from 2000 to 2008. During this time he was central to the successful conclusion of major acquisitions and exploration discoveries which helped shape that company into a leading Independent oil and gas exploration and production company.

He developed and implemented the financial strategy which saw Tullow grow from a micro-cap company to a FTSE 100 business valued at $15bn. In addition to his work with Boru and Tullow, Tom has served on the Boards of a number of oil and gas businesses, building experience in finance and operations in projects across the globe, including markets in which United currently participate.

Tom is a Commerce graduate of University College Dublin and a Fellow of the Irish Institute of Chartered Accountants.

- AIM Rules Committee
- ESG Committee
- Remuneration Committee
- Audit Committee
- C Chair
- M Member

The directors present their report and the audited Financial Statements of the Group for the year ended 31 December 2021

Results and Dividends

The profit for the year, after taxation, amounted to $4,074,094 (2020: $852,661). The directors do not recommend payment of a dividend (2020: $Nil).

Directors

The business of the Company is managed by the Directors who may exercise all powers of the Company subject to the articles of association of the Company and applicable law. Executive and non-executive directors are subject to re-election at the Company's annual general meeting at intervals of no more than three years. No member of the Board had a material interest in any contract of significance with the Company or any of its subsidiaries at any time during the year, except for the interests in shares and in share option awards under their service agreements and letters of appointment disclosed in the Directors' Remuneration report.

The directors who served during the year were:

Director	Date of Contract
Brian Larkin	25 July 2017
Jonathan Leather	25 July 2017
David Quirke	24 June 2019
Graham Martin	15 February 2018
Iman Hill	7 September 2020
Tom Hickey	1 January 2021

Principal Activities

The principal activity of the Company and its subsidiary undertakings (the Group) is the production, development and exploration of oil and gas. The company's current operations are located in Egypt, Jamaica, United Kingdom and Italy.

Business Review and Future Developments

A review of the business and future developments of the Group is presented the Strategic Report (including the Chair's Statement, Chief Executive Officer's Review, Review of Operations and Financial Review) all of which together with the Corporate Governance Statement, are incorporated by reference into this Directors' Report.

Financial Instruments and Risk Management

An explanation of the Group's financial risk management objectives, policies and strategies and information about the use of financial instruments by the Group is given in note 23 to the financial statements.

Share Capital

Details of the shares in issue are set out in note 17 to the financial statements. The Company currently has one class of shares in issue, ordinary shares of £0.01, all of which are fully paid.

Events Since the Balance Sheet Date

The events since the balance sheet date are disclosed in note 30.

Directors' Interests

As at 31 December 2021, the beneficial interests of the Directors and their connected persons in the ordinary share capital of the Company were as follows:

Director	Number of Ordinary Shares	% of Ordinary Share Capital
Brian Larkin	16,877,335	2.62
Jonathan Leather	8,269,118	1.28
David Quirke	1,172,316	0.18
Graham Martin	4,089,730	0.63
Tom Hickey	3,461,532	0.54

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of other Group companies.

Rights to subscribe for shares in the Company that were granted during the financial year are disclosed in the Remuneration Report.

Auditor

A resolution to reappoint UHY Hacker Young as auditor will be put to the members at the Annual General Meeting.

Disclosure of Information to Auditors

The directors who were members of the Board at the time of approving the Director's Report are listed above. So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditor, each director has taken all steps that he or she is obliged to take as a director in order to make himself or herself aware of any relevant audit information and to establish the auditor is aware of that information.

On behalf of the Board

Brian Larkin
Chief Executive Officer

25 April 2022

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the 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 financial statements in accordance with UK adopted International Financial Reporting Standards and applicable law and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the group and of the profit or loss of the group for that period and otherwise comply with the Companies Act 2006. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK adopted International Financial Reporting Standards have been followed for the group financial statements and FRS101 for the company financial statements, subject to any material departures disclosed and explained in the financial statements;
- 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 company and the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Remuneration Committee is a standing committee of the Board comprising Graham Martin (Chair), Iman Hill and Tom Hickey

The purpose of the Remuneration Committee (the “Committee') is to assist the Board in discharging its oversight responsibilities relating to the attraction, compensation, evaluation and retention of its executive directors and senior management. The Committee aims to ensure that fair and competitive compensation is awarded to the executives with appropriate performance and share acquisition incentives.

The current Remuneration Policy of the company (adopted in 2020 and revised in early 2021) sets out the principles of remuneration for the executive directors and can be summarised as follows:

- an appropriately benchmarked salary;
- a 10% pension contribution;
- an annual bonus opportunity of 100% of salary, based 50% on Key Performance Indicators ('KPI's'), 25% on an absolute total shareholder return ('TSR') metric and 25% on relative TSR against a peer group of companies;
- the Committee has discretion to adjust the formulaic outcome of the bonus scorecard if considered appropriate taking into account all relevant factors affecting the company and its performance in the year;
- where the bonus outcome exceeds 40% of salary, the excess shall be paid in shares until certain personal shareholding targets of each executive is met, thereafter the excess over 50% shall be paid in shares;
- the consideration of an annual award of share options provided that the aggregate of all outstanding employee share options does not ordinarily exceed 10% of the company’s issued share capital in any rolling 10-year period; and
- setting appropriate minimum shareholding targets for each executive, recognising their different respective tenures with the company.

The Remuneration Policy also sets out the fees payable to the non-executive directors and confirms that non-executives are no longer eligible for share awards of any type.

The Remuneration Policy is reviewed annually by the Committee, the last such review being in March 2022 when no changes were recommended.

Summary of the Work of the Committee in 2020 and Early 2021

- reviewed the Remuneration Policy;
- monitored the 2021 executive KPI bonus scorecard on a quarterly basis and provided feedback to the executives;
- benchmarked executive salaries and recommended no further increases to salaries beyond those set in the 2020 Annual Report; and
- benchmarked and reviewed the fees payable to the Chair and the other non-executive directors, recommending no increases from those set out in the 2020 Annual Report.

Operation of the Bonus Scheme in 2021

As per the Remuneration Policy, the executives' bonus opportunity was based 50% on the TSR performance of the company and 50% on Key Performance Indicators ('KPI's'). The KPI's set for 2021 related to: production and reserve targets; value-enhancing corporate activity; portfolio management; certain financial metrics and ESG targets.

The TSR components of the bonus were not met but the Committee determined that certain of the production targets were met, as were some portfolio management, financial and Environmental Social and Governance ('ESG') targets, resulting in an aggregate score of 16.25%.

However, the Committee then considered the share price performance over the year and all other factors affecting the company and its assets and determined that no bonus should be payable to the executives in respect of 2021.

Executive Director Service Contracts

The executive directors' service contracts, the respective dates of which are shown in the Director's Report, were entered into at different times and had slightly different terms, although not materially so. We took the opportunity earlier this year to standardise their contracts and bring them up to date. We are now in the process of finalising the individual contracts and hope to have them signed in the coming weeks. The notice period in each case is 6 months to be given by each of the executive and the company.

Executive Directors' Remuneration 2021

	Brian Larkin US$	Jonathan Leather US$	David Quirke US$
Salary	294,975	235,980	235,980
Pension	29,498	23,598	23,598
Benefits	7,600	10,816	6,881
Total 2021	**332,072**	**270,394**	**266,459**
Total 2020	409,828	368,600	358,539

The benefits received by the executive directors include private medical insurance, permanent health assurance, life assurance cover and a subscription to a sports club.

All executive directors' remuneration is converted from EUR to USD at an average exchange rate for 2021 of 1.18 (2020: 1.14).

Change in personnel
Following year end, it was announced that David Quirke had tendered his resignation and would be leaving United. The Board has begun the process of recruiting his successor and David will remain in his role until a suitable candidate has been identified to ensure an orderly transition.

Executive Directors' Remuneration 2022
The salaries of the executive directors for 2022, remain the same as for 2021 as follows:

	Brian Larkin EUR	Jonathan Leather EUR	David Quirke EUR
Salary	250,000	200,000	200,000

2022 Bonus scheme
As per the Remuneration Policy, the executive directors are entitled to a 100% bonus opportunity in 2022, 50% of which is based on two TSR metrics, and 50% against the following KPI's: Production and reserves (5%); Corporate activity (12.5%); Financial (5%); ESG (10%); Portfolio management (7.5%) and Personal (10%). Details of performance against these metrics will be disclosed in the 2022 Annual Report.

Non-Executive Directors' Remuneration 2021

	Graham Martin US$	Iman Hill US$	Tom Hickey US$	Stewart Macdonald US$	Alberto Cattaruza US$
Salary/fees	54,964	34,353	34,353	-	-
Total 2021	**54,964**	**34,353**	**34,353**	**-**	**-**
Total 2020	51,533	6,144	-	9,662	19,325

Non-executive directors are paid in GBP and the average exchange rates were 1.37 and 1.29 for 2021 and 2020 years respectively.

Non-Executive Directors’ Remuneration 2022

The fees payable to the non-executive directors in 2022 remain the same as 2021, as follows:

	Graham Martin £	Iman Hill £	Tom Hickey £
Salary/fees	40,000	25,000	25,000

No non–executive director is entitled to an additional fee for chairing any Committee.

Share Option Awards

The following share option awards to directors were in place as at 31 December 2021:

Director	Options	Option Price	Award Date	Vesting Date	Expiry Date
Brian Larkin	4,235,294	4.25p	02-Aug-2018	01-Aug-2021	30-Jul-2028
	4,817,500	4.00p	17-Jun-2020	17-Jun-2023	16-Jun-2030
Jonathan Leather	4,058,824	4.25p	02-Aug-2018	01-Aug-2021	30-Jul-2028
	4,100,000	4.00p	17-Jun-2020	17-Jun-2023	16-Jun-2030
David Quirke	3,666,667	3.00p	24-Jun-2019	23-Jun-2022	21-Jun-2029
	4,100,000	4.00p	17-Jun-2020	17-Jun-2023	16-Jun-2030
Graham Martin	1,176,471	4.25p	02-Aug-2018	01-Aug-2021	30-Jul-2028
	1,000,000	4.00p	17-Jun-2020	17-Jun-2023	16-Jun-2030
Iman Hill	1,481,481	2.70p	29-Sep-2020	29-Sep-2023	28-Sep-2030
Tom Hickey	1,342,282	2.98p	5-Jan-2021	5-Jan-2024	4-Jan-2031

Share options have been awarded to current staff of the Company and the aggregate number of options awarded at 31 December 2021 is 49,604,414 which is 7.69% of the issued Share Capital of the Company.

Non-executive directors are no longer eligible for share options.

Dear Shareholders,

The Audit and Risk Committee's primary responsibilities include the integrity of the Group's Financial Statements, the effectiveness of the Group's risk management and internal assurance processes and related governance and compliance matters and provide oversight on behalf of and to the Board in relation to the Group's Financial Reporting, Internal Controls and External Audit activities.

The Audit and Risk Committee is also responsible for overseeing the relationship with the external auditor, including ongoing assessment of their independence and objectivity. During the year, the Committee met twice, and the members attendance record is set out in the Corporate Governance section of the report.

Composition of the committee

I served as Chair of the Audit and Risk Committee for the duration of the year having been appointed Chair in 2021. Serving with me on the Committee during 2021 was fellow non-executive directors; Iman Hill. The members of the Committee have been chosen to provide the wide range of financial and commercial experience needed to fulfil these duties.

At our request, the CFO along with senior members of the finance department attend each meeting. The external auditors attend when appropriate. The Audit and Risk committee met two times in 2021 with meetings arranged around the key external reporting dates. The first meeting focused on the 2020 year-end external audit process (reported in the 2020 Annual Report and Accounts). The second meeting centred on the Group's half year reporting. Subsequent to the year end, a meeting was held in April 2022 to conclude the 2021 audit and any significant issues.

Responsibilities

The key responsibilities of the Committee are as follows:

- monitor the integrity of the financial statements of the Company including its annual and half yearly reports and any other announcements relating to its financial performance
- review and report to the Board on significant financial reporting issues and judgements contained in the reports and announcements having regard to matters communicated to it by the auditor
- review and challenge the methods used to account for significant transactions
- keep under review the Company's internal financial control systems
- consider and make recommendations to the Board, to be put to shareholders for approval at the annual general meeting, in relation to the appointment, re-appointment and removal of the company's external auditor
- oversee the relationship and terms of engagement with the external auditor including fees for audit and non-audit services
- review the findings of the audit with the external auditor including a discussion on the major issues which arose during the audit, key accounting judgements and the auditors view of their interactions with senior management.

