HYDROCARBON PRODUCTION, DRILLING, DEVELOPMENT AND INVESTMENT ONSHORE UNITED KINGDOM AND THE UNITED STATES OF AMERICA

UNION JACK OIL

UNION JACK OIL plc

ANNUAL REPORT AND FINANCIAL STATEMENTS

2023

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Executive

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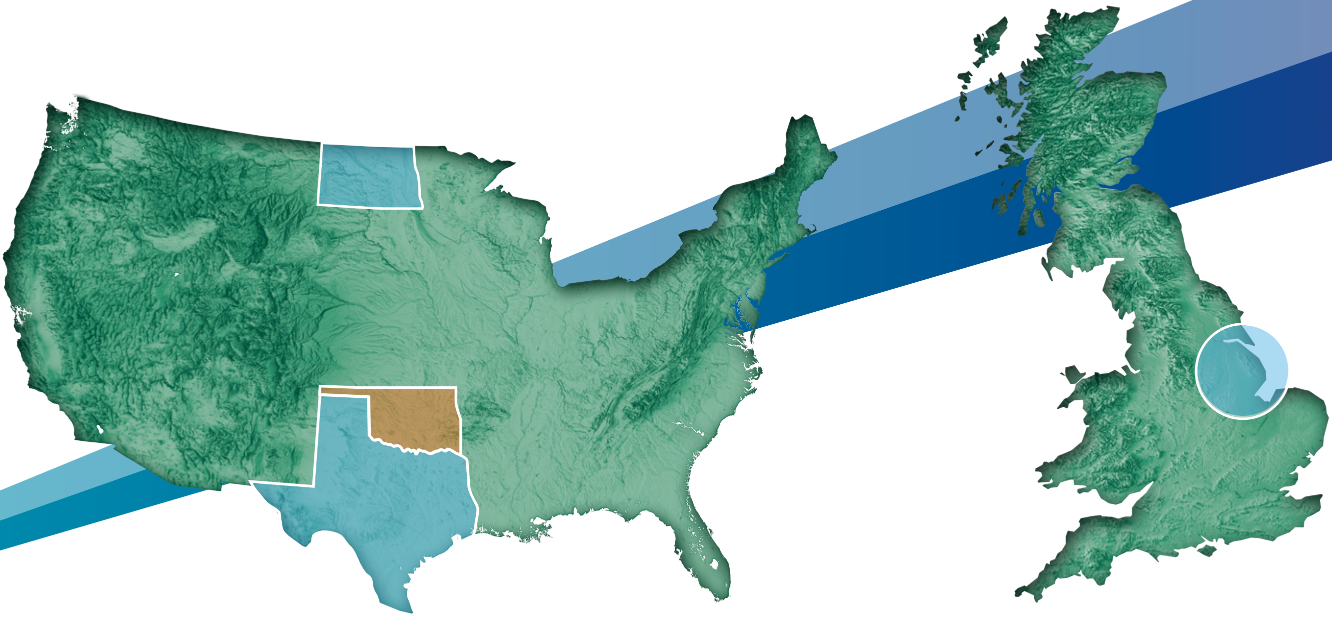


UNION JACK OIL

STRATEGIC PARTNERSHIPS ONSHORE UNITED KINGDOM AND THE UNITED STATES OF AMERICA

Union Jack Oil plc is primarily an onshore oil and gas company with a focus on production, drilling, development and investment in the United Kingdom and the United States of America.

The issued share capital is traded on the AIM Market of the London Stock Exchange (Ticker: UJO) and the OTCQB Venture Market in the United States of America (Ticker: UJOGF).

Our strategy is the appraisal and exploitation of the assets currently owned. Simultaneous with this process, the Company's management expects to continue to use its expertise to acquire further licence interests over areas where there is a short lead-time between the acquisition of the interest and either exploration drilling or initial production from any oil or gas fields that may be discovered.

