UNITED OIL & GAS

Poised for Growth...

2020 Annual Report and Financial Statements

Asset backed, full-cycle AIM-listed oil and gas company with a track record of delivery.

www.uogplc.com

CONTENTS

OUR HIGHLIGHTS

Revenue

$9.1 million

Gross Profit

$2.5 million

Profit after Tax

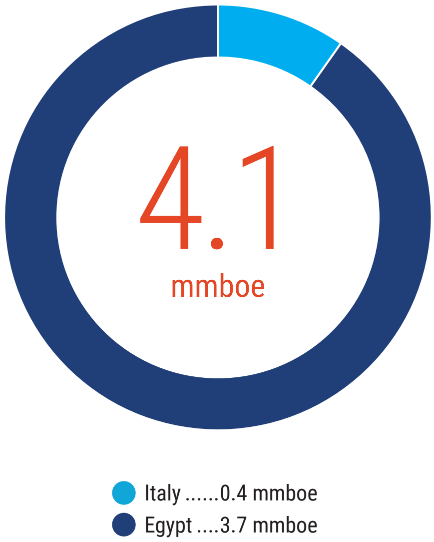
$0.85 million

Exceptional performance from Egyptian acquisition, with 2020 production averaging 2,195 boepd with an exit rate of 2,389 boepd.

Measured deployment of capital through the period, focusing on developments and acquisitions at bottom of the cycle.

Dominant position in the Jamaican offshore, with over 2bn barrel potential owned at 100% interest.

2P Net Reserves



Supplemented experienced management and board during the period, welcoming industry leaders.

Planned 2021 work programme funded from operating cashflow, with a focus on operating to the highest environmental and regulatory standards.

First revenues and profit delivered in a challenging oil price environment.

OUR ASSETS

Licences

6

4 countries

2P Net Reserves

4.1

mmboe

2C Net Contingent Resources

7.0

mmboe

Net production

>2,500

boepd

Walton Morant Licence
Offshore Jamaica

The Walton Morant Licence covers an extensive area (c. 22,400 km²) and contains numerous follow-up structures which could be significantly de-risked by an initial drilling success at Colibri.

Production, development and low-risk appraisal/exploration in Egypt and Europe; super-wildcat exploration in Jamaica.

- Production
- Development
- Appraisal
- Exploration

P2480 Licence (Zeta)
Offshore UK

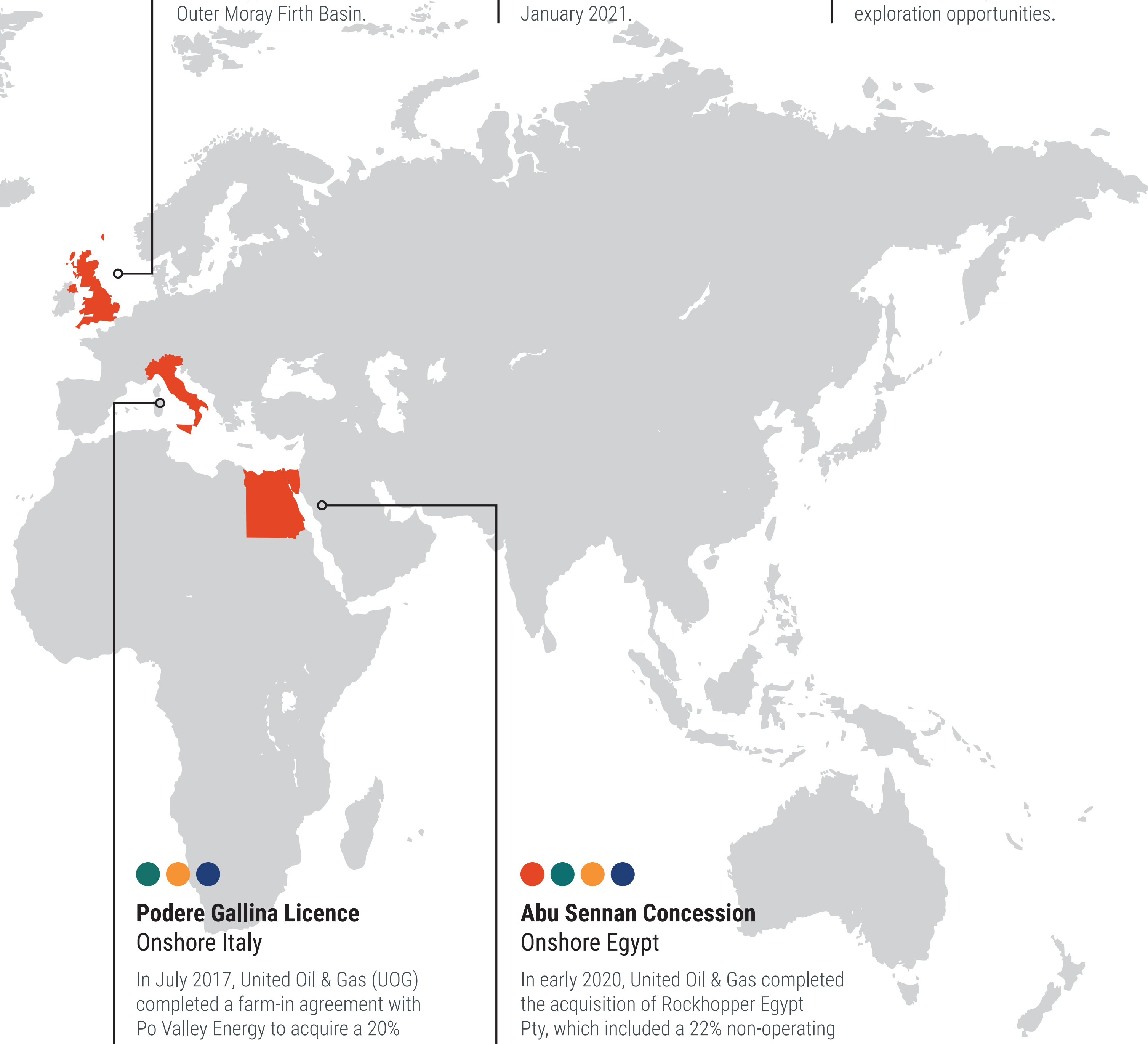
In August 2019, United Oil & Gas were awarded 100% interest in Licence P2480 as part of the UK 31st Licencing Round. The licence covers an area of approx. 500km^2 in the Outer Moray Firth Basin.

P2519 Licence (Maria)
Offshore UK

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

PL090 Licence (Waddock Cross)
Onshore UK

In August 2016, United Oil & Gas acquired First Oil's stake in the PL090 licences, onshore UK. These include an existing onshore field and access to significant exploration opportunities.



Podere Gallina Licence
Onshore Italy

In July 2017, United Oil & Gas (UOG) completed a farm-in agreement with Po Valley Energy to acquire a 20% economic interest in the Podere Gallina Licence in the Po Valley region of Italy. The licence contains the Selva gas development project as well as exciting exploration opportunities.

Abu Sennan Concession
Onshore Egypt

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

OUR STRATEGY

United is a full cycle oil and gas company focused on delivering shareholder value through the implementation of a strategy based on sustainable practices that adhere to the highest environmental and regulatory standards.

United intends to grow its portfolio through a combination of low-risk production, development and exploration assets, augmented by selected higher impact, higher risk exploration opportunities which have the potential to deliver exceptional returns.

United's growth strategy is based on a number of key pillars:

Focus on Shareholder Value

- Expertise in identifying new opportunities
- Focus on value triggers – unlocking the value of each asset and the business
- Excellence in operations and portfolio management
- Commitment to communicating our story to markets

Strength of Assets

- Low-cost production that delivers positive cashflow at low oil prices
- Production & Reserves– Egypt Production up 40% since completion of acquisition; reserve replacement ratio of 198%
- Exploration – Jamaican assets with 2bn barrel potential
- Development – Geotechnical input in UK licences unlocking early value

Commitment to growing a Sustainable Business

- Committed to partnering with our host communities and nations
- Operating to highest environmental and regulatory standards
- Investing in sustainable production practices to reduce our environmental impact
- Ethical conduct of the Group's business including its corporate governance framework

Management and Board Experience

- Board comprised of proven industry leaders with excellent industry relationships
- Track record of executing deals across three continents with industry majors
- Demonstrated ability to financing major corporate growth
- Proven expertise in identifying world class geological potential

Financial and Risk Management

- Work programmes and drilling campaigns funded through cashflow from existing assets
- Ability to access finance future growth opportunities
- Active commodity price risk management
- Constant focus on cost management

CHAIRMAN’S STATEMENT

Dear Shareholders,

Introduction

I am very pleased to report that 2020 was one of the most important and transformational years for the Group . United is now a full cycle oil and gas company with a portfolio of production, development, exploration and appraisal assets that underpin our growth ambitions.

Our performance during an extremely challenging year has been exemplary and gives the Board and I great confidence about the capability of our team, our assets and our planned strategy for future growth.

Key Activities in 2020

The year began with completion of the Rockhopper Egypt acquisition, including a successful equity placing, and the re-admission of the enlarged group to AIM. The drilling success that was achieved at ASH-2 at the end of 2019, was followed by further success at ES-5, increasing our production and reserves, validating our original assessment of the significant upside potential of the assets. Our technical team continue to play a very important role in working closely with the operator in maximising the returns from these assets and their potential.

As part of the transaction, the seller Rockhopper Exploration plc acquired an 18.3% interest in United, which was then very successfully placed later in the year with new institutional investors.

In August, as a result of determined efforts on the part of our executives, the Group was awarded operatorship and 100% ownership of the high impact Walton Morant exploration licence in Jamaica and secured an extension to the exploration phase, allowing more time to evaluate the prospectivity of the licence and to seek potential joint venture partners.

The Group was also awarded further blocks containing discoveries in the UK’s latest offshore licencing round.

Business development opportunities across the full cycle continued to be offered to and assessed by the team in the course of 2020, and a number of such opportunities are still under consideration. However, only the most attractive ones consistent with our strategy will be taken forward.

Strengthening of our Board and Governance

As the Company has grown, we have recognised the need for an increased range of skills, experience and diversity among the non-executive directors to support and challenge management in

> "Our performance during an extremely challenging year has seen has been exemplary."

the execution of United's strategy. We believe we have more than achieved this as a result of the appointments during the period of Iman Hill and Tom Hickey, both bring considerable additional technical, operational, financial and commercial experience to the Board.

Further, to drive forward our commitment to operating sustainably, the Board established an Environmental, Social and Governance Committee, chaired by Iman, and also appointed Tom to chair the Audit Committee whilst I remain chair of the Remuneration Committee and the AIM Rules Compliance Committee.

In addition to these changes, we approved a Remuneration Policy for executive remuneration (which is summarised later in this Report) and made other changes to Board committee composition to improve Board governance and oversight.

Finally, Alberto Cattaruzza, who had been a director of United since our re-listing in 2017 and Stewart MacDonald, who joined the board following completion of the Rockhopper Egypt acquisition, stepped down from their roles in the Company. I would like to thank them both again for their valuable service as directors.

Strategy

Our strategy remains clear; continue to grow our full cycle portfolio of low-risk production, development and exploration assets (as we have in Egypt, Italy and the UK) complemented by a few higher risk, low-cost and high impact exploration opportunities.

In addition, we see opportunity to deliver value to shareholders through timely portfolio management as well as through our technical expertise and our drilling operations.

Financial Results for 2020

2020 was the first year in which we received revenues, leading I am very pleased to report to a profit after tax of $0.85m. With our production and revenues continuing strongly, and with cash operating costs in 2020 of $5.77 per boe, we entered 2021 with an asset base resilient to low oil prices and with a strong balance sheet.

Post Year End

There has been further drilling success since the year end with the ASH-3 well being successfully drilled, tested and brought into production and the announcement of an exploration discovery on the ASD-1X exploration well. The ASH Field continues to outperform our estimates, further demonstrating the significant growth potential of our Egyptian assets.

Impact to the Company of COVID-19

The human and economic impact of the COVID-19 pandemic continues to be very significant. The priority of the Group remains the health and wellbeing of our employees and wider stakeholders and we are glad to report that all of our employees are safe and well.

In common with every company in the oil and gas industry, and indeed in all other areas of business, the Company's activities have been affected by COVID-19 uncertainty. However, there has been no impact on our operations in Egypt and the production and transport of oil and gas has continued uninterrupted.

Dialogue With Shareholders

Shareholders views on the Company, its strategy, remuneration policy and indeed all aspects of our business and operations are very important to the Board and we welcome every opportunity to engage. However, appreciating that physical meetings are not possible at the moment we would be very happy to hear from you in whatever manner suits you best. I can be reached via the Company Secretary at info@uogplc.com

Conclusion

2020 was another very successful year for the company in the development and pursuit of our strategy and I would like to record my thanks to our executives and staff for their continued commitment and energy throughout the year, which was an especially challenging period, given the COVID-19 pandemic and commodity price fluctuations.

We look forward very positively to the year ahead. We have a balanced full cycle portfolio, the cash flow to fund our business and exciting new opportunities under review.

Graham Martin
Chairman

23 April 2021

CHIEF EXECUTIVE OFFICER'S REVIEW

2020 was an important year for United. It was the year in which we achieved our first production acquisition, a fundamental element of our strategy to become a full cycle oil and gas company. In a relatively short space of time, we have developed a balanced portfolio of assets which delivers production, near term development potential and the opportunity for significant growth through exploration.

Rockhopper Egypt Acquisition

A key step forward for United this year was the completion of the acquisition of Rockhopper's Egyptian business, a 22% non-operated working interest in the low-cost Abu Sennan concession in the prolific Western Desert region. The acquisition added proven and probable (2P) reserves of 2.64 million barrels and prospective resources of 6.4 million barrels. Abu Sennan is a high-quality oil concession with significant development upside and exploration potential. We plan to utilise this platform to support further growth not only in Egypt but also the wider European and Greater Mediterranean region, both organically and through additional transactions.

Operations

Operations in 2020 have taken place against the background of sustained low oil prices, driven in large part by the global pandemic. United and its joint venture partners reacted quickly and decisively to defer discretionary capital expenditure across our asset base to protect the value of our assets and stability of our balance sheet.

Despite the deferral of two of the development wells planned for 2020, Egyptian production increased by over 40% from 1,700 boepd at the date of completion of the acquisition to over 2,389 boepd at year end. Post year end we also announced a material uplift in Abu Sennan reserves relevant to end 2020, with United's working interest 2P reserves in Egypt now at 3.7 MMboe representing a reserves replacement ratio of over 190% for the second year in a row.

Jamaica is also a key part of the United portfolio. In August 2020, we were pleased to announce that the previous operator, Tullow Oil, who had invested significantly in the licences, assigned their 80% interest to United giving us 100% equity and operatorship. At the same time United was granted an 18-month extension to the Initial Exploration Period by the Government of Jamaica. There has been considerable work undertaken by our geotechnical team to build on our understanding of this asset and during 2020 we commissioned an Independent Prospective Resource Report which covered 11 of the identified prospects and leads on the licence and which confirmed the potential of the basins to hold over 2bn barrels of oil. Recent improvements in the wider market environment have created renewed interest in world-class exploration opportunities such as this and we are excited about the formal farm down process which commenced in early Q2 2021.