The Audit and Risk Terms of Reference are available on our website, https://www.uogplc.com/theboard/

External Auditor

UHY Hacker Young were appointed in 2017 and no tender has been conducted since to date, in line with best practice (which is at least once every ten years typically). The external audit fees for 2021 were US $70,000. There were no principal non-audit fees in 2021. Any non-audit services are pre-approved by the Committee. The Committee has decided that the size and scale of the Group's activities does not justify an Internal Audit function.

Key judgments and Estimates in Financial Reporting

Key Judgements and Estimates in Financial Reporting	Audit and Risk Committee Review	Outcomes
Impairment of exploration and evaluation assets	Yes	The treatment of exploration and evaluation asset balances across the Group at the year-end to be materially correct. An impairment provision of £454,534 was recognised in UOG PL090 Limited following the impairment of the Waddock Cross licence (Note 10).
Impairment of development assets in the Group	Yes	No issues were identified in relation to impairment of development assets at the year end and continue to be held at Net Book Value in the Balance Sheet (Note 11).
Accounting and valuation of assets held for sale relating to UOG Italia Srl	Yes	The sale of UOG Italia Srl is materially accurate and has been accounted for in line with the criteria of IFRS 5 and separated as non-current assets and liabilities held for sale on the Balance Sheet (Note 13).

We are committed to being transparent

Dear Shareholders,

It is fundamentally important to the Board that the business is run ethically, in a transparent manner and with a deliberate focus on social investment into the communities where we have business activities. The development of an ESG scorecard that is linked to management reward drives accountability and focus on moving forward with activities such as emissions measurement and reduction and the development of a structured corporate responsibility performance indicators.

Composition of the committee

I served as Chair of the ESG Committee for the duration of the year having been appointed Chair in September 2020. Serving with me on the Committee during 2020 was Graham Martin, Chair of the Board of Directors, David Quirke, CFO and Jon Leather, COO. At our request, the Head of Investor relations and ESG attends each meeting. The ESG Committee met four times in 2021, once every quarter.

Responsibilities and activities during the year

The terms of reference for the Committee have been adopted with the key responsibilities of the Committee being:

- have oversight of the ESG Strategy
- have oversight of the Company's ESG targets and key performance indicators
- have oversight of the Company's ESG budget, as well as major ad hoc pieces of spending related to ESG
- have oversight of third-party partnerships entered in relation to the ESG Strategy
- have oversight of how the ESG Strategy is communicated internally and externally

The ESG Committee Terms of Reference are available on our website: https://www.uogplc.com/wp-content/uploads/2021/12/Enviromental-Social-and-Governance-ESG-Committee-Terms-of-Reference-Final.pdf

Topics discussed on during 2021

- Detailed review of policies, standards and procedures, including the Health, Safety, and Environmental management system, Health and Safety Policy, Environmental Policy, and Human Rights guidelines
- Detailed review of current Environmental and Social investment projects and proposed social investment projects in Egypt, and Jamaica
- Review and discussion of progress of ESG key performance indicators for 2021 and development of these for 2022
- Review of the social investment strategy based on the needs of the communities where we have business activities
- Discussion and review of the Companies risks and discussions on the risk matrix
- Discussion of additional policies, standards, or procedures required that are commensurate with the size and stage of the Company
- Discussion on working with the operator to understand emissions data collection and reporting
- Discussion on health and safety metrics reported by the operator

During the year the Committee focused on the following matters:

Environmental

United has outlined their stance on climate change in our Climate Change and Energy Transition position statement, see page 9. Despite the current limited footprint of United as an operator, the Board and management are fully aligned on the need to also ensure that we are working with the operator to understand and explore ways to reduce the environmental footprint of our operations.

This includes investigating ways to reduce greenhouse gas emissions, energy efficiency and the reduction and management of waste. This applies to operated and non-operated assets. Where we are non-operator we will, seek to influence the operators to understand how emissions are measured, what the measurements are, and what the contributors are and any mitigations measures that can be applied.

We are committed to being transparent in what we report and what we can and cannot achieve.

Social

The Company is committed to managing its relationships with its workforce, the communities it has business activities, and host Governments in line with the highest standards of corporate governance. At its core this means full compliance with the Health, Safety and Environmental management system, the implementation of workplace policies, e.g., employee relations and engagement, diversity, equality, inclusivity and non-discrimination. In addition, United seeks to ensure respect of human rights and appropriate labour standards in the supply chain. The company understands that good integration with local communities is fundamentally important to its 'social licence' to operate.

The welfare of our stakeholders and in particular our employees has been at the forefront of our agenda throughout the Pandemic. We supported our employees to work from home. The Group's production operations in Egypt were not disrupted by COVID-19 and the operator ensured measures were in place to minimise the risk of any outbreak occurring both in the field and in the office.

Governance

The Group is committed to the ethical conduct of the Group's business including its corporate governance framework and is guided by the 10 principles set out in the QCA code. We will promote a culture based on ethical values and behaviours with embedded risk management. Board Committees have been established for ESG, Audit and Risk, Remuneration and AIM Rules Compliance.

The development of an ESG scorecard that is linked to management reward drives accountability and focus on moving forward with activities such as emissions measurement and reduction and the development of a structured corporate responsibility plan.

Further details can be found in our Corporate Responsibly Report page 44.

ESG Key Performance Indicators ('KPI's')

The ESG KPI's account for 20% of the executive directors corporate KPI's and flow through to Executive Compensation. The ESG KPI's for 2022 have been assessed by the ESG Committee and approved by the Remuneration Committee in early 2022.

OPINION

We have audited the financial statements of United Oil & Gas Plc (the 'Parent Company') and its subsidiaries (the "Group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the consolidated financial statements, including significant accounting policies, the Parent Company Balance sheet, the Parent Company Statement of Changes in Equity and the notes to the Parent Company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group's financial statements is applicable law and UK adopted International Financial Reporting Standards ('IFRSs'). The financial reporting framework that has been applied in the preparation of the Parent Company's financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted IFRSs;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

CONCLUSIONS RELATING TO GOING CONCERN

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

Evaluation of management assessment
Management have prepared detailed consolidated cash flow forecasts incorporating all entities within the Group covering the period to 31 December 2023. These are based on their expectation of future costs, including budgeted operating and capital expenditure on all licence areas and expectations of future oil and gas production levels and commodity prices. The key assumptions are considered to be the forecast production rates, commodity prices, disinvestment of UOG Italia Srl, and capital expenditure in Egypt. The divestment of UOG Italia Srl was completed post year-end and hence this key assumption was not considered further. Management have considered the key assumptions to the forecasts and sensitivities have been applied to the forecasts to create sensitised cases as follows: • Case A – a scenario with a reduction in forecast production rates of 15% and a reduction in oil prices by 20%. • Case B – a scenario with an increase in forecast capital expenditure in Egypt by 10%. • Case C – a scenario with a reduction in forecast production rates of 15% and an increase in forecast capital expenditure in Egypt by 10%. • Case D – a scenario with significant aggregated downside, including a reduction in forecast production rates of 15%, a reduction in oil prices by 20% and an increase in forecast capital expenditure in Egypt by 10%. Our review included: • Assessing the transparency, the completeness and accuracy of the matters covered in the going concern disclosure by evaluating management's cash flow projections for the forecast period and the underlying assumptions; • Reviewing the cash flow forecasts, the methodology behind these, challenging the assumptions, and ensuring they are arithmetically correct; • Obtaining post year-end management information and comparing these to budget to ensure budgeting is reasonable and results are in line with expectations; • Reviewing management's sensitivity analysis on the cash flow forecasts provided to assess the number of factors that it would take to occur in tandem before the Group was pushed into a negative cash position along with considering the mitigating actions available to management in such circumstances; and • Discussing with management plans for the Group going forward, ensuring these had been incorporated into the budgeting and would not have an impact on the going concern status of the Group.
Key observations
The base case cash flow forecast demonstrates that the Group will have a cash flow surplus throughout the forecast period. These incorporated all budgeted and committed capital expenditure and the current expected production rates on the Abu Sennan concession, which is consistent with current production levels. The forecast uses the forward price of oil being in line with the BP Brent Forward Curve. In each of the cases, the cash reserves remained positive during the forecast period. Despite the fact that cash reserves remained positive in each of the cases after running the sensitivities, management have demonstrated that mitigating actions could also be taken to ensure that cash remains positive throughout the forecast period if additional negative, such as delaying the timing for certain discretionary exploration activity. Further mitigating actions are also possible in addition to delayed expenditure, such as divesting certain exploration projects and/or raising additional funding through either debt or equity. The likelihood of all these downside sensitivities taking place simultaneously and lasting for the entire forecast period is considered to be remote and, in such circumstances, sufficient mitigating actions are considered to be available to continue as a going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OUR APPROACH TO THE AUDIT

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Parent Company and the Group, their activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

Our Group audit scope includes all of the group companies. At the Parent Company level, we also tested the consolidation procedures. The audit team communicated regularly throughout the audit with the finance team in order to ensure we had a good knowledge of the business of the Group. During the audit, we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risk.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

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. This is not a complete list of all risks identified during our audit. Going concern is a significant key audit matter and is described above. In arriving at our audit opinion above, the other key audit matters were as follows:

Key Audit Matters	How Our Scope Addressed These Matters
Revenue recognition in UOG Egypt Pty Limited. Under IFRS 15 Revenue Recognition, revenue depicts the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. There is an inherent risk relating to completeness and cut-off of revenue. We therefore identified revenue recognition in UOG Egypt Pty Limited as a key audit matter in the Group financial statements, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Documenting our understanding of management's process for evaluating revenue recognition and assessing the design effectiveness of related key controls. • Assessing the appropriateness of the revenue recognition policies applied by management in their assessment of the revenue recognised for the year by comparing it to the Group's accounting policy and IFRS 15. • Agreeing whether revenue has been recognised in accordance with these policies. • Testing the completeness of revenue by performing a proof-in-total. In addition, the monthly production reports relating to the current year were agreed to EGPC invoices issued in relation to the Abu Sennan concession. • Ensuring cut-off is accurate to confirm that all income relating to the year ended 31 December 2021 has been accounted for. Key observations: As a result of the audit procedures we performed, we have concluded that revenue recognition in UOG Egypt Pty Limited is materially accurate and recognised on an appropriate basis. No issues were identified with respect of revenue recognised in UOG Egypt Pty Limited during the year.
Impairment of exploration and evaluation assets in the Group. The Group has capitalised costs in respect of the Group's licence interests in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources. The Directors need to assess the exploration assets for indicators of impairment and, where they exist, to undertake a full review to assess the need for an impairment charge. The impairment reviews involve significant judgements that could significantly impact the results of the impairment review. We therefore identified the impairment of exploration and evaluation assets as a key audit matter in the Group financial statements, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Obtaining and discussing each of the licences with management and evaluating their assessment regarding potential indicators of impairment. • Reviewing the future plans of the projects in respect of funding, viability and development to further assess whether there were any indicators of impairment. • Reviewing available information to assess whether the licences remain in good standing. The Audit Committee identified the impairment of exploration licence as a significant issue in its report on page 65, where the Committee has also described the actions that it has taken to address this issue. Key observations: As a result of the audit procedures we performed, we have concluded that the treatment of exploration and evaluation asset balances across the Group at the year-end to be materially correct. An impairment provision of £454,534 was recognised in UOG PL090 Limited following the impairment of the Waddock Cross licence. No further indicators of impairment were identified in respect of the carrying values of exploration and evaluation assets at the year end.

