Doriemus

DORIEMUS PLC

Annual Report and Financial Statements

Year Ended 31 December 2019

Company Registered Number 03877125 (England and Wales)

ARBN 619 213 437

Doriemus PLC

**Annual Report and financial statements
for the year ended 31 December 2019**

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COMPANY INFORMATION

DIRECTORS:	Keith Coughlan – Non Executive Chairman Greg Lee – Executive Director Donald Strang – Non Executive Director
JOINT COMPANY SECRETARIES:	Donald Strang & Jessamyn Lyons
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DORIEMUS PLC

("Doriemus" or the "Company")

CHAIRMAN'S STATEMENT INCORPORATING THE STRATEGIC REPORT

The Company is pleased to present this Annual Report, together with the financial statements and annual corporate governance statement, on the Company (referred to hereafter as 'Doriemus') consisting of Doriemus Plc (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the full year ended 31 December 2019.

2019 saw the Company divest some of its interest in Horse Hill and its Lidsey Oilfield interests to provide balance sheet strength to assist with the funding of the acquisition of any new assets that the Board believes will enhance shareholder value.

The Company provides the following overview of activities in 2019 and post the reporting period:

Horse Hill Oil Discovery, UK:

The Company currently owns a 4% interest in a special purpose company, HHDL, which is the operator and 65% interest holder in two Petroleum Exploration and Development Licences ("PEDL") PEDL137 and PEDL246 in the northern Weald Basin between Gatwick Airport and London (having only recently disposed of 6% of its 10% interest as detailed further below). The PEDL137 licence covers 99.29 km^2 to the north of Gatwick Airport in Surrey and contains the Horse Hill-1 ("HH-1") discovery well. PEDL246 covers an area of 43.58 km^2 and lies immediately adjacent and to the east of PEDL137.

On the 17th January 2019, the Company announced that:

- Sustained production was being maintained from the HH-1 extended well test ("EWT") programme, achieving a gross aggregate total of over 25,000 barrels ("bbl") to date with over 21,000 bbl produced from the Kimmeridge Limestone ("KL") oil pool.
- Planning and environmental permit applications for permanent oil production via a 7-well development facility submitted. It is anticipated that all necessary permits should be in place by the UK Autumn 2019 (i.e. October / November 2019), enabling a transition from EWT production into permanent production during the UK Winter (i.e. December 2019 / January 2020).

On the 25th January 2019, the Company announced that:

- The Operator of HH-1 advised production from Horse Hill throughout the year will continue with the EWT of HH-1.and by the drilling and production testing of two horizontal wells.
- Planning consent and environmental permits are in place.
- Further horizontal production wells and a water reinjection wells are planned to be drilled in early 2020 after the grant of regulatory approvals for permanent oil production.

On the 15th February 2019, the Company announced that:

- Doriemus has signed a binding Heads of Terms to sell 60% of its 10% interest in HHDL to UK Oil and Gas Plc ("UKOG") for a consideration 129,629,630 new ordinary shares in UKOG to Doriemus, worth approximately $3.5 million at UKOG's closing price in London on 14 February 2019 at 1.5 pence per share at an exchange rate of GBP:AUD of 1.81.
- Doriemus will still retain a 4% interest in HHDL, post completion of the transaction and UKOG will then hold a 77.9% direct interest in HHDL and a majority 50.635% interest in the Horse Hill oil field and licences.

On the 19th February 2019, the Company announced that:

- The Operator of HH-1 discovery well HHDL has advised production from Horse Hill has resumed from the Portland with dry oil flow (i.e. oil with zero water content), at a stable daily rate of between 208 to 218 barrels per day ("bopd").

On the 22nd February 2019, the Company announced that: it had completed the transaction to sell 60% of its 10% interest in Horse Hill.

On the 18th of March 2019 the company announced that aggregate test production from the Portland reservoir at the Horse Hill oil field in the Weald Basin of the UK now exceeds 10,000 barrels ("bbl").

On the 12th April 2019, the Company announced that:

- The aggregate test production from the Horse Hill-1 discovery well had exceeded 40,000 bbl of oil from the Portland and Kimmeridge reservoirs at the Horse Hill oil field. With oil production from the Portland reservoir delivering an aggregate total volume exceeding 15,000 barrels ("bbl") to date.

On the 20th of May 2019, the company announced that aggregate test production from the Portland reservoir at the Horse Hill oil field in the Weald Basin of the UK now exceeds 20,500 barrels ("bbl"). The operator had finalised drilling contracts for the drilling of Horse Hill 2 well.

On the 12th June 2019, the Company announced that as of the 7th June 2019:

- The total aggregate Portland and Kimmeridge test oil production from the Horse Hill oil field, reached a significant landmark of 50,000 bbl of light, sweet, dry oil. with an aggregate total of 25,777 bbl to date from the Portland.

On the 2nd of August 2019, the Company announced that it had been informed by HHDL that, total aggregate Portland and Kimmeridge test oil production from the Horse Hill oil field, exceeded 60,186 bbl of light, sweet, oil.

On the 12th of September 2019, the Company announced that:

- The UK's Surrey County Council's ("SCC") Planning and Regulatory Committee granted full planning consent for long-term oil production at the Horse Hill oil field. The important planning consent gives permission to produce oil over a period of 25 years. All existing and future wells will be drilled from within the existing 20 x 15 metre concrete pad. No further drilling sites beyond Horse Hill are required.

On the 13th of September 2019, the Company announced that:

- Total aggregate Portland and Kimmeridge test production now stands at a landmark 66,127 bbls of light, sweet, dry oil. bbl.
- Final site works to accommodate the arrival of the rig to drill the new HH-2/2z. Portland horizontal well commenced at 1200 hrs, Friday 30th August and were now complete with the rig scheduled to arrive later in September to commence drilling the HH-2 well.

On the 25th of September 2019, the Company updated the market on the drilling of HH 2/2Z announcing that:

- Operations had commenced onsite in preparation for the drilling of HH 2/2Z.

On the 1st of October 2019, the Company updated the market on the drilling of HH 2/2Z announcing that:

- Drilling operations for the new HH-2/2z Portland Sandstone well commenced on Sunday morning, 29 September.
- Following a planned extensive HH-2z production flow-testing campaign, both the HH-2z Portland Sandstone well and the HH-1 Kimmeridge Limestone well are expected to be put into long term production by the end of 2019.

On the 9th of October 2019, the Company updated the market on the drilling of HH 2/2Z announcing that:

- HH-2/2Z 12 ¼" hole has been drilled to a current total depth of 615.4 m (1019 ft) from the Rotary Table (RT) and the 9 5/8" casing has been successfully run, set and cemented to surface.
- The next stage was to drill the 8 ½"hole to coring point where 3 x 18.3 m (60 ft) cores are expected to be drilled through the oil bearing Portland reservoir.

On the 14th of October 2019, the Company updated the market on the drilling of HH 2/2Z announcing that:

- Coring operations had commenced and the operator had decided to take an additional 18.3 m core from the original plan making it 4 x 18.3 m. This was due to some third party petrophysical interpretation that the operator had acquired that interpreted a potentially deeper oil water contact in the field. This interpretation has now been received by Doriemus but until final analysis of cores and logs have been performed the findings of the third-party interpretation cannot be confirmed.

On the 16th of October 2019, the Company updated the market on the drilling of HH 2/2Z announcing that:

- Coring operations have been successfully completed on the Horse Hill 2 ("HH 2") Portland pilot well. Preliminary onsite visual analysis of the 4 sections of the total cored interval of 73.6 m (241.45 foot) have clearly visually indicated the Portland Reservoirs prime and most productive section. It is expected that this reservoir depth will be where the horizontal section of the well will target, subject to final analysis and reports.
- The well has now reached its planned depth of ± 707 m (2320 ft) from the rotary table (RT) and is now being prepared/conditioned to run electric logs.

On the 23rd of October 2019, the Company updated the market on the drilling of HH 2/2Z announcing that:

- Following the successful drill logging and coring of the Horse Hill-2 ("HH-2") Portland pilot well, the HH-2z horizontal drilling operations are now underway.

On the 5th November 2019, the Company updated the market on the drilling of HH 2/2Z announcing that:

- Drilling of the horizontal section has been completed to a total depth of 704m (2311 ft) from the rotary table (RT). The horizontal section of the well has been drilled to approximately 260m (850 feet) laterally south east of the top hole location of Horse Hill 2 ("HH-2").
- The drilling rig was damaged and was awaiting repairs.
- The open hole section was conditioned to stabilise the wellbore till drilling could recommence.

On the 13th of November 2019, the Company updated the market on the drilling of HH 2/2Z announcing that

- Drilling of the horizontal section has now been successfully completed to approximately a total of 762 meters (2,500 ft).
- A comprehensive electric logging programme was completed in the horizontal section.

On the 28th of November 2019, the Company announced that:

- The Horse Hill-2z ("HH-2z") Portland horizontal well drilling has been completed and temporarily suspended in preparation for the extended well test ("EWT").
- HH-2z was being prepared for the planned "EWT" campaign once the rig and associated equipment has been demobilised.

On the 24th of December 2019, the Company announced that:

- The EWT has commenced on the Horse Hill-2z ("HH-2z") Portland horizontal well.

On the 20th February 2020, the Company announced that the operator has commenced well intervention activities in an attempt to identify and isolate the unexpected water production from the horizontal section of HH-2Z in the Portland Sandstone formation.

Isle of Wight, UK:

Doriemus has a 5% participating interest in a 200km^2 onshore Isle of Wight Petroleum Exploration and Development Licence (PEDL 331) - Arreton Oil Discovery. The Operator is UK Oil & Gas Investments Plc.

Doriemus has a 5% participating interest in a 200km^2 onshore Isle of Wight Petroleum Exploration and Development License ("PEDL 331")

On the 23rd August 2019, the Company announced that it had been informed by the operator of PEDL 331 UK Oil & Gas plc ("UKOG" or the "Operator") that the UK Oil and Gas Authority ("OGA") has granted a two-year extension to the expiry of the initial terms of the PEDL331 License. The initial terms are now not due to expire until at least the 20th of July 2023. The Company understands that the extension should allow for sufficient time for the Operator's previously reported multiple well appraisal and exploration drilling campaign to be conducted and completed fully within the extended time frame.

The Company has historically considered this asset to be a non-core asset but given the plans for drilling and development as set out below, the Company may consider this to be a more core asset. The Isle of Wight PEDL331 Arreton license contains a discovery well Arreton plus several geologically similar prospects Arreton South and North prospects. Drilling of the Arreton-3/3z appraisal well with an expected extended flow test (EWT) is now scheduled to commence in the United Kingdom Autumn of 2020, subject to the grant of necessary regulatory consents. The Arreton South and North prospects are believed to contain Portland formation oil with further upside believed to be contained in both prospects within the underlying Inferior Oolite sequence.

The Operator's subsurface team have advised that they have also recently identified a further large undrilled anticlinal structure, the Arreton East Prospect, another lookalike to the Arreton discovery and lying further to the east along the same geological trend. Initial mapping shows this feature to be many times larger than both the Arreton oil discovery and Arreton South prospect combined. Further work and potential recoverable resources will be reported in due course.

Following completion of Arreton-3/3z, the Operator has advised that it currently plans to proceed directly to drill Arreton South, and if regulatory permissions are in place, to proceed directly to drill Arreton East in the United Kingdom Winter of 2020/21. The proposed United Kingdom Autumn/Winter drilling is designed deliberately to avoid the island's tourist season.

Investment in Greenland Gas & Oil Plc (1.33% interest in GGO):

The Company has a small shareholding in the English registered company Greenland Gas and Oil Plc ("GGO"), which is an early stage oil and gas exploration company focused on acquiring oil and gas exploration assets in Greenland. The Company considers this to be a passive investment.

Brockham Oil Field, UK:

Doriemus holds a direct 10% interest Brockham, operated by a subsidiary of Angus Energy Plc (the "Operator"). The 8.9 km^2 Brockham oil field ("Brockham"), in the Weald Basin, is held under UK Production License 235 (PL 235).

On the 5th February 2019, the Company announced that the Operator had started on site to complete the flow testing of the Brockham X4Z well.

On the 1st July 2019, Doriemus announced that it had received notification via a public announcement from the Operator regarding the testing of Brockham X4Z well as detailed below:

- Works on the BR-X4Z were completed and after the operators inhouse analysis of the results, it is their opinion that the stimulation techniques and application of the technique employed by the Operator had not succeeded on the Kimmeridge formation in the well.
- Whilst the Operator evaluates options for the site, including addressing the Portland reservoir and using the older BR-X1 well for water disposal, the Operator announced that it has entered into preliminary discussions with a third party regarding the proposed sale of the Operator's 65% interest in the Brockham license.

As a result of this recent development and noting the announcement of the intention of the Operator to dispose of its own interest, Doriemus will also be reviewing all of its options in connection with its interest in the Brockham asset and the work programme. The Company will provide a further update upon any material developments occurring.

Lidsey Oil Field, UK:

On the 27th February 2019, the Company announced that it had signed a binding Term Sheet to sell its 20% interest in the Lidsey Oil Field, on the south coast of the UK to Angus Energy for a consideration 8,324,024 new ordinary shares in Angus Energy to Doriemus, worth approximately A$0.6 million at Angus Energy's closing price in London on 26 February 2019 at 3.9 pence per share at an exchange rate of GBP:AUD of 1.84.