CONTENTS

CHAIRMAN'S STATEMENT

I am delighted to present to the shareholders of Union Jack Oil plc ("Union Jack" or the "Company"), the Annual Report and Financial Statements for the year ended 31 December 2023.

Progress continued throughout the period, thanks to the cash flow from our flagship development, Wressle, where revenues continued to bolster the Company's robust Balance Sheet and enabled Union Jack to announce a net profit for the second consecutive year.

Union Jack remained profitable, despite lower oil prices and weaker exchange rates compared to 2022, as well as a near three-month shutdown at Wressle, whilst a downhole pump was installed and other significant site upgrades were carried out. This demonstrates the durability and dependability of the Company's key project and the prudent management of our cash resources.

The ERC Equipoise Limited ("ERCE") Competent Person's Report ("CPR") in respect of Wressle and Broughton North, matched our high expectations, demonstrating a 263% increase in 2P Reserves to 2,373 mboe gross. This adds significant additional value to what is a material project within Union Jack's production and development portfolio within the UK.

We are expecting West Newton, another key onshore project within Union Jack's portfolio, with impressive Contingent Resources reported within the RPS Group Limited ("RPS") CPR, to see activity during the remainder of 2024 and beyond.

In 2023, a decision was made to seek further growth opportunities in other jurisdictions, where operations can be executed unhindered and a sensible and fair tax policy is applied. During the latter part of 2023, Union Jack commenced discussions with Reach Oil & Gas Company Inc ("Reach"), based in Oklahoma, United States of America ("USA"). As a result, Union Jack began assembling a quality Mineral Royalty portfolio providing a material monthly income.

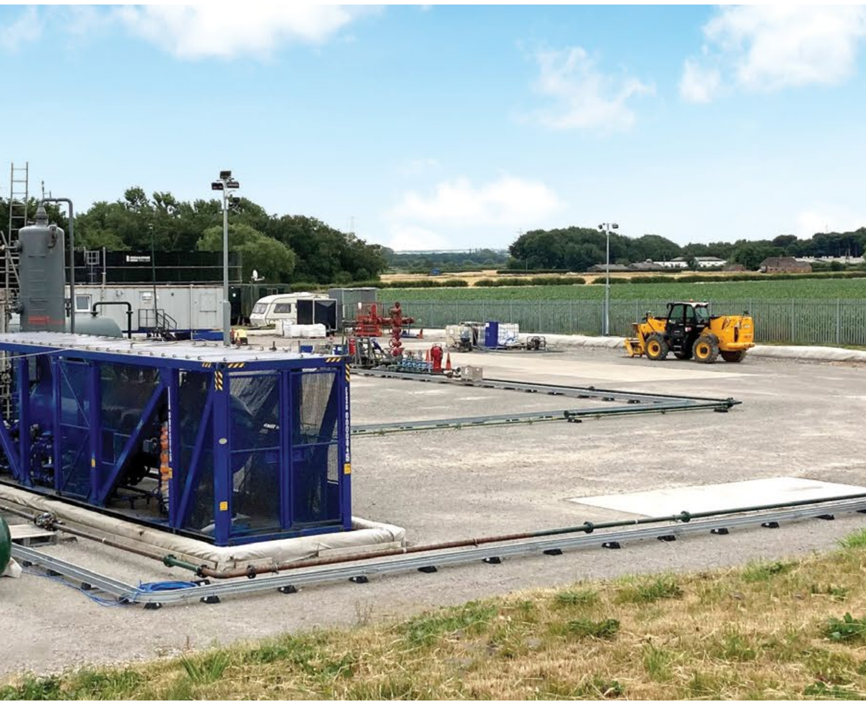
Union Jack has also entered into a number of agreements with Reach in respect of drilling and seismic acquisition in Oklahoma.

The first well drilled on the West Bowlegs Prospect in Oklahoma, the Andrews 1-17, in which the Company holds a 45% working interest, is a commercial discovery, penetrating the primary objective, the Hunton Limestone, one of the main hydrocarbon reservoirs in Oklahoma. The well has now been put on production and in light of this successful outcome, a further step-out drilling programme within associated areas is now being discussed between the joint venture partners.

