Registered number: 09624969

UNITED OIL & GAS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

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COMPANY INFORMATION7

Directors	Brian Larkin Jonathan Leather Alberto Cattaruzza Graham Martin
Company secretary	Brian Larkin
Registered number	09624969
Registered office	200 Strand, London, WC2R 1DJ
Financial advisers	Beaumont Cornish Limited 29 Wilson Street London EC2M 2SJ
Broker	Optiva Securities Limited 2 Mill Street London W1S 2AT
Independent auditors	UHY Hacker Young LLP Chartered Accountants & Registered Auditors Quadrant House 4 Thomas More Square London E1W 1YW
Legal advisers	Kerman & Co LLP 200 Strand London WC2R 1DJ
Principal bankers	Bank of Ireland, Raheny, Dublin 5
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR

BOARD OF DIRECTORS

Brian Larkin – Chief Executive Officer

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

He is a Qualified Accountant and has an MBA from Dublin City University. He has extensive oil and gas industry experience having worked for both Tullow Oil Plc ("Tullow Oil") and Providence Resources Plc ("Providence").

At Tullow Oil, Brian held positions in both finance and commercial, and worked on a variety of production, development and exploration projects in South America and Asia and carried out numerous investment case recommendations.

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

Jonathan Leather – Chief Operating Officer

Jonathan has 18 years' experience in the oil industry and holds a Geology degree from Oxford University, a PhD in Sedimentology from Trinity College, Dublin, and an MBA from Warwick University.

He worked for Tullow Oil from 2007 to 2015, where he held a number of senior positions, including membership of the Global Exploration Leadership Team. He also managed Tullow's Subsurface Technology Group – a team he established and built up to provide specialist technical input across the company in both exploration and development. As part of this, he worked on global assets and opportunities ranging from onshore producing fields to deep-water frontier exploration.

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

Graham Martin – Non-Executive Chairman

Graham is an experienced senior natural resources executive and brings a wealth of international expertise. He is currently a Non-Executive Director at Kenmare Resources plc, one of the leading global producers of titanium minerals and zircon listed in London and Dublin. He has also previously served as an Executive Director, General Counsel and Company Secretary at Tullow Oil. From 1997 until 2016, Graham was centrally involved in the growth of Tullow Oil plc into a FTSE100 business, and in the company's transformative M&A programme. Prior to Tullow Oil plc, Graham was a partner at the US energy law firm Vinson & Elkins LLP, having started his legal career in Scotland.

Alberto Cattaruzza – Non-Executive Director

Alberto graduated as a Chemical Engineer from the University of Padua, and having worked in Germany for LURGI, he returned to Italy in 1966 and joined Chevron Oil Italiana as Planning Analyst, moving then to Assistant Manager Planning, Supply & Refining Manager, Marketing Operations Manager and Commercial Sales Manager. During this period, he was appointed Board Member of the two Italian refining companies of which Chevron was shareholder.

When Chevron left Europe in the 1980's, Alberto became General Manager of an Italian private refining and marketing company, and was appointed Board Member of a number of companies belonging to the same Group, including the ISAB refinery in Sicily where the majority partners where ENI and ERG.

In 1995, Alberto joined the Oilinvest Group, operating in Europe under the brand name Tamoil, as Managing Director of their German affiliate with HQ in Hamburg. He was later appointed Oilinvest Refining & Marketing Officer and Board Member of several other Group companies, in Hungary, in the Czech Republic and in Italy.

In 2001, Alberto started an independent entity providing technical and business consultancy services in the oil sector. His clients include a large number of oil companies in Europe and the Middle East, as well as international consulting companies such as Accenture and The Boston Consulting Group.

CHAIRMAN'S STATEMENT
FORE THE YEAR ENDED 31 DECEMBER 2017

Dear shareholders,

Introduction

I was very pleased to be invited to join the Board of Directors and become Chairman of United Oil & Gas plc ("United Oil & Gas") in February 2018. I had been very impressed by the clear energy and enthusiasm of your management team and the company's achievements to date, and am therefore delighted to present this annual report for the year to 31st December 2017.

Strategy

The company has a clear and focussed strategy of building a portfolio of low-risk assets in Europe to underpin the addition of high impact growth opportunities in Latin America, the Caribbean and Africa and 2017 was a very busy and impressive year of growth for the company in pursuit of that strategy.

Key activities in 2017

At the beginning of 2017 the company had one licence in the UK, which included the Wadddock Cross Field and an adjacent exploration area, but by the end of the year the company had either added or was in the process of adding a further six licence areas including four more in the UK, one in Italy and one in Jamaica.
Within nine months of farming in to the Podere Gallina licence in Italy the company had participated in the drilling of a successful well from which strong gas flows confirmed a significant commercial discovery which is now being progressed to development as quickly as possible. In Jamaica, where United Oil & Gas farmed in to Tullow's very extensive Walton Morant licence area, the management team worked closely with Tullow in preparation for the acquisition of 3D seismic in 2018.

As well as the operational activities in 2017, a substantial amount of time was devoted by the management team to the successful reverse takeover of Senterra Energy plc in July 2017 which resulted in the listing of the company on the main market of the London Stock Exchange by way of a Standard Listing.

Share price performance and capital raising

At the time of listing in July 2017 the company's share price was 2.5p, but by the end of the year it had almost doubled to 4.5p. In conjunction with the reverse takeover of Senterra Energy plc ("Senterra") in July a placing of 120,000,000 shares at 2.5 p raised £3 million and in December a further placing of 31,250,000 shares at 4p raised a further £1.25 million. In each case the funds raised have been or will be used in support of the company's 2017/18 work programmes and further asset deals.

We are very grateful for the support shown to the company in those fundraisings by our existing shareholders and of course by our new shareholders who we welcome to the company.

Financial Results for 2017

As expected at this stage in the company's history with no cash flow yet from operations the company made a loss for the year. This loss of £593,414 principally comprises administrative expenditure in support of the company's activities, including licence fees, the costs of its work programmes during the year and the expenses associated with the reverse takeover of Senterra and the fundraisings.

Events since year end

In 2018 to date the company has continued the impressive pace of its activities; including by completing a farm in to Corallian's Licence P1918, which include the Colter structure on which a well will be drilled later this year, and agreeing an option to farm in to a prospective block in the Southern North Sea. In support of these and its other activities the company announced on 20 April 2018 a placing, conditional on shareholder approval, of 58,823,530 shares at 4.25p to raise £2.5 million. We hope you will support the proposals.

Conclusion

2017 was a hectic but very successful year for the company and on your behalf, I would like to thank the management team for their commitment and enthusiasm and I look forward with confidence to an equally successful 2018.

Graham Martin
Chairman

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are pleased to present their Strategic Report for the year ended 31 December 2017.

Strategy, objectives and business model

Our strategy is to build a portfolio of low risk assets in Europe to underpin the addition of high-impact growth opportunities in Latin America, the Caribbean and Africa.

- The management team at United Oil & Gas has a proven track record of successfully evaluating and recommending farm-in deals, and will actively seek appropriate opportunities to acquire assets in which full value is not currently being realised.

- Once licences are acquired, we will use our experience of actively working operated and non-operated equity holdings to instigate activity and unlock the identified additional value.

- In Europe and the UK, United Oil & Gas are aiming to create value through building an actively managed portfolio of production, development, and low-risk exploration / appraisal assets.

- United Oil & Gas will also consider assets in other regions on an opportunist basis. Given the management team's previous experience, our focus here will be on Latin America and Africa, where we believe we will be able to access opportunities with low Capex entry costs and potentially transformational upside

- The management team have an extensive network of senior oil and gas executives which we will use to access early divestment opportunities and avoid auctioned transactions.

Business review and future developments

During the year under review, the company made considerable progress in our development. We started the year with one licence and closed the year with three licences and a successful well in Northern Italy. In addition, we strengthened our cash position by completing an oversubscribed placing at virtually no discount to our share price in December. Since the turn of the year, we have added another three exciting licences to our portfolio along with an option over the Acle prospect located in the Southern North Sea and we look forward to drilling the Colter well this year. All in all, we now have a portfolio of seven licences all of which contain exciting near-term activity.