On the 14th March 2019, the Company announced that all the required sale and purchase agreements to sell its interest in the Lidsey Oil Field in the UK to Angus Energy had been executed and the deal will close when the UK Government's Oil & Gas Authority approves the transfer of the interest from Doriemus to Angus Energy.

On the 23rd April 2019, the Company announced that the transaction to sell its Lidsey onshore field interest to Angus Energy had completed. The Company no longer has an interest in the Lidsey asset.

Western Australian Onshore Block L15:

On the 31st December 2018, Doriemus announced that it had signed a binding letter of intent with Rey Resources Limited (ASX: REY) to earn 50% (plus operatorship) over the 163 km^2 WA onshore block L15, which contains the fully permitted West Kora oil field. L15 is located only 20km east of Derby in Western Australia.

On the 5th March 2019, Doriemus confirmed it had executed a Farmout Agreement with Rey Resources Ltd (REY) to farmin to L15. The key points of this agreement are as follows:

- The Farmout Agreement confirms the terms on which the Doriemus group will, subject to fulfilling certain earning obligations, be assigned a 50% interest in L15 Block as well as be appointed the operator of the field pursuant to an agreed form Joint Operating Agreement which forms part of the Farmout Agreement and will become operational in conjunction with the assignment of the 50% interest.
- REY currently owns 100% of L15 and Doriemus can secure a 50% interest and operatorship in L15 by funding a $1 million field development plan over the following year on the L15 permit which would be aimed to bring West Kora back in to production.
- Once earning obligations are complete Doriemus will be assigned the 50% interest in L15 from REY, at which point the parties have agreed the JOA (which comprises part of the Farmout Agreement) will become operational.
- Doriemus are preparing all permits and other safety management documentation required by the Western Australian Government with the aim of recommencing oil production from Kora West.

Doriemus announced on the 6th February 2020 that it had filed a Notice of Withdrawal from the farm-out agreement for L15 with Rey Resources. The relevant farmout agreement is now deemed terminated and Doriemus has not earned any interest in the L15 asset.

Western Australian Onshore Block EP 487:

The EP 487 Block is 5,058 km^2 in size and is located onshore Western Australia, approximately 30km ESE of Derby. Doriemus has the contractual right to be assigned a 50% interest and operatorship upon the completion of certain conditions precedent as previously announced.

On the 31st December 2018, Doriemus announced it had signed a binding letter of intent with Rey Resources Limited (ASX: REY) to obtain a 50% interest (plus operatorship) over the 5,058 km^2 WA onshore petroleum exploration permit block EP 487. EP 487 is located only 30km ESE of Derby (Western Australia), and close to existing infrastructure.

On the 28th March 2019, Doriemus confirmed it had executed a Farmout Agreement with Rey Resources Ltd (REY) to farmin to EP 487. Key points of this agreement are as follows:

- The Farmout Agreement confirms the terms on which the Doriemus group will, subject to fulfilling certain earning obligations, be assigned a 50% interest in the 5,058 km2 WA onshore block EP 487 as well as be appointed the operator of the permit pursuant to an agreed form Joint Operating Agreement which forms part of the Farmout Agreement and will become operational in conjunction with the assignment of the 50% interest.
- Doriemus was required to provide evidence to REY by 30 June 2019 that it had or would have the required funding in place to drill an exploration well on EP 487 to a depth as agreed by the parties. Doriemus had then to drill a well to the agreed depth within 12 months to be assigned the interest). REY currently own 100% of EP487.

On the 1st July 2019, the Company announced that it had agreed with Rey Resources Limited to extend the date on which Doriemus must provide proof of funding to drill an exploration well to an agreed depth on the EP487 License from the 30th June 2019 to the 31st July 2019 in accordance with the terms of the relevant farmout agreement.

On the 5th August 2019, the Company announced that it had received a notice of termination of the relevant EP 487 Farmout Agreement from Rey Resources Limited (ASX: REY). The EP487 Farmout Agreement was terminated by Rey Resources Limited as result of Doriemus not satisfying the relevant condition precedent to have sufficient funding in place by the 31st July 2019 in order to undertake the drilling of an exploration well (Butler prospect) proposed as part of the relevant farm in obligations on EP487. The termination ceases the right of Doriemus to earn an interest in EP487 and brings the EP487 Farmout Agreement to an end.

Potential Acquisition of Coera Limited from Oilex Limited:

The Company announced on the 30th January 2020 that a binding conditional Heads of Agreement has been executed between Doriemus and ASX Listed Oilex Limited ("**Oilex**") for the proposed acquisition by Doriemus of Coera Limited ("**Coera**") which holds (or holds the rights to acquire) a portfolio of oil and gas assets within the proven onshore South Australian Cooper-Eromanga Basin ("Proposed Acquisition"). The Proposed Acquisition was subject to a number of conditions precedent including in particular a minimum capital raising of $3.5m and obtaining various shareholders approvals.

The Company then announced on the 21st February 2020 that it had completed a $4.5m bookbuild from various professional and sophisticated investors ("**Bookbuild**") in connection with the Proposed Acquisition. However, unfortunately, the Company was required to announce on the 24th March 2020 that certain investors had failed to settle their committed funds under the Bookbuild by the specified date of the 20th March 2020. This meant that the raising of a minimum of $3.5m million in funds that was required to satisfy the capital raising condition precedent for the Proposed Acquisition had not been achieved.

In light of the above, and in these unprecedented times of market and global uncertainty, the Board took the view that it is in the best interests of the Company, its shareholders and other stakeholders to not proceed with the capital raising element of the Proposed Acquisition (which included the Bookbuild) at this time.

In addition to withdrawing the Bookbuild, the Company also resolved to withdraw a priority and shortfall offer, as well as a bonus option issue, both offers were to be made in connection with the Bookbuild. Having resolved to withdraw the various offers, the Company applied to ASIC to withdraw the prospectuses under the priority and shortfall offer as well as the bonus option issue. Accordingly, no securities will be issued by Doriemus at this time in connection with the Proposed Acquisition (including as consideration to Oilex Limited, or under the Bookbuild, or the priority and shortfall offer, or the bonus option issue, or the director options, or any securities to Hartleys Limited or the performance rights).

Doriemus is currently working with Oilex Limited in respect of seeking to agree and extended the timetable for completion of the Proposed Acquisition, potentially with a revised structure and varied commercial terms.

Corporate:

Results for the period:

Retained loss for the year to 31st December 2019 amounted to £1,571,000 (2018: £1,745,000 loss) which included a write off of capitalized exploration costs of £788,000 (2018: £998,000); an impairment charge of £179,000 (2018: £160,000); and administrative costs of £639,000 (2018: £ 656,000).

Total revenue for the period was £10,000 (2018: £43,000) and £105,000 (2018: £90,000) related to Oil Field expenses.

Director Changes:

On the 19th June 2019, the Company announced that Mr Keith Coughlan had been appointed as Non-Executive Chairman and that Mr David Lenigas had resigned as Executive Chairman.

On the 17th July 2019, the Company announced the resignation of Mr Hamish Harris and that Donald Strang had moved from the position of Executive Director to Non-Executive Director.

Outlook:

2019 has seen the ongoing Horse Hill extended well testing and development plans continue to show its potential, with two production / appraisal wells planned shortly for Horse Hill discovery nearby London Gatwick Airport. Other onshore UK activities at Isle of Wight will continue.

2019 also saw the Company set focus on the sourcing and appraisal of further investments in line with the Company's growth strategy. The board looked opportunistically at investing in or acquiring, an appropriate percentage holding, possibly including management, of a company or companies and businesses in the global oil and gas sector. To reflect the future plans of the Company, the board was rationalised and there has been a significant reduction in all costs, in line with the current structure.

Early 2020 has seen the Company continue to evaluate the potential acquisition of Coera from Oilex. Although the capital raising component of the Proposed Acquisitions will not be proceeding at this stage, the Board remain favorable to maintaining discussions with Oilex with a view to agreeing revised transaction timetable and terms.

Covid-19

Doriemus continues to monitor the situation very closely, with a primary focus on the health, wellbeing and safety of all its employees.

To date there has been no impact to the Group and Company, or any of its projects, if this changes Doriemus will of course provide an update accordingly.

The Board, as always, remain open to consideration of other opportunities that may arise to create shareholder value.

In the meantime, Doriemus is still in strong position with its existing portfolio of assets in the United Kingdom and cash reserves of approximately $1.4M.

The directors would like to take this opportunity to thank our shareholders, staff and consultants for their continued support.

Keith Coughlan
Chairman
27th March 2020

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2019.

Principal activities and business review and future developments
The principal activity of the Group is to invest in and / or acquire companies and / or projects with clear growth potential, focusing on businesses that are available at attractive valuations and hold opportunities to unlock imbedded value, mainly focusing in the mining, and oil & gas sectors.

A review of the business and future developments is given in the Chairman's statement incorporating the strategic report, on pages 2-7.

Key Performance Indicators
Due to the current status of the Group, the Board has not identified any performance indicators as key.

Principal Risks and Uncertainties
The principal risks and uncertainties facing the Group involve the ability to secure funding in order to finance the acquisition and exploitation of mining and, oil and gas assets and their fluctuating commodity prices.

In addition, the amount and quality of the Group's oil and gas resources and the related costs of extraction and production represent a significant risk to the Group.

Financial Risk Management Objectives and Policies
The Group's principal financial instruments are financial investments, trade receivables, trade payables and cash at bank. The main purpose of these financial instruments is to fund the Group's operations.

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

Liquidity Risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of equity and its cash resources. Further details of this are provided in the principal accounting policies, headed 'going concern'.

Going Concern
The Directors note the losses that the Group has made for the year ended 31 December 2019. The Directors have prepared cash flow forecasts for the period ending 31 March 2021 which take account of the current cost and operational structure of the Group.

The cost structure of the Group comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Group to operate within its available funding.

These forecasts demonstrate that the Group has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

It is the prime responsibility of the Board to ensure the Group remains a going concern. At 31 December 2019, the Group had cash and cash equivalents of £909,000 and no borrowings. The Group has minimal contractual expenditure commitments and the Board considers the present funds sufficient to maintain the working capital of the Group for a period of at least 12 months from the date of signing the Annual Report and Financial Statements. For these reasons the Directors adopt the going concern basis in the preparation of the Financial Statements.

Results, dividends
The statement of comprehensive income shows the result for the year of £1,571,000 (loss) (2018: £1,745,000 loss). No dividends were paid in the current or prior years, and no dividends are proposed.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

Events after the end of the reporting period
Events after the end of the reporting period have been fully detailed in Note 19 to the financial statements.

Directors' Remuneration and interests
The Group remunerates the Directors at a level commensurate with the size of the Group and the experience of its Directors. The Remuneration Committee has reviewed the Directors' remuneration and believes it upholds the objectives of the Group with regard to this issue. Details of the Directors' emoluments and payments made for professional services rendered are set out in Note 3 to the Financial Statements.

All the directors below served during throughout the period unless otherwise stated:

Keith Coughlan - appointed on 19th June 2019
David Lenigas - resigned on 19th June 2019
Donald Strang
Gregory Lee
Hamish Harris - resigned on 17th July 2019

Each of the directors hold fully vested options over ordinary shares, Donald Strang, and David Lenigas each hold 3million, and Gregory Lee, and Hamish Harris hold 1.5million options (total options held by directors is 9,000,000), all of which are exercisable at 0.197p each up until 28th September 2022.

Substantial Shareholdings
The substantial shareholdings in the Company have been fully disclosed in the additional ASX additional disclosures at the end of the report.

Policy on Payment of Creditors
It is the Group's policy to agree appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and to pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Group does not have a standard or code dealing specifically with the payment of suppliers.

Trade payables at the year end all relate to sundry administrative overheads and disclosure of the number of days' purchases represented by year end payables is therefore not meaningful.

Statement of Directors' responsibilities
The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONTINUED)

Website publication

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to Auditors

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

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

Independent Auditors
The auditors, Chapman Davis LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board

Don Strang
Director
27th March 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIEMUS PLC

OPINION

We have audited the financial statements of Doriemus Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's losses for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit. Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DORIEMUS PLC (continued)

CARRYING VALUE OIL & GAS PROPERTIES'

The Group has oil & gas properties' disclosed within non-current assets ('O&G assets') totalling £50,000 as at 31st December 2019, which are tested annually for impairment.

Management and the Board are required to ensure that only costs which meet the IFRS criteria of an asset and accord with the Company's accounting policy are capitalised within the O&G asset. In addition, in accordance with the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources' ('IFRS 6') Management and the Board are required to assess whether there is any indication whether there are any indicators of impairment of the O&G assets.

How the Matter was addressed in the Audit

The procedures included, but were not limited to, assessing and evaluating management's assessment of whether any impairment indicators in accordance with IFRS 6 have been identified across the Company's exploration assets/projects, the indicators being:

- Expiring, or imminently expiring, licence and/or exploration rights;
- A lack of budgeted or planned exploration and evaluation spend on the licence areas; and
- Discontinuation of, or a plan to discontinue, exploration activities in the licence areas.
- Sufficient data exists to suggest carrying value of oil & gas exploration and evaluation assets is unlikely be recovered in full through successful development or sale.

In addition, we reviewed management's assessment of the carrying value and the impairment / exploration expensed during the year of £788,000 and the basis thereof.

We also reviewed the Operator's AIM & the Company's ASX announcements and Board meeting minutes for the year and subsequent to year end for exploration activity to identify any indicators of impairment.

