Annual Report and Financial Statements 2023

Company Number: 05239285

Ascent Resources plc

(“Ascent” or the “Company”)

Ascent Resources Plc is an onshore Hispanic American and European focussed energy and natural resources company listed on AIM

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Company Information

Company's registered number	05239285
Directors	James Parsons Andrew Dennan Jean-Michel Doublet Malcolm Graham-Wood
Company Secretary	AMBA Secretaries Limited
Registered Office	5 New Street Square London EC4A 3TW
Nominated Advisor Joint Broker	WH Ireland Limited 24 Martin Lane London EC4R 0DR
Joint Broker	Novum Securities Limited 8-10 Grosvenor Gardens London SW1W 0DH
Independent Auditors	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Solicitors	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
Bankers	Barclays Corporate Banking 1 Churchill Place London E14 5HP
Share Registry	Computershare Investors Services PLC The Pavilions Bridgerwater Road Bristol BS13 8AE
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Chairman's Statement

The Company announced on 23 April 2024 its maiden investment in a revenue generating, low risk and growing North American, mid-continent gas processing and helium purification business. This is an exciting development for the Company and represents our first shaping move following a long period of deal origination / screening. We have now, together with our partners in country, huge scope to invest further to accelerate into the premium markets of processing and selling liquified helium and position ourselves as a leading revenue generating listed onshore gas and Helium business across the upstream and midstream. The investment cements the Company's new forward US onshore gas and helium strategy and initiates the journey of navigating Ascent towards an exciting space with significant upside potential and running room.

Despite continued weak capital markets, 2023 was year of solid progress and preparation for the Company, focused on continuing its claims against the Republic of Slovenia ("Slovenia" and "State") and its State controlled actors, securing a new cornerstone investor and preparing for this introduction of the first new industrial asset post Slovenia. The specific achievements during the year include:

- filing its memorial under the International Centre for Settlement of Investment Disputes ("ICSID") registered Energy Charter Treaty ("ECT") claim against the State with a revised damages claim of €656.5 million;
- securing a successful mediation outcome with the JV's service provider resulting in a material reduction in both amounts historically owed the fixed monthly fee;
- achieving revenue recognition of outstanding amounts owed from Pg-10 and Pg-11a production;
- initiating and winning the interim arbitration claim for right to payment from production of other wells totalling €8M for the period October 2019 through to December 2023;
- securing a suitable after the event insurance policy in relation to the State ECT claim and defending the adequacy of the adverse claim cost coverage following multiple challenges by Slovenia;
- introducing a new cornerstone investor at a significant premium

During the first quarter of 2024, the Company, with a view to protect shareholder interests from future dilution prior to introducing our new industrial asset, distributed a 49% economic interest in the net proceeds the Company would receive from the State ECT claim to qualifying stakeholders.

Having secured this distribution, in April 2024 the Company announced its new forward strategy and initial investment, structured as a convertible loan of US$1 million, into GNG Partners LLC ("GNG"), a private US holding company that has been formed to acquire the assets of Paradox Resources LLC out of Chapter 11 Bankruptcy. The Paradox Estate comprises primarily a midstream gas processing and helium purification business with a liquefaction unit and 521 miles of gas gathering pipelines as well as a downstream helium truck distribution business. Most notably this includes the 60MMcfd Lisbon Plant, in Utah's Lisbon Valley (35 miles southeast of Moab). The convertible loan note converts, exclusively at the election of Ascent, into 1 million new units of GNG, which would represent 10% of the current issued share capital of GNG. Ascent will collaborate with GNG to potentially provide further capital over time to accelerate the business into a premium US liquefied helium producer and distributor.

As we move forward with our new onshore US gas and helium strategy, alongside protecting our claims in Slovenia, we continue to be grateful for our shareholders' continuing support and look forward to delivering value.

James Parsons
Executive Chairman

Chief Executive Officer’s Statement

Legacy Slovenian Investment & ECT Damages Claim

2023 saw the Company continue to find traction on the initiatives launched in previous years with the continued defence of its working interests in Slovenia, both against breach of the ECT by the State and an abrasive partner seeking to deprive Ascent of its contractual entitlements. As the year progressed the Company prevailed on a number of fronts and has strong momentum behind it as it continues to seek redress for the losses which have been forced upon it.

The beginning of the year saw the Company and its subsidiary, Ascent Slovenia Limited (“ASL”), make progress in mediation and arbitration processes with related counterparties Petrol GEO (JV service provider) and Geoenergo (JV partner) respectively. In April the Company announced a successful mediation outcome with Petrol GEO, which involved settling claims for €2+million in disputed amounts since 2019 for a final settlement of €1.436million, representing an approximately 30% discount to the amounts claimed. Furthermore the JV agreed reduced monthly fixed fees with Petrol GEO, down from €44k a month to the higher of i) €20k; or ii) 35% of ASL’s share of the Pg-10 and Pg-11a monthly production. At the same time ASL was able to agree with Geoenergo for payment of hydrocarbon revenues produced from the Pg-10 and Pg-11a wells for the period January 2022 through to February 2023 which totalled €1.725million. The resultant situation was that ASL received net cash payment of €288,689 and a reduced fixed fee.

Meanwhile ASL continued to pursue its domestic arbitration dispute with Geoenergo in relation to the partners different interpretations of the RJOA. Following a tribunal hearing in June, ASL prevailed in October with announcement of the arbitration tribunals binding interim decision in favour of ASL’s claims to receive 90% of the production above the baseline production profile (as defined in the RJOA) for all wells on the concession area (except for Pg-1 which is included entirely within the baseline production profile) whilst it was still in a preferential recovery position (i.e. until it had received back its investments of €54million). Accordingly, the tribunal ordered Geoenergo to disclose the required (and previously withheld) production data and invoices so that ASL can calculate its claim size. ASL received the bundle and announced that it was owed approximately €8 million in relation to production owed and unpaid since October 2019 through to December 2023.

Post period in review, the JV partner filed for voluntary insolvency, the Company saw this as a direct attempt at Geoenergo to try to dispose of a valid claim against them and ASL filed a number of appeals. Following the court then cancelling a hearing in relation to the appeals the Slovenian court appointed an administrator. Ultimately ASL’s appeals have been overturned and Geoenergo is in administration. The Administrator notified ASL that it has taken the view that the RJOA is immediately cancelled as of their appointment in 19 January 2024. Furthermore the concession contract expired on the 19 April 2024. At the same time the RJOA was unilaterally terminated the Service Agreement with Petrol GEO was also simultaneously terminated. The Company filed an €11million insolvency claim with the administrators ahead of the deadline. The Claim includes amounts of approximately €8million relating to monies received by Geoenergo and owed to ASL as well as a claim for €3million relating to the value of ASL’s share of expropriated JV assets.

In relation to the Company’s ECT damages claim against the Republic of Slovenia, 2023 saw further progress with the appointment of the arbitrators allowing the Tribunal to be constituted in accordance with Article 37(2)(a) of the ICSID Convention. Following a preliminary case conference meeting in April 2023, Ascent and ASL together as claimants filed their memorial (a lengthy case document which includes the narrative and legal reasoning of our claim together with factual and expert evidence) in July. At the same time the Company announced that its damages experts had valued the Company’s claim at €656.5 million. It should be cautioned that in the event the Company is successful in its claim, any amount actually received by the Company may be significantly lower than the full claim.

In September the Company announced it had successfully contracted an after the event ("ATE") insurance policy in relation to the ECT claim. ATE insurance is a protective policy for claimants which is expected to provide cover against the majority, if not all, of an award to pay adverse legal costs and disbursements in the event a claim is unsuccessful and is an insurance product with the potential to provide a highly effective mechanism by which parties involved in arbitration can manage their financial risk. The Company has secured this policy following the filing of its memorial and supporting evidence and as a pre-emptive action to secure proof of ability to pay adverse costs ahead of the respondent potentially requesting the claimants to do so. Post period in review the Company announced that the tribunal had comprehensively rejected the State's subsequent application for security for costs and the claim continues to progress without delay.

In relation to the Company's ECT damages claim, the Company announced in October that it was considering distributing to qualifying stakeholders on a future record date an assignment to part of the proceeds which would be received by the Company in the event of a successful ECT damages claim monetary payout. Shareholders were invited to discuss their views on this as well as other matters. Following this, in December the Company updated shareholders that it was starting a process to be able to distribute an entitlement to an economic interest in 49% of the net proceeds received (after all legal fees, costs and expenses relating to the claim) in the event of a successful claim outcome against the Republic of Slovenia. The intention of this distribution is to give qualifying stakeholders the opportunity of having ring-fenced access to a significant portion of the net proceeds received by the Company from the ECT claim. As part of this process the Company created a new subsidiary special purpose vehicle and following further announcements post period in review, completed the proposals and distributed the relevant SPV shares to qualifying shareholders.

Slovenia Operational Update

Throughout the year the wells in the concession area have continued to produce small volumes of gas with sales continuing to local industrial buyers through the low pressure pipeline. Total production from the Pg-10 and Pg-11A wells in 2023 was 1,139,686 scm of gas and 44,860 litres of condensate and the average realised gas price for this production was €41.87/MWh resulting in invoiceable hydrocarbon revenues of €0.505 million due to ASL from the PG10 and PG11A wells only. Of these amounts only €0.315 million were paid during the year under review and the unpaid balance (plus late interest) is being claimed as part of the insolvency proceedings of Geoenergo which were initiated post period in review.

During the period in review ASL was not able to progress the wellhead works it had proposed on Pg-11A, which included a fishing operation to potentially increase production, due to failure to receive all necessary authorities from collaborating parties to allow the proposed work to proceed. However, Geoenergo successfully submitted a concession extension application (ahead of the deadline) to renew the concession to enable continued production and then shortly after were able to apply for new 30month automatic concession extension which was made available for concessions due to expire in 2023 or 2024 (previously the Petišovciconcession was due to expire in November 2023) due to the continued administrative backlog as a result of the impacts caused during COVID-19 pandemic. Accordingly, in December the concession was approved to have received the 30 month extension and the concession termination date became 26 May 2026. However, post period in review the JV partner and concession holder, Geoenergo, filed for insolvency and an administrator was appointed. Despite several appeals lodged by ASL, the administration event was confirmed and the Administrator unilaterally terminated the RJOA and Service Agreements. Furthermore the concession expired on 19 April 2024. Following these post period events the RJOA and the corresponding Service Agreement have been terminated. The Company is pursuing a €11 million insolvency claim against its insolvent JV partner (of which €8million relates to monies received by Geoenergo and owed to ASL and the balance relates to precautionary claim against the value of ASL's expropriated interests in JV assets) and continues to vigorously pursue its €656.5 million ECT damages claim.

Corporate Developments

The Company pursued a number of avenues in 2023, including the proposed introduction of Beryl International as a strategic investor which was subsequently terminated by the Company to avoid dilution ahead of the

partner arbitration process and following delays to close the transaction with Beryl's international subsidiary. The Company also considered a bid for the outstanding shares of Amur Minerals Corporation, which contemplated merging Amur's cash balance (post payment of their special dividend) with Ascent's natural resource opportunity set and see an enlarged and combined entity focused on environmental, social and governance metal ("ESG Metal") processing business opportunities with an initial focus on South and Latin America. However, following initial discussions the potential transaction was terminated. In October the Company signed a new strategic collaboration agreement with new cornerstone investor MBD Partners. The Company has been continuing to review a number of natural resource opportunities in upstream oil and gas and ESG metals for some time. Post period in review the Company announced its maiden investment away from Slovenia in to a US onshore oil and gas processing and distribution company called GNG Partners LLC.

On 24 October 2023, Stephen Birrell resigned from the Board and Jean-Michel Doublet was appointed to the Board on 21 November 2023. The Board would like to thank Stephen Birrell for his valuable contribution over the last three years. Jean-Michel joined the Board as an independent non-executive director with strong M&A experience, from working with independent oil and gas companies with a focus on emerging markets.

On 23 April 2024 it was announced that David Bullion, CEO of GNG would join the Board as a non-executive director together with Edouard Etienvre, as an independent non-executive director subject to regulatory checks and Marco Fumagalli and Malcolm Graham Wood would be retiring from the Board by the end of May 2024. Marco Fumagalli stepped down from the Board on 13 May 2024.

Investment into US Helium Business

Post period under review, the Company launched its maiden investment away from Slovenia with an investment into US onshore gas and helium processing, via an initial $1million convertible loan into GNG Partners LLC ("GNG"). GNG is a private US holding company, that was formed to acquire onshore US midstream gas distribution and processing facilities which includes helium purification and liquefaction. The Paradox Estate, according to the Chapter 11 documentation, comprises primarily a midstream gas processing and helium purification business with a liquefaction unit and access to over 500 miles of gas gathering pipelines as well as a downstream helium truck distribution business. Most notably this includes the 60MMcfd Lisbon Plant, in Utah's Lisbon Valley (35 miles southeast of Moab).

GNG has acquired the Paradox Estate for an effective consideration of US$11.5M plus cure costs relating to the assigned contracts and leases related to the continuing operations of approximately US$2M ("Consideration"). The Consideration has been paid via a 7-year loan note for an amount of US$7M with interest accruing at 6% per annum (payable in kind) ("PIK Note") provided by some of the Paradox pre-insolvency creditors alongside new equity capital for the balance. Ascent has provided an initial investment of US$1 million into GNG via a zero coupon unsecured two-year convertible loan note which converts, exclusively at the election of Ascent, into 1 million membership units of GNG, which would represent 10% of the issued member units of GNG if converted on the day of the initial subscription. Ascent will collaborate with GNG to potentially provide further capital over time to accelerate the business into a premium US liquefied helium producer and distributor.

The Chapter 11 documentation sets out that the Lisbon Plant is the sole operating natural gas processing plant in the Paradox Basin and is fed by over 500 miles (of which 279 miles are wholly-owned by GNG) of helium rich gas gathering pipelines which have access to helium rich gas sources with 7-8% He concentration in the four corners region, most notably in SE Utah and NW New Mexico. The Lisbon Plant is a 60 MMcfd (million cubic feet per day) gas treatment plant which has a 1.1 MMcfd processing capacity for helium, a 45 MMcfd cryogenic plant and 10 MBpd (thousand barrels per day) fractionation train. The plant was built specifically to process the Paradox Basin natural gas that often has high CO_2, H_2S, N_2 and He content. GNG believe that the Lisbon Plant can produce approximately 3.4% of the US liquid helium production (or 1.7% of the World's liquid helium). The Lisbon Plant is currently operational and processing gas and purifying helium which is sold as gaseous helium directly to industrial consumers via truck. The Lisbon Plant has a liquification unit which has been in care and maintenance since around 2013 (when the liquified helium price was only US$62.25 /Mcf versus the US$750-1,250 /Mcf range available today).

Underpinning the acquisition of the Paradox Estate and Ascent's investment in GNG is a plan to quickly recommission the liquification unit to rapidly move back into premium markets of producing and selling liquified helium, as well as further opportunity to invest in iso-containers which would provide the business with even greater price command. Ascent and GNG have agreed to work together with a view to Ascent potentially providing capital for this critical value enhancing development.

Revenue Recognition & Fundings

During the year the company recognised revenues of £1.775million, which is made up of revenue relating to a positive outcome achieved in the tri-party mediation process between ASL, Geoenergo and Petrol GEO, in which ASL was successful in being able to recognise the hydrocarbon production revenues from the Pg-10 and Pg-11A wells for the period January 2022 through to February 2023, which totalled €1,724,689. Additionally, ASL received full payment for the Pg-10 and Pg-11A wells for the months of May through to September 2023, but received only partial payments in March and April and no payments from October onwards. Separately to the above Pg-10 and Pg-11A revenues, ASL initiated an arbitration process against Geoenergo in December 2022 relating to the parties different interpretations of the RJOA clauses which ASL believed entitled it to further revenues produced above the baseline production profile from other wells on the concession area. In October the Arbitration Tribunal found in favour of ASL's interpretation of the RJOA and ordered Geoenergo to disclose the materials required to enable ASL to accurate calculate its claim amounts, which were subsequently confirmed to be approximately €8million (including late interest). In January 2024 Geoenergo filed for self-declared insolvency and an administrator was appointed. ASL has subsequently filed an insolvency claim for the amounts it is owed and will only recognise these revenues when the corresponding cash amounts are paid and received. There can be no certainty of recovery of the amounts being claimed in the insolvency proceedings.

In relation to costs of production, the Company successfully agreed settlement with Petrol Geo in the tri-party mediation which involved agreeing to pay €1.436million as full and final settlement of the claimed amounts of €2,083,491 (plus interest) relating to disputed invoices issued under the tri-party service agreement for Petrol Geo to operate the field covering the period since 2019 through to February 2023. Furthermore the JV successfully renegotiated the continuing monthly fee through to the concession expiry such that it was reduced from €44k per month to the higher of i) €20k a month; or ii) 35% of ASL's share of Pg-10 and Pg-11A production.

The loss for the year after taxation was £0.833 million (loss for 2022: £41.5 million). The Company loss for the year was £1,486,000 (2022: loss of £44,159,000). During the year the Company successfully raised £1.9million in new equity to support its continuing endeavours. In February the Company announced a strategic investment with Beryl International (Pty) Ltd ("Beryl") which involved a subscription buy their Mauritian investment entity for £1million in new equity at a price of 3.6 pence, being a 11% premium to the prior closing price. However the Company terminated the subscription following delays by Beryl in closing the transaction and to manage dilution ahead of ASL's partner arbitration process. In April the Company raise £400k in new equity from existing shareholders to allow the Company to continue to execute at full capacity across various initiatives. In October, the Company introduced MBD Partners SA as a new strategic cornerstone investor and they subscribed for £1.5million in new equity at 3.5 pence per new share, which represented a 35% premium to the closing bid price on the previous day. This investment represented 20% of the enlarged share capital of the Company and came with the right for MBD to appoint one non-executive director to the Board and following the successful partner arbitration interim decision MBD were issued 45million new warrants exercisable at 5 pence per new warrant share at any time over the next 5 years.

During the year the Company also redeemed £368,366 of an outstanding loan owed to Riverfort, such that the Company debt at year end had materially reduced down to £184,183.

Summary

The Company continues to accelerate on its claims in Slovenia with pursuit of its ECT claim, which is now well advanced, alongside executing its claim for over €8million in revenues owed from its (now insolvent) JV partner Geoenergo. Post period in review the Company has had its contractual relationships under the Restated Joint Operating Agreement in Slovenia terminated by the administrator and repositioned itself with huge upside exposure from the in play Slovenian claims whilst putting a solid foot down in America with an investment into GNG Partners which owns a gas processing and helium purification business it acquired out of Chapter 11 bankruptcy in the Paradox Basin. The Company and its shareholders are now well positioned to still receive what is contractually owed to them from the Company's legacy Slovenian investment whilst we focus on a future founded on a cash generative business operating in an exciting area with a strong US onshore gas and helium story supporting it.