Building a Sustainable Business

We recognise the importance of running our business in a conscientious manner, with a commitment to the sustainable development of the communities where we are present, with best practice corporate governance structure in place. The appointment of Iman Hill has brought an industry leader and expert on Environmental, Social and Governance ("ESG") issues into our business. In addition, 2020 saw us establish a Board Committee on Environmental, Social and Governance, chaired by Iman. With our ESG Committee in place and together with our joint venture partners in Egypt, we have made a number of improvements, most notably the significant reduction in emissions brought about by the completion of the ASH gas pipeline which reduces gas flaring.

Financial Strength

United's results for this financial year are the first to include revenues from our interests in the Abu Sennan concession in Egypt, acquired on 28 February 2020. The acquisition is a significant step forward in realising the strategy of becoming a self-financed full cycle E&P business. The assets have performed extremely well in a sustained period of challenging oil prices. We exit the year with $2.2m cash on our balance sheet, growing low-cost production and a commitment to capital discipline and a fully funded work programme

"In Egypt, we are growing production at a time of increasing oil prices."

Board

We were delighted to strengthen our Board over the course of this year. Iman Hill and Tom Hickey are respected leaders in this industry who bring global technical, financial and ESG experience as well as specific experience and relationships in the markets in which United is seeking to grow. Together with our Chairman Graham Martin we feel the Board is reflective of the ambition of the Group. They are already making a significant impact and I look forward to the contribution they will make in the years ahead.

Significant Shareholders

The agreement to acquire their Egyptian assets saw Rockhopper Exploration plc take an 18.3% stake in United on completion of the acquisition. This shareholding was subject to certain lock-up conditions for a period of up to 12 months. In August 2020, United's management completed an oversubscribed placing which placed the full Rockhopper shareholding with a group of institutional investors. This has significantly strengthened our shareholder register with long term supportive shareholders, some of whom have increased their position in the short period of time since coming on board.

United has placed significant focus on Investor Relations and on ensuring that we continued to communicate effectively in the pandemic.

Outlook

United enters 2021 in a position of strength. It will be a year of strong news flow, with a significant number of value triggers to occur. In Egypt, we are growing production at a time of increasing oil prices and our low-cost assets are delivering higher production volumes translating to strong revenue generation. We have commenced a drilling programme in Egypt which will be funded from operating cashflow, which has already grown our production to over 3,000 boepd at the end of Q1 2021. 2020 has sown the seeds of long-term growth for the business and I am confident in the outlook for the Company.

Acknowledgement

It would be remiss of me not to finish by thanking the United team, Board, shareholders and our many business partners. In 2020, we have concluded deals remotely and we have negotiated with Governments without having the opportunity to meet face to face. We have not been able to meet our investors as we have normally done but have spent significant time on online meeting platforms continuing to tell the United story. Everyone has worked hard through incredibly challenging circumstances.

United is an excellent business and a great team and I would like to thank everyone of you for playing your part.

Brian Larkin
Chief Executive Officer

23 April 2021

"We are targeting production and low-risk development assets in Europe and high-risk/high-reward exploration in Africa, South America, and the Caribbean."

Jonathan Leather
Chief Operating Officer

Introduction

Operationally, 2020 has been another successful year for United. Highlights in Egypt have included drilling success at the safely completed ASH-2 and ES-5 wells, Group working interest production of 2,195 boepd for the ten-month post-completion period, a near 200% reserves replacement ration, and the safe completion of the ASH gas pipeline.

In Jamaica, an 18-month extension of the Walton Morant Licence was agreed, including assignment of a further 80% equity, and since United took operatorship, the completion of an Independent Prospective Resource report, identifying an unrisked mean prospective resource estimate of 2.4 billion barrels of oil across 11 prospects and leads.

United prioritises the health, safety and well-being of our employees and host communities, and it is very pleasing to note that throughout our operations in 2020 there were no incidents to report.

As a supportive non-operating partner in active operations, United's role is to provide challenge to operating partners, and ensure that ESG is at the forefront of any activities. With an ESG Board Committee now established to provide oversight and focus on the Group's activities, United's aim is to ensure that the Group's ESG strategy grows and evolves with the Group.

Africa

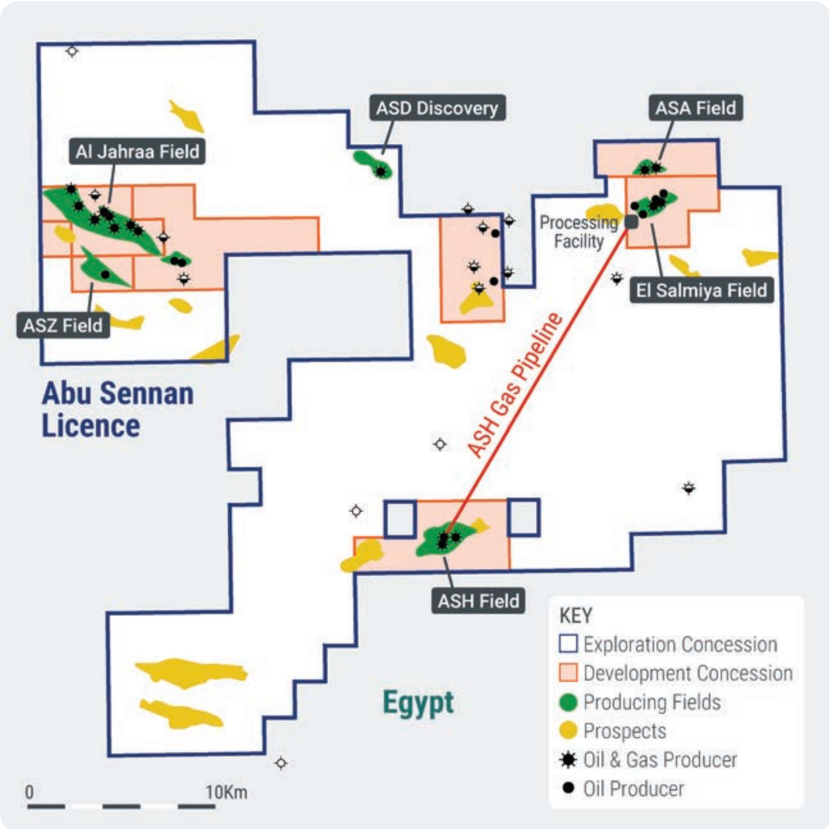
Egypt

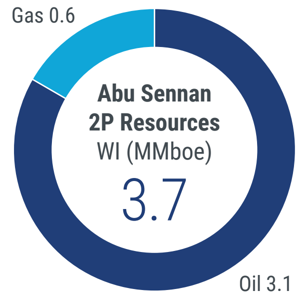
Abu Sennan Licence

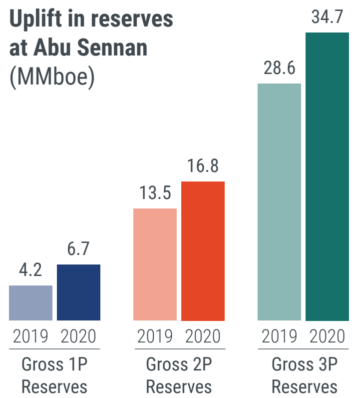
Abu Sennan is located in the Western Desert, onshore Egypt, c.200km west of Cairo. It contains 7 development concessions, and a 644km^2 exploration licence.

The Group completed the acquisition of a 22% non-operated interest in the Abu Sennan concession in the Western Desert on 28 February 2020. The performance of this asset has been exceptional throughout the year despite the joint venture partners prudent decision to defer the drilling of two of the four wells due to market conditions. On 1 March 2020, following completion of the deal gross production levels were 7,770 boepd gross (1,709 boepd net). Group working interest production averaged 2,195 boepd for the ten months of 2020 post completion of the acquisition. The Group exited 2020 with working interest production of 2,389 boepd.

REVIEW OF OPERATIONS (continued)







The ASH-2 well, which was drilled in late 2019, came on stream on 2 January 2020. Since then, the well has performed outstandingly, averaging close to 3,000 bopd in the first half of the year, and upon the implementation of a larger choke-size, close to 5,000 bopd in H2. To date the ASH field has produced over two million barrels of oil.

The El Samiya-5 well was spudded on 3 February 2020, targeting previously undrained reservoirs of the El-Samiya field. The outcome significantly exceeded pre-drill expectations with net pay encountered in all of the targeted intervals, totalling in excess of 120m for the well achieving flow rates on test of 4,100 bopd with a further 18 mmscf/d gas from the Kharita Formation. After the initial testing, the Kharita reservoir was brought onstream at a reduced choke size, with second-half production from the well of 2,531 boepd.

In addition to successful drilling, production was also increased through the development of infrastructure. Completion of the low capital expenditure gas pipeline project at Al Jahraa led to the production of additional gas and the elimination of flaring from the field. The ASH gas pipeline, which links the ASH Field to the existing gas processing facilities at El Salmiya, within the Abu Sennan Licence, was completed safely, on time and under budget in December, and was successfully brought onstream on 27 December 2020. The delivery of the ASH Gas pipeline has not only increased the environmental efficiency of the Abu Sennan Licence, but has also improved gas recovery rates across the licence.

The recently announced independent reserves report by Gaffney Cline and Associates from the end of 2020 identified a significant uplift in reserves at the Abu Sennan concession, building on increases reported for 2019.

- 24% increase in Abu Sennan Gross 2P Reserves to 16.8 MMboe (15% gas) compared to 13.5 MMboe at the end of 2019, representing a 198% reserves replacement ratio
- Gross 1P Reserves increased by 59% to 6.7 MMboe and gross 3P reserves up by 21% to 34.7 MMboe (from 4.2 MMboe and 28.6 MMboe respectively at the end of 2019)

At the end of 2020, the joint venture partners secured the EDC-50 rig for the re-commencement of drilling in 2021. The 2021 budget included two firm wells, with the flexibility to add up to two further wells, subject to well results and the commodity price environment.

The first of the firm 2021 wells, the ASH-3 development well, was successfully completed in February 2021. It encountered 27.5m of net pay in the Alam El Bueib (AEB) Formation, and on test, flowed at a rate of 6,379 bopd and 6.7 mmscf/d on a 64/64” choke. The well was brought onstream on a 40/64” choke, at initial rates of 3,800 bopd.

The second well in the drilling schedule, the ASD-1X exploration well, commenced drilling in March and has been a commercial discovery, with preliminary results indicating over 22m of net pay across multiple stacked targets. Testing is planned during the second half of April and if successful, will lead to an application to EGPC for a development lease over this new discovery.

The joint venture partners have now confirmed that the third well in the 2021 drilling campaign will be the AJ-8 development well, targeting multiple stacked reservoirs in an undrained portion of the Al Jahraa Field. This will be drilled by the EDC-50 rig upon completion of the ASD-1X well.

Group WI production

2,389

boepd

South America and the Caribbean

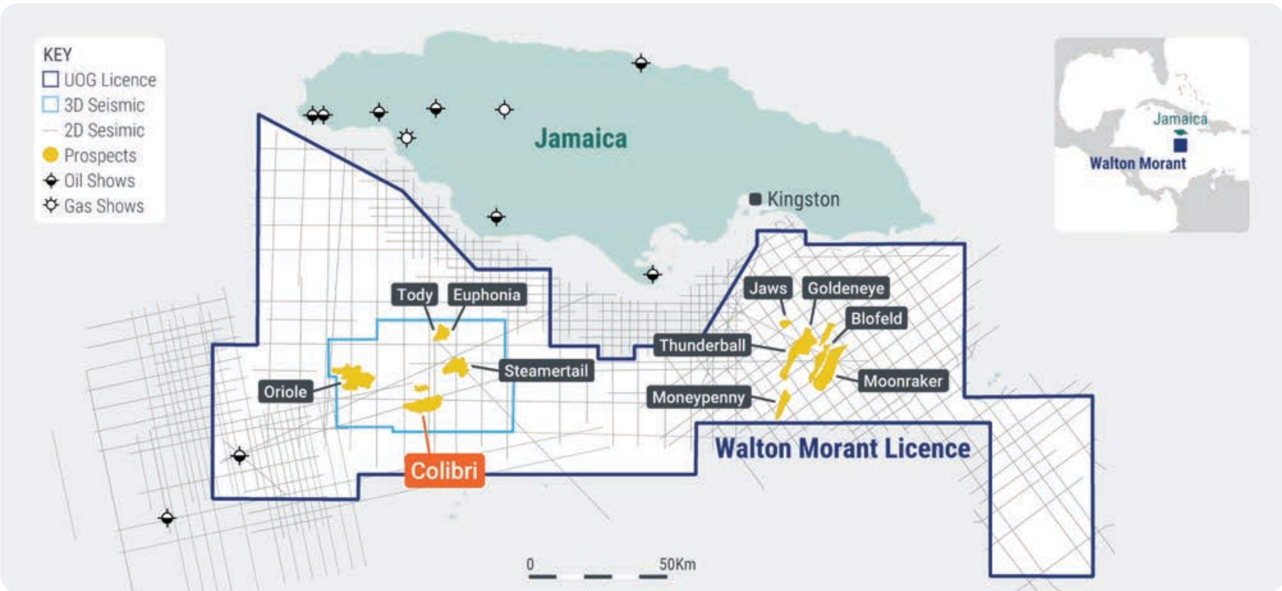
Offshore Jamaica

Walton Morant Licence

Walton Morant is a 22,400km^2 offshore exploration concession, located to the south of the island of Jamaica.

The Walton Morant Licence in Jamaica is an exploration asset which has the potential to open up an entirely new hydrocarbon frontier.

With the previous operator, Tullow Oil, making clear its intention to relinquish its 80% interest in the licence at the end of the Initial Exploration Period in July 2020, United worked with the Jamaican Government to map out a plan for a continuing work programme on the licence. This was designed to build on the extensive work that had previously been carried out and incorporated feedback from a limited farm-down process that had been led by Tullow. In August, it was confirmed that United would assume 100% equity and full operatorship of the licence, and the Production Sharing



Agreement was amended to extend the Initial Exploration Period for 18 months. The amended Walton Morant Licence covers an area of 22,400km^2, and has numerous plays and prospects already identified across three separate basins.

The committed work programme for the extended Initial Exploration Period was focussed on quantifying the basin-wide potential in the Walton Morant, and on adding to the existing evidence for the presence of prolific and active source rocks in Jamaica and the wider region. Good progress has been made on this work programme, and based on United's work, an independent evaluation of the Prospective Resources was completed by Gaffney Cline & Associates in December 2020. This resulted in a significant uplift to the volumes associated with the high-graded drill-ready Colibri prospect, as well as highlighting the substantial follow-on potential in the licence:

- Prospective resource potential of over 2.4 billion barrels identified in the basin
- 406 MMbbls gross unrisked mean Prospective Resource estimate for the high-graded Colibri Prospect - an uplift of 77% compared to previous independent report
- First independent review of Morant Basin indicates major potential including Thunderball lead with mean unrisked recoverable prospective resources of 603 MMbbls

With the bulk of the committed work programme now complete, United's focus in 2021 has shifted towards attracting partners to join the Company in drilling a well to unlock the potential in this high impact exploration licence. In February 2021, United appointed Envoi to manage a formal farm-out process, which is now underway.

Europe

Italy

Selva Malvezzi

The Selva Malvezzi concession, containing the Selva Gas Field is located 20km to the east of Bologna, onshore Italy.