Key Audit Matters	How Our Scope Addressed These Matters
Impairment of development assets in the Group. The Group has interests in development assets in Egypt which require an annual impairment review in accordance with International Accounting Standard 36 Impairment of Assets ('IAS 36'). The directors need to assess the development assets for impairment and where appropriate, recognise an impairment charge. This involves significant judgements and assumptions such as the timing and extent and probability of future cash flows. We therefore identified the impairment of development assets as a key audit matter in the Group financial statements, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Discussing the Abu Sennan concession with management and evaluating their assessment of impairment in conjunction with the Competent Person's Report and IAS 36. • Discussing the current activity in Egypt with management to understand the current position and future plans for development. • Reviewing mineral reserves at the year-end for evidence of recoverability of the development assets. • Reviewing forecast revenue to be generated by the concession during its remaining lifecycle in the context of the concession's remaining reserves. The Audit Committee identified impairment of development assets (Property, Plant and Equipment) as a significant issue in its report on page 65, where the Committee has also described the actions that it has taken to address this issue. Key observations: As a result of the audit procedures we performed, we have concluded that the treatment of development assets across the Group at the year-end to be materially correct. No issues were identified in relation to impairment of development assets at the year end.
Impairment of investments and loans due from subsidiary companies in United Oil & Gas Plc Under IAS 36, companies are required to assess whether there is any indication that an asset may be impaired at each reporting date. Management assessment involves significant judgements and assumptions such as the timing and extent and probability of future cash flow. The Parent Company has investments in its subsidiaries of £16.1m (2020: £16.1m) and loans due from subsidiary companies of £6.7m (2020: £5.7m). The investments and loans represent the primary balances on the Parent Company balance sheet and there is a risk they could be impaired and that intragroup loans may not be recoverable. We therefore identified the impairment of investments in subsidiaries and loans due from subsidiary companies as a key audit matter in the Parent Company financial statements, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Reviewing the investments balances for indicators of impairment in accordance with IAS 36. • Assessing the appropriateness of the methodology applied by management in their assessment of the recoverable amount of intragroup loans by comparing it to the Group's accounting policy and IAS 36. • Assessing management's evaluation of the recoverable amounts of loans to subsidiaries including review the impairment provisions and net asset values of components that have intercompany debt. • Checking that intragroup loans have been reconciled and confirming that there are no material differences. Key observations: As a result of the audit procedures we performed, we have concluded that the treatment of investments in and loans due from subsidiary companies in the Parent Company at the year-end to be materially correct. The majority of the investment balances correlate with the exploration assets held by each subsidiary and our impairment review was therefore linked to our assessment of indicators of impairment on the corresponding exploration licences and development assets (as above). No further indications of impairment were identified in respect of the carrying values of investments and intragroup loans at the year end.

Key Audit Matters	How Our Scope Addressed These Matters
Valuation of the loan and embedded derivative in United Oil & Gas Plc. The Parent Company holds a loan from Britannic Trading Limited. The loan has a derivative element attached which falls under the scope of IFRS 9 Financial Instruments. There is a risk that the associated embedded derivatives are not appropriately valued. We therefore identified valuation of the embedded derivatives as a key audit matter in the Parent Company and Group financial statements, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Reviewing the loan agreement and derivative documentation to confirm the value and terms and conditions of the repayment period. • Reviewing the fair value calculations of the derivative to confirm the accuracy of the calculations at the year-end date. • Reviewing the post year-end refinancing and the effect on the repayment terms. Key observations: As a result of the audit procedures we performed, we have concluded that the treatment of the embedded derivative at the year-end to be materially correct. After considering management's disclosures of the judgements applied by them, we have concluded that the valuations of the embedded derivatives are materially accurate and have been accounted for in line with appropriate recognition criteria.
Accounting and valuation of assets held for sale relating to UOG Italia Srl. During the year, the Group announced the sale of UOG Italia Srl for €2.16m, and the relevant assets and liabilities are treated as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 iterates the requirement that assets and liabilities should be measured at their fair values. The sale was not completed at the year-end date, but subsequently completed post year-end. This is a one-off material transaction which raises the risk that the accounting and valuation has not been treated correctly. We therefore identified accounting and valuation of assets held for sale relating to UOG Italia Srl as a key audit matter in the Group financial statements, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Reviewing the signed sale and purchase agreement to confirm the reasonableness of the accounting treatment in line with IFRS 5. • Reviewing the held for sale balances to ensure they are recorded appropriately at fair value. • Confirming the sale has been completed post year-end and vouching the completion statement and reception of funds. • Performing a review of the consolidation entries, adjustments and accounting estimates to ensure the assets held for sale had been recognised and consolidated within the Group appropriately. • Reviewed the disclosures in the financial statements to ensure they are appropriate and compliant with IFRS 5. The Audit Committee identified the fair value of the Italian disposal as a significant issue in its report on page 65, where the Committee has also described the actions that it has taken to address this issue. Key observations: As a result of the audit procedures we performed, we have concluded that the treatment of the assets held for sale at the year-end to be materially correct. After considering management's assessments, we have concluded that the sale of UOG Italia Srl is materially accurate and has been accounted for in line with the criteria of IFRS 5.

OUR APPLICATION OF MATERIALITY

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable users.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole..

Materiality Measure	Group	Parent
Overall materiality	We determined materiality for the financial statements to be:	
	$539,000 (2020: $393,000)	$351,000 (2020: $275,000)
How we determine it	Based on the main key performance indicator, being 2% of net assets of the Group.	Based on the same methodology as the Group, being 2% of net assets of the Parent Company.
Rationale for benchmarks applied	We believe that net assets are the most appropriate benchmark due to the size and stage of development of the Group and Parent Company. Although the Group is now generating revenue, the exploration and extraction and production asset balances are still deemed to be the key performance indicators for stakeholders of the Group as a whole.	
Performance materiality	On the basis of our risk assessment, together with our assessment of the Group's and Parent Company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality being:	
	$404,250 (2020: $294,895)	$263,250 (2020: $206,250)
Reporting threshold	We agreed with the Audit Committee that we would report to them all misstatements over 5% of Group and Parent Company materiality identified during the audit as set out below, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.	
	$26,950 (2020: $19,650)	$17,550 (2020: $13,750)
Specific threshold	We also determine a judgemental lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.	
	$2,000 (2020: $2,000)	$2,000 (2020: $2,000)

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 Parent Company 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company 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 statement of directors' responsibilities, 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 and the Parent Company'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 Parent Company 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:

Based on our understanding of the Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Group which were contrary to applicable laws and regulations including fraud and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Quoted Company Alliance Corporate Governance Code. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to misstated revenue and overstated exploration and development assets.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with legal advisors, enquiries of management, and testing of journals to evaluate whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Parent Company's members, as a body, in accordance with part 3 of Chapter 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company'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 Parent Company and the Parent Company'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
UHY Hacker Young
Chartered Accountants and Statutory Auditor

UHY Hacker Young
4 Thomas More Square
London
E1W 1YW

25 April 2022

Consolidated Income Statement
For the year-ended 31 December 2021

	Note	31 December 2021 $	31 December 2020 $
Revenue	2	19,228,698	9,053,657
Other income	2	1,940,574	-
Cost of sales	3	(8,911,815)	(6,505,011)
Gross profit		12,257,457	2,548,646
Administrative expenses:			
Other administrative expenses		(1,763,362)	(1,589,529)
Impairment of intangible assets		(624,546)	(37,161)
Impairment of divestment receivable		(394,686)	-
Exploration and New Venture write offs		(377,934)	(307,557)
Foreign exchange (losses) / gains		(356,850)	189,918
Gain on non-current assets held for sale	13	118,651	-
Operating profit	4	8,858,730	804,317
Finance income	6	-	1,572,706
Finance expense	6	(2,922,754)	(1,580,842)
Profit before taxation		5,935,976	796,181
Taxation	7	(1,861,882)	56,480
Profit for the financial year attributable to the Company's equity shareholders		4,074,094	852,661

Earnings per share from continuing operations expressed in cents per share:	8		
Basic		0.64	0.15
Diluted		0.62	0.14

Consolidated Statement of Comprehensive Income
For the year-ended 31 December 2021

	31 December 2021 $	31 December 2020 $
Profit for the financial year	4,074,094	852,661
Foreign exchange (losses) / gains	(209,164)	(337,713)
Total comprehensive income for the financial year attributable to the Company's equity shareholders	3,864,930	514,948

Consolidated Balance Sheet
For the year-ended 31 December 2021

	Note	31 December 2021 $	31 December 2020 $
Assets:			
Non-current assets			
Intangible assets	10	4,970,091	7,891,743
Property, plant and equipment	11	17,990,809	13,607,167
		22,960,900	21,498,910
Non-current assets / assets in disposal groups held for sale	13	2,561,250	-
		25,522,150	21,498,910
Current assets			
Inventory	14	145,570	35,729
Trade and other receivables	15	7,702,021	5,454,307
Cash and cash equivalents	16	397,308	2,188,902
		8,244,900	7,678,938
Current liabilities:			
Trade and other payables	19	(5,422,734)	(2,996,115)
Derivative financial instruments	22	(1,346,044)	(992,681)
Borrowings	22	(2,422,212)	(2,133,655)
Lease liabilities	21	(83,368)	(94,050)
Current tax payable		(57,246)	(135,388)
		(9,331,604)	(6,351,889)
Non-current liabilities:			
Borrowings	22	-	(2,422,146)
Derivative financial instruments	22	-	(647,376)
Lease liabilities	21	(24,494)	(96,787)
		(24,494)	(3,166,309)
Liabilities associated with assets in disposal groups held for sale	13	(116,048)	-
Net assets		24,294,904	19,659,650
Equity and liabilities:			
Capital and reserves			
Share capital	17	8,416,182	8,138,619
Share premium	17	16,215,361	16,047,975
Share-based payment reserve	18	2,247,465	1,922,090
Merger reserve		(2,697,357)	(2,697,357)
Translation reserve		(558,104)	(348,940)
Retained earnings		671,357	(3,402,737)
Shareholders' funds		24,294,904	19,659,650

The financial statements were approved by the Board of Directors and authorised for their issue on 25 April 2022 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer
United Oil & Gas PLC

Registered number: 09624969

Consolidated Statement of Changes in Equity
For the year-ended 31 December 2021

	Share capital $	Share premium $	Share-based payments reserve $	Retained earnings $	Translation reserve $	Merger reserve $	Total $
For the year ended 31 December 2021							
Balance at 1 January 2021	8,138,619	16,047,975	1,922,090	(3,402,737)	(348,940)	(2,697,357)	19,659,650
Profit for the year	-	-	-	4,074,094	-	-	4,074,094
Foreign exchange difference	-	-	-	-	(209,164)	-	(209,164)
Total comprehensive income	-	-	-	4,074,094	(209,164)	-	3,864,930
Shares issued	277,563	167,386	-	-	-	-	444,949
Share-based payments	-	-	325,375	-	-	-	325,375
Balance at 31 December 2021	8,416,182	16,215,361	2,247,465	671,357	(558,104)	(2,697,357)	24,294,904
For the year ended 31 December 2020							
Balance at 1 January 2020	4,564,787	9,912,988	1,591,808	(4,255,398)	(11,227)	(2,697,357)	9,105,601
Profit for the year	-	-	-	852,661	-	-	852,661
Foreign exchange difference	-	-	-	-	(337,713)	-	(337,713)
Total comprehensive income	-	-	-	852,661	(337,713)	-	514,948
Shares issued	3,573,832	6,640,081	-	-	-	-	10,213,913
Share issue expenses	-	(505,094)	62,516	-	-	-	(442,578)
Share-based payments	-	-	267,766	-	-	-	267,766
Balance at 31 December 2020	8,138,619	16,047,975	1,922,090	(3,402,737)	(348,940)	(2,697,357)	19,659,650

Consolidated Statement of Cash Flows
For the year-ended 31 December 2021

	31 December 2021 $	31 December 2020 $
Cash flow from operating activities		
Profit for the financial year before tax	5,935,976	796,181
Share-based payments	325,375	267,766
Depreciation	4,107,685	2,628,990
Amortisation	3,985	3,862
Fair value loss / (gain) on derivatives	1,527,250	(1,572,706)
Impairment of intangible assets	624,546	37,161
Gain on non-current assets / disposal groups held for sale	(118,651)	-
Loss on disposal of intangible assets	-	31,307
(Gain) / loss on disposal of property, plant and equipment	(25,683)	42,318
Interest expense	1,395,504	1,580,842
Foreign exchange movements	356,850	(189,918)
Tax paid	(1,940,574)	-
	12,192,263	3,625,803
Changes in working capital		
(Increase) / decrease in inventory	(109,841)	64,433
(Increase) / decrease in trade and other receivables	(2,276,303)	2,530,065
Decrease in trade and other payables	(697,544)	(1,390,182)
Cash inflow from operating activities	9,108,575	4,830,119
Cash outflow from investing activities		
Cash outflows on business combination	-	(11,200,000)
Cash acquired in business combination	-	46,543
Deposits received on disposal of non-current assets	160,404	-
Purchase of property, plant & equipment	(3,607,826)	(2,816,460)
Spend on exploration activities	(2,121,050)	(1,457,307)
Net cash used in investing activities	(5,568,472)	(15,427,224)
Cash flow from financing activities		
Issue of ordinary shares net of expenses	444,949	5,835,834
Proceeds on issue of oil swap financing arrangement	-	7,760,288
Repayments on oil swap financing arrangement	(3,518,359)	(1,666,116)
Payments on oil price derivatives	(1,805,086)	(70,431)
Capital payments on lease	(68,914)	(73,183)
Interest paid on lease	(14,421)	(5,753)
Net cash (used in) / generated from financing activities	(4,961,831)	11,780,639
Net (decrease) / increase in cash and cash equivalents	(1,421,728)	1,183,534
Cash and cash equivalents at beginning of financial year	2,188,902	1,275,537
Effects of exchange rate changes	(369,866)	(270,169)
Cash and cash equivalents at end of financial year	397,308	2,188,902

1. PRINCIPAL ACCOUNTING POLICIES

Company Information

United Oil & Gas PLC is a public limited company incorporated and domiciled in the United Kingdom.