Andrew Dennan
Chief Executive Officer

30 May 2024

Strategic Report

Strategic Report

Section 414C of the Companies Act 2006 ("the Act") requires that the Company inform its members as to how the Directors have performed their duty to promote the success of the Company by way of a Strategic Report which includes a fair review of the business, an analysis of the development and performance of the business and analysis of financial position and key performance indicators.

We have incorporated these requirements into the information set out below.

Company Overview

Ascent Resources plc is a natural resources operating company that was admitted to trading on AIM in November 2004 (AIM: AST). Ascent has been involved in Slovenia for well over 10 years where it operates the Petišovci gas project. This asset, despite significant legal and permitting complexity, has significant oil and gas reserves and resources and an established, local production infrastructure with connections to local and export customers.

During 2017, the Company brought the Pg-10 and Pg-11A wells, which were drilled (and stimulated) in the Petišovci field in 2011, into production and started exporting production via high pressure pipeline to INA in Croatia. In 2019 sales of gas to INA stopped as a result of wellhead pressure falling below the pipeline pressure which was not able to be rectified as a result of Slovenia's administrative delays resulting in the permits to re-stimulate the wells not being forthcoming within the deadlines. Consequently, the wells have continued to produce declining volumes of hydrocarbons which has not been able to be rectified with further stimulation.

In May 2022 the Government of Slovenia enacted changes to the country's mining law that prohibit the production of hydrocarbons with the use of any form of stimulation, accordingly the Company would no longer be able to implement its development plan which has always included the use of low volume hydraulic stimulation to produce the tight gas reservoir, as has been done over thirty times on the field in the last fifty years. The wells on the concession area have continued to produce small volumes of unstimulated gas, with such production being sold to local industrial buyers via the low-pressure domestic pipeline. The Company successfully received payment for 2020 and 2021 hydrocarbons produced from the Pg-10 and Pg-11A (together the "JV Wells") wells in 2022. The Company's subsidiary, Ascent Slovenia Limited ("ASL") initiated domestic arbitration against Geoenergo, its JV partner, in December 2022 in relation to ASL and Geoenergo's different interpretations of the joint venture agreement relating to ASL's belief that it is entitled to a percentage of hydrocarbon production above a baseline production profile for the other wells on the concession area. In April 2023, ASL achieved a partial resolution of the revenue recognition dispute against its JV partner in relation to the JV Wells only, but was successful in being able to recognise JV Wells production for the period January 2022 through to February 2023. At the same time ASL concluded successful mediation with the JV service provider and settled a dispute for Petrol Geo's claimed amounts of €2+million for a final amount of €1.436million representing an approximate 30% discount to amounts owed. The parties also agreed to reduce the monthly fixed fee from €44k a month to the higher of €20k or 35% of ASL's share of the JV Wells monthly production. The Company therefore received net cash payment of €288,689 and has only received partial payments for production in March 2023 thereafter. The Company in tandem continued its domestic arbitration against the JV partner and a tribunal hearing took place in June.

In October 2023, the Company received a positive Arbitration Tribunal binding interim decision, confirming ASL's entitlement to proceeds above the baseline production profile from all wells in the concession area. The Company later announced that, following disclosure of the production data and production invoices, the amounts owed were approximately €8 million.

In January 2024, post the year end, ASL was advised that Geoenergo had initiated insolvency proceedings in Slovenia and shortly thereafter it was announced that the application to enter insolvency was approved. The Company then quickly filed an appeal against the decision of the court to this unprecedented decision and it continues to pursue civil and criminal areas of redress against the former management and stakeholders of Geoenergo. Consequently the court has upheld the decision and Geoenergo has fallen into administration. The administrator has taken the view that the RJOA was cancelled on their appointment, 19 January 2024, following which Ascent is released from continuing obligations under the RJOA and the Service Agreement with Petrol GEO was also simultaneously terminated. ASL has moved to protect its working interest in the insolvency proceedings which includes filing a claims for circa €8 million in invoiced and paid revenues it is owed as well as filing a precautionary claim for €3 million relating to ASL's share of expropriated JV assets in the administration process.

Given that the future development plans of the Petišovci field have always included the use of low volume hydraulic stimulation, the May 2022 ban has now destroyed the full economic value of Ascent's investment in Slovenia.

In August 2022, the Company formally initiated arbitration proceedings against the Republic of Slovenia with monetary damages claim in excess of €500 million, which was accepted and successfully registered by the International Centre for Settlement of Investment Disputes ("ICSID"). The Tribunal was constituted in accordance with Article 37(2)(a) of the ICSID Convention on 7 March 2023.

On 21 July 2023, the Company announced that Enyo Law LLP (the Company's appointed specialist litigation and arbitration lawyers) had filed on behalf of the Claimants, the arbitration memorial. This memorial includes the narrative and legal reasoning of how the Investors' investments in Slovenia have been unfairly targeted and expropriated by Slovenia (pursuant to its actions to change the mining laws to prohibit the use of any kind of hydraulic stimulation for the purpose of producing hydrocarbons), as well as witness statements from key individuals and independent third party technical and quantum expert reports. The damages are now valued at €656.5 million .

On 22 September 2023 the Company announced that it has secured an after the event insurance policy in relation to the Company's €656.5 million Energy Charter Treaty damages claim against the Republic of Slovenia. Following the announcement in December 2023 that the Company was starting the process to distribute an entitlement to the economic interest in 49 percent of any net proceeds relating to the ECT Claim to qualifying existing stakeholders in the event of a successful claim outcome against Slovenia, the Company announced a Bonus Issue of new Preference Shares in February 2024. The issue of the new Preference Shares and other associated matters were approved at an General Meeting of the Company on 4 March 2024. It should be cautioned that in the event the Company is successful in its claim, any amount actually received by the Company may be significantly lower than the full claim.

In June 2023, the Company announced an intention to bid for Amur Minerals Plc ("Amur"), having been in discussions with the Amur board around a concept of merging their cash resource post payment of their special dividend with Ascent's business development inventory in Latin America, to combine and execute on a joint strategy focused on metals processing and reprocessing businesses which expose shareholders to precious and battery metals and have a pathway toward cashflows within 6 months to three years. However, discussions were terminated in August 2023.

In October 2023, the Company signed a Strategic Collaboration Agreement with investment company MBD Partners SA("MBD") alongside a cornerstone equity investment by MBD of £1.5m into the Company. This investment will allow the Company to evaluate a number of opportunities consistent with the Company's strategy to grow in onshore oil and gas, oil services, mining and ESG Metals.

The Company's strategy is to grow in onshore oil and gas, oil services and wider natural resources opportunities that can position the Company to access near term or existing revenues from sustainable operations in burgeoning markets. Thematically the Company has been looking at battery metals mining and tailing

reprocessing opportunities in Latin America as well as a number of upstream and upstream related support service businesses in a number of international geographies.

Post period in review the Company announced its maiden investment away from Slovenia with an initial investment into GNG Partners LLC ("GNG"), a US onshore operating oil and gas processing and helium purification business. GNG is a private US holding company, that was formed to acquire onshore US midstream gas distribution and processing facilities which includes helium purification and liquefaction. The Paradox Estate, according to the Chapter 11 documentation, comprises primarily a midstream gas processing and helium purification business with a liquefaction unit and access to over 500 miles of gas gathering pipelines as well as a downstream helium truck distribution business. Most notably this includes the 60MMcfd Lisbon Plant, in Utah's Lisbon Valley (35 miles southeast of Moab).

GNG has acquired the Paradox Estate for an effective consideration of US$11.5M plus cure costs relating to the assigned contracts and leases related to the continuing operations of approximately US$2M ("Consideration"). The Consideration has been paid via a 7-year loan note for an amount of US$7M with interest accruing at 6% per annum (payable in kind) ("PIK Note") provided by some of the Paradox pre-insolvency creditors alongside new equity capital for the balance. Ascent has provided an initial investment of US$1 million into GNG via a zero coupon unsecured two-year convertible loan note which converts, exclusively at the election of Ascent, into 1 million membership units of GNG, which would represent 10% of the issued member units of GNG if converted on the day of the initial subscription. Ascent will collaborate with GNG to potentially provide further capital over time to accelerate the business into a premium US liquefied helium producer and distributor.

Underpinning the acquisition of the Paradox Estate and Ascent's investment in GNG is a plan to quickly recommission the liquification unit to rapidly move back into premium markets of producing and selling liquified helium, as well as further opportunity to invest in iso-containers which would provide the business with even greater price command. Ascent and GNG have agreed to work together with a view to Ascent potentially providing capital for this critical value enhancing development.

Asset Overview

Slovenia – Petišovci Tight Gas Project

The Petišovci gas project is in an area that has been exploited since 1943. The project targets the significant deeper gas reserves and resources in the Middle Miocene Badenian or Petišovci-globoki ("Pg") gas reservoirs.

Using the results of an extensive 3D seismic survey conducted in 2009 by Ascent and its partners, the locations of two new wells were determined. These wells, Pg-10 and Pg-11A were successfully drilled, completed and stimulated between 2010 and 2012. In 2017, following the acquisition of pipeline infrastructure and securing a commercial gas sales agreement, the JV brought both of these wells into production and started exporting gas from Petišovci to INA in Croatia.

Cumulative gas production from the Pg gas field since 1963, including fuel and flare use and accounting for the gas equivalent of the historical condensate production, is 13.1 Bcfe (370.9 MMsm3). This is 3% of the currently estimated gas initially in place ("GIIP") of 430 Bcfe, (12.2 Bsm3), based on independent third- party estimates.

Further details of the asset and current reserves and resources can be found on page 20.

During the year under review, Ascent managed the Petišovci project on behalf of the Joint Venture between Ascent Slovenia Limited and Geoenergo. Ascent has a 75% working interest in the project and carries 100% of the costs. Until Ascent has recovered its costs in full it will receive a preferential recovery share of 90% of the net revenues from hydrocarbons produced above the Baseline Production in the Concession Area. Post period under review (as detailed further below) Ascent Slovenia Limited's joint venture partner Geoenergo d.o.o., who is also the concession holder, filed for self-appointed insolvency.

In May 2023, Slovenia approved amendments to its mining laws which included a further 30-month automatic extension for mining concessions which were due to expire in 2023 and 2024. The Petišovci concession was

officially granted this extension in December, which confirmed that the concession was extended and due to expire in May 2026. As a result of the administration of the concession holder and joint venture partner Geoenergo d.o.o. the concession subsequently expired on 19 April 2024.

Following receipt of a binding interim decision from a domestic Slovenian arbitration tribunal in October, Ascent is owed amounts of approximately €8million since October 2019. Following Ascents announcement of this in December, in January Geoenergo filed for insolvency and an administrator was appointed by the Courts. Despite a number of appeals filed by ASL the administration was galvanised by the courts and the administrator took the view that the RJOA was unilaterally terminated by them on their appointment on 19 January 2024. Consequently the Service Agreement with Petrol GEO has also terminated. The Company filed a claim in the Geoenergo insolvency proceedings for a total of €11million, which comprises of amounts of approximately €8million relating to monies received by Geoenergo and owed to ASL as well as a further claim for €3million relating to ASL's share of JV property involved in the bankruptcy estate of Geoenergo. The Geoenergo administrator further advised that the concession contract expired on 19 April 2024, being the date three months after the appointment of administrator and as a result of Geoenergo not paying or being able to find someone to pay on their behalf the outstanding €2.3million requested by the Ministry of Natural Resources in relation to the previously agreed abandonment liability relating to the whole concession area (and of which only €345,200 relates to the JV wells and of which €300,000 was previously pre-funded by ASL as part of the terms of the RJOA).

Investment in GNG Partners LLC

The Company currently has a $1million convertible loan note with GNG Partners LLC which is the entity which has acquired the Lisbon Valley gas processing plant out of Chapter 11 bankruptcy. The Chapter 11 documentation sets out that the Lisbon Plant is the sole operating natural gas processing plant in the Paradox Basin and is fed by over 500 miles (of which 279 miles are wholly-owned by GNG) of helium rich gas gathering pipelines which have access to helium rich gas sources with 7-8% He concentration in the four corners region, most notably in SE Utah and NW New Mexico. The Lisbon Plant is a 60 MMcfd (million cubic feet per day) gas treatment plant which has a 1.1 MMcfd processing capacity for helium, a 45 MMcfd cryogenic plant and 10 MBpd (thousand barrels per day) fractionation train. The plant was built specifically to process the Paradox Basin natural gas that often has high CO_2, H_2S, N_2 and He content. GNG believe that the Lisbon Plant can produce approximately 3.4% of the US liquid helium production (or 1.7% of the World's liquid helium). The Lisbon Plant is currently operational and processing gas and purifying helium which is sold as gaseous helium directly to industrial consumers via truck. The Lisbon Plant has a liquification unit which has been in care and maintenance since around 2013 (when the liquified helium price was only US$62.25 /Mcf versus the US$750-1,250 /Mcf range available today).

Our Strategy

Our strategy remains to preserve and defend the value of the Company's legacy flagship investment in Slovenia, which is now most notably a funded ECT damages claim in combination with a significant creditor claim against the estate of the insolvent JV Partner. The Company is focused on vigorously defending these amounts it is owed and deprived of, in combination with growing via new investments into new assets in new territories away from Slovenia. The Company is thematically focused on getting exposure to natural resource and related business opportunities that are advanced and have existing or near term access to new material revenues, whilst also positioned with exposure to burgeoning markets and which exhibit material upside. The Company continues to screen and evaluate a number of deals in the oil and gas upstream and related services sectors, where the Company has core competencies and existing relationships and which still afford investors with entry into new projects at compelling valuations.

As to its forward looking strategy, the Company announced, post period in review, that it had made an initial investment into a US onshore gas processing and helium purification and distribution company (as detailed above). The Company believes opportunities like this, which afford investors access to existing revenue generating platforms that have ample capacity and are positioned to accelerate into burgeoning markets

(helium liquification in this instance), provide compelling investment opportunity for a growth company like Ascent.

Our Markets

Dependency on imported gas is very high throughout the EU, particularly in Slovenia. This, and the history of relatively stable gas prices in Europe, has underpinned our historic strategy of exploration, development and production in this region. Our wells are connected to existing processing facilities, intra-field and international pipelines, ensuring low-cost connection and easy access to the market.

The Board recognises the attractiveness of the European region for oil and gas development and many countries outside of Slovenia have well organised regulatory frameworks and a history of oil and gas development.

The Company has identified the American and African regions as highly prospective for implementing its strategy to grow in onshore oil and gas, oil services, mining and ESG Metals. These regions have a long history of natural resource operations and an established framework for international investors to engage directly in projects.

Directors' Statement under Section 172 (1) of the Companies Act 2006

The Section 172 (1) of the Companies Act obliges the Directors to promote the success of the Company for the benefit of the Company's members as a whole.

The section specifies that the Directors must act in good faith when promoting the success of the Company and in doing so have regard (amongst other things) to:

a) the likely consequences of any decision in the long term;
b) the interests of the Company's employees;
c) the need to foster the Company's business relationship with suppliers, customers and others;
d) the impact of the Company's operations on the community and environment;
e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly as between members of the Company.

The Board of Directors is collectively responsible for the decisions made towards the long-term success of the Company and how the strategic, operational and risk management decisions have been implemented throughout the business is detailed in this Strategic Report.

The Board has made significant progress in the Slovenia dispute and damages claim over the last year with the filing of the memorial which included independent validation of the damages assessment for €656.5 million and the Company and ASL successfully contracted an after the event insurance policy.

The Company's wholly owned subsidiary, ASL, continues to defend its working interests in Slovenia with successful mediation with Petrol Geo and partial settlement of the arbitration dispute with Geoenergo over revenue recognition during 1H 2023, with the Company continuing to pursue arbitration over claims to production from other wells in the concession area whilst in a preferential cost recovery mode which was confirmed in October with the arbitration tribunal issuing a binding interim decision confirming ASL is entitled to all of the additional proceeds from other wells on the concession area. Following disclosure of the relevant production data and invoices, the Company believes ASL is owed approximately €8 million since October 2019 to date. Post period in review, the JV partner filed for insolvency and the Company's wholly owned subsidiary, ASL, continues to pursue civil and criminal areas of redress against the former management and stakeholders of Geoenergo as well as pursuing recovery of amounts owed in the administration estate.

The Company’s strategy is focused on opportunities in onshore oil and gas, oil services, mining and ESG Metals, with a focus on near term or already revenue generating businesses operating in burgeoning markets and which exhibit material upside.

The defence of the Company’s legacy investment in Slovenia alongside executing new business development activities has been combined with capital raises to fund the business moving forward for the benefit of all stakeholders: shareholders, employees and suppliers alike.

Stakeholder engagement

The Board recognises that our employees are one of the key resources of our business which enables delivery of the Company’s vision and goals. Annual pay and benefit reviews are carried out to determine whether all levels of employees are benefited equally and to retain and encourage skills vital for the business. The Remuneration Committee oversees and make recommendations for executive remuneration and any long-term share/option awards. A scorecard is prepared annually and reviewed half yearly. Bonus awards are based on achievement of scorecard targets. Employees are informed, both of results and important decisions, and are encouraged to feel engaged and to improve career potential.

The Board acknowledges that a strong business relationship with suppliers and customers is a vital part of the growth. Whilst day to day business operations are delegated to the executive management, the Board sets directions with regard to new business ventures. The Board uphold ethical business behaviour and encourages management to seek comparable business practices from all suppliers and customers doing business with the Company. We value the feedback we receive from our stakeholders and we take every opportunity to ensure that where possible their wishes are duly considered.

Policies and processes

The Board considered a number of governance matters during the year. These included amongst other matters, the review and approval of updated Matters Reserved for the Board and the review and approval of updated Schedule of Financial Authorities.

The Board is responsible overall for reviewing the effectiveness of the policies and processes, while the role of senior management is to implement Board policies and processes.

Maintaining High Standards of Business Conduct

The Company is incorporated in the UK, governed by the Companies Act 2006 and carries out its business in Slovenia as well as post period under review making an investment in US onshore gas and helium processing plant and having business development interests in America. The Board guides management and the employees to conform with relevant statutory and regulatory provisions in the United Kingdom and any other prevailing regulations and best practices at other operative locations.

The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 and will look to implement the 2023 Code for the year ended 31 December 2024 as far as possible. The Board recognises the importance of maintaining a good level of corporate governance, which together with the requirements to comply with the AIM Rules ensures that the interests of the Company’s stakeholders are safeguarded. The Board receives training periodically, and in 2023 the Board and all employees received Anti-Bribery and Corruption training.

The Board has insisted that ethical behaviour and business practices should be implemented across the business. Anti-corruption and anti-bribery training are provided to staff and contractors and the anti-bribery statement and policy is contained in the Company’s Employee Manual. The Company’s expectation of honest, fair and professional behaviour is reflected by this and there is zero tolerance for bribery and unethical behaviour by anyone relating to the Company.

The importance of making all employees feel safe in their environment is maintained and a Whistleblowing policy is in place to enable staff to confidentially raise any concerns freely and to discuss any issues that arise. Strong financial controls are in place and are well documented.

Shareholders

The Board places equal importance on all shareholders and recognises the significance of transparent and effective communications with shareholders. As an AIM listed company there is a need to provide fair and balanced information in a way that is understandable to all stakeholders and particularly our shareholders.