We also assessed the disclosures included in the financial statements.

MATERILIATY
In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified. Based on professional judgement, we determined overall materiality for the financial statements as a whole to be £100,000, based on an average of 2.0% percentage consideration of the Group's total assets and 10% consideration of an adjusted loss of the Group for the year.

OTHER INFORMATION
The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006
In our opinion, based on the work undertaken in the course of the audit:

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION
In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

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) or ISA IAASB 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.

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.

Rowan Palmer
(Senior Statutory Auditor)
For and on behalf of Chapman Davis LLP, Statutory Auditor
London
Chapman Davis LLP is a limited liability partnership registered in England and Wales (with registered number OC306037).
Date: 27th March 2020

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Revenue	**2**	10	43
Cost of sales		(105)	(90)
Gross (loss)		**(95)**	**(47)**
Administrative expenses		(641)	(656)
Exploration costs written-off		(788)	(998)
Impairment charges		(179)	(160)
Depletion charge		(5)	(3)
(Loss) from operations	**4**	**(1,708)**	**(1,864)**
Loan Interest received		48	95
Realised gain on financial investments		121	12
Unrealised (loss) / gain on financial investments		(32)	12
(Loss) before income tax		**(1,571)**	**(1,745)**
Income tax expense	**5**	-	-
(Loss) attributable to the owners of the company and total comprehensive income for the year		**(1,571)**	**(1,745)**
Other comprehensive income			
Exchange differences on translation of foreign operations		(1)	-
Other comprehensive income for the year net of taxation		**(1)**	**-**
Total comprehensive income for the period attributable to equity holders of the company		**(1,572)**	**(1,745)**
Earnings per share			
Basic earnings per share	**6**	(2.71p)	(3.42p)
Diluted earnings per share	**6**	(2.71p)	(3.42p)

The notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 December 2019

	Share capital	Share premium	Share based payment reserve	Foreign exchange reserve	Retained earnings / Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 31 December 2017	**202**	**7,734**	**1,717**	**-**	**(4,725)**	**4,928**
Issue of Share capital	30	252	-	-	-	**282**
Share issue costs	-	-	-	-	-	**-**
Share options lapsed	-	-	(34)	-	34	**-**
Transactions with owners	**30**	**252**	**(34)**	**-**	**34**	**282**
(Loss) for the year	-	-	-	-	(1,745)	**(1,745)**
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(1,745)**	**(1,745)**
At 31 December 2018	**232**	**7,986**	**1,683**	**-**	**(6,436)**	**3,465**
(Loss) for the year	-	-	-	-	(1,571)	(1,571)
Currency translation differences	-	-	-	(1)	-	(1)
Total comprehensive loss for the year	**-**	**-**	**-**	**(1)**	**(1,571)**	**(1,572)**
At 31 December 2019	**232**	**7,986**	**1,683**	**(1)**	**(8,007)**	**1,893**

The notes form an integral part of these financial statements.

Company Statement of Changes in Equity
for the year ended 31 December 2019

	Share capital	Share premium	Share based payment reserve	Retained earnings / Accumulated losses	Total
	£'000	£'000	£'000	£'000	£'000
At 31 December 2017	**202**	**7,734**	**1,717**	**(4,725)**	**4,928**
Issue of Share capital	30	252	-	-	**282**
Share issue costs	-	-	-	-	**-**
Share options lapsed	-	-	(34)	34	**-**
Transactions with owners	**30**	**252**	**(34)**	**34**	**282**
(Loss) for the year	-	-	-	(1,745)	**(1,745)**
Total comprehensive loss for the year	**-**	**-**	**-**	**(1,745)**	**(1,745)**
At 31 December 2018	**232**	**7,986**	**1,683**	**(6,436)**	**3,465**
(Loss) for the year	-	-	-	(1,357)	(1,357)
Total comprehensive loss for the year	**-**	**-**	**-**	**(1,357)**	**(1,357)**
At 31 December 2019	**232**	**7,986**	**1,683**	**(7,793)**	**2,108**

The notes form an integral part of these financial statements.

Consolidated Statement of Financial Position
at 31 December 2019

	Note	2019 £'000	2018 £'000
Assets			
Non-current assets			
Intangible assets	**7**	224	296
Oil & gas properties	**8**	50	1,274
Financial investments	**9**	423	941
Total non-current assets		**697**	**2,511**
Current assets			
Trade and other receivables	**11**	903	1,340
Cash and cash equivalents		909	209
Total current assets		**1,812**	**1,549**
Total assets		**2,509**	**4,060**
Liabilities			
Current liabilities			
Trade and other payables	**13**	(616)	(595)
Total current liabilities		**(616)**	**(595)**
Total liabilities		**(616)**	**(595)**
Net assets		**1,893**	**3,465**
Equity attributable to owners of the parent			
Share capital	**14**	232	232
Share premium account		7,986	7,986
Share based payment reserve		1,683	1,683
Foreign exchange reserve		(1)	-
Retained earnings		(8,007)	(6,436)
Total equity		**1,893**	**3,465**

The financial statements were approved by the Board of Directors and authorised for issue on 27th March 2020.

Keith Coughlan
Director

Donald Strang
Director

Company registered number 03877125

Company Statement of Financial Position
at 31 December 2019

	Note	2019 £'000	2018 £'000
Assets			
Non-current assets			
Intangible assets	**7**	224	296
Oil & gas properties	**8**	50	1,274
Financial investments	**9**	423	941
Total non-current assets		**697**	**2,511**
Current assets			
Trade and other receivables	**11**	1,131	1,340
Cash and cash equivalents		891	209
Total current assets		**2,022**	**1,549**
Total assets		**2,719**	**4,060**
Liabilities			
Current liabilities			
Trade and other payables	**13**	(611)	(595)
Total current liabilities		**(611)**	**(595)**
Total liabilities		**(611)**	**(595)**
Net assets		**2,108**	**3,465**
Equity attributable to owners of the parent			
Share capital	**14**	232	232
Share premium account		7,986	7,986
Share based payment reserve		1,683	1,683
Retained earnings		(7,793)	(6,436)
Total equity		**2,108**	**3,465**

The financial statements were approved by the Board of Directors and authorised for issue on 27th March 2020.

Keith Coughlan
Director

Donald Strang
Director

Company registered number 03877125

The notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended 31 December 2019

	2019 £'000	2018 £'000
Cash flows from operating activities		
(Loss) from operations	(1,708)	(1,864)
Adjustments for:		
Impairment charge	179	160
Exploration costs written-off	788	998
Depletion charge	5	3
(Increase)/decrease in trade and other receivables	(151)	27
Increase in trade and other payables	21	158
Net cash (outflow) from operating activities	**(866)**	**(518)**
Cash flows from investing activities		
Payments for intangible assets/OGP's	(42)	(229)
Loans advanced to related parties	(151)	(519)
Receipts on sale of AFS investments	1,760	95
Net cash used in investing activities	**1,567**	**(653)**
Cash flows from financing activities		
Proceeds from Issuance of ordinary share capital	-	282
Share issue costs	-	-
Net cash generated in financing activities	**-**	**282**
Net increase/(decrease) in cash and cash equivalents	**701**	**(889)**
Foreign exchange differences on translation	**(1)**	**-**
Cash, cash equivalents and bank overdrafts at beginning of year	**209**	**1,098**
Cash and cash equivalents at the end of year	**909**	**209**
Cash and cash equivalents comprise:		
Bank & cash available on demand	909	209

The notes form an integral part of these financial statements.

Company Statement of Cash Flows
for the year ended 31 December 2019

	2019 £'000	2018 £'000
Cash flows from operating activities		
(Loss) from operations	(1,494)	(1,864)
Adjustments for:		
Impairment charge	179	160
Exploration costs written-off	788	998
Depletion charge	5	3
(Increase)/decrease in trade and other receivables	(150)	27
Increase in trade and other payables	16	158
Net cash (outflow) from operating activities	**(656)**	**(518)**
Cash flows from investing activities		
Payments for intangible assets/OGP's	(42)	(229)
Loans advanced to related parties	(380)	(519)
Receipts on sale of AFS investments	1,760	95
Net cash used in investing activities	**1,338**	**(653)**
Cash flows from financing activities		
Proceeds from Issuance of ordinary share capital	-	282
Share issue costs	-	-
Net cash generated in financing activities	**-**	**282**
Net increase/(decrease) in cash and cash equivalents	**682**	**(889)**
Cash, cash equivalents and bank overdrafts at beginning of year	**209**	**1,098**
Cash and cash equivalents at the end of year	**891**	**209**
Cash and cash equivalents comprise:		
Bank & cash available on demand	891	209

The notes form an integral part of these financial statements.

Notes forming part of the financial statements
for the year ended 31 December 2019

1 Accounting policies

Background information
Doriemus plc is incorporated and domiciled in the jurisdiction of England and Wales. The address of Doriemus plc's registered office is Suite 3B, 38 Jermyn Street, London, SW1Y 6DN which is also the Company's principal place of business. Doriemus plc's shares in the form of CHESS Depositary Interests are listed on the Australian Securities Exchange ("ASX").

These Financial Statements (the "Financial Statements") have been prepared and approved by the Directors on 27th March 2020 and signed on their behalf by Donald Strang and Keith Coughlan.

Basis of preparation
The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to the company through all the years presented, unless otherwise stated. These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and EU adopted IFRICs (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by European Union ("adopted IFRSs"), and in accordance with those parts of the Companies Act 2006 applicable to those companies preparing their accounts under IFRS. The financial statements have been prepared under the historical cost convention and presented in pound thousands (£'000).

Going Concern
The Directors noted the losses that the Group has made for the Year Ended 31 December 2019. The Directors have prepared cash flow forecasts for the period ending 31 March 2021 which take account of the current cost and operational structure of the Group.

The cost structure of the Group comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Group to operate within its available funding.

These forecasts demonstrate that the Group has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

It is the prime responsibility of the Board to ensure the Group remains a going concern. At 31 December 2019, the Group had cash and cash equivalents of £909,000 and no borrowings. The Group has minimal contractual expenditure commitments and the Board considers the present funds sufficient to maintain the working capital of the Group for a period of at least 12 months from the date of signing the Annual Report and Financial Statements. For these reasons the Directors adopt the going concern basis in the preparation of the Financial Statements.

New standards, amendments and interpretations adopted by the Company

No new and/or revised Standards and Interpretations have been required to be adopted, and/or are applicable in the current year by/to the Group, as standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2019 are not material to the group.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

New standards, amendments and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- IFRS 17 Insurance Contracts (effective date 1 January 2021).

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Revenue
Revenue is generated from one main source of income currently. In the current year, revenue is being generated from the Group's Farm-in interests, on an accrued monthly basis, along with the associated costs.

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

Expenses
Expenses are recognised in the period when obligations are incurred and matched against when the related revenue is recognised.

Financial assets
The Group classifies its financial assets into categories as set out below, depending on the purpose for which the asset was acquired.

Cash and cash equivalents
Includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Trade and other receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at cost, less provision for impairment, if appropriate.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position, and also include amounts due from invested entities.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Financial liabilities
The Group classifies its financial liabilities into one of the following categories, depending on the purpose for which the liability was acquired:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method
- Bank and other borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument.
- Income received in advance is recorded as deferred income on the balance sheet.

Share capital
Financial instruments issued by the company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary and deferred shares are classified as equity instruments.

Reserves
Share capital is the amount subscribed for ordinary shares at nominal value.

Retained earnings / accumulated losses represent cumulative gains and losses of the company attributable to equity shareholders.

Share based payment reserve represents the value of equity benefits provided to employees and directors as part of their remuneration and provided to consultants and advisors hired by the Group from time to time as part of the consideration paid.

Intangible assets – Exploration of mineral resources
Acquired intangible assets, which consist of mining rights, are valued at cost less accumulated amortisation.

The Group applies the full cost method of accounting for exploration and evaluation costs, having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'. All costs associated with mining development and investment are capitalised on a project by project basis pending determination of the feasibility of the project. Such expenditure comprises appropriate technical and administrative expenses but not general overheads.

Such exploration and evaluation costs are capitalised provided that the company's rights to tenure are current and one of the following conditions is met:

(i) such costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by its sale; or
(ii) the activities have not reached a stage which permits a reasonable assessment of whether or not economically recoverable resources exist; or
(iii) active and significant operations in relation to the area are continuing.

When an area of interest is abandoned, or the directors decide that it is not commercial, any exploration and evaluation costs previously capitalised in respect of that area are written off to profit or loss.

Amortisation does not take place until production commences in these areas. Once production commences, amortisation is calculated on the unit of production method, over the remaining life of the mine. Impairment assessments are carried out regularly by the directors. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such indicators include the point at which a determination is made as to whether or not commercial reserves exist.

The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each reporting date. An assets' carrying value is written down immediately to its recoverable value if the assets carrying amount is greater than its listed recoverable amount.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Oil and gas properties and other property, plant and equipment

(i) Initial recognition
Oil and gas properties and other property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property, plant and equipment.

When a development project moves into the production stage, the capitalisation of certain construction/development costs ceases, and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to oil and gas property asset additions, improvements or new developments.

(ii) Depreciation/amortisation
Oil and gas properties are depreciated/amortised on a unit-of-production basis over the total proved developed and undeveloped reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved developed and undeveloped reserves of the relevant area.

The unit-of-production rate calculation for the depreciation/amortisation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure. An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss and other comprehensive income when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period and adjusted prospectively, if appropriate.

