Curzon Energy Plc

Registered company number: 09976843

Annual Report and Financial Statements for the Period Ended 31 December 2018

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Company Information

Directors

John McGoldrick	Chairman and Non-Executive Director
Scott Kaintz	Executive Director (appointed on 26 June 2018)
Owen May	Non-Executive Director
Brian James Kinane	Non-Executive Director (resigned on 15 March 2019)
Thomas Wagenhofer	Executive Director (resigned on 6 November 2018)
Thomas Mazzarisi	Executive Director (resigned on 6 November 2018)
Stephen J. Schoepfer	Executive Director (resigned on 6 November 2018)

Company secretary
Sam Quinn (appointed 6 November 2018)
Thomas Mazzarisi (resigned on 6 November 2018)

Company number
09976843

Registered address
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Independent auditors
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Company's Solicitors
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Suite 12A
55 Park Lane
Mayfair, London, W1K 1NA

Financial advisor and broker
SP Angel Corporate Finance LLP
Prince Frederick House
35-39 Maddox Street
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Barclays Bank plc
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Chairman's Statement

I am pleased to present the annual report for the Company covering its results for the year to 31 December 2018.

The Company was incorporated for the purpose of pursuing a targeted acquisition strategy of oil and gas assets. The Company's first acquisition occurred on 3 October 2017 when the Company acquired 100% of the membership interests of Coos Bay Energy LLC ("Coos Bay"), which is the owner and operator of approximately 45,370 acres of coalbed methane leases ("CBM") in Coos Bay, Oregon, USA, pursuant to a membership interest purchase agreement dated 20 May 2017.

During the course of the year the Company focused on extended testing of the five existing wells at Coos Bay with particular emphasis on gaining access to the deeper coal seams that had been previously isolated. Following several efforts to rework the wells gas flow proved inconsistent and inconclusive. Well re-entries appeared to stir up additional coal fines in the wellbores resulting in little net gains. Ultimately the view taken by the Board was that as Curzon had inherited the wells, the observed results were unlikely to be representative of the performance of new wells drilled by the Company in locations of its choosing, and so did not provide an accurate indication of the true commercial potential of the Coos Bay project. Analysis of the data gathered will be carried out to plan a new appraisal programme focusing on the Lower Coaledo formation where 90%+ of the gas reserves are located. The emphasis in any new efforts will be on controlling the entirety of the appraisal process from picking representative well locations to drilling and completing using the latest technologies available with the clear goal of determining the commerciality of the project.

In addition, the Company has announced a memorandum of understanding ("MOU") with Pared Energy LLC to develop a conventional gas fairway in the Claiborne Group in Texas. The Company believes that the Texas Gas Project offers multi-TCF potential with over 1,000ft of stacked pay with expansion opportunities over 250,000 acres. In Texas, Curzon and Pared are seeking to apply modern drilling and completion techniques, including horizontal wells, to an area of known gas bearing horizons where local techniques and methods have changed little over past decades.

Phase 1 of the Texas Gas Project will include the drilling and completion of one vertical well with a second horizontal well to be drilled thereafter. If successful, the parties intend to increase their lease land position and to drill a three to five well delineation programme before moving on to infill drilling and further expansion. The Company considers the Texas Gas Project to be an attractive high impact drill-ready opportunity where appraisal success will bring immediate gas sales utilizing surplus pipeline capacity in the region.

Overall the Board feels that the Texas Gas Project could provide a highly complementary addition to the Company's existing project at Coos Bay and together the expanded portfolio would provide investors exposure to perhaps the most exciting story in the energy space, the increasing importance of US natural gas and LNG to world markets.

During the course of the year the Board underwent several changes with the focus being to bolster our presence in the UK where Curzon is listed, and to reduce overheads significantly. Scott Kaintz joined the Board in June 2018 and was subsequently appointed CEO in November of that year. Scott brings with him an extensive background of running small cap natural resource businesses and will be tasked to both drive the projects forward while expanding our UK investor base.

The Group incurred a loss of US$1,953,708 in the period ended 31 December 2018. The majority of this loss comprised expenditures in relation to the well testing and rework operations conducted at Coos Bay during the course of the year, as well as an impairment of US$575,316 reflecting specific investments into Coos Bay that may not prove part of the future plans for the project.

With the first full year of trading now behind, I and my fellow Directors look forward to pursuing our US focused natural gas strategy with renewed vigour and look forward to updating shareholders on our further progress in due course.

John McGoldrick

Non-Executive Chairman
29 April 2019

Strategic Report

Financial Results

The Company was formed in January 2016 to undertake acquisitions in the oil and gas sector. During the year ended 31 December 2018, the Company primarily conducted gas exploration and extended well testing activities at Coos Bay while examining additional opportunities in the natural gas sector.

The Group loss for the year to 31 December 2018 was US$1,953,708 (2017: US$1,833,381). There were no revenues and the majority of the loss related to Company overheads and expenditures related to appraisal activities at Coos Bay.

The loss per share was US$0.03 (2017: loss per share US$0.03).

The Group's cash balances at the end of 2018 totalled US$125,621 (2017: US$1,595,035), and the Company's cash and undrawn borrowing resources are considered sufficient to meet its obligations, in particular following a significant reduction in corporate overheads and staffing implemented during the latter half of 2018.

Following mixed results from well testing operations at Coos Bay, the Directors are now focused on acquiring a working interest in a Texas gas project and intend to reassess the Coos Bay results in 2018 and then use that work to create revised go-forward plans. As such an impairment loss of US$ 575,316 has been recognized in the accounts to reflect that proportion of 2018 expenditure at Coos Bay that is not deemed likely to be viable for future development.

The Board believes that the Company will be able to raise, as required, sufficient cash and/or reduce its commitments to enable it to continue these objectives, and to continue to meet, as and when they fall due, its liabilities for at least the next twelve months from the date of approval of these financial statements. The financial statements have, therefore, been prepared on the going concern basis.

Following reductions made during 2018, the Group has 3 members of staff (including Directors).

Principal activities

The Company was incorporated in England and Wales on 29 January 2016 as an investment company to acquire oil and gas assets. Its first acquisition was of Coos Bay. The Directors have identified a second complementary gas project that they seek to acquire an interest in, and they expect to return to the market to acquire and/or raise funds for this and potentially other projects in the future.

Coos Bay owns certain CBM and related assets, which it acquired on 4 November 2016 by acquiring Westport Energy Acquisition, Inc. and its wholly owned subsidiary Westport Energy LLC (the 'US Group') from Westport Energy Holdings Inc. (the "Acquisition"), a publicly held company trading on the OTC Pink Market. The US Group had been operating a CBM business in Coos Bay, Oregon for 6 years. At the time of the Acquisition, the US Group's CBM business consisted of leases covering approximately 45,370 acres in Coos Bay, Oregon.

The Group's business continues to be operated through the US Group, with a focus on oil and gas exploration, appraisal and development, with an initial goal of determining the ultimate commerciality of the Coos Bay project, as well as progressing any other projects that may be acquired.

The Company is a holding company with the following subsidiaries being part of the US Group:

Name	***Country of Incorporation***	***Proportion of equity ownership***	***Principal activity***

Coos Bay Energy LLC	Nevada, USA	100%	Gas Exploration & Development
Westport Energy Acquisition, Inc.	Delaware, USA	100%	Holding Company
Westport Energy, LLC	Delaware, USA	100%	Gas Exploration & Development

Coos Bay LLC, which employs the Group's employees and conducts operations in the Coos Bay Basin area, is held directly by the Company. Its two indirectly owned subsidiaries are Westport Energy Acquisition Inc. and its wholly-owned subsidiary, Westport Energy LLC, which are held by Coos Bay Energy LLC.

Review of the business

2018 saw the Company conducting extensive well testing operations at Coos Bay in Oregon where the gas flow rates proved inconsistent and inconclusive. By the conclusion of the year the Company felt that the observed well test results were unlikely to be representative and so did not provide an accurate indication of the true commercial potential of the Coos Bay project. Well re-entries appeared to stir up additional coal fines in the wellbores resulting in little net gains. This was exacerbated by the fact that the wells tested were nearly ten years old and had been shut in for most of that period, had been drilled and completed by previous operators, and were largely not perforated in the coal horizons where the majority of the gas reserves are located.

As such, the Company announced its intention to augment the Coos Bay project with a complementary project that offered significant multi-trillion cubic feet ("TCF") of upside in an established oil and gas region in Texas, USA. The Company proceeded to sign a memorandum of understanding in December 2018 announcing its intention to pursue joint development of this project.

Key performance indicators (KPIs)

The Directors have identified the following key performance indicators ('KPIs') that the Company will track over 2019 and into future years. These will be refined and augmented as the Group's business matures.

The Directors consider that the KPIs are:

i) A well-funded business in terms of cash resources and operating cashflows; and

ii) Appraisal and drilling results of the Company's projects,

iii) Entering production and then monitoring levels of production of gas and condensates; and

iv) Operating costs once in production.

Principal Risks and Risk Management

Exploration is an inherently high-risk business:

- Even the most promising prospects can have failures for many reasons, such as:
    - The gas assets may not be found in commercial quantities if there are errors in the underlying geological assumptions or analysis.
    - Hydrocarbons may have been present but escaped due to unexpected geological events.
    - The reservoir may not flow hydrocarbons at commercially viable rates of flow.
    - The drilling may encounter technical problems which make it impossible or too expensive to reach the target.

    - The ability of the Group to exploit and develop gas reserves depends on its current leases. There is no guarantee that existing leases will be continued beyond their primary term or additional leases acquired on attractive terms.

- The Company may take on commitments for which it then cannot find adequate funding. Although the Company can then potentially sell all or part of its assets:

    - There is no guarantee it could find a buyer.
    - Even if it does find a buyer, the transaction may take too long, and the Company's cash resources may become exhausted.

The Company's risk mitigation strategies include the following:

- Partnering with key experts that have demonstrated an ability to determine the presence or absence of hydrocarbons.

- Utilizing the Directors' experience who have excellent technical, commercial or local knowledge as to where to locate assets.

- Securing the support of a number of key private shareholders, and actively pursuing other sources of funding.

- Utilizing third parties to assist with the management of currency risk.

Corporate Responsibility

The Company takes its responsibilities as a corporate citizen seriously. The Board's primary goal is to create shareholder value but in a responsible way which serves all stakeholders.

Governance

The Board considers sound governance as a critical component of the Company's success and the highest priority. The Company has an effective and engaged Board, with a strong non-executive presence drawn from diverse backgrounds and with well-functioning governance committees. Through the Company's compensation policies and variable components of employee remuneration, the Remuneration Committee of the Board seeks to ensure that the Company's values are reinforced in employee behaviour and that effective risk management is promoted.

Analysis by Gender

Category	Male	Female
Directors	3	0
Senior Managers	0	0
Other Employees	0	0

Employees and their development

The Company is dependent upon the qualities and skills of its employees and their commitment plays a major role in the Company's business success. Employees' performance is aligned to the Company's goals through an annual performance review process and via incentive programmes. The Company provides employees with information about its activities through regular briefings and other media. The Company operates a share option and warrant scheme operated at the discretion of the Remuneration Committee.

Diversity and inclusion

The Company does not discriminate on the grounds of age, gender, nationality, ethnic or racial origin, non-job-related-disability, sexual orientation or marital status. The Company gives due consideration to all applications and provides training and the opportunity for career development wherever possible. The Board does not support discrimination of any form, positive or negative, and all appointments are based solely on merit.

Health and safety

The Company endeavours to ensure that the working environment is safe and healthy and conducive to the wellbeing of employees who are able to balance work and family commitments. The Company has a Health and Safety at Work policy which is reviewed regularly by the Board and is committed to the health and safety of its employees and others who may be affected by the Company's activities. The Company provides the information, instruction, training and supervision necessary to ensure that employees are able to discharge their duties effectively. The Health and Safety procedures used by the Company ensure compliance with all applicable legal, environmental and regulatory requirements, as well as its own internal standards.

Outlook

The Company's near-term goals are to develop the business through the acquisition of a meaningful interest in the Texas gas project currently identified, while reassessing the way forward at Coos Bay through a top-down clean-slate review process.

While the performance of the inherited wells at Coos Bay was disappointing during 2018, the fact that the Company did not drill its own wells nor conduct an industry standard appraisal programme indicates that the commerciality of the field cannot yet be definitively determined. With significant gas reserves previously identified at Coos Bay, the Board believes that a detailed review of all the technical data and operational activities to date by both third parties historically and by the Company over the last year, will provided insightful guidance for all future work programmes at the Coos Bay project.