In addition, we have strengthened our cash position further in April of this year when we announced a placing of £2.5million pounds which ensures that our work program is funded for the next twelve months..

The appointment of Graham Martin as Non-Executive Chairman is also a significant development milestone for our company. Graham spent almost two decades on the board of Tullow Oil Plc where he was centrally involved in their entire M&A program. Graham brings a wealth of corporate experience to our team and we are delighted to have him on board.

The strengthening of commodity prices has certainly helped with potential deal flow. The most important factor for commodity prices is stability. Asset valuations can be difficult to agree with potential sellers in an unstable price environment and over the course of 2017 we saw a consistent and steady path to $60 a barrel. Whilst, we evaluate opportunities at various cost and price scenarios we believe that a price above $50 per barrel will see continued deal flow.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The implementation of our strategy will continue to focus on acquisition and farm-in opportunities but supported by a stronger balance sheet and asset base, we can start looking at opportunities that are larger in scale and potential returns. During 2017, we added to our team in order to continue to review new opportunities whilst also ensuring that the existing portfolio is developed further.

In terms of our existing portfolio, we are very pleased with the execution of the various work programs throughout the year. The obvious highlight was the successful well on the Podere Gallina licence in Northern Italy. After the year end, we successfully flow tested the Selva well and to the next stage will be to move to production. The Colter well remains on track and will spud in September. In addition, we continue to work with our joint venture partners on licence PL090 and aim to drill a well in 2019. On our Jamaica licence, the operator, Tullow Oil, has recently announced the commencement of our 3D seismic acquisition survey and we look forward to reviewing the early fast track volume over the summer period.

Europe

Podere Gallina Licence, Onshore Italy
The Podere Maiar 1 well was drilled in November/December 2017 into an updip area of the Selva Field. This proved up a clearly commercial gas accumulation, and we are working with the operator, Po Valley Energy, to ensure that this is brought into production as quickly as possible. The well results also served to de-risk the exploration upside on the Licence, including the East Selva prospect. We intend to acquire 3D seismic data over the block and aim to commence this in 2019.

Wessex Basin, UK
In January 2018, United Oil & Gas completed a farm-in deal with Corallian Energy Limited on the Colter well (Licence P1918) and the adjacent licences (PEDL330 and PEDL345). The Colter well is an appraisal of the discovery made by the 98/11-3 well. Recent work by Corallian has demonstrated that this well was on the edge of a much larger structure, and the planned Colter well will target the updip volumes. Well-planning is proceeding as planned for a September 2018 spud date.

In the PL090 licence, work to optimise the location of a development well has been continuing on the seismic data over the Waddock Cross field. The latest estimate is that the technical work should be completed in Q2 2018, at which point well-planning would be able to commence. United Oil & Gas are targeting a well-spud in 2019.
In all of our licences in the Wessex Basin, technical work is continuing to work up further prospectivity in the Sherwood Sandstone play.

Southern North Sea, UK
In January 2018, United Oil & Gas agreed a farm-in option agreement with Swift Exploration on their low-risk Acle prospect (Licence P2264, Block 49/29c). This option will be executed once other partners have been found to participate in the drilling of the well. This is an exciting opportunity close to existing infrastructure, which we hope to be drilling at some point in 2019.

Latin America, the Caribbean, and Africa

Walton-Morant Licence, offshore Jamaica
In November 2017, United Oil & Gas agreed a farm-in deal with Tullow Oil Plc on the Walton-Morant Licence, offshore Jamaica. 3D seismic acquisition commenced at the beginning of April and is expected to be completed by mid-May.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Principal risks and uncertainties

The Directors have identified the following as key risks in the first six months of this financial year:

The Oil and Gas sector – exploration, development and production

The estimating of reserves and resources is a subjective process and there is significant uncertainty in any reserve or resource estimate. In addition, the exploration for and production of oil and other natural resources is speculative and involves a high degree of risk, in particular a company's operations may be disrupted by a variety of tasks and hazards which are beyond its control such as environmental regulation, governmental regulations or delays, increase in costs, the availability of equipment or services and the volatility of oil and gas prices.

Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash balances to ensure the Group can meet liabilities as they fall due. In managing liquidity risk, the main objective of the Group is therefore to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due.

Foreign exchange risk

The Group's transactions are carried out in GBP, EUR and USD. Fundraising transactions and parent company operating transactions are carried out in GBP. Operational transactions are carried out predominantly in EUR but also in USD.

Exposures to foreign currency exchange rates arise from the Group's overseas sales and purchases, which are denominated in a number of currencies, primarily EUR and USD. Cash balances held in these currencies are relatively immaterial (see note 10) and transactional risk is considered manageable.

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

This report was approved by the board on 27 April 2018 and signed on its behalf.

Brian Larkin
Chief Executive Officer

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Results and dividends
The loss for the year, after taxation, amounted to £593,414 (2016: loss of £185,204). The directors do not recommend payment of a dividend (2016: £Nil).

Directors
The directors who served during the year were:

Alberto Cattaruzza
Brian Larkin (appointed 31 July 2017)
Jonathan Leather (appointed 31 July 2017)
Jeremy King (resigned 31 July 2017)
Kurt Portmann (resigned 31 July 2017)
Graham Martin (appointed 19 February 2018)

Principal activities
The principal activity of the company will be the exploration for crude oil petroleum and natural gas, and the principal activity of the group is to acquire oil and gas licences in which they can actively influence near term activity to unlock previously untapped value.

Business review and future developments
The business review and future developments are disclosed in the strategic report on page 8.

Financial instruments and risk management
An explanation of the Group's financial risk management objectives, policies and strategies and information about the use of financial instruments by the Group is given in note 16 to the financial statements.

Share capital
The company has one class of ordinary shares in issue. Details of the shares in issue are set out in note 11 to the financial statements.

Subsequent events
The events since the balance sheet date are disclosed in note 22.

Directors' interests
As at 31 December 2017, the beneficial interests of the Directors and their connected persons in the ordinary share capital of the Company were as follows:

Director	Number of Ordinary Shares	% of Ordinary Share Capital
Brian Larkin	9,755,691	4.2%
Jonathan Leather	4,877,810	2.1%

As at 31 December 2017, the beneficial interests of the Directors and their connected persons in share warrants for ordinary share capital of the Company were as follows:

Director	Number of Warrants
Brian Larkin	9,755,690
Jonathan Leather	4,877,810

Substantial shareholdings

The following had interests of 3 per cent or more in the Company's issued share capital as at 31 March 2018:

Party name	Number of Ordinary Shares	% of Share Capital and Voting Rights
JIM Nominees Limited	116,268,319	50.06%
Hargreaves Lansdown (Nominees) Limited	10,425,377	4.49%
Vidacos Nominees Limited	8,350,000	3.60%
Spreadex Limited	8,315,050	3.58%
Ashdale Investment Trust Services Limited	7,750,000	3.34%

Capital and returns management

The Directors believe that further equity capital raisings may be required by the Company for working capital purposes as the Company pursues its objectives. The amount of any such additional equity to be raised, which could be substantial, will depend on the nature of the acquisition opportunities which arise and the form of consideration the Company uses to make the acquisition and therefore cannot be determined at this time.

The Company expects that any returns for Shareholders would derive primarily from capital appreciation of the Ordinary Shares and any dividends paid pursuant to the Company's dividend policy.

Dividend policy

The Company's current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

Corporate governance

As a company with a Standard Listing, the Company is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors and the Board are committed to maintaining high standards of corporate governance and have, so far as is practicable given the Company's size and nature, voluntarily complied with parts of the UK Corporate Governance Code. However, at present due to the size of the Company, the Directors acknowledge that adherence to certain provisions of the UK Corporate Governance Code have been delayed until such time as the Board are able to fully adopt them.