During 2020, preliminary development work to prepare for first gas production continued.

In June 2020, a GPS system was installed to continuously record subsidence data in accordance with the environmental monitoring plan. In October 2020, the Podere Gallina exploration licence received the final decree from the Economic Development Ministry for the joint venture, confirming the quota transfer of 20% to United Oil and Gas.

Italy's new Environmental Technical Commission confirmed "environmental compatibility" in November 2020 and in April 2021, it was confirmed that the Environmental Impact Assessment of Selva Malvezzi is approved and duly signed by the Ministers of MITE (Ministry of Ecological Transition) and MIC (Ministry of Culture). Environmental approval paves the way for the grant of full production licences for both projects and Po Valley Energy will submit required documentation during the second quarter of 2021.

Europe

UK

Zeta and Maria

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

The Zeta licence (P2480) covers four highly prospective blocks in the Central North Sea with a combined area of 500km^2. It includes the Zeta prospect, which United estimates could contain over 90 million barrels of in-place oil. The Licence, which lies 10km from United's recently divested Crown Discovery, is close to the Marigold and Yeoman discoveries, and the substantial Piper, MacCulloch and Claymore oil fields.

During 2020, the Company purchased a high-quality 3D seismic dataset covering the Zeta licence, and this data is being worked up in advance of a likely independent evaluation of the prospects. The licence includes multiple plays and low risk prospects, the Zeta prospect being the most promising of these.

In September 2020, United was provisionally awarded 100% interest in Licence P2519. This contains Blocks 15/18e and 15/19c, and covers an area of c. 225km^2, containing multiple targets. The P2519 licence is in close proximity to Licence P2480 and contains the Maria, Brochel, and Maol discoveries in what is a highly prospective and active area. The award of the licence was confirmed in January 2021.

The Maria Discovery in the Forties Sandstone was initially made in 1976 by Shell/Esso and later appraised by two further wells. United's internal analysis, completed as part of the application, suggests that this is likely to contain c. 6 MMboe of recoverable resources. Analysis suggests that the commercial threshold for oil developments with proximity to infrastructure in this part of the North Sea is c. 4-5 MMbbls, indicating that a viable development should be possible. Indeed, Maria is comparable in size to a discovery United previously successfully divested in the area. Block 15/18e also contains two Jurassic discoveries, Brochel and Maol, which flowed on test at over 2,000 boepd from two separate Jurassic reservoirs when it was drilled in 1987.

A further Palaeocene prospect - Dunvegan - has also been identified straddling the boundary between Blocks 15/18e and 15/19c.

This cluster of highly attractive licences increases the options for United in this region of the UK North Sea. The committed work programme is aimed at reducing volumetric uncertainty through the purchase of good quality 3D seismic data and rock physics modelling and is already underway. United has already demonstrated through the Crown transaction the value that active portfolio management can deliver in this area.

The sale of the Crown licence to Anasuria Hibiscus UK Ltd (Hibiscus) was completed in December 2019. The transaction involved an initial payment of $1m ($0.95m net to United), with further payments expected, including $3m ($2.85m net to United) due upon approval of a Field Development Plan ("FDP") by the UK Oil and Gas Authority ("OGA"). In December, Hibiscus informed the Company that whilst the FDP was submitted on schedule by the end of December 2020, the project final investment decision ("FID") which triggers OGA approval of the FDP is now expected to be during Q2-2021. It is clear that Crown remains an important and value accretive part of the Marigold Development, and as a result of this delay and following recent discussions with Anasuria Hibiscus the US$2.85m payment is now expected to be in the second quarter of 2021. In the event FDP Approval is not achieved, Anasuria Hibiscus may, at its discretion, proceed with the US$3 million payment or transfer Licence P2366 back to United and Swift Exploration at nominal consideration without any further payment obligation.

Waddock Cross

Licence PL090 containing the Waddock Cross Field is situated in the onshore Wessex Basin, UK.

During 2020, independent reservoir modelling work was completed on Waddock Cross. Initial results from this work indicate that a new horizontal well on the field could yield commercial oil volumes (500-800 bopd), albeit at high water cut. Further work is ongoing to finalise a forward plan for redevelopment of the field, which would include enhanced produced water handling facilities. Given the large in place oil volume (c. 34 mmbls STOIIP) this has been high graded by the Operator (Egdon Resources plc) as planning and facilities are already in place to test this opportunity.

Following completion of the Egyptian acquisition, the Company undertook a review of the asset base, and has moved its focus away from the UK onshore. As a result, United's Wessex Basin portfolio was deemed non-core and United is reviewing alternatives for the Waddock Cross asset. Licences P1918, PEDL330 and PEDL345 were relinquished in January 2021 and the remaining minor costs associated with these licences that were not written off in 2019, have been written off in the 2020 financial statements.

Group proved plus probable reserves and contingent resources

Country	Egypt	Jamaica	Italy	UK	UK	UK	Total
Asset	Abu Sennan [1]	Walton Morant [1]	Selva Malvezzi [2]	Maria [4]	Zeta [4]	Waddock Cross	
Working Interest	22%	100%	20%	100%	100%	26.25%	
Net 2P Reserves (mmboe)	3.7	-	0.4	-	-	-	4.1
Net 2C Resources (mmboe)	-	-	0.5	6.1	-	0.4 [3]	7.0
Net Prospective Resources [5] (mmboe)	5.7	2,421 [6]	3.0	-	27.5	2.3 [4]	2,460

[1] GaffneyCline & Associates reserves report, April 2021
[2] CGG competent person's report, December 2019
[3] ERCE competent person's report, December 2019
[4] UOG calculated figures
[5] Unrisked mean prospective resources
[6] Summation of Walton Morant prospective resources completed by United

Strategic Report
Governance Report
Financial Report
Appendices

FINANCIAL REVIEW

"As the business continues to grow, we will retain our commitment to investing and safeguarding capital and delivering shareholder value and returns."

David Quirke
Chief Financial Officer

HIGHLIGHTS[1]

Net Average Production Volumes
2,195 boepd

Oil Price Realised
$37.76/bbl

Gas Price Realised
$2.63/mmbtu

Revenue[2]
$9.1 million

Gross Profit
$2.5 million

Profit After Tax
$0.85 million

Cash Operating Cost[3]
$5.77/boe

EBITDAX[3]
$3.5 million

[1] From completion of the Rockhopper Egypt acquisition to period end, 28 February 2020 to 31 December 2020

[2] 22% interest net of government take

[3] See Non-IFRS measure

United Oil and Gas Financial Strategy

United's Financial Strategy is founded on three core areas: Capital Structure, Risk Management and Financial Management.

During 2020, with oil prices at multi-year lows, these three core areas came into sharp focus and allowed the business to preserve capital and balance sheet strength. We acted early and decisively by deferring development projects, reducing discretionary expenditure and benefitted greatly from our oil hedging programme. As the business continues to grow, we will retain our commitment to investing and safeguarding capital and delivering shareholder value and returns.

Rockhopper Egypt Acquisition and Inclusion in Full Year Results

United's results for this financial year are the first to include revenues from our interests in the Abu Sennan concession in Egypt, acquired on 28 February 2020. The acquisition is a significant step forward in realising the strategy of becoming a self-financed full cycle E&P business. The Abu Sennan concession has performed very well since completion and creates a platform from which we can build future growth in Egypt and the Greater Mediterranean area.

The consideration for the transaction was US$16 million and was funded by:

Consideration	$m
Issuance of 114,503,817 Consideration shares at 3 pence to Rockhopper	$3.5m
A prepayment Financing Structure of US$8 million provided by BP	$8m
Funds generated by the placing of 150,616,669 shares at 3p	$4.5m

Operations are accounted for in the Income Statement from the date of control i.e., 28 February 2020 as per the requirements of IFRS 10. All assets and liabilities and movements from the effective date of the transaction i.e., 1 January 2019 have been brought onto the balance sheet at fair value.

Group Production and Commodity Prices

Total group working interest for the ten months was 2,195 boepd delivering revenue of $9.1m. Revenues from the Abu Sennan concession are stated after accounting for government entitlements. The average realised oil price was $37.76/bbl and the average gas price was $2.63/mmbtu. Negotiations between the Operator and EGPC have resulted in a significant reduction in the Western desert discount to Brent from an average of $2.75/bbl in the four months of H1-2020 to an average of $0.90/bbl in H2-2020.

Group Operating Costs

Group cash operating costs were $3.9m for the period following completion to the end of 2020. The operating cost $5.77boe, indicating the projects resilience and efficiency even in times of weaker oil price.

Group DD&A and Expenses

Group DD&A associated with producing and development assets amounted to $2.6m

Administrative expenses for the year totalled $1.7m. Adjusting for the non-cash items under IFRS 2 Share Based Payment and IFRS 16 Leases, the administrative expense is $1.4m which included $0.3m on new venture activity as well as $0.2m for the Egyptian asset following completion.

Derivative Financial Instrument

The Company's pre-payment facility with BP provided downside protection by effectively hedging a volume of bbls of oil at $60/bbl per month for a thirty-month term from March 2020 through to September 2022. The Company agreed with BP to defer settlement of three months volumes in the second half of 2020 to the final year of the facility, in response to the lower oil price in the first half of 2020. The Company executed additional hedge instruments in the second half of 2020 to further protect the Company from adverse oil price movements. As at 31 December 2020, an unrealised gain of $1.6m has been recognised as a result of oil price movements in the period and indicating the effectiveness of this strategy.

Impairment

There were no material impairment triggers in the period

Taxation

In Egypt under the terms of the Production Sharing Agreement all corporate taxes are paid by EGPC who receive production entitlements from the concession. The tax credit in the Income Statement relates to a reversal of the accrual for tax due on the disposal of the Crown asset in 2019.

Profit/Loss Post Tax

The profit for the year from continuing operations and prior to any exceptional costs was $0.9m (2019: loss $2.1m).

Cash Flow

Net cashflow from continuing operations amounted to $4.8m (2019: $1.6m outflow).

Capital Expenditure

Total Capital expenditure (including internal costs and allocations) on continuing operations for the year amounted to $4.5m; with $1.3m incurred on the successful ES-5 well, $1.9m on other exploration, development and infrastructure projects in Abu Sennan (including the ASH pipeline). The remaining $1.3m was invested in other assets across the remainder of the portfolio.

Balance Sheet

Intangibles Assets increased during the period to $7.9m (2019 $5.6m). Of this $1.1m relates to the addition of Abu Sennan, $0.8m was spent in Jamaica on the Walton Morant licence and the remainder of the movement of $0.4m on other exploration assets within the portfolio. The movement in Property, Plant and Equipment was $13.6m of which $13.4m relates to the acquisition and subsequent capital spend on the Abu Sennan producing assets in Egypt.

Cash and cash equivalents increased to $2.2m (2019: $1.3m) due to strong collections of revenue from the offtake counterparty EGPC. Trade and other receivables amounted to $5.5m and included $2.5m of accrued income on oil and gas sales plus $2.85m relating to the Crown disposal milestone payment.

Borrowings at year end were $6.2m and are a result of the acquisition of the Egyptian company in 2020.

Going Concern

United regularly monitors its business activities, financial position, cash flows and liquidity through detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, including changes in commodity prices and in production levels from the existing assets, plus other factors which could affect the Group's future performance and position. The key assumptions and related sensitivities include a "Reasonable Worst Case" ("RWC") sensitivity with an aggregate set of sensitivities; including a reduction in Brent oil to $50/bbl in 2021 and 2002, a 20% reduction in the production forecast, a 3 month period with no revenue receipt and a delay in the collection of the Crown milestone payment. In such a scenario, we have identified appropriate mitigating actions, including the deferral of additional uncommitted capital expenditure, further divestment of the portfolio, restructuring of debt arrangements and adjustment of the Group cost base, which would be available to us and have been demonstrated as effective strategies in previous periods of low oil prices.

Our business in Egypt remains robust given cash operating costs of less than $6/boe, flexible drilling contracts, downside price protection on our hedged volumes and gas contracts that are fixed price in nature. There are limited capital commitments in the other assets in our portfolio. The forecasts outlined above show that the Group will have sufficient financial headroom for the 12 months from the date of approval of the 2020 Accounts. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to use the going concern basis of accounting in preparing the annual Financial Statements.

Financial Outlook

United's financial strategy is founded on disciplined capital allocation and financial risk management. Our low cost producing asset in Egypt have demonstrated their resilience in a low price oil environment and is currently benefitting from higher production and pricing. The Abu Sennan asset provides a platform for both organic growth but also a base from which we can review further growth opportunities in 2021 and beyond.

PRINCIPAL RISKS AND UNCERTAINTIES

United continuously monitors and assesses the risks faced across the Group. The Audit and Risk Committee has delegated powers from the Board for oversight of Risk Management including risk management assessment criteria, decision making on how to increase the effectiveness of risk mitigations and oversight of the Group risk register. The Audit and Risk Committee reports to the Board regarding the adequacy of Risk Management measures ensuring that the approach to risk is consistent with the Group's strategy and risk appetite.

The principal risk and their mitigations are detailed below:

STRATEGIC

Risk	Causes	Mitigation
1. Insufficient Capital available to complete further acquisitions in line with growth strategy	• Equity and debt markets reducing investment in oil and gas activities • Pressure on capital providers to avoid fossil fuel projects • Commodity Prices/Economic Conditions • Geopolitical risks	• Regular review of funding options • Proactive discussions with equity and debt providers • Seek to ensure adequate returns are generated for investors
2. Health, Safety, Environmental ("HSE") and Social risk	• HSE risks or environmental and safety incidents • Climate change impacts on the sector • Preclusion from activity due to Governmental / Societal view of industry	• Better understanding and input into our Operator's health and safety processes and metrics • Insurance procured to address insurable risks • Comply with all legislative/regulatory frameworks where applicable • Engage more widely to advocate the continuing importance of the role of oil and gas in the global energy mix • ESG Committee of the Board

FINANCIAL

Risk	Causes	Mitigation
1. Commodity Price risk	• Oil and gas market volatility • Lower long-term prices	• Oil hedging framework in place which complies with lending obligations • Close monitoring of business activities and cashflows including downside oil price scenarios • Fixed price gas sales • Capital discipline with focus on progressing investments that are robust in a low oil price environment
2. Liquidity Risk for completion of planned work programmes and going concern	• Reduced debt capacity provided by assets • Reduced capital available for the sector • Financial Fraud	• Capital Allocation ensuring robust investments are approved • Active management of discretionary costs • Effective cashflow forecasting and liquidity management • Maintain effective systems and controls

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

REPUTATIONAL		
Risk	**Causes**	**Mitigation**
1. Reputational Damage	• Sub-optimal capital allocation • Activities run by asset operators causing safety or environmental issues	• High grading opportunities based on clear financial metrics such as NPV, IRR and payback • Seek to maximise influence on operators of our producing assets • Maintain a balanced portfolio across both oil and gas and producing, development and exploration assets
2. Business Conduct & Bribery	• Present in countries in challenging regulatory and political environments • Transacting with counterparties with sub-optimal reputational and compliance record	• Usage of in country and international professional advisers • Ensure adequate due diligence prior to on-boarding counterparties including external compliance reports • Annual training in anti-bribery and corruption

S172 STATEMENT

In accordance with section 172(1) of the Companies Act 2006. The Directors of the Company have a statutory duty to promote the success of the Company. The duty under S172(1) is applied in addition to the other duties of a Director. Each Director must discharge these duties in accordance with the duty of care, skill and diligence both objectively and to a subjective standard. The Board at United, as individuals and collectively consider that they have acted in a way that would most likely promote the success of the Company, to deliver the goals and objectives.