In Texas, the Company remains very excited by the potential to take part in near-term drilling of a high-impact multi-TCF conventional gas appraisal programme. The major attraction of the Texas gas project stems from the substantial upside potential expected from the application of modern drilling and completion methods that have been highly successful in regional analogues throughout the Texas Gulf Coast and across the border into Mexico, to the project and the surrounding area, that continue to apply traditional drilling methods and have not seen any substantial changes in these techniques for many years. The Board also feels the Texas gas project is complementary to its existing CBM asset at Coos Bay.

Together the proposed Texas gas project and Coos Bay offer Curzon's investors exposure to the rise of natural gas as the ideal transition fuel to a decarbonized future, and both its production, and now major gas exports on a wide scale from the United States in the form of liquefied natural gas ("LNG"). These developments have clearly impacted world gas markets and the continued growth of LNG exports from the US is expected to have many positive effects from changing the way gas is priced both in the US and abroad to reducing European reliance on Russia and other potentially politicised supplies. Curzon's gas focus positions it to benefit from these significant ongoing energy developments over the coming years.

Signed by order of the Board.

Scott Kaintz

Scott Kaintz
Chief Executive Officer
29 April 2019

Directors Report for the period ended 31 December 2018

The Directors present their report on the Company, together with the audited financial statements of the Company for the year ended 31 December 2018.

Cautionary statement

The review of the business and its future development in the Strategic Report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for these strategies to succeed. It should not be relied on by any other party for any other purpose. The review contains forward looking statements which are made by the Directors in good faith based on information available to them up to the time of the approval of the reports and should be treated with caution due to the inherent uncertainties associated with such statements

Results and dividends

Given the nature of the business and its development strategy, it is unlikely that the Board will recommend a dividend in the next few years. The Directors believe the Company should seek to re-invest any profits to fund the Company's growth strategy over the short- and medium-term horizons.

Directors' insurance and indemnities

The Directors have the benefit of the indemnity provisions contained in the Company's Articles of Association ('Articles'), and the Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors and its officers. The Company has entered into qualifying third-party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

Business review and future developments

Details of the business activities and developments made during the period can be found in the Strategic Report and in note 1 to the Financial Statements respectively.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Financial instruments and risk management

Disclosures regarding financial instruments are provided within note 20 to the Financial Statements.

Capital structure and issue of shares

Details of the Company's share capital, together with details of the movements during the period are set out in note 17 to the Financial Statements. The Company has one class of Ordinary Shares which carry no right to fixed income.

Post balance sheet events

On 1 March 2019 the Company announced the placing of 6,012,655 new ordinary shares of £0.01 each at a price of £0.0158 per share. Investors in these shares also received 1 warrant for every 2 placing shares purchased exerciseable into ordinary shares at a price of £0.0158 per ordinary share for a period of twenty four months following the placing. The gross proceeds raised from the placing were £95,000.

The Company further announced that YA Global Investments, an entity related to the Company's largest shareholder, would commence a draw down of a matching amount to the completed placing. At the time of the annoucement $900,000 was undrawn on the $1,000,000 facility.

Post balance sheet events (***continued)***

On 16 April 2019 the Company signed an amendment letter with YA Global Investment, LP, in which the parties agreed that in respect of the first tranche of $100,000, and in respect of any further tranches to be drawn down, the Company shall pay the total principle amount outstanding on the last business day of October 2020.

On 15 March 2019 the Company announced that Brian Kinane had resigned as a Director of the Company.

Directors

The Directors of the Company who have served during the period and at the date of this report are:

Director	Role	Date of appointment	Date of Resignation	Board Committee
John McGoldrick	Chairman and Non-Executive Director	4/10/2017		N, R, A
Scott Kaintz	Executive Director	27/06/2018		
Stephen Schoepfer	Executive Director	29/01/2016	06/11/2018	
Thomas Mazzarisi	Executive Director	29/01/2016	06/11/2018	
Thomas Wagenhofer	Executive Director	27/09/2016	06/11/2018	
Brian Kinane	Non-Executive Director	29/01/2016	15/03/2019	
Owen May	Non-Executive Director	27/09/2016		N, R, A

Board Committee abbreviations are as follows: N = Nomination Committee; A = Audit and Risk Committee; R = Remuneration Committee

Board of Directors

Details of the current Directors and their backgrounds are as follows:

John McGoldrick **(***Chairman and Non-Executive Director, aged 61)*

John McGoldrick has over thirty years of experience in a variety of senior management roles, notably at Enterprise Oil where he was responsible for its US operations up until Shell's takeover in 2002. Since then Mr. McGoldrick has served as executive chairman of Caza Oil & Gas Inc. (formerly Falcon Bay Energy LLC), a US onshore exploration and production company, which went public in Toronto and London in 2007, becoming non-executive chairman in 2010. From 2008 to 2013, Mr. McGoldrick was a non-executive director of Vanguard Natural Resources LLC, a NYSE-listed Oil & Gas company focused on the US. In January 2012 Mr. McGoldrick joined Dart Energy International as CEO, subsequently becoming CEO of Dart Energy in March 2013. He held this post until Dart Energy's takeover by IGas at the end of 2014. Mr. McGoldrick holds a Bachelor of Engineering in Chemical Engineering with Management Economics from University of Bradford.

Scott Kaintz **(***Executive Director and Chief Executive Officer, aged 41)*

Scott has extensive experience leading, funding and operating publicly traded natural resource exploration and development businesses on the London markets. He started his career as a US Air Force Officer working across Europe, the Middle East and Central Asia. He subsequently held managerial and technology roles in the defence sector in Europe before transitioning to corporate finance and investment positions focused primarily on capital raising and making debt and equity investments in small-cap listed companies. Scott has significant experience in emerging markets, with a particular emphasis on the countries of the former Soviet Union. Scott holds a BSLA in Russian language and Russian Area Studies from Georgetown University as well as MBA degrees from Columbia Business School and London Business School. He is also a Director of Regency Mines Plc and Red Rock Resources Plc.

Owen May (*Non-Executive Director, aged 58)*

Mr. Owen May is an American banker with over 30 years of experience on Wall Street. He currently serves as a Managing Director of MD Global Partners, a full-service investment-banking firm, and is actively involved in a broad range of investment activities in Israel, China, and Europe.

Mr. May started his career at Lehman Brothers as a Financial Advisor in the high net worth division in 1985. After leaving Lehman Brothers in 1989, Mr. May joined D.H. Blair & Co., a small boutique firm on Wall Street.

In 1993, Mr May went on to establish May Davis Group, a full-service investment banking firm on Wall Street that offered a full range of investment banking, research, sales, trading and retail brokerage services. The firm had offices in New York and Baltimore, and catered to a niche clientele, mainly small to middle-sized firms that were too small to gain access to large investment banking services.

In 2007 Mr. May established MD Global Partners LLC, a firm that specializes in corporate finance, mergers & acquisitions, restructuring and business development.

Mr. May has been involved in advising, restructuring and taking public many biotech firms and is actively seeking investment opportunities in start-up companies in the medical science sector, especially in Israel. In 2013, Mr May acted as an advisor to IntelliCell Biosciences Inc, a regenerative medicine company utilizing adult autologous vascular fraction cells (SVFCs) derived from the blood vessels in lipoaspirate, to advise on the company's restructuring, corporate positioning, and strategic opportunities.

Following his undergraduate degree in Biology at University of Miami, Mr. May earned an MBA in Finance from Duke University’s Fuqua School of Business, where he currently sits on the Board of Visitors and offers career coaching and opportunities to programme participants. He also continues to hold a position on the President’s Council for the University of Miami.

Directors’ interests in shares

Directors’ interests in the shares of the Company at the date of this report are disclosed below.

Director	Ordinary shares held	% held
John McGoldrick	316,455	0.38
Scott Kaintz	949,367	1.14
Owen May	-	-

Substantial interests

As at 17 April 2019, the Company has been advised of the following significant interests (greater than 3%) in its ordinary share capital:

Shareholder	Ordinary shares held	% held
Jim Nominees Limited	55,889,763	67.31
Regency Mines PLC	6,467,500	7.79
Queensbury Inc	4,000,000	4.82

Except as referred to above, the Directors are not aware of any person who was interested in 3% or more of the issued share capital of the Company or could directly or indirectly, jointly or severally, exercise control.

Corporate Governance

As a Company listed on the Standard Segment of the Official List of the UK Listing Authority, the Company is not required to comply with the provisions of the UK Corporate Governance Code. However, the Board is committed to maintaining high standards of corporate governance and, so far as appropriate given the Company's size and the constitution of the Board and complies with the Corporate Governance Guidelines for Small and Mid-Sized Companies (the "QCA Code").

The Board

The Board currently comprises one executive Director and two non-executive Directors. The Board is ultimately responsible for the day-to-day management of the Company's business, its strategy and key policies. Members of the Board are appointed by the Shareholders. The Board also has power to appoint additional directors, subject to such appointments being approved by Shareholders. At least six board meetings are held per year.

Director	Number of Meetings Held During Tenure	Number of Meetings Attended
John McGoldrick	8	8
Scott Kaintz	4	4
Steven Schoepfer	6	6
Thomas Mazzarisi	6	6
Thomas Wagenhofer	6	6
Brian Kinane	8	8
Owen May	8	8

As prescribed by the QCA Code, the Board has established three committees: An Audit and Risk Committee, a Remuneration Committee and a Nomination Committee.

Each of the committees were formed on admission of the Company to the Standard Listing Segment on 4 October 2017. The Audit and Risk Committee and the Remuneration Committees have met once each during 2018.

Audit and Risk Committee

The Audit and Risk Committee, which comprises John McGoldrick and Owen May, is responsible, amongst other things, for monitoring the Group's financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of the Group's annual and half-yearly financial statements, reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing the Group's relationship with its external auditors, reviewing the effectiveness of the external audit process and reviewing the effectiveness of the Group's internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit and Risk Committee gives due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules. The Audit and Risk Committee shall meet at least once a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required.

Remuneration Committee

The Remuneration Committee, which comprises John McGoldrick and Owen May, is responsible, amongst other things, for assisting the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, including setting the parameters and governance framework of the Group's remuneration policy and determining the individual remuneration and benefits package of each of the Company's Executive Directors and the Group. It is also responsible for approving the rules and basis for participation in any performance related pay-schemes, share incentive schemes and obtaining reliable and up-to-date information about remuneration in other companies. The Remuneration Committee shall meet at least once a year.

Nomination Committee

The Nomination Committee, which comprises John McGoldrick as Chairman and Owen May, will identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise. The Nominations Committee will meet as required.

Share dealing policy

The Company has adopted a share dealing policy which sets out the requirements and procedures for dealings in any of its listed securities. The share dealing policy applies widely to the Directors of the Company and its subsidiaries, the Company's employees and person closely associated with them. The policy complies with the Market Abuse Regulations, which came into effect on 3 July 2016.

Dividend policy

The objective of the Directors is the achievement of substantial capital growth. In the short-term they do not intend to declare a dividend.

Anti-bribery and corruption policy

The Company has adopted an anti-corruption and bribery policy which applies to the Directors and all employees of the Company. The Directors believe that the Group, through its internal controls, has appropriate procedures in place to reduce the risk of bribery and that all employees, agents, consultants and associated persons are made fully aware of the Group's policies and procedures with respect to ethical behaviour, business conduct and transparency.

Health and safety

The safety of the Group's employees and contractors is critical to its operations. Coos Bay requires its contractors working on site to comply with all applicable laws in connection with the performance of its work, including applicable requirements of the Occupational Health and Safety Act and the rules promulgated thereunder (OSHA). As Coos Bay currently maintains no employees and almost all work on site is performed by independent contractors, Coos Bay has not developed any formal safety procedures or training programs beyond those that may be required by OSHA or other applicable laws. The Board intends to review Coos Bay's health and safety practices from time-to-time to ensure that they remain consistent with current industry standards.

Relations with shareholders

As detailed further below, the Directors seek to build on a mutual understanding of objectives between the Company and its shareholders by meeting to discuss long term issues and receive feedback, communicating regularly throughout the year and issuing trading updates as appropriate. The Board also seeks to use the Annual General Meeting to communicate with its shareholders.

Fair, balanced and understandable assessment of position and prospects

The Board has shown its commitment to presenting fair, balanced and comprehensible assessments of the Company's position and prospects by providing comprehensive disclosures within the financial report in relation to its activities. The Board has applied the principles of good governance relating to Directors' remuneration as described below. The Board has determined that there are no specific issues which need to be brought to the attention of shareholders.