The Company values the views of its shareholders and the Directors are keen to engage with shareholders and work with them so that they are aligned to the strategy and growth of the business.

The primary communication tool with our shareholders is through the Regulatory News Service, ("RNS") on regulatory matters and matters of material substance. The Company's website provides details of the business, investor presentations and details of the Board and Board Committees, changes to major shareholder information, QCA Code disclosure updates under AIM Rule 26. Changes are promptly published on the website to enable the shareholders to be kept abreast of Company's affairs. The Company's Annual Report and Notice of Annual General Meetings (AGM) are available to all shareholders. The Interim Report and other investor presentations are also available on our website.

The AGM is an annual opportunity for shareholders to meet with the Company and receive a full update of the business from both the Board and management. There is full transparency of the voting on the resolutions at the AGM, with the Company disclosing the proxy votes received on each resolution in the RNS released shortly after the AGM.

In order to increase shareholder awareness, the Company has recorded a number of media interviews which are available to view and/or download on leading investor- focused websites and from the Company's social media accounts. An email alert service has also been established to which shareholders can subscribe to receive company announcements as and when they are released.

Community and Environment

The Board places utmost importance of matters pertaining Environmental, Health, Safety and Social Responsibility and guides the Company on following due policies and processes in order to protect the Community the Company operates within.

Health and Safety measures are reviewed periodically and the necessary improvements are recommended for better practices. The Company recognises its role as an oil and gas exploration and production company and is aware of the potential impact that it may have on the environment. The Company ensures that its subsidiary companies comply with the local regulatory requirements with regard to the environment and seeks to engage local specialised subcontractors where applicable.

Financial Report

Financial KPI's	2023 £'000s	2022 £'000s	Variance £'000s
Revenue	1,412	581	831
Other income	363	–	363
Cost of sales	(626)	(504)	(140)
Administrative Expenses	(1,960)	(1,472)	(420)
Impairment expense	–	(39,721)	39,721
Operating Cash Flow	(1,389)	(1,211)	(178)
Cash Balance	475	325	150

Operational Performance

The Petisovci JV wells produced 1,139,690 standard cubic metres of gas and 44,860 litres of condensate from the Pg-10 and Pg-11A wells during the year. Production is in line with the 2022 period where the two wells produced 1,164,500 cubic metres of gas and 37,855 litres of condensate.

Production KPI's	Jan 2023	Feb-23	Mar-23	Apr-23	May 2023	Jun 2023
Total gas (k scm)	116.42	99.39	124.26	105.43	105.15	94.49
Total gas (M scf)	4,111.44	3,510.07	4,388.13	3,723.33	3,713.16	3,336.71
Average daily gas (k scm)	3.76	3.55	4.01	3.51	3.39	3.15
Average daily gas (k scf)	132.63	125.36	141.55	124.11	119.78	111.22
Total condensate (liters)	4,300.00	4,300.00	3,900.00	2,800.00	2,400.00	4,500.00
CGR (liters per 1000 scm gas)	36.93	43.26	31.39	26.56	22.83	47.63
BOE – gas	602.14	514.07	642.66	545.30	543.81	488.68
BOE – condensate	27.00	27.00	24.49	17.58	15.07	28.26
Total BOE	629.14	541.07	667.15	562.88	558.88	516.94
Production KPI's	**Jul 2023**	**Aug 2023**	**Sep 2023**	**Oct 2023**	**45,231.00**	**Dec 2023**
Total gas (k scm)	43.21	123.47	97.34	87.28	90.01	53.25
Total gas (M scf)	1.53	4.36	3.44	3.08	3.18	1.88
Average daily gas (k scm)	1.39	3.98	3.24	2.82	3.00	1.72
Average daily gas (k scf)	49.22	140.65	114.58	99.42	105.95	60.67
Total condensate (liters)	2,050.00	4,800.00	3,800.00	4,410.00	5,100.00	2,500.00
CGR (liters per 1000 scm gas)	47.45	38.88	39.04	50.53	56.66	46.94
BOE – gas	223.46	751.55	592.50	531.25	547.87	324.16
BOE – condensate	12.87	30.14	23.86	27.69	32.03	15.70
Total BOE	236.33	781.69	616.36	558.94	579.90	339.86

Our Principal risks and uncertainties

Slovenia Disputes Risk	**Dispute with the Republic of Slovenia** The Company is pursuing an Energy Charter Treaty ("ECT") damages claim for €656.5 million, relating to the loss of the full economic value of the Company's investment as a result of Slovenia's actions in breach of the country's obligations under international law. The claim is expected to progress through the arbitration process, whilst the Company remains amenable to settlement of its claim sooner if achievable. Although the Company considers that it has a strong claim, there is an inherent risk when carrying arbitration proceedings that the full amount of damages might not be recovered. The Company is mitigating such risk by instructing a reputed London based law firm specialised in investment treaty arbitration to manage such claim together with local Slovenia counsels with previous arbitration experience, with the internal support of the Company's inhouse lawyer. The company signed a Damages Based Agreement with ENYO Law and an After the Event insurance was secured in October 2023 which protect the company in case of adverse costs being imposed. **JV Update** The Company continued through the respective dispute resolution processes in regards to disputes with both JV partner Geoenergo (non payment of revenues owed to ASL) and JV service provider Petrol Geo (non performance with manager orders and significant change in circumstances making their fee disproportional). The Company retains Slovenian legal advisors to support it in relation to these matters. Whilst partial resolutions were achieved during 2023, there can be no certainty of the future outcomes.
Commodity Prices	The Group is exposed to risks arising from fluctuations in the demand for, and price of, hydrocarbons. Oil and gas prices depend on numerous factors over which the Group does not have any control, including global supply, international economic trends, currency exchange fluctuations, inflation, consumption patterns and global or regional political events. This risk impacts evaluation of business development opportunities where commerciality depends on assumptions around future commodity prices. In terms of evaluating and sanctioning new investments, the Group adopts a conservative price forecast to ensure capital is allocated to projects with robust economics, even in lower commodity price environments
Permitting risk	The single biggest issue when carrying out operations in Slovenia over the past years has been the environmental permitting process. This is not unique to Ascent and it is our opinion that inefficiencies and uncertainties within the environmental permitting process are a significant hurdle to economic growth in Slovenia. However, in May 2022 Slovenia approved amendments to its mining law which prohibit the granting of mineral concessions where the use of hydraulic stimulation is used to explore for or produce hydrocarbons. Permitting risk exists for any element of the field development plan which requires an environmental permit; mainly well stimulation and the installation of processing equipment. This risk is managed by our detailed understanding of the process and our actions to ensure Slovenian and EU regulations are followed properly by Slovenian officials. In September 2022 the Company successfully registered its €656.5 million Energy Charter Treaty damages claim against the Republic of Slovenia under the International Centre for Settlement of Investor Disputes It should be cautioned that in the event the Company is successful in its claim any amount actually received by the Company may be significantly lower than the full claim. Post period in review, in the context of its insolvency proceedings, Ascent was notified that the mining right (and thus also the Concession Agreement) for exploitation of hydrocarbons in the exploitation area of "Murska depresija" shall cease (ex lege) on 19 April 2024 and all rights and obligations, arising from the mining right, were transferred (ex lege) to the competent ministry, i.e. the Ministry of Natural Resources and Spatial Planning of the Republic of Slovenia. The Company and ASL retain Slovenian counsel to advise them on the legal implications of the actions happening to the Company as a result of Geoenergo's insolvency. Whilst the Company has legit claims and will vigorously pursue them, there can be no certainty of the full or any amounts being recovered in the administration process.

Concession extension risk	The concession was previously due to expire on 28 November 2023. The Company encouraged its JV partner to submit an ordinary concession application ahead of the deadline (6 months prior to expiry date) which was duly completed and filed. In tandem with this filing Slovenia introduced new legislation to automatically extend concessions which were due to expire within the next 18 months and had/have submitted an ordinary concession extension application to receive an immediate 30 month extension to ease the administrative backlog resulting from COVID-19. Accordingly in December the concession was confirmed to have a revised expiry date of 28 May 2026. Given the insolvency, post period in review, of the concession holder Geoenergo Ascent was notified that the mining right (and thus also the Concession Agreement) for exploitation of hydrocarbons in the exploitation area of "Murska depresija" shall cease (ex lege) on 19 April 2024 and all rights and obligations, arising from the mining right, were transferred (ex lege) to the competent ministry, i.e. the Ministry of Natural Resources and Spatial Planning of the Republic of Slovenia. The Company and ASL retain Slovenian counsel to advise them on the legal implications of the actions happening to the Company as a result of Geoenergo's insolvency. Whilst the Company has legit claims and will vigorously pursue them, there can be no certainty of the full or any amounts being recovered in the administration process.
Risk to Insolvency of JV Partner	Following the binding interim decision from Slovenian arbitration panel, in October, in favour of ASL's claims to entitlement to 90% of revenues from all wells in the concession area (except for Pg-1) above the baseline production profile while ASL is in a preferential recovery position, ASL calculated its claim entitlements for the period October 2019 to December 2023 which totalled approximately €8 million. Following announcement of the binding decision and ASLs claimed entitlements Geoenergo filed for self-appointed insolvency in January 2024. Despite a number of challenges and appeals lodged by ASL an administrator was appointed on 19 January. In March the High Court approved the final insolvency and it became unconditional. The Company has subsequently submitted a claim in the insolvency proceedings. There can be no certainty of the claim outcome. The Company retains Slovenian legal advisors to help mitigate its risk and maximise its success in the outcomes of the continuing processes.
Sanctions Risk	Ascent Resources Plc ("Ascent") and all subsidiaries and members of its global corporate group (collectively the "Ascent Group") are committed to ensuring that all parts of our business and all our employees fully comply with all sanctions laws applicable to our work. These include all applicable European Union ("EU") and United Kingdom ("UK") sanctions laws and associated regulations.
Availability of funding Risk	Ascent's asset portfolio does not yet generate the cash necessary to grow the business at a rate in keeping with its ambition and the Group will need to raise additional funds to implement its strategy. The ability of the Group to raise funds will depend on factors not wholly with the control of management, including general market sentiment and attitudes toward small-cap energy companies. As a result there can be no assurance that the required funding will be available on favourable terms, if at all. Failure to raise required funds could have a material adverse effect on the Group's business, operating results and financial condition, and may result in erosion of value for shareholders. The Group's strategic focus on acquiring and developing an asset portfolio, which is aligned with ESG metals strategy partly mitigates the risk posed by negative sentiment towards the hydrocarbon industry. Management also seeks to mitigate risk through prudent management of costs and rigorous evaluation of investment opportunities to ensure these will be attractive to investors in the debt and capital markets.
Failure to identify new opportunities	With the recent events in Slovenia which no longer allow ASL to economically produce the Petisovci tight gas it was important for the company to identify new opportunities and secure them. The risk of failing to identify new opportunities was present but post period under review, the company made an investment into a US 60mmscfd gas processing plant with helium purification and liquidation units in the US with the aim of increasing its scale, presence and footprint in the future both in midstream gas processing as well as potentially acquiring interests in upstream acerage, therefore this risk has been minimised.

Political Risk:	The company has been experiencing a challenging environment in Slovenia for the past years with the sentiment that our group of companies have been politically targeted amongst other reasons because of their foreign origin. Political risk is therefore identified, with a possibility of Slovenia seizing our companies' assets and Slovenia not complying with an adverse arbitral award in the event that Ascent Resources Plc and Ascent Slovenia Limited are successful in their ECT Claim. The company is looking to minimise this risk by appointing top law firms both in Slovenia and in the UK to assist in protecting the group companies' rights and defend their interests in Slovenia
Resources Risk	During the year under review, the major resources risk came of the fact that Ascent Slovenia Limited was not directly on the license, but through its JV partner Geoenergo. Therefore actions from the license holder together with Petrol Geo, could have an impact on ability for Ascent to access the resource. Post period under review, the company has made an investment into a US gas and helium processing with the aim of increasing its footprint in the future. The activities include processing of third parties Helium and gas production, treatment, liquefaction capabilities and distribution to the markets. The resources risk in this new project is low, given that the plant is fed by a gas gathering system which spans over 520miles and is adjacent to a number of different fields and different operators. However the gas plant has recently been acquired out of Chapter 11 Insolvency and there are risks associated with agreeing new contracts for access to gas to process and this is also contingent on the gas field operators wanting to produce gas.

How we operate

The Company utilises a full range of advanced geophysical, geological and other state-of-the-art technology to evaluate and de-risk projects and to reap maximum benefit from its appraisal, development and production activities. Our Petišovci project historically operated through a local entity in a joint venture.

Our people

Ascent has a small executive team implementing a clear growth strategy. This is supplemented, as the need requires, with regional technical, legal, compliance and operational expertise to ensure the highest standards are delivered on our projects. As an important local employer in our area of operation we take our environmental and social responsibilities seriously and always strive to be a good corporate citizen.

Approved for issue by the Board of Directors and signed on its behalf.

James Parsons
Executive Chairman

30 May 2024

Summary of Group Net Oil and Gas Reserves as of 31 December 2023

Net Reserves and Resources

	Net Attributable Producing Reserves (bcf gas)			Net Attributable Non-producing Reserves (bcf gas)			Total Net Attributable Reserves (bcf gas)		
	P90	P50	P10	P90	P50	P10	P90	P50	P10
Net Ascent	**41**	**84**	**162**	**35**	**73**	**145**	**75**	**156**	**307**

In May 2022 the Government of Slovenia enacted changes to the country's mining law that prohibit the production of hydrocarbons with the use of any form of stimulation which has destroyed the full economic value of the producible reserves given that they are contained in a tight rock reservoir the Company's development plan had always included the use of low volume hydraulic stimulation to produce the tight gas reservoir, as has been done over thirty times on the field in the last fifty years. The existing wells on the concession area have continued to produce small volumes of unstimulated gas, however the Company no longer considers further development of the Petišovci area to be economically viable and therefore extraction of the above stated reserves is unlikely.

These figures are based on RPS Energy "Updated Independent Volumetric Review of the Petišovci area" gas-in-place estimates with a management assumption of a 50% recovery factor and Ascent's 75% participating interest.

Tested and/or producing commercial sands are included as Producing Reserves while untested and unproduced sands remain as non-Producing Reserves. The condensate content of gas is not included.

Remaining gas reserves have been adjusted to take into account historic field production since 1963, including estimates of process flare and fuel, which to the end of 2021 were 12.9 bcf.

Proven Reserves (P90) are those quantities of petroleum which can be estimated with reasonable certainty to be commercially recoverable, from known reservoirs and under current economic conditions, operating methods and government regulations.

Proven + Probable Reserves (P50) includes those unproven reserves which are more likely than not to be recoverable.

For the P90 (P50 and P10) Reserves there is at least a 90% (50%; 10%) probability that the quantities actually recovered will equal or exceed the estimate.

The range of estimates shown for each category of reserves is a measure of the uncertainty inherent in the estimation of producible volumes and includes the current perceptions of geological, operational and commercial risk.

Directors' Report

The Directors present their Directors' Report and Financial Statements for the year ended 31 December 2023 ("the year").

Principal activities

The principal activities of the Group comprise gas and oil exploration and production. The Company is registered in England and Wales and is quoted on the AIM Market of the London Stock Exchange.

The Group's corporate management is in London and its oil and gas interests during the period under review were in Slovenia. The Group operates its own undertakings both through subsidiary companies and joint ventures. The subsidiary undertakings affecting the Group's results and net assets are listed in Note 2 to the Financial Statements.

Future developments

Post period under review, the Company has announced its maiden investment away from Slovenia, focused on onshore gas and helium processing and production in America. The Company invested $1million via a convertible loan note which converts into 1million units in GNG Partners LLC ("GNG"), a newly formed private US holding company, formed to acquire the assets of Paradox Resources LLC ("Paradox Estate") out of Chapter 11 Bankruptcy.

The Paradox Estate comprises primarily a midstream gas processing & helium purification business with a liquefaction unit and 521 miles of gas gathering pipelines as well as a downstream helium truck distribution business. Most notably this includes the 60MMcfd Lisbon Plant, in Utah's Lisbon Valley (35 miles southeast of Moab). GNG has acquired the Paradox Estate for a total consideration of $16.5M plus cure costs of approximately $2M ("Consideration"). The Consideration has been paid via a $10.5M 7 year, 6% per annum PIK note provided by some of the Paradox pre-insolvency creditors alongside fresh equity capital for the balance. Alongside the GNG acquisition, Ascent has provided an initial investment of US$1 million into GNG via a zero coupon unsecured 2 year convertible loan note which converts, exclusively at the election of Ascent, into 1 million new units of GNG, which would represent 10% of the issued share capital of GNG at the time of investment. Ascent will collaborate with GNG to potentially provide further capital over time to accelerate the business into a premium US liquefied helium producer and distributor.

The Lisbon Plant is the sole operating natural gas processing plant in the Paradox Basin and is fed by over 521 miles (of which 279 miles are wholly-owned by GNG) of helium rich gas gathering pipelines which have access to world class helium rich gas sources of 7-8% He in the four corners region, most notably in SE Utah and NW New Mexico. The Lisbon Plant is a 60 MMcfd gas treatment plant which has a 1.1 MMcfd processing capacity for helium, a 45 MMcfd cryogenic plant and 10 MBpd fractionation train. The plant was built specifically to process the Paradox Basin natural gas that often has high CO2, H2S, N1 and He content. GNG believe that the Lisbon Plant can produce approximately 3.4% of the US liquid helium production (or 1.7% of the world's liquid helium). The Lisbon Plant is currently operational and is processing gas and purifying helium which is sold as gaseous helium directly to industrial consumers via trucks. The Lisbon Plant has a liquification unit which has been in care and maintenance since around 2013 (when the liquified helium price was only $62.25 /Mcf versus the $750-1,250 /Mcf range available today).

Underpinning the acquisition of the Paradox Estate and Ascent's investment in GNG is a plan to quickly recommission the liquification unit to rapidly move back into premium markets of producing and selling liquified helium, as well as further opportunity to invest in iso-containers which would provide the business with even greater price command. Ascent and GNG have agreed to work together with a view to Ascent potentially providing capital for this critical value enhancing development. The Paradox Estate also includes an upstream business which is simultaneously being onward sold to ARB Energy LLC ("ARB"), a qualified operator

in the region and parent company to one of the major shareholders of GNG. The upstream element of the business spans 119,00 acres in the helium-rich Paradox Basin in S. Utah and Colorado and includes 39 Bcf of net natural gas resources with significant upside both from exploration and the deepening of existing wells. GNG's onward sale has been concluded for $500k cash plus an assignment of $3.7M of royalty liabilities plus other abandonment liabilities. GNG, and in turn Ascent proportionally, shall retain a right to participate in up to 50% of the first twelve new wells. In the event GNG does not take up this right then Ascent shall have the right of first refusal to take up the balance of the working interest available.