(ii) Major maintenance, inspection and repairs
Expenditure on major maintenance refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset, or part of an asset that was separately depreciated and is now written off is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) and is immediately written off. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Provision for rehabilitation / Decommissioning Liability
The Group recognises a decommissioning liability where it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the field location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and gas assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory are expensed when the inventory item is recognised in cost of goods sold.

Changes in the estimated timing or cost of decommissioning are dealt with prospectively by recording an adjustment to the provision and a corresponding adjustment to oil and gas assets.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to the statement of profit or loss and other comprehensive income.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment. If, for mature fields, the estimate for the revised value of oil and gas assets net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense. Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in the statement of profit or loss and other comprehensive income as a finance cost. The Group recognises neither the deferred tax asset in respect of the temporary difference on the decommissioning liability nor the corresponding deferred tax liability in respect of the temporary difference on a decommissioning asset.

Significant accounting judgements, estimates and assumptions
The preparation of the group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the financial statements. Changes in estimates are accounted for prospectively.

(i) Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

(a) Contingencies
Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

(ii) Estimates and assumptions

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

(a) Hydrocarbon reserve and resource estimates

Hydrocarbon reserves are estimates of the amount of hydrocarbons that can be economically and legally extracted from the Group's oil and gas properties. The Company estimates its commercial reserves and resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the Production-Sharing Agreements. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The current long-term Brent oil price assumption used in the estimation of commercial reserves is US$75/bbl. The carrying amount of oil and gas development and production assets at 31 December 2017 is shown in Note 8.

The Group estimates and reports hydrocarbon reserves in line with the principles contained in the SPE Petroleum Resources Management Reporting System (PRMS) framework. As the economic assumptions used may change and as additional geological information is obtained during the operation of a field, estimates of recoverable reserves may change. Such changes may impact the Company's reported financial position and results, which include:

- The carrying value of exploration and evaluation assets; oil and gas properties; property, plant and equipment; and goodwill may be affected due to changes in estimated future cash flows
- Depreciation and amortisation charges in the statement of profit or loss and other comprehensive income may change where such charges are determined using the Units of Production (UOP) method, or where the useful life of the related assets change
- Provisions for decommissioning may require revision — where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities
- The recognition and carrying value of deferred tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets

(b) Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that involves varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in the statement of profit or loss and other comprehensive income in the period when the new information becomes available.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

(c) Units of production (UOP) depreciation of oil and gas assets
Oil and gas properties are depreciated using the UOP method over total proved developed and undeveloped hydrocarbon reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field.

The life of each item, which is assessed at least annually, has regard to both its physical life limitations and present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation/amortisation will be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates change. Changes to the proved reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions
- Unforeseen operational issues

(d) Recoverability of oil and gas assets
The Group assesses each asset or cash generating unit (CGU) (excluding goodwill, which is assessed annually regardless of indicators) each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal (FVLCD) and value in use (VIU). The assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, reserves (see (a) *Hydrocarbon reserves and resource estimates* above) and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

(e) Decommissioning costs
Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure may also change — for example, in response to changes in reserves or changes in laws and regulations or their interpretation.

Therefore, significant estimates and assumptions are made in determining the provision for decommissioning.

As a result, there could be significant adjustments to the provisions established which would affect future financial results.

External valuers may be used to assist with the assessment of future decommissioning costs. The involvement of external valuers is determined on a case by case basis, taking into account factors such as the expected gross cost or timing of abandonment, and is approved by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

(f) Fair value measurement

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date. From time to time, the fair values of non-financial assets and liabilities are required to be determined, e.g., when the entity acquires a business, or where an entity measures the recoverable amount of an asset or cash-generating unit (CGU) at FVLCD.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. From time to time external valuers are used to assess FVLCD of the Company's non-financial assets. Involvement of external valuers is decided upon by the valuation committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The valuation committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

Changes in estimates and assumptions about these inputs could affect the reported fair value.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on disallowed expenses, expect where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

2 Revenue and segmental reporting

Segmental 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, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board.

The Group's current revenue is all generated in the United Kingdom from oil & gas production in accordance with its farm-in agreements, within the United Kingdom. However with this segment in its infancy, and with the only major related transactions being the carrying value of the oil & gas properties assets as described in Note 8, no further segmental analysis is deemed useful to disclose currently. The revenue from this segmental was £10,000 (2018: £43,000)

Subject to further acquisitions, the Group's expects to further review its segmental information during the forthcoming financial year and update accordingly.

3 Staff and director costs

	Group	
	2019	**2018**
	£'000	**£'000**
Staff costs, including directors, consist of:		
Fees and remuneration for management services	269	414
Employers NI	4	11
Pension costs	-	1
	273	426

The Group has no employees other than the directors. No pension contributions were made in respect of the directors (2018: £nil). The key management personnel of the group are the board of directors and their remuneration is disclosed below;

		Group	
	Fees and salaries	**Share based payments**	**Total**
2019	**£'000**	**£'000**	**£'000**
K Coughlan****	16	-	16
D Strang	73	-	73
G Lee	85	-	85
D Lenigas*	53	-	53
H Harris **	26	-	26
	253	-	253

	Fees and salaries	**Share based payments**	**Total**
2018	**£'000**	**£'000**	**£'000**
D Lenigas	119	-	119
D Strang	119	-	119
G Lee	114	-	114
H Harris	28	-	28
G Whiddon ***	18	-	18
	398	-	398

* Resigned 19 June 2019 ** Resigned 17 July 2019 *** Resigned 30 July 2018 **** Appointed 19 June 2019

Directors' fees totalling £24,000 have been accrued and remain unpaid as at 31 December 2019 (2018: £298,000).

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

4 Group loss from operations

Loss from operations is stated after charging:	2019 £'000	2018 £'000
Fees payable to the Group's auditor for the audit of:		
Parent company and consolidated financial statements	14	10
Fees payable to the Group's auditor for other services		
- Taxation services	-	-
Foreign currency exchange losses	9	35
Depletion & impairment charge	5	3

5 Taxation - Group

	2019 £'000	2018 £'000
Current tax expense:		
UK corporation tax and income tax of overseas operations on profits for the period	-	-
Total income tax expense	-	-

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

Loss for the period	(1,571)	(1,745)
Standard rate of corporation tax in the UK	19%	19%
Loss on ordinary activities multiplied by the standard rate of corporation tax	(298)	(332)
Expenses not deductible for tax purposes	-	-
Future income tax benefit not brought to account	298	332
Current tax charge for period	-	-

No deferred tax asset has been recognised because there is uncertainty of the timing of suitable future profits against which they can be recovered.

6 Loss per share - Group

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

	2019	2018
Basic earnings per share (pence)	(2.71)	(3.42)
Diluted earnings per share (pence)	(2.71)	(3.42)
(Loss) attributable to equity shareholders	(£1,571,000)	(£1,745,000)
	Number	**Number**
Weighted average number of shares - basic	57,983,125	50,984,872
Weighted average number of shares - diluted	72,433,125	65,434,872

The diluted number of shares includes 14.45 million share options (2018: 14.45 million share options) as described in Note 14. However the impact of the share options are considered to be anti-dilutive.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

7 Intangible assets

	Group Licences & Exploration costs £'000	Total £'000	Company Licences & Exploration costs £'000
Cost			
At 31 December 2017	**280**	**280**	**280**
Additions	16	16	16
At 31 December 2018	**296**	**296**	**296**
Additions	7	-	7
At 31 December 2019	**303**	**303**	**303**
Amortisation and impairment			
At 31 December 2017	**-**	**-**	**-**
Impairment	-	-	-
At 31 December 2018	**-**	**-**	**-**
Impairment	(79)	(79)	(79)
At 31 December 2019	**(79)**	**(79)**	**(79)**
Net book value			
At 31 December 2019	**224**	**224**	**224**
At 31 December 2018	296	296	296

On 10 August 2016 the Company entered into an agreement to acquire a 5% beneficial interest in the onshore Isle of Wight oil & gas licence "PEDL 331", in the United Kingdom. Consideration paid for the total 5% interest totalled £200,000. During 2018 and 2019 the Company incurred direct exploration costs in relation to PEDL331.

Impairment Review
At 31 December 2019, the directors have carried out an impairment review and have considered that an impairment write-down of £79,000 is required in relation to its capitalised directly incurred exploration costs in relation to Greenland Gas & Oil Ltd and its licences thereon (2018: £nil). The directors are of the opinion that the carrying value is stated at fair value.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

8 Oil & gas properties

	Group Oil & Gas Properties £'000	Total £'000	Company Oil & Gas Properties £'000
Cost			
At 31 December 2017	**2,232**	**2,232**	**2,232**
Additions	213	213	213
Exploration costs written-off	(998)	(998)	(998)
Impairment charge	(160)	(160)	(160)
At 31 December 2018	**1,287**	**1,287**	**1,287**
Additions	35	35	35
Disposal	(470)	(470)	(470)
Exploration costs written-off	(802)	(802)	(802)
Impairment charge	-	-	-
At 31 December 2019	**50**	**50**	**50**
Depletion			
At 31 December 2017	**10**	**10**	**10**
Depletion charge	3	3	3
At 31 December 2018	**13**	**13**	**13**
Depletion charge	5	5	5
Disposal	(4)	(4)	(4)
Exploration costs written-off	(14)	(14)	(14)
At 31 December 2019	**-**	**-**	**-**
Net book value			
At 31 December 2019	**50**	**50**	**50**
At 31 December 2018	1,274	1,274	1,274

Impairment review

The Oil & Gas properties comprised the 20% participating interest in the Lidsey oil field, in the United Kingdom and the 10% participating interest in the Brockham oil field, also in the United Kingdom. During the year ended 31 December 2019, the Company sold its 10% participating interest in the Lidsey oil field for £468,000, resulting in a small gain of £3,000 during the year. The Company had previously written down this interest during the previous year.

The Directors have carried out an impairment review as at 31 December 2019 and determined that an impairment charge in relation to the Brockham Oil Field is required as a result of the operator's termination of well tests and their intention to dispose of their own interest. As a result the Group's interest has been written down to £50,000, to which the Board of Directors will also consider their options in regards to a possible sale of their interest.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

9 Financial Investments

Group & Company	**2019**	**2018**
Investment in Listed & unlisted securities	**£'000**	**£'000**
Valuation at 1 January	941	1,012
Additions at cost	2,567	-
Disposal proceeds	(3,861)	(95)
Impairment	(100)	-
Net gain on disposals & market value movements	876	24
Valuation at 31 December	423	941
The financial investments split is as below:		
Non-current assets – unlisted – at cost	390	850
Non-current assets – listed – at market value	33	91
	423	941

Financial investments comprise investments in listed and unlisted which if listed are traded on stock markets throughout the world, and are held by the Group as a mix of strategic and short term investments.

10 Investment in Subsidiaries

Company	Country of Registration	Proportion held	Nature of business
Direct			
Doriemus Energy Pty Ltd	Australia	100%	Oil and Gas Services Company
Indirect			
Via Doriemus Energy Pty Ltd			
Doriemus EP487 Operations Pty Ltd	Australia	100%	Dissolved on 26 November 2019
Doriemus EP487 Pty Ltd	Australia	100%	Dissolved on 26 November 2019
Doriemus L15 Operations Pty Ltd	Australia	100%	Dormant company
Doriemus L15 Pty Ltd	Australia	100%	Dormant company

Doriemus L15 Operations Pty Ltd is in the process of being dissolved. The Parent company acquired all of the subsidiaries on their incorporation for nominal share holdings of A$10.

11 Trade and other receivables

	Group		**Company**	
	2019	**2018**	**2019**	**2018**
	£'000	**£'000**	**£'000**	**£'000**
Trade receivables	-	-	-	-
Loan to related party (See Note 17)	709	1,297	938	1,297
Other receivables	191	15	190	15
Prepayments and accrued income	3	28	3	28
	903	1,340	1,131	1,340

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

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

12 Cash and cash equivalents

	Group		Company	
	2019	**2018**	**2019**	**2018**
	£'000	**£'000**	**£'000**	**£'000**
Analysis by currency;				
Sterling	867	200	867	200
Australian Dollar	42	9	24	9
	909	209	891	209

13 Trade and other payables

	Group		Company	
	2019	**2018**	**2019**	**2018**
	£'000	**£'000**	**£'000**	**£'000**
Trade payables	410	135	410	135
Other payables	29	103	29	103
Accrued liabilities and deferred income	177	357	172	357
	616	595	611	595

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

14 Share capital

	Ordinary Shares Number	Nominal Value £'000
Ordinary shares of 0.4p each		
Allotted, called up and fully paid		
At 31 December 2017	**50,420,109**	**202**
3 December 2018 – Placing for cash at 0.0372p(A$0.065) per CHESS Depositary Interests	4,750,000	19
5 December 2018 – Placing for cash at 0.0375p(A$0.065) per CHESS Depositary Interests	2,813,016	11
At 31 December 2018	**57,983,125**	**232**
No issue of shares during the period	-	-
At 31 December 2019	**57,983,125**	**232**

Dividends Paid
During the years ended 31 December 2019 and 31 December 2018, the Group paid no dividends.

Capital Management
The Group's capital comprises the ordinary shares 0.4p (2018: 0.4p) each, as shown above.