Remuneration strategy

The Company operates in a competitive market. If it is to compete successfully, it is essential that it attracts, develops and retains high quality staff. Remuneration policy has an important part to play in achieving this objective. The Company aims to offer its staff a remuneration package which is both competitive in the relevant employment market and which reflects individual performance and contribution.

Share options and warrants

Certain Directors have interests in these as follows:

Name	***Number of Options or Warrants***	***Exercise Price***	***Vesting***	***Expiry Date***
John McGoldrick	280,854	£0.10	4 Oct 2018	4 Oct 2022
John McGoldrick	280,854	£0.15	4 Oct 2019	4 Oct 2022
John McGoldrick	280,854	£0.30	4 Oct 2020	4 Oct 2022

Communication with shareholders

The Board attaches great importance to communication with both institutional and private shareholders.

Regular communication is maintained with all shareholders through Company announcements, the half-year Statement and the Annual Report and financial statements.

The Directors seek to build on a mutual understanding of objectives between the Company and its shareholders. Institutional shareholders are in contact with the Directors through presentations and meetings to discuss issues and to give feedback regularly throughout the year. With private shareholders, this is not always practical.

The Board therefore intends to use the Company's Annual General Meeting as the opportunity to meet private shareholders who are encouraged to attend, and at which the Board will give a presentation on the activities of the Company.

Following the presentation there will be an opportunity to meet and ask questions of Directors and to discuss development of the business.

The Company operates a website at http://www.curzonenergy.com/investor-relations

The website contains details of the company and its activities; regulatory announcements, Company announcements, interim statements, preliminary statements and annual reports.

Greenhouse gas emissions

The Group has as yet minimal greenhouse gas emissions to report from the operations of the Company and its subsidiaries and does not have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic report and Directors report) Regulations 2014.

Financial Risk Management

The Group is exposed to a variety of financial risks including currency risk, credit risk and liquidity risk. Some of the objectives and policies applied by management to mitigate these risks are outlined in note 20 to the Consolidated Financial Statements.

Ordinary Share Capital

The Company's Ordinary Shares of £0.01 per share represent 100% of its total share capital. At a meeting of the Company every member present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder. Holders of Ordinary Shares are entitled to receive dividends.

On a winding-up or other return of capital, holders are entitled to share in any surplus assets pro rata to the amount paid up on their Ordinary Shares. The shares are not redeemable at the option of either the Company or the holder. There are no restrictions on the transfer of shares.

Independent auditors

During the year, Crowe U.K. LLP was re-appointed as auditor to the Company.

Provision of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no information relevant to the audit of which the Company's auditors are unaware, and;
- each Director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Signed by order of the board

Scott Kaintz
29 April 2019

Remuneration Report

The Board of Directors has established a Remuneration Committee. The Remuneration Committee (the 'Committee') comprises our two non-executive directors, John McGoldrick and Owen May.

The members of the Remuneration Committee have the necessary experience of executive compensation matters relevant to their responsibilities as members of such a committee by virtue of their respective professions, contacts within the minerals industry as well as experience in the broader business community. In addition, each member of the Remuneration Committee keeps abreast on a regular basis of trends and developments affecting executive compensation. Accordingly, it is considered that the Remuneration Committee has sufficient experience and knowledge to set appropriate levels of compensation. Neither the Company nor the Remuneration Committee engaged independent consultants to evaluate the levels of compensation during the year ended 31 December 2018.

Committee's Main Responsibility

The Remuneration Committee is responsible, amongst other things, for assisting the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration, including setting the parameters and governance framework of the Group's remuneration policy and determining the individual remuneration and benefits package for the Company's Executive Directors and the Group. It is also responsible for approving the rules and basis for participation in any performance related pay-schemes, share incentive schemes and obtaining reliable and up-to-date information about remuneration in other companies. The recommendations of the Remuneration Committee are submitted to the independent members of the Board of Directors for consideration and approval. The Remuneration Committee shall meet at least once a year.

Statement of Policy on Directors' Remuneration

The Company's policy is to set remuneration to attract and retain the highest quality of directors and senior executives, and to:

- align their interests with shareholders',
- avoid incentivising excessive risk taking by executives,
- be proportionate to the contribution of the individuals concerned, and
- be sensitive to pay and employment conditions elsewhere in the group.

The Company is at an early stage of development. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Remuneration Committee to be appropriate in the evaluation of corporate or directors' performance. Discretionary bonuses may be paid to aid staff retention and reward performance.

The Company provides executive directors with base fees which represent their minimum compensation for services rendered during the financial year. The base fees of directors and senior executives depend on the scope of their experience, responsibilities, and performance.

The Remuneration Committee has considered the risk implications of the Company's compensation policies and practices and has concluded that there is no appreciable risk associated with such policies and practices since such policies and practices do not have the potential of encouraging an executive officer or other applicable individual to take on any undue risk or to otherwise expose the Company to inappropriate or excessive risks. Furthermore, although the Company does not have in place any specific prohibitions preventing executives from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of options or other equity securities of the Company granted in compensation or held directly or indirectly, by the director, the Company is unaware of the purchase of any such financial instruments by any director.

The Company does not anticipate making any significant changes to its compensation policies and practices during 2019.

Directors' Remuneration

The Directors who held office at 31 December 2018 and who had beneficial interests in the ordinary shares of the Company are summarized as follows:

Name of Director	Position
John McGoldrick	Chairman, Non-Executive Director
Scott Kaintz	Chief Executive Officer, Executive Director

Directors' service contracts

John McGoldrick was appointed by the Company with effect from Admission to act as Chairman and a Non-Executive Director of the Company under a letter of appointment dated 04 October 2017. His appointment is for an initial term of 36 months and is terminable on three months' written notice on either side. He is entitled to a fee of £50,000 per annum.

Owen May was appointed as a Director on 27 September 2016. He has been appointed to act as a Non-Executive Director of the Company pursuant to a letter of appointment with the Company dated 23 May 2017, which takes effect on Admission. His appointment is for an initial term of 36 months and is terminable on three months' written notice on either side. He is entitled to a fee determined by the Board of up to £10,000 per annum.

Scott Kaintz was appointed as a Director on 27 June 2018. He was appointed to act as an Executive Director and Chief Executive officer as of 5 November 2018. His appointment is for an initial term of 12 months and continues thereafter until terminated by either party giving four months written notice. He is entitled to a fee of £75,000 per annum.

Summary Compensation Table (audited)

The following table sets forth the compensation awarded, paid to or earned by each director during 2018:

2018	Directors' fees US$	Social security costs US$	Total cash-compensation US$	Share-based Payments (options) US$	Total compensation US$
John McGoldrick	67,178	-	67,178	37,149	104,327
Scott Kaintz	16,148	1,968	18,116	-	18,116
Owen May	-	-	-	-	-
Brian James Kinane	-	-	-	74,891	74,891
Thomas Wagenhofer	97,407	-	97,407	149,828	247,235
Thomas Mazzarisi	103,333	-	103,333	38,750	142,083
Stephen Schoepfer	103,333	-	103,333	38,750	142,083
Total directors' compensation	387,399	1,968	389,367	339,368	728,735

In 2018, John McGoldrick had through agreement with the Company agreed to defer payment of his 2018 director's compensation, which at 31 December 2018 totalled £50,000 (US$67,178).

Summary Compensation Table (audited)

2017	Directors' fees US$	Social security costs US$	Total cash-compensation US$	Share-based Payments (options) US$	Total compensation US$
John McGoldrick	16,111	-	16,111	20,250	36,361
Scott Kaintz	-	-	-	-	-
Owen May	-	-	-	-	-
Brian James Kinane	-	-	-	30,366	30,366
Thomas Wagenhofer	93,052	-	93,052	60,751	153,803
Thomas Mazzarisi	182,000	-	182,000	-	182,000
Stephen Schoepfer	182,000	-	182,000	-	182,000
Total directors' compensation	473,163	-	473,163	111,367	584,530

Share-Based Awards (audited)

The Company has awarded the following share options to the Directors of the Company in accordance with its share option plan:

Director	*Number of Options or Warrants*	*Exercise Price*	*Vesting*	*Expiry Date*
John McGoldrick	280,854	£0.10	10 Apr 2018	10 Apr 2022
John McGoldrick	280,854	£0.15	10 Apr 2019	10 Apr 2022
John McGoldrick	280,854	£0.30	10 Apr 2020	10 Apr 2022

The exercise price of the awards exceeded the average share price for the period.

There were no awards of annual bonuses or incentive arrangements in the period. All remuneration was therefore fixed in nature and no illustrative table of the application of remuneration policy has been included in this report.

Directors' interests in shares (audited)

Directors' interests in the shares of the Company at the date of this report are disclosed below.

Director	**Ordinary shares held**	**% held**
John McGoldrick	316,455	0.38
Scott Kaintz	949,367	1.14
Owen May	-	-

Other Matters subject to audit

The Company does not currently have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration.

On 5 November 2018 the Company agreed to terminate the existing consultant agreements with Steven Schoepfer (4 Sea-Sons LLC) and Thomas J Mazzarisi (M10 Ventures LLC). In consideration for this termination both Directors agreed to resign from various positions including their Directorships at Curzon Energy PLC, and to release the Company from all claims for other consideration they may have had. In exchange for execution of this agreement, the Company agreed to allow them to subscribe for the purchase of 1,500,000 ordinary shares, with each third of this total available at prices from £0.10 per share, £0.15 per share and £0.20 per share.

No payments were made for loss of office during the year.

Other Matters

The Company does not currently have any annual or long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

The performance of the Remuneration Committee is yet to be assessed given the short time frame that it has been operational.

No performance graph has been included here as the Company is in the early stages of its business development.

Signed

John McGoldrick
Chairman of the Remuneration Committee
29 April 2019

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company;
- the Directors report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.

By Order of the Board

Scott Kaintz, Director
29 April 2019

Independent auditor's report to the members of Curzon Energy Plc

Opinion

We have audited the consolidated financial statements of Curzon Energy Plc and its subsidiaries (the "Group") for the year ended 31 December 2018 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of cash flows, the consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; 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 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements, which details the factors the company has considered when assessing the going concern position. As detailed in note 2, the uncertainty surrounding the availability of funds to finance ongoing working capital requirements indicates the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be $55,000, based on 2% of gross assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £3,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

There are two components of the Group, Curzon Energy Plc as an entity and the US Group headed by Coos Bay Energy LLC. The audit of Curzon Energy Plc was conducted from the UK. The accounting records were provided to us by management. The company engaged a US firm to undertake the audit work on the US group. The specified audit procedures were performed under our direction. We issued instructions to the US firm that detailed the significant risks to be addressed through the audit procedures and indicated the information we required to be reported. We reviewed their working papers and discussed key findings.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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) that we identified. These matters included 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 by our audit.

Key audit matter	***How the scope of our audit addressed the key audit matter***
Valuation of Intangible assets The group's primary focus is on exploration activities in the Coos Bay Basin. The exploration assets at 31 December 2018 totalled \$2.6m and an impairment of \$0.6m was recognised in the year in relation to unsuccessful exploration costs capitalised in the period. Given the impairment recognised we considered the risk that the residual intangible assets relating to the Coos Bay Basin was impaired.	We reviewed management's assessment which concluded that no further impairment charge was required. In considering this assessment we reviewed the following sources of evidence: • The primary lease agreement in place supporting the company's right of extraction; • The Competent Persons Report (CPR) that formed the basis of the valuation; • Board minutes, budgets and other operational plans relating to the commercial appraisal of the asset; • Compared the valuation methodology to the prior year's approach and the independent third party valuation commissioned in 2017; • Assessed the reasonability of the inputs and key underlying assumptions, challenging management's inputs and assessing the impact of independently derived inputs on the valuation model; • Discussed plans and intentions with management. We also considered the appropriateness of the disclosure. *Key observations* We reviewed the valuation methodology and concur that it is consistent with that used in prior years. We assessed the key inputs and assumptions used in the valuation model and consider them to be reasonable.

Our audit procedures in relation to this matter were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion based on the work undertaken in the course of our 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 directors' report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 17, 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 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 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.
We designed our audit approach to be capable of detecting irregularities, including fraud. In particular:
We gained an understanding of the legal and regulatory framework applicable to the Group and considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud.
We designed audit procedures to respond to the risk, recognising that 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
Our tests included, but were not limited to: review of the financial statement disclosures to underlying supporting documentation and enquiries of management. 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.
We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.
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.

