UNITED OIL & GAS

Annual Report and Financial Statements 2022

United Oil & Gas[1]
An oil and gas exploration and production company headquartered in Dublin and listed on the AIM market of the London Stock Exchange. We have exploration, appraisal, development and production interests in Egypt, a large exploration licence in Jamaica and interests in development assets in the UK.

Founding Year
2015

Oil & Gas Fields
8

Countries
3

2022 Average Net Production (boepd)
1,312

[1] United Oil & Gas PLC ("United" or "the Company") and its subsidiaries (together, "United" or "the Group").

Our purpose

Responsibly producing energy for communities and stakeholders.

Our vision

To become a leading independent oil & gas company focused on North and West Africa and the Greater Mediterranean.

2022 group highlights

LTIF[1]
(per million man hours)
2021: 0

0

Average Net Production
(boepd)
2021: 2,327

1,312

Cash Opex
($/boe)
2021: 5.9

10.3

Profit After Tax
($m)
2021: 3.6

2.3

Gross Profit
($m)
2021: 12.3

12.9

Revenue
($m)
2021: 19.2

15.8

[1] Lost Time Injury Frequency Rate

Our Portfolio

Egypt

Abu Sennan

Our producing asset.

Interest: 22%

Operational Phase: Production/ Development/Appraisal/Exploration

Operator: Kuwait Energy Egypt

Jamaica

Walton Morant

Our high-impact exploration asset with a drill ready prospect.

Interest: 100%

Operational Phase: Exploration

Operator: United Oil & Gas

United Kingdom

In January 2023 United announced that it had entered into an agreement for the conditional sale of its only remaining North Sea licence. The Company continues to hold a 26.25% interest in the UK onshore Waddock Cross licence, operated by Egdon Resources UK.

Our strategy

2

Create value by actively managing our existing assets whilst growing our business through additional high-margin opportunities.

United's growth strategy is supported by five key pillars

1 Value and strength of our existing assets

- Egypt gives us low-cost production leveraged to high oil prices that continues to deliver strong operating cashflow providing a solid base from which to grow
- Jamaica provides exciting exploration upside, with > 2.4 billion barrel potential
- We actively manage our portfolio to unlock the value of each asset throughout its life-cycle

Commitment to managing a responsible business

- Producing energy in a safe and responsible way
- Creating a safe work environment
- Excellent business ethics and good governance

3

Financial and risk management

- Disciplined allocation of capital where it generates the best returns
- Ability to access finance to fund future growth opportunities
- Cost management
- Management of financial risk and mitigants
- Work programmes funded by cashflow generated from existing operations

4

Experienced team

- Leveraging breadth of experience and strong industry relationships
- Strong technical, financial and commercial capabilities – expertise in identifying new opportunities
- Track record of executing deals with large scale E&P companies
- Demonstrated ability in financing significant corporate growth

Growth through M&A

- Targeting opportunities that will deliver growth and value
- Focused on North and West Africa and the Greater Mediterranean area, looking to build on presence in Egypt and existing experience
- Remaining opportunistic for assets outside these areas

5

Our strategy in action

2

1

Active portfolio management

Progress in 2022

We manage our portfolio by acquiring, investing, and then unlocking the value created. Licence P2519, containing the Maria Discovery was awarded to United by the OGA in the 32nd Licencing round in December 2020. United carried out a value-adding low-cost work programme, resulting in an agreed sale of United's 100% ownership of the licence for a total consideration of up to $7m (£5.7m).

Looking forward

In Jamaica the farm-out campaign for the Walton Morant licence, which has over 2.4 billion barrels of unrisked mean prospective resources, remains a key focus as we seek to move this potentially transformational project forward within our licence term. Energy Advisors Group have been engaged alongside our existing advisors, Envoi, and a number of companies are currently evaluating the opportunity with a deadline for indicative offers set for Q2 2023.

Abu Sennan: generating cash to invest in growth

Progress in 2022

It was another active operational year in Egypt. In 2022, a total of five wells at Abu Sennan were drilled. Two of these were exploration wells and three were development wells. In addition a number of workovers were carried out. Production averaged 1,312 boepd net (2021: 2,327 boepd net). This decrease reflects the substantial decline in production that occurred during H2 2021 as water broke through at the ASH Field, as well as expected decline from the existing well-stock during 2022, partially offset by additional production from drilling activity and workovers.

Looking forward

- The 2023 drilling programme consists of two firm development wells with additional drilling activity contingent on well results.
- Flexibility in the work programme means we can tailor capital allocation to match projected cashflows.
- Abu Sennan is transitioning to a phase in its development where operations are focused on maintaining and extending long term production rates to generate operational cashflows for many years to come. Egypt remains an integral part of our business providing cashflow which supports the wider asset portfolio of the Company and our strategy to grow through M&A.

3

Strict capital allocation and financial resilience

Progress in 2022

United has a strong focus on capital discipline, resilience and the mitigation of downside risk ensuring that the business preserves capital and balance sheet strength. Our producing asset in Egypt is resilient in a low-price oil environment and we are currently benefitting from higher commodity pricing.

Looking forward

- The capital programme is fully funded from operating cashflow.
- The financing facility put in place to fund the Abu Sennan acquisition will be fully repaid in 2023 providing a re-financing opportunity due to the long term nature of the cashflows generated from Abu Sennan.
- The proceeds of divestments will be deployed into growth opportunities that generate the best returns with consideration to be given to returning a portion of capital to shareholders.

Cash flow to support our operations

Graham Martin
Non-Executive Chairman

Dear Shareholders,

Introduction

2022 has been another active year for the Company between our operations in Egypt, the progression of our farm-out campaign for the high-impact Walton Morant licence in Jamaica, and post year end the announcement of the conditional sale of our Maria licence. Although average production on our non-operating position in Egypt is down in 2022 compared to 2021, it continues to generate positive cashflows, and we see good potential from the existing fields to maintain and potentially increase production for many years to come. I feel we remain well placed to capitalise on new opportunities which we continue to explore in the Greater Mediterranean and North and West African regions and that we have a strong management and technical team with the capability to realise our growth strategy.

In Jamaica we completed various technical studies which lent support to the farm-out process which continued throughout 2022. We have seen growing momentum in the level of interest from parties that possess both the technical and financial capacity to add value to the project and discussions are ongoing with a number of potential partners. Business development opportunities across the full cycle continued to be offered to and assessed by the team in the course of 2022, and while a number of such opportunities are still under consideration only the most attractive ones consistent with our strategy and investment criteria will be taken forward. The war in Ukraine caused uncertainty in oil and gas markets with prospective sellers and buyers of assets having difficulty in forecasting prices with enough certainty to complete transactions. There are positive signs now that commodity markets are settling down which should lead to more opportunities being concluded.

Strategy

We are a full-cycle oil and gas company with the operational cashflow to support our existing business. We aim to create value by actively managing our existing assets whilst growing our business through additional high-margin opportunities in the Greater Mediterranean and North and West African area.

Post year end

The key event since the year end has been the signing of an agreement for the sale of the licence containing the Maria discovery for a consideration of up to circa $7m (£5.7m), which is expected to complete in May this year. This sale was at a materially higher maximum consideration than we had agreed in 2021, reflecting the increased value of the asset following work by our technical team.

The proceeds from this sale will be used to further our new venture activities and if market conditions are right to fund a limited share buyback programme for which we intend to seek shareholder approval at our forthcoming AGM.

The Company remains focussed on reducing costs and allocating capital where it delivers the best returns. In anticipation of the Maria sale and the reduction of our operational footprint in 2023 we carried out a full review of our G&A expenditure in late 2022, as a result of which we announced in our Trading and Operations update, on 26 January 2023, a programme to reduce our G&A by 15% across all categories of expenditure. This programme is now well underway.

Board and governance

David Quirke stepped down as CFO in June 2022 to pursue interests outside of the industry. We are very grateful to David for the commitment and professionalism he brought to the role and wish him every success in his future endeavours. David was replaced as CFO by Peter Dunne who comes with a wealth of professional and industry experience and has very quickly taken to the role with energy and enthusiasm. In September 2022, Tom Hickey stepped down as an independent non-executive Director to take up an executive role outside the oil and gas industry.

An internal Board and Committee evaluation was carried out post-year end, the findings, and conclusions from which are reported on page 59. Despite only having two non-executives at the moment, I believe that we continue to have a good balance of technical, financial, commercial and ESG experience on the Board, that all Committees continue to function effectively and that the non-executive Directors give appropriate support and challenge to the executives both at and outside of Board and Committee meetings.

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. I can be reached via the Company Secretary at info@uogplc.com.

Conclusion and outlook for 2023

2022 was another very active but challenging year for the Company in the development and pursuit of our strategy and I would like to record my thanks once again to our executives and all our staff for their continued commitment and energy throughout the year.

We have a full-cycle portfolio, the cashflow to support our operations, a farm-out process in Jamaica is continuing and a variety of new venture opportunities under consideration. We look forward positively to the year ahead.

Graham Martin
Chair

27 April 2023

An increasingly stable oil and gas market

2022 saw the tail-end of the COVID-19 pandemic, which quickly gave way to the beginning of global geopolitical and economic unrest.

The year began cautiously with steadily increasing growth, as financial markets and economies began to open up fully following two years of uncertainty caused by COVID-19. The rapid global rollout of the vaccine meant global travel was opening up, as was return to the cities, as workers returned to the office. However, in February 2022, global economies were rocked by the invasion of Ukraine by Russia, which was the beginning of economic uncertainty and the threat of recession, which dominated the remainder of the year.

This volatility began to affect the financial markets in the latter part of 2022, as the number of IPOs and M&A transactions declined due to global uncertainty and continued geopolitical unrest. United is acutely aware of the current market conditions, and although we continue to examine M&A opportunities, we do so with the consideration of what is best for our shareholders.

The uncertainty of the last year continued as we entered 2023. Despite this, the oil and gas market has stabilised following significant fluctuation throughout 2022, ending the year at $86 a barrel.

Political and economic

Global politics has been a prominent topic of discussion during the year, with a focus on unrest. The UK witnessed three different Prime Ministers over the course of 12 months, resulting in a drop in confidence, both domestically and from the wider global markets.

Following Russia's invasion of Ukraine, many countries began to rapidly reduce Russian oil and gas imports leading to volatility in the oil price and a widespread energy crisis, which saw the price of fuel soar. Household bills and petrol prices surged to extreme highs, which coupled with inflation rises, led to a cost-of-living crisis. This unrest saw the value of the British Pound fall dramatically.

Similarly, during the year, the Egyptian Pound depreciated sharply due to global macroeconomic volatility, and continued restrictions on US dollar transfers implemented by the Central Bank of Egypt, a trend that has continued into 2023. However, relief has been delivered through the agreement with the IMF in the last quarter of 2022, where a $3 billion funding facility was agreed to promote stability. In order to mitigate the effects of this ongoing economic volatility, in Q4 2022 United opted not to accept payment of USD denominated receivables in Egyptian Pounds unless required for operational purposes. While this policy resulted in an increase in receivable balances during the last quarter, it was put in place to protect the Company against further exchange related losses.

Energy transition

COP27 was held in our host nation Egypt last year under the theme "Together for Implementation" with governments around the globe re-affirming their commitments to fight climate change. The spotlight fell firstly on the continued lack of funding for developing countries with many calling on governments globally to release funding packages to support those facing losses due to climate change.

It was highlighted that many companies have released climate pledges throughout the years, and the consensus was that these pledges must be upheld and the companies who have made them held accountable. United remains committed to its stance on climate change and the energy transition and sees a place where it can be a responsible producer of hydrocarbons during the energy transition. We released our Climate Change and Energy Transition Position Statement last year which can be viewed on our website:

www.uogplc.com/wp-content/uploads/2022/06/Climate-change-position-statement-003.pdf

Oil price

The global political and economic unrest in 2022 led to increased volatility of the oil price throughout the year with the oil price climbing dramatically following the invasion of Ukraine due to a squeeze in supply. This, combined with further macro supply risks, predominantly from China through its zero Covid policy, resulted in Brent reaching a peak of $139.13 a barrel, the highest price seen since 2008, according to Reuters.

As the year progressed, weaker demand from top importers due to the declining economic environment caused prices to slide. Global prices of fuel had risen to such an extreme that the UK Government implemented monetary support to subsidise the country's heating bills as the colder months began, to support the most vulnerable. In addition, arguments continued across the political parties as to whether the leading oil and gas companies should have a windfall tax imposed, following record profits for majors, with the UK introducing an Energy Profits Levy in June 2022.

Despite the prevailing concerns of recession, Brent prices recovered in the latter part of the year, closing off at $85.91 a barrel, gaining approximately 10% YoY.

A year of continuing progress

Brian Larkin
Chief Executive Officer

2022 was filled with operational activity across our portfolio, all completed with zero LTI's, TRIR's and environmental incidents. In Egypt, five wells were drilled and completed in addition to a number of workovers. In Jamaica, the farm-out efforts have continued to be a focus with the addition of a new advisor, and in the UK post year end an agreement was put in place for the conditional sale of the Maria discovery.

Operationally, it was a challenging year for United, delivering mixed results from our Egyptian drilling campaign, following an exceptional 100% drilling success during 2020 and 2021. The JV has executed a number of targeted drilling campaigns since 2020 and having assessed the production and exploration results from these, our expectation is that operational activity at Abu Sennan will now focus more on maintaining and extending long term production rates to generate operational cashflows throughout the period of the licence. We continue to strive to execute our strategy to grow our business and to drive business performance against a global backdrop that highlighted the importance of energy security both at home and across the locations in which we operate.

Our place in the global energy transition

Reliable access to clean, affordable energy supplies is required as a fundamental building block to the delivery of sustainable development of economies and society as we transition to a less carbon intensive energy mix. What is required is responsible, transparent, and safe investment in traditional sources of energy given the absolute need for clean, safe, reliable and affordable energy supply to communities around the world. We see a place for United to responsibly and safely develop oil and gas resources to aid global economic development, contribute to energy security and the energy transition whilst delivering value for all our stakeholders.

In 2022 we have also seen increased volatility in global commodity prices with oil prices increasing following the invasion of Ukraine. This, combined with other macro supply risks, resulted in the Brent benchmark price reaching a peak of nearly $125 a barrel in March, with the Group realising on average $96/bbl for our production in the period.

The fundamentals of the business and our business model remain resilient against this backdrop of oil price volatility, geopolitical shocks and the macroeconomic challenges that have impacted Egypt. Our portfolio of assets across the energy life cycle mitigates risks; in Egypt our producing asset provides important cashflows; in Jamaica the exploration opportunity has the potential to be transformative for both United and the region; and in the UK our track record of adding value to and realising value from assets means we can look to invest further to grow the business.

Financial resilience

Revenue for the Company was approx. $16m (2021: $19m) generated from Abu Sennan, which benefited from the continued high oil price partially offsetting the impact of lower production in the second half of 2022. In the year we also continued to pay down the BP facility which will be fully repaid during 2023. There is potential in 2023 to consider refinancing the asset given the long term cashflow forecast to be generated from Abu Sennan. The Egyptian pound devalued by circa 60% against the USD in 2022 but since the beginning of 2023 following the announced agreement with the IMF, we have seen improved USD liquidity and a recommencement of regular payments from EGPC. The Group remains focussed on the optimisation of the cost base and as announced earlier in the year, we are undertaking a Company wide review of G&A targeting a reduction of 15% from 2022. For further information see the Financial Review page 28.

Abu Sennan - maintaining and extending long term production

Abu Sennan remains integral to our portfolio, offering a low-cost onshore operating environment, production and cashflows for the business which has shown to be resilient even in a period of prolonged oil price volatility. In addition, the flexibility of the work programme means that we can tailor our capital allocation as needed.

We remain committed to our growth ambitions

Production in 2022 averaged 1,312 boepd net compared to 2,327 boepd in 2021. This decrease reflects the substantial decline in production that occurred during H2 2021 as water broke through at the ASH Field, as well as expected decline from the existing well-stock during 2022, partially offset by additional production from drilling activity and workovers. In 2022 United and its Joint Venture (JV) partners executed another active work programme of five wells and a number of workovers. Although the two exploration wells have not delivered on their pre-drill potential, two of the three development wells came on production in 2022 with the third one commencing production following remedial works carried out in 2023. Abu Sennan has been producing since 2012 and has generated material cashflows to United since we acquired it in 2019. As the fields mature, the operational activities will focus more on maintaining and extending long term production rates to generate operational cashflows for many years to come. For further information see the Operations Review page 20.

Jamaica – accelerating the farm-out process

In the latter part of 2022 United engaged Energy Advisors Group (EAG), a Houston based advisory company to work alongside Envoi. EAG has the potential to open up new pools of interest in North America, and the United team met with a number of potential parties in Houston at the beginning of 2023, to market the Jamaican opportunity. The farm-out of our high impact exploration licence with 2.4 billion barrels of un-risked mean prospective oil resource remains a key focus with a timetable for receipt of indicative offers due in Q2 2023.

Portfolio Management – acquire and create value

Acquiring assets, adding value and monetising them in excess of our investment has always been part of United's DNA. Licence P2519, containing the Maria Discovery was awarded to United by the OGA in December 2020. Following a low-cost work programme conducted by the Company's technical team, adding immense value, United has agreed to a conditional sale of 100% of our interest in this licence for a total consideration of up to $7m (£5.7m).

Environmental and Social

Energy security, transition and climate change have again been a focus this year, especially in Egypt during COP27 which was held in Sharm El Sheikh. United and our JV partners continue to work with EGPC to identify and measure emissions, and initiatives to reduce them. Further information is available in our Corporate Responsibility report page 44. We are pleased to report that the JV has had another year of zero LTI's and environmental incidents and the community investment programmes have focused on youth education, mentoring and empowerment.

Looking ahead – in good shape to execute our strategy

There are a number of catalysts in 2023 that have the potential to provide a material increase in the Group's value. During the first half of 2023, we look forward to closing the conditional sale of the Maria licence and to updating the market on progress on the Jamaica farm-out. The work programme in Egypt commenced in January. ASH-8, the first well in the 2023 drilling campaign encountered 22 meters of net pay and was brought on stream at nearly 3,000 bopd gross six weeks earlier than anticipated. The ASD-3 development well commenced drilling at the beginning of April, and we look forward to providing updates on this well in due course.

We remain committed to our growth ambitions with a focus on new ventures in the Greater Mediterranean and North and West African regions, where the Board's experience and relationships can be leveraged. We enter 2023 in a good place to execute our strategy, and a business focussed on disciplined capital allocation to generate the best returns. I would like to take this opportunity to thank all our stakeholders for their support and our employees for their hard work, commitment and tenacity.

Brian Larkin
Chief Executive Officer

27 April 2023

A focus on future growth

6 Reasons to invest

1

Value opportunity

United can play its part in energy security and in being a responsible oil and gas company during the energy transition.

2

Production and cash generative business with managed risk across portfolio

Egypt is a low-cost, onshore producing asset generating operational cashflows.

3

Transformational potential

Jamaica has an estimated 2.4 billion barrels unrisked mean prospective resources across the basin.

4

Growth ambitions via further inorganic growth

Focus on production within the North and West Africa and Greater Mediterranean regions whilst remaining opportunistic for value-accretive transactions.

5

Financial resilience and disciplined capital allocation

- Work programme funded by operating cashflow.
- Balanced spend on exploration and production.
- Flexible low capex commitments.
- BP facility to be fully repaid in the year.

6

Underpinned by

- Experienced Board and entrepreneurial Executive team.
- Strong balance sheet.
- Commitment to running a responsible business.
- Strong subsurface, commercial and technical capabilities.

Our business model is to deliver value

What we need to execute our business model

Our people, our strengths and capabilities

We rely on our people; their experience and diverse skill sets to deliver for our stakeholders. We have:

- Highly skilled subsurface, commercial, finance and investor relations teams who have considerable experience with capital markets.
- Business ethics and integrity.
- A track record of delivery and strong industry relationships.

Our assets/portfolio

We have a full cycle oil & gas portfolio and are actively unlocking value from our assets through targeted work programmes.

- In Egypt we have a producing cash generative asset.
- In Jamaica, we have an estimated 2.4 billion barrels unrisked mean prospective resources across the basin.
- We actively manage our portfolio to optimise commercialisation opportunities.
- We look to grow by pursuing new venture opportunities that meet our investment criteria.
- We commit to working responsibly across all our activities. This means working in a safe, secure, environmentally, and socially responsible manner.

Financial flexibility and resilience

We apply strict capital discipline and investment criteria to our investment decisions.

- We have a balanced capital allocation policy with the majority of our capital focussed on growing our producing business and 10% on high impact exploration assets.
- Our producing asset has a low operating cost by industry standards.
- Work programmes for our current portfolio are funded by cash generated from our producing assets.
- We have access to capital markets and have established relationships with debt and equity providers.

What we do

Produce, develop and explore

We drill wells with our Joint Venture Partners on existing discovered reserves and resources to produce oil and gas. We maximise returns through our low-operating costs and optimising production. We explore for oil and gas in our existing licences. We conduct operations responsibly and safely.