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Share Options
The Group has as at 31 December 2019, 14,450,000 (2018: 14,450,000) share options issued through its share schemes. During the year nil share options were issued. (2018: nil) The share options on issue have exercise prices of 13.2p up to 20p per share, which are exercisable on various dates up to 29 September 2022. The Group cancelled none of the existing options on issue (2018: nil). During the year no options lapsed (2018: 50,000).

Warrants in issue
As at 31 December 2019, nil warrants remained outstanding (2018: nil). No warrants were issued during the year (2018: nil).

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

15 Share based payments

Share options held by directors, employees and third parties are as follows:

Grant date	Expiry date	Exercise price	Outstanding as at 31 December 2019
		£	Number
11 May 2017	30 June 2021	0.20	75,000
24 May 2017	30 June 2021	0.132	1,250,000
29 September 2017	28 September 2021	0.1917	2,000,000
29 September 2017	28 September 2022	0.1917	11,125,000
Total options in issue			**14,450,000**

A modified Black-Scholes model has been used to determine the fair value of the share options on the date of grant. The fair value is expensed to the income statement on a straight-line basis over the vesting period, which is determined annually. The model assesses a number of factors in calculating the fair value. These include the market price on the date of grant, the exercise price of the share options, the expected share price volatility of the Parent Company's share price, the expected life of the options, the risk-free rate of interest and the expected level of dividends in future periods.

For those options granted where IFRS 2 "Share-Based Payment" is applicable, the fair values were calculated using the Black-Scholes model. The inputs into the model were as follows:

	Risk free rate	Share price volatility	Expected life	Share price at date of grant
29 September 2017	0.5%	44.2%	5 years	£0.265
29 September 2017	0.5%	44.2%	4 years	£0.265

Expected volatility was determined by calculating the historical volatility of the Parent Company's share price for 12 months prior to the date of grant. The expected life used in the model is the term of the options.

16 Material Non-Cash Transactions

During the year the significant non-cash transactions were as follows:

- £787,000 effective loss on the novation of the loan due from Horse Hill Developments Ltd transferred to the purchaser on the sale of the Group's 6% shareholding in Horse Hill Developments Ltd. However the group made a gain on the sale of the shareholding of £1,740,000 resulting in an overall net gain on the transaction of £953,000.
- In connection with the above disposal of shareholding in Horse Hill Developments Ltd, the Group received non-cash proceeds of shares in UK Oil & Gas Plc, valued at £2,100,000.
- £467,000 of shares in Angus Energy plc received as proceeds for the sale of the Group's 20% interest in Lidsey Oil Field.
- £100,000 impairment of the Group's investment in Greenland Oil & Gas Ltd, expensed through the income statement.
- £788,000 net exploration costs in relation to the Group's 10% interest in the Brockham oil field, expensed through the income statement.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

17 Related party transactions

The Group had the following amounts outstanding from its investee companies (Note 11) at 31 December:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	£'000	**£'000**	**£'000**	**£'000**
Doriemus Energy Pty Ltd	-	-	229	-
Horse Hill Development Ltd ("Horse Hill")	632	1,202	632	1,202
Loan Interest receivable ("Horse Hill")	77	95	77	95
	709	1.297	938	1.297

The above loans outstanding are included within trade and other receivables, Note 11. The loan to Horse Hill has been made in accordance with the terms of the investment agreement whereby it accrues interest daily at the Bank of England base rate +10%, and is repayable out of future cashflows. On disposal of 6% of the Group's interest in Horse hill, the company also novated 60% of the outstanding loan balance and interest to the purchaser for no cost, incurring an effective loss on the loan of £787,000 taken through the income statement (see also Note 16).

Remuneration of Key Management Personnel

The remuneration of the directors, and other key management personnel of the Group, is set out below in aggregate for each of the categories specified for Related Party Disclosures

	Group		Company	
	2019	**2018**	**2019**	**2018**
	£'000	**£'000**	**£'000**	**£'000**
Short-term employee benefits	253	398	193	398
Share-based payments	-	-	-	-
	253	**398**	**193**	**398**

18 Financial instruments

Financial risk management

The Board of Directors sets the treasury policies and objectives of the Group, which includes controls over the procedures used to manage financial market risks.

It is, and has been throughput the period under review, the Group's policy that no major trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are:

- interest rate risk;
- liquidity risk;
- credit risk.
- market risk.
- Commodity price risk

Interest rate risk
The Group borrows only in sterling at both fixed and floating rates of interest. At the year end, the Group had nil borrowings.

Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and funding from shareholders.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

18 Financial instruments (continued)

Credit risk
The Group has no significant concentration of credit risk.

Market risk
The Group's current exposure to market risk is fundamentally linked to its interest in its listed financial investments, and the market price fluctuations thereof.

The Board agrees and reviews policies and financial instruments for risk management. The primary objectives of the treasury function are to provide competitively priced funding for the activities of the Group and to identify and manage financial risk.

Commodity price risk
The Group is exposed to the risk of fluctuations in prevailing market commodity prices on the mix of oil and gas products through its farm-in arrangements.

Commodity price sensitivity
The table below summarises the impact on profit before tax for changes in commodity prices. The analysis is based on the assumption that the crude oil price moves 10% resulting in a change of US$6.44/bbl (2018: US$7.13/bbl), with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of the last two years' historical prices and economic forecasters' expectations.

Increase/decrease in crude oil prices	**Effect on profit before tax for the year ended 31 December 2019 Increase/(Decrease)**	**Effect on profit before tax for the year ended 31 December 2018 Increase/(Decrease)**
	£'000	**£'000**
Increase US$6.44/bbl (2018: US$7.13)	1	4
Decrease US$6.44/bbl (2018: US$7.13)	(1)	(4)

Principal financial instruments

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

Financial assets

	Group		**Company**	
	2019	**2018**	**2019**	**2018**
	£'000	**£'000**	**£'000**	**£'000**
Trade receivables	-	-	-	-
Other receivables	190	15	190	15
Other loans	709	1,297	938	1,297
Cash and cash equivalents	909	209	891	209
Total financial assets classified as loans and receivables	1,808	1,521	2,019	1,521

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable set out above.

At 31 December 2019 and 2018 the carrying amounts of financial assets approximate to their fair values.

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

18 Financial instruments (continued)

Financial liabilities	Group		Company	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade payables - current	410	135	410	135
Other payables	29	103	29	103
Accrued liabilities	177	357	172	357
Total financial liabilities measured at amortised cost	616	595	611	595

To the extent trade and other payables are not carried at fair value in the statement of financial position, book value approximates to fair value at 31 December 2019 and 2018.

All financial assets and liabilities are due in less than 1 year.

The Group is exposed through its operations to one or more of the following financial risks:

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Short term liquidity risk is managed by preparing forecasts together with obtaining and reviewing the adequacy of banking facilities. There is currently no long-term liquidity risk.

Market operational and pricing risks

The Group operates in the United Kingdom and Australia. The Group's only revenue is derived from income from its farm-in agreements within the United Kingdom. The level of income is entirely dependent on the production and operation of the oil fields by its existing operator and the subsequent exposure to the movement in oil price in the market.

Credit risk

The credit qualities of financial assets that are neither past nor impaired are considered to be good, as they are primarily trade receivables and cash held with the Group's Banks. There are no financial assets which are past due or impaired.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "AA" are accepted.

Cash flow interest rate risk

The Group has minimal risk towards interest rate changes, other than those effects on interest being received on cash held in the Group's bank accounts.

Currency risk

The group is currently not materially directly exposed to currency risk as its assets, liabilities, revenue and expenditure are denominated in Sterling, and the Group remained a predominantly United Kingdom based Group during the year ended 31 December 2019.

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

19 Events after the end of the reporting period

Potential Acquisition of Coera Limited from Oilex Limited:

The Company announced on the 30th January 2020 that a binding conditional Heads of Agreement has been executed between Doriemus and ASX Listed Oilex Limited ("**Oilex**") for the proposed acquisition by Doriemus of Coera Limited ("**Coera**") which holds (or holds the rights to acquire) a portfolio of oil and gas assets within the proven onshore South Australian Cooper-Eromanga Basin ("Proposed Acquisition"). The Proposed Acquisition was subject to a number of conditions precedent including in particular a minimum capital raising of $3.5m and obtaining various shareholders approvals.

The Company then announced on the 21st February 2020 that it had completed a $4.5m bookbuild from various professional and sophisticated investors ("**Bookbuild**") in connection with the Proposed Acquisition. However, unfortunately, the Company was required to announce on the 24th March 2020 that certain investors had failed to settle their committed funds under the Bookbuild by the specified date of the 20th March 2020. This meant that the raising of a minimum of $3.5m million in funds that was required to satisfy the capital raising condition precedent for the Proposed Acquisition had not been achieved.

In light of the above, and in these unprecedented times of market and global uncertainty, the Board took the view that it is in the best interests of the Company, its shareholders and other stakeholders to not proceed with the capital raising element of the Proposed Acquisition (which included the Bookbuild) at this time.

In addition to withdrawing the Bookbuild, the Company also resolved to withdraw a priority and shortfall offer, as well as a bonus option issue, both offers were to be made in connection with the Bookbuild. Having resolved to withdraw the various offers, the Company applied to ASIC to withdraw the prospectuses under the priority and shortfall offer as well as the bonus option issue. Accordingly, no securities will be issued by Doriemus at this time in connection with the Proposed Acquisition (including as consideration to Oilex Limited, or under the Bookbuild, or the priority and shortfall offer, or the bonus option issue, or the director options, or any securities to Hartleys Limited or the performance rights).

Doriemus is currently working with Oilex Limited in respect of seeking to agree and extended the timetable for completion of the Proposed Acquisition, potentially with a revised structure and varied commercial terms.

Western Australian Onshore Block L15:

Doriemus announced on the 6th February 2020 that it had filed a Notice of Withdrawal from the farm-out agreement for L15 with Rey Resources. The relevant farmout agreement is now deemed terminated and Doriemus has not earned any interest in the L15 asset.

Horse Hill Oil Discovery, UK:

On the 20th February 2020, the Company announced that the operator has commenced well intervention activities in an attempt to identify and isolate the unexpected water production from the horizontal section of HH-2Z in the Portland Sandstone formation. On the 10th March 2020, the Company announced that the operator has confirmed that the intervention to shut off significant formation water ingress into its Horse Hill-2z ("HH-2z") horizontal production well has been successful.

19 Events after the end of the reporting period (continued)

On the 16th March 2020, the Company announced the following;

- The Oil and Gas Authority has approved the Horse Hill Field Development Plan and consented to the start of long-term production ("Production") from the field.
- This key consent will enable net recoverable reserves to be allocated to all partners, a pre-requisite for any potential future debt-based funding. It will also permit the operator to enter into long-term field operations contracts which can help reduce operating costs below $19 per barrel, making the field profitable even at current low oil prices.
- Portland oil pool "Production" will commence via Horse Hill-1 ("HH-1"), a well intervention program is planned to install a dual completion that will allow simultaneous production from both the Kimmeridge and the Portland in late spring.
- Production from HH-2z is planned to follow upon completion of the current extended well testing campaign.

On the 24th March 2020, the Company announced that the operator has filed a planning application with the Isle of Wight Council for the appraisal drilling and flow testing of the Arreton oil discovery and following a one-week statutory notice period, the application is expected to go "live" on the 27th March 2020.

20 Commitments and contingencies

The directors have confirmed that there were no contingent liabilities or capital commitments which should be disclosed at 31 December 2019. No provision has been made in the financial statements for any amounts in relation to any capital expenditure requirements of the Group's farm-in agreements, and such costs are expected to be fulfilled in the normal course of the operations of the Group.

21 Ultimate controlling party

There is not considered to be an ultimate controlling party of the parent company.

22 Profit and loss account of the parent company

As permitted by section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company has not been separately presented in these accounts. The parent company loss for the year was £1,357,000 (2018: £1,745,000 loss).

ADDITIONAL INFORMATION FOR ASX LISTED PUBLIC COMPANIES

The following additional information is required by the Australian Securities Exchange in respect of listed public companies only.

1. Shareholding as at 2 March 2020

(a) Distribution of Equity Shareholders

	Shares (including CDIs)		Options (unlisted)	
Category (size of holding)	**Number of Shareholders**	**Number of Shares**	**Number of option holders**	**Number of options**
1 – 1,000	185	76,082	-	-
1,001 – 5,000	201	494,246	-	-
5,001 – 10,000	71	545,159	-	-
10,001 – 100,000	165	5,670,848	1	75,000
100,001 and over	56	51,196,790	9	14,375,000
Total	678	57,983,125	10	14,450,000

(b) Number of Shareholders with Less than a Marketable Parcel

85

(c) Voting Rights

The Company is incorporated under the legal jurisdiction of England and Wales. To enable companies such as the Company to have their securities cleared and settled electronically through CHESS, Depositary Instruments called CHESS Depositary Interests (**CDIs**) are issued. Each CDI represents one underlying ordinary share in the Company (**Share**). The main difference between holding CDIs and Shares is that CDI holders hold the beneficial ownership in the Shares instead of legal title. CHESS Depositary Nominees Pty Limited (**CDN**), a subsidiary of ASX, holds the legal title to the underlying Shares.

Pursuant to the ASX Settlement Operating Rules, CDI holders receive all of the economic benefits of actual ownership of the underlying Shares. CDIs are traded in a manner similar to shares of Australian companies listed on ASX.