Other matters which we are required to address

We were appointed by the Board on 26 March 2019 to audit the financial statements for the year ended 31 December 2018. Our total uninterrupted period of engagement is 3 years, covering the period ended 31 December 2016 to 31 December 2018.
The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the group and the parent company in conducting our audit.
Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Stallabrass
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

29 April 2019

Consolidated statement of comprehensive income
for the year ended 31 December 2018

	Note	**2018** **US$**	2017 US$
Well field expenses		**-**	(293,867)
Administrative expenses	6	**(1,363,949)**	(1,662,619)
Loss from operations		**(1,363,949)**	(1,956,486)
Finance expense, net	7	**(14,443)**	(102,288)
Impairment of exploration and evaluation assets	10	**(575,316)**	-
Other income		**-**	225,393
Loss before taxation	4	**(1,953,708)**	(1,833,381)
Income tax expense	8	**-**	-
Loss for the year attributable to equity holders of the parent company		**(1,953,708)**	(1,833,381)
Other comprehensive income/(expense)			
Gain/(loss) on translation of parent net assets and results from functional currency into presentation currency		**(70,245)**	44,624
Total comprehensive loss for the year		**(2,023,953)**	(1,788,757)
Loss per share			
Basic and diluted, US$	9	**(0.03)**	(0.03)

The notes on pages 26 to 58 form part of these financial statements

Consolidated statements of financial position
as at 31 December 2018

	Note	**2018**	2017
		US$	US$
Assets			
Non-current assets			
Intangible assets	10	**2,559,000**	2,559,000
Restricted cash	12	**125,000**	125,440
Total non-current assets		**2,684,000**	2,684,440
Current assets			
Prepayments and other receivables	13	**36,157**	148,616
Cash and cash equivalents	14	**125,621**	1,595,035
Total current assets		**161,778**	1,743,651
Total assets		**2,845,778**	4,428,091
Liabilities			
Current liabilities			
Trade and other payables	15	**506,894**	463,413
Borrowings	16	**213,812**	578,599
Total current liabilities		**720,706**	1,042,012
Total liabilities		**720,706**	1,042,012
Capital and reserves attributable to shareholders			
Share capital	17	**1,024,036**	964,575
Share premium		**3,563,122**	3,199,004
Share-based payments reserve		**454,026**	114,659
Warrants reserve		**191,011**	191,011
Merger reserve		**31,212,041**	31,212,041
Foreign currency translation reserve		**(63,774)**	6,471
Accumulated losses		**(34,255,390)**	(32,301,682)
Total capital and reserves		**2,125,072**	3,386,079
Total equity and liabilities		**2,845,778**	4,428,091

The financial statements were approved and authorised for issue by the Board of Directors on 29 April 2019 and were signed on its behalf by:

Scott Kaintz
Director

The notes on pages 26 to 58 form part of these financial statements.

Consolidated statements of changes in equity

	Share capital US$	Share premium US$	Other reserves US$	Accumulated losses US$	Total US$
Equity as at 1 January 2017	639,925	763,854	31,173,888	(30,468,301)	2,109,366
Loss for the year	-	-	-	(1,833,381)	(1,833,381)
Other comprehensive income for the year	-	-	44,624	-	44,624
Total comprehensive loss for the year	-	-	44,624	(1,833,381)	(1,788,757)
Issue of shares	324,650	2,921,855	-	-	3,245,505
Share issue costs	-	(486,705)	-	-	(486,705)
Issue of share warrants	-	-	191,011	-	191,011
Issue of share options	-	-	114,659	-	114,659
At 31 December 2017	964,575	3,199,004	31,524,182	(32,301,682)	3,386,079
Loss for the year	**-**	**-**	**-**	**(1,953,708)**	**(1,953,708)**
Other comprehensive income for the year	**-**	**-**	**(70,245)**	**-**	**(70,245)**
Total comprehensive loss for the year	**-**	**-**	**(70,245)**	**(1,953,708)**	**(2,023,953)**
Issue of shares	**59,461**	**416,223**	**-**	**-**	**475,684**
Share issue costs	**-**	**(52,105)**	**-**	**-**	**(52,105)**
Issue of share options	**-**	**-**	**339,367**	**-**	**339,367**
At 31 December 2018	**1,024,036**	**3,563,122**	**31,793,304**	**(34,255,390)**	**2,125,072**

Other Reserves

	Merger reserve US$	Share-based payments reserve US$	Warrants reserve US$	Foreign currency translation reserve US$	Total Other reserves US$
Equity as at 1 January 2017	31,212,041	-	-	(38,153)	31,173,888
Loss for the year	-	-	-	-	-
Other comprehensive income for the year	-	-	-	44,624	44,624
Total comprehensive loss for the year	-	-	-	44,624	44,624
Issue of share warrants	-	-	191,011	-	191,011
Issue of share options	-	114,659	-	-	114,659
At 31 December 2017	31,212,041	114,659	191,011	6,471	31,524,182
Loss for the year	**-**	**-**	**-**	**-**	**-**
Other comprehensive loss for the year	**-**	**-**	**-**	**(70,245)**	**(70,245)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(70,245)**	**(70,245)**
Issue of share options	**-**	**339,367**	**-**	**-**	**339,367**
At 31 December 2018	**31,212,041**	**454,026**	**191,011**	**(63,774)**	**31,793,304**

Consolidated statement of cash flows

	Notes	2018 US$	2017 US$
Cash flow from operating activities			
Loss before taxation		**(1,953,708)**	(1,833,381)
Adjustments for:			
Finance cost, net	7	**42,321**	86,473
Income from payable write off		**-**	(225,393)
Share-based payments charge	18	**339,367**	111,367
Impairment of exploration assets		**575,316**	-
Unrealised foreign exchange movements		**(27,878)**	50,184
Operating cashflows before working capital changes		**(1,024,582)**	(1,810,750)
Changes in working capital:			
(Decrease)/increase in payables		**(22,541)**	66,576
Decrease/(increase) in receivables		**112,461**	(118,542)
Net cash used in operating activities		**(934,662)**	(1,862,716)
Investing activities			
Capitalised exploration costs		**(575,316)**	-
Net cash outflow from investing activities		**(575,316)**	-
Financing activities			
Issue of ordinary shares	17	**-**	3,087,266
Costs of share issue		**(52,105)**	(295,694)
Proceeds from new borrowings	16	**100,000**	250,000
Net cash flow from financing activities		**47,895**	3,041,572
Net (Decrease)/increase in cash and cash equivalents in the period		**(1,462,083)**	1,178,856
Cash and cash equivalents at the beginning of the period		**1,595,035**	370,722
Restricted cash held on deposits	12	**125,440**	125,315
Total cash and cash equivalents at the beginning of the period, including restricted cash		**1,720,475**	496,037
Effect of the translation of cash balances into presentation currency		**(7,331)**	45,457
(Charge)/Interest on restricted cash		**(440)**	125
Cash and cash equivalents at the end of the period		**125,621**	1,595,035
Restricted cash held on deposits	12	**125,000**	125,440
Total cash and cash equivalents at the end of the period, including restricted cash		**250,621**	1,720,475

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1. General information

The Company is incorporated and registered in England and Wales as a public limited company. The Company's registered number is 09976843 and its registered office is at Kemp House, 152 City Road, London EC1V 2NX. On 4 October 2017, the Company's shares were admitted to the Official List (by way of Standard Listing) and to trading on the London Stock Exchange's Main Market.

With effect from admission, the Company has been subject to the Listing Rules and the Disclosure Guidance and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority) to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

The principal activity of the Company is that of a holding company for its subsidiaries, as well as performing all administrative, corporate finance, strategic and governance functions of the Group. The Company's investments comprise of subsidiaries operating in the natural gas sector.

The entire share capital of Coos Bay Energy, LLC (Coos Bay) was conditional on Admission, acquired by the Company pursuant to a membership interest purchase agreement dated 20 May 2017 between the Company, Coos Bay and the members of Coos Bay. At the time of its acquisition by the Company, Coos Bay consisted of Coos Bay Energy, LLC and its wholly owned US Group as specified below. The Company, Coos Bay Energy, LLC and the US Group as specified below together are referred to as the Curzon Group. Coos Bay Energy, LLC is a limited liability corporation incorporated in Nevada, USA whose registered office is 1370 Crowley Avenue SE, Portland, Oregon 97302, USA.

The US Group at the date of its acquisition by Coos Bay Energy, LLC consisted of Westport Energy Acquisition, Inc. and its wholly-owned subsidiary, Westport Energy, LLC (together, the "US Group").

Westport Energy Acquisition, Inc., was incorporated in May 2010 in Delaware, USA. Its registered office is located at 100 Overlook Center, 2nd Floor, Princeton Junction, NJ 08540, USA.

Westport Energy, LLC was incorporated in December 2008 in Delaware, USA. Its registered office is located at 100 Overlook Center, 2nd Floor, Princeton Junction, NJ 08540, USA.

The principal business of the US Group is the exploration for natural gas in the United States. The US Group holds leases to approximately 45,370 acres of prospective coal bed methane ("CBM") lands in the Coos Bay Basin.

As a result of Coos Bay Energy, LLC acquisition, the Group owns certain CBM and related assets, which it acquired on 4 November 2016 by acquiring the US Group from Westport Energy Holdings Inc., a publicly held company trading on the OTC Pink Market. Coos Bay acquired the US Group pursuant to a foreclosure agreement dated 4 November 2016 between Coos Bay, Westport Energy Holdings, Inc., the US Group and the three creditors of Westport Energy Holdings Inc. (which at the time of the foreclosure was the parent company of the US Group). Pursuant to the terms of the foreclosure agreement, all outstanding debt and security instruments of Westport Energy Holdings, Inc., which was secured by all of the assets of the US Group, was terminated, along with the creditors' related security interests in the assets of the US Group. In addition, outstanding royalty agreements with Queensbury, Inc. and YA Global Investments Limited were also terminated. YA Global Investments L.P. was the major creditor and held a 75% interest in Coos Bay prior to the Acquisition. YA Global Investments L.P. now holds a majority interest in the Coos Bay and 44.72% interest in the Company.

Prior to the acquisition of the US Group by Coos Bay, the US Group was wholly-owned by Westport Energy Holdings Inc., which had acquired the Oregon CBM business, on 17 August 2010 from New Earthshell Corporation, a corporation formed in Delaware in October 2008 to hold title to the CBM assets through Westport Energy LLC. The parent company of New Earthshell Corporation was YA Global

Investments L.P. that had foreclosed on, and took title to, those Oregon CBM assets from Torrent Energy on 26 November 2008.

2. Accounting policies

The principal accounting policies adopted are set out below.

The Group Financial statements are presented in US Dollars as the entirety of the Company's operations are located in the United States.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as endorsed by the EU ("IFRS") and the requirements of the Companies Act applicable to companies reporting under IFRS.

The financial statements are prepared on a going concern basis and under the historical cost convention.

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

Current assets and liabilities disclosed in the notes to the accounts are those expected to be settled in less than one year.

a) New standards, interpretations and amendments effective from 1 January 2018

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 January 2018 that had a significant effect on the Curzon Group's financial statements. The Company adopted IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers from 1 January 2018.

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement". The Company does not hold any equity investments other than investments in subsidiaries. Financial assets, such as selected other receivables, that were previously carried at amortised cost are now classified into category "Financial assets carried at amortised cost". The Company applied the expected credit loss model when calculating impairment losses on its financial assets measured at amortised cost, which did not result in a material provision due to other receivables' value being insignificant.

IFRS 15 "Revenue from Contracts with Customers" – the Company is pre-revenue hence the adoption had no impact on the reported results. Under IFRS 15 management expect gas revenue to be recognised at the point the gas is transferred to the customers control, for example delivery into the customer's pipeline.

b) New standards, interpretations and amendments not yet effective

At the date of authorisation of these financial statements, a number of standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented.

The Directors do not expect that the adoption of these standards will have a material impact on the financial information of the Group in future periods.

Adoption of IFRS 16 will result in the group recognising right of use of assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements the group does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term, disclosing in its annual financial statements the total commitment. Due to the fact that the Group currently only has short term (less than 12 months) operating leases, IFRS 16 will not have a material impact on the results or balance sheet of the Group. All the exploration areas land lease agreements that the Company has for its areas of interest are outside of IFRS 16 scope.

IFRIC 23 is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. This interpretation is unlikely to have a material effect of the reported results.