With regards the Slovenia operations, the Company's investment in Slovenia was destroyed in May 2022, with the Republic of Slovenia adopting changes to its mining law which excluded the use of any form of mechanical stimulation for the purpose of exploring for or producing hydrocarbons. This law change is in breach of Slovenia's obligations under international law and the minutes from the parliamentary debate which specifically reference the "British Corporation" leave it in no doubt to the Company's directors that the Company has been specifically targeted with the enactment of this law. Accordingly, the Company submitted its request for arbitration against the Republic of Slovenia, which was registered by ICSID under the Energy Charter Treaty in September 2022, in relation to a €656.5 million damages claim relating to the law changes implemented by Slovenia in May 2022 which have destroyed the full economic value of the Company's investment. The Tribunal was constituted in March 2023 and the first procedural hearing was successfully convened in April 2023. The Company and ASL filed their memorial in the summer alongside confirmation of an independent damages assessment for a €656.5 million damages claim.

The damages claim is expected to continue to follow the structured ICSID arbitration process. It should be cautioned that in the event the Company is successful in its claim any amount actually received by the Company may be significantly lower than the full claim.

In December 2023, the Company announced that it was starting a process to be able to distribute an entitlement to the economic interest in 49% of any net proceeds received, after all legal fees, costs and expenses relating to the claim, in the event of a successful claim outcome against Slovenia by the Company and/or ASL. The intention of this potential distribution was to give qualifying stakeholders the opportunity of having ring-fenced access to a significant portion of the net proceeds resulting from a successful claim, which is not exposed to further changes in the capital structure of the Company.

As part of this process the Company created a new 100% owned subsidiary company as a special purpose vehicle with which the Company and ASL entered into a deed of transfer in relation to 49% of the net proceeds to be received in the event of a successful ECT claim outcome. Post period in review, these proposal were put forward to shareholders in a circular and following a record date these were approved by shareholders and actioned by the Company in March 2024.

Financial risk management

Details of the Group's financial instruments and its policies with regard to financial risk management are given in Note 23 of the Financial Statements.

Results and dividends

The loss for the year after taxation was £0.54 million (loss for 2022: £41.5 million). The Directors do not recommend the payment of a dividend (2022: Nil).

Post balance sheet events

In January 2024 post the year end, ASL was advised that Geoenergo had initiated insolvency proceedings in Slovenia and shortly thereafter it was announced that the application to enter insolvency was approved, with a consequential loss of the Concession in April 2024. The Company continues to pursue civil and criminal areas of redress against the former management and stakeholders of Geoenergo and ASL filed a claim in the Geoenergo insolvency proceedings for a total of approximately €11million which comprised of a claim for

€8million relating to monies received by Geoenergo and owed to ASL and a precautionary claim for €3million relating to ASL's interest in expropriated JV property.

Following the announcement in December 2023 that the Company was starting the process to distribute an entitlement to the economic interest in 49 percent of any net proceeds relating to the ECT Claim to qualifying existing stakeholders in the event of a successful claim outcome against Slovenia, the Company announced a Bonus Issue of new Preference Shares. The issue of the new Preference Shares and other associated matters were approved at a General Meeting of the Company on 4 March 2024. It should be cautioned that in the event the Company is successful in its claim, any amount actually received by the Company may be significantly lower than the full claim.

In April 2024 the Company announced new funding of upto $2.7 million via a new equity issue for $700k and a new senior secured loan facility for upto $2million of which an initial draw of $1million was made. In conjunction with this new fundraising the Company announced a new investment into GNG Partners LLC, a newly formed privately owned company founded to pursue acquisitions in US onshore midstream gas distribution and processing facilities which includes helium purification and liquefaction. GNG own the 60mmscfd Lisbon Valley gas processing plant which has 1.1mmscfd of gaseous helium processing capacity and a 550mcfd helium liquidation unit. The Company invested $1million into GNG via a 2 year zero coupon convertible loan which converts at Ascent's choosing into 1million units of GNG which represented 10% of the issued share capital of GNG at the time of investment.

Directors

The Directors of the Company that served during the year were as follows:

James Parsons
Andrew Dennan
Jean-Michel Doublet (appointed 21 November 2023)
Stephen James Birrell (resigned 24 October 2023)
Malcolm Graham-Wood
Marco Fumagalli (resigned 13 May 2024)

Relevant details of the Directors, which include committee memberships, are set out on pages 30-31.

On 23 April 2024, the Company announced that Malcolm Graham-Wood and Marco Fumagalli would be retiring by the end of May 2024 and on 13 May 2024, Marco Fumagalli announced that he had stepped down from the Board.

On 23 April 2024, the Company also announced that it intended to appoint David Bullion, CEO of GNG as a non-executive director and Edouard Etienvre as an independent non-executive director of the Company, subject to the completion of regulatory checks.

Directors' interests

The beneficial and non-beneficial interests in the issued share capital of the Company were as follows:

Ordinary shares of 0.5p each

	At 31 December 2023	At 31 December 2022
James Parsons	500,900	500,900
Andrew Dennan	2,140,000	2,140,000
Stephen Birrell (resigned 24 October 2023)	–	–
Malcom Graham-Wood	–	–
Marco Fumagalli (resigned 13 May 2024)	–	–
Jean-Michel Doublet (appointed 21 November 2023)	–	–

Directors' emoluments

Details of Directors' share options and remuneration are set out in the Remuneration Committee report on pages 32-34.

Third party indemnity provision

The Company has provided liability insurance for its Directors. The annual cost of the cover is not material to the Group. The Company's Articles of Association allow it to provide an indemnity for the benefit of its Directors which is a qualifying indemnity provision for the purposes of the Companies Act 2006.

Share capital

Details of changes to share capital in the period are set out in Note 18 to the Financial Statements.

As at 29 May 2024 the Company has been notified of the following significant interests in its ordinary shares, being a holding of 3% and above:

	Number of ordinary shares	**%**
MBD Partners SA	47,857,143	20.10%
Jennings & associates	13,900,000	5.84%
Horrocks Family	10,073,800	4.23%
Hargreaves Lansdown	13,232,329	5.56%
Interactive Investor	10,574,329	4.44%
Interactive Brokers	9,574,086	4.02%
HSDL Stockbrokers	9,223,765	3.87%

Shareholder communications

The Company's website, **www.ascentresources.co.uk** provides a platform for the purposes of improving information flow to shareholders, as well as potential investors.

Employees

The Company's Board composition provides the platform for sound corporate governance and robust leadership in implementing the Company's strategies to meet its stated goals and objectives.

The Group's employees and consultants play an integral part in executing its strategy and the overall success and sustainability of the organisation. The Group has a highly skilled and dedicated team of employees and consultants and places great emphasis on attracting and retaining quality staff.

The Group holds its employees and consultants at all levels to high standards and expects the conduct of its employees to reflect mutual respect, tolerance of cultural differences, adherence to the corporate code of conduct and an ambition to excel in their various disciplines.

Disclosure of information to auditors

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant audit information of which the Company's auditors were unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself aware of and relevant audit information and to establish that the Company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Going Concern

The Financial Statements of the Group are prepared on a going concern basis as detailed in Note 1 to the financial statements.

The Group and Company financial statements have been prepared under the going concern assumption, which presumes that the Group and Company will be able to meet its obligations as they fall due for the foreseeable future.

The Company raised £0.4 million in new equity in April 2023 from new and existing investors and has settled revenue disputes with its JV partner and settled invoice disputes with its JV operator such that a net €288,000 was received by the Company.

In October 2023, the Company signed a Strategic Collaboration Agreement with investment company MDB Partners SA ("MDB') alongside a cornerstone equity investment by MDB of £1.5m into the Company. This investment will allow the Company to evaluate a number of opportunities consistent with the Company's strategy to grow in onshore oil and gas, oil services, mining and ESG Metals.

Post period in review the Company successfully raised £555,000 by way of new equity issue with proceeds used to fund its investment into GNG and general working capital. The Company also entered into a new US$2 million senior secured fixed coupon loan facility with institutional investor RiverFort Global Opportunities PCC Ltd, of which $1m has been received and a further draw down of $1m is available.

Under the Group's forecasts, the funds raised together with existing bank balances provide sufficient funding for 5 months as at the date of this report.

In addition to the need to raise additional funding in the second half of 2024, the forecasts are sensitive to the timing and cash flows associated with the continuing situation in Slovenia, and discretionary spend incurred with executing the strategy to grow in onshore oil and gas, oil services, mining and ESG Metals. As such, the Company will need to raise new capital within the forecast period to fund such discretionary spend.

Negotiations with potential new investors is ongoing and based on historical and recent support from new and existing investors the Board believes that such funding, if and when required, could be obtained through new debt or equity issuances. However, the ability to raise these funds is not guaranteed at the date of signing these financial statements. As a consequence, there is a material uncertainty to the going concern of the Group.

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution for the reappointment of PKF Littlejohn LLP as auditors of the Company is to be proposed at a General Meeting to be held prior to 30 September 2024.

Approved for issue by the Board of Directors and signed on its behalf

James Parsons
Executive Chairman

30 May 2024

Board of Directors

James Parsons

Executive Chairman (5 March 2020 to present)

In addition to his role as Executive Chairman at Ascent Resources plc, which is part time, James is also a director of Echo Energy Plc. James has over 20 years' experience in the fields of strategy, management, finance and corporate development in the energy industry. He started his career with the Royal Dutch Shell Group where he spent 12 years working in Brazil, the Dominican Republic, Scandinavia, the Netherlands and London. James was previously Chief Executive at Sound Energy Plc for eight years, is a qualified accountant and has a BA Honours in Business Economics.

Andrew Dennan

Chief Executive Officer/Executive Director (5 May 2020 to present)

Andrew has a wealth of corporate finance, merger, asset funding and corporate transaction experience on AIM. Throughout his career he has been involved in stockbroking and asset management in prominent roles, leading proprietary investment decisions, capital raising, risk oversight and portfolio management. He was formerly Chief Financial Officer and Director of Coro Energy Plc. Andrew holds the CFA Investment Management Certificate and has a BA(Hons) in Actuarial Science from City University.

Malcom Graham-Wood

Non-Executive Director (1 October 2020 to present)

Malcolm has over 40 years' experience in the energy business and is a well known corporate broker and market commentator to both private and institutional audiences. Malcolm is a Founding Partner of HydroCarbon Capital which provides independent advisory services to the oil & gas sector and is also a Director of the Maven Income and Growth VCT 4 PLC, a venture capital trust listed on the premium sector of the London Stock Exchange where he chairs the risk committee.

Jean-Michel Doublet

Non-Executive Director (21 November 2023 to present)

Jean-Michel has over 25 years of international experience in corporate finance, with strong M&A experience, working notably with independent oil and gas companies, focussing on emerging markets.

Corporate Governance Report

Chairman's Corporate Governance Statement

As Chairman, it is my role is to ensure that the Company has both sound corporate governance and an effective Board. My responsibilities as Chairman include leading the Board effectively, overseeing the Group's corporate governance model, communicating with shareholders and ensuring that good information flows freely between the Executive and Non-Executive Directors in a timely manner.

The Company has adopted the Quoted Companies Alliance Corporate Governance (QCA Code), which requires AIM-quoted companies to adopt a 'comply or explain' explain approach in respect of the application of guidance contained within. The Company intends to adopt the new 2023 Code for the year ended 31 December 2024 and comply where possible.

The Board believes that corporate governance is a framework which underpins the core values for running the business, including a commitment to open and transparent communications with stakeholders. We believe that good corporate governance improves long-term success and performance. The corporate governance framework within which Ascent operates, including Board leadership and effectiveness, Board remuneration and internal control is based upon practices which the Board believes are proportional to the size, risks, complexity and operation of the business.

2023 has been a year of accelerating progress as we defend our investment and contractual entitlements in Slovenia, with material progress being made in respect of the State ECT claim and local partner revenue recognition disputes. The Company is now positioned with an funded and advanced ECT claim against the State for €656.5million alongside further claims against Geoenergo for €8milllion in revenue owed plus a further amount of €3million relating to ASL's interest in JV assets which has been filed as a precautionary measure. The Company retains the advice of legal experts in the relevant fields and continues to focus on a future away from Slovenia, which began post period in review with the initial investment into GNG and indirect interest in the US onshore gas processing and helium purification business.

Engaging with our shareholders remains vitally important and we ensure that there are opportunities for investors to engage with the Board and the executive team.

The Company has an Executive Chairman and Chief Executive Officer, which the Board recognises does not comply with the requirements of the QCA Code. The reasons for this are to provide the skills and expertise to grow the business and deliver the strategy for the benefit of the Company's shareholders. During 2023, the Board saw the departure of Stephen Birrell and the appointment of Jean-Michel Doublet.

On 23 April 2024, the Company announced that Malcolm Graham-Wood and Marco Fumagalli would be retiring from the Board by the end of May 2024 and on 13 May 2024 Marco Fumagalli stepped down from the Board. The Company also announced that it intended to appoint David Bullion as a non-executive director and Edouard Etienvre as an independent non-executive director of the Company, subject to the completion of regulatory checks.

The Company continues to monitor the performance of the Board, ensuring that the require skill set and balance of independent non-executive directors is present. Whilst the Company has not undertaken a formal Board evaluation in recent years there is on-going consideration given by the Board to ensure the requirements of the business are met by the Board and its performance.

The Board is committed to leading the business in a way which is honest, transparent and accountable.

James Parsons
Executive Chairman

30 May 2024

Quoted Companies Alliance Corporate Governance Code

The Quoted Companies Alliance Corporate Governance Code ("QCA Code") is the Company's chosen corporate governance code to comply with.

In November 2023, the QCA published a new version of its corporate governance code (2023 Code) which retains the structure of the previous QCA Code (2018 Code) but has evolved to keep pace with investor expectations, particularly around ESG, internal controls, board composition and director remuneration. Given the 2023 Code will apply to financial years commencing on or after 1 April 2024, this report sets out our approach to the 2018 Code and governance.

The Board firmly believe that the QCA Code is the most appropriate corporate governance code for the Company to comply with.

The Company's statement in relation to the QCA Corporate Governance code can be found on the Company's website at https://wp-ascentresources-2021.s3.eu-west-2.amazonaws.com/media/2024/02/2024.02.29_Ascent-QCA-disclosure.pdf

QCA Code Principle	Required Disclosure	Reference
One	Establish a strategy and business model which promote long-term value for shareholders.	See pages 9-19 of the Annual Report, the 'Strategic Report'. See website disclosures at the above link.
Two	Seek to understand and meet shareholder needs and expectations. Explain the ways in which the Company seeks to engage with shareholders.	See pages 9-19 of the Annual Report, the 'Strategic Report'. See website disclosures at the above link.
Three	Take into account wider stakeholder and social responsibilities and their implications for long term success. Explain how the business model identifies the key resources and relationships on which the business relies. Explain how the Company obtains feedback from stakeholders.	See website disclosures at the above link.
Four	Embed effective risk management, considering both opportunities and threats, throughout the organisation.	See pages 27-31 of the Annual Report – Corporate Governance Report.
Five	Maintain the board as a well-functioning, balanced team led by the Chair.	See page 29 of the Annual Report 'Board Composition', and pages 27-31 Corporate Governance Report.
Six	Ensure that the Directors have the necessary experience, skills and capabilities.	See page 29 of the Annual Report. See website disclosure at the above link.
Seven	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement. A description of the Board performance evaluation process.	See page 29 of the Annual Report 'Board Composition'. See website disclosures at the above link.
Eight	Promote a corporate culture that is based on ethical values and behaviours. Explain how the Board ensures that the Company has the means to determine ethical values and behaviours.	The Board firmly believes that sustained success will best be achieved by adhering to our corporate culture of treating all our stakeholders, including our employees, fairly and with respect. Accordingly, in dealing with each of the Company's principal stakeholders, we encourage our staff to operate in an honest and respectful manner. See page 29 of the Annual Report 'Board Composition'. See website disclosures at the above link.

Nine	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board. Roles and responsibilities of the Chair, CEO and other directors with commitments. Describe the roles of the Committees.	See website disclosures at the above link and disclosures under AIM Rule 26.
Ten	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders. Outcomes of votes cast by shareholders to be disclosed in a clear and transparent manner. If a significant number of votes were cast against a resolution put to a general meeting (20%) explain the reasons behind the votes cast.	See page 30 of the Annual Report, 'Communication with Stakeholders, Corporate Governance Report. See website disclosures above link and disclosures under AIM Rule 26.

Board Composition

Membership of the Board and information on each member can be found in the Directors' Report.

James Parsons, Executive Chairman

James Parsons is the Group's Executive Chairman and chairs the Board, setting high standards of good corporate governance throughout the business. He leads in the development of strategy and setting objectives and oversees communication between the Group and its shareholders.

Andrew Dennan, Chief Executive Officer

Andrew Dennan is the Chief Executive Officer and has overall responsibility for managing the day-to-day operations of the Company and is responsible for implementing the Company's strategy.

Skills and competencies of the Board

The Chairman believes that, as a whole, the Board has a suitable mix of skills and competencies in order to drive the Group's strategy and is best placed to secure the future of the Company and create long-term value for all stakeholders. The Board has significant industry, financial, public markets and governance experience, possessing the necessary mix of experience, skills, personal qualities and capabilities to deliver the strategy of the Company for the benefit of the shareholders over the medium to long-term.

The Board updates its operational skills through active involvement in the industry. In addition, the Board keeps abreast of ongoing changes relating to governance and compliance, the AIM Rules for companies, QCA Code, the UK Market Abuse Regulations and other statutory and regulatory developments. All directors have access to the Company's Nomad, Company Secretary, lawyers and auditors and are able to obtain advice from other external bodies as and when required.

The Company embraces diversity and is dedicated to encouraging inclusion without compromising professionalism, experience and expertise.

The Board is supported by its Audit Committee, Remuneration Committee, Technical & Reserves Committee and HSE Committee. The number of Board and Committee meetings held throughout the course of the financial year is set out at the end of this Corporate Governance Report.

The Board firmly believes that sustained success will best be achieved by adhering to our corporate culture of treating all our stakeholders, including our employees, fairly and with respect. Accordingly, in dealing with each of the Company's principal stakeholders, we encourage our staff to operate in an honest and respectful manner. This is monitored on an ongoing basis by the Company's executive directors. Compliance with this principle is considered an important part of the annual assessment of staff and in setting their pay for future periods.

Communications with stakeholders

The Board places a high priority on transparent and effective communications with shareholders. As an AIM listed company there is a need to provide fair and balanced information in a way that is understandable to all stakeholders. The Board recognises the importance of engaging with all stakeholders including employees, investors, partners, suppliers, media and communities.

The primary communication tool with our shareholders is the Company's website, https://www.ascentresources.co.uk. The shareholders are also kept up to date through Regulatory News Service, ("RNS") on regulatory matters and matters of material substance.

The Company reports formally to its shareholders and the market twice each year with the release of its interim and full year results. The Company's Annual Report and Notice of Annual General Meetings (AGM) are published for all shareholders. These reports contain full details of all the principal events of the relevant period together with an assessment of current trading and future prospects. The Reports together with other investor presentations are also available on the website. The Company has full electronic communications in place, so that shareholders (unless they elect otherwise) will have access to communications through the Company's website. A much more effective and environmentally friendly way of interacting with shareholders.