A further well in Oklahoma, over and above the Hunton drilling campaign is expected to be drilled during Q3 2024, testing the Footwall Fold Prospect in the Wilzetta Fault play. This well, the Diana-1, is considered to be high-impact for Union Jack, where the rewards can be significant. The prolific fault plays are the site of numerous oilfields across Central Oklahoma with nearby analogous production. The Diana-1 well is supported by recently reprocessed 3D seismic data.

In addition, several potential drilling sites have been identified along the Wilzetta Fault and a 3D seismic acquisition programme is planned during 2024. Reach's state-of-the-art equipment, supplied by UK based Stryde Limited, allows for cost effective and efficient seismic acquisition.

Following the early successes of the Company's entry into the USA involving the Andrews 1-17 discovery well and the financial attractions of Union Jack's expanding Mineral Royalties portfolio, the Board believes that the Company's further expansion into the USA, executed alongside a dynamic drilling campaign, will deliver material rewards in due course.



To increase the Company's corporate visibility in the USA, in April 2024, a quote was obtained for Union Jack's ordinary shares on the OTCQB Venture Market (Ticker: UJOGF). The Board believes that dual trading of the Company's shares on AIM and the OTCQB will provide enhanced investor benefits, which includes easy trading access for investors based in the USA and increased liquidity, due to a broader geographic pool of potential investors.

Ray Godson, non-executive director since the inception of the Company, will step down at the Company's upcoming Annual General Meeting. To prepare for this, the Company appointed Craig Howie in April 2024, who will assume Ray's role as Chairman of the Audit Committee and member of the Remuneration Committee. Craig is well versed in energy, finance and the business of Union Jack.

Additional information on the Company's leading projects within the UK at Wressle and West Newton, and overviews on Biscathorpe, Keddington and North Kelsey, can be found later within this statement.

The financial results for 2023 are positive with the Company remaining in a strong position, free of debt, with a balanced work programme of potentially transformational development and drilling activities encompassing both sides of the Atlantic.

In view of the Company's sound financial position, and the additional income received since the year end from the Mineral Royalties, the Board, on 14 May 2024, declared a 0.25 pence dividend per ordinary share to be paid to qualifying shareholders on Friday 26 July 2024.

Further information can be found on the Company's website www.unionjackoil.com, presenting detailed technical information on Union Jack's projects and designed to inform shareholders and attract new investors to the Company.

In addition, Union Jack hosts a growing and active X (formerly Twitter) account @unionjackoilplc..

OPERATIONAL HIGHLIGHTS

- Flagship Wressle project continues to deliver following a workover, installation of a down hole pump and other significant site upgrades
- Wressle Competent Person's Report upgrades Reserves by 263%
- Application submitted for the drilling of two back-to-back Wressle development wells and the Penistone Flags gas monetisation
- Positive Biscathorpe planning appeal decision
- Sale of 2.5% interest in offshore North Sea Claymore Area Royalty
- Commencement of acquisition of United States Mineral Royalties and drilling activity in Oklahoma
- Planned drilling and development during 2024 to encompass both sides of the Atlantic
- Post Balance Sheet date, the Andrews 1-17 Well, in Oklahoma, USA, has been declared a commercial discovery

FINANCIAL HIGHLIGHTS

- Gross profit of £3,298,844 (2022: £5,100,479)
- Net profit of £859,089 (2022: £3,606,624)
- Basic earnings per share 0.79 pence (2022: 3.20 pence)
- Oil revenues £5,065,679 (2022: £8,507,050)
- The Company continues to be debt free
- Post Balance Sheet date, a dividend of 0.25 pence per ordinary share was declared, payable on 26 July 2024

WRESSLE DEVELOPMENT

PEDL180 AND PEDL182 (40%)

Wressle is located in Lincolnshire, on the western margin of the Humber Basin.