Basis of consolidation

The Company was incorporated on the 29th of January 2016. It acquired Coos Bay Energy, LLC on the 4th of October 2017. At the time of its acquisition by the Company, Coos Bay Energy, LLC consisted of Coos Bay Energy, LLC and its wholly owned US Group. It is the Directors' opinion that the Company at the date of acquisition of Coos Bay Energy, LLC did not meet the definition of a business as defined by IFRS 3 and therefore the acquisition is outside on the IFRS 3 scope.

Where a party to an acquisition fails to satisfy the definition of a business, as defined by IFRS 3, management have decided to adopt a "merger accounting" method of consolidation as the most relevant method to be used.

The Group consistently applies it to all similar transactions in the following way:
- the acquired assets and liabilities are recorded at their existing carrying values rather than at fair value;
- no goodwill is recorded;
- all intra-group transactions, balances and unrealised gains and losses on transactions are eliminated from the beginning of the first comparative period or inception, whichever is earlier;
- comparative periods are restated from the beginning of the earliest comparative period presented based on the assumption that the companies have always been together;
- all the pre-acquisition accumulated losses of the legal acquirer are assumed by the Group as if the companies have always been together;
- all the share capital and membership capital contributions of all the companies included into the legal acquiree sub-group less the Company's cost of investment into these companies are included into the merger reserve; and
- the Company's called up share capital is restated at the preceding reporting date to reflect the value of the new shares that would have been issued to acquire the merged company had the merger taken place at the first day of the comparative period. Where new shares have been issued during the current period that increased net assets (other than as consideration for the merger), these are recorded from their actual date of issue and are not included in the comparative statement of financial position.

Going concern

The Group financial statements have been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future. The operations are currently being financed by funds raised from a £95,000 equity placing completed on 1 March 2019 (the "Equity Placing") and proceeds from a $1,000,000 credit facility provided from a company related to the largest shareholder that provides the Group up to $500,000 minimum funding (the "Credit Facility Minimum Funding") and an additional $500,000 at the discretion of the lender. At year-end $100,000 had currently been drawn down on this facility leaving a balance of $900,000 available. After the year-end period, the Company has on 16 April 2019 amended the existing facility such that all outstanding amounts issued and any future tranches drawn down now fall due on the last business day of October 2020. The Group believes that, based on current projected operational plans, the proceeds from the Equity Placement and the Credit Facility Minimum Funding are sufficient for the Group to operate for a period of 12 months from the date of these financial statements.

The Group held cash balances of $125,621 as at 31 December 2018 and has funding plans in place for further capital to meet its planned activities.

The directors note that the company will need additional funding to continue operations for the foreseeable future and this means there is a material uncertainty as to the group's ability to continue as a going concern, however the Directors are confident that the Group will be able to raise, as required, sufficient cash or reduce its commitments to enable it to continue its operations, including the pursuit of future exploration opportunities, and to continue to meet, as and when they fall due, its liabilities for at least the next twelve months from the date of approval of the Group financial statements. The Group financial statements have, therefore, been prepared on the going concern basis.

Functional currency

Functional and presentation currency

The individual financial information of each Group entity is measured in the currency of the primary economic environment in which the entity operates (its functional currency). The Company's functional currency is UK Pound Sterling (£). All other companies, belonging to the Curzon Group, have US Dollar as their functional currency. The Group financial statements are presented in US Dollars ($).

Transactions and balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

On consolidation, the assets and liabilities of the Group's Pound Sterling operations are translated into the Group's presentational currency (US Dollar) at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period unless exchange rates have fluctuated significantly during the year, in which case the exchange rate at the date of the transaction is used. All exchange differences arising, if any, are recognised as other comprehensive income and are transferred to the Group's foreign currency translation reserve.

Rates applied in these financial statements:

	2018	2017
Closing USD/GBP rate at 31 December	**1.2690**	1.3491
Average USD/GBP rate for the year	**1.3436**	1.2889

Oil and gas exploration and evaluation expenditure

Exploration and evaluation costs incurred or acquired on the acquisition of a subsidiary are accumulated in respect of each identifiable project area. Payments to acquire the legal right to explore, together with the directly related costs of technical services and studies, seismic acquisition, exploratory drilling and testing are capitalised as intangible E&E assets. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves (the "successful efforts'' method).

Under the successful efforts method of accounting, all licence acquisition, exploration and appraisal costs are initially capitalised in well, field or specific exploration cost centres as appropriate, pending determination. Expenditure incurred during the various exploration and appraisal phases is then written off unless commercial reserves have been established or the determination process has not been completed.

Tangible assets used in E&E activities (such as the Group's drilling rigs, seismic equipment and other property, plant and equipment used by the Company's exploration function) are classified as property, plant and equipment. However, to the extent that such a tangible asset is consumed in developing an intangible E&E asset, the amount reflecting that consumption is recorded as part of the cost of the intangible asset. Such intangible costs include directly attributable overheads, including the depreciation of property, plant and equipment utilised in E&E activities, together with the cost of other materials consumed during the exploration and evaluation phases.

E&E costs are not amortised prior to the conclusion of appraisal activities. The properties are currently unproved, and therefore capitalised costs are not amortised, but subject to impairment testing.

Other costs are written off unless commercial reserves have been established or the determination process has not been completed. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences the accumulated costs for the relevant area of interest are transferred from intangible assets to tangible assets as "Developed Oil and Gas Assets" and amortised over the life of the area according to the rate of depletion of the economically recoverable costs. As no properties have been classified as proved, development activities have not commenced.

Impairment of oil and gas exploration and evaluation assets

The carrying value of unevaluated areas is assessed when there has been an indication that impairment in value may have occurred. The impairment of unevaluated prospects is assessed based on the Directors' intention with regard to future exploration and development of individual significant areas and the ability to obtain funds to finance such exploration and development.

Decommissioning costs

Where a material liability for the removal of production facilities and site restoration at the end of the field life exists, a provision for decommissioning is made. The amount recognised is the present value of estimated future expenditure determined in accordance with local conditions and requirements. An asset of an amount equivalent to the provision is also created and depreciated on a unit of production basis. Changes in estimates are recognised prospectively, with corresponding adjustments to the provision and the associated asset. As at 31 December 2017 and 31 December 2018, no provisions were deemed necessary.

Impairment

Impairment of financial assets

All financial assets are assessed at the end of each reporting period as to whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of financial assets carried at amortised cost is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment of non-financial assets

The carrying values of assets, other than those to which IAS 36 “Impairment of Assets” does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial assets

The Group classifies its financial assets as financial assets carried at amortised cost, cash and cash equivalents and restricted cash.

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Amortised cost

These assets incorporate such types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise other receivables and cash and cash equivalents in the consolidated statement of financial position.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts, deposits with financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted cash

Restricted cash are funds held as a collateral related to stand-by letters of credit related to the Group's oil and gas properties. Such deposits are classified as non-current assets and are not classified as part of cash and cash equivalents as these deposits are not accessible by the Company for unrestricted use and are not accessible for more than 3 months. More details on the Group's restricted cash are given in the note 12.

Financial liabilities

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

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through the Statement of Comprehensive Income.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Financial liabilities include the following items:

- Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Liability components of convertible loan notes are measured as described further below.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components. The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently, the debt component is accounted for as a financial liability measured at amortised cost until extinguished on conversion or maturity of the bond. The remainder of the proceeds is allocated to the conversion option and is recognised as a separate equity component within shareholders' equity, net of income tax effects.

Borrowing costs

Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended only when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

Equity instruments

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in Share Premium account as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for distribution.

Warrants

Warrants classified as equity are recorded at fair value as of the date of issuance on the Company's consolidated balance sheets and no further adjustments to their valuation are made. Management estimates the fair value of these liabilities using option pricing models and assumptions that are based on the individual characteristics of the warrants or instruments on the valuation date, as well as assumptions for future financings, expected volatility, expected life, yield, and risk-free interest rate.

Taxation

Income tax for each reporting period comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group financial statements.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the Group's interest in the net fair value of the acquired company's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow deferred tax assets to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity.

Deferred tax arising from a business combination is included in the resulting goodwill or excess of the Group's interest in the net fair value of the acquired company's identifiable assets, liabilities and contingent liabilities over the business combination costs.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

The Group holds leases to approximately 45,370 acres of prospective coalbed methane lands in the Coos Bay Basin. These leases are outside of IFRS16 scope. The annual rental payments under these operating leases are recognised as an expense on a straight-line basis over the lease term.

Employee benefits

Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

Post-employment benefits

The Group does not currently make provision for post-employment benefits by way of pension plans or similar arrangements.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 18 to the Group financial statements.

The fair vale determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Directors' estimate of equity instruments that will eventually vest, with a corresponding increase in equity. Where the conditions are non-vesting, the expense and equity reserve arising from share based payment transactions is recognised in full immediately on grant.

At the end of each reporting period, the Directors revised their estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. The results of an operating segment are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Summary of critical accounting estimates and judgements

The preparation of the Group financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise their judgement in the process of applying the accounting policies, which are detailed above. These judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The prime areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the financial statements, are as follows:

Going concern

The Group financial statements have been prepared on a going concern basis as the Directors have assessed the Group's ability to continue in operational existence for the foreseeable future. The operations are currently being financed by third party loans and funds raised from an equity placing completed on 1 March 2019. See Going Concern section on page 28 for more details.

The Group is reliant on the continuing support from its shareholders and the expected support of future shareholders.

The Group financial statements do not include the adjustments that would result if the Group were not to continue as a going concern. See Going Concern section on page 28 for more details.

Basis of consolidation

At 31 December 2018 and 31 December 2017 the group results include the results of Curzon Energy Plc, Coos Bay Energy, LLC, Westport Energy Acquisitions, Inc. and Westport Energy, LLC.

Impairment of capitalised exploration and evaluation expenditure

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest the carrying value may exceed its recoverable amount. During the year ended 31 December 2018, there was sufficient data available to indicate that, although the development of additional wells is expected to proceed, the previous carrying value of exploration and evaluation assets were unlikely to be completely recovered from successful development or sales. Therefore, the Directors deemed that an impairment of $575,316 was necessary as described in note10. No impairment was made for the year ended 31

Summary of critical accounting estimates and judgements continued

December 2017. As at 31 December 2017 the carrying value of the exploration and evaluation assets was US$2,559,000.

Valuation of share options and warrants

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined using the Black-Scholes model. The model has its strengths and weaknesses and requires six inputs as a minimum: 1. The share price; 2. The exercise price; 3. The risk free rate of return; 4. The expected dividends or dividend yield; 5. The life of the option; and 6. The volatility of the expected return. The first three inputs are normally, but not always, straightforward. The last three involve greater judgement and have the greatest impact on the fair value. More details on how the volatility was determined in the absence of the historical trading date are given in the note 18.

3. Segmental analysis

IFRS 8 “Operating Segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (which takes the form of the Directors) as defined in IFRS 8 “Operating Segments”, in order to allocate resources to the segment and to assess its performance.

The Group’s business involves exploring for hydrocarbon liquids and gas. As at each of 31 December 2017 and 31 December 2018, the Directors consider there is one reportable operating segment

Accordingly, an analysis of segment profit or loss, segment assets, segment liabilities and other material items has not been presented.

The Group operates in one geographic area, being the USA. All intangible assets and operating assets and liabilities are located in the USA. The Group has not yet commenced production and therefore has no revenue.

4. Loss for the year before taxation

Loss before tax is stated after charging / (crediting):

	2018 **US$**	2017 US$
Impairment of exploration and evaluation expenditure	**575,316**	-
Auditor’s remuneration:		
- fees payable to the Company’s auditor for the audit of the consolidated and Company financial statements	**25,500**	58,000
- fees payable to the Company’s auditor for other services: corporate finance services	**-**	148,223
Share-based payments	**339,367**	111,367
Foreign currency translation loss/(gain)	**(27,878)**	36,794
Operating lease rentals:		
- mineral rights (outside of IAS 17 and IFRS 16 scope)	**40,289**	63,409

5. Directors and staff

There were no staff employed by the Group during the two years ended 31 December 2018. One director, Mr Scott Kaintz, was employed by the Company since 5 November 2018.