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

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

Stakeholder	Internal Responsibility	Communication	Issues Considered
Employees	Chief Financial Officer	• Face to face meetings • Email and Videoconference	• Strategy • HR Policies • HSE • Remuneration Policy • Anti-bribery and Corruption • Company News
Shareholders	Chief Executive Officer and Chief Financial Officer	• RNS Announcements • Shareholder Calls • Face to face meetings • Website • Email • Third Party Advisors and Brokers	• Strategy • Operational and Financial Performance • Investment Returns • Risk Management and Funding
Local Communities	Chief Operating Officer and Country Manager	• Telephone • Email	• Corporate Social Responsibility • Environmental Management
Governments and Regulatory Agencies	Chief Executive Officer and Country Manager	• Face to face meetings • Written Communications • Telephone	• Legal Matters • Asset Management • Social Initiatives • Revenue Collection
Joint Venture Partners	Chief Operating Officer and Country Manager	• Face to face meetings • Email • Telephone • Written communications	• Asset Planning • Budget Planning • Billings and cash calls • Interaction with government and regulatory agencies
Financing Partners	Chief Financial Officer	• Face to face meetings • Email • Telephone • Written communications	• Funding and Risk Management
Suppliers	Chief Operating Officer and Country Manager	• Face to face meetings • Email • Telephone • Written communications	• Operations • Technical, Regulatory, Financial and Legal Support

Shareholders

2020 was a very active year for the Company seeing 33 RNS Announcements covering all aspects of the business in a very transparent manner. These included announcements on governance, technical, financial, strategic and portfolio management matters. All shareholders were invited to participate in shareholder calls hosted by the executive directors in February on completion of the Rockhopper acquisition and in May and September for the full and half year results respectively.

Employees

United remains a relatively small company in terms of its full time staff of nine employees (including executive directors) in Dublin and a Country manager supported by a small team in Cairo. Communication is therefore very fluid and the requirement for "town hall" meetings does not exist at this point in the Company's cycle. During the pandemic restrictions, including the requirement to work from home, the directors have hosted a daily call with employees.

Local Communities

The Board established an ESG Committee during 2020 which has responsibility for environmental, social and governance initiatives. The ESG report can be seen in more detail in the Governance section of the annual report.

Governments and Regulatory Agencies

The Board meets with the Egyptian General Petroleum Corporation ("EGPC") and the Ministry of Petroleum and Mineral Resources each time an executive director visits Egypt. The country manager maintains an ongoing dialogue, including face to face meetings with both EGPC and the Ministry. Since taking om operatorship of the Walton Morant licence in Jamaica, travel restrictions have prevented directors from visiting Jamaica, but instead, monthly videoconferences have taken place with the Ministry for Science, Energy and Technology.

Joint Venture Partners

Operators of our assets host Technical Operating Committees and Operating Finance Committees over the course of the year and the Chief Operating Officer attends. There are routine interactions over the course of the year on budget, technical and financial matters.

Financing Partners

The Board has maintained its relationship with BP throughout 2020 and regards BP as a highly valued stakeholder which is captured in the longer-term matching rights on offtake opportunities. During the lower oil price environment BP agreed to adjust the volumes of the prepayment facility, thereby freeing up liquidity at the time of the lowest oil prices.

Suppliers

United does not require a large network of suppliers due to our position as a non-operator for our producing and development assets and with limited activities taking place on our exploration and appraisal assets suppliers support the Company predominantly in support activities. Interaction with suppliers is on an as needs basis and all suppliers are dealt with integrity and respect.

This report was approved by the board on 23 April 2021 and signed on its behalf.

Brian Larkin
Chief Executive Officer

BOARD OF DIRECTORS

Brian Larkin
Chief Executive Officer

M

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

Brian is a Qualified Accountant and has an MBA from Dublin City University. Brian has extensive oil and gas industry experience having worked for both Tullow Oil Plc ("Tullow") 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, Brian worked in senior finance and commercial positions. During his time with Providence, Brian worked on a wide portfolio of assets in regions including the Gulf of Mexico, offshore Ireland, onshore United Kingdom, and offshore Nigeria.

Jonathan Leather
Chief Operating Officer

M

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

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

David Quirke
Chief Financial Officer

M

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

Graham Martin
Non-Executive Chairman

C M C

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

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

Iman Hill
Non-Executive Director

C M M

Iman was appointed Executive Director of the International Association of Oil & Gas Producers ("IOGP") in December 2020. She also serves as non-executive Independent Board Director of Oil Spill Response Ltd ("OSRL").

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

Tom Hickey
Non-Executive Director

M M C

Tom is currently CEO of Boru Energy Limited ("Boru"), the West African focussed private oil and gas company, which is supported by The Carlyle Group. Tom is known across the oil and gas industry and beyond as a significant contributor to the success of Tullow Oil plc ("Tullow") in his role as CFO from 2000-08. During this time he was central to the successful conclusion of major acquisitions and exploration discoveries which helped shape that company into a leading Independent oil and gas exploration and production company.

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

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

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

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement in respect of United Oil & Gas PLC

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

Chairman's Corporate Governance Statement

Graham Martin
Chairman

As Chairman of United Oil and Gas plc my role is to lead the Board, ensuring sound corporate governance and establishing a strong and sustainable corporate culture of respect, integrity, honesty, and transparency. We strongly believe that sound corporate governance underpins our business to the benefit of all our stakeholders. The changes to the Board in 2020 have facilitated a positive step-change in governance oversight by the Board and its committees.

We are focussed on all aspects of ESG and are committed to ensuring the health and safety of all who work with us and are in the communities in which we work.

Deliver Growth

Principle 1

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

The Board has concluded that the highest medium and long-term value can be delivered to its shareholders by the adoption of a strategy to build a fully funded portfolio of production, development and low-risk appraisal and exploration oil and gas assets in Europe and the Greater Mediterranean Area, whilst remaining alert for exceptional growth opportunities on a global basis, primarily in the Caribbean, Latin America, and Africa.

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

Principle 2

Seek to understand and meet shareholder needs and expectations

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

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

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

Principle 3

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

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

Principle 4

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

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

Maintain a Dynamic Management Framework

Principle 5

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

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

Executive and Non-Executive Directors are subject to re-election at the Company's Annual General Meeting at intervals of no more than three years. The service agreements and letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours.

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

Principle 6

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

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

Full Biographies of the Board are available on the Company's website www.uogplc.com and in the Annual Report.

Principle 7

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

During 2020 the composition of the Board underwent a number of changes, including the appointment of two new independent Non-Executive Directors, the appointment and resignation of a shareholder nominee Non-Executive Director and the resignation of a Non-Executive Director. Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis by way of individual discussions between the Chairman and each director to determine the effectiveness and performance of the Board. A Board evaluation was conducted in 2020 and an overview is provided in the Annual Report.

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

Principle 8

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

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

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

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

Principle 9

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

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

Audit Committee

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

Remuneration Committee

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

AIM Rules Compliance Committee

The AIM Rules compliance committee comprises Graham Martin (Chair), Tom Hickey and Brian Larkin and its prime responsibility is to ensure the Company has sufficient procedures in place to ensure ongoing compliance with the AIM Rules. The Committee will meet no less than twice a year.

Environmental, Social and Governance ("ESG") Committee

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

Nominations Committee

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

Principle 10

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

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

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

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

Board Evaluation

The Board considers that its effectiveness and the individual performance of its directors is vital to the success of the company and that regular evaluations of the Board and its directors are essential.

An internal evaluation of Board and individual performance was conducted by the Chairman in late 2020/early 2021 by way of individual discussions between each director and the Chairman. Each discussion was open, wide ranging and very constructive. The key areas covered were: strategy, culture, conduct, committees, risks and internal controls. The Chairman summarised the results of the evaluation and some areas for attention and improvement at the January Board meeting.

There was close alignment of views on each matter with the directors confirming that they each fully supported the strategy, confirmed that it remains appropriate and in particular that we need to concentrate our resources on geographies we know well. The open, honest and transparent culture of the company was reflected in the conduct of Board meetings and each director confirmed that the frequency of meetings, their administration and the delegation of powers to committees worked well. There was a clear understanding of the principal risks facing the company and no issues raised with internal controls. Each director acknowledged and appreciated the informal contact that also occurs between the directors outside of formal board meetings, allowing each executive to draw on the experience of the non-executives.

In terms of areas for improvement, each director would like to be more engaged with our stakeholders and to get to know our shareholder base better but acknowledged that such interactions have for the most part not been possible with COVID restrictions in place. We will seek opportunities to encourage such interactions once restrictions are lifted.

Board meetings were held monthly in 2020, principally because of the challenges of completing the Rockhopper Egypt acquisition, the COVID-19 crisis and the oil price volatility. As these challenges decrease we will move to a less frequent but still regular cycle of Board meetings while maintaining strong informal contacts between meetings.

DIRECTORS' REPORT

The directors present their report and the audited Financial Statements of the Group for the year ended 31 December 2020.

Results and Dividends

The profit for the year, after taxation, amounted to $852,661 (2019: loss of $2,139,075). The directors do not recommend payment of a dividend (2019: $Nil).

Directors

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

The directors who served during the year were:

Director	Date of Contract
Brian Larkin	25 July 2017
Jonathan Leather	25 July 2017
David Quirke	24 June 2019
Graham Martin	15 February 2018
Iman Hill	7 September 2020
Alberto Cattaruzza	Resigned 31 December 2020
Stewart MacDonald	Appointed 12 March 2020 and resigned 27 August 2020

Tom Hickey was appointed to the Board on 23 December 2020 effective 1 January 2021.

Principal Activities

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

Business Review and Future Developments

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

Financial Instruments and Risk Management

An explanation of the Group's financial risk management objectives, policies and strategies and information about the use of financial instruments by the Group is given in note 22 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 16 to the financial statements. The Company currently has one class of shares in issue, ordinary shares of £0.01, all of which are fully paid.

Events Since the Balance Sheet Date

The events since the balance sheet date are disclosed in note 29.

Directors' Interests

As at 31 December 2020, 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	1.56%
Jonathan Leather	4,877,810	0.78%
David Quirke	833,333	0.13%
Graham Martin	3,411,764	0.55%

Tom Hickey appointed to the Board on 1st January 2021 held 3,122,549 shares (0.50% of the Ordinary Share Capital) as at 31 December 2020. None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of other Group companies.

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

Auditor

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

Streamlined Energy and Carbon Reporting ("SECR") Disclosure

As the Group has not consumed more than 40,000 kWh of energy in the UK in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Disclosure of Information to Auditors

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

On behalf of the Board

Brian Larkin
Chief Executive Officer

23 April 2021

REMUNERATION COMMITTEE REPORT

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

Remuneration Committee

From top:
Graham Martin (Chairman)
Iman Hill
Tom Hickey

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

In 2020 the Committee recommended the adoption of a Remuneration Policy to the Board setting out the principles of remuneration for the executive directors, which was subsequently revised in early 2021, and can be summarised as follows:

- an appropriately benchmarked salary;
- a 10% pension contribution;
- an annual bonus opportunity of 100% of salary, based 50% on Key Performance Indicators ("KPIs") which are set annually by the Remuneration Committee and for 2020 included balance sheet management, asset performance, portfolio management and share register consolidation, 25% on an absolute total shareholder return ("TSR") metric and 25% on relative TSR against a peer group of companies;
- the Committee has discretion to adjust the formulaic outcome of the bonus scorecard if considered appropriate taking into account all relevant factors affecting the company and its performance in the year;
- should the bonus outcome exceed 40% of salary, the excess shall be paid in shares until certain personal shareholding targets of each executive is met, thereafter the excess over 50% shall be paid in shares;
- a regular annual award of share options provided that the aggregate of all outstanding employee share options does not ordinarily exceed 10% of the company's issued share capital in any rolling 10-year period; and
- appropriate minimum shareholding targets for each executive, recognising their different respective tenures with the company.

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

The Remuneration Policy will be review annually by the Committee.

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

- reviewed the performance of the executives in 2019 and recommended the payment of a cash bonus of 50% of 2019 salary to each executive, awarded retrospectively, relating to the Rockhopper Egypt acquisition;
- agreed a Remuneration Policy which was revised in early 2021 and which is summarised above;
- monitored the 2020 executive KPI scorecard and provided regular feedback to the executives;
- benchmarked executive salaries and recommended an increase in respect of 2020, and conducted a further such exercise in respect of 2021, recommending a further increase;
- benchmarked and reviewed the fees payable to the Chairman and the other non-executive directors, recommending an increase for the non-executives but not the Chairman in respect of 2021; and
- Reviewed the service contracts of the executives, recommending that they be updated and standardised.

Performance and Reward for 2020

As noted above, the base salaries of the executive directors were benchmarked in early 2020 and increased following completion of the Rockhopper Egypt acquisition. We also initiated the executives' 100% bonus opportunity under the newly adopted Remuneration Policy.

As per the Policy, the bonus opportunity was based 50% on the TSR performance of the company and 50% on KPIs. The KPIs set for 2020 related to: the financing position of the business (10%); divestment of non-core assets (10%); increased and sustained production (10%); portfolio development (10%) and share register consolidation (10%).

The TSR components of the bonus were not met but the Committee determined that four of the five KPIs were met in full resulting in a 40% bonus outcome payable in cash. The KPI relating to divestment of non-core assets was not met.

REMUNERATION COMMITTEE REPORT (continued)

Executive Director Service Contracts

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

Executive Remuneration 2020

	Brian Larkin US$	Jonathan Leather US$	David Quirke US$
Salary	206,856	183,102	180,362
Annual bonus 2020	96,752	82,342	82,342
Annual bonus 2019 (deferred)	78,911	75,623	72,335
Pension	19,370	17,050	16,831
Benefits	7,938	10,483	6,669
Total 2020	**409,828**	**368,600**	**358,539**
Total 2019	155,724	149,235	74,118

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

All executive director's remuneration is converted from EUR to USD at an average exchange rate for 2020 of 1.14. In 2019 the comparative exchange rate was 1.12.

Executive Directors' Remuneration 2021

The salaries of the executive directors for 2021 are:

	Euro
Brian Larkin	250,000
Jonathan Leather	200,000
David Quirke	200,000

2021 Bonus scheme

As per the Remuneration Policy, the executive directors are entitled to a 100% bonus opportunity in 2021, 50% of which is based on two TSR metrics, and 50% against the following KPIs: Production and reserves (10%); Corporate activity (10%); Portfolio management (10%); Financial (10%); and ESG (10%). Details of performance against these metrics will be disclosed in the 2021 Annual Report.

Non-Executive Director Remuneration 2020

	Graham Martin US$	Iman Hill US$	Alberto Cattaruza US$	Stewart Macdonald US$
Salary/fees	51,533	6,144	19,325	9,662
Total 2020	**51,533**	**6,144**	**19,325**	**9,662**
Total 2019	51,908	19,465	-	-

Non executive directors are paid in GBP and the average exchange rates were 1.29 and 1.30 for 2020 and 2019 years, respectively.