Grow

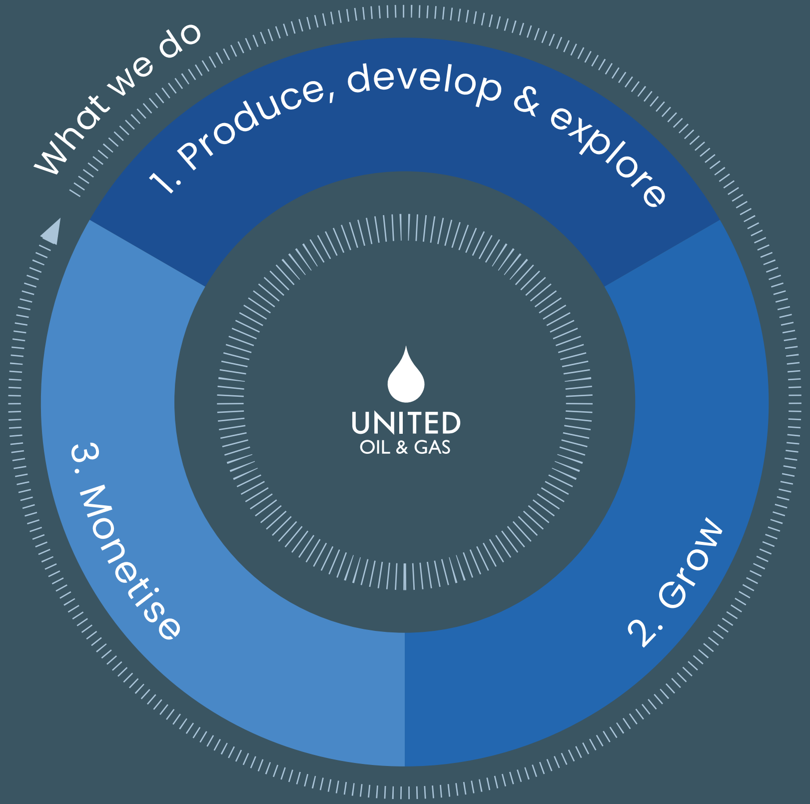
Organic growth through disciplined and careful reinvestment into existing assets that will generate value (drilling, work programmes, workovers, operational efficiencies).

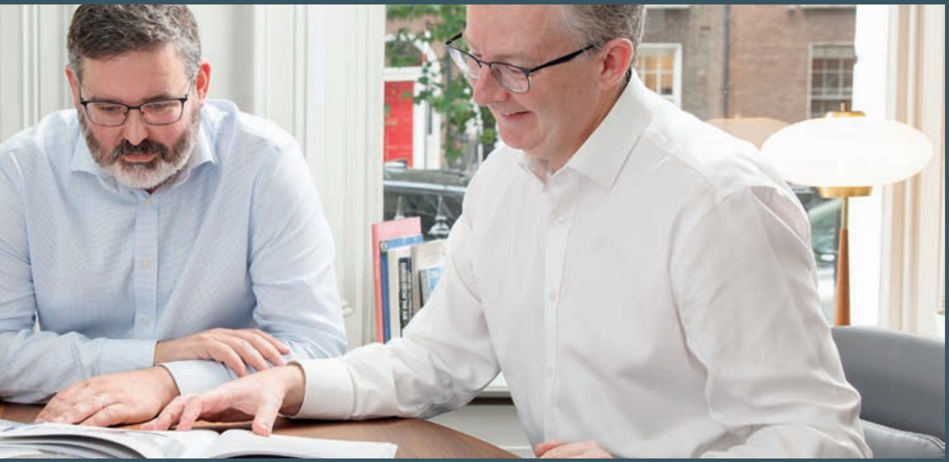
Inorganic growth via acquisitions with a focus on production.

Monetise

We assess our portfolio regularly and look for commercialisation opportunities that can be monetised at different stages of the oil and gas cycle.

We are an oil and gas company. United's business model is to hold assets within the oil and gas life cycle to deliver value for stakeholders. The cash flow from our production funds our work programmes. We review our portfolio regularly and our assets are monetised at different stages of the oil and gas cycle to optimise the portfolio and value creation.





Responsible value creation

We are committed to making a positive contribution, wherever we do business, by delivering tangible benefits to our stakeholders. This includes the value distributed through salaries, taxes, payments to authorities, contractors and suppliers, capital spending and social investment.

Shareholders and financing partners

- Oil and Gas revenue and cashflows.

Employees

- Zero incidents recorded for LTI's.
- Salaries and benefits.

Business partners and suppliers

- Joint operating company has contributed to national economic growth through local sourcing, employment and using local suppliers.

Governments and regulators

- Payments to Governments via royalties, taxes and levies.
- 100% oil and gas produced is sold domestically.

Local community investment

- Social investment into capacity building.
- Joint operating companies have contributed to national economic growth through local employment, training and industry upskilling.

Significant operational activity

Jonathan Leather
Chief Operating Officer

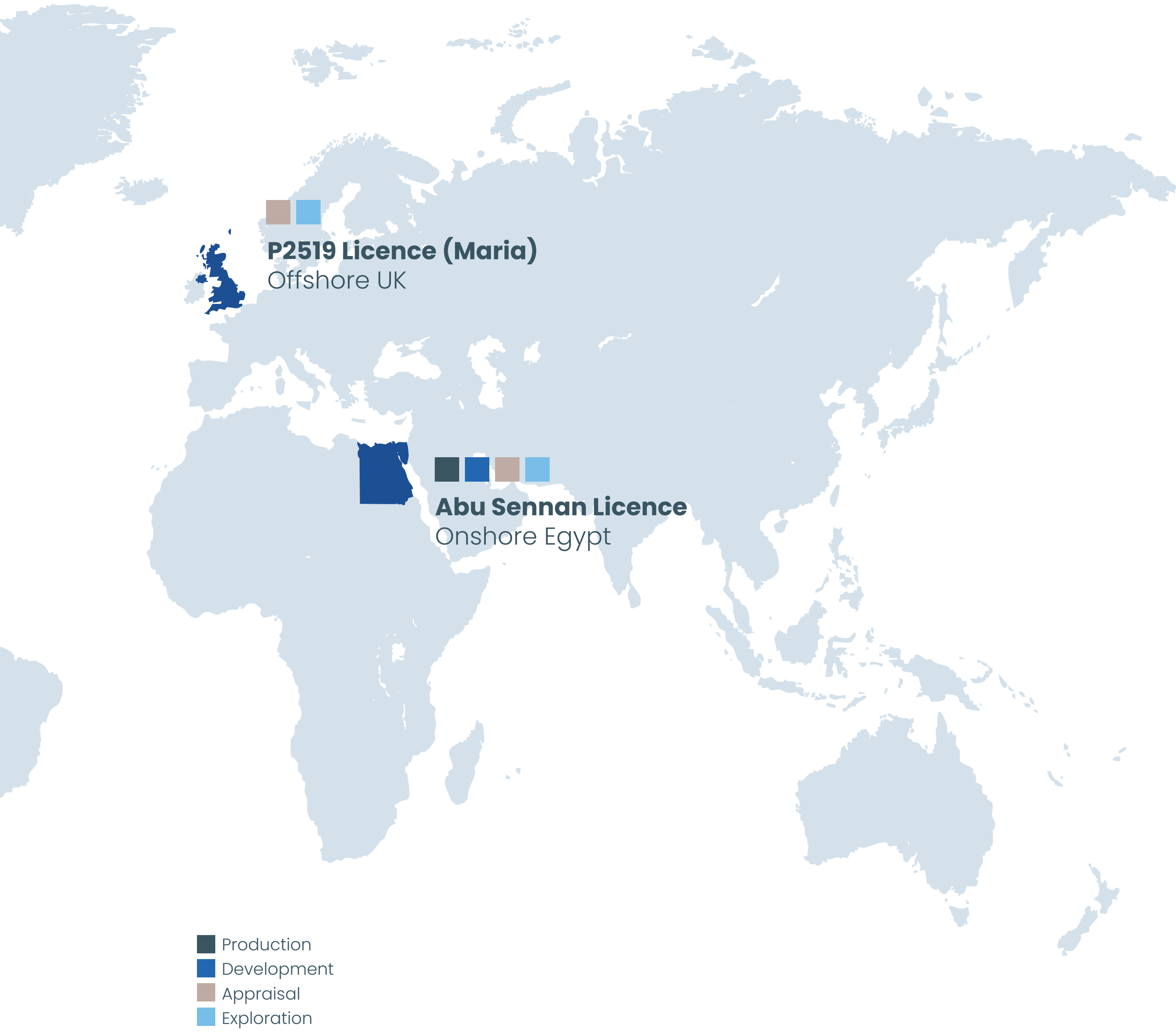
Introduction

There was a significant amount of operational activity for United in 2022, and it was very pleasing to once again be able to report zero LTI's, TRIR's and environmental incidents. In Egypt, five wells were drilled and completed in addition to a number of workovers. In Jamaica, the farm-out efforts continued, with the addition of a new advisor, and in the UK an agreement is in place for the conditional sale of the Maria discovery.

Countries
3

Licences
4

Oil & Gas Fields
8



Egypt
Abu Sennan

Egypt (22% non-operated working interest, operated by Kuwait Energy Egypt)

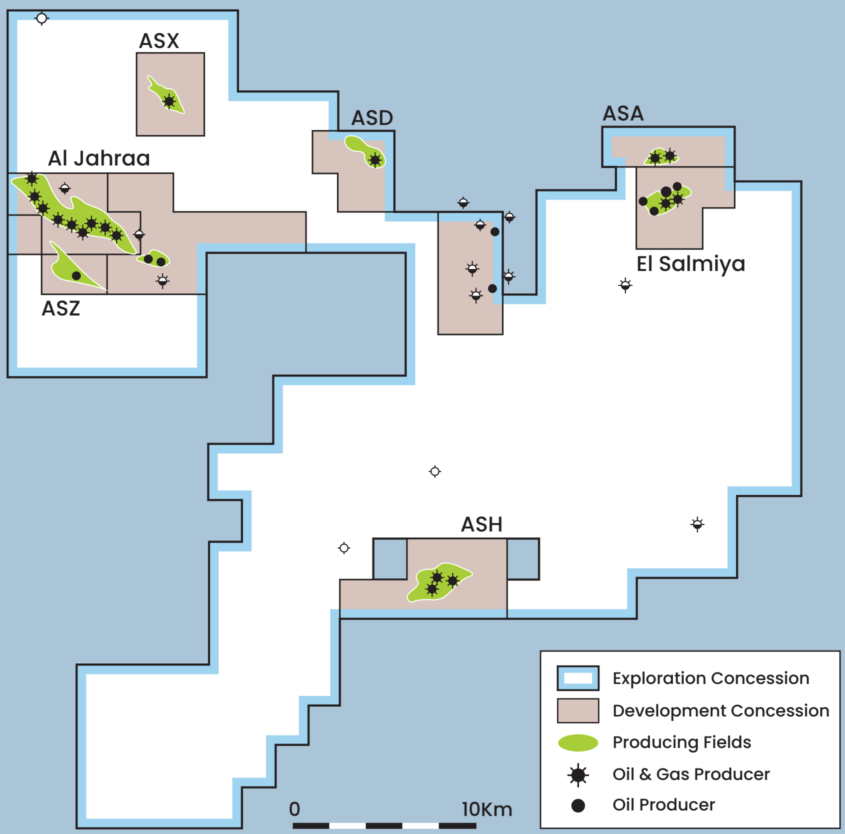
The Abu Sennan licence is located in the prolific Abu Gharadig Basin in the Western Desert, onshore Egypt, circa 200km west of Cairo. United acquired its 22% working interest in the licence in April 2020. Since that time, we have seen production and reserves growth, and although we are now entering a more mature phase of the licence life cycle, the assets continue to offer low-risk development and exploration opportunities. There are eight producing fields within the licence, the largest of which are the Al Jahraa, ASD, and ASH fields.

Average Net Production (boepd)

1,312

Development wells drilled in 2022

3



Production

Group full-year 2022 production averaged 1,312 boepd net (1,137 bopd oil and 175 boepd gas) (2021: 2,327 boepd net). The 2021 figures are somewhat skewed by the high production that was achieved in H1 before the impact of water breakthrough at the ASH wells that occurred in Q3 2021. Higher value oil production from the asset in H2 2021 averaged 1,514 bopd net, compared to 1,137 bopd achieved in 2022, reflecting decline from the existing well-stock partially offset by additional production from drilling activity – the main contributor being the ASD-2 well which came onstream in March 2022. The 2022 average production achieved is in line with the revised guidance that was issued in November of last year.

2022 Abu Sennan work programme

The 2022 work programme consisted of three development wells, two exploration wells and eight workovers. The drilling programme achieved mixed results, with production added from ASD-2 and ASH-4, but with disappointing results from the two exploration wells. A number of workovers which were planned for late 2022 were delayed due to operational issues and are now expected to be completed in H1 2023.

Development drilling

The drilling programme commenced with the ASD-2 development well. The well encountered over 25.5 metres of net pay and was brought onstream in March 2022 at rates above expectations and has continued to outperform projections throughout the year, with over 400,000 barrels now produced from the well. The AJ-14 development well found 7 metres of good quality net pay in the Abu Roash-C (ARC) target, in line with the higher end of the pre-drill estimates. However, due to near-borehole formation damage, consistent flow was not established. Workover activity required to bring this well onstream was completed in April 2023, with production commencing in late April. The ASH-4 development well encountered 20 metres of net pay in the Alam El Bueib reservoir in an area that appears to be at least partially separated from the previously producing wells. The well was brought onstream in November 2022, and despite a steep initial decline, production from the well had stabilised by early 2023.

Egypt Abu Sennan

Exploration drilling

Two of the larger, but higher risk, prospects in the Abu Sennan exploration portfolio were drilled in 2022. The ASV-1X well spud in April, and although there were some encouraging signs indicating the presence of hydrocarbons, the well did not flow on test. The ASW-1X well did not encounter hydrocarbons in any of the multiple pre-drill targets and was plugged and abandoned at the beginning of 2023.

2023 work programme

The 2023 Egypt work programme consists of two firm wells and at least eight workovers. In H1 2023 the focus will be on development drilling and in optimising production from existing wells through low-cost interventions. The first development well, ASH-8, commenced drilling at the beginning of the year and encountered 22 meters of net pay. This well was brought onstream in March, with an initial stabilised rate of circa 2,980 bopd and 2.64 mmscf/d gross (circa 656 bopd and 0.58 mmscf/d net) achieved on a 32/64" choke. The second development well, ASD-3, spud at the beginning of April and is aiming to build on the success achieved with ASD-2 in 2022. In parallel to the development drilling, workovers in Q1 2023 have targeted enhanced production from multiple reservoirs across a number of wells. Although we have seen some delays to the uplift in production expected from these workovers due to a combination of permitting and mechanical issues, the activity performed on both ES-5 and AJ-14 is now contributing positively to production from the asset. Additional potential clearly remains in the targeted reservoirs, and work is continuing to ensure that we maximise the production potential from all of the existing wells.

In line with previous years, where there has been flexibility in the drilling programmes, we expect any additional drilling in 2023 to be finalised with partners once we have seen the results of both of the development wells. There remains a portfolio of additional prospects within the Abu Sennan licence that continues to benefit from the ongoing seismic reprocessing efforts. The potential value that could be added by future exploration drilling continues to be considered carefully by the JV partners.

First half 2023 production guidance of 700-900 bopd net was provided in January 2023. Unlike previous years, where production has comprised circa 15% gas, the guided range is based on 100% oil production, as with the installation of pumps at the ASH Field and expected recompletions, the lower-value gas production in H1 2023 was expected to be negligible.

Oil production in Q1 averaged 841 bopd net. With the ASH-8 well coming onstream in March at rates above expectations and six weeks ahead of the anticipated start-up, the exit rate from the quarter was 1,275 bopd net, with an additional 170 boepd of gas.

The continuing development drilling in the first half of the year has the potential to have a positive impact on production levels in H2, and actual quarterly production information will be provided in H2.

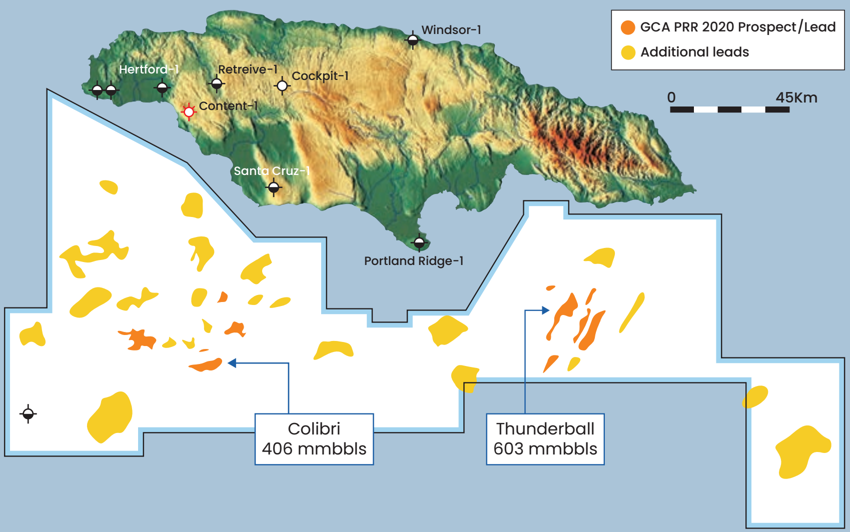
Jamaica Walton Morant

Jamaica

Walton Morant Licence (100% working interest)

The Walton Morant licence is a 22,400 km^2 offshore exploration block situated to the south of the island of Jamaica. The licence benefits from excellent data coverage, including 2,250 km^2 of 3D data, and this has helped define multiple plays, and material prospects within the acreage. Over 2.4 billion barrels of recoverable unrisked potential has been identified on the licence, including the 400 mmbbl drill-ready Colibri prospect. United is currently running a farm-out campaign to attract a partner to accompany us in drilling Colibri – and potentially unlock the huge value that lies in this under-explored area.

The farm-out campaign remains a key focus as we seek to move this potentially transformational project forward within the current phase of our licence term, which expires at the end of January 2024. Energy Advisors Group (EAG) have been engaged alongside our existing advisors, Envoi Ltd, with the aim of accessing capital from US companies and investment funds. There are a number of companies currently evaluating the opportunity and a deadline for indicative offers has been set for Q2 2023.



billion barrels of recoverable unrisked potential

2.4

UK
P2519 and PL090

UK Central North Sea

Maria Discovery, Licence P2519 (100% working interest)
Licence P2519 containing the Maria discovery covers an area of circa 225 km^2 in the Outer Moray Firth Basin of the UK Central North Sea (CNS).

In January 2023, the Company announced that it had entered into an Asset Purchase Agreement (APA) with Quattro Energy Limited (Quattro) to sell Licence P2519 for a maximum consideration including contingent bonus payments of up to £5.7 million (circa US$7.0 million).

The divestment of the Licence reflects United's strategy to focus its new ventures programme on opportunities in the Greater Mediterranean and North and West African regions whilst remaining opportunistic for value accretive transactions outside of these core areas.

UK Onshore

Waddock Cross, Licence PL090 (26.25% working interest, non-operator)
Licence PL090 containing the shut-in Waddock Cross Field is situated circa 11 km to the east of Dorchester, in the onshore Wessex Basin, UK.

Recent work that has been completed by the operator, Egdon Resources U.K. Limited, has clearly shown the commercial viability of a phased development of Waddock Cross. Work continues on securing planning and permitting consents, finalising the site facilities and well designs, ahead of a potential 2024 drilling campaign. Although Waddock Cross remains non-core to United, there is clearly value within this asset, and United will continue to evaluate all the alternatives for realising this potential.

Health, Safety and Environment

While United had no field activity in 2022 in which we were the operator, we continued to work with our Joint Venture partners and as part of the Joint Operating Company (JOC) in Egypt. It is very pleasing to be able to report that our operator in Egypt maintained another year of zero Fatalities, Medical Treatment Cases, Restricted Work Injuries and a zero rate for Lost Time Injury frequency and Total Recordable Incidents Frequency or environmental spills. There were two minor incidents reported from Abu Sennan – one involving property damage, and the other a small fire that was extinguished by the emergency team. Both of these were fully investigated to provide lessons learnt and to allow mitigation measures to be put in place.

Group reserves and resources

Country	Egypt	Jamaica	UK	UK	Total
Asset	Abu Sennan[1]	Walton Morant	Maria	Waddock Cross	
Working Interest	22%	100%	100%	26.25%	
Net 2P Reserves (mmboe)	2.3[1]	–	–	–	2.3
Net 2C Resources (mmboe)	–	–	10.2[5]	0.4[4]	10.6
Net Prospective Resources (mmboe)	8.4[3]	2,421[2]	–	2.3[3]	2,431.7

1 ERCE reserves report, April 2023. Reserves of 2.3 MMboe are Net Working Interest and do not represent the Net Entitlement share of future production legally accruing under the terms of the development and production contract.

2 GaffneyCline & Associates report, December 2020; Summation of Walton Morant Prospective Resources completed by United.

3 Figures based on United interpretation and calculations.

4 ERCE Competent Persons Report, December 2019.

5 GaffneyCline & Associates report, January 2023; Converted to mmboe by United

Highly cash generative and profitable

Peter Dunne
Chief Financial Officer

This Financial Review provides an overview of the Group's Financial Performance for the year end 31 December 2022 and of United's financial position as at that date.