Basis of Preparation

The financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and with those parts of the Companies Act 2006 applicable to companies reporting under UK adopted IFRS.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 December 2021.

The principal accounting policies set out below have been consistently applied to all periods presented.

Basis of Consolidation

The financial statements for the year ended 31 December 2021 incorporate the results of United Oil & Gas PLC ('the Company') and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

All intra-Group transactions, balances, income and expenses are eliminated in full on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Going Concern

United regularly monitors its business activities, financial position, cash flows and liquidity through detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, including changes in commodity prices and in production levels from the existing assets, plus other factors which could affect the Group's future performance and position. A base case forecast has been considered which uses budgeted commitments and prevailing forward curve assumptions for oil prices. The key assumptions and related sensitivities include a "Reasonable Worst Case" ('RWC') sensitivity where the Board has considered a scenario with significant aggregated downside, including a reduction in forecast production rates of 15%, a reduction in oil prices by 20% and an increase in forecast capital expenditure in Egypt by 10%.

Both the base case and RWC take into consideration the Crown Milestone Settlement Agreement for $2.5m and the completion of the Italian divestment for €2.2m in early 2022. The likelihood of all these downside sensitivities taking place simultaneously and lasting for the entire forecast period is considered to be remote. Under such a RWC scenario, we have identified appropriate mitigating actions, including the deferral of additional uncommitted capital expenditure, further divestment of the portfolio, restructuring of debt arrangements and adjustment of the Group cost base, which would be available to us and have been demonstrated as effective strategies in previous periods of low oil prices. Our business in Egypt remains robust given cash operating costs of less than $6/boe, flexible drilling contracts, downside price protection on our hedged volumes and gas contracts that are fixed price in nature. There are limited capital commitments in the other assets in our portfolio. The forecasts outlined above show that the Group will have sufficient financial headroom for the 12 months from the date of approval of the 2021 Accounts. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to use the going concern basis of accounting in preparing the annual Financial Statements.

Revenue

Revenue comprises invoiced sales of hydrocarbons to customers, excluding value added and similar taxes. Also disclosed within revenue is tariff income recognised, excluding value added and similar taxes, for gas transportation facilities provided to third parties.

Revenue is recognised at a point in time as control passes to the customer, which is typically the point of delivery of hydrocarbons. The Group does not have performance obligations subsequent to delivery.

Other Income – Tax Entitlement Volumes

Under the concession agreements in Egypt, income tax due on taxable profit is paid on the Group's behalf by EGPC. To achieve this through the agreements, the Group notionally receive a greater share of hydrocarbon production in excess of the Group's entitlement interest share of production equal to the amount required to cover the tax payable. The oil is produced and sold on the Group's behalf and proceeds remitted to the tax authorities. This income does not fall within the definition of revenue and is therefore shown as other income with an equal and opposite tax charge recorded through current taxation.

Foreign Currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end date. All differences are taken to the Income Statement.

Assets and liabilities of subsidiaries that have a functional currency different from the presentation currency (US dollar), if any, are translated at the closing rate at the date of each balance sheet presented. Income and expenses are translated at average exchange rates. All resulting exchange differences are recognised in other comprehensive income (loss), if any.

Finance Income and Costs

Interest is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

Exploration and Evaluation Assets

The group accounts for oil and gas expenditure under the full cost method of accounting.

Costs (other than payments to acquire the legal right to explore) incurred prior to acquiring the rights to explore are charged directly to the profit and loss account. All costs incurred after the rights to explore an area have been obtained, such as geological, geophysical, data costs and other direct costs of exploration and appraisal are accumulated and capitalised as intangible exploration and evaluation ('E&E') assets.

E&E costs are not amortised prior to the conclusion of appraisal activities. At the completion of appraisal activities if technical feasibility is demonstrated and commercial reserves are discovered, then following development sanction, the carrying value of the relevant E&E asset will be reclassified as a development and production asset within tangible fixed assets.

If after completion of appraisal activities in an area, it is not possible to determine technical feasibility or commercial viability, then the costs of such unsuccessful exploration and evaluation are impaired to the Income Statement. The costs associated with any wells which are abandoned are fully amortised when the abandonment decision is taken.

Development and production assets are accumulated generally on a field by-field basis and represent the costs of developing the commercial reserves discovered and bringing them into production, together with the E&E expenditures incurred in finding commercial reserves which have been transferred from intangible E&E assets.

The net book values of development and production assets are depreciated generally on a field-byfield basis using the unit of production method based on the commercial proven and probable reserves. Assets are not depreciated until production commences.

Depreciation of Production Assets

Production assets are accumulated into cash generating units ('CGUs') and the net book values are depreciated on a prospective basis using the unit-of-production method by reference to the ratio of production in the year and the related economic commercial reserves, taking into account future development expenditures necessary to bring those reserves into production.

The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the income statement.

Each asset's estimated useful life has been assessed with regard to both its own physical life limitations and the present assessment of economically recoverable reserves of the oil and gas asset at which the item is located, and to possible future variations in those assessments. Estimates of remaining useful lives are made on a regular basis for all oil and gas assets, machinery and equipment, with annual reassessments for major items. Changes in estimates which affect unit production calculations are accounted for prospectively.

Other Intangible Assets
Other intangible assets acquired separately from a business combination are capitalised at cost.

Intangible assets are amortised on a straight-line basis over their useful lives as follows:

Computer software 33%

The carrying value of intangible assets is assessed annually and any impairment is charged to the income statement.

Property, Plant and Equipment
Property, plant and equipment are stated at cost less depreciation. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life.

The annual rate of depreciation for each class of depreciable asset is:

Computer equipment 33%

The carrying value of property plant and equipment is assessed annually and any impairment is charged to the income statement.

Non-current assets held for sale and disposal groups
Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

Impairment of Non-financial Assets

At each balance sheet date, the Directors review the carrying amounts of the Group's tangible and intangible assets, other than goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

An impairment loss is recognised as an expense immediately.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised in the Income Statement immediately.

Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss ('FVTPL'); and
- fair value through other comprehensive income ('FVOCI').

In the periods presented the Group does not have any financial assets categorised as FVOCI or FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Impairment of Financial Assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model to be applied. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

IFRS 9 requires the Group to recognise a loss allowance for expected credit losses on trade receivables.

In particular, IFRS 9 requires the Group to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses ('ECL') if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and embedded derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or fair value gains/(losses) on derivative financial instruments.

Embedded derivative financial instruments

A borrowing arrangement structured as a prepaid commodity swap with monthly repayments over 30 months has embedded in it a derivative that is indexed to the price of the commodity. This is considered to be a separable embedded derivative of a loan instrument.

At the date of issue, the fair value of the embedded derivative is estimated by considering the derivative as a series of forward contracts with modelling of the fixed and floating legs to determine a repayment schedule and derive a net present value for the forward contract embedded derivative.

This amount is recognised separately as a financial liability or financial asset and measured at fair value through the income statement. The residual amount of the loan is then recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Leases
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, prepayments made on the lease at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

Taxation
Current taxation for each taxable entity in the Group is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred Taxation
Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax liabilities are provided in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Share-based Payments

Where share-based payments (warrants and options) have been granted, IFRS 2 has been applied whereby the fair value of the share-based payments is measured at the grant date and spread over the period during which they vest. A valuation model is used to assess the fair value, taking into account the terms and conditions attached to the share-based payments. The fair value at grant date is determined including the effect of market-based vesting conditions, to the extent such vesting conditions have a material impact.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the holders become fully entitled to the award ('the vesting date').

The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee, as measured at the date of modification.

Where an equity-settled award (share options) is cancelled, it is treated as if it had vested on the date of cancellation if it had not yet fully vested, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Where an equity-settled award is forfeited, the cumulative charge expensed up to the date of forfeiture is credited to the Income Statement. Upon expiry of an equity-settled award, the cumulative charge expensed is transferred from the Share-based payment reserve to retained earnings.

Equity

Equity comprises the following:

- "Share capital" represents amounts subscribed for shares at nominal value.
- "Share premium" represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- "Share-based payment reserve" represents the accumulated value of share-based payments.
- "Retained earnings" represents the accumulated profits and losses attributable to equity shareholders.
- "Translation reserve" represents the exchange differences arising from the translation of the financial statements of subsidiaries into the Group's presentational currency.
- "Merger reserve" represents amounts arising from statutory merger relief arising on business combinations.

New and Amended International Financial Reporting Standards Adopted by the Group

The Group has adopted the following standards, amendments to standards and interpretations which are effective for the first time this year. The impact is shown below:

New/Revised International Financial Reporting Standards		Effective Date; annual periods beginning on or after	UKEB adopted	Impact on the Group
Various	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	1 January 2021	Yes	No material impact

International Financial Reporting Standards in Issue But Not Yet Effective

At the date of authorisation of the consolidated financial statements, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Group. For the next reporting period, applicable International Financial Reporting Standards will be those endorsed by the UK Endorsement Board ('UKEB').

Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of, these consolidated financial statements, the following could potentially have a material impact on the Group's financial statements going forward:

New/Revised International Financial Reporting Standards		Effective Date; annual periods beginning on or after	UKEB adopted
Various	Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets, Annual Improvements 2018-2020	1 January 2022	No
IAS 12	Amendments to IAS 12: Deferred Tax relating to Assets and Liabilities arising from a Single Transaction	1 January 2023	No
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current	1 January 2024	No

New / revised International Financial Reporting Standards which are not considered to potentially have a material impact on the Group's financial statements going forwards have been excluded from the above.

Management anticipates that all relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not listed above are not expected to have a material impact on the Group's financial statements.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the key estimates used in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Reserve Estimates

Reserves are estimates of the amount of product that can be economically and legally extracted from the Group's properties. In order to calculate the reserves, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

Estimating the quantity and/or grade of reserves requires the size, shape and depth of fields to be determined by analysing geological data such as drilling samples. This process may require complex and difficult geological judgements and calculations to interpret the data.

Given that the economic assumptions used to estimate reserves change from year to year, and because additional geological data is generated during the course of operations, estimates of reserves may change from year to year. Changes in reported reserves may affect the Group's financial results and financial position in a number of ways, including the following:

- Asset carrying values may be affected by possible impairment due to adverse changes in estimated future cash flows;
- Depreciation, depletion and amortisation charged in the Income Statement may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change.

Purchase price allocation
In the prior year Management used valuation techniques when determining the fair value of assets transferred and liabilities acquired in business combinations and the allocation of the purchase price thereto, which includes estimates to determine the valuation of assets.

Valuations prepared by an independent consultant taking into account risks involved in the business acquired were used to inform the purchase price allocation for the business combination in 2020.