The Board holds timely board meetings as issues arise which require the attention of the Board. The Board is responsible for the management of the business of the Group, setting the strategic direction of the Group and establishing the policies of the Group. It is the Board's responsibility to oversee the financial position of the Group and monitor the business and affairs of the Group, on behalf of the shareholders to whom they are accountable. The primary duty of the Board is to act in the best interests of the Company at all times. The Board will also address issues relating to internal control and the Group's approach to risk management and has formally adopted an anti-corruption and bribery policy.

Alberto Cattaruzza and Graham Martin are considered by the Board to be independent Non-Executive Directors.

The Board has established an audit committee, a remuneration committee, and a conflicts committee with formally delegated duties and responsibilities.

Audit committee

The audit committee, which comprises Alberto Cattaruzza and Graham Martin, has the primary responsibility for monitoring the quality of internal control and ensuring that the financial performance of the Group is properly measured and reported on, and for reviewing reports from the Company's auditors relating to the Group's accounting and internal controls. The committee is also responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Group is properly monitored and reported. The audit committee will meet not less than three times per year.

Remuneration committee
The remuneration committee, which comprises Alberto Cattaruzza and Graham Martin, is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regards to the interests of the Shareholders and the performance of the Group.

Conflicts committee
The conflicts committee will consider on behalf of the Board any actual or potential conflict of interest between any member of the Board and the Group. The conflicts committee will meet on an adhoc basis as required. The conflicts committee comprises Alberto Cattaruzza and Graham Martin.

Auditors
UHY Hacker young were appointed as auditor on 19 February 2018 and will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

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 that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

Directors' responsibilities statement
The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards as adopted by the EU and applicable law and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period and otherwise comply with the Companies Act 2006. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards as adopted by the EU have been followed, subject to any material departures disclosed and explained in the Group financial statements;
- state whether Financial Reporting Standard 100 Application of Financial Reporting Requirements and Financial Reporting Standard 101 Reduced Disclosure Framework have been followed, subject to any material departures disclosed and explained in the Company financial statements.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

This report was approved by the board on 27 April 2018 and signed on its behalf.

Brian Larkin, Chief Executive Officer

Directors' remuneration report

The Directors' Remuneration Committee, which comprises Alberto Cattaruzza and Graham Martin, sets out the Company's policy on the remuneration of Directors together with details of Directors' remuneration packages and service contracts for the period from 1 January 2017 to 31 December 2017.

The items included in this report are unaudited unless otherwise stated.

The Company maintains contact with its shareholders about remuneration in the same way as other matters and, as required by Section 439 of the Companies Act 2006, this remuneration report will be put to an advisory vote of the Company's shareholders at the forthcoming Annual General Meeting.

Statement of United Oil & Gas plc's policy on Directors' remuneration

As set out in the Company's Prospectus dated 25 July 2017, the aggregate of all fees paid to the Directors shall not exceed £200,000 per annum or such higher amount as may from time to time be decided by ordinary resolution of the Company.

Each Director shall be reimbursed for all reasonable expenses wholly, properly and necessarily incurred by the Director in the course of his employment or in performing the duties of his office.

There, has been no change to the Directors' remuneration since the publication of the Company's Prospectus dated 25 July 2017.

Terms of employment

Brian Larkin was appointed by the Company to act as chief executive officer under a service agreement dated 25 July 2017. His appointment commenced on 31 July 2017 and continues unless terminated on not less than six months' prior written notice on either side with such notice not to be given prior to the first anniversary. He is entitled to a fee of £120,000 per annum.

Jonathan Leather was appointed by the Company to act as technical officer under a service agreement dated 25 July 2017. His appointment commenced on 31 July 2017 and continues unless terminated on not less than six months' prior written notice on either side with such notice not to be given prior to the first anniversary. He is entitled to a fee of £115,000 per annum.

Alberto Cattaruzza was appointed by the Company to act as a non-executive director under a letter of appointment dated 4 November 2015. His appointment commenced on 4 November 2015, was for an initial term of 12 months and was terminable on three months' written notice on either side. He was entitled to a fee of £12,000 per annum. Alberto Cattaruzza entered into a new letter of appointment on 25 July 2017. His subsequent appointment commenced on 31 July 2017, is for an initial term of six months, and is terminable on three month's prior written notice on either party, not to expire before the initial term. He is entitled to a fee of 15,000 per annum.

Kurt Portmann was appointed by the Company to act as an executive director under a service agreement dated 4 November 2015. His appointment commenced on 4 November 2015, and was terminable on three months' written notice on either side. He was entitled to a fee of £12,000 per annum. His appointment was terminated on 31 July 2017.

Jeremy King was appointed by the Company to act as an executive director under a service agreement dated 4 November 2015. His appointment commenced on 4 November 2015, and was terminable on three months' written notice on either side. He was entitled to a fee of £12,000 per annum. His appointment was terminated on 31 July 2017.

Policy for 'new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, their individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be realigned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Board may agree that the company will meet certain relocation and/or incidental expenses as appropriate.

Directors' emoluments and compensation (audited)

Set out below are the emoluments of the Directors for the year ended 31 December 2017:

	Total fees paid (exc VAT)	Salary (incl. social security costs)	Pension	Total
	£	£	£	£
Brian Larkin	-	93,824	-	93,824
Jonathan Leather	10,506	90,468	-	100,974
Alberto Cattaruzza	7,500	-	-	7,500

Set out below are the emoluments of the Directors for the year ended 31 December 2016:

	Total fees paid (exc VAT)	Salary (incl. social security costs)	Pension	Total
	£	£	£	£
Kurt Portmann	12,000	-	-	12,000
Jeremy King	-	13,093	-	13,093
Alberto Cattaruzza	12,000	-	-	12,000

Statement of Directors' shareholding and share interest

The Directors who served during the year ended to 31 December 2017, and their interests at that date, are disclosed on page 11.

Other than by virtue of Jeremy King and Kurt Portmann being directors of the Founder, Optiva Securities Limited, which has an interest in Ordinary Shares, and Jeremy King being a director of a company also operating in the oil and gas sector, which may have given rise to potential conflicts of interest between their duties during their appointments as Directors and their private interests, none of the Directors has any potential conflicts of interest between their duties to the Company and their private interests or other duties they may also have. Jeremy and Kurt resigned as directors on 31 July 2017.

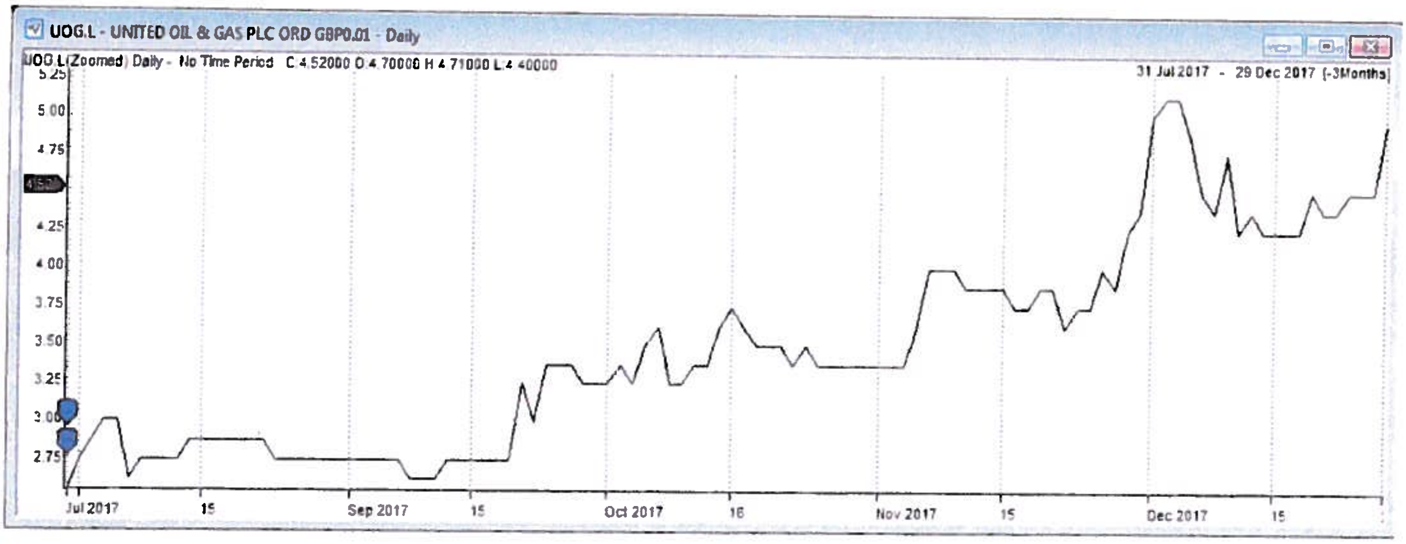
Other matters

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

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

The Company has not paid out any excess retirement benefits to any Directors or past Directors. The Company has not paid any compensation to past Directors.