Non-Executive Director Remuneration 2021

The fees payable to the non-executive directors in 2021, subject to a mid-year review, are:

	GBP
Graham Martin	40,000
Iman Hill	25,000
Tom Hickey	25,000

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

Share Option Awards

The following share option awards to directors were in place as at 31 December 2020:

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

Share options totalling 18,131,454 have been awarded to previous non-executive directors and current and previous staff of the Company and the aggregate number of options awarded at 31 December 2020 is 46,767,691 which is 7.48% of the issued Share Capital of the Company.

Tom Hickey appointed to the Board on 1 January 2021 was awarded 1,342,282 share options on 5 January 2021

Warrants

As at 31 December 2020, the beneficial interests of the Directors and their connected persons in 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

The warrants are exercisable at 1.42857p per share and expire on 31 July 2022.

AUDIT & RISK COMMITTEE REPORT

Overview

The general purpose of the Audit and Risk Committee is to:

- Appoint, oversee, and replace if necessary, the independent auditor.
- Provide oversight on behalf of and to the Board in relation to the Group's Financial Reporting, Internal Controls and External Audit activities.
- Ensure the integrity of the financial statements of the Company.

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

Responsibilities

The key responsibilities of the Committee are as follows:

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

External Auditor

UHY Hacker Young were appointed in 2017 and no tender has been conducted to date, in line with best practice (which is at least once every ten years typically). The external audit fees for 2020 were $60,000. There were no non-audit fees in 2020. All non-audit services are pre-approved by the Committee. The Committee has decided that the size and scale of the Group's activities does not justify an Internal Audit function.

Key judgments and Estimates in Financial Reporting

Key Judgements & Estimates in Financial Reporting	Audit & Risk Committee Review	Outcomes
Impairment of exploration licences	Yes	No Impairment indicators present (Note 10)
Fair Value of consideration for Crown asset disposal	Yes	Account as a current receivable in the Balance Sheet (Note 4)
Reserves estimates	Yes	Reserves numbers and subsequent impacts on the financial statements reflect independently audited reserves by Gaffney Cline & Associates.
Purchase price allocation	Yes	Accounted at fair value. (Note 12)
Impairment of Property, plant & equipment	Yes	No Impairment indicators present (Note 11)

ESG COMMITTEE REPORT

It is fundamentally important to the Board that the business is run ethically, in a transparent manner with a deliberate focus on the sustainable development of the communities in which we operate.

Introduction

Despite the current limited footprint of United as an operator, the Board and management are fully aligned on the need to also ensure that we are working with the operator to consistently reduce the environmental footprint of our operations. The establishment of the Environmental, Social and Governance ("ESG") Committee in September 2020 is the first step in aligning the company with best practice corporate governance. Further, the development of an ESG scorecard that is linked to management reward drives accountability and focus on moving forward with activities such as emissions measurement and reduction and the development of a structured corporate social responsibility plan.

The ESG committee will meet at least four times per year. The terms of reference for the committee have been adopted with the key responsibilities of the Committee being:

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

Environmental

The Group seeks to minimise its impact on climate change by exploring for and producing hydrocarbons with the lowest possible environmental footprint and in compliance with regulatory requirements. This includes reduction of greenhouse gas emissions, energy efficiency and the reduction and management of waste and applies to operated and non-operated assets. We will, therefore, seek to influence the operators of our non-operated assets to reduce flaring and intend to report measure and emissions across the producing assets in Egypt.

Social

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

Governance

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

ESG KPI's

The ESG KPI's account for 20% of the Executive KPI's and flow through to Executive Compensation. The ESG KPI's for 2021 have been assessed by the ESG Committee and approved by the Remuneration Committee in early 2021 and are as follows:

Area	Metric	Weighting	Target (50%)	Stretch
ESG	EHS Corporate Management System	2.5%	Fit-for-purpose policy that is understandable and agreed is in place	Evidence that the policy has been followed throughout the year, and is used as a decision-making tool
E	Emissions Monitoring and Reduction	2.5%	Provide operator with guidelines for measurement and reduction of emissions	Plan in place with operators to measure and reduce emissions on producing assets
S	CSR Policy	2.5%	Fit-for-purpose policy that is understandable and agreed is in place	As per target, plus at least one CSR project in Egypt implemented
G	Risk Matrix	2.5%	Corporate risk matrix in place by end of May	Corporate risk matrix in place with at least one agreed risk-factor moved to a lower quadrant by year-end

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

For the year-ended 31 December 2020

OPINION

We have audited the financial statements of United Oil & Gas Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2020 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow and the notes to the consolidated financial statements including significant accounting policies, the Parent Company Balance sheet, the Parent Company Statement of Changes in Equity and the notes to the parent company financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated financial statements 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, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

Evaluation of management assessment

Management have prepared detailed consolidated cash flow forecasts incorporating all entities within the Group covering the period to 31 December 2022. These are based on their expectation of future costs, including budgeted operating and capital expenditure on all licence areas and expectations of future oil and gas production levels and commodity price.

The key assumptions are considered to be the forecast production rates, the commodity price, the timing of receipt of trade and other receivables.

Management have considered the key assumptions to the forecasts and sensitivities have been prepared sensitivities as follows:

- Sensitivity A - a reduction in forecast production rates of 20% and the Crown disposal proceeds not being received during the forecast period.
- Sensitivity B – the oil price reducing to$50/barrel and the Crown disposal proceeds not being received during the forecast period.
- Sensitivity C – the oil price reducing to $45/barrel and the Crown disposal proceeds not being received during the forecast period.
- Sensitivity D – a scenario with significant aggregated downside including a reduction in forecast production rates of 20%, a fall in the forecast oil price to $50/barrel, the Crown disposal proceeds not being received during the forecast period along with a three month period with no cash receipt from trade receivables.

Our review included:

- Assessing the transparency and the completeness and accuracy of the matters covered in the going concern disclosure by evaluating management's cash flow projections for the forecast period and the underlying assumptions;
- Review of the cash flow forecasts, the methodology behind these and ensuring they are arithmetically correct and challenging the assumptions;
- Obtaining post year end management information and comparing these to budget to ensure budgeting is reasonable and results are in line with expectations;
- Reviewing management's sensitivity analysis on the cash flow forecasts provided to assess the number of factors that it would take to occur in tandem before the Group was pushed into a cash negative position along with considering the mitigating actions available to management in such circumstances; and
- Discussing with management plans for the Group going forward, ensuring these had been incorporated into the budgeting and would not have an impact on the going concern status of the Group.

Key observations

The base case cash flow forecast demonstrates that the Group will have a cash flow surplus throughout the forecast period. These incorporated all budgeted and committed capital expenditure and the current expected production rates on the Abu Sennan concession, which is consistent with current production levels. The forecast uses the forward price of oil being between $58/barrel and $60/ barrel.

Sensitivity A becomes cash negative during the forecast period becoming cash positive again during 2022. Management have demonstrated that mitigating actions may be taken in such a scenario to ensure that cash remains positive throughout the forecast period, such as delaying the timing for certain discretionary exploration activity and the reduction of certain flexible administrative expenses.

Sensitivity B shows a cash surplus throughout the forecast period.

Sensitivity C becomes cash negative during the forecast period becoming cash positive again during 2022. The application of appropriate mitigating actions by management demonstrate that the cash may remain positive throughout the period.

Sensitivity D represents Managements perceived worst case scenario due to the aggregation of many downside sensitivities. In this scenario there is a deficit which would require mitigating actions in addition to delayed expenditure such as divesting certain exploration projects, further reducing administrate expenses and/or raising additional funding through either debt or equity. The likelihood of all of these downside sensitivities taking place simultaneously and lasting for the entire forecast period is considered by the Directors to be remote and in such circumstances consider sufficient mitigating actions to be available to continue as a going concern.

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

For the year-ended 31 December 2020

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

EMPHASIS OF MATTER – CONSIDERATION RELATING TO THE CROWN ASSET IN PRIOR PERIOD

We draw attention to note 4 of the financial statements which describes management's review and the key assumptions used when assessing the appropriate value of the consideration to be received in respect of the disposal of the Crown asset that occurred in the prior year. The final instalment of $2.85m is dependent on the final investment decision of Anasuaria Hibiscus's field development plan which was submitted to the Oil & Gas Authority in the UK towards the end of 2020. The Board remain confident that the final investment decision will be successful and are therefore expecting to receive this instalment of $2.85m by 30 June 2021. As at the year-end, receipt of these funds is therefore considered probable and we are satisfied that this has been appropriately recognised in these financial statements. However there is an inherent uncertainty due to the fact that the receipt is reliant on the final investment decision being in Hibiscus's favour and them progressing with the project accordingly. The financial statements do not include the receivable impairment adjustment that would result if the required approvals are not obtained.

Our opinion is not modified in respect of this matter.

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

OUR APPROACH TO THE AUDIT

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

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

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

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

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

KEY AUDIT MATTERS

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

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during our audit. Going concern is a significant key audit matter and is described above. In arriving at our audit opinion above, the other key audit matters were as follows:

Key Audit Matters	How Our Scope Addressed These Matters
Impairment of exploration and evaluation assets in the Group. The Group has capitalised costs in respect of the Group's licence interests in accordance with IFRS 6 'Exploration for and Evaluation of Mineral Resources' (IFRS 6). The Directors need to assess the exploration assets for indicators of impairment and where they exist to undertake a full review to assess the need for impairment charge. This involves significant judgements and assumptions such as the timing and extent and probability of future cash flow. We therefore identified the impairment of exploration and evaluation assets as a key audit matter, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Obtaining and discussing each of the licences with management and evaluating their assessment regarding potential indicators of impairment in conjunction with the Competent Person's Reports available for each exploration project. • We reviewed the future plans of the projects in respect of funding, viability and development to further assess whether there were any indicators of impairment and reviewed available information to assess whether the licences remain in good standing. Key observations: The treatment of the exploration asset balances across the group at year-end is considered to be materially correct. We obtained evidence that all the licences remain valid and are in good standing. No indicators of impairment were identified in respect of the carrying values of exploration and evaluation assets at the year end.
Impairment of investments and loans due from subsidiary companies in United Oil & Gas Plc. Under International Accounting Standard 36 'Impairment of Assets' (IAS 36), companies are required to assess whether there is any indication that an asset may be impaired at each reporting date. Management assessment involves significant judgements and assumptions such as the timing and extent and probability of future cash flow. The Parent Company has investments in its subsidiaries of £16.1m (2019: £1.5m) and loans due from subsidiary companies of £5.7m (2019: £4.9m). The investments and loans represent the primary balances on the Company balance sheet and there is a risk they could be impaired and that intragroup loans may not be recoverable. We therefore identified the impairment of investments in subsidiaries and loans due from subsidiary companies as a key audit matter in the Parent Company financial statements, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Reviewing the investments balances for indicators of impairment in accordance with IAS 36; • Assessing the appropriateness of the methodology applied by management in their assessment of the recoverable amount of intragroup loans by comparing it to the Group's accounting policy and IAS 36; • Assessing management's evaluation of the recoverable amounts of intragroup loans including review the impairment provisions and net asset values of components that have intercompany debt; • Checking that intragroup loans have been reconciled and confirming that there are no material differences. Key observations: The majority of the investment balances correlate with the exploration assets held by that subsidiary and our impairment review was therefore linked to our assessment of indicators of impairment on the corresponding exploration licences. An additional impairment provision of £18,716 was recognised in the parent company following the impairment of the Colter licence at the prior year-end. No further indications of impairment were identified.

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

For the year-ended 31 December 2020

Revenue recognition within UOG Egypt Pty Limited. Under International Financial Reporting Standard 15 Revenue Recognition, revenue depicts the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. As this was the first year of producing revenue within the Group, the recognition of revenue and its cut off was considered a risk area. We therefore identified the completeness and cut off of the revenue within UOG Egypt as a key audit matter in the Group financial statements, which was one of the most significant assessed risks of material misstatement.	**Our audit work included, but was not restricted to:** • Documenting our understanding of management's process for evaluating revenue recognition and assessing the design effectiveness of related key controls • Assessing the appropriateness of the recognition policies applied by management in their assessment of the revenue recognised for the year by comparing it to the Group's accounting policy and IFRS 15; • Agreeing whether revenue has been recognised in accordance with these policies. • Performing a proof-in-total which traces the monthly production reports from the date of acquisition to the year end of invoices issued in relation to the Abu Sennan oil field; • Ensuring cut-off is accurate to confirm that all income relating to the year ended 31 December 2020 has been accrued for. **Key observations:** As a result of the audit procedures we performed we have concluded that revenue recognition is materially accurate and recognised on an appropriate basis.
Accounting and valuation of the acquisition of UOG Egypt Pty Limited. During the year United Oil & Gas Plc acquired Rockhopper Egypt Pty Limited (and subsequently renamed it UOG Egypt Pty Limited). This is a one-off material transaction which raises the risk in itself that the accounting and valuation of the acquisition has not been treated correctly. The equity of Rockhopper Egypt Pty Limited was acquired for $18.7m, comprising shares of $5.5m and cash of $13.2m. IFRS 3 Business Combinations (IFRS 3) iterates the requirement that acquisitions must be accounted for using the 'acquisition method', which generally requires assets acquired and liabilities assumed to be measure at their fair values at the acquisition date. The determination of the value of acquired intangible assets of $18.7m involve significant judgements and could, if performed inaccurately, lead to a material misstatement. We therefore identified accounting and valuation of the acquisition of UOG Egypt Pty Limited as a key audit matter in the parent company financial statements, which was one of the most significant assessed risks of material misstatement.	**Our audit work included, but was not restricted to:** • Review the signed purchase agreement to assess management's identification of the assets and liabilities acquired as well as corroborate their fair value at the date of acquisition and to agree shares issued and to be issued as part of the purchased consideration; • Assessing the appropriateness of the recognition policies applied by management in their assessment of the fair value of UOG Egypt Pty Limited against the requirements of IFRS 3; • Evaluating management's methodology including key assumptions used against the requirements of IFRS 3. • Consideration of whether any additional intangible assets should be recognised on the acquisition including an a review of managements consideration of whether the acquisition constituted a bargain purchase; • Performing a review of the consolidation entries, adjustments and accounting estimates to ensure the entity had been recognised and consolidated within the group appropriately. • Evaluate the related disclosures included in the financial statements for compliance with IFRS 3. **Key observations:** As a result of the audit procedures we performed and, after considering management's assessments, we have concluded that the acquisition of UOG Egypt Pty Limited is materially accurate and has been accounted for in line with the recognition criteria of IFRS 3.

Valuation of the loan and embedded derivative obtained to finance the acquisition of Rockhopper Egypt Pty Limited. During the year, the Parent Company obtained a loan from Britannic Trading Limited with the purpose of financing the acquisition of Rockhopper Egypt Pty Limited. The loan has a derivative element attached which falls under the scope of IFRS 9 Financial Instruments. There is a risk that the loan and the associated embedded derivatives are not appropriately valued. We identified valuation of the loan and embedded derivatives as a key audit matter in the parent company and Group financial statements and was one of the most significant assessed risks of material misstatement.	**Our audit work included, but was not restricted to:** • Assessing the appropriateness of the methodology applied by management in their assessment of the accounting treatment and valuation of the loan and embedded derivatives by comparing them to the Group's accounting policy and IFRS 9; • Reviewing the loan agreement and derivative documentation to confirm the value and terms and conditions of the repayment period; • Reviewing the net present value calculations on the loan and derivatives at inception of the loan and subsequently re-calculating to confirm the accuracy of the loan calculations at the balance sheet date; • Reviewing the valuation of the embedded derivative a the balance sheet date and assessing its fair value; • Agreeing the monthly repayments to the bank and the accounting for the unwinding of finance charges; • Checking that any re-negotiations on the repayment terms have been considered in the calculations and confirming that there are no material differences. **Key observations:** As a result of the audit procedures we performed and, after considering management's disclosures of the judgements applied by them, we have concluded that the valuations of the BP Loan and embedded derivatives are materially accurate and has been accounted for in line with appropriate recognition criteria.