CDIs will be held in uncertificated form and settled/transferred through CHESS. No share certificates will be issued to CDI holders. Each CDI is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

If holders of CDIs wish to attend and vote at the Company's general meetings, they will be able to do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, the Company as an issuer of CDIs must allow CDI holders to attend any meeting of the holders of Shares unless relevant English law at the time of the meeting prevents CDI holders from attending those meetings.
In order to vote at such meetings, CDI holders have the following options:

(a) instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's Share Registry prior to the meeting; or

(b) informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDls for the purposes of attending and voting at the general meeting; or

(c) converting their CDls into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on ASX it would be necessary to convert the Shares back to CDls). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process.

As holders of CDls will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.

As each CDI represents one Share, a CDI Holder will be entitled to one vote for every CDl they hold.

Proxy forms, CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI holders by the Company.

These voting rights exist only under the ASX Settlement Operating Rules, rather than under the Companies Act 2006 (England and Wales). Since CDN is the legal holder of the applicable Shares and the holders of CDIs are not themselves the legal holder of their applicable Shares, the holders of CDIs do not have any directly enforceable rights under the Company's articles of association.

As holders of CDIs will not appear on our share register as the legal holders of shares of ordinary shares they will not be entitled to vote at our shareholder meetings unless one of the above steps is undertaken.

(d) 20 Largest Shareholders as at 2 March 2020

No.	Shareholder	CDIs	%
1	Citicorp Nominees Pty Limited	7,075,646	12.20
2	HSBC Custody Nominees (Australia) Limited	6,028,539	10.40
3	J P Morgan Nominees Australia Pty Limited	3,075,610	5.30
4	Portfolio Design Group	2,677,999	4.62
5	Ditch Enterprises Pty Ltd <The Richard Lampe S/F A/C>	2,515,159	4.34
6	Flue Holdings Pty Ltd <Bromley Superannuation A/c>	2,300,000	3.97
7	Mr Jay Evan Dale Hughes <Inkese Family A/C>	2,300,000	3.97
8	Battle Mountain Pty Limited	2,125,817	3.67
9	BNP Paribas Nominees Pty Ltd <Jarvis A/C Non Treaty DRP>	2,064,826	3.56
10	Primorus Investments Plc	1,169,550	2.02
11	Bruce Garlick Superannuation Pty Ltd <Bruce Montgomery Garlick>	1,160,138	2.00
12	Torlok Pty Ltd <Torlok Super Fund A/C>	1,089,926	1.88
13	Ocean View WA Pty Ltd <Daniel Wise Superfund A/C>	1,000,000	1.73
14	Golden Triangle Capital Pty Ltd	950,000	1.64
15	Pershing Nominees Pty Ltd <FJCLT>	924,739	1.60
16	Kobia Holdings Pty Ltd	813,000	1.40
17	Troca Enterprises Pty Ltd <Coulson Super A/C>	811,414	1.40
18	Alexander Holdings (WA) Pty Ltd	800,000	1.38
19	Mrs Hilary Somerville Statham <Merlin Super Fund A/c>	750,000	1.29
20	Mr Hamish Harris	750,000	1.29
		40,382,363	**69.64**

(e) Substantial Shareholders as at 2 March 2020

To the best of Doriemus' knowledge, the names of all Substantial Holders and the number of equity securities in which each Substantial Holder has a relevant interest (within the meaning of section 608 of the Corporations Act) is as follows:

No.	Shareholder	CDIs	%
1	Citicorp Nominees Pty Limited	7,075,646	14.93
2	HSBC Custody Nominees (Australia) Limited	6,028,539	12.72
3	J P Morgan Nominees Australia Pty Limited	3,075,610	6.49
		16,179,795	**34.14**

2. Name of Joint Company Secretaries

Donald Strang and Jessamyn Lyons

3. Principal Registered Offices

Australia
Suite 12, Level 1
11 Ventnor Avenue
West Perth WA 6005
Telephone +61 (0) 6245 2050

United Kingdom
Suite 3B Princes House
38 Jermyn Street
London
SW1Y 6DN
Telephone +44 (0) 207 440 0642

4. Registers of Securities

The Company operates a certificated principal register of Shares in the UK branch and an uncertificated issuer sponsored sub-register of CDIs and an uncertificated CHESS sub-register of CDIs in Australia.

The Company's uncertificated issuer sponsored sub-register of CDIs and uncertificated CHESS sub-register of CDIs is maintained by Computershare as per the below. The branch register is the register of the legal title (and will reflect legal ownership by CDN of the Shares underlying the CDIs with the Shares held by CDN recorded on the branch register of Shares in Australia). The two uncertificated sub-registers of CDIs combined make up the register of beneficial title of the Shares underlying the CDIs.

The Register of Securities is held at:

Australia

Computershare Investor Services Limited
Level 11
172 St Georges Terrace
PERTH WA 6000
Telephone number: +61 (0) 9323 2000

United Kingdom

Computershare Investor Services PLC
The Pavilions, Bridgwater Road
Bristol, BS99 6ZZ
United Kingdom
Telephone number: +44 (0) 370 703 6300

5. Securities Exchange Listing

Quotation has been granted for all the CDIs of the Company on the Australian Securities Exchange Limited.

The Company is not listed on any other exchange.

6. Unquoted Securities

Doriemus has 14,450,000 options on issue, which are exercisable over 14,450,000 ordinary shares as follows:

Grant date	Expiry date	Exercise price	Outstanding as at 31 December 2019
		£	Number
11 May 2017	30 June 2021	0.20	75,000
24 May 2017	30 June 2021	0.132	1,250,000
29 September 2017	28 September 2021	0.1917	2,000,000
29 September 2017	28 September 2022	0.1917	11,125,000
		Total	**14,450,000**

No single person holds 20% or more of the equity securities in an unquoted class.

7. Restricted Securities

There are no restricted securities on issue.

8. Use of Funds

We have used the cash (and assets in a form readily convertible to cash) that we had at the time of admission to the ASX in a manner that is generally consistent with our stated business objectives (as described in the Australian prospectus lodged with the Australian Securities and Investments Commission with respect to our IPO) from the time of our admission to the ASX through to December 31, 2019, in that Doriemus has mostly applied these funds to the work programmes in connection with its UK assets (in accordance with its contractual arrangements with the operator of these assets) and as otherwise required for general working capital

9. On Market Buy-Back

There is no current on-market buy-back of our securities.

10. Section 611 (7) Corporations Act

There are no issues of securities approved for the purposes of Item 7 of section 611 of the Corporations Act which have not yet been completed.

11. Place of Incorporation

Doriemus is incorporated in the jurisdiction of England and Wales with company number 03877125.

Doriemus is registered as a foreign company in Australia with registered number 619 213 437.

12. Corporate Governance Statement

Doriemus PLC is committed to high standards of corporate governance. The Company is listed on the Australian Securities Exchange ("ASX") and advise that copy of our corporate governance section of the Company's website www. Doriemus.co.uk (together with the various Corporate Governance policies of the Company). This corporate governance statement relates to the financial year ended 31 December 2019, and has been approved by the Board.

A Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication 'Corporate Governance Principles and Recommendations (4th Edition)' (**Recommendations**). The Recommendations are not mandatory, however, the Recommendations that will not be followed have been identified and reasons have been provided for not following them.

As a company registered in England and Wales, the Company is not required to comply with the provisions of the Governance Code or the Corporate Governance Code for Small and Mid-Size Quoted Companies 2013 published by the Quoted Companies Alliance. However, the Board recognises the importance of sound corporate governance and intends that the Company will comply with the provisions of the Governance Code, the QCA Guidelines and the ASX Corporate Governance Principles and Recommendations insofar as they are appropriate given the Company's size and stage of development.

A summary of the key risks for the Company are set out below.

Communication with shareholders
The Board recognises it is accountable to shareholders for the performance and activities of the Company.

The 2020 Annual General Meeting of the Company will provide an opportunity for the Chairman to present to the shareholders a report on current operations and developments and enable the shareholders to express their views about the Company's business.

The Board
The Board of Doriemus PLC currently consists of two Non-Executive Directors and one Executive Director (Technical). The composition of the Board ensures no one individual or group of persons dominates the decision making process.

The Board is responsible to the shareholders for setting the direction of the Company through the establishment of strategic objectives and key policies. The Board meets on a regular basis and considers the strategic direction, approves major capital expenditure, and any other matters having a material effect on the Company. Presentations are made to the Board on the activities and both the Executive and Non-Executive Directors undertake visits to operations.

All Directors have access to management, including the Company Secretaries, and to such information as is needed to carry out their duties and responsibilities fully and effectively.

The composition and tenure of the Board as of 31 December 2019, as well as each member’s independence status during 2019, was as follows:

Director	Director Position	Tenure[1]	Independence	Audit & Risk Committee	Remuneration & Nomination Committee
Keith Coughlan[2]	Executive Chairman	0.5 years	Yes		
Donald Strang	Executive Finance Director	6.5 years	No	x	x
Greg Lee	Executive Technical Director	2.3 years	No		
David Lenigas[3]	Former Executive Chairman	3 years	No		
Hamish Harris[4]	Non-executive Director	5.5 years	No	x	Chair

NOTES:
1 – Calculated as of 31 December 2019.
2 – Mr Coughlan was appointed to the board on 19 June 2019.
2 – Mr Lenigas resigned from the board on 19 June 2019.
3 – Mr Harris resigned from the board on 16 July 2019.

13. Takeover regulations

Doriemus plc is not subject to Chapters 6, 6A, 6B or 6C of the *Corporations Act* 2001 (Cth), or Corporations Act, dealing with the acquisitions of shares (including substantial shareholdings and takeovers). Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares (including acquisitions and takeovers) does not apply to the Company given it is incorporated in England and Wales. Instead the Company is subject to the application of the City Code on Takeovers and Mergers in the UK (the “City Code”) and further detailed below.

Mandatory bid

The Company is subject to the application of the City Code. Under Rule 9 of the City Code, any person who acquires an interest in shares which, taken together with shares in which he or persons acting in concert with him are interested, carry 30% or more of the voting rights in the Company will normally be required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert is interested in shares which in aggregate carry 30% of the voting rights of the Company but which do not carry more than 50% of the voting rights in the Company, a general offer will normally be required to be made if he or any person acting in concert with him acquires an interest in any other shares in the Company. An offer under Rule 9 must be in cash, normally at the highest price paid within the preceding 12 months for any interest in shares of the same class acquired in the Company by the person required to make the offer or any person acting in concert with him

Squeeze-out

Under the Companies Act 2006 (England and Wales), if an offeror were to make an offer to acquire all of the shares in the Company not already owned by it and were to acquire 90% of the shares to which such offer related it could then compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their shares and then, six weeks later, it would deliver a transfer of the outstanding shares in its favour to the Company which would execute the transfers on behalf of the relevant members, and pay the consideration to the Company which would hold the consideration on trust for outstanding members. The consideration offered to the members whose shares are compulsorily acquired under this procedure must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

Sell-out

The Companies Act 2006 (England and Wales) also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the shares in the Company and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. The offeror would be required to give any member notice of his/her right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises his/her rights, the offerors are entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

14. Key risks**

Our business faces many risks. We believe the risks described below are the material risks that we face. However, the risks described below may not be the only risks that we face. Additional unknown risks or risks that we currently consider immaterial, may also impair our business operations. If any of the events or circumstances described below actually occur, our business, financial condition or results of operations could suffer, and the trading price of our Shares / CDIs could decline significantly. The board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound.

There can be no guarantee that the Company will deliver on its business strategy, that the Company will generate any revenue. Investors should note that past performance is not a reliable indicator of future performance. If any of the risks referred to in this annual report were to occur, the results of operations, financial condition and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the options and the underlying CDIs and/or the level of dividends or distributions (if any) received from the CDIs could decline significantly.

The risks referred to below are not to be taken as exhaustive. Where relevant, the risks below assume completion of the Offer has occurred. The specific risks considered below and other risks and uncertainties not currently known to the Company, or that are currently considered immaterial, may materially and adversely affect the Company's business operations, its financial performance and the value and market price of its shares and or underlying CDIs.

General risks

A summary of the major general risks is set out below.

(a) **Trading Price of Shares and CDIs** -The Company's operating results, economic and financial prospects and other factors will affect the trading price of its shares and CDIs. In addition, factors that in the future may impact specifically on the share prices of listed companies identified as being part of or involved in the oil and gas sector may impact likewise on the price of the Company's securities. In particular, the share / CDI prices for many companies including Doriemus, have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy and trading on the market. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(b) **Political conditions and government regulations** - Although political conditions in the UK and Australia are generally stable (See risk factor 'Withdrawal of the UK from the European Union above), changes may occur in their political, fiscal and legal systems, which might adversely affect the ownership or operation of the Company's interests including, inter alia, changes in exchange rates, exchange control regulations, expropriation of oil and gas rights, changes in government and in legislative, fiscal and regulatory regimes. The Company's strategy has been formulated in the light of the current regulatory environment and likely future changes.

Although the Directors believe that the Company's activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules, laws and regulations will not be enacted or that existing or future rules and regulations will not be applied in a manner which could serve to limit or curtail exploration, production or development of the Company's business or have an otherwise negative impact on its activities. Amendments to existing rules, laws and regulations governing the Company's operations and activities, or increases in or more stringent enforcement, implementation or interpretation thereof, could have a material adverse impact on the Company's business, results of operations and financial condition and its industry in general in terms of additional compliance costs.