Total Shareholder return



The above graph shows the company's total shareholder return for the period since re-admission to the London Stock Exchange on 31 July 2017.

This report was approved by the board on 27 April 2018 and signed on its behalf.

Brian Larkin
Chief Executive Officer

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED OIL & GAS PLC FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of United Oil & Gas Plc for the year ended 31 December 2017 which comprise the Consolidated Income Statement, the Consolidated Statement of Total Comprehensive Income, the Consolidated Balance sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and related notes to the financial statements, the Parent Company Balance sheet, the Parent Company Statement of Changes In Equity and the related notes. The financial reporting framework that has been applied in the preparation of the consolidated financial statement is applicable law and International Financial Reporting Standards as adopted by the European Union (IFRSs). The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion:

- give a true and fair view of the state of the Group and Parent Company's affairs as at 31 December 2017 and of the Group and Parent company's loss and cash flows 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 with Financial Reporting Standard 101 Reduced Disclosure Framework and as applied in accordance with the provisions of the Companies Act 2006; and
- the group and parent financial statements have been prepared in accordance with the requirements of the Companies Act 2006. and, as regards the group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED OIL & GAS PLC

FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

Emphasis of matter – going concern
We have considered the adequacy of the going concern disclosures made in the going concern accounting policy to the financial statements concerning the Group's and Company's ability to continue as a going concern. The Group incurred an operating loss of £593,414 during the period ended 31 December 2017 and is still incurring losses. As discussed in the going concern accounting policy, the Group and Company require further funding in order to meet their commitments over the next 12 months. The company has however conditionally raised £2.5 million gross by the issue of 58,823,530 new ordinary shares in the capital of the Company. The issue of shares remains contingent on shareholder approval at the general meeting scheduled for 10 May 2018 to grant the Directors the authority to allot equity securities and to dis-apply statutory pre-emption rights in respect of an allotment of equity securities for cash in connection with the fundraising. These conditions, along with other matters discussed in note principal accounting policies indicate the existence of an inherent material uncertainty which may cast significant doubt about the Group's and company's ability to continue as a going concern. The financial statements do not include the adjustments (such as impairment of assets) that would result if the Group and Company were unable to continue as a going concern.

Our opinion is not modified in respect of the above matter.

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

Our assessment of risks of material misstatements

We identified the following risks of material misstatement that we believe had the greatest impact on our overall audit strategy and scope, the allocation of resources in the audit; and directing the efforts of the engagement team. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Impairment exploration and evaluation assets and loans due from subsidiary companies	
The Groups has capitalised significant costs in respect of the group's licence interests in accordance with IFRS 6 'Exploration for and Evaluation of Mineral Resources' (IFRS 6), therefore there is a risk of impairment. The renewal and good standing of the licences is key in order to ensure no impairment of the exploration assets.	In accordance with IFRS 6 we reviewed the exploration and evaluation (E&E) assets for indications of impairment. We discussed the exploration and evaluation assets with the directors and considered their assessment in conjunction with the Competent Persons Reports commissioned, to ensure that all licenses are in good standing. We did not identify any indicators of impairment. We reviewed the future plans and budgets of the projects in respect of funding.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED OIL & GAS PLC

FOR THE YEAR ENDED 31 DECEMBER 2017

Key audit matter	How our audit addressed the key audit matter
Determining the correct accounting treatment for the reverse takeover IFRS 3 sets out a number of conditions in order for a transaction to qualify as a reverse takeover and for reverse takeover accounting to be applied.	In accordance with IFRS 3 we reviewed the conditions that must be met in order to qualify as a reverse takeover. It was determined that United Oil & Gas Plc (formerly Senterra Energy Plc) was a cash shell and therefore did not meet the definition of a 'business'. As a result, merger accounting was deemed to be the appropriate basis.

Key audit matter	How our audit addressed the key audit matter
Management override of controls Intrinsically there is always a risk of material misstatement due to fraud as a result of possible management override of internal controls.	We reviewed the nominal ledger accounts, journals and cash transactions to identify any unusual or exceptional transactions. We investigated and tested a sample of items to ensure amounts paid during the year related to business expenses and that transactions were appropriate. We reviewed and enquired into the accounting systems, processes, controls and segregation of duties that existed in the Company and the Group. We also evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement of fraud.
Going concern The group has recently signed various farm-in agreements committing the group to significant exploration costs over the next 12 months. If the wells are unsuccessful or require significantly higher levels of funding than budgeted it may create an uncertainty in respect of going concern.	We have reviewed the group's cashflow forecasts for the period projections to 31 December 2019 and the current financial position. Subsequent to the year end the company has conditionally raised £2.5 million gross by the issue of 58,823,530 new ordinary shares in the capital of the Company. The issue of shares remains contingent on shareholder approval at the general meeting scheduled for 10 May 2018 to grant the Directors the authority to allot equity securities and to dis-apply statutory pre-emption rights in respect of an allotment of equity securities for cash in connection with the fundraising. Should approval be granted then the group is expected to operate as a going concern for the next 12 months form the date of these financial statements. We have included an emphasis of matter paragraph regarding going concern due to the contingent nature of the placing.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED OIL & GAS PLC
FOR THE YEAR ENDED 31 DECEMBER 2017

Our application of materiality

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

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

We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Overall materiality	We determined materiality for the financial statements as a whole to be £84,000.
How we determine it	Based on the main key indicator, being 2% of net assets of the Group.
Rationale for benchmarks applied	We believe an average of loss before tax, the net assets and the gross assets value is the most appropriate benchmarks due to the size and stage of development of the Company and Group and due to the Group not yet generating any revenue.
Performance materiality	On the basis of our risk assessment, together with our assessment of the Company's control environment, our judgement is that performance materiality for the financial statements should be 60% of materiality, and this was rounded to £50,000.

We agreed with the Audit Committee that we would report to them all misstatements over £4,500 identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

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

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Company and the Group, their activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement. Our Group audit scope includes all of the group companies. At the parent company level, we also tested the consolidation procedures. The audit team communicated regularly throughout the audit with the finance team in order to ensure we had a good knowledge of the business of the Group.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED OIL & GAS PLC
FOR THE YEAR ENDED 31 DECEMBER 2017

During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

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

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

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 auditors' 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.

In the light of the knowledge and understanding of the group and the 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.

Matters on which we are required to report by exception

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UNITED OIL & GAS PLC
FOR THE YEAR ENDED 31 DECEMBER 2017

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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/apb/scope/private.cfm.This description forms part of our auditor's report.