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

For the year-ended 31 December 2020

OUR APPLICATION OF MATERIALITY

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

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

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

Materiality Measure	Group	Parent
Overall materiality	We determined materiality for the financial statements to be:	
	$393,000 (2019: $182,000)	$275,000 (2019: $146,000)
How we determine it	Based on the main key indicator, being 2% of net assets of the Group.	2% of net assets of the Parent Company exceeded the Group materiality amount therefore this was capped at 70% of Group materiality.
Rationale for benchmarks applied	We believe that net assets are the most appropriate benchmark due to the size and stage of development of the Company and Group. Although the Group is now generating revenue, the exploration and extraction and production asset balances are still deemed to be the key performance indicators for stakeholders.	
Performance materiality	On the basis of our risk assessment, together with our assessment of the Group and Company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality being:	
	$294,895 (2019: $136,500)	$206,250 (2019: $109,500)
Reporting threshold	We agreed with the Audit Committee that we would report to them all misstatements over 5% of Group and company materiality identified during the audit as set out below, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.	
	$19,650 (2019: $9,000)	$13,750 (2019: $7,500)

OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

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

For the year-ended 31 December 2020

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

USE OF OUR REPORT

This report is made solely to the Parent Company's members, as a body, in accordance with part 3 of Chapter 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Daniel Hutson (Senior Statutory Auditor)

For and on behalf of
UHY Hacker Young
Chartered Accountants and Statutory Auditor

UHY Hacker Young
4 Thomas More Square
London
E1W 1YW

23 April 2021

CONSOLIDATED INCOME STATEMENT

For the year-ended 31 December 2020

	Note	31 December 2020 $	31 December 2019 $
Revenue	1	9,053,657	-
Cost of sales	2	(6,505,011)	-
Gross profit / (loss)		2,548,646	-
Administrative expenses:			
Other administrative expenses		(1,707,168)	(1,516,035)
Exploration expenses written off		(37,161)	(2,111,319)
Gain on disposal of intangible assets	4	-	2,881,976
Acquisition and AIM expenses		-	(1,202,586)
Total administrative expenses		(1,744,329)	(1,947,964)
Operating profit / (loss)	3	804,317	(1,947,964)
Finance income	6	1,572,706	-
Finance expense	6	(1,580,842)	(4,841)
Profit / (loss) before taxation		796,181	(1,952,805)
Taxation	7	56,480	(186,270)
Profit / (loss) for the financial year attributable to the Company's equity shareholders		852,661	(2,139,075)

Earnings / (loss) per share from continuing operations expressed in pence per share:	8		
Basic		0.15	(0.62)
Diluted		0.14	(0.62)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year-ended 31 December 2020

	31 December 2020 $	31 December 2019 $
Profit / (loss) for the financial year	852,661	(2,139,075)
Foreign exchange (losses) / gains	(337,713)	405,954
Total comprehensive income / (loss) for the financial year attributable to the Company's equity shareholders	514,948	(1,733,121)

CONSOLIDATED BALANCE SHEET

For the year-ended 31 December 2020

	Note	31 December 2020 $	31 December 2019 $
Assets:			
Non-current assets			
Intangible assets	10	7,891,743	5,580,864
Property, plant and equipment	11	13,607,167	26,722
		21,498,910	5,607,586
Current assets			
Inventory	13	35,729	-
Trade and other receivables	14	5,454,307	3,524,655
Cash and cash equivalents	15	2,188,902	1,275,537
		7,678,938	4,800,192
Current liabilities:			
Trade and other payables	18	(2,996,115)	(1,085,701)
Derivative financial instruments	21	(992,681)	-
Borrowings	21	(2,133,655)	-
Lease liabilities	20	(94,050)	(26,030)
Current tax payable		(135,388)	(190,446)
		(6,351,889)	(1,302,177)
Non-current liabilities:			
Borrowings	21	(2,422,146)	-
Derivative financial instruments	21	(647,376)	-
Lease liabilities	20	(96,787)	-
		(3,166,309)	-
Net assets		19,659,650	9,105,601
Equity and liabilities:			
Capital and reserves			
Share capital	16	8,138,619	4,564,787
Share premium	16	16,047,975	9,912,988
Share-based payment reserve	17	1,922,090	1,591,808
Merger reserve		(2,697,357)	(2,697,357)
Translation reserve		(348,940)	(11,227)
Retained earnings		(3,402,737)	(4,255,398)
Shareholders' funds		19,659,650	9,105,601

The financial statements were approved by the Board of Directors and authorised for their issue on 23 April 2021 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer

Registered number: 09624969

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year-ended 31 December 2020

	Share capital $	Share premium $	Share-based payments reserve $	Retained earnings $	Translation reserve $	Merger reserve $	Total $
For the year ended 31 December 2020							
Balance at 1 January 2020	4,564,787	9,912,988	1,591,808	(4,255,398)	(11,227)	(2,697,357)	9,105,601
Loss for the year	-	-	-	852,661	-	-	852,661
Foreign exchange difference	-	-	-	-	(337,713)	-	(337,713)
Total comprehensive income	-	-	-	852,661	(337,713)	-	514,948
Shares issued	3,573,832	6,640,081	-	-	-	-	10,213,913
Share issue expenses	-	(505,094)	62,516	-	-	-	(442,578)
Share based payments	-	-	267,766	-	-	-	267,766
Balance at 31 December 2020	8,138,619	16,047,975	1,922,090	(3,402,737)	(348,940)	(2,697,357)	19,659,650
For the year ended 31 December 2019							
Balance at 1 January 2019	4,564,787	9,912,988	1,465,036	(2,116,323)	(417,181)	(2,697,357)	10,711,950
Loss for the year	-	-	-	(2,139,075)	-	-	(2,139,075)
Foreign exchange difference	-	-	-	-	405,954	-	405,954
Total comprehensive income	-	-	-	(2,139,075)	405,954	-	(1,733,121)
Share-based payments	-	-	126,772	-	-	-	126,772
Balance at 31 December 2019	4,564,787	9,912,988	1,591,808	(4,255,398)	(11,227)	(2,697,357)	9,105,601

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year-ended 31 December 2020

	31 December 2020 $	31 December 2019 $
Cash flow from operating activities		
Loss for the financial year before tax	796,181	(1,952,805)
Share-based payments	267,766	126,772
Depreciation	2,628,990	94,026
Amortisation	3,862	-
Fair value gain on derivatives	(1,572,706)	-
Impairment of intangible assets	37,161	2,111,319
Gain on disposal of intangible assets	31,307	(2,881,976)
Gain on disposal of property, plant and equipment	42,318	-
Interest expense	1,580,842	4,841
Foreign exchange movements	(189,918)	268,159
	3,625,803	(2,229,664)
Changes in working capital		
Decrease in inventory	64,433	-
Decrease / (increase) in trade and other receivables	2,530,065	(61,527)
(Decrease) / increase in trade and other payables	(1,390,182)	677,689
Cash inflow / (outflow) from operating activities	4,830,119	(1,613,502)
Cash outflow from investing activities		
Cash outflows on business combination	(11,200,000)	-
Cash acquired in business combination	46,543	-
Disposal of intangible assets	-	950,000
Purchase of property, plant & equipment	(2,816,460)	(1,637)
Spend on exploration activities	(1,457,307)	(3,097,401)
Net cash used in investing activities	(15,427,224)	(2,149,038)
Cash flow from financing activities		
Issue of ordinary shares net of expenses	5,835,834	-
Proceeds on issue of oil swap financing arrangement	7,760,288	-
Repayments on oil swap financing arrangement	(1,666,116)	-
Payments on oil price derivatives	(70,431)	-
Capital payments on lease	(73,183)	(88,387)
Interest paid on lease	(5,753)	(4,841)
Net cash generated / (used in) from financing activities	11,780,639	(93,228)
Net increase / (decrease) in cash and cash equivalents	1,183,534	(3,855,768)
Cash and cash equivalents at beginning of financial year	1,275,537	5,149,907
Effects of exchange rate changes	(270,169)	(18,602)
Cash and cash equivalents at end of financial year	2,188,902	1,275,537

PRINCIPAL ACCOUNTING POLICIES

Company Information

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

Basis of Preparation

The 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 Group accounts are presented in USD.

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 2020.

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 2020 incorporate the results of United Oil & Gas plc ("the Company") and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

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

Going Concern

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.

United regularly monitors its business activities, financial position, cash flows and liquidity through detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, including changes in commodity prices and in production levels from the existing assets, plus other factors which could affect the Group's future performance and position. The key assumptions and related sensitivities include a "Reasonable Worst Case" ("RWC") sensitivity with an aggregate set of sensitivities; including a reduction in Brent oil to $50/bbl in 2021 and 2002, a 20% reduction in the production forecast, a 3 month period with no revenue receipt and a delay in the collection of the Crown milestone payment. In such a scenario, we have identified appropriate mitigating actions, including the deferral of additional uncommitted capital expenditure, further divestment of the portfolio, restructuring of debt arrangements and adjustment of the Group cost base, which would be available to us and have been demonstrated as effective strategies in previous periods of low oil prices.

Our business in Egypt remains robust given cash operating costs of less than $6/boe, flexible drilling contracts, downside price protection on our hedged volumes and gas contracts that are fixed price in nature. There are limited capital commitments in the other assets in our portfolio. The forecasts outlined above show that the Group will have sufficient financial headroom for the 12 months from the date of approval of the 2020 Accounts. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to use the going concern basis of accounting in preparing the annual Financial Statements.

Revenue

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Computer software 33%

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

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

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

Computer equipment 33%

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

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

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

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

An impairment loss is recognised as an expense immediately.

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

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

Financial Instruments

Recognition and derecognition

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

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

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

Classification and initial measurement of financial assets

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

Financial assets are classified into the following categories:

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

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

The classification is determined by both:

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

Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

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

Impairment of Financial Assets

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

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

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

Classification and measurement of financial liabilities

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

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

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

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

Embedded derivative financial instruments

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

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

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

Cash and cash equivalents

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

Leases

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

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

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

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

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

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

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

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

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

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

The depreciation starts at the commencement date of the lease.

Taxation

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

Deferred Taxation

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

Deferred tax liabilities are provided in full.

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

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

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

Share-based Payments

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

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

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

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

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

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

Equity

Equity comprises the following:

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

New and Amended International Financial Reporting Standards Adopted by the Group

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

New/Revised International Financial Reporting Standards		EU adopted	Impact on the Group
IAS 1	Amendments to IAS 1 and IAS 8: Definition of Material	Yes	No material impact
IFRS 3	Amendment to IFRS 3 Business Combinations	Yes	No material impact
IFRS 9	Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform	Yes	No material impact

International Financial Reporting Standards in Issue But Not Yet Effective

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

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

New/Revised International Financial Reporting Standards		Effective Date; annual periods beginning on or after	EU adopted
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current	1 January 2023	No
Various	Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020	1 January 2022	No
Various	Amendments to IFRS 9; IAS 39; IFRS 7; IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	1 January 2021	Yes

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

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

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

Reserve Estimates

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

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

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

- Asset carrying values may be affected by possible impairment due to adverse changes in estimated future cash flows;

- Depreciation, depletion and amortisation charged in the Income Statement may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change.

Purchase price allocation

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

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

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

Impairment of property, plant and equipment

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

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

Such assumptions are based on publicly available information and are detailed further in note 21. Different assumptions about these factors to those made by the Group could materially affect the reported value of the embedded derivative liability.

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

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

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

Fair value of consideration in relation to Crown disposal
Management have applied judgement in determining the consideration recognised for the Crown disposal, including a receivable for milestone payment of $2.85m. In the event of non-payment of the milestone payment the Group would retain the asset which has been attributed a fair value of $3.8m as a result of the disposal.

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

	UK $	Other EU $	Latin America $	Egypt $	Total $
2020					
Revenue	-	-	-	9,053,657	9,053,657
Non-current assets	779,323	2,833,287	3,602,178	14,284,122	21,498,910
2019					
Revenue	-	-	-	-	-
Non-current assets	511,009	2,336,837	2,759,740	-	5,607,586

2. COST OF SALES

	31 December 2020 $	31 December 2019 $
Production costs	3,941,743	-
Depreciation, depletion & amortisation	2,563,268	-
	6,505,011	-

3. OPERATING PROFIT / (LOSS)

	31 December 2020 $	31 December 2019 $
Operating loss is stated after charging/(crediting):		
Fees payable to the Company's auditors for the audit of the annual financial statements	60,000	40,000
Fees payable to the Company's auditors and its associates for other services to the Group:		
Reporting accountant services	-	90,000

4. DISPOSAL OF CROWN ASSET IN PRIOR PERIOD

On 12 December 2019, United announced the completion of the sale of its 95% share in the North Sea Blocks 12/18d and 15/19b (licence P2366) to Anasuria Hibiscus UK limited. The disposal was of the aforementioned licence only, and the UOG Crown Limited subsidiary company is retained in the group.

Under the deal for this disposal of the Crown licence, United received $950,000 in 2019 on completion, with a further receivable of $2,850,000 which is contingent upon approval of an FDP, the latter amount being reflected in current receivables in the balance sheet. In the event of non-payment of the latter amount, the Group would retain ownership of the licence asset.

Having acquired the licence in 2018 and incurred costs on a work programme, some in-house technical work, and the costs of disposal the Group reported a profit on disposal before tax in its 2019 Income Statement of $2,881,976.

5. DIRECTORS AND EMPLOYEES

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

	31 December 2020 $	31 December 2019 $
Staff costs		
Wages and salaries	1,700,487	675,928
Share-based payments	267,766	126,772
Pension	135,059	-
Social security	60,640	31,958
	2,163,952	834,658

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

	2020	2019
By activity		
Administrative	6	3
Directors	6	5
	12	8

	31 December 2020 $	31 December 2019 $
Remuneration of Directors		
Emoluments and fees for qualifying services	1,149,729	450,450
Share-based payments	229,040	112,015
Pension	53,251	-
Social security	21,743	13,881
	1,453,763	576,346

Key management personnel are identified as the Executive Directors.

No share warrants have been exercised by any of the directors.

6. FINANCE INCOME AND EXPENSE

	31 December 2020 $	31 December 2019 $
Finance income		
Fair value gain on derivatives	1,572,706	-
	1,572,706	-

	31 December 2020 $	31 December 2019 $
Finance expense		
Effective interest on borrowings	1,576,607	-
Interest expense on lease liabilities	4,235	4,841
	1,580,842	4,841

7. TAXATION

	31 December 2020 $	31 December 2019 $
Profit/(Loss) before tax	796,181	(1,952,805)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	151,274	(371,033)
Tax effects of:		
Utilisation of tax losses	(151,274)	-
Adjustment to previous period	(56,480)	-
Unrelieved tax losses carried forward	-	557,303
Corporation tax (credit) / charge	(56,480)	186,270

The Group has accumulated tax losses of approximately $8m (2019: $2m). No deferred tax asset was recognised in respect of these accumulated tax losses as there is insufficient evidence that the amount will be recovered in future years.