Information regarding the purchase price allocations is disclosed in note 12.

Impairment of property, plant and equipment
The Group assesses at each reporting date whether there is any indication that these assets may be impaired as indicated in note 11. If such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is assessed by reference to the higher of 'value in use' (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less cost to sell'. The Group considers the quantities of the Proven and Probable Reserves, future production levels and future oil prices as well as other IAS 36 criteria in their assessment of indicators of impairment. The directors do not believe there are any indicators of impairment in respect of the assets.

Valuation of embedded derivatives within financial liability and standalone derivatives
In determining the value of both the embedded derivatives and standalone derivatives, the Group makes assumptions about future events and market conditions. The fair value is determined using a valuation model which is dependent on further estimates.

Such assumptions are based on publicly available information and are detailed further in note 22. Different assumptions about these factors to those made by the Group could materially affect the reported value of the embedded derivative liability.

As the financial liability is computed as the residual amount after deduction of the embedded derivative valuation, any material difference in the value of the embedded derivative liability on initial recognition would materially reduce (or increase) the loan financial liability thus increasing (or decreasing) the effective interest rate applicable.

The following are the significant judgements used in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Impairment of exploration licences
Management reviews intangible exploration assets for indicators of impairment under IFRS 6 – Exploration for and Evaluation of Mineral Resources at the end of each reporting period. This review of assets for potential indicators of impairment requires judgement including whether renewal of licences is planned, interpretation of the results of exploration activity and the extent to which the Group plans to continue substantive expenditure on the assets. In determining whether substantive expenditure remains in the Group's plan, management considers factors including future oil prices, plans to develop or renew licences and future exploration plans. If impairment indicators exist the assets are tested for impairment and carried at the lower of the estimated recoverable amount and net book value.

Fair value of consideration in relation to Crown disposal
Management have applied judgement in determining the consideration recognised for the Crown disposal in accordance with IFRS 5, including a receivable for milestone payment of $2.5m.

2. SEGMENTAL REPORTING

Operating Segments

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

The Group operates in four geographic areas – the UK, Europe and greater Mediterranean, Latin America and Egypt. The Group's revenue from external customers and information about its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) by geographical location are detailed below.

	UK $	Other EU $	Latin America $	Egypt $	Total $
2021					
Revenue	-	-	-	19,228,698	19,228,698
Other income	-	-	-	1,940,574	1,940,574
Non-current assets	505,963	2,518,642	4,460,303	17,921,194	25,406,102
2020					
Revenue	-	-	-	9,053,657	9,053,657
Non-current assets	779,323	2,833,287	3,602,178	14,284,122	21,498,910

3. COST OF SALES

	31 December 2021 $	31 December 2020 $
Production costs	4,906,713	3,941,743
Depreciation, depletion & amortisation	4,005,102	2,563,268
	8,911,815	6,505,011

4. OPERATING PROFIT

	31 December 2021 $	31 December 2020 $
Operating loss is stated after charging/(crediting):		
Depreciation:		
Owned assets	4,009,427	2,566,668
Right of use leased assets	98,258	62,322
Amortisation	3,985	3,862
Share based payments	325,375	267,766
Foreign exchange losses / (gains)	356,850	(189,918)
Fees payable to the Company's auditors for the audit of the annual financial statements	70,000	60,000

5. DIRECTORS AND EMPLOYEES

The aggregate payroll costs of the employees, including Executive Directors and Non-Executive directors, were as follows:

	31 December 2021 $	31 December 2020 $
Staff costs		
Wages and salaries	1,939,014	1,700,487
Share-based payments	325,375	267,766
Pension	130,479	**135,059**
Social security	104,915	60,640
	2,499,783	2,163,952

Average monthly number of persons employed by the Group during the year was as follows:

	2021	2020
By activity		
Administrative	7	6
Directors	6	6
	13	12

	31 December 2021 $	31 December 2020 $
Remuneration of Directors		
Emoluments and fees for qualifying services	890,604	1,149,729
Share-based payments	238,360	229,040
Pension	76,694	**53,251**
Social security	41,396	21,743
	1,247,054	1,453,763

Key management personnel are identified as the Executive Directors.

6. FINANCE INCOME AND EXPENSE

	31 December 2021 $	31 December 2020 $
Finance income		
Fair value gain on derivatives	-	1,572,706
	-	1,572,706

	31 December 2021 $	31 December 2020 $
Finance expense		
Fair value loss on derivatives	1,527,250	-
Effective interest on borrowings	1,381,083	1,576,607
Interest expense on lease liabilities	14,421	4,235
	2,922,754	1,580,842

7. TAXATION

	31 December 2021 $	31 December 2020 $
Profit before tax	5,935,976	796,181
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	1,127,835	151,274
Tax effects of:		
Foreign tax	1,940,574	-
Adjustments in respect of prior periods	(78,692)	(56,480)
Utilisation of tax losses	(744,956)	(151,274)
Corporation tax charge / (credit)	1,861,882	(56,480)

The Group has accumulated UK tax losses of approximately $5.5m (2020: $8.0m). No deferred tax asset was recognised in respect of these accumulated tax losses as there is insufficient evidence that the amount will be recovered in future years.

8. EARNINGS PER SHARE

The Group has issued share warrants and options over Ordinary shares which could potentially dilute basic earnings per share in the future. Further details are given in note 18.

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

There were 113,697,454 (2020: 130,510,730) share warrants and options outstanding at the end of the year that could potentially dilute basic earnings per share in the future.

Basic and diluted earnings per share:

	2021 Cents	2020 Cents
Basic earnings per share from continuing operations	0.64	0.15
Diluted earnings per share from continuing operations	0.62	0.14

The profit and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2021 $	2020 $
Profit used in the calculation of total basic and diluted earnings per share	4,074,094	852,661

Number of shares:

	2021	2020
Weighted average number of ordinary shares for the purposes of basic earnings per share	637,482,325	578,248,726
Dilutive shares	24,871,644	23,207,377
Weighted average number of ordinary shares for the purposes of diluted earnings per share	662,353,969	601,456,103

9. SUBSIDIARIES

Details of the Group's subsidiaries in 2021 are as follows:

Name and address of subsidiary	Principal activity	Class of shares	Place of incorporation and operation	% ownership held by the Group 2021	% ownership held by the Group 2020
UOG Holdings PLC 200 Strand, London, WC2R 1DJ	Intermediate holding company	Ordinary	England and Wales	100	**100**
UOG Ireland Limited [1] 9 Upper Pembroke Street, Dublin 2, Ireland	Intermediate holding company	Ordinary	Ireland	100	100
UOG PL090 Ltd [1] 200 Strand, London, WC2R 1DJ	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Italia Srl [1] Viale Gioacchino Rossini 9, 00198, Rome, Italy	Oil and gas exploration	Ordinary	Italy	100	100
UOG Jamaica Ltd [1] 200 Strand, London, WC2R 1DJ	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Crown Ltd [1] 200 Strand, London, WC2R 1DJ	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Colter Ltd [1] 200 Strand, London, WC2R 1DJ	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Egypt Pty Sydney 2000, New South Wales, Australia	Oil and gas exploration	Ordinary	Australia	100	100

[1] Held indirectly by United Oil & Gas Plc

10. INTANGIBLE ASSETS

	Exploration and Evaluation assets $	Computer software $	Total $
Cost			
At 1 January 2020	7,728,138	11,374	7,739,512
Acquired in business combinations	3,181,362	-	3,181,362
Additions	1,457,307	-	1,457,307
Transfer to production assets	(2,538,981)	-	(2,538,981)
Disposals	(31,307)	-	(31,307)
Foreign exchange differences	335,459	1,070	336,529
At 31 December 2020	10,131,978	12,444	10,144,422
Additions	3,013,536	-	3,013,536
Disposals	(2,576,724)	-	(2,576,724)
Transferred to non-current assets held for sale	(2,519,240)		(2,519,240)
Foreign exchange differences	(236,009)	(970)	(236,979)
At 31 December 2021	7,813,541	11,474	7,825,015
Amortisation and impairment			
At 1 January 2020	2,158,648	-	2,158,648
Charge for the year	-	3,862	3,862
Impairment	37,161	-	37,161
Foreign exchange differences	52,722	286	53,008
At 31 December 2020	2,248,531	4,148	2,252,679
Charge for the year	-	3,985	3,985
Impairment	624,546	-	624,546
Foreign exchange differences	(25,803)	(483)	(26,286)
At 31 December 2021	2,847,274	7,650	2,854,924
Net book value			
At 31 December 2021	4,966,267	3,824	4,970,091
At 31 December 2020	7,883,447	8,296	7,891,743

At 31 December 2021 the group's E&E carrying values of $5m related to our high impact exploration activity in Jamaica, and the UK North Sea exploration/development work programmes.

In Egypt United and its partners drilled, tested and took onstream two successful exploration wells in 2021, and as a result all exploration spend in Egypt to date has been transferred to PP&E as per the technical guidance of IFRS 6. Total was $2.5m transferred to PP&E in 2021.

In Jamaica technical work continues on the Work Programme to establish the development options on the Colibri prospect, in conjunction with a farm out process that continues to attract interest. In November 2021 a new exploration extension was granted taking the licence period out until end January 2024. At year end the carrying value of our exploration activity in Jamaica amounted to $4.5m.

In the UK North Sea the Company has Intangibles of $0.5m at year end, representing amount capitalised to date on the Maria discovery and Zeta exploration prospect. In 2021 we announced a binding sale and purchase agreement to sell these licences, an agreement that subsequently failed to complete and was announced in March 2022. We continue to review the options to commercialise the Maria discovery and in the meantime will continue with a work programme involving some Seismic data purchase, Rock physics and seismic inversion, and have a new CPR report later in the year.

The Company's Italian assets are now recategorised to Assets Held for sale ('AHFS'), at $2.6m having signed a conditional SPA with PXOG Marshall Limited, a subsidiary of Prospex Energy PLC ('Prospex') for the sale of 100% of the share capital of UOG Italia Srl for a consideration of €2.165m (c. $2.54m) with an effective date of 1 Jan 2021.

Commitments on the Waddock Cross licence have stalled pending the outcome of some discussions with the Operator to relinquish our 26.25% interest in the licence. Whilst the Operator continues to progress the work programme ahead of any well campaign, we believe at this stage full value most likely cannot be recovered in the medium term by the Company and as such the Directors believed it prudent at this stage to impair the carrying value of $625k.

Management reviews the intangible exploration assets for indications of impairment at each balance sheet date based on IFRS 6 criteria such as where commercial reserves have not yet been established and the evaluation, exploration work is ongoing and a development plan has not been approved. The Directors believe the only impairment indicators relate to Waddock Cross (as described above) and have impaired all associated costs to date accordingly, with all remaining assets described continuing to be carried at cost.

11. PROPERTY, PLANT AND EQUIPMENT

	Production assets $	Computer equipment $	Fixtures and fittings $	Right of use asset $	Total $
Cost					
At 1 January 2020	-	8,589		114,775	123,364
Acquired in business combinations	10,630,944	-	-	61,127	10,692,071
Transfer from E&E assets	2,538,981	-	-		2,538,981
Additions	2,806,734	6,755	2,971	204,763	3,021,223
Disposals	-	-	-	(186,700)	(186,700)
Foreign exchange differences	-	(1,638)	-	10,799	9,161
At 31 December 2020	15,976,659	13,706	2,971	204,764	16,198,100
Transfer from production assets	2,576,724	-	-	-	2,576,724
Additions	5,900,375	-	-	42,951	5,943,326
Disposals	-	-	-	(43,862)	(43,862)
Foreign exchange differences	-	(1,068)	(231)	(13,820)	(15,119)
At 31 December 2021	24,453,758	12,638	2,740	190,033	24,659,169
Depreciation					
At 1 January 2020	-	5,812	-	90,830	96,642
Charge for the year	2,563,268	3,169	231	62,322	2,628,990
Disposals	-	-	-	(144,382)	(144,382)
Foreign exchange differences	-	(1,665)	17	11,331	9,683
At 31 December 2020	2,563,268	7,316	248	20,101	2,590,933
Charge for the year	4,005,103	3,373	951	98,258	4,107,685
Disposals	-	-	-	(16,625)	(16,625)
Foreign exchange differences	-	(706)	(57)	(12,870)	(13,633)
At 31 December 2021	6,568,371	9,983	1,142	88,864	6,668,360
Net book value					
At 31 December 2021	17,885,387	2,655	1,598	101,169	17,990,809
At 31 December 2020	13,413,391	6,390	2,723	184,663	13,607,167

Depreciation is recognised within administrative expenses.