Remuneration of key management personnel

Directors' emoluments and benefits as follows:

2018	**Directors' fees US$**	**Social security costs US$**	**Total cash-compensation US$**	**Share-based Payments (options) US$**	**Total compensation US$**
John McGoldrick	**67,178**	**-**	**67,178**	**37,149**	**104,327**
Scott Kaintz	**16,148**	**1,968**	**18,116**	**-**	**18,116**
Owen May	**-**	**-**	**-**	**-**	**-**
Brian James Kinane	**-**	**-**	**-**	**74,891**	**74,891**
Thomas Wagenhofer	**97,407**	**-**	**97,407**	**149,828**	**247,235**
Thomas Mazzarisi	**103,333**	**-**	**103,333**	**38,750**	**142,083**
Stephen Schoepfer	**103,333**	**-**	**103,333**	**38,750**	**142,083**
Total directors' compensation	**387,399**	**1,968**	**389,367**	**339,368**	**728,735**

2017	Directors' fees US$	Social security costs US$	Total cash-compensation US$	Share-based Payments (options) US$	Total compensation US$
John McGoldrick	16,111	-	16,111	20,250	36,361
Scott Kaintz	-	-	-	-	-
Owen May	-	-	-	-	-
Brian James Kinane	-	-	-	30,366	30,366
Thomas Wagenhofer	93,052	-	93,052	60,751	153,803
Thomas Mazzarisi	182,000	-	182,000	-	182,000
Stephen Schoepfer	182,000	-	182,000	-	182,000
Total directors' compensation	473,163	-	473,163	111,367	584,530

The Directors' emoluments are paid from Coos Bay Energy LLC and the Company.

In 2018, Stephen Schoepfer received US$103,333 (2017: US$182,000) of which US$103,333 (2017: US$38,750) was paid to him through his service company 4 Sea-Sons LLC.

In 2018, Thomas Wagenhofer was paid all his fees of US$97,407 (2017: US$93,052) through his service company Gate Energy Limited.

In 2018, Thomas Mazzarisi was paid all if his fees of US$103,333 (2017: US$182,000) through his service company M10 Ventures LLC.

In 2018, John McGoldrick had through agreement with the Company agreed to defer payment of his 2018 director's compensation, which at 31 December 2018 totalled £50,000 (US$67,178).

6. Administrative expenses

	2018	2017
	US$	US$
Staff costs		
Directors' salaries	**726,767**	584,530
Consultants	**64,965**	-
Employers NI	**1,968**	-
Professional services		
Accounting, audit & taxation	**98,356**	223,515
Legal	**68,655**	256,144
Marketing	**57,422**	59,199
Other	**31,202**	70,988
Regulatory compliance	**130,830**	127,790
Travel	**41,614**	57,736
Office and Admin		
General	**64,165**	136,649
IT related costs	**2,379**	2,625
Rent	**41,552**	65,106
Insurance	**34,074**	78,337
	1,363,949	1,662,619

7. Finance expense (net)

	2018	2017
	US$	US$
Foreign exchange loss/(gain)	**(27,878)**	36,794
Other interest received	**-**	(125)
Other interest paid	**-**	16,138
Interest on promissory notes	**42,321**	49,481
	14,443	102,288

8. Taxation

The Group has made no provision for taxation as it has not yet generated any taxable income. A reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group is as follows:

	2018	2017
	US$	US$
Loss before tax	**(1,953,708)**	(1,833,381)
UK corporation tax credit at 19.00% (2017: 19.25%)	**(371,205)**	(352,926)
Effect of non-deductible expense	**77,384**	21,438
Differences in overseas tax rates	**(21,307)**	(120,048)
Effect of tax benefit of losses carried forward	**315,127**	451,535
Current tax (credit)	**-**	-

As at 31 December 2018, the tax effects of temporary timing differences giving rise to deferred tax assets was US$1,127,127 (2017: US$812,000).

A deferred tax asset in respect of these losses and temporary differences has not been established as the Group has not yet generated any revenues and the Directors have therefore assessed the likelihood of future profits being available to offset such deferred tax assets to be uncertain.

9. Pro forma basic and diluted loss per share

The basic loss per share is derived by dividing the loss for the year attributable to ordinary shareholders of the Company by the weighted average number of shares in issue.

Diluted loss per share is derived by dividing the loss for the year attributable to ordinary shareholders of the Company by the weighted average number of shares in issue plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares.

The acquisition of Coos Bay Energy, LLC by Curzon Energy Plc was not within the scope of the IFRS 3 due to Curzon Energy Plc not meeting the definition of a business. This acquisition was accounted using the principles of merger accounting as described in the accounting policy in note 2. The weighted average number of shares for the purposes of loss per share calculation for reporting and comparative years were adjusted as described below.

During the year ended 31 December 2017: 40,000,000 shares in Curzon Energy Plc were issued to Coos Bay Energy, LLC previous owners as a consideration for the acquisition of Coos Bay Energy, LLC. These new shares were included into the weighted average number for shares calculation as if they were in issue from the first day of the first period presented in these financial statements, 1 January 2017. The 2 ordinary shares, that were issued by Curzon on incorporation, have also been included into the calculation as if they were in issue since 1 January 2017.

During the year ended 31 December 2018, 4,425,616 shares in Curzon Energy Plc were issued to Mr Barry Liben in satisfaction of the aggregate debt of £354,049.24 owed to him pursuant to a promissory note entered into with the Company on 29 December 2016.

The new shares have been issued during the current and comparative periods that increased net assets (other than as consideration for the Coos Bay acquisition in the comparative period, which was accounted for using the principles of merger accounting). Such shares were included into the weighted average number of shares calculation recorded from their actual date of issue and were not included in the comparative weighted average number of shares.

The following reflects the loss and share data used in the basic and diluted loss per share computations:

	2018	2017
Loss after tax (US$)	**(1,953,708)**	(1,833,381)
Weighted average number of ordinary shares of £0.01 in issue	**74,449,821**	54,095,138
Effect of dilutive options and warrants	**-**	-
Weighted average number of ordinary shares of £0.01 in issue inclusive of outstanding dilutive options and warrants	**74,449,821**	54,095,138
Loss per share - basic and fully diluted (US$)	**0.03**	0.03

Options and warrants with all conditions met at the end of each respective period:

	2018 Number	2017 Number
Share options granted to employees - fully vested at the end of the respective period	**2,386,872**	421,152
Warrants given to shareholders as a part of placing equity instruments - fully vested at the end of the respective period	**3,630,200**	3,630,200
Total instruments fully vested	**6,017,072**	4,051,352

At 31 December 2018, the effect was anti-dilutive as it would lead to a further reduction of loss per share, therefore they were not included into the diluted loss per share calculation.

Options and warrants with conditions not met at the end of the period, that could potentially dilute basic EPS in the future, but were not included in the calculation of diluted EPS for the periods presented:

	2018 Number	2017 Number
Share options granted to employees - not vested at the end of the respective period	**5,246,832**	4,212,552
Warrants given to shareholders as a part of placing equity instruments – conditions not all met	**-**	-
Total options and warrants with conditions not all met	**5,246,832**	4,212,552
Total number of instruments and potentially issuable instruments (vested and not vested) not included into the fully diluted EPS calculation	**11,263,904**	8,263,904

10. Intangible assets

Exploration and evaluation expenditure	2018 US$	2017 US$
Cost:		
At the beginning of the year	24,141,000	24,141,000
Additions – exploration costs capitalised	575,316	-
At the end of the year	24,716,316	24,141,000
Impairment provision:		
At the beginning of the year	(21,582,000)	(21,582,000)
Provision for the year	(575,316)	-
At end of the year	(22,157,316)	(21,582,000)
Net Book Value	2,559,000	2,559,000

The oil and gas properties are currently unproven and ongoing exploration activities are planned and will require additional significant expenditures. These exploration activities include formation stimulation and production testing of wells to be drilled at the Coos Bay project. As the first phase of exploration and development activities on the Coos Bay Project's unproved properties are still in progress, an assessment will be made upon completion of that phase as to whether a reclassification of a portion of the unproved reserves to proven reserves should be made. Once properties have been classified as proven, they are transferred from intangible assets to tangible assets as "Developed Oil and Gas Assets" and amortised over the life of the area according to the rate of depletion of the economically recoverable costs.

Impairment

In accordance with IFRS 6 "Exploration and Evaluation of Mineral Resources", the Directors have assessed whether any indication of impairment exists in respect of these intangible assets as follows:

During the year ended 31 December 2018 the carrying value of exploration assets exceeded the fair value and impairment in the amount of US$575,317 was recognised. This value represents the well rework and stimulation efforts conducted during the course of 2018 that to date have not yielded meaningful gains in flow rates and well performance. The view has thus been taken that this work may not result in future recoverable economic value.

The fair value of the Coos Bay exploration assets was valued based upon a discounted cash flow using management's estimates, which are considered level 3 inputs. The key inputs were a discount rate of 10%, and a gas price of $3.90/mcf being the 2018 average Oregon Citygate gas price. Sensitivity analysis was conducted on this valuation model in which discount rates and gas prices were varied and are presented below.

Varied Discount Rates	**8%**	**9%**	**11%**	**12%**
Project NPV (US$ M)	8.194	6.478	3.772	2.712
Varied Gas Prices	**+2%**	**+1%**	**-1%**	**-2%**
Project NPV (US$ M)	11.809	8.212	2.176	-.351
Varied OPEX Costs	**+2%**	**+1%**	**-1%**	**-2%**

Project NPV (US$ M)	3.415	4.259	5.695	6.305

The analysis of these exploration assets was further supported by the contingent resources of the project, which included 2C resources of 273.5 BCF in the Lower Coaledo and 28.1 BCF in the Upper Coaledo. Also, consideration was given to the USA as a safe jurisdiction in which to operate, a multi-year track record of Oregon Citygate prices being higher than that of industry standard Henry Hub prices, close proximity to a 12 in regional pipeline with adequate takeaway capabilities and the over $22m of infrastructure and related costs spent to date by the previous operators. Together this analysis gave the Directors comfort that Coos Bay remains a viable exploration and development project going forward.

Environmental matters

The Group has established procedures for a continuing evaluation of its operations to identify potential environmental exposures and to assure compliance with regulatory policies and procedures. The Directors monitor these laws and regulations and periodically assesses the propriety of its operational and accounting policies related to environmental issues. The nature of the Group's business requires routine day-to-day compliance with environmental laws and regulations. The Group has incurred no material environmental investigation, compliance or remediation costs for each of the years ended 31 December 2017, and 31 December 2018. The Directors are unable to predict whether the Group's future operations will be materially affected by these laws and regulations. It is believed that legislation and regulations relating to environmental protection will not materially affect the results of operations of the Group.

11. Subsidiary Undertakings

The Group has the following subsidiary undertakings:

Name	Country of incorporation	Issued capital	Proportion held by Group	Activity
Coos Bay Energy, LLC	USA	Membership interests	100%	Holding company
Westport Energy Acquisitions, Inc.	USA	Shares	100%	Holding company
Westport Energy, LLC	USD	Membership interests	100%	Oil and gas exploration

All the above subsidiaries have same registered office with address 1001 SW 5th Avenue, Suite 1100, Portland, OR 97204, USA.

12. Restricted cash

Restricted cash includes funds held as a collateral to support stand-by letters of credit related to the Group's oil and gas properties. The letters of credit secure the Group's reclamation obligations under the leases and state law. The cash can be taken by Umpqua Bank in the event the letters of credit are drawn on by the State of Oregon, Department of Geology & Mineral Industries (DOGAMI). The cash is held in the form of a Certificate of Deposit.

13. Prepayments and other receivables

	2018	2017
	US$	US$
VAT recoverable	**23,213**	**114,260**
Other debtors	**12,944**	**34,356**

	36,157	**148,616**

The fair value of receivables and deposits approximates their carrying amount, as the impact of discounting is not significant. The receivables are not impaired and are not past due.

14. Cash and cash equivalents

For the purpose of the statements of financial position, cash and cash equivalents comprise the following:

	2018 US$	2017 US$
Cash in hand and at bank	**125,621**	1,595,035
	125,621	1,595,035

15. Trade and other payables

	2018 US$	2017 US$
Trade and other payables	**370,646**	385,840
Accruals	**127,216**	77,573
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	**497,862**	463,413
Other payables - tax and social security payments	**9,032**	-
Total trade and other payables	**506,894**	463,413

16. Borrowings

During the year ended 31 December 2018, the Coos Bay issued one short-term promissory notes totalling US$100,000 (2017: issued two short-term promissory notes totalling US$250,000). Details of the notes are disclosed in the table below:

	Origination date	**Contractual settlement date**	**Note value in original currency**	**Note value, US$**	**Annual interest rate**	**Security**	**Status at 31 December 2018**
Cuart Investments PCC, Ltd.	29 Dec 2016	extended to 31 Dec 2018	£300,000	$404,730	12%	unsecured	Converted on 31 July 2018
YA Global	3 Oct 2018	30 Oct 2019	$100,000	$100,000	10%	unsecured	Outstanding
Bruce Edwards	1 Sep 2017	31 Dec 2018	$100,000	$100,000	15%	unsecured	Outstanding

No interim payments are required under the promissory notes, as the payment terms require the original principal amount of each note, and all accrued interest thereon, to be paid in single lump payments on the respective contractual settlement dates.