Daniel Hutson (senior statutory auditor)
for and on behalf of
UHY Hacker Young

Chartered Accountants
Registered Auditors

Quadrant House
4 Thomas More Square
London
E1W 1YW
27 April 2018

Consolidated Income Statement for the year ended 31 December 2017

	Notes	Year to 31 December 2017 £	Year to 31 December 2016 £
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(593,414)	(185,204)
Operating loss and loss before taxation	2	(593,414)	(185,204)
Taxation	4	-	-
Loss for the financial year attributable to the Company's/ Group's equity shareholders		(593,414)	(185,204)
Loss per share from continuing operations expressed in pence per share:			
Basic and diluted	5	(0.59)	(3.40)

Consolidated Statement of Comprehensive Income

	2017 £	2016 £
Loss for the financial year	(593,414)	(185,204)
Foreign exchange difference	(26,214)	(8,117)
Total comprehensive income for the financial year attributable to the Company's equity shareholders	(619,628)	(193,321)

United Oil & Gas plc

Consolidated Balance Sheet as at 31 December 2017

	Notes	2017	2016
		£	£
Assets			
Non-current assets			
Intangible assets	7	1,166,169	117,310
Property, plant and equipment	8	2,342	-
		1,168,511	117,310
Current assets			
Trade and other receivables	9	124,870	-
Cash and cash equivalents	10	3,034,968	75,804
		3,159,838	75,804
Total Assets		4,328,349	193,114
Equity and liabilities			
Capital and reserves			
Share capital	11	2,321,850	259,250
Share premium	11	4,213,944	259,250
Share based payment reserve	12	455,493	176,099
Merger reserve	11	(2,048,084)	(332,712)
Translation reserve		(34,557)	(8,343)
Retained earnings		(788,868)	(195,454)
Shareholders' funds		4,119,778	158,090
Current liabilities:			
Trade and other payables	13	208,571	35,024
Total equity and liabilities		4,328,349	193,114

The financial statements were approved by the Board of Directors on 27 April 2018 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer
Registered number: 09624969

Consolidated Statement of Changes in Equity

	Share capital £	Share premium £	Share based payments reserve £	Retained earnings £	Translation reserve £	Merger reserve £	Total £
For the period ended 31 December 2017							
United Oil & Gas plc consolidated							
Balance at 1 January 2017 (UOG Holdings plc)	259,250	259,250	176,099	(195,454)	(8,343)	(332,712)	158,090
Loss for the period	-	-	-	(593,414)	-	-	(593,414)
Foreign exchange difference	-	-	-	-	(26,214)	-	(26,214)
Total comprehensive income	-	-	-	(593,414)	(26,214)	-	(619,628)
Issue of share capital in UOG Holdings plc	125,000	125,000	-	-	-	-	250,000
Share issue expenses	-	(12,638)	-	-	-	-	(12,638)
Effect of combination resulting in United Oil & Gas plc becoming the parent company of the group	425,100	1,382,914	-	-	-	(1,715,372)	92,642
Share placing	1,512,500	2,737,500	-	-	-	-	4,250,000
Share issue expenses	-	(278,082)	-	-	-	-	(278,082)
Cancellation of share warrants in UOG Holdings plc	-	-	(176,099)	-	-	-	(176,099)
Issue of share warrants in United Oil & Gas plc	-	-	455,493	-	-	-	455,493
Balance at 31 December 2017	2,321,850	4,213,944	455,493	(788,868)	(34,557)	(2,048,084)	4,119,778
For the year ended 31 December 2016							
UOG Holdings plc consolidated							
Balance at 1 January 2016 (United Oil & Gas Ltd)	73	-	-	(10,250)	(226)	-	(10,403)
Loss for the year	-	-	-	(185,204)	-	-	(185,204)
Foreign exchange difference	-	-	-	-	(8,117)	-	(8,117)
Total comprehensive income	-	-	-	**(185,204)**	**(8,117)**	-	**(193,321)**
Issue of share capital in United Oil & Gas Ltd	12,533	242,547	-	-	-	-	255,080
Redemption of share capital in United Oil & Gas Ltd	(11,766)	-	-	-	-	-	(11,766)
Effect of share for share transaction to incorporate UOG Holdings plc as parent company	199,160	(42,547)	176,099	-	-	(332,712)	-
Issue of share capital in UOG Holdings plc	59,250	59,250	-	-	-	-	118,500
Balance at 31 December 2016	**259,250**	**259,250**	**176,099**	**(195,454)**	**(8,343)**	**(332,712)**	**158,090**

Consolidated Statement of Cash Flows for the year ended 31 December

	2017	2016
	£	£
Cash flow from operating activities		
Loss for the financial year before tax	(593,414)	(185,204)
Shares issued to directors in lieu of fees	-	113,798
Share options issued as acquisition expenses	25,377	-
Depreciation	452	-
Foreign exchange movements	(1,916)	14,668
	(569,501)	(56,738)
Changes in working capital		
Increase in trade and other receivables	(124,870)	-
Increase in trade and other payables	138,795	4,737
Cash outflow from operating activities	(555,576)	(52,000)
Cash outflow from investing activities		
Cash acquired from United Oil & Gas plc (formerly Senterra Energy plc)	332,538	-
Purchase of property, plant & equipment	(2,794)	-
Purchase of intangible exploration assets	(1,048,859)	(117,310)
Net cash used in investing activities	(719,115)	(117,310)
Cash flow from financing activities		
Issue of ordinary shares	4,256,862	259,783
Net cash generated by financing activities	4,256,862	259,783
Net increase in cash and cash equivalents	2,982,171	90,472
Cash and cash equivalents at beginning of financial year	75,804	-
Effects of exchange rate changes	(23,007)	(14,669)
Cash and cash equivalents at end of financial year	3,034,968	75,804

Notes to the consolidated financial statements

Principal Accounting Policies

Company information
United Oil & Gas plc (formerly Senterra Energy plc) is a public limited company incorporated and domiciled in the United Kingdom.

Basis of preparation
The consolidated financial statements of United Oil & Gas plc and its subsidiaries (together "the Group" or "United Oil & Gas") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, IFRIC interpretations, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The results for the year ended 31 December 2017 include the results of United Oil & Gas plc and its subsidiaries; those for the year ended 31 December 2016 include the results of UOG Holdings plc and its subsidiaries.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 December 2017.

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

Basis of consolidation
The financial statements for the year ended 31 December 2017 incorporate the results of United Oil & Gas plc ("the Company") and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The addition of United Oil & Gas plc (formerly Senterra Energy plc) to the Group in 2017 was not accounted for as a business combination, due to the Company being considered to be a cash shell, but instead the consolidated accounts are presented as a continuation of the financial statements of the UOG Holdings plc Group, adjusted only to reflect the share capital of the new legal parent.

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

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

The Directors' forecasts demonstrate that the Group will meet its day-to-day working capital and financial commitments over the forecast period (being at least 12 months from the date the financial statements were approved) from the cash held on deposit on 31 December 2017 and funds raised subsequent to the year end, including the conditional placing for £2.5 million. However this is subject to the passing of shareholder resolutions at the General Meeting on 10 May 2018 which creates a material uncertainty.

Subject to the passing of the shareholder resolutions and completion of the £2.5m placing the Group has sufficient funding to meet planned financial commitments in relation to operational activities and a level of contingency. The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

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

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

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

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

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

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

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

The annual rate of depreciation for each class of depreciable asset is:
Computer equipment 33%

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

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

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

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

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

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

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

Financial assets and financial liabilities are measured initially at fair value plus transactions costs. Financial assets and financial liabilities are measured subsequently as described below.

Financial assets
The Group classifies its financial assets as 'loans and receivables'. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the Balance Sheet.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulty, high probability of bankruptcy or a financial reorganisation and default are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at original effective interest rate. The loss is recognised in the Income Statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Income Statement.

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

Financial liabilities

The Group's financial liabilities include trade and other payables.

Trade payables and borrowings are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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

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

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

Deferred tax liabilities are provided in full.

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

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

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

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

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

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

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

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

Equity

Equity comprises the following:

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

Adoption of New and Revised International Financial Reporting Standards

At the date of authorisation of this financial information, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Group.

Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of, this financial information, the following may have an impact going forward:

Other than minor changes to standards arising from annual improvements, there have been no new or revised standards adopted in the preparation of the financial statements for the current financial year that have had any material impact on the financial statements of the Group.