Management reviews the property, plant and equipment for indications of impairment at each balance sheet date in accordance with IAS 36. No indications of impairment have been identified at either 31 December 2021 or 31 December 2020.

12. BUSINESS COMBINATIONS

On 28 February 2020, the company announced that it had completed the acquisition of 100% of the equity share capital of UOG Egypt Pty Ltd (formerly Rockhopper Egypt Pty Ltd). from Rockhopper Exploration plc ('Rockhopper').

The Acquisition, which had an effective date of 1 January 2019, included a 22% non-operating interest in the producing Abu Sennan concession, onshore Egypt. The consideration payable to Rockhopper for the Acquisition was US$16 million which was funded by:

- the issue to Rockhopper of 114,503,817 Consideration Shares at 3 pence per Ordinary Share representing 18.5% of the Company's Enlarged Ordinary Share Capital,
- a pre-payment financing structure of US$8 million provided by BP ('the BP Facility') and
- the issue of 150,616,669 Placing Shares at 3 pence per share with certain existing and new investors and 8,419,498 Subscription Shares also at 3 pence per share.

No goodwill has been recognised on the acquisition because the fair value of the identifiable net assets was the same as the fair value of the consideration transferred, as shown in the table below.

	$
Fair value of consideration transferred	
Cash	11,500,000
Liabilities assumed	3,259,090
Shares issued	3,933,276
	18,692,366
Recognised amounts of identifiable net assets	
Intangible assets	3,181,362
Property, plant and equipment	10,692,071
Total non-current assets	13,873,433
Inventory	100,162
Trade and other receivables	4,759,717
Cash at bank and in hand	46,543
Total current assets	4,906,422
Trade and other payables	(25,337)
Lease liabilities	(62,152)
Total current liabilities	(87,489)
Fair value of net assets acquired	18,692,366

The fair value of acquired receivables was equal to the contractual amounts receivable and all cash flows were collected.

	$
Net cash outflow on acquisition of subsidiary	
Consideration paid in cash	11,500,000
Less: cash and cash equivalent balances acquired	(46,543)
Total	11,453,457

Post-acquisition Contribution

The acquisition of UOG Egypt contributed $9,053,657 revenue and $2,136,680 profit to the Group's results for the year acquired.

If UOG Egypt had been acquired on 1 January 2020, revenue of the Group for the year would have been $11,192,276 and profit for the year would have been $5,754,327.

13. NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE

On 11 April 2022 United announced the completion of the sale of 100% of the share capital of UOG Italia Srl to PXOG Marshall Limited, a subsidiary of Prospex Energy PLC ('Prospex'), for a consideration of €2,164,701 (c. $2.54m).

Assets and liabilities held for sale

The following major classes of assets and liabilities relating to these operations have been classified as held for sale in the consolidated balance sheet at 31 December 2021:

	UOG Italia $	Elimination of inter-company payables $	Fair value adjustment $	Total held for sale $
Intangible assets	2,519,240	-	12,914	2,532,154
Trade and other receivables	28,588	-	-	28,588
Cash at bank and in hand	508	-	-	508
Assets held for sale	2,548,336	-	12,914	2,561,250
Trade and other payables	(2,456,775)	2,340,727	-	(116,048)
Liabilities held for sale	(2,456,775)	2,340,727	-	(116,048)

Fair value measurement

The fair value of the net assets of $2,445,202 are categorised as level 3 non-recurring fair value measurements.

The fair valuations have been determined by reference to signed disposal agreements, in relation to which non-refundable deposits have been received.

Gain on disposal

The net gain on disposal recognised in the income statement is comprised of:

	$
Gain on disposal of UOG Italia net of disposal expenses incurred	233,357
Loss on aborted North Sea Quattro disposal	(114,706)
	118,651

14. INVENTORY

	2021 $	2020 $
Oil in tanks	145,570	35,729
	145,570	35,729

15. TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
Trade receivables	2,257,609	-
Other tax receivables	71,764	77,529
Prepayments	7,361	7,984
Contract assets	2,865,287	2,518,794
Crown disposal proceeds due	2,500,000	2,850,000
	7,702,021	5,454,307

The Directors consider that the carrying values of trade and other receivables are approximate to their fair values.

No expected credit losses exist in relation to the Group's receivables as at 31 December 2021 (2020: $nil).

Contract assets relate to two months oil and three months gas invoices for the Abu Sennan producing assets in Egypt under the receivable terms of the agreement with EGPC.

Crown disposal proceeds due are being carried at the full value expected to be received.

16. CASH AND CASH EQUIVALENTS

	2021 $	2020 $
Cash at bank (GBP)	50,831	132,913
Cash at bank (EUR)	16,286	25,561
Cash at bank (USD)	3,226	16,980
Cash at bank (EGY)	326,965	2,013,448
	397,308	2,188,902

At 31 December 2021 and 2020 all significant cash and cash equivalents were deposited in creditworthy financial institutions in UK, Ireland and Egypt.

17. SHARE CAPITAL, SHARE PREMIUM AND MERGER RESERVE

Allotted, issued, and fully paid:

	Number	Share capital $	2021 Share premium $
Ordinary shares of £0.01 each			
At 1 January 2021	625,153,969	8,138,619	16,047,975
Allotments:			
Shares issued for cash (exercise of warrants)	19,650,000	277,563	167,386
At 31 December 2021	644,803,969	8,416,182	16,215,361

	Number	Share capital $	2020 Share premium $
Ordinary shares of £0.01 each			
At 1 January 2020	345,613,985	4,564,787	9,912,988
Allotments:			
Shares issued in consideration for business combination	114,503,817	1,463,002	2,470,274
Shares issued for cash	159,036,167	2,031,987	4,051,541
Shares issued for cash (exercise of warrants)	6,000,000	78,843	118,266
Share issue expenses	-	-	(505,094)
At 31 December 2020	625,153,969	8,138,619	16,047,975

As regards income and capital distributions, all categories of shares rank pari passu as if the same constituted one class of share.

18. SHARE-BASED PAYMENTS

Share Options

Details of the number of share options and the weighted average exercise price ('WAEP') outstanding during the year are as follows:

2021	Number of Options	WAEP £
Outstanding at the beginning of the year	46,767,690	0.04
Issued	3,939,665	0.04
Expired	(1,102,941)	0.04
Outstanding at the year end	49,604,414	0.04
Number vested and exercisable at 31 December 2021	-	-

2020	Number of Options	WAEP £
Outstanding at the beginning of the year	11,117,647	0.05
Issued	35,650,043	0.04
Outstanding at the year end	46,767,690	0.04
Number vested and exercisable at 31 December 2020	-	-

The fair values of share options issued in the current financial year were calculated using the Black Scholes model as follows:

Date of grant	Share options 1 Aug 2021	Share options 4 Jan 2021	Share options 27 Oct 2020	Share options 29 Sep 2020	Share options 1 Jul 2020	Share options 17 Jun 2020	Share options 20 Mar 2020
Number granted	2,597,403	1,342,282	1,481,481	1,565,741	6,107,843	14,767,500	8,060,811
Share price at date of grant	£0.04	£0.03	£0.03	£0.03	£0.03	£0.03	£0.01
Exercise price	£0.04	£0.03	£0.03	£0.03	£0.03	£0.04	£0.04
Expected volatility	59,25%	83.28%	85.31%	85.27%	82.66%	82.01%	65.31%
Expected life from date of grant (years)	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Risk free rate	0.2867%	-0.0678%	-0.0384%	-0.0821%	-0.0280%	-0.0322%	0.2543%
Expected dividend yield	0%	0%	0%	0%	0%	0%	0%
Fair value at date of grant	£0.021	£0.021	£0.018	£0.019	£0.018	£0.019	£0.004
Earliest vesting date	1 Aug 2024	4 Jan 2024	27 Oct 2023	29 Sep 2023	1 Jul 2023	17 Jun 2023	20 Mar 2023
Expiry date	1 Aug 2031	4 Jan 2031	27 Oct 2030	29 Sep 2030	1 Jul 2030	17 Jun 2030	20 Mar 2030

Expected volatility was determined based on the historic volatility of the Company's shares for a period averaging 1 year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of $325,375 (2020: $267,766) in the income statement in relation to share options accounted for as equity-settled share-based payment transactions during the year.

Warrants

Details of the number of share warrants and the weighted average exercise price ('WAEP') outstanding during the year are as follows:

2021	Number of Options	WAEP £
Outstanding at the beginning of the year	83,743,040	0.04
Exercised	(19,650,000)	0.02
Outstanding at the year end	64,093,040	0.05
Number vested and exercisable at 31 December 2021	64,093,040	-

2020	Number of Options	WAEP £
Outstanding at the beginning of the year	82,212,206	0.04
Issued	7,530,834	0.03
Exercised	(6,000,000)	0.03
Outstanding at the year end	83,743,040	0.04
Number vested and exercisable at 31 December 2020	83,743,040	0.04

The fair values of share warrants issued or extended in the current and previous financial year were calculated using the Black Scholes model as follows:

	Share warrants
Date of grant	28 Feb 2020
Number granted	7,530,834
Share price at date of grant	£0.03
Exercise price	£0.03
Expected volatility	49.57%
Expected life from date of grant (years)	1.5
Risk free rate	0.2813%
Expected dividend yield	0%
Fair value / incremental fair value at date of grant	£0.0064
Earliest vesting date	28 Feb 2020

Expected volatility was determined based on the historic volatility of a comparable company's shares for a period averaging 1 year. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group recognised total expenses of $nil (2020: $62,516) in relation to share warrants accounted for as equity-settled share-based payment transactions during the year in relation. These were recognised as follows:

$nil (2020: $62,516) as a deduction from share premium related to share warrants accounted for as equity-settled share-based payment transactions during the year.

19. TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade payables	1,180,088	836,759
Other payables	1,599,414	1,431,078
Deferred shares (note 20)	40,476	40,739
Accruals	2,602,756	687,539
	5,422,734	2,996,115

20. DEFERRED SHARES

On 12 October 2015, the Company issued 30,000 Deferred Shares of £1 for £30,000 to the founder, which have an entitlement to a non-cumulative annual dividend at a fixed rate of 0.1 per cent of their nominal value. The Deferred Shares have no voting rights attached to them and may be redeemed in their entirety by the Company for an aggregate redemption payment of £1.

21. LEASES

Right of Use Assets

The Group used leasing arrangements relating to property, plant and equipment. As the Group has the right of use of the asset for the duration of the lease arrangement, a “right of use” asset is recognised within property, plant and equipment.

When a lease begins, a liability and right of use asset are recognised based on the present value of future lease payments.

	2021 $	2020 $
Interest expense on lease liabilities	14,421	4,235
Total cash outflow for leases	(83,335)	(78,936)
Additions to right-of-use assets	42,951	265,890
Disposals from right-of-use assets	(27,237)	(42,318)
Depreciation charge – right of use assets	(98,258)	(62,322)
Foreign exchange movement on right of use assets	(949)	(532)
Right of use assets - carrying amount at the beginning of the year:	184,663	23,945
Carrying amount at the end of the year:	101,169	184,663

Lease liabilities

	2021 $	2020 $
Current	83,368	94,050
Non-current	24,494	96,787
	107,862	190,837

22. BORROWINGS AND DERIVATIVES

Amounts payable on borrowings held by the Group falling due within one year and in more than one year are:

	2021 $	2020 $
Secured – at amortised cost		
Other loans	2,422,212	4,555,801
Current	2,422,212	2,133,655
Non-current	-	2,422,146
	2,422,212	4,555,801

The assets of the Group are held as security against the loan.