The Groups operations have continued to be both highly cash generative and profitable in the year, with Operating Cashflow of $8.7m (2021: $9.1m) and EBITDAX of $13.3m (2021: $13.6m) being generated. This strong cashflow and profitability has enabled the Group to fund an extensive $8.6m capital programme in the year to maximise the long-term value of the Group's assets whilst at the same time continuing to pay down the Group's debt, with the current BP facility to be fully repaid in 2023. The Group's financial performance in the year has been impacted by the reduction in Net Average production compared to the prior year which has resulted in an 18% reduction in revenue.

Cash Opex ($/boe) 2021: 5.9

10.3

Revenue ($m) 2021: 19.2

15.8

Gross Profit ($m) 2021: 12.3

12.9

Profit After Tax ($m) 2021: 3.6

2.3

Financial results summary

	2022	2021
Net average production volumes (boepd)	1,312	2,327
Oil price realised ($/bbl)	96.10	68.90
Gas price realised ($/mmbtu)	2.63	2.63
Revenue	$15.8m	$19.2m
Gross profit	$12.9m	$12.3m

Cash operating cost per boe[1]	$10.30	$5.90
Exploration costs written off	$0.7m	$0.4m
Profit after tax	$2.3m	$3.6m
Basic profit per share (cents)	0.36	0.64
Capex	$8.6m	$6.9m
EBITDAX[2]	$13.3m	$13.6m
Cashflow from operating activities	$8.7m	$9.1m

1 22% interest net of government take

2 See Non-IFRS measure

Group production and commodity prices
Total group working interest production for 2022 was 1,312 boepd, a decrease of 44% for the year (2021: 2,327 boepd). This decrease reflects the substantial decline in production that occurred during H2 2021 as water broke through at the ASH Field, as well as expected decline from the existing well-stock during 2022, partially offset by additional production from drilling activity and workovers. The Group's average realised oil price was $96/bbl representing an increase of 39% on the prior year, and the fixed gas price was $2.63/mmbtu. Group revenue for the year totalled $15.8m representing a reduction of 18% on the prior year with the increase in commodity prices being offset by the impact of declining production in the year. Revenues from the Abu Sennan concession are stated after accounting for government entitlements under the production sharing contract. Crude oil from Abu Sennan is sold as Western Desert Blend and the average discount to Brent was $4/bbl.

Group operating costs
Total group cash operating costs were $4.9m (2021: $4.9m). The cash operating cost per barrel has increased to $10.3/boe in 2022 (2021: $5.9/boe) with this increase primarily relating to the increase in variable costs due to higher fuel costs coupled to a reduction in production compared to the prior year.

Group DD&A
Group DD&A associated with producing and development assets amounted to $3.3m (2021: $4m). DD&A per boe is currently $6.72/boe.

Administrative expenses
Administrative Expenses for the year totalled $3.6m (2021: $3.8m restated). Adjusting for the non-cash items under IFRS 2 Share Based Payment and IFRS 16 Leases, the administrative expense is $3.2m (2021: $3m). Included in Administrative expenses are foreign exchange losses of $1.1m (2021: $0.4m) with the increase being due primarily to realised losses on the devaluation of the Egyptian pound versus the USD during the year.

As previously announced in January 2023, the Group is currently implementing a number of initiatives to further reduce General and Administration costs whilst ensuring continuity of operational capability. Following a detailed review the Group's cost base a programme is now in place for 2023 that is targeting a 15% reduction compared to 2022.

Divestments
During 2022 the Group completed the sale of UOG Italia Srl to Prospex Energy for a total of $2.5m. In addition the Group entered into a settlement agreement with Anasuria Hibiscus UK relating to the Crown milestone payments for a total of $2.5m, with all payments being settled in the period.

Post year end, in January 2023, the Company signed an agreement with Quattro Energy for the conditional sale of UK Central North Sea (UK CNS) Licence P2519 for a consideration of up to £5.7m (c. $7m). This maximum consideration consists of a c. $3m payment on completion with an additional c. $1.1m due on approval of the Field Development plan expected in late 2023. Additional contingent payments are due upon reaching gross production thresholds from the field. The exploration asset value of P2519 remains capitalised as Intangible, as no agreement was in place prior to year end, and therefore no disposal costs or profits on disposal have been recognised in 2023. The carrying value of the Maria licence in the Balance Sheet as at 31 December 2022 is $1.2m.

Derivative financial instrument
On January 31 2022 the Company and BP extended the maturity of the pre-payment facility that was put in place to support the acquisition of Rockhopper Egypt in 2020, to 31 December 2023 to create further financial flexibility for the Company. The new terms provide downside protection by effectively hedging a volume of barrels at $70/bbl per month through to December 2023. As at 31 December 2022, an unrealised loss of $1.5m has been recognised as a result of oil price movements in the period.

Taxation and other income
The Egypt concession is subject to corporate income tax at the standard rate of 40.55%. However, responsibility for payment of corporate income taxes falls upon EGPC on behalf of UOG Egypt Pty Ltd. The Group records a tax charge with a corresponding increase in other income for the tax paid by EGPC on its behalf.

Profit/loss post tax
The profit for the year from continuing operations was $2.3m (2021: restated: $3.6m).

Cash flow
Net cashflow from continuing operations amounted to $8.7m (2021: $9.1m), a small decrease of 3% compared to 2021. Cost control and liquidity management both served to protect the cashflows.

Capital investment

Total capital expenditure on continuing operations for the year amounted to $8.6m (2021: $6.9m), with $2.4m incurred on the three successful development wells, $1.4m on two exploration wells, and $3.2m on other development and infrastructure projects in Abu Sennan. The remaining $1.6m was invested in other assets across the remainder of the portfolio.

The Group will continue to focus on capital discipline with 2023 capital investment largely directed at maximising value from the Group's producing assets. The Group's cash capital expenditure for the full year is forecasted to be approx. $5.0m, fully funded from existing operations, with c. $4.5m to be invested in Egypt and up to $0.5m across the other assets in the portfolio.

Balance sheet

Intangibles Assets increased during the year to $7.4m (2021: $5m). Additions for the year amounted to $1.4m in Egypt, $0.8m Jamaica and $0.7m on UK assets. The Group has written off $0.5m on unsuccessful exploration drilling costs in Egypt.

The movement in Property, Plant and Equipment was $2.5m which represents cost in relation to three development wells, additional facilities and workovers on the Abu Sennan producing assets in Egypt. Additions were $5.8m in total, with a DD&A charge of $3.3m on a unit of production basis.

Trade and other receivables amounted to $4.4m and included $0.9m of accrued income on oil and gas sales. At year end, cash and cash equivalents were $1.3m and borrowings were $2.8m.

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 Chair's statement and the Strategic Report.

United regularly monitors its business activities, financial position, cash flows and liquidity through the preparation and review of 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. A base case forecast has been considered which uses budgeted commitments and prevailing forward curve assumptions for oil prices. The key assumptions and related sensitivities include a "Reasonable Worst Case" (RWC) sensitivity where the Board has considered a scenario with significant aggregated downside, including a delay in the payment of receivables in Egypt, a reduction in forecasted revenue of 12% and an increase in forecast capital expenditure in Egypt by 15%. The RWC incorporates a scenario whereby the sale of Maria P2519 I to Quattro does not complete in the period. Under the combined RWC, the Group forecasts there will be sufficient resources to continue in operational existence for the foreseeable future.

The likelihood of all these downside sensitivities taking place simultaneously and lasting for the entire forecast period is considered to be remote. Under such a RWC scenario, we have identified appropriate mitigating actions, including the deferral of additional uncommitted capital expenditure, seeking a 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 $11/boe, flexible drilling contracts and 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 2022 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 strength is founded on our long-term approach to prudently managing capital to generate value. United has a streamlined portfolio of assets which are funded from operating cashflow. We have taken significant steps to strengthening our balance sheet and generate investment flexibility, via the completion of two of our asset divestments, extending the maturity on our pre-paid swap facility with the ongoing support of our debt provider BP and the conditional sale of the Maria P2519 licence to Quattro which is due to be completed in May. The measures that we have taken and the value of our stable low-cost production benefitting from the prevailing stronger commodity price environment ensures that our balance sheet provides a stable platform for growth from both organic and inorganic opportunities.

A consistent approach to risk

United continuously monitors and assesses the Principal and Emerging risks faced across the Company. During 2022, these risks included the war in Ukraine and the impact this had on the wider global macroeconomic/geopolitical-environment. 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 Board has closely considered the potential impact of these risks and related events on its corporate strategy, and stakeholders' perspectives of the Company.

Emerging risks

Within the Company Risk Management, emerging risks are considered as part of the identification phase. These are risks that cannot yet be fully assessed, risks that are known but are not likely to have an impact for several years, or risks which are unknown but could have implications for the business going forward.

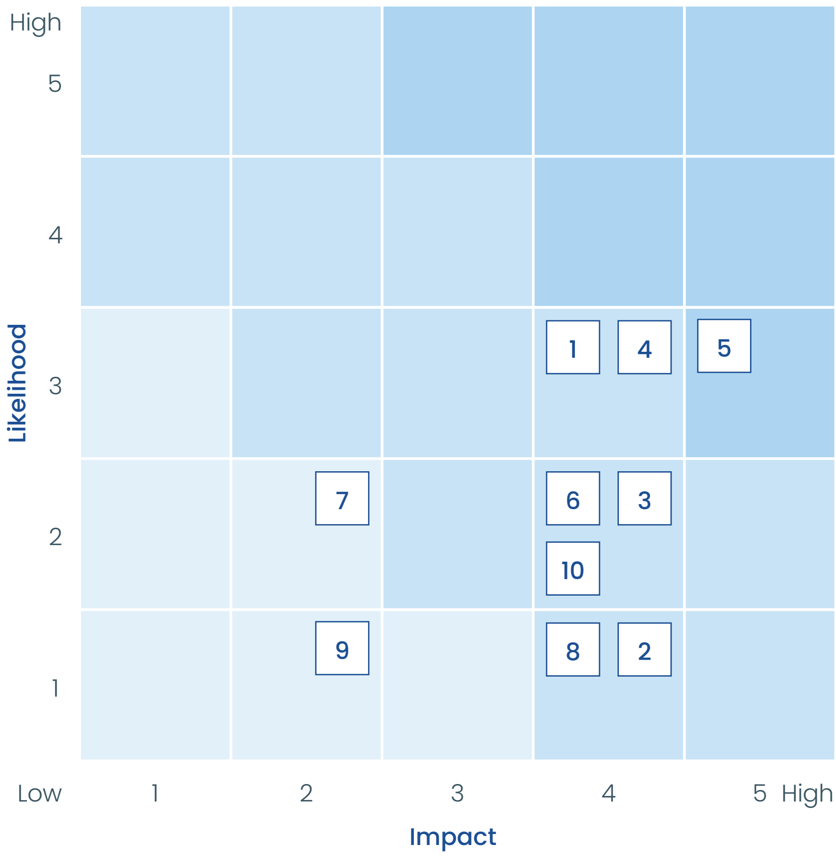
The macro-economic situation in Egypt continues to be impacted by the effects of the war in Ukraine and its consequences on the global economy. In particular in Egypt, this has resulted in reduced USD liquidity, increased local inflation and a devaluation of the EGP versus the USD throughout 2022. Whilst this has not impacted the Joint Ventures ability to execute its work programme and budget throughout the period, it has resulted in an increase in costs. Whilst inflation and USD liquidity challenges are likely to impact Egypt in the short to medium term, given the importance of the energy sector to the broader Egyptian economy we expect that there will be limited disruption to our business operation.

The speed of energy transition away from fossil fuels is watched closely by oil and gas independents. Climate change, changes in public perceptions, investors' attitudes, energy and climate policy, carbon pricing and the development of new technologies to reduce CO_2 emissions are all combining to change the landscape for all oil and gas companies and this emerging risk is a subset of the principal risk of climate change.

The following pages provide a summary overview of the principal risks to the Company at the end of 2022, the potential impacts, causes and the mitigation measures.

Corporate Risk Matrix

Plots the likelihood of each risk that the management believe could influence performance



Strategic

1. Insufficient capital available to complete further acquisitions in line with growth strategy
2. Health, Safety, Environmental and Social risk
3. Climate change and energy transition

Financial

4. Commodity price risk
5. Liquidity risk for completion of planned work programmes and going concern

Operations

6. Unable to achieve production targets / recover reserves
7. Misalignment of joint venture partners causing impact on work programmes and cash flow

Reputational

8. Reputational damage
9. Business conduct & bribery
10. Political / regional risk

These risks are similar to those faced by many companies in the oil and gas industry. A description of the principal risks, impact, cause and mitigating factors and controls, are set out in the table on page 34. The risks in the table are not in order of priority nor is it an exhaustive list of all risks that may impact the Group, but rather the Board's view of principal risks at this point in time.

The principal risks and their mitigations are detailed below:

STRATEGIC	
Risk	**Impact**
Insufficient capital available to complete further acquisitions in line with growth strategy	• Work programme restricted by reduced capital availability • Inability to grow in line with growth strategy • Failure to replenish the portfolio • Loss of value • Inability to replace reserves and sustain production levels
Health, Safety, Environmental (HSE) and Social risk	• Serious injury or death • Environmental impacts • Reputational damage • Regulatory penalties and clean-up costs • Operational outages leading to lower production
Climate change and energy transition	• Providers of capital limit exposure to fossil fuel projects • Climate-related policy changes • Reputational damage • Retaining and attracting talent • Risk of additional impairment of assets

FINANCIAL	
Risk	**Impact**
Commodity price risk	• Reduction in future cash flow • Uncertainty in planning • Inability to fund work programme or invest for growth • Value impairment of development exploration projects
Currency risk	• Reduced USD liquidity
Liquidity risk for completion of planned work programmes and going concern	• Work programme restricted by reduced capital availability • Inability to grow in line with growth strategy • Loss of value • Inability to replace reserves and sustain production levels

Causes	Mitigation
• 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
• 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
• Pressure on investors to divest out of fossil fuel companies/projects • Inability to find economically viable CO_2 reduction solutions • Global transition to a lower carbon intensity economy • Increased climate regulation and disclosure • Increase in carbon taxes/decarbonisation charges • Consumer sentiment, potentially causing radical/transformational shifts in consumption of fossil fuels	• Using our influence with the Joint Venture (JV) partner to identify emissions, and emissions reduction plan • Being a responsible operator and owner of hydrocarbon assets • Building in a carbon intensity study and mitigations into any new exploration development scenario • The importance of energy security throughout the energy transition period

Causes	Mitigation
• 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
• Restrictions implemented by the Central Bank of Egypt relating to remittances of USD outside of the country	• Majority of costs in Egypt can be settled in Egyptian pounds • Oil and gas sector given preferred treatment for transfer of USD to offshore parent company • USD denominated receivable
• Delay in the payment of receivable balance due from EGPC • Cost inflation	• Capital Allocation ensuring only robust investments are approved • Active management of discretionary costs • Effective cashflow forecasting and liquidity management • Maintain effective systems and controls

OPERATIONAL	
Risk	**Impact**
Unable to achieve production targets/recover reserves	• Future cashflow depend on production/ reserves • Negative impact on asset value • Liquidity issues • Reputational damage
Misalignment of joint venture partners impacting on the work programme and cash flow	• Cost/schedule overruns • Poor performance of assets • HSE performance • Delay in oil from development projects • Negative impact on asset value

REPUTATIONAL	
Risk	**Impact**
Reputational damage	• Loss of value • Stakeholder relations breakdown • Social licence to operate damaged
Business conduct and bribery	• Fines • Criminal prosecution • Reputational damage
Political/regional risk	• Higher operating costs adversely effect operations • Compliance and taxation • Uncertain financial outcomes

Causes	Mitigation
• 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
• Joint venture partners having different views on drilling risk 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 partners

Causes	Mitigation
• 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 maximize influence on HSE planning and performance of operators of our producing assets • Maintain a balanced portfolio across both oil and gas and producing, development and exploration assets • Active and regular dialogue with Shareholders
• 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-Corruption and Bribery
• Geopolitical issues • Operations in challenging regulatory and political environments • Sudden changes to fiscal regimes • Government reform, political instability, civil unrest	• Maintain positive relationships with governments and key stakeholders • Ongoing monitoring of the political and regulatory environments in which we operate

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.

Stakeholder	How management/Directors engaged
Employees • United remains a relatively small company in terms of its full-time staff of seven employees (excluding the board Directors) in Dublin and a Country Manager supported by a small team in Cairo. Why we engage • We recognise that employees are a valued and key part of our business. • We are dependent on employees' performance. • We have a legal and ethical responsibility towards their well-being. • Employees bring a diverse perspective, and a broad range of experience and expertise to the identification of opportunities and ways of working which is essential to the delivery of our strategic objectives. • To ensure that our employees are well informed and motivated to execute our strategy such that we can deliver on the long-term goals of the business.	Given the Company's relatively small size, communication and exchange of information amongst functions is very fluid. We have an open, collaborative, and inclusive management structure and engage very regularly with our employees. Formal and informal meetings take place. • Regular in person and online group staff meetings; • one to one in-person and online meetings; and • team building events.
Shareholders and financing partners • Our shareholders include institutional and retail investors and high net-worth individuals who are principally based in the UK. • The Board has maintained its strong relationship with BP throughout 2022 and regards BP as a highly valued stakeholder. Why we engage • Our strategic and operational decision-making is influenced by our investors' views. • We are dependent on access to funding. • We are accountable to our shareholders. • We believe that maintaining a regular and transparent dialogue with our shareholders and finance providers is essential to earn and retain their confidence. In line with the QCA Corporate Governance Code, the Board must manage shareholders' expectations and should try to understand the purpose behind their voting decisions. • The lenders are an important source of funding for the Group's operations.	• Our comprehensive investor relations programme is designed to provide public disclosure on the Company's results and other material developments within the business. In addition ensuring that shareholders' views are communicated to the Board and are considered in the Company's decision making. • Our investor relations programme includes regular updates via RNS, webcasts, calls, meetings, investor roadshows, social media and our Annual General Meeting as well as participation in investor and industry conferences. • Regular contact is maintained with our lenders through a combination of physical and virtual meetings.

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 the methods by which we engage with them.

Issues considered/key topics of engagement	Outcomes of engagement and examples of such engagements
• Maintaining a healthy, safe, and secure working environment. • Strategy. • Company news. • Ways of working. • Anti-Corruption and Bribery. • Lessons learned from past projects. • Collaboration across teams. • Treating all employees in a fair manner. • Retaining and embedding the culture of respect, integrity, honesty, and transparency. • Being a successful company which our employees are proud to be part of. • Remuneration and benefits. • Awareness and alignment with the strategy. • Opportunities for employees to share ideas for business improvements with senior management.	• The Company's initiatives supported, informed, and motivated our employees throughout the year. They helped the business to continue to function with negligible disruption during 2022 despite the continued impact of the COVID-19 pandemic earlier in the year. • Enhanced communication of our strategic priorities and performance. • Annual in-person Anti-Bribery staff training session and discussion. • Team events were held to strengthen cross-functional collaboration. • United employees, including the Board, came together for a corporate day for the discussion of business matters. • Hybrid working is a new working model with employees working part of the week in the office and part in the office.

• Strategy.
• Operational and financial performance.
• Investment returns.
• Risk management and funding.
• Corporate governance.
• Board composition/remuneration.
• Delivery of long-term share price performance and adoption of a strategy, culture and business model designed to enable this.
• Maintaining an appropriate operational, financial and sustainability reporting procedures.
• Actively engaging with lenders regarding servicing existing debt facilities.
	• Shareholders and lenders were keen to participate in regular communication with the Company, with both physical and virtual meetings and investor roadshows well attended.
	• 2022 was a very active year for the Company seeing over 30 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 are invited to participate in shareholder calls hosted by the executive Directors at least four times a year.
	• Our annual investor programme, which during 2022 was managed in person and using virtual technologies, included:
	  • Over 30 investor interactions with the executive team;
	  • Over 25 one-to-one meetings with current and potential shareholders including group meetings;
	  • Four webcasts for analysts and shareholders to take part in; and
	  • Numerous virtual conferences and interviews on retail platforms.

Stakeholder	How management/Directors engaged
Local Communities • Our host countries are currently Egypt, Jamaica and the UK. • In Egypt the operations are on-shore and the operator (KEE) works closely with the local communities in our areas of business. • In Jamaica we have a licence offshore and we are in the first exploration stage and work primarily comprises desktop studies. Why we engage • Engagement is key to maintaining our social licence to operate. United is committed to being a positive presence in the regions where we do business. • Our corporate responsibility ethos is that our projects should benefit all of our stakeholders, in particular our host countries and the local communities. • Acting in a responsible way towards our stakeholders is seen as critical to the ongoing effectiveness of our business. Local communities provide a diverse perspective leading to new understanding of situations and the mitigation of tensions. • We have an ethical responsibility to minimise impact on livelihoods and the environments in which we operate – and where we are a non-operator, United will use its relationships and influence as Joint Venture partner and its role in the Joint Operating Company to achieve these aims.	• In Egypt where we are a non-operator, United uses its relationships and influence as Joint Venture partner and its role in the Joint Operating Company to monitor the operator's performance and adherence to Health, Safety, and Environmental policies and procedures. • KEE have been operating in Egypt for over a decade. They have a constructive and positive approach to working with local communities, seeking to maintain good relationships with them • Our Country Manager in Egypt and Senior Management engage with the operator on a daily basis.
Governments and Regulatory Agencies • In Egypt, United has good relations with the Egyptian General Petroleum Corporation (EGPC) and the Ministry of Petroleum and Mineral Resources and in Jamaica the Ministry for Science, Energy and Technology (MSET). Why we engage • Maintain collaborative partnerships with government agencies that generates value for both parties. • We are responsible to them for compliance with local and/or international laws. • Their permissions are required for us to access acreage and operate.	• We take a constructive and positive approach to working with national and local authorities, as well as regulators in both countries, seeking to maintain good relationships with them all. • We contribute to government and local authorities in the countries in which we have assets in the form of royalties, taxes and fees every year. • Board members meet with the Egyptian General Petroleum Corporation (EGPC) and the Ministry of Petroleum and Mineral Resources (Ministry) each time an executive Director visits Egypt. The Country Manager maintains an ongoing dialogue, including meetings with both EGPC and the Ministry. In relation to Jamaica in 2022 monthly video conferences have taken place with the Ministry for Science, Energy and Technology as per previous years. In 2022 the CEO and COO visited Jamaica and met with the Prime Minister of Jamaica and the Minister for Science, Energy and Technology.