Upon conclusion of Shareholder meetings arrangements are made that the outcomes of votes cast by shareholders can be disclosed in a clear and transparent manner. If a significant proportion of votes (20%+) was ever cast against a resolution, the Company would provide, on a timely basis, an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

Board and committee meetings

The Board holds five scheduled board meetings or conference calls throughout the year and ad-hoc calls are scheduled as and when the business demands.

Attendances of Directors at board and committee meetings convened in the year, and which they were eligible to attend, are set out below:

Director	**Board Meetings (8 in total – scheduled & ad-hoc)**	**Remuneration Committee (3 in total)**	**Audit Committee (4 in total)**
Number of meetings in year – Attendance			
James Parsons	8	–	–
Andrew Dennan	8	–	–
Stephen Birrell (resigned 24 October 2023)	7	3	1
Jean-Michel Doublet (appointed 21 November 2023)	1	–	–
Malcom Graham-Wood	8	3	4
Marco Fumagalli (resigned 13 May 2024)	5	0	3

Committees of the Board

The Committees of the Board comprise of non-executive directors.

Audit Committee

The membership of the Audit Committee during 2023 comprised Marco Fumagalli (chair) and Malcolm Graham-Wood. The Audit Committee determines and examines any matters relating to the financial affairs of the Group including the terms of engagement of the Group's auditors and, in consultation with the auditors, the scope of the audit.

The Report of the Audit Committee for 2023 is set out on page 32.

Remuneration Committee

The membership of the Remuneration Committee during 2023 comprised of Stephen Birrell (chair) and Malcolm Graham Wood. Following Stephen's departure from the Board in October 2023, Malcolm was appointed Chair and Marco joined the Committee. The Remuneration Committee is responsible for reviewing the performance of the Executive Chairman and the Executive directors, for setting the scale and structure of their remuneration, paying due regard to the interests of shareholders and the performance of the Group. It also reviews the performance of the senior management, sets and reviews their remuneration and the terms of their service contracts and considers the Group's bonus and option schemes, determining targets for any performance- related pay schemes operated by the Company.

The Report of the Remuneration Committee for 2023 is set out on pages 33-35.

The terms of reference of the Audit Committee and the Remuneration Committee are set out on the Company website.

The appropriateness of the Group's governance structures will be reviewed annually in light of further developments of accepted best practice and the development of the Company.

In view of the resignation of Marco Fumagalli and the announced resignation of Malcolm Graham-Wood and the appointments of David Bullion and Edouard Etienvre, the Committee membership is currently being reviewed.

HSE Committee

The HSE Committee meets as and when required. It did not meet in 2023.

Technical and Reserves Committee

The Technical and Reserves Committee meets as and when required. It did not meet in 2023.

Internal controls

The Board acknowledges responsibility for maintaining appropriate internal control systems and procedures to safeguard the shareholders' investments and the assets, employees and the business of the Group.

The Board has established and operates a policy of continuous review and development of appropriate financial controls together with operating procedures consistent with the accounting policies of the Group.

Internal audit

The Board does not consider it appropriate for the current size of the Group to establish an internal audit function.

Bribery and corruption

The Bribery Act 2010 came into force on 1 July 2011. The Company is committed to acting ethically, fairly and with integrity in all its endeavours and compliance with legislation is monitored. The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery policy in place to protect the Company, its employees and those third parties to which the business engages with. The directors and employees of the company received training on this subject in 2023.

Audit Committee Report

Committee composition

During 2023, Marco Fumagalli was Chair of the Committee and Malcom Graham-Wood was a member of the Committee.

Following the resignation of Marco Fumigalli on 13 May 2024, Malcom Graham-Wood was appointed Chair of the Committee and Jean-Michel Doublet was appointed as a member of the Committee.

In view of the resignation of Marco Fumagalli and the announced resignation of Malcolm Graham-Wood and the appointments of David Bullion and Edouard Etienvre, the Committee membership is currently being reviewed.

The role of the Audit Committee includes:

- Financial reporting – ensure the integrity of the financial statements including the annual and interim reports.
- Internal controls and Risk Management Systems – review the effectiveness of internal controls and risk management systems.
- Review the need for an internal audit function.
- Monitor and review the external audit, including their independence.
- To review the annual audit plan.
- To approve fees in respect of non-audit services.

Terms of reference of the Audit Committee are available on the Company's website.

During 2023 the Audit Committee met four times during the course of 2023 including to review and approve the 2022 year-end financial results and the 2023 interim results. The terms of reference of the Committee were reviewed during the year. The Committee met with the Auditor without Management present, there were no issues of concern raised.

Key matters considered

- Assessment of going concern forecasts and associated disclosures.
- Carrying value of oil and gas assets for impairment and the underlying assumptions used by management.
- Reports of the external auditor concerning its audit and review of the financial statements of the Group.
- Corporate governance practice and disclosure
- Risk Register
- Anti-Bribery and Corruption policy
- Gifts Register
- Accounting Policies

External Auditors

The external auditors, PKF Littlejohn LLP were re-appointed in 2023 at the Company's AGM.

Approved for issue by the Board of Directors and signed on its behalf:

Malcolm Graham Wood
Chair of the Audit Committee
30 May 2024

Remuneration Committee Report

The Remuneration Committee during the majority of 2023 comprised of Stephen Birrell (chairman) and Malcom Graham Wood both independent non-executive directors. On 23 October 2023, Stephen Birrell stepped down as a non-executive director and Malcolm Graham-Wood was appointed as Chair to the Committee and Marco Fumagalli joined the Committee.

The Committee is responsible for reviewing the performance of the Executive Chairman and the executive directors, for setting the scale and structure of their remuneration, paying due regard to the interests of shareholders and the performance of the Group. It also reviews the performance of the senior management, sets and reviews their remuneration and the terms of their service contracts and considers the Group's bonus and option schemes, determining targets for any performance-related pay schemes operated by the Company.

The Remuneration Committee has amongst its main functions the review of the structure, size and composition of the Board based upon the skills, knowledge and experience required to ensure that the Board operates efficiently and effectively. It will also identify and nominate suitable candidates to the join the Board when vacancies arise and make recommendations to the Board for the re-appointment of directors. Given the size of the Company the Board do not feel that it is necessary at present to have a separate Nominations Committee and currently matters relating to nominations are dealt with by either the Remuneration Committee or the Board as a whole.

The Remuneration Committee will keep the remuneration of the executive directors and members of the executive team under review and ensure that they are remunerated at the right levels taking into account delivery of strategy and growth of the business. The Committee will seek external advice if necessary.

The terms of reference of the Remuneration Committee were reviewed during 2023 and are set out on Ascent's website. The Committee met three times during 2023.

Remuneration policy

The Group's and the Company's policy is to provide remuneration packages that will attract, retain and motivate its executive directors and senior management. This consists of a basic salary, ancillary benefits and other performance-related remuneration appropriate to their individual responsibilities and having regard to the remuneration levels of comparable posts. The Remuneration Committee determines the contract term, basic salary, and other remuneration for the members of the Board and the senior management team.

Executive Directors – Remuneration package

The Company offers a remuneration package which consists of basic salary, bonus payments, share options or other incentive plan awards and a pension to Executive Directors. The level of bonus is based on individual performance and that of the Group as a whole. A Company scorecard with performance targets, which are set by the Remuneration Committee, is agreed and upon which the level of bonus award is judged. The scorecard is set at the beginning of the year and reviewed mid-year and at the end of the year. The target bonus range is up to 100% of base salary.

The executive directors have a six month notice period and upon change of control would receive a payment equivalent to 18 months base salary.

Non - Executive Directors – Fees

The Company pays non-executive directors fees which are set at a level in line with market and appropriate to the size of the business. In January 2023, the Remuneration Committee agreed that the non-executive directors fees would remain unchanged from the prior year. Fees are paid monthly in cash and include the payment for chairing a Board Committee.

Remuneration of Directors

The following remuneration table comprises Directors' salaries and benefits in kind that were payable to Directors who held office during the year ended 31 December 2023:

Executive Directors 2023	Salary/fees £	Bonus £	Pensions £	Benefits in Kind £	Total £
J Parsons	150,000	–	12,000	6,297	168,297
A Dennan	250,000	–	20,000	5,224	275,224

Non-Executive Directors	Salary/fees £	Bonus £	Pensions £	Benefits in Kind £	Total £
S Birrell (resigned on 24 October 2023)	37,378	–	–	–	37,378
J-M Doublet (appointed on 21 November 2023)	3,423	–	–	–	3,423
M Graham-Wood	35,000	–	–	–	35,000
M Fumagalli (resigned on 13 May 2024)	35,943	–	–	–	35,943
Total	**511,744**	**–**	**32,000**	**11,521**	**555,265**

*There were no bonuses awarded for 2023 however in 2023 the accrued 2022 bonuses previously reported in the 2022 ARA were paid. The 2022 bonuses were awarded by the independent Remuneration Committee.

The highest paid director during the year was Andrew Dennan.

The following remuneration table comprises Directors' salaries and benefits in kind that were payable to Directors who held office during the year ended 31 December 2022:

Executive Directors 2022	Salary/fees £	Bonus £	Pensions £	Benefits in Kind £	Total £
J Parsons	150,000	22,500	12,000	4,931	189,431
A Dennan	250,000	37,500	20,000	5,224	312,724

Non-Executive Directors	Salary/fees £	Bonus £	Pensions £	Benefits in Kind £	Total £
E Ainsworth	6,500	–	–	–	6,500
S Birrell	34,583	–	–	–	34,583
M Graham-Wood	34,583	–	–	–	34,583
M Fumagalli	–	–	–	–	–
Total	**475,666**	**60,000**	**32,000**	**10,155**	**577,821**

The following table sets out the Directors' incentive share options awarded to directors who held office at 31 December 2023:

2023	Opening	Granted / (Lapsed)	Closing	Date Granted	Share Price at Grant	Exercise Price	Exercise Period Start	Exercise Period End
J Parsons	1,385,894 1,500,000	 –	1,385,894 1,500,000	05.03.2020 11.11.2022	£0.045 £0.045	£0.05 £0.05	05.03.2023 11.11.2025	04.03.2025 11.11.2027
A Dennan	1,385,894 1,500,000	 –	1,385,894 1,500,000	14.04.2020 11.11.2022	£0.034 £0.045	£0.05 £0.05	13.04.2023 11.11.2025	13.04.2025 11.11.2027
J-M Doublet	–	–	–	–	–	–	–	–
M Graham-Wood	500,000	–	500,000	11.11.2022	£0.045	£0.05	11.11.2025	11.11.2027
M Fumagalli	–	–	–	–	–	–	–	–

2022	Opening	Granted / (Lapsed)	Closing	Date Granted	Share Price at Grant	Exercise Price	Exercise Period Start	Exercise Period End
J Parsons	1,385,894 -	- 1,500,000	1,385,894 1,500,000	05.03.2023 11.11.2022	£0.045 £0.045	£0.05 £0.05	05.03.2023 11.11.2025	04.03.2025 11,11,2027
A Dennan	1,385,894 -	- 1,500,000	1,385,894 1,500,000	14.04.2020 11.11.2022	£0.034 £0.045	£0.05 £0.05	13.04.2023 11.11.2025	13.04.2025 11.11.2027
S Birrell	–	–	–	–	–	–	–	–
M Graham-Wood	–	500,000	500,000	11.11.2022	£0.045	£0.05	11.11.2025	11.11.2027
M Fumagalli	–	–	–	–	–	–	–	–

Approved for issue by the Board of Directors and signed on its behalf:

Malcolm Graham Wood
Chair of the Remuneration Committee
30 May 2024

Statement of Directors Responsibilities

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial in accordance with UK-adopted international accounting standards and, as regards the Company financial statements, as applied in accordance with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM Market.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the Company's website (www.ascentresources.co.uk) in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Independent Auditors Report

Opinion

We have audited the financial statements of Ascent Resources plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the group will require further funds to be raised over the next 12 months in order for the group to funds its working capital requirements. As stated in note 1, these events or conditions, indicate that a material uncertainty exists 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.

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

- Reviewing cashflow forecasts and budgets prepared by management to 30 June 2025.
- Challenging the key assumptions contained in the forecasts with reference to historic data and external evidence and evaluating the feasibility of management's plans for future actions in relation to its going concern assessment.

- A comparison of actual results for the year to past budgets to assess the reliability of such forecasts.
- Reviewing post-year end events impacting on going concern, and corroborating where applicable, including obtaining the facility agreement for entered into post-year end and reviewing key terms.
- Reviewing the adequacy of the disclosures in respect of going concern including the uncertainties over the ability to raise additional funds.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole. Based on our professional judgement, we determined the materiality thresholds for the financial statements as follows:

Entity	Overall Materiality	Performance materiality	Basis
Group	£54,000 (2022: £51,000)	£37,000 (2022: £35,000)	10% of loss before tax (2022: 1.5% of net assets)
Parent company	£50,000 (2022: £50,000)	£35,000 (2022: £35,700)	10% of loss before tax (capped below group materiality) (2022: 1.5% of net assets)

The benchmark for group and parent company materiality was selected as 10% of loss before tax. Given the impairment of exploration and producing oil and gas assets in the prior year to £Nil, the basis of net assets was no longer deemed appropriate. The cashflow position of the group, including ability to appropriately manage expenditures, is deemed to be of most importance whilst the group continues to pursue the ongoing litigation against both their joint venture partner and the Slovenian state and therefore loss before tax is deemed most appropriate basis for the current year.

Whilst materiality for the group financial statements as a whole was set at £54,000 (2022: £51,000), significant components of the group were audited to a level of materiality ranging between £48,000 – £10,000 (2022: £32,000). Performance materiality for the group and components was set at 70% (2022: 70%) to ensure sufficient coverage of key balances. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We agreed with management that we would report to the Audit Committee all individual audit differences identified during the course of our audit in excess of £2,700 (2022: £2,550) for the financial statements as a whole and £2,500 (2022: £2,500) for the parent company. We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Our approach to the audit

Our group audit scope focused on the principal areas of operation being the UK and Slovenia.

The Group holds 5 companies that are consolidated within these financial statements, two based in the UK and three based in Europe. We identified three significant components, being the Parent Company, Ascent Resources Plc, Ascent Hispanic Resource UK Limited and Ascent Slovenia Limited, which were subject to a full

scope audit by a team with relevant sector experience from the PKF London office with regular contact with management throughout the audit. No component auditors were engaged.

Key audit matters

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

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there are no other key audit matters to communicate in our report.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

- **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of audit knowledge and experience of the sector. We ensured that the audit team collectively had the appropriate experience with auditing entities within this industry, facing similar audit and business risks, and of a similar size.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
    - AIM Rules
    - Companies Act 2006
    - Local tax laws and employment regulations
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Making enquiries of management
    - Reviewing Board Minutes
    - Reviewing Regulatory News Service (RNS) Announcements
    - Reviewing legal and regulatory correspondence and legal expenses
    - Contacting the company's lawyers and assessing the impact of ongoing legal disputes in Slovenia, and review of the adequacy of the related disclosures in the financial statements

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the estimates, judgements and assumptions applied by management in the assessment of going concern gave the greatest potential for management bias, and that there is potential for fraud in relation to revenue recognition. We addressed this by reviewing the appropriateness of revenue recognition policies in line with IFRS 15, and substantively testing 100% of revenues recognised in the year. There were no other significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Use of our report

This report is made solely to the 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.

Imogen Massey (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
30 May 2024

15 Westferry Circus
Canary Wharf
London E14 4HD

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023

	Notes	**Year Ended 31 December 2023 £'000s**	Year Ended 31 December 2022 £'000s
Revenue	2	**1,412**	581
Cost of Sales	2	**(626)**	(504)
Depreciation of assets	10	**(1)**	(214)
Gross profit/(loss)		**785**	(137)
Other income	2	**363**	–
Administrative expenses	3	**(1,960)**	(1,472)
Decommissioning provision	15	**–**	(326)
Goodwill impairment	9	**–**	(203)
Impairment expenses	10,11	**–**	(39,721)
Operating loss		**(812)**	(41,859)
Finance cost	5	**(39)**	(32)
Net finance costs		**(39)**	(32)
Loss before taxation		**(851)**	(41,891)
Income tax expense	6	**–**	–
Loss for the year		**(851)**	(41,891)
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		**18**	318
Total comprehensive income for the year		**(833)**	(41,573)
Earnings per share			
Basic & fully diluted loss per share (Pence)	8	**(49.74)**	(31.27)

The Notes on pages 49 to 77 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

Company Number: 05239285

As at 31 December 2023

Assets	Notes	**31 December 2023 £'000s**	31 December 2022 £'000s
Non-current assets			
Property, plant and equipment	9	**3**	4
Prepaid abandonment fund	12	**262**	300
Total non-current assets		**265**	304
Current Assets			
Trade and other receivables	12	**323**	11
Cash and cash equivalents		**475**	325
Total current assets		**798**	336
Total assets		**1,063**	640
Equity and liabilities			
Attributable to the equity holders of the Parent Company			
Share capital	18	**8,495**	8,214
Share premium account		**77,889**	76,298
Merger reserve		**570**	570
Share-based payment reserve	22	**574**	2,131
Translation reserve		**(258)**	(276)
Retained earnings		**(87,648)**	(88,457)
Total equity attributable to the shareholders		**(378)**	(1,520)
Total equity		**(378)**	(1,520)
Non-current liabilities			
Borrowings	14	**–**	516
Provisions	15	**690**	663
Total non-current liabilities		**690**	1,179
Current liabilities			
Convertible loan notes	14	**5**	5
Borrowings	14	**184**	–
Trade and other payables	16	**562**	976
Total current liabilities		**751**	981
Total liabilities		**1,441**	2,160
Total equity and liabilities		**1,063**	640

The Notes on pages 49 to 77 are an integral part of these consolidated financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 30 May 2024 signed on its behalf by:

James Parsons
Executive Chairman
30 May 2024

Consolidated Statement of Financial Position

Company Number: 05239285

As at 31 December 2023

Assets	Notes	**31 December 2023 £'000s**	31 December 2022 £'000s
Non-current assets			
Property, plant and equipment		**3**	4
Total non-current assets		**3**	4
Current Assets			
Trade and other receivables	13	**355**	24
Cash and cash equivalents		**410**	302
Total current assets		**765**	326
Total assets		**768**	330
Equity and liabilities			
Share capital	18	**8,495**	8,214
Share premium account		**77,889**	76,298
Merger reserve		**570**	570
Share-based payment reserve	22	**573**	2,131
Retained loss		**(87,446)**	(87,623)
Total equity		**81**	(410)
Non-current liabilities			
Borrowings	14	**–**	516
Total non-current liabilities		**–**	516
Current liabilities			
Convertible loan note	14	**5**	5
Intercompany payable		**209**	–
Borrowings	14	**184**	–
Trade and other payables	17	**289**	219
Total current liabilities		**687**	224
Total liabilities		**687**	740
Total equity and liabilities		**768**	330

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The Company loss for the year was £1,483,000 (2022: loss of £44,159,000) which included an impairment of £130,000 (2022: £43,622,000) to investment in subsidiaries and intercompany receivables.