(c) Withdrawal of the UK from the European Union - A Following the British government's decision to invoke Article 50 on 29 March 2017 (and consequent changes to the exit date) the UK left the European Union (EU) on 31 January 2020 (Brexit). At this stage, the nature of the future relationship between the UK and the remaining EU countries following Brexit has yet to be agreed and negotiations with the EU on the terms of Brexit have demonstrated the difficulties that exist in reaching such an agreement. Depending on the terms of the negotiations, the UK could also lose access to the single EU market and to the global trade deals negotiated by the EU on behalf of its members. Such a decline in trade could have a detrimental impact on economic growth in the country. Furthermore, regardless of the form of any withdrawal agreement, there are likely to be changes in the legal rights and obligations of commercial parties across all industries following Brexit, and British regulatory requirements once outside the EU could be subject to significant change. The UK's current main trade partners are members of the EU single market and the effect of the UK's exit may prove to be a barrier to trade or determine that trade is less favourable for the UK which could lose the automatic benefit of access to the EU single market and EU free trade agreements. Currency rates including Pounds Sterling (which is the Company's functional currency) and the euro were volatile prior to and immediately after the referendum and may remain volatile during the exit negotiations which may increase the Company's investment and portfolio risk. Brexit may also make it more difficult for the Company to acquire or access funds for investment on acceptable terms whilst the exit negotiations may create uncertainty and further risk which could affect the Company's investment strategy (including its exit from its UK investments). A material amount of UK law is based on EU law including significant parts of the financial services legislation. Subject to the exit negotiations, the Company may be required to adopt other measures which could increase its costs and adversely affect its investment strategyreferendu

(d) **Commodity prices** - Historically, commodity prices have fluctuated and are affected by numerous factors beyond the Company's control, including global demand and supply, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, the cost of freight, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict. Fluctuations in commodity prices, over the long term, may adversely impact the returns from the Company's investments. International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Sustained downward movements in oil and gas prices could render less economic, or wholly uneconomic, some or all of the exploration and the existing, and potential future, oil production related activities to be undertaken in respect of those assets in which the Company has an interest. Any material decline in oil and gas prices could result in a reduction of the Company's net production revenue and overall value. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes produced from the Company's assets. The operators and other owners of the assets in which the Company holds interests might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in the Company's net production revenue causing a reduction in its acquisition and development activities. A substantial material decline in prices from historical average prices could also reduce the Company's ability to borrow future funds.

(e) **Force majeure events -** Events may occur within or outside the UK or Australia that could impact upon the global and Australian economies, the operations of the Company and the price of the CDIs. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for oil and gas products and the Company's ability to conduct business.

(f) **Greenhouse gas emissions** - Many participants in the oil and gas sector are subject to current and planned legislation in relation to the emission of carbon dioxide, methane, nitrous oxide and other so called "greenhouse gases". Failure by the operator of any investments of the Company to comply with existing legislation or any future legislation could adversely affect the Company's profitability. Future legislative initiatives designed to reduce the consumption of hydrocarbons could also have an impact on the ability to market the oil and gas produced from the Company's investments and/or the prices which can be obtained from them. These factors could have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

(g) **Technological developments** - the operators of the oil and gas licences in which the Company is a participant or may acquire in the future or the Company itself may not be able to keep pace with technological developments in the oil and gas industry. The oil industry is characterised by rapid and significant technological advancements and introductions of new products and services using new technologies. As others use or develop new technologies, the Company may be placed at a competitive disadvantage, and competitive pressures may force the operators of the Company's investments to implement those new technologies at substantial cost.

(h) **Material facts or circumstances not revealed in the due diligence process** - Prior to making or proposing any investment, the Company will undertake legal, financial and commercial due diligence on potential investments to a level considered reasonable and appropriate by the Company on a case by case basis. However, these efforts may not reveal all material facts or circumstances that would have a material adverse effect upon the value of the investment. In undertaking due diligence, the Company will need to utilise its own resources and may be required to rely upon third parties to conduct certain aspects of the due diligence process. Further, the Company may not have the ability to review all documents relating to the proposed investee company and assets. Any due diligence process involves subjective analysis and there can be no assurance that due diligence will reveal all material issues related to a potential investment. Any failure to reveal all material facts or circumstances relating to a potential investment may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

(i) **Currency and foreign exchange** - The Company's business may be carried out in the future in currencies other than Pounds Sterling. Principal operations are expected to involve transactions in either Pounds Sterling or US dollars. To the extent that there are fluctuations in exchange rates, this may have an impact on the figures consolidated in the Company's accounts, which could have a material impact on the Company's financial position or result of operations, as shown in the Company's accounts going forward. The proceeds of the Offer will be received in Australian dollars, while the Company's functional currency is Pounds Sterling. As the Company is not currently hedging against exchange rate fluctuations it will be at risk of any adverse movement in the Pounds Sterling-Australian dollar exchange rate between the pricing of the Offer and the closing of the Offer.

(j) **Trading** - The price at which the CDIs may trade and the price which investors may realise for their CDIs will be influenced by a large number of factors, some specific to the Company and some which may affect quoted companies generally. These factors could include the performance of the Company's operations, large purchases or sales of Shares or CDIs, liquidity (or absence of liquidity) in its Shares or CDIs, currency fluctuations, legislative or regulatory changes (including changes in the tax regime in the jurisdiction in which the Company or its investments operate), additions or departures of key personnel at the Company, adverse press, newspaper and other media reports and general economic conditions. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market price for securities and which may be unrelated to the Company's performance. The value of the CDIs may therefore fluctuate and may not reflect their underlying asset value.

(k) **Forward looking statements -** This annual report contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in the forward-looking statements as a result of many factors, including the risks faced by the Company, which are described above and elsewhere. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

(l) **Force Majeure events –** Force majeure events may occur within or outside the countries in which the Company operates that could impact upon the operations of the Company and the price of the Shares CDIs. The events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease, pandemic or other natural or man-made events or occurrences that can have an adverse effect on the demand for the Group's services and its ability to conduct business. The Company has only a limited ability to insure against some of these risks.

Specific Risks

(a) **Early stage development of the Assets** - The assets in which the Company has an interest are at an early stage of development. While the Brockham asset have historically produced oil they do not currently produce oil at income generating levels and there can be no assurance that the drilling programmes , that are being sought to be implemented in order to increase production, will be successful. In addition, the other oil and gas interests of the Company detailed in this annual report are only at the exploration or appraisal stage and there can be no assurance that they will eventually produce oil to income generating levels. If income generating levels of oil are not produced from the Company's assets, the Company's revenue potential will be materially and adversely impacted.

(b) **Licensing, planning permission and other consents -** The development of the Company's current and future assets may be dependent on the receipt and maintenance of planning permissions from relevant local authorities as well as other necessary consents such as environmental permits, leases and regulatory consents including, in particular, the grant and maintenance of appropriate permissions from, amongst others, the OGA (Authorisations). The Company is not the operator of any of the licences that it holds interests in. As a result, obtaining the necessary consents and approvals will be largely dependent on the operators of the licences taking the necessary actions to obtain such Authorisations. Obtaining such Authorisations may be costly exercises, and they may not be granted, may be withdrawn, may be challenged by local authorities, third parties and activists, or made subject to limitations. For example, during March 2017 it was alleged by a local authority that drilling conducted by the operator of the Brockham oil field was unauthorised in that planning permission was not obtained. Such allegation has since been refuted by the operator and no further action has been taken to date by the local authority or any other party, but it is illustrative of the risks that can arise for the Company. Onshore oil and gas operations in the UK have also recently been subject to extensive planning and environmental approval procedures, the outcomes of which have often been uncertain. Unforeseen circumstances or circumstances beyond the control of the Company may also lead to commitments given to licencing authorities not being discharged on time. The failure by the operators of the licences to gain the necessary Authorisations on a timely basis or gain them on terms or at a cost acceptable to the Company may limit the Company in its ability to extract value from its assets and could have a material adverse effect on the Company's business, results of operations, financial position and prospects.

(c) **No guarantee of success of any drilling programmes and the costs involved may be greater, and the returns lower, than estimated -** The Company will not generate any material income from its asset base fields unless there is a successful completion of drilling programmes. There is no guarantee that this drilling will be successful (and the Company notes the issues at the Brockham oil field). These investments also have a limited operating history upon which to base estimates of proven and probable oil reserves and future cash operating costs. For early stage projects, estimates of proven and probable oil reserves and cash operating costs are, to a large extent, based upon the interpretation of geological data and feasibility studies which derive estimates of cash operating costs based upon anticipated recoveries, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors. As a result, it is possible that actual cash operating costs and economic returns may differ materially from those estimated which may adversely impact the Company's financial position, revenue potential and ability to invest in other investments.

(d) **Reliance on partners and operators-** The Company only has minor interest in tis portfolio of assets and is accordingly heavily reliant on its partners for the majority portion of the operating and development funding required to exploit these oil fields. Various other participating parties are also responsible for the payment of the costs to operate the oil fields. Any failure or delay in the provision of such funding by Angus Energy or the payment of such costs by any of the other participating parties could cause a material delay in the exploitation of these oil fields and as a result adversely affect the Company's ability to implement its stated strategy and consequentially its financial position and revenue potential. The Operators of these fields are also responsible for adhering to the work programs in respect of those fields in the form approved by the OGA. A failure to adhere to such work programs could result in the rescission of the permission by the OGA, which could result in the Company losing its interest in these licences, which would adversely impact the Company and as a result adversely affect the Company's ability to implement its stated strategy and consequentially its financial position and revenue potential.

(e) **Over-run of drilling programme and costs -** It may not be possible for the operators of the Company's assets , to adhere to agreed drilling schedules. This may impact the Company as a participant in the fields, and its future plans. The final determination of whether to drill any scheduled or budgeted wells will depend on a number of factors including:

(1) results of the exploration efforts and the acquisition, review and analysis of seismic data, if any;
(2) availability of sufficient capital resources for the drilling of the prospects;
(3) approval of the prospects by other participants after additional data has been compiled;
(4) economic and industry conditions at the time of drilling, including prevailing and anticipated processes for oil and natural gas and the availability and prices of drilling rigs and crews; and
(5) availability of leases, licence options, farm-outs, other rights to explore and permits on reasonable terms for the prospects.

Although the relevant Operators, will at the time identify or budget for drilling prospects, it will require the approval of all or a requisite majority of the participants in these licences. It may not be possible to drill those prospects within the expected timeframe, or at all, and the drilling schedule, once agreed, may vary from its expectations because of future uncertainties and rig availability and access to drilling locations. In addition, there is a risk that no commercially productive oil or gas reservoirs will be discovered. If any of those circumstances occur, they would adversely impact the Company's revenue potential and financial position.

(f) **Exploration and development risks -** Oil and gas exploration is a speculative investment and involves a high degree of risk. There is no guarantee that exploration and development of the company's asset portfolio, the or any other oil and gas projects or interests that the Company has, or may acquire in the future, can be profitably exploited. Oil and gas exploration, development and production activities are capital intensive and inherently uncertain in their outcome. The Company's projects may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Drilling, developing and operating projects involve a number of risks, many of which are beyond the control of the Company, which may delay or adversely impact the exploration, development and production activities that the Company has an interest in.

These delays and potential impacts could result in the activities being delayed or abandoned and substantial losses could be incurred, all of which could adversely impact the Company. The oil industry historically has also experienced periods of rapid cost increases. Increases in the cost of exploration, production and development would affect the Company's ability to invest in additional assets and also meet its funding obligations in respect of the assets it has an interest in.

(g) **Litigation -** From time to time the Company may be involved in litigation, for example, where a contractual counterparty makes a claim for a loss due to a breach of contract by the Company. This litigation may include, but is not limited to, contractual claims and employee claims. If a claim is pursued against the Company, the litigation may adversely impact on the profits and financial performance of the Company. Any claim, whether successful or not, may adversely impact the Company's CDI price and/or financial performance.

(h) **Development -** the Company's ability to achieve any production, development, operating cost and capital expenditure estimates in a timely manner cannot be assured. Possible future development of oil and gas exploration at any of the Company's projects is subject to a number of risk factors including, but not limited to, unfavorable geological conditions, failing to receive the necessary approvals from all relevant authorities and parties, unseasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from any third parties providing essential services. In the event that the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents. Such occurrences could result in damage to, or destruction of, production facilities, personal injury or death, environmental damage, delays in drilling, increased production costs and other monetary losses and possible legal liability to the owner or operator of a mine. The Company may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past drilling activities in an area for which it was not responsible.

(i) **Potential disposal of the Company's historic UK assets -** in the normal course of business of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, relating to personal injuries, property damage, property taxes, land rights, the environment and contractual disputes. The outcome of any future litigation cannot be predicted with certainty. There can be no guarantee that the Company will be able to dispose of these assets on favourable terms or at all. Should the Company be unable to dispose of these assets any litigation or dispute in relation to these assets in the future may have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations.

(j) **Oil and natural gas prices volatility -** the Company's prospects and the market price of its quoted securities be influenced by the price obtained from time to time for oil, natural gas and petroleum products. Oil and gas prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include worldwide and regional supply and demand for oil and gas, forward selling by producers and production cost levels, general world economic conditions and the outlook for interest rates, inflation and other economic factors on both a regional and global basis. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities, together with the ability to fund those plans and activities.