	2018 US$	2017 US$
At 1 January	**578,599**	363,829
Received during the year	**100,000**	250,000
Interest accrued during the year	**42,321**	57,725
Exchange rate differences	**(31,424)**	66,285
Discharged during the year by issue of shares in Curzon	**(475,684)**	(159,240)
At 31 December	**213,812**	578,599

Reconciliation of liabilities arising from financing activities

	31 Dec 2017	Cash flows Proceeds from new borrowings	Non cash flow Forex movement	Non cash flow Conversion	Non cash flow Interest accrued	31 Dec 2018
Cuart Investments PCC, Ltd.	473,667	-	(22,167)	(475,684)	24,184	**-**
YA Global	-	100,000	(2,167)	-	2,600	**100,433**
Bruce Edwards	104,932	-	(7,090)	-	15,537	**113,379**
Total liabilities from financing activities	578,599	100,000	(31,424)	(475,684)	42,321	**213,812**

17. Share capital

Authorised share capital

As permitted by the Companies Act 2006, the Company does not have an authorised share capital.

Issued equity share capital

	2018		2017	
	Number	**US$**	Number	US$
Issued and fully paid				
Ordinary shares of £0.01 each (after share split on 28 May 2017)	**72,594,700**	**964,575**	72,594,700	964,575
Ordinary shares of £0.01 each issued during the year	**4,425,616**	**59,460**	-	-
Total ordinary shares of £0.01 each	**77,020,316**	**1,024,036**	72,594,700	964,575

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

	Number
At 1 January 2017 (Ordinary shares of £1 each)	81,297

	Ordinary shares of £0.01 each, number
Share split (a)	8,129,700
Issue of shares (b)	1,200,000
Issue of shares (c)	40,000,000
Issue of shares (d)	23,265,000
At 31 December 2017	72,594,700
Issue of shares (e)	4,425,616
At 31 December 2018	**77,020,316**

(a) Share split

On 28 May 2017, the Company subdivided each Ordinary share of £1 each into 100 Ordinary shares of £0.01 each. Following the subdivision, the aggregate number of Ordinary shares in issue was 8,129,700.

(b) Issue of shares

On 26 September 2017, the Company allotted and issued 1,200,000 Ordinary shares of £0.01 each in full satisfaction of all amounts owed under its US$150,000 short-term promissory note with YA Global. The 1,200,000 Ordinary shares are subject to a one-year lock-in agreement.

(c) Issue of shares

On 3 October 2017, the Company allotted and issued 40,000,000 Ordinary shares of £0.01 each for a subscription price of £0.10 per Ordinary share.

(d) Issue of shares

On 4 October 2017, the Company allotted and issued 23,265,000 Ordinary shares of £0.01 each for a subscription price of £0.10 per Ordinary share.

(e) Issue of shares

On 31 July 2018, the Company allotted and issued 4,425,616 Ordinary shares of £0.01 each at £0.80 per Ordinary share on conversion of the Cuart loan as disclosed in note 16.

The ordinary shares carry the right to one vote per share at general meetings of the company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up.

18. Share Based Payments

Employee share options

The Company established employee share option plans to enable the issue of options as part of the remuneration of key management personnel and Directors to enable them to purchase Ordinary shares in the Company. Under IFRS 2 “Share-based Payments”, the Company determines the fair value of the options issued to Directors and employees as remuneration and recognises the amount as an expense in the statement of income with a corresponding increase in equity.

At 31 December 2018, the Company had outstanding options to subscribe for Ordinary shares as follows:

Option exercise price	Number of options granted	Vesting date	Expiry date	Fair value of individual option
£0.10	421,152	4 Oct 2017	4 Oct 2022	£0.074
£0.15	421,152	4 Apr 2018	4 Oct 2022	£0.067
£0.10	1,123,416	4 Oct 2018	4 Oct 2022	£0.074
£0.30	421,152	4 Oct 2018	4 Oct 2022	£0.055
£0.15	1,123,416	4 Oct 2019	4 Oct 2022	£0.067
£0.30	1,123,416	4 Oct 2020	4 Oct 2022	£0.055
£0.10	1,000,000	1 Mar 2019	31 May 2019	£0.028
£0.15	1,000,000	1 Mar 2019	31 May 2019	£0.017
£0.20	1,000,000	1 Mar 2019	31 May 2019	£0.012
Total options outstanding at 31 December 2018	**7,633,704**			

	2018		2017	
	Number of options	**Weighted average exercise price £**	Number of options	Weighted average exercise price £
Outstanding at the beginning of the period	4,633,704	0.18	-	-
Granted during the period	**3,000,000**	**0.15**	4,633,704	0.18
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Lapsed during the period	-	-	-	-
Outstanding at the end of the period	**7,633,704**	**0.17**	4,633,704	0.18
Vested and exercisable at the end of the period	**2,386,872**	**0.13**	421,152	0.10

During the financial year 3,000,000 (2017: 4,633,704) options were granted at an exercise price ranging from £0.1 to £0.2. These options were granted to the former Directors to release all other liabilities arising on the termination of their contract, the options granted in 2018 were valued based on the value of the discharged liabilities, which arose on the termination of the former Directors' contracts

The weighted average fair value of each option granted during the year was £0.019 (2017: £0.065).

The exercise price of options outstanding at 31 December 2018 ranged between £0.1 and £0.3 (2017: ranged between £0.1 and £0.30). Their weighted average remaining contractual life was 2.45 years (2017: 4.76 years).

The weighted average share price (at the date of exercise) of options exercised during the year was nil (2017: nil) as no options were exercised.

The following information is relevant in the determination of the fair value of the options granted during the year under equity-settled share-based remuneration schemes:

	Granted on 4 October 2017
Option pricing model used	Black-Scholes
Weighted average share price at grant date, £	0.105
Weighted average contractual life, years	5.00
Expected volatility, %	90.91
Expected dividend growth rate, %	0
Risk-free interest rate (5-year bond), %	0.802

Calculation of volatility involves significant judgement by the Directors due to the absence of the historical trading data for the Company at the date of the grant. Volatility number for the options granted on 15 October 2018 was calculated based on the Company's historical trading data. Volatility number of the options granted on 4 October 2017 was estimated based on the range of 5-year month end volatilities of 10 similar size listed companies operating in Oil and Gas sector.

Share-based remuneration expense related to the share options granted during the reporting period and part of the charge relating to the options granted in 2017 is included in the administration expenses line in the consolidated income statement in the amount of $339,367 (2017: US$111,367).

Warrants

During the year ended 31 December 2018 no warrants were granted by the Company.

During the year ended 31 December 2017 the Company issued the following warrants to subscribe for shares:

Warrant exercise price	Number of warrants granted	Vesting date	Expiry date	Fair value of individual option
£0.10	130,200	4 Oct 2017	4 Oct 2020	£0.061
£0.125	1,500,000	4 Oct 2017	4 Oct 2020	£0.056
Total granted during the year	**3,630,200**			

All warrants granted vested on 4 October 2017.

On 4 October 2018, 2,000,000 warrants granted on the date of admission with exercise price of £0.15 expired.

The weighted average fair value of each warrant granted during the year was £nil (2017: £0.04).

The exercise price of warrants outstanding at 31 December 2018 ranged between £0.1 and £0.125 (2017: ranged between £0.1 and £0.15). Their weighted average remaining contractual life was 0.65 years (2017: 1.65 years).

The weighted average share price (at the date of exercise) of warrants exercised during the year was nil (2017: nil) as no warrants were exercised.

The following information is relevant in the determination of the fair value of the warrants granted during the year ended 31 December 2017:

	Granted on 4 October 2017
Warrant pricing model used	Black-Scholes
Weighted average share price at grant date, £	0.105
Weighted average contractual life, years	1 - 3
Expected volatility, %	90.91
Expected dividend growth rate, %	0
Risk-free interest rate (5 year bond), %	0.802

Calculation of volatility involves significant judgement by the Directors due to the absence of the historical trading data for the Company at the date of the grant. Volatility number above was estimated based on the range of 5-year month end volatilities of 10 similar sized listed companies operating in the Oil and Gas sector.

The aggregate fair value related to the share warrants granted during the reporting period has been allocated to share premium as share issue cost in the amount of US$nil (2017: US$191,011).

19. Reserves

Share premium

The share premium account represents the excess of consideration received for shares issued above their nominal value net of transaction costs.

Foreign currency translation reserve

The translation reserve represents the exchange gains and losses that have arisen from the retranslation of overseas operations.

Retained earnings

Retained earnings represent the cumulative profit and loss net of distributions to owners.

Warrants reserve
The warrants reserve represents the cumulative fair value of the warrants, granted to the investors together with placement shares, still outstanding and not exercised.

Share-based payment reserve
The share-based payment reserve represents the cumulative charge for options granted, still outstanding and not exercised.

Merger reserve
The merger reserve represents the cumulative share capital and membership capital contributions of all the companies included into the legal acquire sub-group less cost of investments into these legal acquirees.

20. Financial instruments – risk management

General objectives, policies and processes

The overall objective of the Directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

The Directors review the Group's monthly reports through which they assess the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

Categories of financial assets and liabilities

The Group's activities are exposed to a variety of market risk (including interest rate and currency risk) and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Other receivables;
- cash and cash equivalents;
- trade and other payables; and
- borrowings.

Other receivables are initially measured at fair value and subsequently carried at amortised cost.

The carrying value of financial assets and financial liabilities maturing within the next 12 months approximates their fair value due to the relatively short-term maturity of the financial instruments.

The Group had no financial assets or liabilities carried at fair values at the end of each reporting date.

A summary of the financial instruments held by category is provided below:

	2018	2017
	US$	US$
Financial assets		
Cash and cash equivalents	**125,621**	1,595,035
Other receivables	**36,157**	148,616
Restricted cash	**125,000**	125,440
Financial liabilities		
Trade payables	**370,646**	385,840
Short-term borrowings	**213,812**	578,599

Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from notes and other receivables. The Directors manage the Group's exposure to credit risk by the application of monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Directors minimise credit risk by dealing exclusively with high credit rating counterparties.

Credit risk concentration profile

The Group's receivables do not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Directors define major credit risk as exposure to a concentration exceeding 10% of a total class of such asset.

The Company maintains its cash reserves in Barclays Bank UK PLC, which maintains the following credit ratings:

Credit Agency	**Standard and Poor's**	**Moody's**	**Fitch**	**R&I**
Long Term	A/Stable	A1/Stable	A+	A/Stable
Short Term	A-1	P-1	F1	N/A
Unsupported Group Credit /Baseline Credit Assessment/Viability Rating	bbb+	A3	a	N/A

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of each reporting period.

Market risk - interest rate risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk). The Group's interest rate risk arises from short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Directors' policy is to maintain a majority of the Group's borrowings in fixed rate instruments.

The Directors have analysed the Group's interest rate exposure on a dynamic basis. This takes into consideration refinancing, renewal of existing positions and alternative financing. Based on these considerations, the Directors believe the Group's exposure to cash flow and fair value interest rate risk is not significant.

Market risk - currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the UK Pound Sterling (£). The Directors monitor the exchange rate fluctuations on a continuous basis and acts accordingly. The following sensitivity analysis shows the effects on loss before tax of 10% increase/decrease in the exchange rates of the US$ versus closing exchange rates of UK Pound Sterling as at 31 December 2018:

	+10% **US$**	**-10%** US$
Loss before tax	Increase in loss by US$88,587	Decrease in loss by US$88,587

Liquidity risk

The Group currently holds cash balances to provide funding for normal trading activity. Trade and other payables are monitored as part of normal management routine and all amounts outstanding fall due in one year or less.

Capital management

The Group defines capital as the total equity of the Group. The Directors' objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To meet these objectives, the Directors review the budgets and projections on a regular basis to ensure there is sufficient capital to meet the needs of the Group through to profitability and positive cash flow.

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources and borrowings.

Whilst the Group does not currently have distributable profits, it is part of the capital strategy to provide returns for shareholders and benefits for members in the future.

Capital for further development of the Group's activities will, where possible, be achieved by share issues or other finance as appropriate.

In order to maintain or adjust the capital structure, the Directors may return capital to shareholders, issue new shares or sell assets to reduce debt. It also ensures that distributions to shareholders do not exceed working capital requirements.

The Group has no external debt finance and is not subject to any external capital requirements.