The Notes on pages 49 to 77 are an integral part of these consolidated financial statements.

These financial statements were approved and authorised for issue by the Board of Directors on 30 May 2024 and signed on its behalf by:

James Parsons
Executive Chairman
30 May 2024

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £'000s	Share premium £'000s	Merger reserve £'000s	Share base payment reserve £'000s	Translation reserve £'000s	Retained earnings £'000s	Total £'000s
Balance at 1 January 2022	7,998	75,021	570	2,129	(594)	(46,566)	38,558
Comprehensive income							
Loss for the year	–	–	–	–	–	(41,891)	(41,891)
Other comprehensive income							
Currency translation differences	–	–	–	–	318	–	318
Total comprehensive income	–	–	–	–	318	(41,891)	(41,573)
Transactions with owners							
Issue of ordinary shares	216	1,366	–	–	–	–	1,582
Costs related to share issues	–	(89)	–	–	–	–	(89)
Share-based payments	–	–	–	2	–	–	2
Total transactions with owners	216	1,277	–	2	–	–	1,495
Balance at 31 December 2022	8,214	76,298	570	2,131	(276)	(88,457)	(1,520)
Balance at 1 January 2023	8,214	76,298	570	2,131	(276)	(88,457)	(1,520)
Comprehensive income							
Loss for the year	–	–	–	–	–	(851)	(851)
Other comprehensive income							
Currency translation differences	–	–	–	–	18	–	18
Total comprehensive income	–	–	–	–	18	(851)	(833)
Transactions with owners							
Issue of ordinary shares	281	1,619	–	–	–	–	1,900
Costs related to share issues	–	(28)	–	–	–	–	(28)
Share-based payments – charge				103	–	–	103
Share-based payments – expired	–	–	–	(1,660)		1,660	–
Total transactions with owners	281	1,591	–	(1,557)	–	1,660	(1,975)
Balance at 31 December 2023	**8,495**	**77,889**	**570**	**574**	**(258)**	**(87,648)**	**(378)**

The Notes on pages 49 to 77 are an integral part of these consolidated financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital £'000s	Share premium £'000s	Merger reserve £'000s	Share base payment reserve £'000s	Retained earning £'000s	Total £'000s
Balance at 1 January 2022	7,998	75,021	570	2,129	(43,464)	42,254
Comprehensive income						
Loss for the year	–	–	–	–	(44,159)	(44,159)
Other comprehensive income						
Total comprehensive income	–	–	–	–	(44,159)	(44,159)
Transactions with owners						
Issue of ordinary shares	216	1,366	–	–	–	1,582
Costs related to share issues	–	(89)	–	–	–	(89)
Share-based payments	–	–	–	2	–	2
Total transactions with owners	216	1,277	–	2	–	1,495
Balance at 31 December 2022	8,214	76,298	570	2,131	(87,623)	(410)
Balance at 1 January 2023	8,214	76,298	570	2,131	(87,623)	(410)
Comprehensive income						
Loss for the year	–	–	–	–	(1,483)	(1,483)
Other comprehensive income						
Total comprehensive income	–	–	–	–	(1,483)	(1,483)
Transactions with owners						
Issue of ordinary shares	281	1,619	–	–	–	1,900
Costs related to share issues	–	(28)	–	–	–	(28)
Share-based payments – charge				102	–	102
Share-based payments – expired	–	–	–	(1,660)	1,660	–
Total transactions with owners	281	1,591	–	(1,557)	1,660	1,974
Balance at 31 December 2023	**8,495**	**77,889**	**570**	**574**	**(87,446)**	**81**

The Notes on pages 49 to 77 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

For the year ended 31 December 2023

	Notes	**Year ended 31 December 2023 £'000s**	Year ended 31 December 2022 £'000s
Cash flows from operations			
Loss after tax for the year		**(851)**	(41,891)
Depreciation		**1**	214
Impairment of PPE and exploration asset		**–**	39,721
Goodwill impairment		**–**	203
Decommissioning provision		**–**	326
Finance costs		**39**	–
(Increase)/decrease in receivables	12	**(274)**	3
(Decrease)/increase in payables	16	**(419)**	205
Increase in provisions		**27**	–
Share-based payment charge	22	**106**	2
Exchange differences		**18**	6
Net cash used in operating activities		**(1,353)**	(1,211)
Cash flows from investing activities			
Payments for fixed assets	9	**(1)**	(1)
Net cash used in investing activities		**(1)**	(1)
Cash flows from financing activities			
Loans repaid	14	**(368)**	(20)
Interest paid	5	**–**	(32)
Proceeds from issue of shares	18	**1,900**	1,581
Share issue costs		**(28)**	(89)
Net cash generated from financing activities		**1,504**	1,440
Net increase in cash and cash equivalents for the year		**150**	228
Effect of foreign exchange differences		**–**	–
Cash and cash equivalents at beginning of the year		**325**	97
Cash and cash equivalents at end of the year		**475**	325

The Notes on pages 49 to 77 are an integral part of these consolidated financial statements.

Company Cash Flow Statement

For the year ended 31 December 2023

	Notes	**Year ended 31 December 2023 £'000s**	Year ended 31 December 2022 £'000s
Cash flows from operations			
Loss after tax for the year		**(1,483)**	(44,159)
Adjustments for:			
Depreciation		**1**	–
Finance costs		**39**	–
(Increase)/decrease in receivables	13	**(330)**	4
Increase/(decrease) in payables	17	**68**	(274)
Decrease in intercompany receivables		**208**	27,520
Impairment of Investment in subsidiaries		**–**	16,102
Share-based payment charge	22	**102**	2
Change in contingent consideration in acquisition		**–**	(450)
Net cash used in operating activities		**(1,395)**	(1,255)
Cash flows from investing activities			
Payments for fixed assets	9	**(1)**	(4)
Net cash used in investing activities		**(1)**	(4)
Cash flows from financing activities			
Loans repaid	14	**(368)**	(20)
Proceeds from issue of shares	18	**1,900**	1,582
Share issue costs		**(28)**	(89)
Net cash generated from financing activities		**1,504**	1,473
Net increase in cash and cash equivalents for the year		**108**	214
Effect of foreign exchange differences		**–**	–
Cash and cash equivalents at beginning of the year		**302**	88
Cash and cash equivalents at end of the year		**410**	302

The Notes on pages 49 to 77 are an integral part of these consolidated financial statements.

Notes to the Accounts

1. Accounting policies

Reporting entity

Ascent Resources plc (Company no: 05239285) ('the Company' or 'Ascent') is a company domiciled and incorporated in England. The address of the Company's registered office is 5 New Street Square, London, EC4A 3TW. The consolidated financial statements of the Company for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

The Company is admitted to AIM, a market of the London Stock Exchange.

Statement of compliance

The financial statements of the Group and Company have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006.

The Group's and Company's financial statements for the year ended 31 December 2023 were approved and authorised for issue by the Board of Directors on 30 May 2024 and the Statements of Financial Position were signed on behalf of the Board by James Parsons.

Both the Parent Company financial statements and the Group financial statements give a true and fair view and have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006.

Basis of preparation

In publishing the Parent Company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in Section 408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements. The Company loss for the year was £1,395,000 (2022: loss of £44,159,000).

The presentational currency of the Group is British Pounds Sterling ("GBP") and the functional currency of the Group's subsidiaries domiciled outside of the UK in Malta, Slovenia and Netherlands are in Euros ("EUR"). The functional currency of Ascent Resources PLC, the parent company, is Sterling ("GBP").

Measurement Convention

The financial statements have been prepared under the historical cost convention. The financial statements are presented in sterling and have been rounded to the nearest thousand (£'000s) except where otherwise indicated.

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

Going Concern

The Group and Company financial statements have been prepared under the going concern assumption, which presumes that the Group and Company will be able to meet its obligations as they fall due for the foreseeable future.

The Company raised £0.4 million in new equity in April 2023 from new and existing investors and has settled revenue disputes with its JV partner and settled invoice disputes with its JV operator such that a net €288,000 was received by the Company.

In October 2023, the Company signed a Strategic Collaboration Agreement with investment company MDB Partners SA ("MDB') alongside a cornerstone equity investment by MDB of £1.5m into the Company. This investment will allow the Company to evaluate a number of opportunities consistent with the Company's strategy to grow in onshore oil and gas, oil services, mining and ESG Metals.

Post period in review the Company successfully raised £555,000 by way of new equity issue with proceeds used to fund its investment into GNG and general working capital. The Company also entered into a new US$2 million senior secured fixed coupon loan facility with institutional investor RiverFort Global Opportunities PCC Ltd, of which $1m has been received and a further draw down of $1m is available at any time within the first year following announcement, subject to mutual agreement between the parties.

Under the Group's forecasts, the funds raised together with existing bank balances provide sufficient funding for twelve months as at the date of this report.

In addition to the need to raise additional funding in the second half of 2024, the forecasts are sensitive to the timing and cash flows associated with the continuing situation in Slovenia, and discretionary spend incurred with executing the strategy to grow in onshore oil and gas, oil services, mining and ESG Metals. As such, the Company will need to raise new capital within the forecast period to fund such discretionary spend.

Negotiations with potential new investors is ongoing and based on historical and recent support from new and existing investors the Board believes that such funding, if and when required, could be obtained through new debt or equity issuances. However, the ability to raise these funds is not guaranteed at the date of signing these financial statements. As a consequence, there is a material uncertainty to the going concern of the Group.

New and amended Standards effective for 31 December 2023 year-end adopted by the Group:

The new standards effective from 1 January 2023, as listed above, did not have a material effect on the Group's financial statements.

i. Standards, amendments and interpretations, which are effective for reporting periods beginning after the date of these financial statements which have not been adopted early:

Standard	Description	Effective date
IAS 1 amendments	Non-current Liabilities with Covenants; and Classification of Liabilities as Current or Non-current	1 January 2024

There are no IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company or Group.

Estimates and judgements

Exploration and evaluation assets (Note 11) – exploration and evaluation costs are initially classified and held as intangible fixed assets rather than being expensed. The carrying value of intangible exploration and evaluation assets are then determined. Management considers these assets for indicators of impairment under IFRS 6 at least annually based on an estimation of the recoverability of the cost pool from future development and production of the related oil and gas reserves which requires judgement. This assessment includes assessment of the underlying financial models for the Petišovci field and requires estimates of gas reserves, production, gas prices, operating and capital costs associated with the field and discount rates (see Note 11) using the fair value less cost to development method which is commonplace in the oil and gas sector. The forecasts are based on the JV partners submitting and obtaining approval for an environmental impact

assessment, and also the renewal of the concessions. The Board considers these factors to be an ordinary risk for oil and gas developments.

In April 2022, the Republic of Slovenia approved amendments to its Mining Law which include a total ban on hydraulic stimulation. The Company believes that this ban has substantially destroyed the economic value of the Petisovci field. Consequently, the operational and development review conducted by the Company determined that further field development was not economically viable and that the current producing wells had a remaining production life of 5.5 years. The result of the impairment review resulted in the exploration assets fully impaired by £17,800,000 to a carrying value of nil in the year ended 31 December 2022.

Reserves – Reserves are proven, and probable oil and gas reserves calculated on an entitlement basis and are integral to the assessment of the carrying value of the exploration, evaluation and production assets. Estimates of commercial reserves include estimates of the amount of oil and gas in place, assumptions about reservoir performance over the life of the field and assumptions about commercial factors which, in turn, will be affected by the future oil and gas price.

Carrying value of property, plant and equipment (developed oil and gas assets) (Note 9) – In April 2022, the Republic of Slovenia approved amendments to its Mining Law which include a total ban on hydraulic stimulation. Consequently, the operational and development review conducted by the Company determined that further field development was not economically viable and that the current producing wells had a remaining production life of 5.5 years. The result of the impairment review resulted in the developed oil and gas assets fully impaired by £21,193,000 to a carrying value of nil in the year ended 31 December 2023.

Depreciation of property, plant and equipment (Note 9) – Upon commencing commercial production we began to depreciate the assets associated with current production. The depreciation on a unit of production basis requires judgment and estimation in terms of the applicable reserves over which the assets are depreciated and the extent to which future capital expenditure is included in the depreciable cost when such expenditure is required to extract the reserve base. The calculations have been based on actual production, estimates of P50 reserves and best estimates of the future workover costs on the producing wells to extract this reserve. The depreciation charge for the year was £1,000 for the remaining office equipment assets, (2022: £214,000, including both depreciation associated with the unit of production method and straight-line charges for existing processing infrastructure). This is included in Notes 10 and 11 below.

Deferred tax (Note 7) – judgment has been required in assessing the extent to which a deferred tax asset is recorded, or not recorded, in respect of the Slovenian operations. Noting the history of taxable losses and the initial phases of production, together with assessment of budgets and forecasts of tax in 2023 the Board has concluded that no deferred tax asset is yet applicable. This is included at Note 7.

Decommissioning costs (Note 16)

Where a material obligation for the removal of wells and production facilities and site restoration at the end of the field life exists, a provision for decommissioning is recognised. The amount recognised is the one-off amount to the Company's JV partner as per the Revised Joint Venture Agreement. A change in the key assumptions used to calculate rehabilitation provisions could have a material impact on the carrying value of the provisions.

The carrying value of these provisions in the financial statements represents an estimate of the future costs expected to be incurred to rehabilitate each well, which is reviewed at least annually. Future costs are estimated by internal experts, with external specialists engaged periodically to assist management. These estimates are based on current price observations, taking into account developments in technology and changes to legal and contractual requirements. Expectations regarding cost inflation are also incorporated. The carrying value of

these provisions have not been discounted to provide a present value of these future costs due to the near-term uncertainty of when these costs may materialise.

Intercompany receivables – Company only (Note 13b) – In line with the requirements of IFRS 9 the Board has carried out an assessment of the potential future credit loss on intercompany receivables under a number of scenarios. Arriving at the expected credit loss allowance involved considering different scenarios for the recovery of the intercompany loan receivables, the possible credit losses that could arise and the probabilities for these scenarios. In April 2022, the Republic of Slovenia approved amendments to its Mining Law which include a total ban on hydraulic stimulation. Consequently, the operational and development review conducted by the Company determined that further field development was not economically viable and that the current producing wells had a remaining production life of 5.5 years. Recognising the loss in economic value, management took the decision fully impair the receivable in the Company accounts by £130k (2022: £32 million).

Investments – Company only (note 11) – Judgement has been made in respect of the carrying value of the Company's carrying value of its investments in the subsidiaries. The process for this is the same as the consideration given in respect of both Intangible Assets and Property, Plant and Equipment (see above). At the year ended 31 December 2022 and 2023, the investment is fully impaired.

Basis of consolidation (Note 12) – Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

The results of undertakings acquired or disposed of are consolidated from or to the date when control passes to or from the Group. The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Income Statement from the date that control commences until the date that control ceases.

Where necessary, adjustments are made to the results of subsidiaries to bring the accounting policies they use into line with those used by the Group.

Business combinations (Note 9) – Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary comprises the:

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

Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any noncontrolling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at

the noncontrolling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest and fair value of pre-existing equity interest over the fair value of net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets acquired, the difference is recognised immediately in profit or loss as a gain on bargain purchase.

Joint arrangements – The Group is party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either joint ventures, where the Group has rights to only the net assets of the joint arrangement, or joint operations where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

All of the Group's joint arrangements are classified as joint operations. The Group accounts for its interests in joint operations by recognising its assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

The Group has one joint arrangement, the Petišovci joint venture in Slovenia in which Ascent Slovenia Limited (a 100% subsidiary of Ascent Resources plc) has a 75% working interest, however whilst in a cost recovery position the Company is entitled to 90% of hydrocarbon revenues produced.

Depreciation of property plant and equipment – The cost of production wells is depreciated on a unit of production basis. The depreciation charge is calculated based on total costs incurred to date plus anticipated future workover expenditure required to extract the associated gas reserves. This depreciable asset base is charged to the income statement based on production in the period over their expected lifetime P50 production extractable from the wells per the field plan. The infrastructure associated with export production is depreciated on a straight-line basis over a two-year period as this is the anticipated period over which this infrastructure will be used.

Foreign currency

The Group's strategy is focussed on developing oil and gas projects and ESG metals funded by shareholder equity and other financial assets which are principally denominated in sterling. The functional currency of the Company is sterling.

Transactions in foreign currency are translated to the respective functional currency of the Group entity at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated to the functional currency at the rates prevailing on the reporting date. Exchange gains and losses on short-term foreign currency borrowings and deposits are included with net interest payable.

The assets and liabilities of foreign operations are translated to sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to sterling at the average rate ruling during the period. Foreign exchange differences arising on retranslation are recognised directly in a separate component of equity. Foreign exchange differences arising on inter-company loans considered to be permanent as equity are recorded in equity. The exchange rate from euro to sterling at 31 December 2023 was £1: €1.1537 (2022: £1: €1.1308).

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated income statement as part of the profit or loss on disposal.

Exchange differences on all other transactions, except inter-company foreign currency loans, are taken to operating loss.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include, deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at fair value through profit or loss (FVTPL).

Taxation (Note 6)

The tax expense represents the sum of the tax currently payable and any deferred tax.

The tax currently payable is based on the estimated taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using the expected tax rate applicable to annual earnings.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Equity-settled share-based payments

The cost of providing share-based payments to employees is charged to the income statement over the vesting period of the related share options or share allocations. The cost is based on the fair values of the options and shares allocated determined using the binomial method. The value of the charge is adjusted to reflect expected and actual levels of vesting. Charges are not adjusted for market related conditions which are not achieved. Where equity instruments are granted to persons other than directors or employees the Consolidated Income Statement is charged with the fair value of any goods or services received.

Grants of options in relation to acquiring exploration assets in licence areas are treated as additions to Slovenian exploration costs at Group level and increases in investments at Company level.

Provisions (Note 16)

A provision is recognised in the Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by estimating the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Convertible loan notes

Upon issue of a new convertible loan, where the convertible option is at a fixed rate, the net proceeds received from the issue of CLNs are split between a liability element and an equity component at the date of issue. The fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The difference between the proceeds of issue of the CLNs and the fair value assigned to the liability component, representing the embedded option to convert the liability into equity of the Group, is included in equity and is not remeasured.

Subsequent to the initial recognition the liability component is measured at amortised cost using the effective interest method.

When there are amendments to the contractual loan note terms these terms are assessed to determine whether the amendment represents an inducement to the loan note holders to convert. If this is considered to be the case the estimate of fair value adjusted as appropriate and any loss arising is recorded in the income statement.

Where there are amendments to the contractual loan note terms that are considered to represent a modification to the loan note, without representing an inducement to convert, the Group treats the transaction as an extinguishment of the existing convertible loan note and replaces the instrument with a new convertible loan note. The fair value of the liability component is estimated using the prevailing market interest rate for similar nonconvertible debt. The fair value of the conversion right is recorded as an increase in equity. The previous equity reserve is reclassified to retained loss. Any gain or loss arising on the extinguishment of the instrument is recorded in the income statement, unless the transaction is with a counterparty considered to be acting in their capacity as a shareholder whereby the gain or loss is recorded in equity.