Issues considered/key topics of engagement	Outcomes of engagement and examples of such engagements
• Corporate responsibility. • Environmental management. • Access to employment and business opportunities. • Protection of resources and livelihoods. • Community development and social investment. • Striving to deliver local and national economic benefits. • Safeguarding the environment. • Acting as a responsible neighbour and good corporate citizen.	• The engagement process further strengthened the existing relationships between the Joint Venture partners and the local communities in Egypt. • Community investment focused around supporting industry capacity to build industry specific skills. • Contribution, as part of the Joint Operating agreement, into a training fund for capacity building in Egypt and for Training and Education in Jamaica. Read more in our Corporate Responsibility Report page 44.
• Interacting in an appropriately open and transparent manner with these stakeholders. • Having in place the policies and procedures to ensure internationally recognised practices are followed by our employees and that local laws are complied with. • Operating in a healthy, safe, and secure manner. • Contributing towards national and local economic development. • Securing required approvals and licence renewals from regulatory bodies to maintain our regulatory license to operate. • Legal matters. • Asset management. • Social initiatives. • Revenue collection. • Legal compliance. • Major accident prevention. • Investment and economic growth.	• Reviewing feedback and commentary from government and regulatory bodies regarding performance expectation. • Maintaining strong, productive and collaborative working relationships with the various government agencies we interact with in Egypt and Jamaica. • In 2022, the executive Directors of United have made several in person trips to Egypt, and two trips to Jamaica to meet with our stakeholders in addition to regular video conferences. • A number of senior management attended the Egypt Petroleum Show in February 2022.

Stakeholder	How management/Directors engaged
Joint Venture Partners, Peers, Business partners • KEE are the operator of the Abu Sennan licence in Egypt. The Joint Operating Company consists of KEE, Global connect Ltd, Dover Investment and the Company. In Jamaica, United are the operator of the licence. Why we engage • Their performance directly impacts our financial, operational and corporate responsibility performance. • We are reliant on viable partners in joint ventures. • We are commercially responsible to contractors, suppliers and partners.	• Meetings with partners, peers and contractors with board members and senior management in addition to regular joint venture operations, and technical planning meetings. • Maintaining membership of industry bodies. • Active management of key projects and assets (including alignment of project deliverables).

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 are used by the Company predominantly in support activities.
Why we engage
• Maintain good working relationships with our key suppliers.
• We require the ongoing support from a small number of key suppliers to ensure continuity in delivery of business activities.
	• Interaction in 2022 was via:
	  • Video conferencing;
	  • Email;
	  • Telephone;
	  • Written communications; and
	  • Face to face meetings.

Issues considered/key topics of engagement	Outcomes of engagement and examples of such engagements
• Asset planning. • Budget planning. • Billings and cash calls. • Interaction with government and regulatory agencies. • Operations and health and safety. • Policies and standards. • Industry reputation. • Investment opportunities for growth. • Long-term relationships. • ESG matters.	• Ongoing close collaboration with JV partners to successfully deliver objectives. • Our senior management engages in regular meetings with our customers, suppliers and partners and we also participate in local industry events. The purpose of this engagement is to establish and maintain relationships with these important stakeholder groups. • Operators of our assets host Technical Operating Committees and Operating Finance Committees over the course of the year and which the executive Directors attend. • There are routine interactions over the course of the year on budget, technical and financial matters.
• Policies and standards. • Industry reputation. • Long-term relationships. • Technical, Regulatory, Financial and Legal Support. • ESG matters.	• Ongoing regular engagement with suppliers and contractors including periodic review of supplier terms and conditions.

United Oil and Gas is an oil and gas exploration, development and production company whose strategic purpose is to responsibly produce natural resources for communities and stakeholders.

Doing business with integrity, ethically and safely is our priority. We also understand the importance of reporting transparently. United's corporate responsibility is integrated within the business and focuses on four key areas; People and Communities, Health and Safety, Environment, and Values and Governance. To demonstrate our commitment to corporate responsibility and how it is embedded within the organisation specific ESG (Environment, Social and Governance) Key Performance Indicators (KPI's) are linked to executive bonus payments. Corporate KPI's are based on Production reserves, Portfolio management, Financial Corporate activity, and ESG. Further details can be found in the Remuneration Report (page 64) and ESG Committee Report (page 70).

Currently United's main activities are as a non-operating partner in an oil and gas development and production asset in Egypt, and as an operator of an exploration licence in Jamaica. As an active non-operator we use our relationships and influence as a Joint Venture partner and our role in the Joint Operating Committee to conduct business ethically.

Both as an operator and non-operator United is committed to conducting our operations in a safe and responsible manner to deliver long term growth, while complying with all applicable laws and regulations and limiting our environmental impact. We contribute to host country development goals, help with access to affordable energy and supporting local communities where we have business activities.

Our Code of Business Conduct and Ethics (CBCE) sets out our expectations for how we do business, clarifying our commitments to ethical, social and environmental performance. Our corporate standards, procedures and guidelines support the policies. We manage our risks and seek to minimise any potential adverse impacts we may have. The Company's Health, Safety and Environment Management System (HSES MS) describes the Group's internal processes to manage risks and is based on a number of guidelines and standards including the internationally recognised standard, ISO 14001.

The Chief Executive Officer is accountable to the Board for implementation of the various policies. The ESG Committee oversees the adequacy and effectiveness of our policies, standards and management system for HSES.

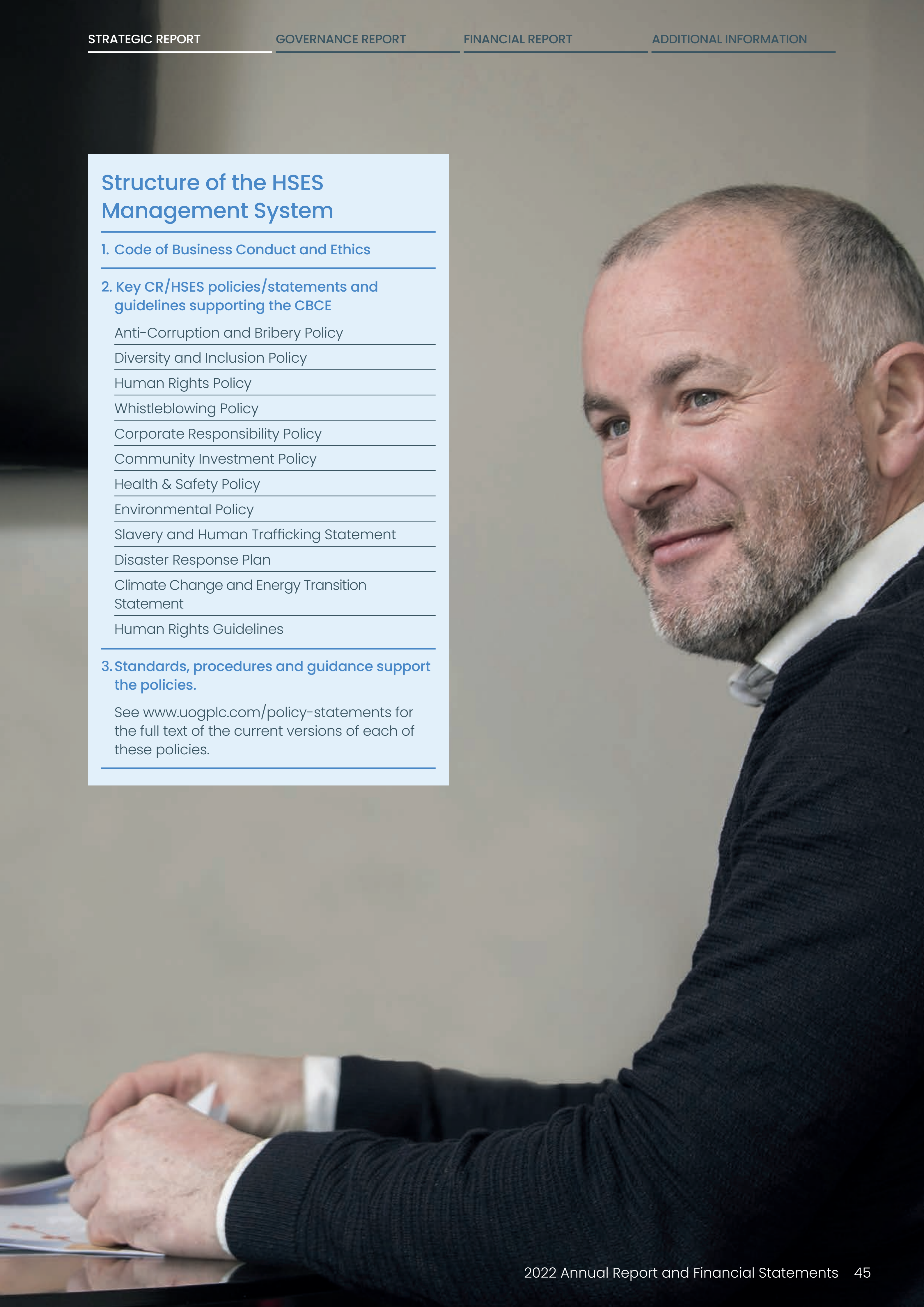
Structure of the HSES Management System

1. Code of Business Conduct and Ethics

2. Key CR/HSES policies/statements and guidelines supporting the CBCE
   - Anti-Corruption and Bribery Policy
   - Diversity and Inclusion Policy
   - Human Rights Policy
   - Whistleblowing Policy
   - Corporate Responsibility Policy
   - Community Investment Policy
   - Health & Safety Policy
   - Environmental Policy
   - Slavery and Human Trafficking Statement
   - Disaster Response Plan
   - Climate Change and Energy Transition Statement
   - Human Rights Guidelines

3. Standards, procedures and guidance support the policies.

   See www.uogplc.com/policy-statements for the full text of the current versions of each of these policies.



Employees
(excluding non-executive Directors)

7

Our people and communities

Our people

United remains a relatively small company in terms of its full-time staff, however we are committed to creating a safe work environment. We are an equal opportunity employer promoting diversity and treating all employees with respect and fairness. We have technical, engineering, finance, commercial, investor relations and administrative teams. Our employees have a diverse range of skill sets, backgrounds and expertise which help deliver our strategy. We have a culture conducive to working cross functionally and the encouragement of constructive debates. Our number of direct employees facilitates daily direct dialogue amongst personnel and executive Directors.

Local capability building

We are committed to providing meaningful opportunities for technical co-operation, training and capability building in host countries. All our licence agreements require a high degree of local content be utilised in operations, which commits us to hire locally where possible and provide training to develop new skills. In Egypt, as part of the Abu Sennan Concession Agreement, the Company commits a total of $50,000 per annum for training and development of employees to support developing future Egyptian expertise in the industry. Similarly in the Jamaican Production Sharing Agreement, United commits $100,000 per annum to a Training and Education Fund.

Community and social investment

Our social investments have been based on the needs of the local communities where we have licences. We believe social investment is part of being a good corporate citizen where stakeholders can benefit from United's business activities. Our country manager in Egypt identified that social investment into projects focusing on Health and Education would be most beneficial to the local community.

In 2022 United supported a number of social programmes in Egypt:

- Capacity Building Sponsor at the Upstream Technical Convention in Egypt; and
- The Al Amal Mentoring Programme Sponsorship supporting 40 students to find jobs in international oil companies.

Al Amal

Al Amal (meaning hope) has been established for 14 years and has a yearly cohort of about 40 students, 30-40% of which are women. The programme consists of workshops and sessions over a number of months with an aim to provide Egypt's future geoscientists the support to improve their skills to qualify them to meet the requirements of today's petroleum industry. Several technical topics were presented by key professionals and experts.

In addition to this the Joint Venture partners in Egypt contribute to a social investment fund. In 2022 projects focussing on youth education, development and empowerment were supported.

Sponsorship of the Energy4Her event

The event aims to highlight the impact of women's inclusion and empowerment in the oil and gas sector and provides them with an opportunity to connect with female leaders to learn from their expertise and experience. There were over 50 participants and over 200 hours of learning/ workshops were provided.

Sponsorship of the Engery4me programme

As a part of Energy4me programme, the school visits program aimed to increase awareness of renewable resources of energy and spread the awareness of environmental preservation for a better future. Students were given information on how to invest in their soft skills such as communication, presentation, language learning, and teamwork.

hours of learning/
workshops provided

200

Sponsorship of the Society of Exploration Geophysicists “SEG Field Camp 2022”

The field camp is a geophysical trip organised in collaboration between six SEG university student chapters in Egypt. This year, the camp took place at Wadi El Rayan, Fayoum province, Egypt. The camp's target was to explore underground water and find Wadi El Rayan's aquifer by using four different geophysical methods. There were 39 participants who collected, analysed and then presented their data.

Aswan Flood’s Petroleum Initiative

In 2022 an initiative between a number of oil and gas companies, under the patronage of the Ministry of Petroleum, joined the Aswan Flood’s Petroleum Initiative and supported the rebuilding of the homes in the Khor Awada village, Aswan city, destroyed by a wave of severe weather. In partnership with Orman Association, 50 new houses were built at Khor Awada village for families that were homeless due to the unprecedented floods. The houses were furnished and each family is involved in a goat breeding project, funded within the initiative, to help generate a sustainable income.

new houses built after Aswan floods

50

Health and Safety

United is focused on ensuring that all employees have awareness, information, and resources to be able to prioritise health and safety and implement best practice to ensure that the chances of any incidents are minimised.

Our Health and Safety policy commits us to: protecting the health and safety of our employees; providing a workplace free of discrimination where diversity is valued and to ensuring that we consult and engage with our employees.

Our operators in Egypt maintained another year of zero Fatalities, Medical Treatment Cases, Restricted Work Injuries and a zero rate for Lost Time Injury frequency and Total Recordable Incidents Frequency. There were two minor incidents, one involving property damage, and the other a small fire that was extinguished by the emergency team. Both of these were fully investigated to provide lessons learnt and to allow mitigation measures to be put in place.

LTIF[1] (per million man hours) 2021: 0

0

TRIR[2] (per million man hours) 2021: 0

0

[1] Lost time injury frequency rate: Number of lost time injuries per million man-hours for both employees and contractors.
[2] Total Recordable Injury rate: Number of recordable injuries per million man-hours for both employees and contractors

Safety indicators (reported by operator) 2022

Indicator	2022	2021
Lost time injury frequency rate - LTIR[1]	0	0
Total recordable incident frequency rate - TRIR[2]	0	0
Fatal accidents	0	0
Medical treatment cases	0	0
Restricted work injury	0	0
Number of motor vehicle incidents	0	3
Property damage/fire	2	1
Near misses	0	0
Security breaches	0	0
EAS's employees' and contractors' YTD man-hours worked	1,315,792	1,511,005

1 Lost time injury frequency rate: Number of lost time injuries per million man-hours for both employees and contractors.
2 Total Recordable Injury rate: Number of recordable injuries per million man-hours for both employees and contractors.

Human Rights

United subscribes to Principle One of the United Nations Global Compact: Human Rights. This Principle sets out the UN Global Compact's over arching expectation of business on human rights, namely, to respect and support human rights.

United's Human Rights guidelines provide information and ensures we follow relevant industry guides and international standards on Human Rights. The appraisal of any potential human rights issues is included in the scope of work of all Environmental and Social Impact Assessments (ESIA's) commissioned by United for any exploration or production project. We take steps to ensure our agents, contractors and suppliers are aware of and comply with our policies and seek to use our influence with our Joint Venture partners to ensure the same.

Environment

United places great importance on limiting the impact our activities have on the environment. The Company complies with all of the environmental regulatory requirements in each country that it is present in order to ensure that all activity is undertaken safely. While United had no field activity in 2022 in which we were the operator, we continued to work with our partners in the Joint operating company to use our relationship and influence to promote best practice.

We are pleased to report that in 2022 the operator reported no spills.

Indicator	2022	2021
Spills to the environment	0	0

Climate risk and global energy transition
Climate change is considered a principal risk to United and its business over the medium and long term, and this is discussed in more detail in the Risk Report on page 32.

Global energy transition is a factor that impacts many of the Group's principal risks including those associated with commodity price, reserves, operations, political, stakeholder and reputational issues. United's approach to climate change and the energy transition is set out in our position statement available on our website: www.uogplc.com/policy-statements/

Greenhouse gas emissions (GHG)
We are working with the operator in Egypt to identify, quantify and categorise our emissions. We will consider emissions scope, reporting boundary, and methodology. Progress is being made to understand the baseline and work with the Joint Venture partners to assess the data and identify opportunities for efficient decarbonisation. We intend to report on the emissions baseline and an emissions reduction plan as reported by the Joint Venture partner. We will be very transparent in our disclosures and what can be achieved with regards to emissions.

Values/Governance

United is committed to operating responsibly and ethically across our business activities and does not tolerate bribery or corruption. We expect our employees to adhere to high ethical standards and host an annual training session with employees on all our policies, procedures, guidelines and standards. This also offered the opportunity for discussion and feedback.

The board believe that ESG and all it entails is integral to any organisation. As such the Director's bonus pay remuneration is not only linked to corporate key performance indicators but also ESG targets.

Business partners and influence

Relationships with business partners, host governments and regulatory authorities where we have assets are critical for our business. We are committed to doing business honestly and ethically and to complying with all applicable laws and regulations. Our ability to influence our business partners depends on our degree of ownership and operatorship. Where we are the designated operator (Jamaica) we fully apply the United HSES MS. Where we a non-operating partner (Egypt and UK), we seek to influence, make our views heard and ensure that minimum standards are met in accordance with our policies, statements and codes.

Preventing corruption

United maintains internal control systems to ensure that our ethical business standards for relationships with others are achieved. Bribery is prohibited throughout the organisation, both by our employees and by those performing work on our behalf. The Anti-Bribery and Corruption policy is designed to prevent corruption and ensure systems are in place to detect, remediate and learn from any potential violations. This includes due diligence on new vendors, appropriate training for all personnel, and our whistleblowing policy.

Payments to host governments

Revenues generated by a country's natural resources plays an important part in the growth and development of countries in which we have business. Revenues to governments become payable by United due to oil production entitlements, taxes, royalties, licence fees and infrastructure improvements.

Objectives for 2023

We seek to continually improve and have identified objectives for 2023 in the four key areas in our corporate responsibly.

Key Area	Objectives for 2023
People and Communities	• Continue investment in, and engagement with employees and local communities • Formalise a social investment policy
Health and Safety	• Continue to use our influence and relationships to promote best practice in Health and Safety as a Joint Venture partner • Maintain dialogue with employees regarding their preference for home/office working and wellbeing
Environment	• Continue to minimise the impact of our operations • Work with the operator of the Egyptian assets to understand the GHG emissions at Abu Sennan including: baseline of emissions data; methodology for recording; reporting boundaries; emissions scope; water management and effluents; and waste
Values and Governance	• Review our policies, statements and procedures commensurate to our size and that reflect our non-operating and operating licences • Training for staff in relevant areas and polices • Continue supplier due diligence • All personnel to complete the annual Anti-Bribery and Corruption training • Continue to review Anti-Bribery and Corruption programme and update as required

The Strategic Report was approved by the Board of Directors on 27 April 2023 and signed on its behalf by

Brian Larkin
Chief Executive Officer

Corporate Governance Statement in respect of United Oil & Gas PLC

Graham Martin
Non-Executive Chairman

Chair's Corporate Governance Statement
As Chair of the Board of Directors of United Oil & Gas PLC my role is to lead the Board, ensuring high standards of corporate governance and establishing a consistent and sustainable corporate culture of respect, integrity, honesty, and transparency. We believe that strong corporate governance underpins our business to the benefit of all our stakeholders.

We are focussed on all aspects of ESG and integrating it within the business. Where we are non-operator, we will use our relationships and influence to shape the ESG agenda. The Board are committed to ensuring the health and safety of all who work with us and 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 create value by actively managing our existing assets whilst growing our business through additional high-margin opportunities.

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

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 annually assesses its compliance with the QCA code and considers as part of that review, whether the QCA code continues to remain the most appropriate code for the Company to adopt.

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 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, and a list of major shareholders. 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 firm, attendance at shareholder events, website, conference calls social media and its investor.relations@uogplc.com email address, seeks to provide multiple communication lines through which private and institutional 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. 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. In addition, the management team meet quarterly to review the Risks and risk register.