8. EARNINGS / (LOSS) PER SHARE

The Group has issued share warrants and options over Ordinary shares which could potentially dilute basic earnings per share in the future. Further details are given in note 17.

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

Due to the losses incurred during the prior year, a diluted loss per share has not been calculated as this would serve to reduce the basic loss per share. There were 130,510,730 (2019: 93,329,853) share warrants and options outstanding at the end of the year that could potentially dilute basic earnings per share in the future.

Basic and diluted earnings / (loss) per share

	2020 Cents	2019 Cents
Basic earnings / (loss) per share from continuing operations	0.15	(0.62)
Diluted earnings / (loss) per share from continuing operations	0.14	(0.62)

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

	2020 $	2019 $
Profit / (loss) used in the calculation of total basic and diluted loss per share	852,661	(2,139,075)

Number of shares

	2020	2019
Weighted average number of ordinary shares for the purposes of basic earnings / (loss) per share	578,248,726	345,613,985
Dilutive shares	23,207,377	-
Weighted average number of ordinary shares for the purposes of diluted earnings / (loss) per share	601,456,103	345,613,985

9. SUBSIDIARIES

Details of the Group's subsidiaries in 2020 are as follows:

Name and address of subsidiary	Principal activity	Class of shares	Place of incorporation	% ownership held by the Group 2020	2019
UOG Holdings plc 200 Strand, London, WC2R 1DJ	Intermediate holding company	Ordinary	England and Wales	100	**100**
UOG Ireland Limited [1] 9 Upper Pembroke Street, Dublin 2, Ireland	Intermediate holding company	Ordinary	Ireland	100	100
UOG PL090 Ltd [1] 200 Strand, London, WC2R 1DJ	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Italia Srl [1] Viale Gioacchino Rossini 9, 00198, Rome, Italy	Oil and gas exploration	Ordinary	Italy	100	100
UOG Jamaica Ltd [1] 200 Strand, London, WC2R 1DJ	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Crown Ltd [1] 200 Strand, London, WC2R 1DJ	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Colter Ltd [1] 200 Strand, London, WC2R 1DJ	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Egypt Pty Sydney 2000, New South Wales, Australia	Oil and gas exploration	Ordinary	Australia	100	-

[1] Held indirectly by United Oil & Gas Plc

10. INTANGIBLE ASSETS

	Exploration and Evaluation assets $	Computer software $	Total $
Cost			
At 1 January 2019	5,226,219	-	5,226,219
Additions	3,086,027	11,374	3,097,401
Disposals	(792,033)	-	(792,033)
Foreign exchange differences	207,925	-	207,925
At 31 December 2019	7,728,138	11,374	7,739,512
Acquired in business combinations	3,181,362	-	3,181,362
Additions	1,457,307	-	1,457,307
Transfer to production assets	(2,538,981)	-	(2,538,981)
Disposals	(31,307)	-	(31,307)
Foreign exchange differences	335,459	1,070	336,529
At 31 December 2020	10,131,978	12,444	10,144,422
Amortisation and impairment			
At 1 January 2019	-	-	-
Charge for the year	-	-	-
Impairment	2,111,319	-	2,111,319
Foreign exchange differences	47,329	-	47,329
At 31 December 2019	2,158,648	-	2,158,648
Charge for the year	-	3,862	3,862
Impairment	37,161	-	37,161
Foreign exchange differences	52,722	286	53,008
At 31 December 2020	2,248,531	4,148	2,252,679
Net book value			
At 31 December 2020	7,883,447	8,296	7,891,743
At 31 December 2019	5,569,490	11,374	5,580,864

At 31 December 2020 the Group's E&E carrying values of $7.9m related to our exploration prospects in Abu Sennan in Egypt, gas development Selva asset in Italy, our high impact exploration activity in Jamaica, and the UK North Sea and Wessex basin exploration/development work programmes. During the year we completed the acquisition of Rockhopper Egypt Pty which came with a portfolio of exploration prospects and commitments, successfully applied and were awarded the Maria field in the OGA 32nd North Sea licencing round, gained full 100% operatorship of our Jamaican high impact exploration licence after Tullow Jamaica Limited relinquished their 80% share, and have made the decision to write down remaining expenditure on the Colter wells after they were relinquished in January 2021.

Our Italian development at the Selva field continued to make progress in 2020. Factoring in the impact of Covid-19, we are now targeting first production by mid- 2022. Formal technical environmental approval from the Italian Environmental Ministry was granted in January 2020 and preliminary work has commenced on the development programme preparing for first gas. Testing has previously indicated rates of 150,000scm/day with UOG's economic interest being 20%. At the Balance Sheet date $2,659,922 had been capitalised for our Italian asset.

In August 2020, the Group was assigned Tullow Jamaica Ltd.'s 80% equity in the Walton Morant licence meaning United now operate 100%. The initial exploration period was extended until 31 January 2022 when an initial drill-or-drop decision is required. The Group has commenced a work programme to further de-risk the high-graded Colibri prospect and perform detailed interpretation of the numerous follow-on targets. This work will have an impact on the continuing farm-down process. As at 31 December 2020 the Group are carrying $3,602,178 for Jamaica in its Intangibles assets.

In the UK North Sea, Licence P2519, containing two blocks including the Palaeocene Maria discovery, was acquired in the OGA's 32nd licensing round which is only 10km from our previously awarded acreage in the 31st licencing round. Together with the awards in the 31st round United has an exciting work programme in place and costs to date on the balance sheet of $214,082 are capitalised. The work programme continues on the Waddock Cross development with current capitalised costs at yearend of $565,241. In the Wessex Basin United decided with its partners to relinquish the PEDL licences, effective 31 January 2021. As a result costs remaining capitalised of $37,161 were written down.

A key achievement in 2020 was the completion of the acquisition of Rockhopper Egypt Pty Limited which came with valuable exploration licences. Several exploration opportunities and prospects exist within the Abu Sennan licence and an exploration commitment ASD 1X well was drilled during early 2021 leading to a discovery. As at the Balance Sheet date United had $842,024 capitalised as E&E in UOG Egypt Pty Limited.

Management reviews 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 believe the only impairment indicators relate to Colter (as described above) and have impaired all associated costs to date accordingly, with all remaining assets described continuing to be carried at cost.

11. PROPERTY, PLANT AND EQUIPMENT

	Production assets $	Computer equipment $	Fixtures and fittings $	Right of use asset $	Total $
Cost					
At 1 January 2019	-	6,952	-	-	6,952
Transition to IFRS 16	-	-	-	72,453	72,453
Additions	-	1,637	-	41,860	43,497
Foreign exchange differences	-	-	-	462	462
At 31 December 2019	-	8,589		114,775	123,364
Acquired in business combinations	10,630,944	-	-	61,127	10,692,071
Transfer from E&E assets	2,538,981	-	-		2,538,981
Additions	2,806,734	6,755	2,971	204,763	3,021,223
Disposals	-	-	-	(186,700)	(186,700)
Foreign exchange differences	-	(1,638)	-	10,799	9,161
At 31 December 2020	15,976,659	13,706	2,971	204,764	16,198,100
Depreciation					
At 1 January 2019	-	2,235	-	-	2,235
Charge for the year	-	3,562	-	90,464	94,026
Foreign exchange differences	-	15	-	366	381
At 31 December 2019	-	5,812	-	90,830	96,642
Charge for the year	2,563,268	3,169	231	62,322	2,628,990
Disposals	-	-	-	(144,382)	(144,382)
Foreign exchange differences	-	(1,665)	17	11,331	9,683
At 31 December 2020	2,563,268	7,316	248	20,101	2,590,933
Net book value					
At 31 December 2020	13,413,391	6,390	2,723	184,663	13,607,167
At 31 December 2019	-	2,777	-	23,945	26,722

Depreciation is recognised within administrative expenses.

12. BUSINESS COMBINATIONS

On 28 February 2020, the Company announced that it had completed the acquisition of 100% of the equity share capital of UOG Egypt Pty Ltd (formerly Rockhopper Egypt Pty Ltd). from Rockhopper Exploration plc ("Rockhopper"). The acquisition was transformational for the Group delivering a solid production base and transitioning the company to a full cycle E&P company.

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

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

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

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

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

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

Post-acquisition Contribution

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

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

13. INVENTORY

	2020 $	2019 $
Oil in tanks	35,729	-
	35,729	-

14. TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Other tax receivables	77,529	334,636
Prepayments	7,984	340,019
Accrued income	2,518,794	-
Crown disposal proceeds due	2,850,000	2,850,000
	5,454,307	3,524,655

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

No expected credit losses exist in relation to the Group's receivables as at 31 December 2020 (2019: $nil).

Accrued Income relates to two months Oil & Gas invoices for the Abu Sennan producing assets in Egypt under the receivable terms of the agreement with EGPC.

Prepayments and deposits relate to monies paid in advance in relation to the Rockhopper acquisition completed after the balance sheet date, and 2 months advance rent on the office.

Crown disposal proceeds due are being carried at the full value expected to be received (see note 3).

15. CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank (GBP)	132,913	263,536
Cash at bank (EUR)	25,561	21,465
Cash at bank (USD)	16,980	990,536
Cash at bank (EGY)	2,013,448	-
	2,188,902	1,275,537

At 31 December 2020 and 2019 all significant cash and cash equivalents were deposited in creditworthy financial institutions in UK, Ireland and Egypt.

16. SHARE CAPITAL AND SHARE PREMIUM

Allotted, issued, and fully paid:

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

	Number	Share capital $	2019 Share premium $
Ordinary shares of £0.01 each			
At 1 January and 31 December 2019	345,613,985	4,564,787	9,912,988

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

17. SHARE-BASED PAYMENTS

Options

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

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

2019	Number of Options	WAEP £
Outstanding at the beginning of the year	11,117,647	0.05
Issued	-	-
Outstanding at the year end	11,117,647	0.05
Number vested and exercisable at 31 December 2019	-	-

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

	Share options	Share options	Share options	Share options	Share options	Share options
Date of grant	27 Oct 2020	29 Sep 2020	1 July 2020	17 June 2020	20 March 2020	24 June 2019
Number granted	1,481,481	1,565,741	6,107,843	14,767,500	8,060,811	3,666,667
Share price at date of grant	£0.03	£0.03	£0.03	£0.03	£0.01	£0.04
Exercise price	£0.03	£0.03	£0.03	£0.04	£0.04	£0.03
Expected volatility	85.31%	85.27%	82.66%	82.01%	65.31%	45.95%
Expected life from date of grant (years)	6.5	6.5	6.5	6.5	6.5	6.5
Risk free rate	-0.0384%	-0.0821%	-0.0280%	-0.0322%	0.2543%	0.5769%
Expected dividend yield	0%	0%	0%	0%	0%	0%
Fair value at date of grant	£0.018	£0.019	£0.018	£0.019	£0.004	£0.021
Earliest vesting date	27 Oct 2023	29 Sep 2023	1 July 2023	17 June 2023	20 March 2023	24 June 2022
Expiry date	27 Oct 2030	29 Sep 2030	1 July 2030	17 June 2030	20 March 2030	24 June 2029

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

The Group recognised total expenses of $267,766 (2019: $126,772) in the income statement in relation to share options accounted for as equity-settled share-based payment transactions during the year.

Warrants

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

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

2019	Number of Options	WAEP £
Outstanding at the beginning of the year	82,212,206	0.04
Outstanding at the year end	82,212,206	0.04
Number vested and exercisable at 31 December 2019	82,212,206	0.04

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

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

The Group recognised total expenses of $62,516 (2019: $nil) in relation to share warrants accounted for as equity-settled share-based payment transactions during the year in relation. These were recognised as follows:

$62,516 (2019: $nil) as a deduction from share premium related to share warrants accounted for as equity-settled share-based payment transactions during the year.

18. TRADE AND OTHER PAYABLES

	2020 $	2019 $
Trade payables	836,759	403,816
Tax and social security	-	26,151
Other payables	1,431,078	200,074
Deferred shares (note 19)	40,739	39,804
Accruals	687,539	415,856
	2,996,115	1,085,701

19. 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.

20. LEASES

Right of Use Assets

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

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

	2020 $	2019 $
Interest expense on lease liabilities	4,235	4,841
Total cash outflow for leases	(78,936)	(93,228)
Additions to right-of-use assets	265,890	114,313
Disposals from right-of-use assets	(42,318)	-
Depreciation charge – right of use assets	(62,322)	(90,464)
Foreign exchange movement on right of use assets	(532)	96
Right of use assets - carrying amount at the beginning of the year:	23,945	-
Carrying amount at the end of the year:	184,663	23,945

Lease liabilities

	2020 $	2019 $
Current	94,050	26,030
Non-current	96,787	-
	190,837	26,030

21. BORROWINGS AND DERIVATIVES

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

	2020 $	2019 $
Secured – at amortised cost		
Other loans	4,555,801	-
Current	2,133,655	-
Non-current	2,422,146	-
	4,555,801	-

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

	2020 $	2019 $
Separated embedded derivative		
Loan derivative liability (current)	904,702	-
Loan derivative liability (non-current)	647,376	-
	1,552,078	-
Other derivative financial instruments		
Hedge derivative liability (current)	87,979	-

Summary of Borrowing Arrangements

In February 2020, the Group entered into a prepaid commodity swap arrangement for $8 million to part-finance the acquisition of Rockhopper Egypt Pty Ltd. The funds will be repaid through 30 monthly repayments which are structured as a fixed notional amount with variations based on movements in oil prices. Due to the price structure, the arrangement includes an embedded derivative (a forward contract). For financial reporting purposes, this must be separately accounted for at fair value at each balance sheet date. The balance of proceeds that did not relate to the derivative were treated as the opening carrying amount of the loan which will then be measured at amortised cost over its life, with finance charges recognised to give an even return over the loan life and repayments of capital allocated appropriately.

As at 31 December 2020, a fair value gain has been recognised (as finance income) as a result of oil price movements in the period and on forward price rates.

During the year modifications were agreed to the loan whereby there was a three-month period where payments were suspended and the deferred amounts will be rolled into payments in the final 12 months of the loan.

Further put option hedging contracts were entered into in the second half of the year to manage oil price risk. Each of these contracts is a standalone derivative and those that were outstanding at the end of the year were measured at fair value, with gains and losses in the income statement. Some arrangements are still in place, extending to June 2021.

The valuations of the host debt and derivative on initial recognition and valuation of the remaining embedded derivative as at 31 December 2020 were undertaken using data provided by independent third parties.

The fair value of the contracts has been estimated using a valuation technique that maximises the use of observable market inputs. These are classified as Level 2 in the fair value hierarchy (see note 22).

Reconciliation of liabilities arising from financing activities

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

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

22. FINANCIAL INSTRUMENTS

Classification of Financial Instruments

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

The fair value hierarchy has the following levels:

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

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

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

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

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

Financial assets measured at amortised cost	**2020 $**	**2019 $**
Accrued income (note 14)	2,518,794	-
Crown disposal proceeds due (note 14)	2,850,000	2,850,000
Cash and cash equivalents (note 15)	2,188,902	1,275,537
	7,557,696	4,125,537

All of the above financial assets' carrying values are approximate to their fair values, as at 31 December 2020 and 2019.