	2021 $	2020 $
Separated embedded derivative		
Loan derivative liability (current)	1,346,044	904,702
Loan derivative liability (non-current)	-	647,376
	1,346,044	1,552,078
Other derivative financial instruments		
Hedge derivative liability (current)	-	87,979

Summary of Borrowing Arrangements

In February 2020, the Group entered into a prepaid commodity swap arrangement for $8 million to part-finance the acquisition of Rockhopper Egypt Pty Ltd. The repayment schedule provided for 30 monthly repayments which were structured as a fixed notional amount with variations based on movements in oil prices with a cap. During 2020 modifications were agreed to the loan whereby there was a three-month period where payments were suspended and the deferred amounts were rolled into payments in the final 12 months of the loan.

Due to the price structure, the arrangement includes an embedded derivative (a forward contract). For financial reporting purposes, this must be separately accounted for at fair value at each balance sheet date. The balance of proceeds that did not relate to the derivative were treated as the opening carrying amount of the loan which will then be measured at amortised cost over its life, with finance charges recognised to give an even return over the loan life and repayments of capital allocated appropriately.

As at 31 December 2021, a fair value loss has been recognised (as finance expense) as a result of oil price movements in the period and on forward price rates.

In January 2022 the Group extended the final maturity date on the facility from 30 September 2022 to 31 December 2023.

The valuations of the host debt and derivative on initial recognition and valuation of the remaining embedded derivative as at 31 December 2021 were undertaken using data provided by independent third parties.

The fair value of the contracts has been estimated using a valuation technique that maximises the use of observable market inputs. These are classified as Level 2 in the fair value hierarchy (see note 23).

Reconciliation of liabilities arising from financing activities

2021	At 1 January 2021 $	Cash received $	Interest accrued $	Repaid in cash $	Fair value movements $	FX movements $	At 31 December 2021 $
Loan	4,555,801	-	1,381,083	(3,518,359)	-	3,687	2,422,212
Embedded derivative	1,552,078	-	-	(1,666,975)	1,477,118	(16,177)	1,346,044
Derivative	87,979	-	-	(138,111)	50,132	-	-
	6,195,858	-	1,381,083	(5,323,445)	1,527,250	(12,490)	3,768,256

2020	At 1 January 2020 $	Cash received $	Interest accrued $	Repaid in cash $	Fair value movements $	FX movements $	At 31 December 2020 $
Loan	-	4,853,381	1,576,607	(1,866,712)	-	(7,475)	4,555,801
Embedded derivative	-	2,906,907	-	200,596	(1,731,116)	175,691	1,552,078
Derivative	-	-	-	(70,431)	158,410	-	87,979
	-	7,760,288	1,576,607	(1,736,547)	(1,572,706)	168,216	6,195,858

Fair value movements are recognised in finance income (see note 6).

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23. FINANCIAL INSTRUMENTS

Classification of Financial Instruments

The fair value hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

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

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The only financial instruments measured at fair value in the balance sheet are the embedded derivatives and standalone derivatives which are classified as Level 2 according to the above definitions. There were no transfers in or out of Level 2 in the year.

There are no financial instruments classified at Level 1 or Level 3 in the years presented.

The tables below set out the Group's accounting classification of each class of its financial assets and liabilities.

Financial assets measured at amortised cost	**2021 $**	**2020 $**
Trade receivables (note 15)	2,257,609	-
Contract assets (note 15)	2,865,287	2,518,794
Crown disposal proceeds due (note 15)	2,500,000	2,850,000
Cash and cash equivalents (note 16)	397,308	2,188,902
	8,020,204	7,557,696

All of the above financial assets' carrying values are approximate to their fair values, as at 31 December 2021 and 2020.

Financial liabilities	**Measured at amortised cost**	
	2021 $	**2020 $**
Trade payables (note 19)	1,180,088	836,759
Other payables (note 19)	1,599,414	1,431,078
Lease liabilities (note 21)	107,862	190,837
Borrowings (note 22)	2,422,212	4,555,801
Accruals (note 19)	2,602,756	687,539
	7,912,332	7,702,014

In the view of management, all of the above financial liabilities' carrying values approximate to their fair values as at 31 December 2021 and 2020.

Financial liabilities	Measured at fair value through profit or loss	
	2021 $	**2020 $**
Derivative financial instruments (note 22)	1,346,044	1,640,057
	1,346,044	1,640,057

Fair Value Measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values (due to their nature and short times to maturity).

Fair value of financial liabilities that are measured at fair value on a recurring basis

The fair value of derivative financial instruments has been estimated using a valuation technique that maximises the use of observable market inputs.

24. FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT

The Group's operations expose it to degrees of financial risk that include liquidity risk, credit risk, interest rate risk.

This note describes the Group's objectives, policies and process for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented in notes 15, 16, 19, 21, 22, 23 and 25.

Liquidity Risk

Liquidity risk is dealt with in note 25 of these financial statements.

Credit Risk

The Group's credit risk is primarily attributable to its cash balances.

The credit risk on liquid funds is limited because the third parties are large international banks with a minimum investment grade credit rating.

The Group's total credit risk amounts to the total of other receivables and cash and cash equivalents. Credit assessments are routinely reviewed on all of the Group's joint venture partners and other counterparties.

Interest Rate Risk

The Group's only exposure to interest rate risk is the interest received on the cash held on deposit, which is immaterial. The Group's borrowings outstanding at 31 December 2021 and 31 December 2020 are structured in such a way, through the use of a pre-paid commodity swap, so that the notional interest charge is fixed and therefore there is no interest rate risk.

Commodity Price risk

The company manages its exposure to commodity price risk on an ongoing basis. As described in note 12, the loan for the acquisition of Rockhopper Egypt also involved a derivative arrangement to manage the exposure arising from having the loan payments based on oil quantities rather than a fixed cash price. The combined put and call arrangements provide the group with protection against price movements on either side of a protected collar.

Foreign Exchange Risk

The Group is exposed to foreign exchange movements on monetary assets and liabilities denominated in currencies other than USD. The Group's transactions are carried out in GBP, EUR and USD.. Operational transactions are carried out predominantly in USD but also in GBP, EUR and EGP.

The monetary assets and liabilities denominated in currencies other than USD are relatively immaterial (see notes 15 and 16) and transactional risk is considered manageable.

The Group does not hold material non-domestic balances and currently does not consider it necessary to take any action to mitigate foreign exchange risk due to the immateriality of that risk.

25. LIQUIDITY RISK

Prudent liquidity risk management includes maintaining sufficient cash balances to ensure the Group can meet liabilities as they fall due.

In managing liquidity risk, the main objective of the Group is therefore to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. The table below shows the undiscounted cash flows on the Group's financial liabilities as at 31 December 2021 and 2020, on the basis of their earliest possible contractual maturity.

	Total $	Payable on demand $	Within 2 months $	Within 2 -6 months $	Within 6 – 12 months $	Within 1-2 years $	Within 2-5 years $
At 31 December 2021							
Trade payables	1,180,088	-	1,180,088	-	-	-	-
Other payables	1,599,414	1,599,414	-	-	-	-	-
Lease liabilities	116,359	-	18,526	33,250	37,813	17,568	9,202
Borrowings	2,769,947	-	692,487	1,384,973	692,487	-	-
Derivative financial instruments	1,346,044	-	-	-	1,346,044	-	-
Accruals	2,602,756	-	-	2,602,756	-	-	-
	9,614,608	1,599,414	1,891,101	4,020,979	2,076,344	17,568	9,202
At 31 December 2020							
Trade payables	836,759	-	836,759	-	-	-	-
Other payables	1,431,078	1,431,078	-	-	-	-	-
Lease liabilities	210,007	-	22,081	31,937	54,630	93,963	7,396
Borrowings	6,288,305	-	533,346	1,066,692	1,918,320	2,769,947	-
Derivative financial instruments	87,980	-	-	-	87,980	-	-
Accruals	687,539	-	-	687,539	-	-	-
	9,541,668	1,431,078	1,392,186	1,786,168	2,060,930	2,863,910	7,396

26. CAPITAL MANAGEMENT

The Group's capital management objectives are:

- To provide long-term returns to shareholders; and
- To ensure the Group's ability to continue as a going concern.

The Group defines and monitors capital on the basis of the carrying amount of equity plus borrowings less cash and cash equivalents as presented on the face of the balance sheet and as follows:

	2021 $	2020 $
Equity	24,294,904	19,659,650
Borrowings	2,422,212	4,555,801
Cash and cash equivalents	(397,308)	(2,188,902)
	26,319,808	22,026,549

The Board of Directors monitors the level of capital as compared to the Group's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares. The Group is not subject to any externally imposed capital requirements.

These policies have not changed in the year. The Directors believe that they have been able to meet their objectives in managing the capital of the Group.

27. RELATED PARTY TRANSACTIONS

Key management personnel are identified as the Executive Directors, and their remuneration is disclosed in note 5.

28. FINANCIAL COMMITMENTS

As at 31 December 2021, the Group's commitments comprise their producing assets and exploration expenditure in Egypt and exploration expenditure in the Walton-Morant licence. These commitments have been summarised below:

Exploration/Production Licence	31 December 2021 $	31 December 2022 $
Abu Sennan	4,629,900	5,639,920
Crown	140,000	-
Colter	-	-
Walton Morant	402,500	359,100
Selva Malvezzi	82,564	-
Waddock Cross	47,198	-
	5,302,162	5,999,020

29. ULTIMATE CONTROLLING PARTY

The directors do not consider there to be an ultimate controlling party.

30. EVENTS AFTER THE BALANCE SHEET DATE

Pre-paid swap facility extension

On the 3 March 2022 the Company provided a corporate update to the market in which it announced it has extended the final maturity date on its existing prepayment facility from 30 September 2022 to 31 December 2023. The new terms provide downside protection at $70/bbl for a volume of bbls through to end December 2023.

UK Central North Sea Licences ('UK CNS') Sale & Purchase Agreement termination

On the 3 March 2022 the Company announced the termination of the SPA with Quattro Energy Ltd. signed in September 2021 for the sale of its UK Central North Sea Licences; P2480 and P2519 for a consideration of up to £3.2m (c$4.4m) and the licences have been retained as part of the Company's portfolio.

Crown milestone settlement agreement

On the 23 March 2022 the company announced that a confidential settlement agreement ('Settlement Agreement') has been signed between Anasuria Hibiscus UK Ltd ('AHUK') and United for the Crown disposal milestone payment. United will receive $2,500,000 in three separate instalments in 2022, the first of which being $500,000 was received on 25 March 2022 with the subsequent receipts of $1,000,000 on 29 June 2022 and $1,000,000 on 29 December 2022. Subject to the full amount being received, this will bring an end to the matter and no further amounts will be due to United from AHUK in connection with the sale of licence P2366. This has been accounted for in the 2021 accounts.

Completion of Italian asset divestment

On the 11 April 2022 United announced the completion of the sale of 100% of the share capital of UOG Italia Srl to PXOG Marshall Limited, a subsidiary of Prospex Energy PLC ('Prospex'), for a consideration of €2,164,701 (c. $2.54m).

The company has received final completion proceeds of €2,190,966 being the balance of the consideration plus a working capital adjustment from the effective date of €134,500 less the deposit of €108,235 which was received in August 2020. Completion of the transaction means that United will now exit all activities in Italy and therefore be no longer liable for a share of the Selva gas development.

NON-IFRS MEASURES

The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles.

Cash-operating Costs Per Barrel

Cash operating costs are defined as cost of sales less depreciation, depletion and amortisation, production based taxes, movements in inventories and certain other immaterial cost of sales.

Cash operating costs are then divided by barrels of oil equivalent produced to demonstrate the cash cost incurred to producing oil and gas from the Group's producing assets.

	31 December 2021 $	31 December 2020 $
Cost of Sales	8,911,815	6,505,011
Less		
Depreciation, depletion and amortisation	(4,005,102)	(2,563,268)
Inventories	109,841	(64,433)
Cash operating costs	5,016,554	3,877,310
Production (boepd)	2,327	2,195
Cash Operating Cost BOE ($)	5.90	5.77

EBITDAX

EBITDAX is earnings from continuing activities before interest, tax, depreciation, amortisation, reversal of impairment, and exploration expenditure and exceptional items in the current year.