Fair value hierarchy

All the financial assets and financial liabilities recognised in the Group financial statements are shown at the carrying value, which also approximates the fair values of those financial instruments. Therefore, no separate disclosure for fair value hierarchy is required.

21. Operating lease commitments

All the Group's leases are short-term leases, which are month-to-month obligations (i.e., UK virtual office, US virtual office and US storage operating leases). There are no future minimum lease payments under non-cancellable operating leases to disclose. The UK virtual office lease contract was running from 27 May 2017 until 31 May 2018, so there are no outstanding operating lease commitments to disclose.

All operating land lease agreements for the mining exploration areas are outside of the scope of IAS 17. Coos County annual lease payment is US$28,971 and is payable bi-annual instalments with payment due in April and October.

22. Related party transactions

Balances and transactions between the Company and its subsidiaries, Coos Bay Energy LLC, Westport Energy Acquisition, Inc., and Westport Energy LLC are eliminated on consolidation and are not disclosed in this note. Balances and transactions between the Group and other related parties are disclosed below.

Promissory notes

During the year ended 31 December 2018, US$100,000 of promissory notes were issued to YA Global Investments LP, a company that is also the majority shareholder of the business, see note 16 for further information.

During the year ended 31 December 2017, Cuart Investments PCC Limited ('Cuart') who were holders of US$404,730 of promissory notes were issued with 1,500,000 warrants with an exercise price of US$0.169 (£0.125) On 04 October 2017, Cuart transferred its entire interest in the promissory note to Barry Liben, the note has been converted in full into the Ordinary shares of the Company on 31 July 2018, but Cuart retained the above-referenced warrant see notes 16 and 18 for further information. Cuart is considered to be a related party of Riverfort Capital, which is controlled by a former Director of the Company, Brian Kinane.

Remuneration of Directors

The remuneration of the senior Executive Management Committee members, who are the key management personnel of the Group, is set out in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures" in note 5.

Company statement of financial position
as at 31 December 2018

	Note	2018 £	2017 £
Assets			
Non-current assets			
Investments in subsidiaries	28	**2,800,275**	3,733,699
Amounts receivable from subsidiary undertakings	29	**1,602,227**	1,103,855
Total non-current assets		**4,402,502**	4,837,554
Current assets			
Trade and other receivables	30	**28,490**	87,867
Cash and cash equivalents	0	**98,991**	755,104
Total current assets		**127,482**	842,971
Total assets		**4,529,983**	5,680,525
Liabilities			
Current liabilities			
Trade and other payables	32	**222,087**	87,314
Borrowings	33	**168,486**	428,877
Total liabilities		**390,573**	516,191
Capital and reserves attributable to shareholders			
Share capital	34	**770,203**	725,947
Share premium	34	**2,675,156**	2,404,144
Merger relief reserve		**2,800,000**	2,800,000
Warrants reserve		**143,942**	143,942
Share-based payments reserve		**338,995**	86,405
Accumulated losses brought forward		**(996,104)**	(293,676)
Loss for the year		**(1,592,782)**	(702,428)
Total capital and reserves		**4,139,410**	5,164,334
Total equity and liabilities		**4,529,983**	5,680,525

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2019 and are signed on its behalf by:

Scott Kaintz

Scott Kaintz
Director

The notes to the Company statement of financial position form part of these financial statements.

Company statement of changes in equity

	Share capital £	Share Premium £	Merger relief reserve £	Share-based payments reserve £	Share warrants reserve £	Accumulated loss £	Total £
Equity as at 1 January 2017	81,297	569,065	-	-	-	(293,676)	356,686
Loss for the year	-	-	-	-	-	(702,428)	(702,428)
Other comprehensive income for the year	-	-	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	-	(702,428)	(702,428)
Issue of shares	644,650	2,201,850	-	-	-	-	2,846,500
Share issue and fundraising costs	-	(222,829)	-	-	-	-	(222,829)
Issue of share warrants	-	(143,942)	-	-	143,942	-	-
Issue of share options	-	-	-	86,405	-	-	86,405
Acquisition of Coos Bay	-	-	2,800,000	-	-	-	2,800,000
Equity as at 31 December 2017	725,947	2,404,144	2,800,000	86,405	143,942	(996,104)	5,164,334
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(1,592,782)**	**(1,592,782)**
Other comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**-**	**(1,592,782)**	**(1,592,782)**
Issue of shares	**44,256**	**309,793**	**-**	**-**	**-**	**-**	**354,049**
Share issue and fundraising costs	**-**	**(38,781)**	**-**	**-**	**-**	**-**	**(38,781)**
Issue of share options	**-**	**-**	**-**	**252,590**	**-**	**-**	**252,590**
Equity as at 31 December 2018	**770,203**	**2,675,156**	**2,800,000**	**338,995**	**143,942**	**(2,595,758)**	**4,139,410**

Company statement of cash flows
for the year ended 31 December 2018

	Notes	2018	2017
		£	£
Cash flow from operating activities			
Loss before taxation		**(1,592,782)**	(702,428)
Adjustments for:			
Finance expense		**31,499**	12,522
Finance income		**(39,368)**	(36,611)
Share-based payments charge		**252,590**	86,405
Impairment of loans and receivables		**3,174**	-
Impairment of investments in subsidiaries		**933,424**	-
Unrealised foreign exchange movements		**4,856**	2,656
Operating cashflows before working capital changes		**(406,607)**	(637,456)
Changes in working capital:			
Increase/(decrease) in payables		**(13,993)**	(4,142)
Increase in receivables		**68,262**	(87,867)
Net cash used in operating activities		**(352,338)**	(729,465)
Financing activities			
Issue of ordinary shares		**-**	2,326,500
Cost of share issue		**(38,782)**	(222,829)
Proceeds from new borrowings		**77,208**	-
Amounts due from subsidiaries		**(342,201)**	(629,817)
Net cash flow from financing activities		**(303,775)**	1,473,854
Net (decrease)/increase in cash and cash equivalents in the period		**(656,113)**	744,389
Cash and cash equivalents at the beginning of the period		**755,104**	10,715
Cash and cash equivalents at the end of the period		**98,991**	755,104

Notes to the Company financial statements

23. Significant accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2016 ("the Act"). As permitted by the Act, the separate financial statements have been prepared in accordance with International Financial Reporting Standards.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except as noted below.

Company statement of comprehensive income

As permitted by Section 408 Companies Act 2006, the Company has not presented its own income statement or statement of comprehensive income. The Company's loss for the financial year was £1,592,782 (2017: £702,428). The Company's total comprehensive loss for the financial year was £1,592,782 (2017: £702,428).

Investments in subsidiaries

Investments that were previously reported as available-for-sale investments under IAS 39, were re-classified as financial instruments with fair value through other comprehensive income (FVTOCI), are stated at fair value of the consideration and reviewed for impairment, if there are any indications that the carrying value may not be recoverable.

Receivables from subsidiaries

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

24. Critical accounting judgements and key sources of estimation uncertainty

The Company's finacial statements, and in particular its investments in and receivables from subsidiaries, are affected by the critical accountin judgements and key sources of estimation uncertainty in respect of the recoverability of exploration and evaluation assets which are described in note 2 to the consolidated financial statements.

Recoverability of investment in subsidiaries and amounts due from subsidiaries

Where the majority of the assets of subsidiary undertakings are exploration and evaluation assets, determining whether an investment in and loan to a subsidiary is impaired requires an assessment of whether there are any indicators of impairment, of these underlying exploration and evaluation assets. If there is any indication of potential impairment, an impairment test is required based on value in use of the asset. This assessment involves judgement as to: (i) the likely future commerciality of each cost pool of assets; (ii) when such commerciality should be determined, and (iii) the potential future revenues and value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

25. Auditor's remuneration

The auditor's remuneration for audit and other services is disclosed in note 4 to the consolidated financial statements.

26. Directors and staff

There were no staff employed by the Company during the year ended 31 December 2017. Scott Kaintz, Executive Director of the Company, has been employed since 5 November 2018.

Key management remuneration is disclosed in note 5 to the consolidated financial statements.

27. Administrative expenses

	2018 £	2017 £
Staff costs	**137,650**	46,012
Share based payments	**252,590**	86,405
Professional and consultancy fees	**153,857**	333,418
Other general administrative expenses	**118,275**	222,830
Total	**662,372**	688,665

28. Investments

Investment in subsidiaries

	2018 £	2017 £
Costs at beginning of the year	**3,733,699**	-
Additions	**-**	3,733,699
Impairment	**(933,424)**	-
Total	**2,800,275**	3,733,699

The impairment figure utlized of £933,424 was calcuated based on DCF and qualitative analysis of the Company's investment in Coos Bay Energy LLC. The Company considered factors such as the cost of drililng new coal bed methane wells, estimated gas flow rates, royalties and anticipated operating expenses. The reduction in the value of the subsidary represents a proportion fo the work completed in 2018 that may not form a definitive part of the Company's future efforts at the project. The Company's subsidiaries are disclosed in note 11 to the consolidated financial statements.

29. Receivables from subsidaries and related party transactions

	2018 £	2017 £
Loans to subsidiaries	**1,602,227**	1,103,855
	1,602,227	1,103,855

The Group (comprising Coos Bay Energy LLC and its directly and indirectly wholly-owned subsidiaries Westport Energy Acquisition, Inc. and Westport Energy LLC) is a related party through common control.

During the period ended 31 December 2018, the maximum amount owed by the Group to the Company was £1,602,227 (2017: £1,138,435). The related party loans are unsecured and are repayable on 31 December 2019. Interest is receivable at a rate of 9%. At 31 December 2018, £39,368 (2017: £58,034) was accrued and included in the above balance. The carrying amount of these assets approximates their fair value. No expected credit losses were recognised in relation to these intercompany loans during the reporting period and at 31 December 2018. There was no increase in credit risk in relation to these loans at year end compared to their credit risk at inception. Please also see note 35.

The remuneration of the senior Executive Management Committee members, who are the key management personnel of the Group, is set out in aggregate for each of the categories specified in IAS 24 “Related Party Disclosures” in note 5.

30. Prepayments and other receivables

	2018	2017
	£	£
VAT recoverable	**18,292**	84,693
Prepayments	**10,199**	
Other debtors	**-**	3,174
	28,491	87,867

The fair value of receivables and deposits approximates their carrying amount, as the impact of discounting is not significant. The receivables are not impaired and are not past due.

31. Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	2018	2017
	£	£
Cash in hand and at bank	**98,991**	**755,104**

32. Current liabilities

Trade and other payables

	2018	2017
	£	£
Trade and other payables	**133,254**	**29,814**
Accruals	**88,833**	**57,500**
	222,087	**87,314**

33. Short-term borrowings

As at 31 December 2018, the Company had an outstanding promissory note of £168,486 (2017: 428,877), please refer to note 16.

34. Share capital

The movements in the share capital account are disclosed in note 17 to the financial statements.

35. Financial instruments – risk management

The Company's strategy and financial risk management objectives are described in note 20.

Principal financial instruments
The principal financial instruments used by the Company from which risk arises are as follows:

	2018 £	2017 £
Financial assets		
Cash and cash equivalents	**98,991**	755,104
Other receivables	**18,292**	87,867
Loans due from subsidiaries	**1,602,227**	1,103,855
Financial liabilities		
Trade payables	**133,254**	29,814
Short-term borrowings	**168,486**	428,877

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

In addition to the risks described in note 20 , which affect the Group, the Company is also subject to credit risk on the balances receivable from subsidiaries, see note 29.

36. Events after the reporting period

Equity Placing and Loan Note Update

On 1 March 2019 the Company announced the placing of 6,012,655 new ordinary shares of £0.01 each at a price of £0.0158 per share. Investors in these shares also received 1 warrant for every 2 placing shares purchased exerciseable into ordinary shares at a price of £0.0158 per ordinary share for a period of twenty four months following the placing. The gross proceeds raised from the placing were £95,000.

The Company further announced that YA Global Investments, an entity related to the Company's largest shareholder, would commence a draw down of a matching amount to the completed placing. At the time of the annoucement the Company retained $900,000 undrawn on the $1,000,000 facility.

On 16 April 2019 the Company signed an amendment letter with YA Global Investment, LP, in which the parties agreed that in respect of the first tranche of $100,000, and in respect of any further tranches to be drawn down, the Company shall pay the total principle amount outstanding on the last business day of October 2020.

Directorate Changes

On 15 March 2019 the Company announced that Brian Kinane had resigned as a Director of the Company.

37. Controlling party

As at 31 December 2018, the Company did not have an ultimate controlling party.