(k) **Funding risk -** Although the Directors believe that, on completion of the Offer, the Company will have sufficient working capital to carry out its short term objectives, there can be no assurance that each objective can be met without further financing, or if further financing is necessary, that financing can be obtained on favourable terms or at all. In addition, the Company may require capital in addition to the amount being sought in the Offer to continue exploring and appraising its existing assets following the completion of the existing work program budgets. As and when further funds are required, either for the existing assets or for acquisitions, the Company will consider raising additional capital from both the issue of equity securities and/or debt finance if appropriate. There is no assurance that the Company will be able to access and secure additional funding on reasonable terms or at all**.**

(l) **Reliance on key personnel -** The Company's success depends in part on the Directors being able to identify potential investment and/or acquisition opportunities, and to implement the Company's business strategy. The loss of the services of any of the Directors could materially and adversely affect the Company. In addition, although the Company and the Directors will evaluate the risks inherent in a particular investment, they cannot offer any assurance that a proper discovery, or a complete assessment of all significant risk factors associated with the investment, can be made.

(m) **Resource estimation risk -** There are inherent risks in the estimation of contingent resources including the estimates included in this annual report. There is a risk that such estimations will not convert into reserves or any actual production may significantly vary from such estimations, which may adversely impact the Company's revenue potential and financial position.

(n) **Rehabilitation cost risk -** In relation to the Company's historic and future planned exploration programs, issues could arise with respect to abandonment costs, consequential clean-up costs, environmental concerns and other liabilities. In most of these instances, the Company could become subject to liability if, for example, there is environmental pollution or damage from the Company's exploration activities and there are consequential clean-up costs at a later point in time. While the Company has received no firm claims or advices, it remains possible that such claims could arise and could materially adversely affect the financial position and performance of the Company. Additionally, the Company estimates abandonment and rehabilitation costs based on current understandings. There is no guarantee that actual costs will not be higher than are currently estimated. Regulators may also, over time, impose higher standards for these activities which may increase the associated costs. This may adversely affect the financial position and performance of the Company.

(o) **Potential acquisitions -** As part of its business strategy, the Company may make acquisitions or significant investments in which it believes there is scope to improve the underlying value of the Company and to further its strategic goals. Any such transactions will be accompanied by risks commonly encountered in making such acquisitions as well as risks such as access to additional capital. There are also inherent risks with acquisitions, including that the acquired assets do not fulfil the acquisition criteria. Acquisitions may change the Company's future capital and operating expenditure requirements, and hence funding requirements. Acquisitions can give rise to liabilities. It is possible that operational and financial underperformance of the acquired assets including additional costs and/or liabilities may negatively impact on the financial performance of the Company and potentially impact member returns.

(p) **Joint venture partners -** Financial failure or default by any participant in a joint venture to which the Company is a party may have a material adverse effect on the Company insofar as it may have to bear that share of the joint venture costs which would otherwise have been borne by the relevant participant in the joint venture.

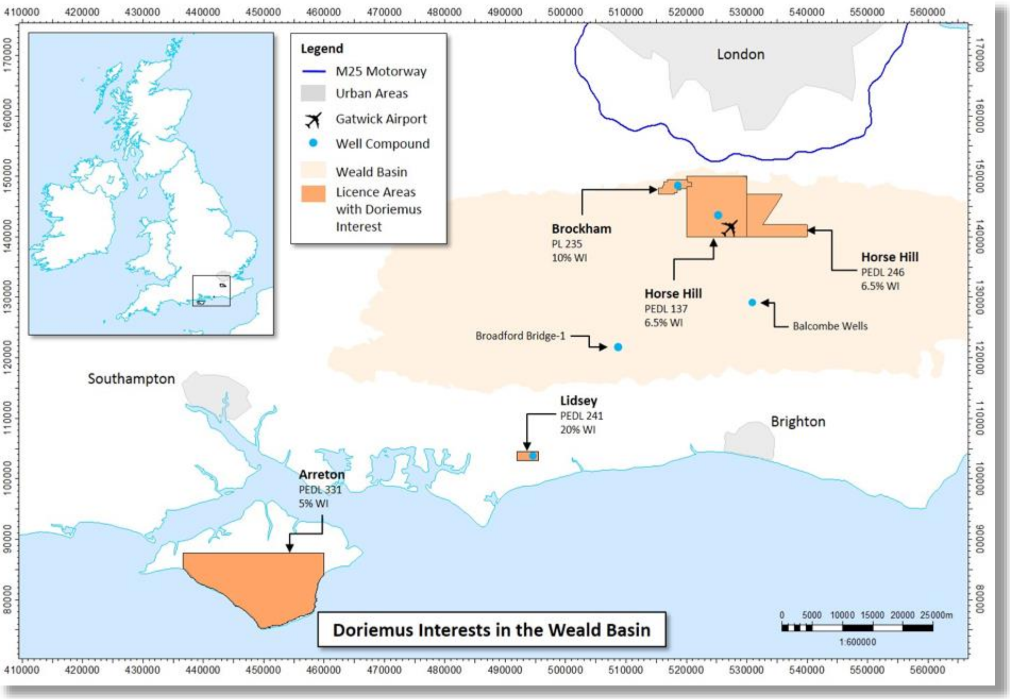
The Company will also be required in future to negotiate agreements with additional third parties. These agreements may include but are not limited to contracts with service providers, product sales agreements, joint venture agreements, agreements with landowners, access to third party facilities and permit terms with regulators. If the outcomes of these negotiations are not favourable to the Company then the Company's financial performance may be adversely impacted.

(q) **Litigation -** While the Company currently has no material outstanding litigation or dispute, there can be no guarantee that the current or future actions of the Company or of the other parties which have interests in the same assets as the Company will not result in litigation since there have been a number of cases where the rights and privileges of natural resource companies have been the subject of litigation. The oil and gas industries, as with all industries, may be subject to legal claims including personal injury claims, both with and without merit, from time to time. The Directors cannot preclude that such litigation may be brought against the Company or its assets in the future.

DORIEMUS PLC

OIL AND GAS EXPLORATION ENTITY - RESOURCES REPORT AS AT 31 DECEMBER 2019

1. DORIEMUS PLC'S UK BASED OIL AND GAS ASSETS AS AT 31 DECEMBER 2019:



2. SUMMARY OF LICENCES AS AT 31 DECEMBER 2019

Asset	Country	Doriemus Interest	Status	Operator	Licence Area
Brockham PL 235	UK	10% participating interest in PL 235	Producing	Angus	$8.9km^2$
Horse Hill* PEDL 137	UK	4% shareholding in HHDL (representing a 2.6% attributable interest in PEDL137)	Exploration	HHDL	$99.3km^2$
Horse Hill* PEDL 246	UK	4% shareholding in HHDL (representing a 2.6% attributable interest in PEDL 246)	Exploration	HHDL	$43.4km^2$
Isle of Wight PEDL331	UK	5% participating interest in PEDL 331	Exploration	UKOG	$199.8km^2$
GGO EL 2015/13	Greenland	2.82% shareholding in GGO (representing a 2.64% interest in EL 2015/13)	Exploration	GGO	$2.572\ km^2$
GGO EL 2015/14	Greenland	2.82% shareholding in GGO (representing a 2.64% interest in EL 2015/14)	Exploration	GGO	$2.923\ km^2$

3. RESERVES AS AT 31 DECEMBER 2019:

Oil Reserves (Developed) ('000 bbl)	W.I.	Gross			Net to DOR		
		1P	**2P**	**3P**	**1P**	**2P**	**3P**
Brockham Field PL 235 [1]	10%	65	82	92	7	8	9
TOTALS		**65**	**82**	**92**	**7**	**8**	**9**

Notes:

[1] Refer to the Doriemus 30 August 2017 Prospectus (Xodus Technical Experts report).

NOTE (Reserves Table):
The reserves in these tables only refer to the reserves estimated by the Independent Technical Experts report(s) on the conventional oil developments in the Portland Sandstones (Brockham) and the Horsehill Upper Portland. No consideration has been given to the potential Reserves of the Kimmeridge and Corallian reservoirs in Brockham. Doriemus is of the view that with the current planned analysis and testing of the wells drilled through the Kimmeridge and other prospective formations there is the possibility of an upgrade of reserves and contingent resources which will be reported as required.

Xodus Group Ltd. ("Xodus") reports are performed by a qualified petroleum reserves and resources evaluator ("QPRRE") as defined by the rules made by the Australian Securities Exchange ("ASX").

Xodus provide certified an independent evaluation of the In Place Hydrocarbons and recoverable volumes expected in accordance with Petroleum Resources Management System ("PRMS") (2007 and 2011) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers ("SPE") and reviewed and jointly sponsored by the World Petroleum Council ("WPC"), the American Association of Petroleum Geologists ("AAPG") and the Society of Petroleum Evaluation Engineers ("SPEE"). The results of this work have been presented in accordance with the Listing Rules and Guidelines of the ASX

4. CONTINGENT RESOURCES AS AT 31 DECEMBER 2019:

Contingent Resources		**Gross**			**Net to DOR**		
('000 bbl)	W.I.	**1C**	**2C**	**3C**	**1C**	**2C**	**3C**
Brockham Field PL 235 [1]	10%	89	237	283	9	24	28
*Horse Hill Upper Portland PEDL 137 [2]	2.6%	592	1,498	3,629	15.4	38.96	94.36
*Horse Hill Kimmeridge, Oxford, Lias [3]	2.6%	TBC	TBC	TBC	TBC	TBC	TBC
Isle of Wight Arreton Discovery [4]	5 %	9,900	15,700	24,100	500	790	1,200

Notes:

[1] Refer to the Doriemus 30 August 2017 Prospectus (Xodus Technical Experts report).
[2] Refer to UKOG website - Xodus Report Horse Hill Upper Portland Sandstone STOIIP and recoverable Volumes review PEDL 137 dated 6 February 2017.
[3] Refer Schlumberger report 4th June 2015 (PEDL 137 & PEDL 246 Horse Hill Licenses), and UKOG and DOR release 26 August 2015.
[4] Refer to the Xodus Arreton Discovery - PEDL 331, Onshore Isle of Wight Independent review 27 January 2016 (Technical Experts report).

***** The Company has disposed of 6% of its 10% interest in HHDL and currently only holds a 4% interest in HHDL. The Company has accordingly reduced its contingent resources for these asset on a pro rata basis with no other adjustments made.

NOTE (Resources Table):

The resources in these tables only refer to the reserves estimated by the Independent Technical Experts report(s) on the conventional oil developments in the Portland Sandstones (Brockham) and the Horsehill Upper Portland. No consideration has been given to the potential Reserves of the Kimmeridge and Corallian reservoirs in Brockham. Doriemus is of the view that with the current planned analysis and testing of the wells drilled through the Kimmeridge and other prospective formations there is the possibility of an upgrade of reserves and contingent resources which will be reported as required.

5. RESERVES AND RESOURCES COMPARISON 31 DECEMBER 2018 vs 31 DECEMBER 2019

The resources as at 31 December 2019 remain the same as 31 December 2018, save for the fact that the Company has disposed of 6% of its 10% interest in HHDL and currently only holds a 4% interest in HHDL. The Company has accordingly reduced its contingent resources for these asset on a pro rata basis with no other adjustments made.

6. DISCOVERED PETROLEUM IN PLACE AS AT 31 DECEMBER 2019:

Gross STOIIP (MMbbl)	**Low**	**Best**	**High**
Brockham Field (PL 235) [1]	1.7	2.8	4.3

[1] Refer to the Doriemus 30 August 2017 Prospectus (Xodus Technical Experts report).

Note: The Gross STOIIP in this table refer to the estimated by the Xodus Report on the STOIIP (discovered petroleum in place) in the Portland Sandstones (Brockham).

****** As detailed in the Chairman's Statement in the Annual Report, Doriemus has since 31 December 2018 signed a binding agreement to dispose of its interest in PL 241 and upon completion it will no longer hold an interest in this asset.

7. CONTROLS AND AUDIT SYSTEMS

Doriemus does not presently hold operating interests in any of its assets and as a result does not have day to day control over its assets. However, since obtaining the interests in its relevant assets the Company has worked, and will continue to work, closely with the relevant operators of our assets as they review resources and reserves over time to ensure these are updated and / or revised as appropriate.

As has been the case to date, any reserve estimates conducted in the future are likely to be performed by independent technical expert groups such as McDaniel & Associates Consultants Ltd, RPS Group Plc, Ryder Scott Company, Xodus Group in other internationally recognised experts in conjunction with both our fields operators experts and our Technical Director, Mr Gregory Lee.

The Board will ensure the reserve/resources/oil in place reports presented will be in accordance with SPE Petroleum Resources Management System ("PRMS") in compliance with the Oil and Gas Reserves Committee of the Society of Petroleum Engineers ("SPE"), World Petroleum Council ("WPC"), the American Association of Petroleum Geologists ("AAPG") and the Society of Petroleum Evaluation Engineers ("SPEE") when appropriate.

8. QUALIFIED PETROLEUM RESERVES AND RESOURCES EVALUATOR STATEMENT:

The Resources Statement in this Annual Report is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, a qualified petroleum reserves and resources evaluator. The Reserves Statement as a whole has been approved by Mr Gregory Lee, who is the Technical Director of the Company. Mr Lee has more than 30 years' diversified experience in the petroleum industry. Mr Lee is a chartered professional Engineer (CPEng) and a member of the society of petroleum engineers (MSPE) and has been an independent consultant Petroleum Engineer since 1992 and has sufficient experience in exploration for, appraisal and development, operations of oil and gas resources.