Where the loan note is converted into ordinary shares by the loan note holder; the unaccreted portion of the loan notes is transferred from the equity reserve to the liability; the full liability is then converted into share capital and share premium based on the conversion price on the note.

Non-derivative financial instruments

Non-derivative financial instruments comprise of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Financial instruments

Classes and categories

Financial assets that meet the following conditions are measured subsequently at amortised cost using effective interest rate method:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets for which the amount of future receipts are dependent upon the Company's share price over the term of the instrument do not meet the criteria above and are recorded at fair value through profit and loss.

Measurement

Financial assets at amortised cost.

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment

For trade receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. The Group's trade receivables are generally settled on a short time frame without material credit risk.

The Group recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a twelve-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next twelve months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Lifetime expected credit losses (ECLs) for intercompany loan receivables are based on the assumptions that repayment of the loans are demanded at the reporting date due to the fact that the loan is contractually repayable on demand. The subsidiaries do not have sufficient funds in order to repay the loan if demanded and therefore the expected manner of recovery to measure lifetime expected credit losses is considered. A range of different recovery strategies and credit loss scenarios are evaluated using reasonable and supportable external and internal information to assess the likelihood of recoverability of the balance under these scenarios.

Financial liabilities at amortised cost

Financial liabilities are initially recognised at fair value net of transaction costs incurred. Subsequent to initial measurement financial liabilities are recognised at amortised costs. The difference between initial carrying amount of the financial liabilities and their redemption value is recognised in the income statement over the contractual terms using the effective interest rate method. This category includes the following classes of the financial liabilities, trade and other payables, bonds and other financial liabilities. Financial liabilities at amortised costs are classified as current or non-current depending on whether these are due within 12 months after the balance sheet date or beyond.

Financial liabilities are derecognised when either the Group is discharged from its obligation, they expire, are cancelled, or replaced by a new liability with substantially modified terms.

Share-based payments

Share-based payments relate to transactions where the Group receives services from employees or service providers and the terms of the arrangements include payment of a part or whole of consideration by issuing equity instruments to the counterparty. The Group measures the services received from non-employees, and the corresponding increase in equity, at the fair value of the goods or services received. When the transactions are with employees, the fair value is measured by reference to the fair value of the share-based payments. The expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Warrants

Warrants granted as part of a financing arrangement which fail the fixed-for-fixed criteria as a result of either the consideration to be received or the number of warrants to be issued is variable, are initially recorded at fair value as a financial liability and charged as transaction cost deducted against the loan and held subsequently at fair value. Subsequently the derivative liability is revalued at each reporting date with changes in the fair value recorded within finance income or costs.

Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium reserve relates to amounts subscribed for share capital in excess of nominal value less costs of shares associated with share issues.

Share based payments relate to transactions where the Group receives services from employees or service providers and the terms of the arrangements include payment of a part or whole of consideration by issuing equity instruments to the counterparty. The Group measures the services received from non-employees, and the corresponding increase in equity, at the fair value of the goods or services received. When the transactions are with employees, the fair value is measured by reference to the fair value of the shares issued. The expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

The Merger reserve relates to the value of shares, in excess of nominal value, issued with respect of the Trameta acquisition in 2016.

The Translation reserve comprises the exchange differences from translating the net investment in foreign entities and of monetary items receivable from subsidiaries for which settlement is neither planned nor likely in the foreseeable future.

Retained losses includes all current and prior period results as disclosed in the income statement.

Investments and loans

Shares and loans in subsidiary undertakings are shown at cost. Provisions are made for any impairment when the fair value of the assets is assessed as less than the carrying amount of the asset. Inter-company loans are repayable on demand but are included as non-current as the realisation is not expected in the short term.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Chief Executive Officer ("CEO").

Revenue recognition

Sales represent amounts received and receivable from third parties for goods and services rendered to the customers. Sales are recognised when control of the goods has transferred to the customer. Condensate, which is collected at a separating station and transported via trucks to a customer in Hungary is recorded on delivery according to the terms of the contract. At this point in time, the performance obligation is satisfied in full with title, risk, entitlement to payment and customer possession confirmed. Revenue is measured as the amount of consideration which the Group expects to receive, based on the market price for gas and condensate after deduction of costs agreed per the Restated Joint Operating Agreement ("RJOA") and sales taxes. The Company follows the five step process set out in IFRS 15 for revenue recognition.

Revenue is derived from the production of hydrocarbons under the Petišovci Concession, which Ascent Slovenia Limited holds a 75% working interest, however whilst in a cost recovery position the Company is entitled to 90% of hydrocarbon revenues produced. Under the terms of the RJOA, and in accordance with Slovenian law, the concession holder retains the rights to all hydrocarbons produced. The concession holder enters into sales agreements with customers and transfers the relevant portion of hydrocarbon sales to Ascent Slovenia Limited for the services it provides under the RJOA.

During the year the revenue recognised was £1,412,000 (2022: £581,000). The on-going dispute with the JV partner was partially resolved in August 2022 resulting in the recognition of revenue, and receipt of funds, from the hydrocarbon production for the period April 2020 to December 2021, as a result revenue of £581,000 was recorded in the year to 31 December 2022. Hydrocarbon production for 2022 was subject to dispute and therefore was not recognised until 2023 following a tri-party mediation between ASL, Petrol Geo and Geoenergo. Sales from Jan, Feb, and May through to Sept 23 as well as partial payments for March and April were also recognised in 2023.

The sales invoices were netted off against the costs due to Petrol GEO (JV Service provider). The claim was settled at €1.436million (£1,249million). The total sales for the period January 2022 through to September 2023 totalled €1.725million (£1.5million), and were netted off, resulting in a net cash payment of €288,689 (£251k) to ASL.

Payments are typically received around 30 days from the end of the month during which delivery has occurred. There are no balances of accrued or deferred revenue at the balance sheet date.

Under the RJOA, the Group is entitled to 90% of hydrocarbon revenues produced whilst in a cost recovery position in the Petišovci area and the Group records revenue on the entitlement basis accordingly.

Credit terms are agreed per RJOA contract and are short term, without any financing component.

The Group has no sales returns or reclamations of services since it has only one costumer. Sales are disaggregated by geography.

2. Segmental Analysis

The Group has two reportable segments, an operating segment and a head office segment, as described below. The operations and day to day running of the business are carried out on a local level and therefore managed separately. The operating segment reports to the UK head office which evaluates performance, decide how

to allocate resources and make other operating decisions such as the purchase of material capital assets and services. Internal reports are generated and submitted to the Group's CEO for review on a monthly basis.

The operations of the Group as a whole are the exploration for, development and production of oil and gas reserves.

The two geographic reporting segments are made up as follows:

Slovenia	exploration, development and production
UK	head office

The costs of exploration and development works are carried out under shared licences with joint ventures and subsidiaries which are co-ordinated by the UK head office. Segment revenue, segment expense and segment results include transfers between segments. Those transfers are eliminated on consolidation. Information regarding the current and prior year's results for each reportable segment is included below.

2023	**UK** £,000s	**Slovenia** £'000s	**Elims** £'000s	**Total** £'000s
Hydrocarbon sales	-	1,412	-	1,412
Other income	363	-	-	363
Total revenue	**363**	**1,412**	**–**	**1,775**
Cost of sales	–	(626)	–	(626)
Administrative expenses	(1,681)	(279)	–	(1,960)
Material non-cash items				
Depreciation	(1)	–	–	(1)
Impairment	(130)	–	130	–
Net finance costs	(38)	(1)	–	(39)
Reportable segment profit/(loss) before taxation	**(1,487)**	**506**	**130**	**(851)**
Taxation	–	–	–	–
Reportable segment profit/(loss) after taxation	**(1,487)**	**506**	**130**	**(851)**
Reportable segment assets				
Total plant and equipment	3	–	–	3
Prepaid abandonment fund	–	262	–	262
Investment in subsidiaries	–	–	–	–
Intercompany receivables	–	–	–	–
Total non-current assets	**3**	**262**	**–**	**265**
Other assets	765	33	–	798
Consolidated total assets	**768**	**295**	**–**	**1,063**
Reportable segment liabilities				
Trade payables	(289)	(273)	–	(562)
External loan balances	(189)	–	–	(189)
Inter-group borrowings	(209)	–	209	–
Other liabilities	–	(690)	–	(690)
Consolidated total liabilities	**(687)**	**(963)**	**209**	**(1,441)**

Other income of £363k relates to the recharge of the ATE insurance premium.

2022	UK £,000s	Slovenia £'000s	Elims £'000s	Total £'000s
Hydrocarbon sales	–	581	–	581
Intercompany sales	417	12	(429)	–
Total revenue	**417**	**593**	**(429)**	**581**
Cost of sales	–	(504)	–	(504)
Administrative expenses	(719)	(642)	(111)	(1,472)
Material non-cash items				
Depreciation	(1)	(213)	–	(214)
Impairment	(43,622)	(25,795)	29,696	(39,721)
Goodwill impairment	(203)	–	–	(203)
Decommission provision	–	(326)	–	(326)
Net finance costs	(31)	(1)	–	(32)
Reportable segment profit/(loss) before taxation	**(44,159)**	**(26,888)**	**29,156**	**(41,891)**
Taxation	–	–	–	–
Reportable segment profit/(loss) after taxation	**(44,159)**	**(26,888)**	**28,156**	**(41,891)**
Reportable segment assets				
Carrying value of exploration assets	–	18,463	–	18,463
Impairment to exploration assets	–	(18,820)	–	(18,820)
Effect of exchange rate movements	–	357	–	357
Total plant and equipment	4	–	–	4
Prepaid abandonment fund	–	300	–	300
Investment in subsidiaries	–	–	–	–
Intercompany receivables	–	–	–	–
Total non-current assets	**4**	**300**	**–**	**304**
Other assets	326	10	–	336
Consolidated total assets	**330**	**310**	**–**	**640**
Reportable segment liabilities				
Trade payables	(219)	(757)	–	(976)
External loan balances	(521)	–	–	(521)
Inter-group borrowings	–	(34,536)	34,536	–
Other liabilities		(663)	–	(663)
Consolidated total liabilities	**(740)**	**(35,956)**	**34,536**	**(2,160)**

Revenue from customers

Revenue for 2023 was £1,412,000 (2022: £581,000). The on-going dispute with the JV partner was partially resolved in August 2022 resulting in the recognition of revenue, and receipt of funds, from the hydrocarbon production for the period April 2020 to December 2021. Hydrocarbon production for 2022 was subject to dispute and therefore was not recognised until 2023. The performance obligations are set out in the Group's revenue recognition policy. The price for the sale of gas and condensate is set with reference to the market price at the date the performance obligation is satisfied.

3. Operating loss is stated after charging:

	Year ended 31 December 2023 £'000s	Year ended 31 December 2022 £'000s
Employee costs	**885**	825
Impairment charge for the debtor	**72**	–
Shared based payment charge	**105**	2
Depreciation	**1**	214
Auditor's remuneration:		
Audit fees	**50**	52
	1,041	1,093

4. Employees and directors

a) Employees

The average number of persons employed by the Group, including Executive Directors, was:

	Year ended 31 December 2023	Year ended 31 December 2022
Management and technical	**7**	7

b) Directors and employee's remuneration

	Year ended 31 December 2023 £'000s	Year ended 31 December 2022 £'000s
Employees and directors		
Wages and salaries	**768**	667
Social security costs	**101**	91
Pension costs	**3**	1
Bonuses	**–**	53
Share base payments	**105**	2
Taxable benefits	**13**	13
	990	827

c) Director's remuneration

Please see Remuneration report on pages 33-35.

5. Finance income and costs recognised in the year

Finance costs	Year ended 31 December 2023 £'000s	Year ended 31 December 2022 £'000s
Interest charge on loans	**(37)**	(30)
Bank charges	**(2)**	(2)
	(39)	(32)

Please refer to Note 23 for a description of financing activity during the year.

6. Income tax expense

	Year ended 31 December 2023 £'000s	Year ended 31 December 2022 £'000s
Current tax expense	**–**	–
Deferred tax expense	**–**	–
Total tax expense for the year	**–**	–

The difference between the total tax expense shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	Year ended 31 December 2023 £'000s	Year ended 31 December 2022 £'000s
Loss for the year	**(855)**	(41,891)
Less tax expense	**(5)**	–
Income tax using the Company's domestic tax rate at 19% (2022: 19%)	**(162)**	(7,959)
Effects of:		
Effect of tax rates in foreign jurisdictions	**126**	–
Other non-deductible expenses	**196**	7,959
Net increase in unrecognised losses c/f	**(160)**	–
Total tax expense for the year	**–**	–

7. Deferred tax – Group and Company

	Year ended 31 December 2023 £'000s	Year ended 31 December 2022 £'000s
Group		
Total tax losses – UK and Slovenia	**850**	(95,118)
Unrecorded deferred tax asset at 19% (2022: 19%)	**162**	16,170
Company		
Total losses	**(1,544)**	(59,249)
Unrecorded deferred tax asset at 25% (2022: 19%)	**387**	10,072

No deferred tax asset has been recognised in respect of the tax losses carried forward, due to the uncertainty as to when profits will be generated. Refer to critical accounting estimates and judgments.

8. Earnings per share

	Year ended 31 December 2023 £'000s	Year ended 31 December 2022 £'000s
Result for the year		
Total loss for the year attributable to equity shareholders	**(851)**	(41,891)
Weighted average number of shares	**Number**	Number
For basic earnings per share	**171,105,556**	133,972,082
Loss per share (pence)	**(49.74)**	(31.27)

As the result for the year was a loss, the basic and diluted loss per share are the same. At 31 December 2023, potentially dilutive instruments in issue were 78,745,880 (2022: 65,969,404). Dilutive shares arise from share options and warrants issued by the Company.

9. Property, plant and equipment

Cost	Computer Equipment £'000s	Developed Oil & Gas Assets £'000s	Total £'000s
At 1 January 2022	11	22,963	22,974
Additions	1	-	1
Effect of exchange rate movements	–	1,203	1,203
At 31 December 2022	12	24,166	24,178
At 1 January 2023	12	24,166	24,178
Additions	–	–	–
Effect of exchange rate movements	–	–	–
At 31 December 2023	12	24,166	24,178
Depreciation			
At 1 January 2022	(6)	(1,857)	(1,863)
Charge for the year	(2)	(212)	(214)
Impairment	–	(21,193)	(21,193)
Effect of exchange rate movements	–	(904)	(904)
At 31 December 2022	(8)	(24,166)	(24,174)
At 1 January 2023	(8)	(24,166)	(24,174)
Charge for the year	(1)	–	(1)
Impairment	–	–	–
Effect of exchange rate movements	–	–	–
At 31 December 2023	(9)	(24,166)	(24,175)
Carrying value			
At 31 December 2023	3	–	3
At 31 December 2022	4	–	4

Impairment of nil (2022: £21,193,000) has been recognised during the year. In April 2022, the Republic of Slovenia approved amendments to its Mining Law which include a total ban on hydraulic stimulation.

Consequently, the operational and development review conducted by the Company determined that further field development was not economically viable and that the current producing wells had a remaining production life of 5.5 years. Details of the impairment judgments and estimates in the fair value less cost to develop assessment as set out in Note 1.

10. Exploration and evaluation assets – Group

Cost	Slovenia £'000s	Total £'000s
At 1 January 2022	18,463	18,463
Impairment	(18,820)	(18,820)
Effects of exchange rate movements	357	357
At 31 December 2022	–	–
At 1 January 2023	–	–
Impairment	–	–
Effects of exchange rate movements	–	–
At 31 December 2023	–	–
At 31 December 2023	–	–
At 31 December 2022	–	–

Impairment of nil (2022: £18,820,000) has been recognised during the year. In April 2022, the Republic of Slovenia approved amendments to its Mining Law which include a total ban on hydraulic stimulation. Consequently, the operational and development review conducted by the Company determined that further field development was not economically viable and that the current producing wells had a remaining production life of 5.5 years. As at 31 December 2022 the net present value was significantly lower than the carrying value of the assets which indicated that an impairment of 100% of intangible oil and gas assets was warranted. Details of the impairment judgments and estimates and the fair value less cost to develop assessment as set out in Note 1.

For the purposes of impairment testing the intangible oil and gas assets are allocated to the Group's cash-generating unit, which represent the lowest level within the Group at which the intangible oil and gas assets are measured for internal management purposes, which is not higher than the Group's operating segments as reported in Note 2.

11. Investments in subsidiaries – Company

	2023 £'000s	2022 £'000s
Cost		
At 1 January	–	16,102
Additions	–	–
At 31 December	–	16,102
Accumulated impairment		
At 1 January	–	–
Impairment	–	(16,102)
At 31 December	–	–
Net book value		
At 31 December	–	–

In April 2022, the Republic of Slovenia approved amendments to its Mining Law which include a total ban on hydraulic stimulation. Consequently, the operational and development review conducted by the Company determined that further field development was not economically viable and that the current producing wells had a remaining production life of 5.5 years. As at 31 December 2022 the net present value was significantly lower than the carrying value of the assets which indicated that an impairment of 100% of investment in subsidiaries and £16,102,000 was recognised as an impairment expense.

The Company's subsidiary undertakings at the date of issue of these financial statements, which are all 100% owned, are set out below:

Name of company & registered office address	Principal activity	Country of incorporation	% of share capital held 2023	% of share capital held 2022
Ascent Slovenia Limited Tower Gate Place Tal-Qroha Street Msida, Malta	Oil and gas exploration	Malta	100%	100%
Ascent Resources doo Glavna ulica 7 9220 Lendava Slovenia	Oil and gas exploration	Slovenia	100%	100%
Trameta doo Glavna ulica 7 9220 Lendava Slovenia	Infrastructure owner	Slovenia	100%	100%
Ascent Hispanic Resources UK Limited 5 New Street Square London EC4A 3TW	Oil and gas exploration	England and Wales	100%	100%
Ascent Hispanic Ventures, S.L. C Lluis Muntadas, 8 08035 Barcelona	Oil and gas exploration	Spain	100%	100%
Ascent Claim Entitlement SPV Ltd	Holding Company	England and Wales	100%	–

All subsidiary companies are held directly by Ascent Resources plc.

On 6 December 2023, the Company purchased 1 ordinary share of £1 in Ascent Claim Entitlement SPV Ltd, making it a 100% owned subsidiary and therefore included in the consolidated accounts.

Consideration of the carrying value of investments is carried out alongside the assessments made in respect of the recoverability of carrying value of the group's producing and intangibles assets. The judgements and estimates made therein are the same as for investments and as such no separate disclosure is made.

12. Trade and other receivables – Group

	2023 £'000s	2022 £'000s
VAT recoverable	9	33
Prepaid abandonment liability	262	300
Prepayments & accrued income	314	(22)
	585	311
Less non-current portion	(262)	(300)
Current portion	323	11

The prepaid abandonment liability represents funds the Group has deposited into a bank account to be made available for the purposes of decommissioning wells that are currently in production.