The following EU-adopted revised or new standards have yet to be adopted by the Group. These standards will be adopted for the years ended 31 December 2018 and 31 December 2019 as shown below:

- IFRS 9 Financial Instruments (2018)
- IFRS 15 Revenue from contracts with customers (2018)
- IFRS 16 Leases (2019)

IFRS 9 'Financial Instruments' will supersede IAS 39 'Financial Instruments: Recognition and Measurement' and is effective for annual periods beginning on or after 1 January 2018. IFRS 9 covers classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting.

IFRS 15 'Revenue from Contracts with Customers' provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations, and is effective for annual periods beginning on or after 1 January 2018. IFRS 15 will supersede IAS 18 'Revenue'.

The Group expects to adopt IFRS 9 and IFRS 15 on 1 January 2018. The Group's evaluation of the effect of adoption of these standards is ongoing but it is not currently anticipated that either IFRS 9 or IFRS 15 will have a material effect on the financial statements.

IFRS 16 'Leases' provides a new model for lessee accounting in which all leases, other than short-term and small-ticket-item leases, will be accounted for by the recognition on the balance sheet of a right-to-use asset and a lease liability, and the subsequent amortisation of the right-to-use asset over the lease term. IFRS 16 will be effective for annual periods beginning on or after 1 January 2019.

The Group expects to adopt IFRS 16 on 1 January 2019. The Group's evaluation of the effect of adoption of the standard is ongoing but it is not currently expected that it will have a material effect on the Group's financial statements.

There are no other standards and interpretations in issue but not yet adopted that the directors anticipate will have a material effect on the reported income or net assets of the Group.

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

Impairment of exploration licenses

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

Management did not consider there to be any impairment indicators at any reporting date presented.

Notes to the Consolidated Financial Statements

1. Segmental reporting

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources, assessing the performance of the operating segment and making strategic decision, has been identified as the Board of Directors. The Board of Directors consider that the Group has only one operating segment at corporate level, being the exploration and evaluation of oil and gas prospects, therefore no additional segmental information is presented.

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

2017

£	UK	Other EU	Latin America	Total
Revenue	-	-	-	-
Non-current assets	203,805	862,712	99,652	1,166,169

2016

£	UK	Other EU	Latin America	Total
Revenue	-	-	-	-
Non-current assets	117,310	-	-	117,310

2. Operating loss

	2017 £	2016 £
Operating loss is stated after charging/(crediting):		
Fees payable to the Company's auditors for the audit of the annual financial statements	18,000	5,400
Fees payable to the Company's auditors and its associates for other services to the Group:		
- Tax compliance services	2,000	900
- Reporting accountant services	24,000	-

3. Directors and employees

The aggregate payroll costs of the employees, including both management and Executive Directors, were as follows:

	2017 £	2016 £
Staff costs		
Wages and salaries	200,658	16,274
Shares issued in lieu of salaries	-	110,174
Social security	1,072	2,445
	201,730	128,893

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

	2017 Number	2016 Number
By activity:		
Administrative	1	-
Directors	3	2
	4	2

	2017 £	2016 £
Remuneration of Directors		
Emoluments for qualifying services	191,792	16,274
Shares issued in lieu of remuneration	-	110,174
Social security	-	2,445
	191,792	128,893

Key management personnel are identified as the Executive Directors.

No share warrants have been exercised by any of the directors, nor have any payments of pensions contributions been made on behalf of directors in any of the periods presented.

4. Taxation

	2017 £	2016 £
Loss before tax	(593,414)	(185,204)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	(118,683)	(37,041)
Tax effects of:		
Unrelieved tax losses carried forward	118,683	37,041
Corporation tax charge	-	-

The Group has accumulated tax losses of approximately £780,000 (2016: £185,000). No deferred tax asset was recognised in respect of these accumulated tax losses as there is insufficient evidence that the amount will be recovered in future years.

5. Loss per share

The Group has issued share warrants over Ordinary shares which could potentially dilute basic earnings per share in the future. Further details are given in note 12.

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

Due to the losses incurred during the year, a diluted loss per share has not been calculated as this would serve to reduce the basic loss per share. There were 37,260,000 (2016: 20,000,000) share warrants outstanding at the end of the year that could potentially dilute basic earnings per share in the future.

Basic and diluted loss per share

	2017 £	2016 £
Loss per share from continuing operations	(0.59)	(3.40)

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

	2017 £	2016 £
Loss used in the calculation of total basic and diluted loss per share	(593,414)	(185,204)

Number of shares	2017 Number	2016 Number
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	100,814,356	5,448,224

6. Subsidiaries

Details of the Group's subsidiaries in 2017 are as follows:

Name & address of subsidiary	Principal activity	Class of shares	Place of incorporation and operation	% ownership held by the Group 2017	2016
UOG Holdings plc 200 Strand, London, WC2R 1DJ	Intermediate holding company	Ordinary	England and Wales	100	-
United Oil and Gas Limited* 9 Upper Pembroke Street, Dublin 2, Ireland	Intermediate holding company	Ordinary	Ireland	100	100
UOG PL090 Limited*^ 200 Strand, London, WC2R 1DJ	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Italia Srl* Viale Gioacchino Rossini 9, 00198, Rome,Italy	Oil and gas exploration	Ordinary	Italy	100	-
UOG Jamaica Ltd 200 Strand, London, WC2R 1DJ	Oil and gas exploration	Ordinary	England and Wales	100	-

*held indirectly by United Oil & Gas (2017)
^held indirectly by UOG Holdings plc (2016)

7. Intangible assets

	Exploration and Evaluation assets £
Cost	
At 1 December 2015	-
Additions	117,310
At 31 December 2016	117,310
Additions	1,048,859
At 31 December 2017	1,166,169
Net book value	
At 31 December 2016	117,310
At 31 December 2017	1,166,169

United Oil & Gas farmed into licences in Italy and Jamaica in the year to 31 December 2017. In July a farm in agreement was signed with PO Valley and to 31 December 2017 £862,712 has been incurred by United Oil & Gas. In November 2017 UOG farmed into the Tullow Jamaica Limited operated Walton-Morant Licences in Jamaica, for a 20% equity stake. To 31 December 2017, £99,652 has been incurred and capitalised.

The Group has continued exploration activities in the Waddock Cross Licence it farmed into with Egdon Resources in 2016 and to 31 December 2017 have capitalised costs of £203,805.

Management review the intangible exploration assets for indications of impairment at each balance sheet date based on IFRS 6 criteria. Commercial reserves have not yet been established and the evaluation and exploration work is ongoing. The Directors do not consider that any indication of impairment have arisen and accordingly the assets continue to be carried at cost.

8. Property, plant and equipment

	Computer equipment
Cost	
At 1 December 2015 & 31 December 2016	-
Additions	2,794
At 31 December 2017	2,794
Depreciation	
At 1 December 2015 & 31 December 2016	-
Charge for the year	452
At 31 December 2017	452
Net book value	
At 31 December 2016	-
At 31 December 2017	2,342

Depreciation is recognised within administrative expenses.

9. Trade and other receivables

	2017 £	2016 £
Unpaid share capital receivable	117,500	-
Prepayments	7,370	-
	124,870	-

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank (GBP)	2,497,543	75,804
Cash at bank (EUR)	389,313	-
Cash at bank (USD)	148,112	-
	3,034,968	75,804

At 31 December 2017 and 2016 all significant cash and cash equivalents were deposited in the UK and Ireland with large international banks.

11. Share capital, share premium and merger reserve

Allotted, issued, and fully paid:

United Oil & Gas plc	No	Share capital £	2017 Share premium £
Ordinary shares of £0.01 each			
Opening balance	27,000,000	270,000	945,501
Allotments:			
31 July 2017	173,935,001	1,739,350	2,609,025
27 December 2017	31,250,000	312,500	937,500
Share issue costs	-	-	(278,082)
At 31 December	232,185,001	2,321,850	4,213,944

UOG Holdings plc	No	Share capital £	2016 Share premium £
Ordinary shares of £0.01 each			
Opening balance	-	-	-
Allotments:			
1 October 2016	20,000,000	200,000	200,000
6 December 2016	5,925,000	59,250	59,250
At 31 December	25,925,000	259,250	259,250

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

The 20,000,000 ordinary shares detailed during 2016 above were issued in addition to the 20,000,000 share warrants (see note 12) as part of the share for share exchange executed to add UOG Holding plc as a parent company to the group.