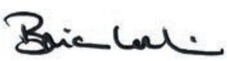
	31 December 2021 $	31 December 2020 $
Operating Income	8,858,730	804,317
Depreciation, Depletion & Amortisation	4,107,685	2,628,990
Exploration Expense	624,546	37,161
	13,590,961	3,470,468

Company Balance Sheet
For the year-ended 31 December 2021

	Note	31 December 2021 £	31 December 2020 £
Assets:			
Non-current assets			
Investments	2	16,127,081	16,127,081
Current assets			
Trade and other receivables	3	8,644,211	7,808,453
Cash and cash equivalents	4	36,115	105,907
		8,680,326	7,914,360
Total Assets		24,807,407	24,041,441
Equity and liabilities:			
Capital and reserves			
Share capital	8	6,448,040	6,251,540
Share premium	8	12,406,752	12,288,252
Share-based payment reserve		1,705,488	1,468,691
Retained losses:			
Opening retained losses		(4,095,266)	(3,576,132)
Loss for the year		(3,493,499)	(519,134)
Total retained losses		(7,588,765)	(4,095,266)
Shareholders' funds		12,971,515	15,913,217
Current liabilities			
Trade and other payables	5	8,970,507	3,435,895
Borrowings	7	1,795,295	1,571,224
Derivative financial instruments	7	997,661	731,010
Current tax payable		42,429	99,699
Deferred shares		30,000	30,000
		11,835,892	5,867,828
Current liabilities			
Borrowings	7	-	1,783,668
Derivative financial instruments	7	-	476,728
		-	2,260,396
Total liabilities		11,835,892	8,128,224
Total equity and liabilities		24,807,407	24,041,441

The notes to these financial statements form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for their issue on 25 April 2022 and were signed on its behalf by:



Brian Larkin
Chief Executive Officer

Registered number: 09624969

Company Statement of Changes in Equity
For the year-ended 31 December 2021

	Share capital £	Share premium £	Share-based payments reserve £	Retained earnings £	Total £
For the year ended 31 December 2021					
Balance at 1 January 2021	6,251,540	12,288,252	1,468,691	(4,095,266)	15,913,217
Loss for the financial year	-	-	-	(3,493,499)	(3,493,499)
Total comprehensive income	-	-	-	(3,493,499)	(3,493,499)
Transactions with owners:					
Share based payments	-	-	236,797	-	236,797
Shares issued	196,500	118,500	-	-	315,000
Total transactions with owners	196,500	118,500	236,797	-	551,797
Balance at 31 December 2021	6,448,040	12,406,752	1,705,488	(7,588,765)	12,971,515
For the year ended 31 December 2020					
Balance at 1 January 2020	3,456,140	7,486,946	1,212,326	(3,576,132)	8,579,280
Loss for the financial year	-	-	-	(519,134)	(519,134)
Total comprehensive income	-	-	-	(519,134)	(519,134)
Transactions with owners:					
Share based payments	-	-	207,840	-	207,840
Shares issued	2,795,400	5,210,292	-	-	8,005,692
Share issue expenses	-	(408,986)	48,525	-	(360,461)
Total transactions with owners	2,795,400	4,801,306	256,365	-	7,853,071
Balance at 31 December 2020	6,251,540	12,288,252	1,468,691	(4,095,266)	15,913,217

The notes to these financial statements form an integral part of these financial statements.

1. ACCOUNTING POLICIES

Basis of Preparation

The annual financial statements of United Oil & Gas PLC (the Parent Company financial statements) have been prepared in accordance with Financial Reporting Standard 100 Application of Financial Reporting Requirements ('FRS 100') and Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101').

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain disclosures regarding the company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with the Company's wholly owned subsidiaries.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the Company's Consolidated Financial Statements. These financial statements do not include certain disclosures in respect of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value)
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value)
- Related party transactions
- Share-based payments

As permitted by section 408 of Companies Act 2006, a separate Income Statement for the Company has not been included in these financial statements. The Company's loss for the year ended 31 December 2021 was £3,493,499 (2020: £519,134).

Going Concern

United regularly monitors its business activities, financial position, cash flows and liquidity through detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, including changes in commodity prices and in production levels from the existing assets, plus other factors which could affect the Group's future performance and position. A base case forecast has been considered which uses budgeted commitments and prevailing forward curve assumptions for oil prices. The key assumptions and related sensitivities include a "Reasonable Worst Case" ('RWC') sensitivity where the Board has considered a scenario with significant aggregated downside, including a reduction in forecast production rates of 15%, a reduction in oil prices by 20% and an increase in forecast capital expenditure in Egypt by 10%.

Both the base case and RWC take into consideration the Crown Milestone Settlement Agreement for $2.5m and the completion of the Italian divestment for €2.2m in early 2022. The likelihood of all these downside sensitivities taking place simultaneously and lasting for the entire forecast period is considered to be remote. Under such a RWC scenario, we have identified appropriate mitigating actions, including the deferral of additional uncommitted capital expenditure, further divestment of the portfolio, restructuring of debt arrangements and adjustment of the Group cost base, which would be available to us and have been demonstrated as effective strategies in previous periods of low oil prices. Our business in Egypt remains robust given cash operating costs of less than $6/boe, flexible drilling contracts, downside price protection on our hedged volumes and gas contracts that are fixed price in nature. There are limited capital commitments in the other assets in our portfolio. The forecasts outlined above show that the Group will have sufficient financial headroom for the 12 months from the date of approval of the 2021 Accounts. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to use the going concern basis of accounting in preparing the annual Financial Statements.

Investments

Fixed asset investments are stated at cost. Investments are tested for impairment when circumstances indicate that the carrying value may be impaired.

Impairment of Non-financial Assets

At each balance sheet date, the Directors review the carrying amounts of the Company's tangible and intangible assets, other than goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

An impairment loss is recognised as an expense immediately.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised in the Income Statement immediately.

Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss ('FVTPL')
- fair value through other comprehensive income ('FVOCI').

In the periods presented the Company does not have any financial assets categorised as FVOCI or FVTPL.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

Impairment of Financial Assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model to be applied. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on trade receivables

In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses ('ECL') if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL.

Classification and measurement of financial liabilities
The Company's financial liabilities include trade and other payables, borrowings and derivatives.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Embedded derivative financial instruments
A borrowing arrangement structured as a prepaid commodity swap with monthly repayments over 30 months has embedded in it a derivative that is indexed to the price of the commodity. This is considered to be a separable embedded derivative of a loan instrument.

At the date of issue, the fair value of the embedded derivative is estimated by considering the derivative as a series of forward contracts with modelling of the fixed and floating legs to determine a repayment schedule and derive a net present value for the forward contract embedded derivative.

This amount is recognised separately as a financial liability or financial asset and measured at fair value through the income statement. The residual amount of the loan is then recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

Current Taxation
Current taxation is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred Taxation
Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

Deferred tax liabilities are provided in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in profit or loss, 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Foreign Currency
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the year-end date. All differences are taken to the Income Statement.

Share-based Payments

Where share-based payments (warrants and options) have been issued, IFRS 2 has been applied whereby the fair value of the share-based payment is measured at the grant date and spread over the vesting period. A valuation model is used to assess the fair value, taking into account the terms and conditions attached to the share-based payments. The fair value at grant date is determined including the effect of market based vesting conditions, to the extent such vesting conditions have a material impact.

The cost of equity¬-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date').

The cumulative expense recognised for equity¬-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The charge or credit for a period to the income statement represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where the terms of an equity-¬settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-¬based payment arrangement or is otherwise beneficial to the recipient as measured at the date of modification.

Where an equity-¬settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Where an equity-settled award is forfeited, the cumulative charge expensed up to the date of forfeiture is credited to the income statement.

Equity

Equity comprises the following:

- "Share capital" represents amounts subscribed for shares at nominal value.
- "Share premium" represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- "Share-based payment reserve" represents amounts credited to equity as part of the accounting for share-based payments.
- "Retained losses" represents the accumulated profits and losses attributable to equity shareholders.

2. INVESTMENTS

	Investments in Subsidiaries £
Cost	
As at 1 January 2020	1,554,810
Additions	14,572,271
As at 31 December 2020	16,127,081
Additions	-
As at 31 December 2021	16,127,081

The Company's subsidiaries are detailed in note 9 to the consolidated financial statements, which details the acquisition of UOG Egypt Pty Limited that gave rise to the increase in investments in the prior year.

3. TRADE AND OTHER RECEIVABLES

	2021 £	2020 £
Amounts due from group undertakings	6,746,321	5,694,313
Crown disposal proceeds due	1,853,000	2,098,740
Other tax receivables	44,890	15,400
	8,644,211	7,808,453

4. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank	36,115	105,907

5. TRADE AND OTHER PAYABLES

	2021 £	2020 £
Trade payables	573,455	402,588
Amounts due to group undertakings	7,857,793	2,499,717
Other payables	489,259	486,090
Accruals	50,000	47,500
	8,970,507	3,435,895

6. DEFERRED SHARES

On 12 October 2015, the Company issued 30,000 Deferred Shares of £1 for £30,000 to the founder, which have an entitlement to a non-cumulative annual dividend at a fixed rate of 0.1 per cent of their nominal value. The Deferred Shares have no voting rights attached to them and may be redeemed in their entirety by the Company for an aggregate redemption payment of £1.

7. BORROWINGS AND DERIVATIVES

	2021 £	2020 £
Secured – at amortised cost		
Other loans	1,795,295	3,354,892
Current	1,795,295	1,571,224
Non-current	-	1,783,668
	1,795,295	3,354,892

	2021 £	2020 £
Separated embedded derivative		
Loan derivative liability (current)	997,661	666,222
Loan derivative liability (non-current)	-	476,728
	997,661	1,142,950
Other derivative financial instruments		
Hedge derivative liability (current)	-	64,788

Details of borrowings and derivatives are given in note 22 of the group financial statements.

8. SHARE CAPITAL

Allotted, issued, and fully paid:

	Date of issue	Number	Share capital £	Share premium £
Ordinary shares of £0.01 each				
At 1 January 2021		625,153,969	6,251,540	12,288,252
Allotments:				
Shares issued for cash (exercise of options)		19,650,000	196,500	118,500
At 31 December 2021		644,803,969	6,448,040	12,406,752
At 1 January 2020		345,613,985	3,456,140	7,486,946
Allotments:				
Shares issued in consideration for business combination	28-Feb-20	114,503,817	1,590,362	3,196,628
Shares issued for cash	28-Feb-20	159,036,167	1,145,038	1,923,664
Shares issued for cash (exercise of warrants)	05-Aug-20	6,000,000	60,000	90,000
Share issue expenses		-	-	(408,986)
At 31 December 2020		625,153,969	6,251,540	12,288,252

The Company has one class of ordinary shares which carry no fixed right to income.

9. EVENTS AFTER THE BALANCE SHEET DATE

See note 30 of the Notes to the Consolidated Financial Statements.

Company Information

Directors	Graham Martin (Chair) Brian Larkin David Quirke Jonathan Leather Iman Hill Tom Hickey
Company Secretary	David Quirke
Registered Number	09624969
Registered Office	200 Strand London WC2R 1DJ
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Glossary

Bbl	Barrels
/Bbl	Per barrel
Bn	Billion
bopd	Barrels of oil per day
Capex	Capital Expenditure
EGPC	Egyptian General Petroleum Corporation
ESG	Environment, Social, Governance
ESP	Electrical Submersible Pumps
HCIIP	Hydrocarbon initially in place
HSE	Health, safety and environment
JOC	Joint Operating Company
JV	Joint Venture
km	Kilometres
km^2	Square kilometres
KPI(s)	Key performance indicator(s)
m	Metres
M	Thousand
MBbl	Thousand barrels
Mbopd	Thousands of barrels of oil per day
MM	Million
MMBbl	Million barrels
MMboe	Million barrels of oil equivalent
MSET	Ministry for Science, Energy and Technology
NPV	Net present value
OGA	Oil and Gas Authority
OPEX	Operating expenditure
Q1	First Quarter
Q2	Second Quarter
Q3	Third Quarter
Q4	Fourth Quarter
scf	Standard cubic feet
SPA	Sales and Purchase Agreement
TD	Total Depth
UK CNS	UK Central North Sea
WI	Working interest
%	Percentage
2C	Best estimate of contingent resources
2D	Two-dimensional
3D	Three-dimensional
2P	Proved plus probable reserves

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