Financial liabilities	Measured at amortised cost	
	2020 $	2019 $
Trade payables (note 18)	836,759	403,816
Other payables (note 18)	1,431,078	200,074
Lease liabilities (note 20)	190,837	26,030
Borrowings (note 21)	4,555,801	-
Accruals (note 18)	687,539	415,856
	7,702,014	1,045,776

In the view of management, all of the above financial liabilities' carrying values approximate to their fair values as at 31 December 2020 and 2019.

Financial liabilities	Measured at fair value through profit or loss	
	2020 $	2019 $
Derivative financial instruments (note 21)	1,640,057	-
	1,640,057	-

Fair Value Measurements

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

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

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

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

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

23. 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 14, 15, 18, 20, 21, 22 and 24.

Liquidity Risk

Liquidity risk is dealt with in note 24 of these financial statements.

Credit Risk

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

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

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

Interest Rate Risk

The Group's only exposure to interest rate risk is the interest received on the cash held on deposit, which is immaterial. The Group's borrowings outstanding at 31 December 2020 are structured in such a way that the notional interest charge is fixed and therefore there is no interest rate risk. There were no borrowings as at 31 December 2019.

Price Risk

The Group manages its exposure to commodity price risk on an ongoing basis. As described in note 18, the loan for the acquisition of Rockhopper Egypt also involved a derivative arrangement to manage the exposure arising from having the loan payments based on oil quantities rather than a fixed cash price. Further arrangements were initiated and closed during the reporting period, and others remain outstanding and will be settled based on contract timing into 2021. The combined put and call arrangements provide the Group with protection against price movements on either side of a protected corridor.

Foreign Exchange Risk

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

The monetary assets and liabilities denominated in currencies other than USD are relatively immaterial (see notes 14 and 15) 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.

24. 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 2020 and 2019, on the basis of their earliest possible contractual maturity.

	Total $	Payable on demand $	Within 2 months $	Within 2 -6 months $	Within 6 – 12 months $	Within 1-2 years $	Within 2-5 years $
At 31 December 2020							
Trade payables	836,759	-	836,759	-	-	-	-
Other payables	1,431,078	1,431,078	-	-	-	-	-
Lease liabilities	210,007	-	22,081	31,937	54,630	93,963	7,396
Borrowings	6,288,305	-	533,346	1,066,692	1,918,320	2,769,947	-
Derivative financial instruments	87,980	-	-	-	87,980	-	-
Accruals	687,539	-	-	687,539	-	-	-
	9,541,668	1,431,078	1,392,186	1,786,168	2,060,930	2,863,910	7,396
At 31 December 2019							
Trade payables	403,816	-	403,816	-	-	-	-
Other payables	200,074	200,074	-	-	-	-	-
Lease liabilities	26,446	-	17,631	8,815	-	-	-
Accruals	415,856	-	-	415,856	-	-	-
	1,046,192	200,074	421,447	424,671	-	-	-

25. CAPITAL MANAGEMENT

The Group's capital management objectives are:

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

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

	2020 $	2019 $
Equity	19,659,650	9,105,601
Borrowings	4,555,801	-
Cash and cash equivalents	(2,188,902)	(1,275,537)
	22,026,549	7,830,064

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.

26. RELATED PARTY TRANSACTIONS

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

27. FINANCIAL COMMITMENTS

As at 31 December 2020, the Group's commitments comprise their producing assets and exploration expenditure in Egypt, exploration expenditure interests in Waddock Cross, Crown, and the Walton Morant licence, and development expenditure in Italy. These commitments have been summarised below:

Exploration/Production Licence	31 December 2020 $	31 December 2021 $
Abu Sennan	-	4,629,900
Crown	9,952	140,000
Colter	6,774	-
Walton Morant	103,407	402,500
Selva Malvezzi	177,883	82,564
Waddock Cross	47,314	47,198
	345,330	5,302,162

28. ULTIMATE CONTROLLING PARTY

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

29. EVENTS AFTER THE BALANCE SHEET DATE

i. ASH-3 Well Test Update

On the 23 February 2021 the company announced an update on the testing of the ASH-3 development well in the Abu Sennan concession, onshore Egypt. The ASH-3 well was spudded on 4 January 2021, reached a total depth ("TD") of 4,087 metres on the 8 February 2021 which was ahead of schedule and under budget. Gross hydrocarbons indicates a column of 59m in the primary AEB reservoir target, 27.5m of which is estimated to be net pay.

The well was immediately brought onstream through the existing ASH facilities and is producing at an average of over 4,000 boepd (880 boepd net) since coming onstream on 5 March 2021, of which United holds a 22% non-operating interest.

ii. Discovery at ASD-1X Well, Abu Sennan Concession, Egypt

On the 6 April 2021 United announced the preliminary results of the ASD-1X exploration well discovery, which encountered a total of at least 22m net oil pay across a number of reservoirs. Well testing is ongoing, and if successful, will be followed by an application to Egyptian General Petroleum Company ("EGPC") for a development lease over this new discovery. The ASD-1X exploration well, located 12km to the north-east of the producing Al Jahraa Field, safely reached TD of 3,750 MD on 30 March 2021, several days ahead of schedule and under-budget.

GLOSSARY

Non-IFRS Measures

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

Cash-operating Costs Per Barrel

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

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

	31 December 2020 $
Cost of Sales	6,505,011
Less	
Depreciation, depletion and amortisation	(2,563,268)
Inventories	(64,433)
Cash operating costs	3,877,310
Production (boepd)	2,195
Cash Operating Cost BOE ($)	5.77

EBITDAX

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

	31 December 2020 $
Operating Income (Loss)	804,318
Depreciation, Depletion & Amortisation	2,628,990
Exploration Expense	37,161
	3,470,469

COMPANY BALANCE SHEET

For the year-ended 31 December 2020

	Note	31 December 2020 £	31 December 2019 £
Assets:			
Non-current assets			
Investments	2	16,127,081	1,554,810
Current assets			
Trade and other receivables	3	7,808,453	7,353,155
Cash and cash equivalents	4	105,907	854,670
		7,914,360	9,762,635
Total Assets		24,041,441	9,762,635
Equity and liabilities:			
Capital and reserves			
Share capital	8	6,251,540	3,456,140
Share premium	8	12,288,252	7,486,946
Share-based payment reserve		1,468,691	1,212,326
Retained earnings:			
Opening retained earnings		(3,576,132)	(1,664,378)
Loss for the year		(519,134)	(1,911,754)
Total retained earnings		(4,095,266)	(3,576,132)
Shareholders' funds		15,913,217	8,579,280
Current liabilities			
Trade and other payables	5	3,435,895	1,009,816
Borrowings	7	1,571,224	-
Derivative financial instruments	7	731,010	-
Current tax payable		99,699	143,539
Deferred shares		30,000	30,000
		5,867,828	1,183,355
Current liabilities			
Borrowings	7	1,783,668	-
Derivative financial instruments	7	476,728	-
		2,260,396	-
Total liabilities		8,128,224	1,183,355
Total equity and liabilities		24,041,441	9,762,635

The financial statements were approved by the Board of Directors and authorised for their issue on 23 April 2021 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer

Registered number: 09624969

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year-ended 31 December 2020

	Share capital £	Share premium £	Share-based payments reserve £	Retained earnings £	Total £
For the year ended 31 December 2020					
Balance at 1 January 2020	3,456,140	7,486,946	1,212,326	(3,576,132)	8,579,280
Loss for the financial year	-	-	-	(519,134)	(519,134)
Total comprehensive income	-	-	-	(519,134)	(519,134)
Transactions with owners:					
Share based payments	-	-	207,840	-	207,840
Shares issued	2,795,400	5,210,292	-	-	8,005,692
Share issue expenses	-	(408,986)	48,525	-	(360,461)
Total transactions with owners	2,795,400	4,801,306	256,365	-	7,853,071
Balance at 31 December 2020	6,251,540	12,288,252	1,468,691	(4,095,266)	15,913,217
For the year ended 31 December 2019					
Balance at 1 January 2019	3,456,140	7,486,946	1,114,636	(1,664,378)	10,393,344
Loss for the financial year	-	-	-	(1,911,754)	(1,911,754)
Total comprehensive income	-	-	-	(1,911,754)	(1,911,754)
Transactions with owners:					
Share based payments	-	-	97,690	-	97,690
Balance at 31 December 2019	3,456,140	7,486,946	1,212,326	(3,576,132)	8,579,280

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

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

For the year-ended 31 December 2020

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

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 2020 was £519,134 (2019: £1,911,754).

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.

United regularly monitors its business activities, financial position, cash flows and liquidity through detailed forecasts. Scenarios and sensitivities are also regularly presented to the Board, including changes in commodity prices and in production levels from the existing assets, plus other factors which could affect the Group's future performance and position. The key assumptions and related sensitivities include a "Reasonable Worst Case" ("RWC") sensitivity with an aggregate set of sensitivities; including a reduction in Brent oil to $50/bbl in 2021 and 2002, a 20% reduction in the production forecast, a 3 month delay in receivables collection and a delay in the collection of the Crown milestone payment. In such a scenario, we have identified appropriate mitigating actions, including the deferral of additional uncommitted capital expenditure, further divestment of the portfolio, restructuring of debt arrangements and adjustment of the Group cost base, which would be available to us and have been demonstrated as effective strategies in previous periods of low oil prices.

Our business in Egypt remains robust given cash operating costs of less than $6/boe, flexible drilling contracts, downside price protection on our hedged volumes and gas contracts that are fixed price in nature. There are limited capital commitments in the other assets in our portfolio. The forecasts outlined above show that the Group will have sufficient financial headroom for the 12 months from the date of approval of the 2020 Accounts. Based on this analysis, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to use the going concern basis of accounting in preparing the annual Financial Statements.

Investments

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

Impairment of Non-financial Assets

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

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

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

An impairment loss is recognised as an expense immediately.

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

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

Financial Instruments

Recognition and derecognition

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

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

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

Classification and initial measurement of financial assets

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

Financial assets are classified into the following categories:

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

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

The classification is determined by both:

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

Subsequent measurement of financial assets

Financial assets at amortised cost

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

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

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

Impairment of Financial Assets

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

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

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

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

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

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

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

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

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

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

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

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

Deferred tax liabilities are provided in full.

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

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

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

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

Share-based Payments

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

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

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

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

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

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

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

Equity

Equity comprises the following:

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

2. INVESTMENTS

	Investments in Subsidiaries £
Cost	
As at 1 January 2019	1,554,810
Additions	-
As at 31 December 2019	1,554,810
Additions	14,572,271
As at 31 December 2020	16,127,081

The Company's subsidiaries are detailed in note 8 to the consolidated financial statements, which details the acquisition of UOG Egypt Pty Limited that gave rise to the increase in investments.

3. TRADE AND OTHER RECEIVABLES

	2020 £	2019 £
Amounts due from group undertakings	5,694,313	4,912,536
Crown disposal proceeds due	2,098,740	2,148,045
Other tax receivables	15,400	46,983
Prepayments	-	245,591
	7,808,453	7,353,155

4. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank	105,907	854,670
	105,907	854,670

5. TRADE AND OTHER PAYABLES

	2020 £	2019 £
Trade payables	402,588	165,527
Amounts due to group undertakings	2,499,717	453,501
Other payables	486,090	142,315
Accruals	47,500	248,473
	3,435,895	1,009,816

6. DEFERRED SHARES

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

7. BORROWINGS AND DERIVATIVES

	2020 £	2019 £
Secured – at amortised cost		
Other loans	3,354,892	-
Current	1,571,224	-
Non-current	1,783,668	-
	3,354,892	-

	2020 £	2019 £
Separated embedded derivative		
Loan derivative liability (current)	666,222	-
Loan derivative liability (non-current)	476,728	-
	1,142,950	-
Other derivative financial instruments		
Hedge derivative liability (current)	64,788	-

Details of borrowings and derivatives are given in note 21 of the group financial statements.

8. SHARE CAPITAL

Allotted, issued, and fully paid:

	Date of issue	Number	Share capital £	2020 Share premium £
Ordinary shares of £0.01 each				
At 1 January and 31 December 2019		345,613,985	3,456,140	7,486,946
Allotments:				
Shares issued in consideration for business combination	28-Feb-20	114,503,817	1,590,362	3,196,628
Shares issued for cash	28-Feb-20	159,036,167	1,145,038	1,923,664
Shares issued for cash (exercise of warrants)	05-Aug-20	6,000,000	60,000	90,000
Share issue expenses		-	-	(408,986)
At 31 December 2020		625,153,969	6,251,540	12,288,252

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

9. EVENTS AFTER THE BALANCE SHEET DATE

See note 29 of the Notes to the Consolidated Financial Statements.

COMPANY INFORMATION

Directors	Graham Martin (Chairman) Brian Larkin David Quirke Jonathan Leather Iman Hill Tom Hickey
Company Secretary	David Quirke
Registered Number	09624969
Registered Office	200 Strand London WC2R 1DJ
Nominated Advisor	Beaumont Cornish Ltd Building 3 566 Chiswick High Road London W4 5YA
Broker	Optiva Securities Ltd 49 Berkeley Square Mayfair London W1J 5AZ
Independent Auditors	UHY Hacker Young Chartered Accountants & Registered Auditors Quadrant House 4 Thomas More Square London E1W 1YW
Legal Advisers	Armstrong Teasdale LLP 200 Strand London WC2R 1DJ
Principal Bankers	Bank of Ireland Raheny Dublin 5 Barclays Bank plc 1 Churchill Place London E14 5HP
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham GU9 7DR

GLOSSARY

B	Billion (10^9)
Bbl	Barrels
/Bbl	Per barrel
bopd	Barrels of oil per day
bpd	Barrels per day
bwpd	Barrels of water per day
Bscf	Billion standard cubic feet
DST	Drill Stem Test
EGPC	Egyptian General Petroleum Corporation
GIIP	Gas initially in place
GOR	Gas oil ratio
ft	Foot or feet
HCIIP	Hydrocarbon initially in place
HSE	Health, safety and environment
km	Kilometres
km^2	Square kilometres
m	Metres
M	Thousand
MBbl	Thousand barrels
Mbopd	Thousands of barrels of oil per day
MM	Million
MMBbl	Million barrels
MMBTU	Million British thermal units
MMscf	Million standard cubic feet
MMscfd	Million standard cubic feet per day
Mscf	Thousand standard cubic feet
NPV	Net Present Value
OPEX	Operating expenditure
OWC	Oil-water contact
p.a.	Per annum
P_g	Chance of Geologic Success
PSC	Production Sharing Contract
psia	Pounds per square inch absolute

scf	Standard cubic feet
ss	Sub sea
stb	Stock tank barrel
STOIIP	Stock tank oil initially in place
TVD	True vertical depth
WI	Working Interest
%	Percentage
1C	Low estimate of Contingent Resources
2C	Best estimate of Contingent Resources
3C	High estimate of Contingent Resources
2D	Two-dimensional
3D	Three-dimensional
1P	Proved Reserves
2P	Proved plus Probable Reserves
3P	Proved plus Probable plus Possible Reserves
1U	Low estimate of Prospective Resources
2U	Best estimate of Prospective Resources
3U	High estimate of Prospective Resources

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