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, Chief Executive Officer, a Chief Operations Officer, a Chief Financial Officer and one independent non-executive Director. 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 although in practice all Directors put themselves up for re-election annually. 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 on page 58. 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 page 60.

Principle 7

Evaluate board performance based on clear and relevant objectives, seeking continuous improvement
Internal evaluation of the Board, the Committees and individual Directors is undertaken on an annual basis by way of individual discussions between the Chair and each Director to determine the effectiveness and performance of the Board. A Board evaluation was conducted in 2022 and an overview is provided in the Annual Report on page 59.

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. Furthermore following an extensive review of the corporate policies and procedures, United updated existing polices and implemented a number of new policies, procedures and statements commensurate with our size. These are available on our website and further information can be found in our ESG Committee report page 70 and Corporate Responsibly report page 44. In line with our Anti-Bribery and Corruption policies, the executive Directors conducted an annual in-person team training session on the application of the Anti-Bribery and Corruption policy with employees.

Principle 9

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

Ultimate accountability for all aspects of the Company's activities rests with the Board, the respective responsibilities of the non-executive Chair and Chief Executive Officer arising as a consequence of delegation by the Board. The non-executive Chair 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 and Risk Committee

The Audit and Risk Committee comprises Graham Martin (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), 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.

Principle 9 continued

AIM Rules Compliance Committee

The AIM Rules compliance Committee comprises Graham Martin (Chair), Brian Larkin and Peter Dunne 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 at least once a year.

Environmental, Social and Governance (ESG) Committee

The ESG Committee comprises Iman Hill (Chair), Graham Martin, Peter Dunne 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.

Meeting Attendance

Director's attendance at meetings during each Director's respective term of office in 2022:

Director	Board	Audit and Risk Committee	Remuneration Committee	ESG Committee
Brian Larkin	9 of 9	-	-	-
Jonathan Leather	9 of 9	-	-	4 of 4
Peter Dunne[1]	5 of 5	2 of 2	-	3 of 3
David Quirke[2]	4 of 4	1 of 1	-	1 of 1
Graham Martin	9 of 9	1 of 1	4 of 4	4 of 1
Iman Hill	9 of 9	3 of 3	4 of 4	4 of 1
Tom Hickey[3]	6 of 6	2 of 2	3 of 3	-

1 Peter Dunne was appointed as Chief Financial Officer on 5 May 2022 and appointed as a Director of the Company and Company Secretary on 1 June 2022.
2 David Quirke stepped down as Chief Financial Officer on 5 May 2022, Director of the Company and Company Secretary on 1 June 2022.
3 Tom Hickey stepped down as independent non-executive Director, Chair of the Audit and Risk Committee and a member of the Remuneration Committee from the Board on 23 September 2022.

The executive Directors attended a number of meetings of Committees of which they were not members during the course of the year at the invitation of the Committee Chair.

The Board generally meets bi-monthly. In addition to the scheduled meetings the Board also held additional meetings and update calls throughout the year to closely monitor progress on key matters. If any Director was unable to attend, full comments on papers were received from that Director in advance of the meeting.

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.

Principle 10 continued

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 the Company's AGMs have resulted in a material proportion of votes (e.g. 20% of independent votes) 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 regular evaluation of the Board, its committees and each of the Directors is essential to the proper governance of the Company and for its success. An internal evaluation was carried out in early 2023 by the Chair of the Board of Directors in the form of individual discussions between the Chair and each Director. The Chair then provided feedback to the Directors at the next Board meeting and followed up where appropriate with further individual discussions.

Each discussion focussed on key agenda items circulated in advance by the Chair such as: the appropriateness of our current vision and strategy; our culture and values; our corporate risk matrix and the likelihood and impact of identified risks, the adequacy of internal controls and risk management; the constitution and effectiveness of the Board committees and board administration generally; and relationships with our major shareholders and other key stakeholders.

Each discussion was open, wide ranging and very constructive and covered all issues of concern or improvement each Director wished to raise. The collective view of the Directors was that our corporate vision and strategy remained appropriate, in particular its flexibility to react quickly to events and business opportunities; that our culture and values were well aligned and reflected also in our staff; and that while the current size of the Board and structure of the committees remained adequate, it was acknowledged that in the short to medium term when circumstances permitted we should seek to strengthen the Board by the addition of another non-executive Director with audit/accounting experience. We also reviewed the areas suggested by the 2022 Board evaluation as requiring attention.

There were no issues or concerns raised with our internal controls and risk management, and it was felt that relations with our key stakeholders were maintained at a high level.

A number of areas where further improvements could be made to our structure, practices and procedures were suggested and these will be a focus of my and the Board's attention in 2023. These included: ensuring more individual discussions among the executive and non-executive Directors outside of formal Board meetings; keeping our "working from home" policy under review to ensure it meets changing business requirements; continuing to seek opportunities for all our Directors to engage with our key stakeholders; and continuing to ensure our policies, procedures, and headcount are "fit for purpose" and aligned with the evolution of our assets and opportunities.

Experienced Board

Brian Larkin

Chief Executive Officer

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Brian is the founding Director of United Oil and Gas PLC.

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 and Providence Resources plc. 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 plc 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.

Peter Dunne[1]

Chief Financial Officer

M

Peter joins from Boru Energy Limited, the West African focussed private oil and gas company where he was CFO and brings over 20 years' experience of working in senior finance leadership roles including over 14 years in the upstream Oil and Gas sector. Prior to Boru, Peter was Group Finance Director at Origin Enterprises plc and before that spent seven years with Petroceltic International plc, latterly as Corporate Finance Director. During his time in Petroceltic, the Company merged with Melrose Resources plc, with the enlarged group carrying out operations across North Africa, the Mediterranean Basin and Black Sea, with operated production in excess of 25,000 boepd.

[1] Peter Dunne was appointed as Chief Financial Officer on 5 May 2022 and appointed a Director of the Company and as Company Secretary on 1 June 2022.

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

Graham Martin

Non-Executive Chairman

C M C 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 Hill is currently the CEO of the International Association of Oil & Gas Producers. She also serves as non-executive Independent Board Director of Oil Spill Response Ltd and DHT Holding Inc.

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 one of the Egyptian joint ventures as Managing Director and Board member of the Egyptian Bahraini Gas Derivatives Company.

David Quirke stepped down as Chief Financial Officer on 5 May 2022 and Director of the Company and Company Secretary on 1 June 2022.

Tom Hickey stepped down as independent non-executive Director (NED), Chair of the Audit and Risk Committee and a member of the Remuneration Committee from the Board on 23 September 2022.

The Directors present their report and the audited Financial Statements of the Group for the year ended 31 December 2022

Results and dividends

The profit for the year, after taxation, amounted to $2.3m (2021 restated: $3.6m). The Directors do not recommend payment of a dividend (2021: $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
Peter Dunne[1]	1 June 2022
David Quirke[2]	24 June 2019
Graham Martin	15 February 2018
Iman Hill	7 September 2020
Tom Hickey[3]	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 Company's current operations are located in Egypt, Jamaica, and the United Kingdom.

Business review and future developments

A review of the business and future developments of the Group is presented the Strategic Report (including the Chair'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 Directors' 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 24 to the financial statements.

Share capital

Details of the shares in issue are set out in note 16 to the financial statements. The Company currently has one equity 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 30.

[1] Peter Dunne was appointed as Chief Financial Officer on 5 May 2022 and appointed as a Director of the Company and Company Secretary on 1 June 2022.
[2] David Quirke stepped down as Chief Financial Officer on 5 May 2022 and Director of the Company and Company Secretary on 1 June 2022.
[3] Tom Hickey stepped down as independent non-executive Director, Chair of the Audit and Risk Committee and a member of the Remuneration Committee from the Board on 23 September 2022.

Directors' interests

As at 31 December 2022, 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	17,508,489	2.67
Jonathan Leather	8,581,989	1.31
Peter Dunne	644,641	0.1
Graham Martin	4,089,730	0.62
Iman Hill	Nil	Nil

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

KPMG were appointed during the year and a resolution to reappoint them as auditor will be put to the members at the Annual General Meeting.

Disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Director's 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, 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

27 April 2023

The Remuneration Committee is a standing Committee of the Board comprising Graham Martin (Chair) and Iman Hill

The current Remuneration Policy of the company (adopted in 2020, revised in early 2021 and reviewed in 2022) sets out the principles of remuneration for the executive Directors 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 (KPI's), 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;
- Where the bonus outcome exceeds 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;
- The consideration of an 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
- Setting 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 are no longer eligible for share awards of any type.

The Remuneration Policy is reviewed annually by the Committee, the last such review being in March 2022 when no changes were recommended.

Graham Martin
Remuneration Committee Chair

Dear Shareholders,

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.

Summary of the work of the Committee in 2022

- reviewed the Remuneration Policy;
- monitored the 2022 executive KPI bonus scorecard on a quarterly basis and provided feedback to the executives;
- benchmarked executive salaries and recommended no further increases to salaries beyond those set in the 2021 Annual Report; and
- benchmarked and reviewed the fees payable to the Chair and the other non-executive Directors, recommending no increases from those set out in the 2021 Annual Report.

Operation of the bonus scheme in 2022

As per the Remuneration Policy, the executives' bonus opportunity was based 50% on the Total Shareholder Return (TSR) performance of the company and 50% on Key Performance Indicators (KPI's). The KPI's set for 2022 related to: production and reserve targets; value-enhancing corporate activity; portfolio management; certain financial metrics and ESG targets.

The TSR components of the bonus were not met but the Committee determined that certain of the portfolio management, financial and ESG targets were met, resulting in an aggregate score of 12.50%.

However, the Committee then considered the share price performance over the year and all other factors affecting the Company and its assets, including the post year-end announcement of a cost cutting programme of 15% across all categories of expenditure and determined that no bonus should be payable to the executives in respect of 2022.

Executive Director service contracts

Each of the Directors entered into an updated service contract in 2022 in similar form. The contracts stipulate a notice period to be given by each of the executive and the company of six months.

Executive Directors' remuneration 2022

	Brian Larkin US$	Jonathan Leather US$	David Quirke[2] US$	Peter Dunne[3] US$
Salary	264,800	211,840	123,573	139,319
Pension	26,480	21,184	12,357	12,357
Benefits[1]	8,053	6,357	3,708	3,179
Total 2022	**299,333**	**239,382**	**139,639**	**154,855**
Total 2021	332,072	270,394	266,459	–

1 The benefits received by the executive Directors include private medical insurance, permanent health assurance, life assurance cover and a subscription to a sports club.
2 David Quirke has stepped down from the Board of Directors effective at the conclusion of the AGM on 1 June 2022.
3 Appointment of Peter Dunne, as Chief Financial Officer, effective from 5 May 2022, appointed to the Board of Directors effective at the conclusion of the AGM on 1 June 2022.

All executive Directors' remuneration is converted from EUR to USD at an average exchange rate for 2022 of 1.06 (2021: 1.18).

Executive Directors' remuneration 2023[1]

The salaries of the executive Directors for 2023, remain the same as for 2022 as follows:

	Brian Larkin EUR	Jonathan Leather EUR	Peter Dunne EUR
Salary	250,000	200,000	200,000

1 In January 2023 the Directors accepted a 15% reduction in salary and benefits with this reduction to be reviewed by the remuneration committee in second half of 2023.

2022 Bonus scheme

As per the Remuneration Policy, the executive Directors are entitled to a 100% bonus opportunity in 2023, 50% of which is based on two TSR metrics, and 50% against the following KPI's: Production and reserves (5%); Corporate activity (12.5%); Financial (5%); ESG (10%); Portfolio management (7.5%) and Personal (10%). Details of performance against these metrics will be disclosed in the 2023 Annual Report.

Non-Executive Directors' remuneration 2022

	Graham Martin US$	Iman Hill US$	Tom Hickey[1] US$
Fees	49,835	31,147	22,045
Total 2022	**49,835**	**31,147**	**22,045**
Total 2021	54,964	34,353	34,353

1 Tom Hickey stepped down from the board effective 23 September 2022

Non-executive Directors are paid in GBP and the average exchange rates were 1.25 and 1.37 for 2022 and 2021 years respectively.

Non-Executive Directors' remuneration 2023[1]

The fees payable to the non-executive Directors in 2023 remain the same as 2022, as follows:

	Graham Martin £	Iman Hill £
Fees	40,000	25,000

[1] In January 2023 the Directors accepted a 15% reduction in salary and benefits with this reduction to be reviewed by the remuneration committee in second half of 2023.

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 2022:

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
Peter Dunne[1]	6,862005	2.47p	30-Sep-2022	31-May-2025	29-May-2032
David Quirke[2]	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
Tom Hickey[3]	1,342,282	2.98p	5-Jan-2021	5-Jan-2024	4-Jan-2031

[1] Peter Dunne was appointed as Chief Financial Officer on 5 May 2022 and appointed as a Director of the Company and Company Secretary on 1 June 2022.
[2] David Quirke stepped down as Chief Financial Officer on 5 May 2022 and Director of the Company and Company Secretary on 1 June 2022.
[3] Tom Hickey stepped down as independent non-executive Director, Chair of the Audit and Risk Committee and a member of the Remuneration Committee from the Board on 23 September 2022.

Share-options have been awarded to Directors and current staff of the Company and the aggregate number of options awarded as at 31 December 2022 is 61,648,984 which is 9.6% of the issued Share Capital of the Company. Directors or employees are required to be employed by the company at the time of the vesting of the option to exercise their option awards. At the discretion of the Board, this condition can be waived by up to 1 year from the date of cessation of employment. No additional performance conditions are attached to the option awards.

Non-executive Directors are no longer eligible for future share option awards.

Dear Shareholders,

The Audit and Risk Committee's primary responsibilities include the monitoring of the integrity of the Group's Financial Statements, the effectiveness of the Group's risk management and internal assurance processes and related governance and compliance matters and provide oversight on behalf of and to the Board in relation to the Group's Financial Reporting, Internal Controls and External Audit activities.

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 three time, and the members attendance record is set out in the Corporate Governance section of the report.

Composition of the committee

I was appointed as Chair of the Audit and Risk Committee in October 2022 following Tom Hickey stepping down from the Board and Committees in September 2022. Serving with me on the Committee during 2022 was non-executive Director; Iman Hill. The members of the Committee have been chosen to provide the wide range of financial and commercial experience needed to fulfil these duties.

At our request, the CFO along with senior members of the finance department attend each meeting. The external auditors attend when appropriate. The Audit and Risk committee met three times in 2022 with meetings arranged around the key external reporting dates. The first meeting focused on the 2021 year-end external audit process (reported in the 2021 Annual Report and Accounts). The second meeting was convened to consider the tender proposals from Audit Firms in relation to the appointment of an external auditor (see below). The third meeting centred on the Group's half year reporting. Subsequent to the year end, a meeting was held in January 2023 with the auditors to facilitate the planning of the 2022 audit.

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; and
- annually review the Audit Committee's Terms of Reference.

The Audit and Risk Terms of Reference are available on our website, https://www.uogplc.com/theboard/

Change of external Auditor

A key focus for the Committee during 2022 was the competitive audit tender process undertaken with a view to appointing a new external auditor for the 2022 financial year. The Committee was responsible for the design and operation of the tender process and our key objectives were to ensure that the process was efficient, fair, effective, open and transparent to enable the Committee to make a reasoned recommendation for the appointment of an external auditor. A number of firms were invited to tender and following an evaluation of the proposals and presentations from the firms, the Committee recommended to the Board that KPMG be appointed to succeed UHY Hacker Young as Group auditors. Whilst the Committee appreciated the quality of the proposals presented by all the firms, it believes that the strength and experience of KPMG's team best met the predefined criteria it had set.

After considering the Committees recommendation, the Board selected KPMG as United's auditor for the financial year ending 31 December 2022. The appointment will be subject to a confirmatory advisory vote at the 2023 AGM.

On behalf of the Committee, I would like to thank each of the firms who participated in the tender process. The external audit fees for 2022 were US$90,000. There were no principal non-audit fees in 2022. Any 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.

Conclusion

The Committee would like to thank our outgoing auditors, UHY Hacker Young for their work with the Company since their appointment in 2017 and would like to thank our incoming auditor, KPMG for their work on the 2022 financial statements. I would also like to thank my fellow Committee member for her commitment and input to the work of the Committee during 2022 and the financial team for their assistance, guidance, and support. Lastly, I would like to thank Tom Hickey for his contribution to the Committee and to wish him well in his future endeavours.

Key judgments and estimates in financial reporting

Key Judgements and Estimates in Financial Reporting	Audit and Risk Committee Review	Outcomes
Impairment of exploration and evaluation assets	Yes	The treatment of exploration and evaluation asset balances across the Group at the year-end to be materially correct. An impairment expense of $483k was recognised in Egypt following the impairment of exploration expenditure in the year (Note 10).
Impairment of development assets in the Group	Yes	No issues were identified in relation to impairment of development assets at the year end and continue to be held at Net Book Value in the Balance Sheet (Note 11).
Valuation of loan and embedded derivative in the Group	Yes	No issues were identified in relation to valuation of loan and embedded derivative at the year end and disclosures in respect of the loan and embedded derivative in the Balance Sheet and related note (Note 21) are appropriate.

We are committed to being transparent

Iman Hill
ESG Committee Chair

Dear Shareholders,

It is fundamentally important to the Board that the business is run ethically and in a transparent manner. The 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 structured corporate responsibility performance indicators.

As Committee Chair, I am pleased to able to report on the activities of the Board ESG Committee in 2022. Throughout 2022 the Committee continued to be provided with regular updates by management and the Operator in Egypt on safety of the operations. Significant progress was also made this year, on updating and implementing several ESG related policies.

Composition of the committee

I served as Chair of the ESG Committee for the duration of the year serving with me on the Committee during 2022 was Graham Martin, Chair of the Board of Directors, the Chief Financial Officer and the Chief Operating Officer. At our request, the Head of Investor relations and ESG attends each meeting. The ESG Committee met four times in 2022, once every quarter.

Responsibilities and activities during the 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.

The ESG Committee Terms of Reference are available on our website: www.uogplc.com/wp-content/uploads/2022/05/Enviromental-Social-and-Governance-ESG-Committee-Terms-of-Reference-Final-1.pdf

Topics discussed in 2022

- Detailed review of policies, standards and procedures and additional policies, standards, or procedures required that are commensurate with the size and maturity of the Company.
- Detailed review of current Environmental and Social investment projects implemented by the Joint Operating Companies.
- Review and discussion of progress of ESG key performance indicators for 2022.
- Discussion and review of the Company's risks and discussions on the risk matrix.
- Discussion on working with the operator to understand emissions data collection, reporting and emissions reduction initiatives.
- Discussion on the health and safety metrics reported by the operator.

During the year the Committee focused on the following matters:

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 promote a culture based on ethical values and behaviours with embedded risk management. Board Committees have been established for ESG, Audit and Risk, Remuneration and AIM Rules Compliance.

During 2022 a lot of work was done around updating, and implementing new policies, guidelines, and procedures to ensure that United has best practice governance commensurate to its size and stage in the Company's cycle. The committee reviewed the existing Health & Safety Policy, Environmental Policy, Social Media Policy, Share Dealing Policy and supplemented these with; an Anti-Corruption and Bribery Policy, Code of Ethics and Business Conduct, Diversity and Inclusion Policy, Human Rights Policy, Whistleblowing Policy, Corporate Responsibility Policy, Community Investment Policy, Slavery and Human Trafficking Statement and a Disaster Response Plan.

We are pleased to report that the new policies, standards and procedures have been implemented at United and the external policies are available on our website. We are also pleased to have completed a training session with all employees, in person or remotely (where required), on the above matters.

ESG KPI's

The ESG KPI's account for 20% of the executive Directors corporate KPI's and flow through to executive compensation. The ESG KPI's for 2023 have been assessed by the ESG Committee and approved by the Remuneration Committee in early 2023. Further details can be found in the Remuneration Report on page 64.

Environmental

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 understand and explore ways to reduce the environmental footprint of our operations. This includes investigating ways to reduce greenhouse gas emissions, energy efficiency and the reduction and management of waste. This applies to operated and non-operated assets. In Egypt, we are working with the operator to understand the emissions measurements, and two initiatives such as the planting of trees and the use of associated gas generators (instead of diesel) to reduce or offset the carbon emissions.

Where we are non-operator, we will, seek to influence the operators to understand how emissions are measured, what the measurements are, and what the contributors are and any mitigations measures that can be applied.

We are committed to being transparent in what we report and what we can and cannot achieve.

Social

The Company is committed to managing its relationships with its workforce, the communities where it has business activities, 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 management system, the policies, procedures, and standards mentioned above. In addition, United seek 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 license' to operate. Similar to prior years the Joint Operating Company have invested in projects in Egypt focussing on youth energy education, development of employment skills, and mentoring. In 2022 an initiative between a number of oil and gas companies and under the patronage of the Ministry of Petroleum, joined the Aswan Flood's Petroleum Initiative and supported the rebuilding of the homes in the Khor Awada village, Aswan city, destroyed by a wave of severe weather. Further details can be found in the Corporate Responsibility Report page 44.

OPINION

We have audited the financial statements of United Oil & Gas PLC ("the Company") and its consolidated undertakings ("the Group") for the year ended 31 December 2022 set out on pages 82 to 131, 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 Flows, the Company Balance sheet, the Company Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out on page 87. The financial reporting framework that has been applied in the preparation of the Group financial statements is UK Law, UK adopted International accounting standards and, as regards the Company's financial statements, UK Law and FRS 101 Reduced Disclosure Framework.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards.;
- the Company financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework issued by the UK's Financial Reporting Council; and
- the Group and Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (the going concern period).