Merger reserve

Following the reverse takeover of Senterra Energy Plc (subsequently renamed United Oil & Gas Plc) on 31 July 2017, the results of this entity have been combined with those of the UOG Holdings plc group on a merger accounting basis, however United Oil & Gas comparatives have not been included in prior years comparatives.

The merger reserve arising on consolidation is effectively the difference between the fair value of consideration from the share for share exchange less the net assets at the time and is calculated as shown below.

The merger reserve in the year ended 31 December 2017 is made up as follows:

	£	£
At 1 January 2017		332,712
Investment in UOG Holdings plc Group	1,554,810	
United Oil & Gas share capital	(384,250)	
United Oil & Gas share premium	(371,650)	
United Oil & Gas (formerly Senterra Energy plc) pre-combination retained deficit	916,462	
		1,715,372
At 31 December 2017		2,048,084

Prior to the year ended 31 December 2016, the only entity that existed was United Oil & Gas Limited, therefore following the formation of UOG Holding plc during 2016, along with UOG PL090 Limited, a share for share exchange was completed whereby UOG Holdings became the parent company of United Oil and Gas Limited.

This has been presented on a merger accounting basis, therefore the results and cash flows of all the combining entities have been brought into the financial statements of the combined entity from the beginning of the financial year in which the combination occurred with no adjustments to fair value, adjusted so as to achieve uniformity of accounting policies.

Merger reserve arising in the year ended 31 December 2016:

	£
At 1 January 2016	-
Investment in United Oil and Gas Limited	576,199
United Oil and Gas Limited share capital	(940)
United Oil and Gas Limited share premium	(242,547)
At 31 December 2016	332,712

12. Share based payments

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

2017

	Number of Warrants	WAEP £
Outstanding at the beginning of the year	20,000,000	0.02
Cancelled	(20,000,000)	(0.02)
Pre-existing warrants in United Oil & Gas	60,000	0.05
Issued	37,200,000	0.02
Outstanding at the year end	37,260,000	0.02
Number vested and exercisable at 31 December 2017	37,260,000	0.02

2016

	Number of Warrants	WAEP £
Outstanding at the beginning of the year	-	-
Issued	20,000,000	0.02
Outstanding at the year end	20,000,000	0.02
Number vested and exercisable at 31 December 2016	20,000,000	0.02

If the warrants remain unexercised after 31 July 2022, the warrants expire.

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

	Share warrants	Share warrants
Date of grant	31 July 2017	31 July 2017
Number granted	28,000,000	9,200,000
Share price at date of grant	£0.03	£0.03
Exercise price	£0.01	£0.03
Expected volatility	59%	59%
Expected life from date of grant (years)	2.5	2.5
Risk free rate	0.5555%	0.5555%
Expected dividend yield	0%	0%
Fair value / incremental fair value at date of grant	£382,533	£72,959
Earliest vesting date	31 July 2017	31 July 2017
Expiry date	31 July 2022	31 July 2022

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

The Group recognised total expenses of £455,492 in relation to share warrants accounted for as equity-settled share-based payment transactions during the year in relation (2016: £176,099). These were recognised as follows:

£25,377 (2016: £nil) in relation to the combination of United Oil & Gas (formerly Senterra Energy plc) with the UOG Holdings plc group – recognised as expenses in the income statement.

£382,533 (2016: £176,099) as cost of investment in subsidiary held by United Oil & Gas (2016: held by UOG Holdings plc) arising on the formation of the new group structure, and thus results in an increase in the merger reserve recognised in the group consolidation (see Statement of Changes in Equity).

£47,582 (2016: £nil) as a deduction from share premium related to share warrants accounted for as equity-settled share-based payment transactions during the year.

13. Trade and other payables

	2017	**2016**
	£	**£**
Trade payables	22,935	12,192
Tax and social security	10,694	998
Other payables	9,894	12,912
Deferred shares (note 14)	30,000	-
Accruals	135,048	8,922
	208,571	35,024

14. Deferred shares

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

15. Financial instruments

Categories of financial instruments

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

Financial assets	2017	2016
	£	£
Unpaid share capital receivable (note 9)	117,500	-
Cash and cash equivalents (note 10)	3,034,968	75,804
	3,152,468	75,804

All of the above financial assets' carrying values are approximate to their fair values, as at 31 December 2017 and 2016.

Financial liabilities	Measured at amortised cost	
	2017	2016
	£	£
Trade payables (note 13)	22,935	12,192
Other payables (note 13)	9,894	12,912
Accruals (note 13)	135,048	8,922
	167,877	34,026

In the view of management, all of the above financial liabilities' carrying values approximate to their fair values as at 31 December 2017 and 2016.

Fair value measurements

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

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

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

16. Financial instrument risk exposure and management

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

This note describes the Group's objectives, policies and process for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented in notes 9, 10, 13, 14, 15 and 17.

Liquidity risk

Liquidity risk is dealt with in note 17 of these financial statements.

Credit risk

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

The credit risk on liquid funds is limited because the third parties are large international banks.

The Group's total credit risk amounts to the total of cash and cash equivalents.

Interest rate risk

The Group's only exposure to interest rate risk is the interest received on the cash held on deposit, which is immaterial. The Group does not have any borrowings.

Foreign exchange risk

The Group's transactions are carried out in GBP, EUR and USD. Fundraising transactions and parent company operating transactions are carried out in GBP. Operational transactions are carried out predominantly in EUR but also in USD.

Exposures to foreign currency exchange rates arise from the Group's overseas sales and purchases, which are denominated in a number of currencies, primarily EUR and USD. Cash balances held in these currencies are relatively immaterial (see note 10) and transactional risk is considered manageable.

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

17. Liquidity risk

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

In managing liquidity risk, the main objective of the Group is therefore to ensure that it has the ability to pay all of its liabilities as they fall due. The Group monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. The table below shows the undiscounted cash flows on the Company's / Group's financial liabilities as at 31 December 2017 and 2016, on the basis of their earliest possible contractual maturity.

	Total £	Payable on demand £	Within 2 months £	Within 2 -6 months £	Within 6 – 12 months £	Within 1-2 years £
At 31 December 2017						
Trade payables	22,935	-	22,935	-	-	-
Other payables	9,894	9,894	-	-	-	-
Accruals	135,048	-	-	135,048	-	-
	167,877	9,894	22,935	135,048	-	-
At 31 December 2016						
Trade payables	12,192	-	12,192	-	-	-
Other payables	12,912	12,912	-	-	-	-
Accruals	8,922	-	-	8,922	-	-
	34,026	12,912	12,192	8,922	-	-

Other payables comprise loans from directors which are repayable on demand.

18. Capital management

The Group's capital management objectives are:

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

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

	2017 £	2016 £
Equity	4,119,778	158,090
Cash and cash equivalents	(3,034,968)	(75,804)
	1,084,810	82,286

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

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

19. Related party transactions

Key management personnel are identified as the Executive Directors, and their remuneration is disclosed in note 3.

Loan from director

	Brian Larkin
	£
Principal	
At 1 April 2015	-
Loans issued	10,086
At 31 December 2015	10,086
Loans issued	2,826
At 31 December 2016	12,912
Loans repaid	(4,352)
At 31 December 2017	8,560

The loan balance is repayable on demand with no formal terms.