Post year end, the claim for the repayment of the prepaid abandonment fund has been put forward in full, given that the wells have been transferred to Geoenergo. See note 21 for further details.

13. Trade and other receivables – Company

a) Trade Receivables

	2023 £'000s	2022 £'000s
VAT recoverable	10	14
Prepayments & accrued income	345	10
	355	24

b) Intercompany Receivables

		2023			2022	
	Cash £'000s	Services £'000s	Total £'000s	Cash £'000s	Services £'000s	Total £'000s
Ascent Slovenia Limited	–	–	–	–	–	–
Ascent Resources doo	–	–	–	–	–	–
Trameta doo	–	–	–	–	–	–
Ascent Hispanic Ventures	–	–	–	–	–	–
	–	–	–	–	–	–

Cash refers to funds advanced by the Company to subsidiaries. Services relates to services provided by the Company to subsidiaries. The loans are repayable on demand but are classified as non-current reflecting the period of expected ultimate recovery.

Management have carried out an assessment of the potential future credit loss the loans classified as 'stage 3' under IFRS 9 and assessed for lifetime expected credit loss given their on-demand nature under a number of scenarios. In April 2022, the Republic of Slovenia approved amendments to its Mining Law which include a total ban on hydraulic stimulation. Consequently, the operational and development review conducted by the Company determined that further field development was not economically viable and that the current producing wells had a remaining production life of 5.5 years. As at 31 December 2022 the net present value was significantly lower than the carrying value of the assets which indicated that an impairment of 100% of intercompany receivables at the Company level was warranted. Impairment for the year under review was £130,000 (2022: £27,520,000).

14. Borrowings – Group and Company

Group	2023 £'000s	2022 £'000s
Current		
Borrowings	184	368
Convertible loan notes	5	5
Non-current		
Borrowing	–	148
	189	521
Company		
Current		
Borrowings	184	368
Convertible loan notes	5	5
Non-current		
Borrowing	–	148
	189	521

In December 2022, the Company reprofiled its outstanding debt with Riverfort Global Opportunities such that it will incur a coupon of 8 per cent. During the year £368,366 was repaid and interest of £36,836 accrued, leaving an outstanding balance of £184,183 due within one year. In 2022 the total balance due to Riverfort was classified as a non current liability, this has now been corrected to show that £368,366 was due within one year.

The current convertible loan was due for redemption on 19 November 2019 and at the balance sheet date £5,625 remains unclaimed.

15. Provisions – Group

	£000s
At 1 January 2022	312
Foreign exchange movement	13
Provision	338
At 31 December 2022	663
At 1 January 2023	663
Foreign exchange movement	27
Provision	–
At 31 December 2023	690

The amount provided for decommissioning costs represents the Group's share of site restoration costs for the Petišovci field in Slovenia. The Company has placed €300,000 (£262,000) on deposit as collateral against this liability see Note 13.

Post year end, the claim for the repayment of the prepaid abandonment fund has been put forward in full, given that the wells have been transferred to Geoenergo. See note 21 for further details.

16. Trade and other payables – Group

	2023 £'000s	**2022 £'000s**
Trade payables	489	437
Tax and social security payable	29	44
Accruals and deferred income	44	495
	562	976

17. Trade and other payables – Company

	2023 £'000s	**2022 £'000s**
Trade payables	210	138
Tax and social security payable	29	28
Accruals and deferred income	50	53
	289	219

18. Called up share capital

	2023 £'000s	2022 £'000s
Authorised		
2,000,000,000 ordinary shares of 0.5p each	10,000	10,000
Allotted, called up and fully paid		
3,019,648,452 deferred shares of 0.195p each	5,888	5,888
1,737,110,763 deferred shares of 0.09p each	1,563	1,563
109,376,804 ordinary shares of 0.5p each	763	763
13,333,333 ordinary shares of 0.5p each	67	–
42,857,143 ordinary shares of 0.5p each	214	–
	8,495	8,214

Reconciliation of share capital movement	2023 number	2022 number
At 1 January	152,418,015	109,376,804
Issue of shares during the year	56,190,476	43,041,211
At 31 December	208,608,491	152,418,015

The deferred shares have no voting rights and are not eligible for dividends.

Shares issued during the year

- On 4 April 2023, the Company raised total gross new equity proceeds of £0.4 million from the issue of 13,333,333 new ordinary shares at a placing price of 3 pence per share.
- On 17 October 2023, the Company issued 42,857,143 ordinary shares of 0.5p each at a subscription price of 3.5p per share to MBD Partners SA.

Reconciliation of share capital and share premium:

Reconciliation of share capital movement	**Share capital £'000s**	**Share premium £'000s**	**Total £'000s**
At 1 January 2023	8,214	76,298	84,512
13,333,333 ordinary shares of 0.5p each	66	333	399
42,857,143 ordinary shares of 0.5p each	215	1,286	1,501
Costs related to share issues		(28)	(28)
At 31 December 2023	8,495	77,889	86,384

Shares issued during the prior year

- On 19 January 2022, the Company raised £600,000 via a placing of 18,181,818 ordinary shares with investors.
- On 19 January 2022, the Company issued 303,030 ordinary shares at a price of 3.30p to a professional advisor in lieu of fees.
- On 3 February 2022, the Company issued 1,636,363 ordinary shares at a price of 3.30p to professional advisors in lieu of fees and to staff in lieu of bonus.

- On 14 April 2022, the Company received £242,500 in respect to a warrants exercise over 6,062,500 new ordinary shares.
- On 1 December 2022, the Company raised £600,000 via a placing of 15,000,000 ordinary shares with investors.
- On 1 December 2022, the Company issued 1,232,500 ordinary shares at a price of 4.00p to professional advisors in lieu of fees.
- On 1 December 2022, The Company issued 625,000 ordinary shares at a price of 4.00p to Riverfort Global Opportunities as a repayment of loan.

19. Exploration expenditure commitments

In order to maintain an interest in the oil and gas permits in which the Group is involved, the Group is committed to meet the conditions under which the permits were granted and the obligations of any joint operating agreements. The timing and the amount of exploration expenditure commitments and obligations of the Group are subject to the work programmes required as per the permit commitments. This may vary significantly from the forecast programmes based upon the results of the work performed. Drilling results in any of the projects may also cause variations to the forecast programmes and consequent expenditure. Such activity may lead to accelerated or decreased expenditure. It is the Group's policy to seek joint operating partners at an early stage to reduce its commitments.

At 31 December 2023, the Group had exploration and expenditure commitments of £Nil (2022 – Nil).

20. Related party transactions

There is no ultimate controlling party for the Company.

Directors

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group. In the opinion of the Board, the Group's key management are the Directors of Ascent Resources plc. Information regarding their compensation is given in Note 4.

2023

There were no transactions involving directors during the year (2022: nil).

21. Events subsequent to the reporting period

On 8 January 2024, the insolvency proceedings were initiated. On 19 January 2024, Geoenergo d.o.o., the Company's Slovenian joint venture partner, had its application to enter voluntary insolvency approved. The Company is now filing an appeal against the decision of the court in relation to this unprecedented situation and will register its claim with the competent court, whilst continuing to pursue civil and criminal areas of redress against the former management and stakeholders of Geoenergo d.o.o.

Shortly after the year end, On 23 April 2024, another fundraise took place which raised up to $2.7million with an initial issue of $1.7million, of which $1million will be used as an investment into GNG Partners LLC. The investment is to fund's Ascents participation in a newly formed vehicle which has acquired onshore US midstream gas distribution and processing facilities which includes helium purification and liquefaction.

Post year end, the claim for the repayment of the prepaid abandonment fund has been put forward in full, given that the wells have been transferred to Geoenergo. See note 25 for further details.

22. Share based payments

The Company has provided the Directors, certain employees and institutional investors with share options and warrants ('Options'). Options are exercisable at a price equal to the closing market price of the Company's shares on the date of grant. The exercisable period varies and can be up to seven years once fully vested after which time the option lapses.

Details of the Options outstanding during the year are as follows:

	Shares	Weighted Average Price (pence)
Outstanding at 1 January 2022	7,348,142	253.72
Granted during the year	500,000	
Outstanding at 31 December 2022	7,848,142	50.05
Exercisable at 31 December 2022	6,689,404	248.72
Outstanding at 1 January 2023	7,848,142	50.05
Granted during the year	4,600,000	–
Expired during the year	(2,874,138)	–
Outstanding at 31 December 2023	9,574,004	50.05
Exercisable at 31 December 2023	8,172,438	41.20

The value of the options is measured by the use of a Black Scholes Model. The inputs into the Black Scholes Model made in 2022 were as follows:

Share price at grant	4.55
Exercise price	5.00
Volatility	54.4%
Expected life	5 years
Risk free rate	3.23%
Expected dividend yield	0%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous 5 years. The expected life is the expiry period of the options from the date of issue.

Options outstanding at 31 December 2023 have an exercise price of 5p (31 December 2022: 2.9p and 7.78p) and a weighted average contractual life of 5 years (31 December 2022: 4.5 years). The amount recognised in the income statement for the year ended 31 December 2023 was £105,069 nil (2022: £2,000).

In 2023, an adjustment of £1,660,000 was recognised in retained earnings in respect of previously expired options.

Details of the warrants issued in the year are as follows:

Issued	Exercisable from	Expiry date	Number outstanding	Exercise price
4 April 2023	Anytime until	3 April 2025	13,333,333	5.00p

	Warrants	Weighted Average Price (pence)
Outstanding at 1 January 2023	58,121,262	5.20
Granted during the year	13,333,333	5.00
Exercised during the year	–	–
Expired during the year	–	–
Outstanding at 31 December 2023	71,454,595	5.00
Exercisable at 31 December 2023	**71,454,595**	**5.00**

The warrants outstanding at the period end have a weighted average remaining contractual life of 2.2 years. The exercise prices of the warrants are between 4.00 – 7.50p per share.

Details of the warrants issued during the year ended 31 December 2022 are as follows:

Issued	Exercisable from	Expiry date	Number outstanding	Exercise price
27 January 2022	Anytime until	26 January 2024	20,303,030	5.00p
27 January 2022	Anytime until	26 January 2024	1,000,000	5.00p
14 April 2022	Anytime until	14 April 2025	9,093,750	4.00p
1 December 2022	Anytime until	1 December 2024	15,000,000	5.00p
1 December 2022	Anytime until	1 December 2024	4,600,000	5.00p

	Warrants	Weighted Average Price (pence)
Outstanding at 1 January 2022	21,914,254	6.80
Granted during the year	49,996,780	4.82
Exercised during the year	(6,062,500)	4.00
Expired during the year	(7,727,272)	5.50
Outstanding at 31 December 2022	58,121,262	5.20
Exercisable at 31 December 2022	**58,121,262**	**5.20**

23. Financial risk management

Group and Company

The Group's financial liabilities comprise CLNs, borrowings and trade payables. All liabilities are measured at amortised cost. These are detailed in Notes 15.

The Group has various financial assets, being trade receivables and cash, which arise directly from its operations. All are classified at amortised cost. These are detailed in Notes 12, 13, 16 and 17.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk (including interest risk and currency risk). The risk management policies employed by the Group to manage these risks are discussed below:

Credit risk

Credit risk is the risk of an unexpected loss if a counter party to a financial instrument fails to meet its commercial obligations. The Group's maximum credit risk exposure is limited to the carrying amount of cash of £475,000 (2022: £325,000) and trade and other receivables of £394,000 (2022: £11,000). Credit risk is managed on a Group basis. Funds are deposited with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks. The Company's liquid resources are invested having regard to the timing of payment to be made in the ordinary course of the Group's activities. All financial liabilities are payable in the short term (between 0 to 3 months) and the Group maintains adequate bank balances to meet those liabilities.

The Group makes allowances for impairment of receivables where there is an ECL identified. Refer to Note 14 for details of the intercompany loan ECL assessment.

The credit risk on cash is considered to be limited because the counterparties are financial institutions with high and good credit ratings assigned by international credit rating agencies in the UK.

The carrying amount of financial assets, trade receivables and cash held with financial institutions recorded in the financial statements represents the exposure to credit risk for the Group.

At Company level, there is the risk of impairment of inter-company receivables if the full amount is not deemed as recoverable from the relevant subsidiary company. These amounts are written down when their deemed recoverable amount is deemed less than the current carrying value. An IFRS 9 assessment has been carried out as per Note 1.

Market risk

i) Currency risk

Currency risk refers to the risk that fluctuations in foreign currencies cause losses to the Company.

The Group's operations are predominantly in Slovenia. Foreign exchange risk arises from translating the euro earnings, assets and liabilities of the Ascent Resources doo and Ascent Slovenia Limited into sterling. The Group manages exposures that arise from receipt of monies in a non-functional currency by matching receipts and payments in the same currency.

The Company often raises funds for future development through the issue of new shares in sterling. These funds are predominantly to pay for the Company's exploration costs abroad in euros. As such any sterling balances held are at risk of currency fluctuations and may prove to be insufficient to meet the Company's planned euro requirements if there is devaluation.

The Group's and Company's exposure to foreign currency risk at the end of the reporting period is summarised below. All amounts are presented in GBP equivalent.

	Group		Company	
	2023 £'000s	**2022 £'000s**	**2023 £'000s**	**2022 £'000s**
Trade and other receivables	–	–	–	–
Cash and cash equivalents	65	29	1	6
Trade and other payables	(220)	(314)	–	–
Net exposure	(155)	(285)	1	6

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of the European Union (the euro).

The Group operates internationally and is exposed to currency risk on sales, purchases, borrowings and cash and cash equivalents that are denominated in a currency other than sterling. The currencies giving rise to this are the euro.

Foreign exchange risk arises from transactions and recognised assets and liabilities.

The Group does not use foreign exchange contracts to hedge its currency risk.

Sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in sterling against the stated currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents the management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis comprises cash and cash equivalents held at the balance sheet date. A positive number below indicates an increase in profit and other equity where sterling weakens 10% against the relevant currency.

	Euro currency change	
Group	**Year ended 31 December 2023 £'000s**	**Year ended 31 December 2022 £'000s**
Profit or loss		
10% strengthening of sterling	20	124
10% weakening of sterling	78	(151)
Equity		
10% strengthening of sterling	29	69
10% weakening of sterling	(6)	(85)
Company		
Profit or loss		
10% strengthening of sterling	–	–
10% weakening of sterling	–	–
Equity		
10% strengthening of sterling	–	–
10% weakening of sterling	–	–

ii) Interest rate risk

Interest rate risk refers to the risk that fluctuations in interest rates cause losses to the Company. The Group and Company have no exposure to interest rate risk except on cash and cash equivalent which carry variable interest rates. The Group carries low units of cash and cash equivalents and the Group and Companies monitor the variable interest risk accordingly.

At 31 December 2023, the Group and Company has GBP loans valued at £184,000 (2022: £521,000) with a rate of 8% per annum.

iii) Liquidity risk

Liquidity risk refers to the risk that the Company has insufficient cash resources to meet working capital requirements.

The Group and Company manages its liquidity requirements by using both short- and long-term cash flow projections and raises funds through debt or equity placings as required. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements.

The Group closely monitors and manages its liquidity risk. Cash forecasts are regularly produced, and sensitivities run for different scenarios (see Note 1). For further details on the Group's liquidity position, please refer to the Going Concern paragraph in Note 1 of these accounts.

	Group		**Company**	
Categorisation of Borrowings – Group	**2023 £'000s**	**2022 £'000s**	**2023 £'000s**	**2022 £'000s**
Less than six months – loans and borrowings	184	–	184	–
Less than six months – trade and other payables	–	–	–	–
Between six months and a year	–	–	–	–
Over one year	–	516	–	516

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the balance between debt and equity. The Group reviews the capital structure on an on-going basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through new share issues and the issue of new debt or the repayment of existing debt.

There are no externally imposed capital requirements.

Fair value of financial instruments

Set in the foregoing is a comparison of carrying amounts and fair values of the Group's and the Company's financial instruments:

Categorisation of Financial Assets and Liabilities – Group	Carrying amount Year ended 31 December 2023	Fair Value Year ended 31 December 2023	Carrying amount Year ended 31 December 2022	Fair Value Year ended 31 December 2022
Financial assets				
Cash and equivalents – unrestricted	475	475	325	325
Cash and equivalents – restricted	–	–	–	–
Trade receivables	394	394	11	11
Financial liabilities				
Trade and other payables	562	562	599	599
Loans at fixed rate	184	184	516	516

Capital management – Company	Carrying amount Year ended 31 December 2023	Fair Value Year ended 31 December 2023	Carrying amount Year ended 31 December 2022	Fair Value Year ended 31 December 2022
Financial assets				
Cash and equivalents – unrestricted	410	410	302	302
Trade receivables	355	355	26	26
Financial liabilities				
Trade and other payables	289	289	283	283
Loans at fixed rate	184	184	516	516

Convertible loan at fixed rate

Fair value of convertible loans has been determined based on tier 3 measurement techniques. The fair value is estimated at the present value of future cash flows, discounted at estimated market rates. Fair value is not significantly different from carrying value.

Trade and other receivables/payables and inter-company receivables

All trade and other receivables and payables have a remaining life of less than one year. The ageing profile of the Group and Company receivable and payables are shown in Notes 13, 14.

Cash and cash equivalents

Cash and cash equivalents are all readily available and therefore carrying value represents a close approximation to fair value.

24. Commitments and contingencies

Decommissioning costs for the JV wells (Pg-10, Pg-11a and D-14) were agreed to be €345.2k between the JV partners and the relevant Slovenian ministry in 2013 when the RJOA was signed. Decommissioning costs become payable at the end of a wells operational life and a provision for decommissioning costs is made only when a well is put into production. With the change in the Slovenian mining law in April 2022 creating a ban on hydraulic stimulation, further development of the concession through hydraulic stimulation is now impossible. A provision of £690,000 (Note 15) has been made for the decommissioning of the PG10, PG11A and D-14 wells and represents the Company's estimate of the Group's share of the restoration costs for the JV wells (i.e. non-baseline wells) in the Petišovci field.

Post period in review we received correspondence from Petrol Geo (the field operator) who had produced a new estimate on the abandonment liability that was significantly higher at €2.3M for the three JV wells only. As part of the Geoenergo insolvency process the Ministry of Natural Resources requested that Geoenergo post €2.3M in an unfunded abandonment liability for the whole concession area (of which the Company ASL is only responsible for Pg-10, Pg-11a and D-14, which totals €345.2k). Ascent had previously already prepaid €300k to Geoenergo's private abandonment fund as part of the RJOA. The RJOA was terminated with an effective date of 19 January 2024 by the administrator via a letter received from them dated 10 April 2024. Furthermore on 19 April 2024, the concession expired and according to the RJOA the parties agreed that upon expiry of the Concession Contract, Ascent shall transfer the title to the Existing Joint Venture Property on an "as-is" basis to Geoenergo without any compensation. The Company believes that the Existing Joint Venture property relates to all JV assets which are reflected in the accounts of Ascent prior to signature of the RJOA in 2013 which most notably is the three wells (drilled 2004 and 2011).

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