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group and the Company's business model and analysed how those risks might affect the Group and the Company's financial resources or ability to continue operations over the going concern period.

Management have prepared detailed consolidated cash flow forecasts incorporating all entities within the Group covering the period to 30 June 2024. These are based on their expectation of future income and costs, including budgeted operating and capital expenditure on all licence areas and expectations of future oil and gas production levels and commodity prices.

The key assumptions are considered to be the forecast production rates, commodity prices and capital expenditure in Egypt. Management have considered the key assumptions to the forecasts and sensitivities have been applied to the forecasts. The key assumptions and related sensitivities include a "Reasonable Worst Case" (RWC) sensitivity with an aggregate set of sensitivities, including a 12% reduction in the production forecasts, 15% decrease in capital expenditure, a reasonable delay in receivables collection and a delay in the completion of the sale of the Maria licence to Quattro. Under the combined RWC, the Group forecasts that there will be sufficient resources to continue in operational existence for the foreseeable future. Management have also identified appropriate mitigating actions, should they be required, including the deferral of additional uncommitted capital expenditure, restructuring of debt arrangements and adjustment of the Group's cost base, which would be available and have previously been demonstrated as efficient cashflow management strategies.

Our audit included:

- Assessing 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;
- Reviewing the cash flow forecasts, the methodology behind these, challenging the assumptions, and ensuring they are arithmetically correct;
- 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 negative cash 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.

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 Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Company will continue in operation.

DETECTING IRREGULARITIES INCLUDING FRAUD

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the Directors. In addition, our risk assessment procedures included:

- Inquiring with the Directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of Directors and the audit committee as to the Group's policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of Directors and the audit committee regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management and Directors.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.
- Assessing the disclosures in the financial statements.

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

KEY AUDIT MATTERS: OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Carrying value of production assets $20.3m

Refer to page 89 (accounting policy) and pages 106 - 107 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The Group's interests in the production assets in Egypt require an annual impairment review in accordance with IAS 36 Impairment of Assets. The Directors assessed the production assets for impairment and where appropriate, recognised an impairment charge. This involves significant judgements and assumptions such as the timing, extent and probability of future cash flows. This area has been identified as a key audit matter and a significant risk because of the level of judgement involved and the significance of the caption to the balance sheet.	Our audit procedures included: • We obtained and reviewed management's assessment of the carrying value of the production assets. • We discussed the Abu Sennan concession with management and we evaluated management's assessment of impairment in conjunction with the Competent Person's Report and IAS 36. • We reviewed management's assessment of the current activity in Egypt, setting out the current position and future plans for the production assets. • We reviewed reserves estimates at the year end for evidence of recoverability of the production assets. • We assessed the methodology used and the arithmetic accuracy of the calculations underpinning the valuation of the production assets. • We challenged management's assumptions used in the impairment model of the production assets including the discount rate, production levels, reserves and oil price and we agreed these to board approved budgets, Competent Persons Report, external oil price curves and information from the joint operating partner. • We performed sensitivity testing where we flexed key assumptions to determine whether a reasonable change in key assumptions would result in an impairment. We evaluated the design and implementation of the control in place over the impairment of production assets. • We evaluated the completeness, accuracy and relevance of disclosures required by IAS 36. Based on evidence obtained, we found that management's key assumptions were reasonable. We found the disclosures to be adequate in providing an understanding of the basis of impairment.

Carrying Value of exploration and evaluation assets $7.4m

Refer to page 88 (accounting policy) and pages 104 - 105 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
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. Judgements 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. This has been identified as a key audit matter and a significant risk because of the level of judgement involved and the significance of the caption to the balance sheet.	Our audit procedures included: • We obtained and reviewed management's and the Board's assessment of the carrying value of each of the Group's exploration and evaluation assets. • We obtained and discussed each of the licences with management. Our audit approach has taken account of commercial and other developments – including for example exploration results and other agreements and transactions with third parties – as part of the Board's formal annual review of the carrying value of exploration and appraisal assets. • Each exploration asset was assessed, taking account of key milestone developments; future plans of funding, viability and development; commercial arrangements; legislative and regulatory matters; together with any indicators of impairment as part of the assessment under IFRS 6 'Exploration for and Evaluation of Mineral Resources'. • We made inquiries of members of the Group finance team to understand the performance of the Group and plans for individual assets. We reviewed Board and Audit Committee minutes to corroborate management's plans and activities for each of the assets. • We challenged management's conclusions in determining whether impairment charges are required and evaluated if there were indicators of possible management bias. • We performed testing on the design and implementation of the control in place over the impairment of exploration and evaluation assets. • We evaluated the completeness, accuracy and relevance of disclosures required by IFRS 6. Based on evidence obtained, we found that management's judgements were reasonable. We found the disclosures to be adequate in providing an understanding of the basis of impairment.

Revenue recognition IFRS 15 $15.8m

Refer to page 88 (accounting policy) and page 99 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
Revenue comprises invoiced sales of hydrocarbons to customers. 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. There is a risk of fraud at year end that revenue has not been reported in consolidated financial statements in line with IFRS 15. There is a risk that it has been misstated intentionally for performance targets or in error through the recording of a sale in the incorrect period, specifically at year end. This area has been identified as a key audit matter and a significant risk because judgement is required in determining the timing of revenue recognition at the year end.	Our audit procedures included: • We discussed and reviewed the revenue recognition process with management, ensuring it was in line with IFRS 15. • We tested the completeness of revenue by performing substantive testing over total revenue for the year. • We assessed on a sample basis whether sales transactions either side of the balance sheet date recognised in the correct period by performing cut-off procedures. We assessed if revenue has been recorded correctly through the review of the self-billing invoices approved by the Egyptian General Petroleum Corporation. • We evaluated the design and implementation of the control in place over the recognition of revenue and tested any manual journals posted to revenue line by key management personnel. • We considered the adequacy of the Group's disclosures in respect of revenue. Based on the procedures performed, we did not identify any material misstatements. We found the disclosures in respect of revenue to be appropriate.

Valuation of the loan and embedded derivative $1.4m (Group and Company Key Audit Matter)

Refer to page 92 (accounting policy) and pages 113 - 114 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The Company holds a loan from Britannic Trading Limited. The loan has a derivative element embedded which falls under the scope of IFRS 9 Financial Instruments. There is a risk that the associated embedded derivative is not appropriately valued. The borrowing arrangement is structured as a prepaid commodity swap with monthly repayments over 30 months with an embedded derivative that is indexed to the price of the commodity. This has been identified as a key audit matter and a significant risk because of the complexity involved in the derivative accounting treatment.	Our audit procedures included: • We obtained and reviewed the loan agreement and derivative documentation to confirm the value and terms and conditions of the repayment period. • We obtained and reviewed the fair value calculations of the derivative to confirm the accuracy of the calculations at the year-end date. • We involved KPMG Financial Instrument specialists to assess valuation methodology used, to review the fair value calculation of the derivative and to review appropriate accounting treatment. • We recalculated the loss recorded on the modification of debt in January 2022. • We evaluated the design and implementation of the control in place over the valuation of the loan and derivative by key management personnel. • We reviewed the application and valuation of IFRS disclosures. Based on the procedures performed, found that the accounts applied were appropriate. We found the disclosures in respect of loan and embedded derivative to be appropriate.

Impairment of investments and loans due from subsidiary companies in United Oil & Gas Plc (Company key audit matter only) $21.8m

Refer to page 123 (accounting policy) and page 127 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The investments and loans held by United Oil & Gas Plc company only are a significant caption with regards to the Company only Balance Sheet. The investments are held at cost less impairment. This area has been identified as a key audit matter due to the significance of the balance to the Company and the judgement involved in forecasting future cashflows when assessing recoverability.	Our audit procedures included: • We obtained and documented the process for impairment considerations and tested the design and implementation of the relevant control therein. • We obtained and reviewed management's assessment of impairment indicators in accordance with IFRS 9. • We compared the carrying value of investments to the net assets of the subsidiary financial statements. • We assessed the appropriateness of the methodology applied by management in their assessment of the recoverable amount of intragroup loans. We considered the audit work performed in respect of the subsidiaries, including the judgements and assumptions used in determining the value in use of Production assets. • We challenged management's evaluation of the recoverable amounts of loans to subsidiaries including review the impairment provisions and net asset values of components that have intercompany debt. Based on the procedures performed, we did not identify any material misstatements. We found the disclosures in respect of investments and loans due from subsidiary companies to be appropriate.

OUR APPLICATION OF MATERIALITY

Materiality for the Group financial statements and Company financial statements as a whole was set at $0.4m and $0.2m respectively, determined with reference to benchmarks of net assets for the Group and Company (of which it represents 1.5% and 1.5% respectively). We consider net assets to be the most appropriate benchmark as it best reflects the operations of the Group and Company.

We applied Group and Company materiality to assist us in determining the overall audit strategy, what risks were significant risks of misstatement and key audit matters, and the audit procedures to be performed in response.

Performance materiality for the Group financial statements and Company financial statements as a whole was set at $0.3m and $0.15m respectively, determined with reference to materiality of which it represents 75% and 75% respectively. We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. In applying our judgement in determining performance materiality, we considered a number of factors including; the low number and value of misstatements detected and the low number and severity of deficiencies in control activities identified in the prior year financial statement audit.

We applied Group and Company performance materiality to assist us determine what risks were significant risks for the Group.

We reported to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding $0.02m for the group and $0.01m for the company, in addition to other identified misstatements that warranted reporting on qualitative grounds.

The Group's 7 components were subject to full scope audits for Group audit purposes. Taken together, the Company and the components accounted for 100% of Group revenue and 100% of Group net assets.

Other matter

The financial statements of the Group and Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 25 April 2022

Other information

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the company overview, strategic report, governance report and the Directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- we have not identified material misstatements in the Directors' report or the strategic report;
- in our opinion, the information given in the Directors' report and the strategic report is consistent with the financial statements; and
- in our opinion, the Directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in these respects.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 81, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group and 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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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

Keith Watt, Senior Statutory Auditor

For and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm

1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03

27 April 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' report and the strategic report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK adopted international accounting standards and the Company financial statements in accordance with FRS 101 Reduced Disclosure Framework and applicable law.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the Group's profit or loss for that period. In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

On behalf of the board

Brian Larkin
Chief Executive Officer - United Oil & Gas PLC

27 April 2023

CONSOLIDATED INCOME STATEMENT
For the year-ended 31 December 2022

	Note	31 December 2022 $	Retated (Note 1) 31 December 2021 $
Revenue	2	15,831,237	19,228,698
Other revenue	2	5,181,458	1,940,574
Cost of sales	3	(8,143,910)	(8,911,815)
Gross profit		12,868,785	12,257,457
Administrative expenses:			
Other administrative expenses		(1,773,154)	(1,763,363)
Impairment of intangible assets		(483,611)	(624,546)
Impairment of receivable		-	(394,686)
New Venture write offs		(282,275)	(377,934)
Foreign exchange (losses) / gains		(1,106,614)	(356,850)
Loss on non-current assets held for sale	12	-	(351,162)
Operating profit	4	9,221,131	8,388,916
Finance expense	6	(1,690,896)	(2,922,754)
Profit before taxation		7,530,235	5,466,162
Taxation	7	(5,181,458)	(1,861,882)
Profit for the financial year attributable to the Company's equity shareholders		2,348,777	3,604,280

Earnings per share from continuing operations expressed in cents per share:	8		
Basic		0.36	0.57
Diluted		0.36	0.54

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year-ended 31 December 2022

	31 December 2022 $	Retated (Note 1) 31 December 2021 $
Profit for the financial year	2,348,777	3,604,280
Foreign exchange gains / (losses)	337,866	(209,164)
Total comprehensive income for the financial year attributable to the Company's equity shareholders	2,686,643	3,395,116

CONSOLIDATED BALANCE SHEET
For the year-ended 31 December 2022

	Note	31 December 2022 $	Retated (Note 1) 31 December 2021 $
Assets:			
Non-current assets			
Intangible assets	10	7,385,326	4,970,091
Property, plant and equipment	11	20,368,299	17,990,809
		27,753,625	22,960,900
Current assets			
Inventory	13	268,859	145,570
Trade and other receivables	14	4,469,493	7,702,021
Derivative financial instruments	21	120,168	-
Cash and cash equivalents	15	1,345,463	397,308
		6,203,983	8,244,899
Assets in disposal groups held for sale	12	-	2,091,437
		6,203,983	10,336,336
Current liabilities:			
Trade and other payables	18	(3,709,667)	(5,422,734)
Derivative financial instruments	21	-	(1,346,044)
Borrowings	21	(2,964,225)	(2,422,212)
Lease liabilities	20	(83,985)	(83,368)
Current tax payable		-	(57,246)
		(6,757,877)	(9,331,604)
Liabilities associated with assets in disposal groups held for sale	12	-	(116,048)
Non-current liabilities:			
Provisions	22	(233,630)	-
Lease liabilities	20	(7,356)	(24,494)
Net assets		26,958,745	23,825,090
Equity and liabilities:			
Capital and reserves			
Share capital	16	8,839,679	8,416,182
Share premium	16	16,798,823	16,215,361
Share-based payment reserve	17	2,547,688	2,247,465
Merger reserve		(2,697,357)	(2,697,357)
Translation reserve		(1,008,137)	(558,104)
Retained earnings		2,478,049	201,543
Shareholders' funds		26,958,745	23,825,090

The financial statements were approved by the Board of Directors and authorised for their issue on 27 April 2023 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 2022

	Share capital $	Share premium $	Share-based payments reserve $	Retained earnings $	Translation reserve $	Merger reserve $	Total $
For the year ended 31 December 2022							
Balance at 1 January 2022	8,416,182	16,215,361	2,247,465	201,543	(558,104)	(2,697,357)	23,825,090
Profit for the year	-	-	-	2,348,777	-	-	2,348,777
Foreign exchange difference	-	-	-	-	337,866	-	337,866
Total comprehensive income	-	-	-	2,348,777	337,866	-	2,686,643
Foreign exchange adjustment arising on change of parent company functional currency to USD	283,278	523,376	53,516	(72,271)	(787,899)	-	-
Shares issued	140,219	60,086	-	-	-	-	200,305
Share-based payments (Note 17)	-	-	246,707	-	-	-	246,707
Balance at 31 December 2022	8,839,679	16,798,823	2,547,688	2,478,049	(1,008,137)	(2,697,357)	26,958,745
For the year ended 31 December 2021							
Balance at 1 January 2021	8,138,619	16,047,975	1,922,090	(3,402,737)	(348,940)	(2,697,357)	19,659,650
Profit for the year (Restated, Note 1)	-	-	-	3,604,280	-	-	3,604,280
Foreign exchange difference	-	-	-	-	(209,164)	-	(209,164)
Total comprehensive income	-	-	-	3,604,280	(209,164)	-	3,395,116
Shares issued	277,563	167,386	-	-	-	-	444,949
Share-based payments	-	-	325,375	-	-	-	325,375
Balance at 31 December 2021	8,416,182	16,215,361	2,247,465	201,543	(558,104)	(2,697,357)	23,825,090

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year-ended 31 December 2022

	31 December 2022 $	Retated (Note 1) 31 December 2021 $
Cash flow from operating activities		
Profit for the financial year before tax	7,530,235	5,466,162
Share-based payments	246,707	325,375
Depreciation and amortisation	3,309,940	4,111,670
Fair value loss on derivatives	1,562,467	1,527,250
Impairment of intangible assets	483,611	624,546
Loss on non-current assets / disposal groups held for sale	-	325,479
Interest expense	128,429	1,395,504
Foreign exchange movements	1,106,614	356,850
Tax paid	(5,238,704)	(1,940,574)
	9,129,299	12,192,262
Changes in working capital		
Increase in inventory	(123,289)	(109,841)
Decrease / (increase) in trade and other receivables	732,529	(2,276,303)
Decrease in trade and other payables	(1,032,853)	(697,544)
Cash inflow from operating activities	8,705,686	9,108,574
Cash outflow from investing activities		
Proceeds received on disposal of non-current assets	4,887,275	160,404
Purchase of property, plant & equipment	(5,610,924)	(3,607,826)
Spend on exploration activities	(2,972,201)	(2,121,050)
Net cash used in investing activities	(3,695,850)	(5,568,472)
Cash flow from financing activities		
Issue of ordinary shares net of expenses	200,305	444,949
Repayments on oil swap financing arrangement	(1,452,118)	(3,518,359)
Payments on oil price derivatives	(1,522,892)	(1,805,086)
Capital payments on lease	(90,096)	(68,914)
Interest paid on lease	(86,669)	(14,421)
Net cash used in financing activities	(2,951,470)	(4,961,831)
Net increase / (decrease) in cash and cash equivalents	2,058,366	(1,421,729)
Cash and cash equivalents at beginning of financial year	397,308	2,188,903
Effects of exchange rate changes	(1,110,211)	(369,866)
Cash and cash equivalents at end of financial year	1,345,463	397,308

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year-ended 31 December 2022

PRINCIPAL ACCOUNTING POLICIES

Company Information
United Oil & Gas plc ("United" or "the Company") is a public limited company incorporated and domiciled in the United Kingdom. The address of the registered office is given on Page 134. United is the ultimate parent company of the Group and except where otherwise indicated the following accounting policies apply to both the Group and the Company.

Basis of Preparation
The financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS as adopted by the United Kingdom.

IFRS is subject to amendment and interpretation by the IASB and the IFRS Interpretations Committee, and there is an on-going process of review. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 December 2022.

Joint Arrangements
The Group is engaged in oil and gas exploration, development and production through unincorporated joint arrangements; these are classified as joint operations in accordance with IFRS 11. The Group accounts for its share of the results and assets and liabilities of these joint operations. The Group's arrangement in Egypt is a joint operation and has been accounted as such. Throughout the annual report joint operations is referred to as Joint Venture and joint operations partners are referred to as Joint Venture partners.

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 2022 incorporate the results of United Oil & Gas plc 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 Director's Report.

United regularly monitors its business activities, financial position, cash flows and liquidity through the preparation and review of 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. A base case forecast has been considered which uses budgeted commitments and prevailing forward curve assumptions for oil prices. The key assumptions and related sensitivities include a "Reasonable Worst Case" (RWC) sensitivity where the Board has considered a scenario with significant aggregated downside, including a delay in the payment of receivables in Egypt, a reduction in forecasted revenue of 12% and an increase in forecast capital expenditure in Egypt by 15%. The RWC incorporates a scenario whereby the sale of Maria P2519 to Quattro does not complete in the period. Under the combined RWC, the Group forecasts there will be sufficient resources to continue in operational existence for the foreseeable future.

The likelihood of all these downside sensitivities taking place simultaneously and lasting for the entire forecast period is considered to be remote. Under such a RWC scenario, we have identified appropriate mitigating actions, including the deferral of additional uncommitted capital expenditure, seeking a 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 $11/boe, flexible drilling contracts and 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 2022 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 is recognised under the principals of IFRS 15, and comprises invoiced sales of hydrocarbons to customers, excluding value added and similar taxes.

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.

Other Revenue – Tax Entitlement Volumes

Under the concession agreements in Egypt, income tax due on taxable profit is paid on the Group’s behalf by EGPC. To achieve this through the agreements, the Group notionally receives a greater share of hydrocarbon production in excess of the Group’s share of production equal to the amount required to cover the tax payable. The oil is produced and sold on the Group’s behalf by EGPC acting as an agent and who discharge the Group’s tax liability to the tax authorities. This income is therefore shown as other revenue with an equal and opposite tax charge recorded through current taxation.

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.

When there is a change in functional currency (see note 1(b)), the change is accounted for prospectively from the date of the change. All items at the date of change are translated into the new functional currency at the date of change, and the resulting translated amounts for non-monetary items are treated as their historical cost.

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-byfield 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.

Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed during the year are included in the consolidated statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

Discontinued operations are presented in the consolidated statement of comprehensive income as a single line which comprises the post-tax profit or loss of the discontinued operation along with the post-tax gain or loss recognised on the re-measurement to fair value less costs to sell or on disposal of the assets or disposal groups constituting discontinued operations.

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)
- 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.

If the terms of financial liabilities are modified, the new terms are examined to assess whether the change constitutes a substantial modification. If it does, for instance where the present value of new cash flows differs by more than 10% from the present value of cash flows under the original arrangement, this is treated as extinguishment of the old liability and recognition of a new liability. A gain or loss is recognised based on the difference between the derecognised carrying amount of the original liability and the opening measurement of the new liability.

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 and hedging 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.

At inception of a hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items.

For cash flow hedges, the portion of the gains and losses on the hedging instrument that is determined to be an effective hedge is taken to other comprehensive income and the ineffective portion is recognised in the income statement. The gains and losses taken to other comprehensive income are subsequently transferred to the income statement during the period in which the hedged transaction affects the income statement.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. Net realisable value is the estimated selling price of inventory on hand less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less losses provision, when required.

Trade and other payables

Trade and other payables are generally stated at amortised cost using the effective interest rate.

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.

Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions for the costs to decommission oil and gas properties are recognised when the Group has an obligation required by the terms and conditions of the agreements and when a reliable estimate can be made. The provision for the costs of decommissioning oil and gas properties at the end of their economic lives is estimated using existing technology, at future prices, depending on the expected timing of the activity, and discounted using the nominal discount rate. Estimates are regularly reviewed and adjusted as appropriate for new circumstances. This decommissioning provision is included in the group Balance Sheet due to the structure of joint operations.

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 for 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		Effective Date; annual periods beginning on or after	UKEB adopted	Impact on the Group
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	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	UKEB adopted
IAS 12	Amendments to IAS 12: Deferred Tax relating to Assets and Liabilities arising from a Single Transaction	1 January 2023	No
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 2024	No

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.

New/Revised International Financial Reporting Standards		Effective Date; annual periods beginning on or after	UKEB adopted
IFRS 17	Insurance contracts (and subsequent amendments to IFRS 17)	1 January 2023	Yes
IAS 8	Definition of accounting estimate (amendment to IAS 8))	1 January 2023	Yes
IFRS 16	Lease liability in a sale and leaseback (amendment to IFRS 16)	1 January 2024	No
IAS 1	Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023	Yes
IFRS 10 and IAS 28	Sale or contribution of assets between an investor and its associate or joint venture	No confirmed date	No

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.

Impairment of property, plant and equipment

The Group assesses at each reporting date whether there is any indication that these assets may be impaired as indicated in note 11. 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 the embedded 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.

1. RESTATEMENTS

a. Restatement of prior year financial statements: correction of error in accounting for the disposal of UOG Italia

The results for the year to 31 December 2021 have been restated to reflect final costs associated with the Italian disposal within the group in the calculation of the loss in disposal of UOG Italia in 2021, and a corresponding error in the amounts reported as non-current assets held for sale at 31 December 2021. In the Balance Sheet the adjustment has been restated and reclassified from non-current to current assets.

The error has been corrected by restating each of the affected line items for the previous period as follows:

	2021 $	Decrease $	2021 Restated $
Balance sheet (extract)			
Assets held for sale	2,561,250	(469,813)	2,091,437
Net assets	24,294,903	(469,813)	23,825,090
Retained earnings	671,356	(469,813)	201,543
Total equity	24,294,903	(469,813)	23,825,090
Income statement (extract)			
Profit/(loss) on non-current assets held for sale	118,651	(469,813)	(351,162)
Operating profit	8,858,729	(469,813)	8,388,916
Profit before taxation	5,935,975	(469,813)	5,466,162
Profit for the financial year	4,074,093	(469,813)	3,604,280

The restatement affecting profit also affects the statement of changes in equity. Basic and diluted earnings per share, and the note reconciling the tax charge, have also been restated.

b. Effect of the change in functional currency of the Company on the Group's financial statements

On 1 January 2022, the Company's functional currency changed from GBP to USD reflecting the fact that USD mainly influences both sales prices and costs. This has resulted in a restatement of equity items in the consolidated balance sheet at the date of the functional currency change.

The quantitative effect on the components of equity in the consolidated financial statements is as follows:

	2022 Increase/ (decrease) $
Share capital	283,278
Share premium	523,376
Share-based payment reserve	53,517
Retained earnings	(72,272)
Translation reserve	(787,899)
	-

2. 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 three geographic areas – the UK/Europe, Latin America and Egypt. The Group's revenue from external customers and information about its non-current assets (other than financial instruments, deferred tax assets and post-employment benefit assets) by geographical location are detailed below.

	UK and EU $	Latin America $	Egypt $	Total $
2022				
Revenue	-	-	15,831,237	15,831,237
Other revenue	-	-	5,181,458	5,181,458
Non-current assets	1,340,605	5,228,625	21,184,395	27,753,625
2021				
Revenue	-	-	19,228,698	19,228,698
Other revenue	-	-	1,940,574	1,940,574
Non-current assets	579,403	4,460,303	17,921,194	22,960,900

Other Revenue

Under the concession agreements in Egypt, Income Tax due on taxable profit is paid on the Group's behalf by EGPC. To achieve this through the agreements, the Group notionally receives a greater share of hydrocarbon production in excess or of the Group's entitlement share of the production equal to the amount required to cover the tax payable. The oil is produced and sold on the Group's behalf by EGPC, who discharge the Group's tax liability. This income is shown as other revenue and an equal and opposite tax charge recorded through the current taxation.

3. COST OF SALES

	31 December 2022 $	31 December 2021 $
Production costs	4,930,038	4,906,713
Depreciation, depletion & amortisation	3,213,872	4,005,102
	8,143,910	8,911,815

4. OPERATING PROFIT

	31 December 2022 $	31 December 2021 $
Operating profit is stated after charging:		
Depreciation:		
Owned assets	3,219,080	4,009,427
Right of use leased assets	88,382	98,258
Amortisation	2,478	3,985
Share based payments	246,707	325,375
Foreign exchange losses	1,106,614	356,850
Fees payable to the Company's auditors for the audit of the annual financial statements	90,000	70,000

5. DIRECTORS AND EMPLOYEES

The aggregate payroll costs of the employees, including executive Directors and non-executive Directors, were as follows:

	31 December 2022 $	31 December 2021 $
Staff costs		
Wages and salaries	1,566,200	1,939,014
Share-based payments	246,707	325,375
Pension	129,062	130,479
Social security	127,527	104,915
	2,069,496	2,499,783

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

	2022	2021
By activity		
Administrative	7	7
Directors	6	6
	13	13

	31 December 2022 $	31 December 2021 $
Remuneration of Directors		
Emoluments and fees for qualifying services	842,559	890,604
Share-based payments	153,458	238,360
Pension	72,379	76,694
Social security	60,891	41,396
	1,129,287	1,247,054

Key management personnel are identified as all the Directors.

6. FINANCE EXPENSE

	31 December 2022 $	31 December 2021 $
Fair value loss on loan and derivative	1,562,467	1,527,250
Effective interest on borrowings	41,760	1,381,083
Interest expense on lease liabilities	86,669	14,421
	1,690,896	2,922,754

7. TAXATION

	31 December 2022 $	31 December 2021 $
Profit before tax	7,530,235	5,466,162
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	1,430,744	1,038,571
Tax effects of:		
Foreign tax	5,181,458	1,940,574
Utilisation of tax losses	-	(1,038,571)
Adjustments in respect of prior periods	-	(78,692)
Double tax relief	(1,430,744)	-
Corporation tax charge / (credit)	5,181,458	1,861,882

The Group has accumulated tax losses of approximately $6.8m (2021: $5.5m). 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 PER SHARE

The Group has issued share warrants and options over Ordinary shares which could potentially dilute basic earnings per share in the future.

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

There were 69,179,818 (2021: 113,697,454) 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 per share:

	2022 Cents	2021 Cents Restated
Basic earnings per share from continuing operations	0.36	0.57
Diluted earnings per share from continuing operations	0.36	0.54

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

	2022 $	2021 $
Profit used in the calculation of total basic and diluted earnings per share	2,348,777	3,604,280

Number of shares:

	2022	2021
Weighted average number of ordinary shares for the purposes of basic earnings per share	649,550,544	637,482,325
Dilutive shares	6,803,425	24,871,644
Weighted average number of ordinary shares for the purposes of diluted earnings per share	656,353,969	662,353,969

9. SUBSIDIARIES

Details of the Group's subsidiaries in 2022 are as follows:

Name and address of subsidiary	Principal activity	Class of shares	Place of incorporation	% ownership held by the Group 2022	% ownership held by the Group 2021
UOG Holdings Plc 2nd Floor, 38-43 Lincoln's Inn Fields, London, WC2A 3PE	Intermediate holding company	Ordinary	England and Wales	100	100
UOG Ireland Limited[1] 128 Lower Baggot Street, Dublin D02 A430, Ireland	Intermediate holding company	Ordinary	Ireland	100	100
UOG PL090 Ltd[1] 2nd Floor, 38-43 Lincoln's Inn Fields, London, WC2A 3PE	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Jamaica Ltd[1] 2nd Floor, 38-43 Lincoln's Inn Fields, London, WC2A 3PE	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Crown Ltd[1] 2nd Floor, 38-43 Lincoln's Inn Fields, London, WC2A 3PE	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Colter Ltd[1] 2nd Floor, 38-43 Lincoln's Inn Fields, London, WC2A 3PE	Oil and gas exploration	Ordinary	England and Wales	100	100
UOG Egypt Pty (Branch) 54 Ahmed Badawi Street, Upper Mearag, Cairo, Egypt	Oil and gas exploration	Ordinary	Australia	100	100

[1] Held indirectly by United Oil & Gas Plc

10. INTANGIBLE ASSETS

	Exploration and evaluation assets $	Computer software $	Total $
Cost			
At 1 January 2021	10,131,978	12,444	10,144,422
Additions	3,013,536	-	3,013,536
Transfer to producing assets	(2,576,724)	-	(2,576,724)
Transferred to non-current assets held for sale	(2,519,240)	-	(2,519,240)
Foreign exchange differences	(236,009)	(970)	(236,979)
At 31 December 2021	7,813,541	11,474	7,825,015
Additions	2,972,201	-	2,972,201
Foreign exchange differences	(44,093)	(657)	(44,750)
At 31 December 2022	10,741,649	10,817	10,752,466
Amortisation and impairment			
At 1 January 2021	2,248,531	4,148	2,252,679
Charge for the year	-	3,985	3,985
Impairment	624,546	-	624,546
Foreign exchange differences	(25,803)	(483)	(26,286)
At 31 December 2021	2,847,274	7,650	2,854,924
Charge for the year	-	2,478	2,478
Impairment	483,611	-	483,611
Foreign exchange differences	26,530	(403)	26,127
At 31 December 2022	3,357,415	9,725	3,367,140
Net book value			
At 31 December 2022	7,384,234	1,092	7,385,326
At 31 December 2021	4,966,267	3,824	4,970,091

At 31 December 2022 the group's E&E carrying values of $7.4m related to our high impact exploration activity in Jamaica, exploration drilling in the Abu Sennan concession in Egypt, and the UK North Sea and Waddock Cross development and exploration campaigns, respectively.

In Egypt United and its partners drilled two of its larger, but higher risk exploration prospects in 2022. ASV-1X was drilled in Q2, and although it did not flow on test there were encouraging signs indicating the presence of hydrocarbons, and the well has a workover planned and approved in the 2023 work programme. As a result, $0.9m spent net to United remains as an Intangible asset at BS date. The second exploration well, ASW-1X well did not encounter hydrocarbons in any of the multiple pre-drill targets and was plugged and abandoned at the beginning of 2023. This resulted in a write off of all costs incurred of $0.5m. On 31 December 2022 the balance of Egypt Intangible assets was $0.9m

In Jamaica United continues with a farm-out campaign with the intention of attracting partners to the licence ahead of drilling the Colibri prospect. This farm out campaign has recently seen us add Energy Advisors Group (EAG) to our existing advisors, Envoi Ltd, with the aim of accessing capital from the US companies and investment funds. At present there are a number of companies evaluating the opportunity with the intention of seeing final offers by the end of 1H 2023. The current licence phase expires at end of January 2024 and we have until then to make a well drilling commitment. As such all costs incurred to date remain capitalised as Intangibles, and at year end the carrying value of our exploration activity in Jamaica amounted to $5.2m.

In the UK North Sea, the Company carries an Intangibles balance of $1.0m at year end, representing amount capitalised to date on the Maria discovery. In January 2023 United announced the signing of an asset purchase agreement (APA). The APA was signed post year end and as a result we do not account for these assets as held for sale at the BS date. As a result, management believe no impairment indicators exist and we continue to carry the Maria licence at cost of $1.0m at 31 December 2022.

In the UK Waddock Cross licence, following a review of the updated operator development plan and in light of the increased importance of energy security in the UK coupled with the sustained high commodity prices, the Directors are of the view that all costs incurred on the licence in 2022 are fully recoverable given the commercial viability of the development demonstrated by the operator, Egdon Resources Ltd. As a result, United continue to carry capitalised costs of $0.3m at the 31 December 2022 Balance sheet date, which includes a decommissioning asset recognised of $0.2m.

Management reviews the intangible exploration assets for indications of impairment at each balance sheet date based on IFRS 6 criteria such as where commercial reserves have not yet been established and the evaluation, exploration work is ongoing and a development plan has not been approved. As a result of these reviews the Directors believe no impairment indicators exist on the company's exploration portfolio, and as a result carry intangibles at cost value of $7.4m at 31 December 2022.

11. PROPERTY, PLANT AND EQUIPMENT

	Production assets $	Computer equipment $	Fixtures and fittings $	Right of use asset $	Total $
Cost					
At 1 January 2021	15,976,659	13,706	2,971	204,764	16,198,100
Transfer from E&E assets	2,576,724	–	–	–	2,576,724
Additions	5,900,375	–	–	42,951	5,943,326
Disposals	–	–	–	(43,862)	(43,862)
Foreign exchange differences	–	(1,068)	(231)	(13,820)	(15,119)
At 31 December 2021	24,453,758	12,638	2,740	190,033	24,659,169
Additions	5,600,238	10,686	–	87,012	5,697,936
Foreign exchange differences	–	(724)	(157)	(3,508)	(4,389)
At 31 December 2022	30,053,996	22,600	2,583	273,537	30,352,716
Depreciation					
At 1 January 2021	2,563,268	7,316	248	20,101	2,590,933
Charge for the year	4,005,102	3,374	951	98,258	4,107,685
Disposals	–	–	–	(16,625)	(16,625)
Foreign exchange differences	–	(706)	(57)	(12,870)	(13,633)
At 31 December 2021	6,568,370	9,984	1,142	88,864	6,668,360
Charge for the year	3,213,872	4,359	849	88,382	3,307,462
Foreign exchange differences	–	(509)	(54)	9,158	8,595
At 31 December 2022	9,782,242	13,834	1,937	186,404	9,984,417
Net book value					
At 31 December 2022	20,271,754	8,766	646	87,133	20,368,299
At 31 December 2021	17,885,388	2,654	1,598	101,169	17,990,809

Depreciation is recognised within cost of sales for Egypt operations, and administrative expenses for office assets. Included in PP&E additions are internal costs of $0.6m incurred by the Group allocated to Egyptian producing assets.

At 31 December 2022 an impairment indicator of IAS 36 was triggered following the material reduction in average production in 2022 compared to the prior year resulting in management testing the Egyptian Production and Development assets for impairment. The recoverable amount has been determined using a discounted cashflow model to estimate the value in use. Calculating the net present value of the cashflows involves key assumptions which include the commodity prices, 2P reserves estimates and discount rates. Other assumptions include production profiles, future operating and capital expenditure and the relevant fiscal terms.

As at 31 December 2022, the fair value of the assets are estimated based on a post-tax nominal discount rate of 12% (2021:10%) and a flat Oil price of $80/bbl (2021:$75/bbl) for the period.

The Egyptian oil and gas asset has a carrying value of $20.4 million at 31 December 2022. Testing of sensitivity cases indicated that a $10/bbl reduction in the long term oil price used would not result in an impairment. We have also run a sensitivity using a 15% discount rate which would also not result in an impairment.

12. NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE (RESTATED)

During the year, on 11 April 2022, United announced the completion of the sale of 100% of the share capital of UOG Italia Srl to PXOG Marshall Limited, a subsidiary of Prospex Energy PLC (Prospex), for a consideration of €2,164,701 (c. $2.54m).

Assets and liabilities held for sale

The following major classes of assets and liabilities relating to these operations have been classified as held for sale in the comparative consolidated balance sheet at 31 December 2021:

	Total held for sale $
Intangible assets	2,062,341
Trade and other receivables	28,588
Cash at bank and in hand	508
Assets held for sale	2,091,437
Trade and other payables	(116,048)
Liabilities held for sale	(116,048)

Fair value measurement

The fair value of the net assets of $1,975,389 were categorised as level 3 non-recurring fair value measurements.

The fair valuations have been determined by reference to signed disposal agreements, in relation to which non-refundable deposits have been received.

Loss on disposal

The net loss on disposal recognised in the income statement is comprised of:

	2022 $	2021 $
Loss on disposal of UOG Italia net of disposal expenses incurred	-	(236,456)
Loss on aborted North Sea Quattro disposal	-	(114,706)
	-	(351,162)

13. INVENTORY

	2022 $	2021 $
Oil in tanks	268,859	145,570
	268,859	145,570

In the year ended 31 December 2022, the movement in Oil Inventory of $123,289 was recognised in the Income Statement.

14. TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
Trade receivables	3,549,051	2,257,609
Prepayments	6,941	7,361
Contract assets	873,206	2,865,287
Other tax receivables	40,295	71,764
Crown disposal proceeds due	–	2,500,000
	4,469,493	7,702,021

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 2022 (2021: $nil).

Trade receivables represent amounts invoiced for oil and gas sold in the year, not yet received from EGPC. Contract assets relate to one month Oil & Gas invoices not received at year-end for the Abu Sennan producing assets in Egypt under the receivable terms of the agreement with EGPC.

15. CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank (GBP)	52,251	50,831
Cash at bank (EUR)	23,620	16,286
Cash at bank (USD)	799,390	3,226
Cash at bank (EGY)	470,202	326,965
	1,345,463	397,308

At 31 December 2022 and 2021 all significant cash and cash equivalents were deposited in creditworthy financial institutions in UK, Ireland and Egypt.

16. SHARE CAPITAL, SHARE PREMIUM AND MERGER RESERVE

Allotted, issued, and fully paid:

	Number	Share capital $	2022 Share premium $
Ordinary shares of £0.01 each			
At 1 January 2022	644,803,969	8,416,182	16,215,361
Effect of Parent company functional currency change	-	283,278	523,376
Allotments:			
Shares issued for cash (exercise of warrants)	11,550,000	140,219	60,086
At 31 December 2022	656,353,969	8,839,679	16,798,823

	Number	Share capital $	2021 Share premium $
Ordinary shares of £0.01 each			
At 1 January 2021	625,153,969	8,138,619	16,047,975
Allotments:			
Shares issued for cash (exercise of warrants)	19,650,000	277,563	167,386
At 31 December 2021	644,803,969	8,416,182	16,215,361

As regards income and capital distributions, all categories of shares rank pari passu as if the same constituted one class of share. Deferred shares are disclosed in Note 19.

17. SHARE-BASED PAYMENTS

Share Options

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

2022	Number of Options	WAEP £
Outstanding at the beginning of the year	49,604,414	0.04
Issued	13,662,005	0.02
Expired	(1,617,435)	0.02
Outstanding at the year end	61,648,984	0.04
Number vested and exercisable at 31 December 2022	14,431,374	0.04

2021	Number of Options	WAEP £
Outstanding at the beginning of the year	46,767,690	0.04
Issued	3,939,665	0.04
Expired	(1,102,941)	0.04
Outstanding at the year end	49,604,414	0.04
Number vested and exercisable at 31 December 2021	10,764,707	0.04

Directors or employees are required to be employed by the company at the time of the vesting of the option to exercise their option awards. At the discretion of the Board, this condition can be waived by up to 1 year from the date of cessation of employment. No additional performance conditions are attached to option awards.

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
Date of grant	30 Sep 2022	30 Sep 2022	1 Aug 2021	4 Jan 2021
Number granted	6,862,005	6,800,000	2,597,403	1,342,282
Share price at date of grant	£0.016	£0.016	£0.04	£0.03
Exercise price	£0.025	£0.016	£0.04	£0.03
Expected volatility	68.15%	68.15%	59.25%	83.28%
Expected life from date of grant (years)	6.34	6.41	6.5	6.5
Risk free rate	4.3172%	4.3172%	0.2867%	-0.0678%
Expected dividend yield	0%	0%	0%	0%
Fair value at date of grant	£0.009	£0.011	£0.021	£0.021
Earliest vesting date	31 May 2025	25 Jul 2025	1 Aug 2024	4 Jan 2024
Expiry date	29 May 2032	23 Jul 2032	1 Aug 2031	4 Jan 2031

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 $246,707 (2021: $325,375) in the income statement in relation to share options accounted for as equity-settled share-based payment transactions during the year. The balance of the share based payment reserve at 31 December 2022 was $2,547,688 (2021: $2,247,465)

Warrants

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

2022	Number of Options	WAEP £
Outstanding at the beginning of the year	64,093,040	0.05
Exercised	(11,550,000)	0.01
Expired	(45,012,206)	0.08
Outstanding at the year end	7,530,834	0.03
Number vested and exercisable at 31 December 2022	7,530,834	0.03

2021	Number of Options	WAEP £
Outstanding at the beginning of the year	83,743,040	0.04
Exercised	(19,650,000)	0.02
Outstanding at the year end	64,093,040	0.05
Number vested and exercisable at 31 December 2021	-	-

Expected volatility was determined based on the historic volatility of a comparable company's shares for a period averaging 1 year. Management believes a 1 year volatility period is sufficient for a company of United's short history and long enough for option holders to gauge performance over this period, and is sufficient when compared with peer companies of United's size in the industry. 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 $nil (2021: $nil) in relation to share warrants accounted for as equity-settled share-based payment transactions during the year.

18. TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade payables	499,217	1,180,088
Other payables	1,295,680	1,599,414
Deferred shares (note 19)	40,476	40,476
Accruals	1,874,294	2,602,756
	3,709,667	5,422,734

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. They were initially recognised at their proceeds and carried at amortised amounts.

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.