20. Financial commitments

As at 31 December 2017, the Group's commitments comprise their exploration expenditure interests in Waddock Cross, Po Valley and the Walton-Morant licence. These commitments have been summarised below:

Exploration licence	Year ending 31 December 2018	Year ending 31 December 2019
	£	£
Waddock Cross	367,071	-
Po Valley	877,867	-
Walton-Morant licence	1,655,232	355,488
	2,900,170	355,488

21. Ultimate controlling party

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

22. Events after the balance sheet date

Subsequent to the balance sheet date, United Oil & Gas has announced the following agreements:

1) On 15 January United Oil & Gas signed an agreement to farm-in for an initial 10 per cent interest in the Corallian Energy Limited ("Corallian") southern UK oil and gas assets. Each of the three licences are held by a joint venture between Corallian (60%) as operator and Corfe Energy Limited ("Corfe") (40%) offshore and onshore southern UK ("Initial Farmed Interest"), by way of paying 13.33 per cent. of the costs associated with the Colter well, planned for later in 2018.

In addition, an option has been granted, which expires at the end of March 2018, under which United Oil & Gas can exercise a right to purchase an additional 10 per cent. Interest in these licences on the same terms as the Initial Farmed Interest. The expiry date of the option has subsequently been extended to 30 April 2018.

Corallian and Corfe jointly hold equity in licence P1918, offshore southern UK, and onshore UK licences PEDL330 and PEDL345.

Additionally, United Oil & Gas and Corallian have established an Area of Mutual Interest for the area, enabling the partnership to identify and target further opportunities within the same play.

2) On 23 January a no cost option agreement to farm into offshore Block 49/29c UK Licence P2264 which contains the Acle prospect ("Option Agreement"), jointly owned by Swift Exploration Limited ("Swift") (50 per cent.) and Stelinmatvic Industries Ltd ("Stelinmatvic") (50 per cent.)

   On exercise of this Option Agreement, United Oil & Gas will sign a farm-in agreement with Swift and Stelinmatvic and will acquire 24 per cent interest in the licence, being 12 per cent from each of Swift and Stelinmatvic. For the combined 24 per cent interest, the group will pay 30 per cent of the costs associated with the drilling of the first exploration well. In addition, group will pay £20,000 in cash to each partner on signing of the farm-in agreement.

   The Option Agreement is exercisable upon a firm commitment being made to drill the well, and is valid until expiry of the licence, which will be no earlier than 30 June 2018 or such other date as the Oil and Gas Authority may specify as being an amendment to the 30 June 2018 date, by which "Swift will have negotiated the Sale and Purchase Agreement" as specified in the 27 November 2017 letter from the Oil and Gas Authority to Swift.".

3) On 20 April United Oil and Gas announced that it has conditionally raised £2.5m gross by the issue of 58,823,530 new ordinary shares in the capital of the company at a price per share of 4.25p. The placing is conditional on the passing of certain shareholder resolutions at the General Meeting to be held on 10 of May 2018 and on Admission occurring on or around 11 May 2018.

   The company is conducting the placing in order to support the business growth of the group, and the funds will primarily be used to fund the £1m Corallian drilling costs in relation to the development of the Colter exploration well in the UK, and also for the £1.1m remaining requirements for completion of the 3D Seismic work on Colabri project under the farm-in agreement with Tullow Jamaica.

United Oil & Gas plc

Company Balance Sheet as at 31 December

	Notes	2017	2016
Assets		**£**	**£**
Non-current assets			
Investments	2	1,554,910	-
Current assets			
Trade and other receivables	3	4,357,886	3,609
Cash and cash equivalents		703	680,835
		4,358,589	684,444
Total Assets		5,913,499	684,444
Equity and liabilities			
Capital and reserves			
Share capital	7	2,321,850	270,000
Share premium		4,213,944	945,501
Share-based payment reserve		455,493	-
Retained earnings:			
Opening retained earnings		(644,965)	(151,910)
Loss for the year		(497,087)	(493,055)
Total retained earnings		(1,142,052)	(644,965)
Shareholders' funds		5,849,235	570,536
Current liabilities			
Trade and other payables	5	34,264	83,908
Deferred shares		30,000	30,000
Total liabilities		64,264	113,908
Total equity and liabilities		5,913,499	684,444

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

The financial statements were approved by the Board of Directors on 27 April 2018 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer
Registered number: 09624969

Company Statement of Changes in Equity

	Share capital £	Share premium £	Share-based payment reserve	Retained earnings £	Total £
For the period ended 31 December 2017					
Balance at 1 January 2017	270,000	945,501	-	(644,965)	570,536
Loss for the financial period	-	-	-	(497,087)	(497,087)
Total comprehensive income	-	-	-	(497,087)	(497,087)
Transactions with owners:					
Share issued to combine with United Oil & Gas	539,350	809,025	-	-	1,348,375
Share placing	1,512,500	2,737,500	-	-	4,250,000
share issue expenses	-	(278,082)	-	-	(278,082)
Issue of share warrants in United Oil & Gas	-	-	455,493	-	455,493
Total transactions with owners	2,051,850	3,268,443	455,493	-	5,775,786
Balance at 31 December 2017	2,321,850	4,213,944	455,493	(1,142,052)	5,849,235
For the period ended 31 December 2016					
Balance at 1 January 2016	270,000	945,501	-	(151,910)	1,063,591
Loss for the financial year	-	-	-	(493,055)	(493,055)
Total comprehensive income	-	-	-	(493,055)	(493,055)
Balance at 31 December 2016	270,000	945,501	-	(644,965)	570,536

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

Notes to the Parent Company Financial Statements
for the period ended 31 December 2017

1. Accounting Policies

Basis of Preparation

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

Disclosure exemptions adopted

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

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

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

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

First time application of FRS 100 and 101

In the current period the company has adopted FRS 100 and FRS 101.

As permitted by section 408 of Companies Act 2006, a separate Income Statement for the Company has not been included in these financial statements. The Company's loss for the year ended 31 December 2017 was £497,087 (2016: 493,055).

Going Concern

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

The Directors' forecasts demonstrate that the Company will meet its day-to-day working capital and financial commitments over the forecast period (being at least 12 months from the date the financial statements were approved) from the cash held on deposit on 31 December 2017 and funds raised subsequent to the year end, including the conditional placing for £2.5 million. However this is subject to the passing of shareholder resolutions at the General Meeting on 10 May 2018 which creates a material uncertainty.

Subject to the passing of the shareholder resolutions and completion of the £2.5m placing the Company has sufficient funding to meet planned financial commitments in relation to operational activities and a level of contingency. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

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

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

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

An impairment loss is recognised as an expense immediately.

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

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

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

Financial assets and financial liabilities are measured initially at fair value plus transactions costs. Financial assets and financial liabilities are measured subsequently as described below.

Financial assets
The Company classifies its financial assets as 'loans and receivables'. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the Balance Sheet.

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

Financial liabilities

The Company's financial liabilities include trade and other payables.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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

Current taxation

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

Deferred taxation

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

Deferred tax liabilities are provided in full.

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

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

Deferred 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 tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Foreign currency

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

Share-based payments

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

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

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

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

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

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

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

Equity

Equity comprises the following:

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

2. Investments

	Investments in Subsidiaries £
Cost	
As at 1 January 2017	-
Additions	1,554,910
As at 31 December 2017	1,554,910

The Company's subsidiaries are detailed in note 6 to the consolidated financial statements.

3. Trade and other receivables

	2017	2016
Unpaid share capital receivable	117,500	-
Amounts due from group undertakings	4,240,386	-
Prepayments	-	3,609
	4,357,886	3,609

4. Cash and cash equivalents

	2017	2016
Cash at bank	703	680,835

5. Trade and other payables

	2017	2016
Accruals	34,264	83,908
	34,264	83,908

6. Deferred shares

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

7. Share Capital

Allotted, issued, and fully paid:

		Share capital	2017 Share premium
	No	£	£
Ordinary shares of £0.01 each			
Opening balance	27,000,000	270,000	945,501
Allotments:			
31 July 2017	173,935,001	1,739,350	2,609,025
27 December 2017	31,250,000	312,500	937,500
Share issue costs	-	-	(278,082)
At 31 December 2017	232,185,001	2,321,850	4,213,944

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

8. Events After the Balance Sheet Date

See note 22 of the Notes to the Consolidated Financial Statements.