	2022 $	2021 $
Interest expense on lease liabilities	86,669	14,421
Total cash outflow for leases	(176,765)	(83,335)
Additions to right-of-use assets	87,012	42,951
Disposals from right-of-use assets	-	(27,237)
Depreciation charge – right of use assets	(88,382)	(98,258)
Foreign exchange movement on right of use assets	(12,666)	(950)
Right of use assets - carrying amount at the beginning of the year	101,169	184,663
Carrying amount at the end of the year	87,133	101,169

Lease liabilities

	2022 $	2021 $
Current	83,985	83,368
Non-current	7,356	24,494
	91,341	107,862

21. BORROWINGS AND DERIVATIVES

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

	2022 $	2021 $
Secured – at amortised cost		
Other loans	2,964,225	2,422,212
Current	2,964,225	2,422,212
Non-current	–	–
	2,964,225	2,422,212

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

	2022 $	2021 $
Separated embedded derivative		
Loan derivative (asset) / liability	(120,168)	1,346,044
	(120,168)	1,346,044

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 repayment schedule provided for 30 monthly repayments which were structured as a fixed notional amount with variations based on movements in oil prices with a cap.

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 2022, a fair value loss has been recognised (as finance expense) as a result of oil price movements in the period and on forward price rates (2021: loss).

In January 2022 the Group extended the final maturity date on the facility from 30 September 2022 to 31 December 2023 with revised terms. As a result, a modification occurred and the loan and embedded derivative were remeasured. The new terms provide downside protection at $70/bbl for a volume of bbls through to the end of 2023.

The valuations of the host debt and derivative on initial recognition and valuation of the remaining embedded derivative as at 31 December 2022 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 23).

Reconciliation of liabilities arising from financing activities

2022	At 1 January 2022 $	Interest accrued $	Repaid in cash $	Modifications & Fair Value Movements$	At 31 December 2022 $
Loan	2,868,796	41,760	(1,452,118)	1,505,787	2,964,225
Embedded derivative	1,346,044	-	(1,522,892)	56,680	(120,168)
	3,768,256	41,760	(2,975,010)	1,562,467	2,844,057

2021	At 1 January 2021 $	Cash received $	Interest accrued $	Repaid in cash $	Fair value movements $	FX movements $	At 31 December 2021 $
Loan	4,555,801	-	1,381,083	(3,518,359)	-	3,687	2,422,212
Embedded derivative	1,552,078	-	-	(1,666,975)	1,477,118	(16,177)	1,346,044
Derivative	87,979	-	-	(138,111)	50,132	-	-
	6,195,858	-	1,381,083	(5,323,445)	1,527,250	(12,490)	3,768,256

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

22. PROVISIONS

	2022 $	2021 $
Opening balance	-	-
Additions in the year	233,630	-
Uses of provision in the year	-	-
Closing balance	233,630	-

The decommissioning provision is made up of 1 well, planned to be drilled on the Waddock Cross licence, onshore UK. The decommissioning provision has been calculated assuming industry established oilfield decommissioning techniques and technology at current prices and is discounted at 4% per annum reflecting the associated risk profile.

23. 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	2022 $	2021 $
Trade receivables (note 14)	3,549,051	2,257,609
Contract assets (note 14)	873,206	2,865,287
Crown disposal proceeds due (note 14)	-	2,500,000
Cash and cash equivalents (note 15)	1,345,463	397,308
	5,767,720	8,020,204

All of the above financial assets' carrying values are approximate to their fair values, as at 31 December 2022 and 2021.

Financial liabilities	2022 $	2021 $
Trade payables (note 18)	499,217	1,180,088
Other payables (note 18)	1,295,680	1,599,414
Lease liabilities (note 20)	91,341	107,862
Borrowings (note 21)	2,964,225	2,422,212
Accruals (note 18)	1,874,294	2,602,756
	6,724,757	7,912,332

In the view of management, all of the above financial liabilities' are due within one year and the borrowings were fair valued during the year upon modification and were subsequently carried at amortised cost. Carrying values approximate to their fair values as at 31 December 2022 and 2021.

	Measured at fair value through profit or loss	
	2022 $	2021 $
Derivative financial (assets) / liabilities (note 21)	(120,168)	1,346,044
	(120,168)	1,346,044

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.

24. 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, 23 and 25.

Liquidity Risk

Liquidity risk is dealt with in note 25 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 trade receivables, other receivables and cash and cash equivalents. Credit assessments are routinely reviewed on all of the Group's joint venture partners and other counterparties.

As described in note 14, there are no expected credit losses on trade receivables. This conclusion was reached by applying the matrix approach described in IFRS 9, grouping trade receivables based on their characteristics and applying known default rates to each group. Since there is no history of default for trade receivables in any of the groupings, there are no lifetime expected credit losses to recognise.

Market risk - 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 2022 and 31 December 2021 are structured in such a way, through the use of a pre-paid commodity swap, so that the notional interest charge is fixed and therefore there is no net interest rate risk. IBOR reform has had no effect on interest rate risk as the group does not have borrowings or investments based on such an index.

Market risk - commodity Price risk

The company manages its exposure to commodity price risk on an ongoing basis. 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. The combined put and call arrangements provide the group with protection against price movements on either side of a protected collar.

Market risk - 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 operational and administrative transactions are carried out predominantly in USD but also in GBP, EUR and EGP.

The monetary assets and liabilities denominated in currencies other than USD are relatively immaterial (see notes 14 and 15), with EGP cash balances posing the primary transactional risk at this time due to the Central Bank of Egypt imposing restrictions on the remittance of USD outside the country. This is considered manageable as the majority of payments in Egypt can be made in local currency meaning large EGP balances are not exposed to currency devaluation, and as an Oil company preferential treatment is available to the company when more USD is available in-country. All receivables remain denominated in USD reducing any currency exposure.

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.

25. LIQUIDITY RISK

United closely monitors and manages its liquidity risk using both short and long term cashflow projections, supplemented by debt and equity financing plans and active portfolio management. Cash forecasts are regularly produced and sensitivities run for different scenarios including, but not limited to, changes in asset production profiles and cost schedules. 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 2022 and 2021, on the basis of their earliest possible contractual maturity.

	Total $	Payable on demand $	Within 2 months $	Within 2 -6 months $	Within 6 – 12 months $	Within 1-2 years $
At 31 December 2022						
Trade payables	499,217	-	499,217	-	-	-
Other payables	1,295,680	1,295,680	-	-	-	-
Lease liabilities	182,302	-	19,373	35,336	39,428	88,165
Borrowings	2,968,200	-	236,941	473,882	2,257,377	-
Derivative financial instruments	(120,168)	-	(20,028)	(40,056)	(60,084)	-
Accruals	1,874,294	-	-	1,874,294	-	-
	6,699,525	1,295,680	735,503	2,343,456	2,236,721	88,165

Details of the Groups Borrowings and Derivatives can be found in Note 21.

The Group deposits cash with a number of international and UK financial institutions, ensuring sufficient liquidity to enable the Group to meet its short and medium-term expenditure requirements.

	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 2021							
Trade payables	1,180,088	-	1,180,088	-	-	-	-
Other payables	1,599,414	1,599,414	-	-	-	-	-
Lease liabilities	116,359	-	18,526	33,250	37,813	17,568	9,202
Borrowings	2,769,947	-	692,487	1,384,973	692,487	-	-
Derivative financial instruments	1,346,044	-	-	-	1,346,044	-	-
Accruals	2,602,756	-	-	2,602,756	-	-	-
	9,614,608	1,599,414	1,891,101	4,020,979	2,076,344	17,568	9,202

26. CAPITAL MANAGEMENT

The Group's capital management objectives are:

- To provide long-term returns to shareholders; and
- 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:

	2022 $	2021 $
Equity	26,958,745	23,825,090
Borrowings	2,964,225	2,422,212
Lease liabilities	91,341	107,862
Derivatives	(120,168)	1,346,044
Cash and cash equivalents	(1,345,463)	(397,308)
	28,548,680	27,303,900

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.

27. RELATED PARTY TRANSACTIONS

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

28. FINANCIAL COMMITMENTS

As at 31 December 2022, the Group's commitments comprise their producing assets and exploration expenditure in Egypt, exploration expenditure interests in Waddock Cross, and the Walton Morant licence.

These commitments have been summarised below:

Exploration/Production Licence	31 December 2022 $m	31 December 2021 $m
Abu Sennan	5.6	4.1
Walton Morant	0.4	0.3
Waddock Cross	-	0.1
	6.0	4.5

29. ULTIMATE CONTROLLING PARTY

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

30. EVENTS AFTER THE BALANCE SHEET DATE

On the 17th of January 2023 United announced the signing of an Asset Purchase Agreement (APA) with Quattro Energy Limited (Quattro) to sell the Maria licence, P2519 for a maximum consideration of up to $7m (£5.7m) inclusive of contingent bonus payments.

Consideration comprises:

- Initial cash payment of £2.45 million to United (c.US$3 million) at completion.
- An additional £1.0 million to be paid to United upon approval of an FDP (expected late 2023) for Block 15/18e.
- Contingent bonus payments of up to £2.25 million upon reaching gross production thresholds from the field of three, four and five million barrels.

The completion of the APA is subject to a number of pre-conditions including the North Sea Transition Authority (NSTA) approval to the Licence acquisition, which was approved in March 2023, and Quattro having available an amount equal to the completion payment of £2.45 million in cash. It is anticipated that completion of the APA will be in May 2023.

31. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for their issue on 27 April 2023 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer

COMPANY BALANCE SHEET

For the year-ended 31 December 2022

	Note	31 December 2022 $	Restated 31 December 2021 $
Assets:			
Non-current assets			
Investments	2	21,758,070	21,758,070
Current assets			
Trade and other receivables	3	8,161,944	11,192,640
Derivative financial instruments	7	120,168	-
Cash and cash equivalents	4	399,954	48,726
		8,682,066	11,241,366
Total Assets		30,440,136	32,999,436
Equity and liabilities:			
Capital and reserves			
Share capital	8	8,839,679	8,699,461
Share premium	8	16,798,823	16,738,736
Share-based payment reserve		2,547,688	2,300,982
Retained losses:			
Opening retained losses		(10,708,297)	(5,525,183)
Loss for the year		(3,283,852)	(5,183,114)
Total retained losses		(13,992,149)	(10,708,297)
Shareholders' funds		14,194,041	17,030,882
Current liabilities			
Trade and other payables	5	13,241,394	12,102,681
Borrowings	7	2,694,225	2,422,146
Derivative financial instruments	7	-	1,346,007
Current tax payable		-	57,245
Deferred shares	6	40,475	40,475
		16,246,094	15,968,554
Total liabilities		16,246,094	15,968,554
Total equity and liabilities		30,440,136	32,999,436

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

The financial statements were approved by the Board of Directors and authorised for their issue on 27 April 2023 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 2022

	Share capital $	Share premium $	Share-based payments reserve $	Retained earnings $	Total $
For the year ended 31 December 2022					
Balance at 1 January 2022	8,699,461	16,738,736	2,300,982	(10,708,297)	17,030,882
Loss for the financial year	-	-	-	(3,283,852)	(3,283,852)
Total comprehensive income	-	-	-	(3,283,852)	(3,283,852)
Transactions with owners:					
Share based payments	-	-	246,706	-	246,706
Shares issued	140,218	60,087	-	-	200,305
Total transactions with owners	140,218	60,086	246,707	-	447,011
Balance at 31 December 2022	8,839,679	16,798,823	2,547,688	(13,992,149)	14,194,041

Restated for functional currency change

	Share capital $	Share premium $	Share-based payments reserve $	Retained earnings $	Total $
For the year ended 31 December 2021 (restated)					
Balance at 1 January 2021	8,434,350	16,578,862	1,981,504	(5,525,183)	21,469,533
Loss for the financial year	-	-	-	(5,183,114)	(5,183,114)
Total comprehensive income	-	-	-	(5,183,114)	(5,183,114)
Transactions with owners:					
Share based payments	-	-	319,478	-	319,478
Shares issued	265,111	159,874	-	-	424,985
Total transactions with owners	265,111	159,874	319,478	-	744,463
Balance at 31 December 2021	8,699,461	16,738,736	2,300,982	(10,708,297)	17,030,882

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

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 2022 was $3,283,852 (2021 restated: $5,183,114).

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 Chair's statement and the Strategic Report.

United regularly monitors its business activities, financial position, cash flows and liquidity through the preparation and review of 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. A base case forecast has been considered which uses budgeted commitments and prevailing forward curve assumptions for oil prices. The key assumptions and related sensitivities include a "Reasonable Worst Case" (RWC) sensitivity where the Board has considered a scenario with significant aggregated downside, including a delay in the payment of receivables in Egypt, a reduction in forecasted revenue of 12% and an increase in forecast capital expenditure in Egypt by 15%. The RWC incorporates a scenario whereby the sale of Maria P2519 I to Quattro does not complete in the period. Under the combined RWC, the Group forecasts there will be sufficient resources to continue in operational existence for the foreseeable future.

The likelihood of all these downside sensitivities taking place simultaneously and lasting for the entire forecast period is considered to be remote. Under such a RWC scenario, we have identified appropriate mitigating actions, including the deferral of additional uncommitted capital expenditure, seeking a 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 $11/boe, flexible drilling contracts and 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 2022 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 in subsidiaries 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.

Intercompany Balances

Amounts due to and from subsidiaries via intercompany loans are reviewed by the Directors for recoverability at each balance sheet date, and where any impairment exists the recoverability is estimated and loans are written down accordingly in the books of plc and the subsidiary, respectively.

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.

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 for 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.

On 1 January 2022 the Company's functional and presentation currency changed from GBP to USD. The change in functional currency was accounted for prospectively from the date of the change. All items at the date of change are translated into the new functional currency at the date of change, and the resulting translated amounts for non-monetary items are treated as their historical cost.

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 losses" represents the accumulated profits and losses attributable to equity shareholders.

2. INVESTMENTS

	Investments in Subsidiaries $
Cost	
As at 1 January 2021	21,758,070
Additions	-
As at 31 December 2021	21,758,070
Additions	-
As at 31 December 2022	21,758,070

The Company's subsidiaries are detailed in note 9 to the consolidated financial statements. UOG Italia srl ceased to be a subsidiary as completion of the sale of the company took place in 2022, as detailed in Note 12 of the group financial statements.

3. TRADE AND OTHER RECEIVABLES

	2022 $	2021 $
Amounts due from group undertakings	8,140,470	8,632,077
Crown disposal proceeds due	-	2,500,000
Other tax receivables	21,474	60,563
	8,161,944	11,192,640

4. CASH AND CASH EQUIVALENTS

	2022 $	2021 $
Cash at bank	399,954	48,726

5. TRADE AND OTHER PAYABLES

	2022 $	2021 $
Trade payables	86,970	773,686
Amounts due to group undertakings	12,692,235	10,601,447
Other payables	369,987	660,090
Accruals	92,202	67,458
	13,241,394	12,102,681

Amounts due to subsidiary companies relates to day-to-day intercompany balances accumulated with other group entities, are interest free, and repayable on demand.

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. They were initially recognised at their proceeds and carried at amortised amounts.

7. BORROWINGS AND DERIVATIVES

	2022 $	2021 $
Secured – at amortised cost		
Other loans	2,964,225	2,422,146
Current	2,964,225	2,422,146
Non-current	-	-
	2,964,225	2,422,146

	2022 $	2021 $
Separated embedded derivative		
Loan derivative (asset) / liability (current)	(120,168)	1,346,007
	(120,168)	1,346,007

In February 2020, the Company entered into a prepaid commodity swap arrangement for $8 million to part-finance the acquisition of Rockhopper Egypt Pty Ltd. The repayment schedule provided for 30 monthly repayments which were structured as a fixed notional amount with variations based on movements in oil prices with a cap.

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 2022, a fair value loss has been recognised (as finance expense) as a result of oil price movements in the period and on forward price rates (2021: loss).

In January 2022 the Company extended the final maturity date on the facility from 30 September 2022 to 31 December 2023 with revised terms. As a result, the loan and embedded derivative were remeasured.

The valuations of the host debt and derivative on initial recognition and valuation of the remaining embedded derivative as at 31 December 2022 were undertaken using data provided by independent third parties.

8. SHARE CAPITAL

Allotted, issued, and fully paid:

	Number	Share capital $	Share premium $
Ordinary shares of £0.01 each			
At 1 January 2022	644,803,969	8,699,461	16,738,736
Allotments:			
Shares issued for cash (exercise of options)	11,550,000	140,218	60,087
At 31 December 2022	656,353,969	8,839,679	16,798,823
At 1 January 2021	625,153,969	8,434,350	16,578,862
Allotments:			
Shares issued for cash (exercise of options)	19,650,000	265,111	159,874
At 31 December 2021	644,803,969	8,699,461	16,738,736

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

9. CHANGE IN PRESENTATION CURRENCY

As described in note 1, for the current reporting period the company's functional currency was changed to USD and the presentation currency has also been updated.

The restated and previously reported amounts in the comparative statement of financial position are as follows:

	Note	Restated 31 December 2021 $	Previously reported 31 December 2021 £
Assets:			
Non-current assets			
Investments	2	21,758,070	16,127,081
Current assets			
Trade and other receivables	3	11,192,640	8,644,211
Derivative financial instruments		-	-
Cash and cash equivalents	4	48,726	36,115
		11,241,366	8,680,326
Total Assets		32,999,436	24,807,407
Equity and liabilities:			
Capital and reserves			
Share capital	8	8,699,461	6,448,040
Share premium	8	16,738,736	12,406,752
Share-based payment reserve		2,300,982	1,705,488
Retained losses:			
Opening retained losses		(5,525,183)	(4,095,266)
Loss for the year		(5,183,114)	(3,493,499)
Total retained losses		(10,708,297)	(7,588,765)
Shareholders' funds		17,030,882	12,971,515
Current liabilities			
Trade and other payables	5	12,102,681	8,970,507
Borrowings	7	2,422,146	1,795,295
Derivative financial instruments	7	1,346,007	997,661
Current tax payable		57,245	42,429
Deferred shares	6	40,475	30,000
		15,968,554	11,835,892
Total liabilities		15,968,554	11,835,892
Total equity and liabilities		32,999,436	24,807,407

10. EVENTS AFTER THE BALANCE SHEET DATE

See note 30 of the Notes to the Consolidated Financial Statements.

11. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorised for their issue on 27 April 2023 and were signed on its behalf by:

Brian Larkin
Chief Executive Officer

GLOSSARY – ALTERNATIVE PERFORMANCE MEASURES

Non-IFRS measures

The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles, but are additional and useful performance indicators both of the operational and financial performance of the group, and important metrics both from a management and reader perspective of the financial statements.

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.

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Cost of Sales	8,143,910	8,911,815
Less:		
Depreciation, depletion, and amortisation	(3,213,872)	(4,005,102)
Inventories	–	109,841
Cash operating costs	4,930,038	5,016,554
Production (boepd)	1,312	2,327
Cash Operating Cost /boe ($)	10.29	5.90

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.

	Year ended 31 December 2022 $	Year ended 31 December 2021 $
Operating Income	9,221,131	8,858,730
Depreciation, Depletion & Amortisation	3,307,462	4,107,685
Exploration Expense	767,886	624,546
	13,296,479	13,590,961

GLOSSARY

Bbl	Barrels
/Bbl	Per barrel
Bn	Billion
boepd	Barrels of oil equivalent per day
bopd	Barrels of oil per day
Capex	Capital Expenditure
EGPC	Egyptian General Petroleum Corporation
ESG	Environment, Social, Governance
ESP	Electrical Submersible Pumps
HCIIP	Hydrocarbon initially in place
HSE	Health, safety and environment
JOC	Joint Operating Company
JV	Joint Venture
km	Kilometres
km^2	Square kilometres
KPI(s)	Key performance indicator(s)
m	Metres
M	Thousand
MBbl	Thousand barrels
Mbopd	Thousands of barrels of oil per day
MM	Million
MMBbl	Million barrels
MMboe	Million barrels of oil equivalent
MSET	Ministry for Science, Energy and Technology
NPV	Net present value
OGA	Oil and Gas Authority
OPEX	Operating expenditure
Q1	First Quarter
Q2	Second Quarter
Q3	Third Quarter
Q4	Fourth Quarter
scf	Standard cubic feet
SPA	Sales and Purchase Agreement
TD	Total Depth
UK CNS	UK Central North Sea
WI	Working interest
%	Percentage
2C	Best estimate of contingent resources
2D	Two-dimensional
3D	Three-dimensional
2P	Proved plus probable reserves

COMPANY INFORMATION

Directors	Graham Martin (Chair) Brian Larkin Peter Dunne Jonathan Leather Iman Hill
Company Secretary	Peter Dunne
Registered Number	09624969
Registered Office	34-43 Lincoln's Inn Fields London WC2A 3PA
Nominated Advisor	Beaumont Cornish Ltd Building 3 566 Chiswick High Road London W4 5YA
Independent Auditors	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2 D02 DE03
Joint Broker	Tennyson Securities 65 Petty France London SW1H 9EU Optiva Securities Ltd 2 Mill Street London W1S 2AT
Legal Advisers	Armstrong Teasdale LLP 34-43 Lincoln's Inn Fields London WC2A 3PA
Principal Bankers	Bank of Ireland Raheny Dublin 5 Barclays Bank plc 1 Churchill Place London E14 5HP
Registrars	Share Registrars Limited 3 Millennium Centre Crosby Way Farnham Surrey GU9 7XX

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