The Wressle-1 ("Wressle") discovery was defined on proprietary 3D seismic data. The structure is on trend with the Crosby Warren oilfield and the Broughton North Prospect, both located to the immediate northwest and the Brigg-1 discovery to the southeast. These wells contain hydrocarbons in several different sandstone reservoirs within the Upper Carboniferous succession. The majority of the Broughton North Prospect is covered by the same 3D seismic survey to that of the Wressle field.

Since the proppant squeeze and coiled tubing operations conducted during August 2021, Wressle has established itself as Union Jack's flagship project with initial production rates far exceeding original expectations. Wressle has generated revenues in excess of US$19,000,000 net to Union Jack before taxes, allowing the Company to be self-sustaining for almost three years without recourse to external funding from the capital markets. To date, nearly 600,000 barrels of high-quality oil have been produced and sold from Wressle.

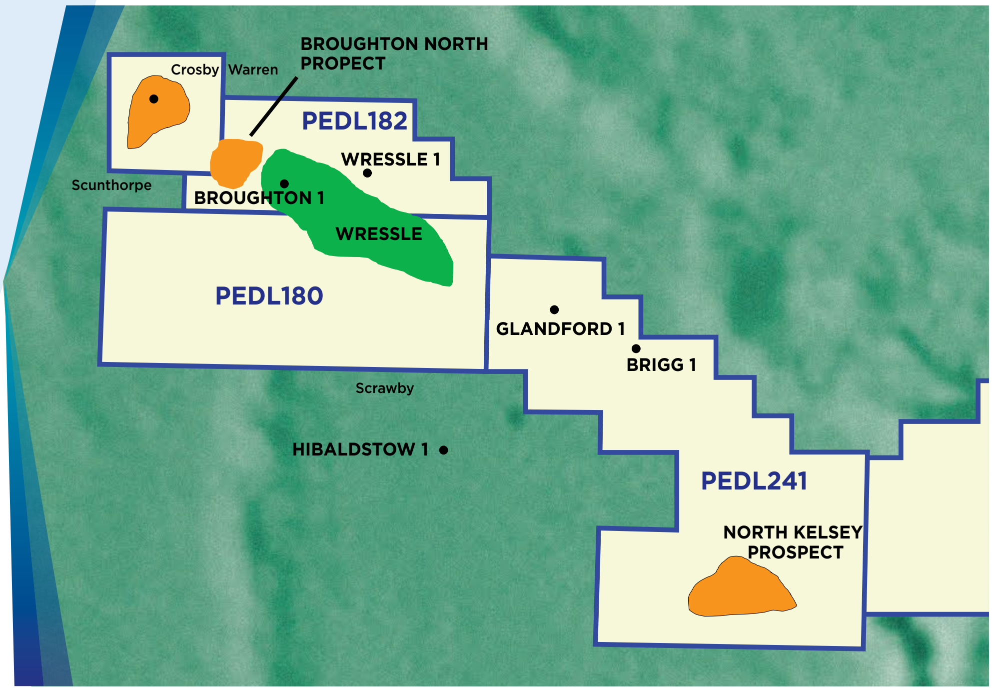
Production during 2023, ranged from 500 to 800 barrels of oil per day, accompanied by a water cut which is easily managed and disposed of at a nearby facility.

During December 2023, the joint venture partnership received the results of a CPR compiled by ERCE for Wressle and Broughton North Prospect.

The highlights of this report are as follows:

- 263% increase in 2P Reserves
- Reclassification of 1,883 million barrels of oil equivalent ("mboe") in Penistone Flags Contingent Resources to 2P Reserves
- 59% upgrade to the Ashover Grit and Wingfield Flags Estimated Ultimate Recoverable
- 23% upgrade to Broughton North Prospective 2U Resources

"WRESSLE IS CURRENTLY THE SECOND MOST PRODUCTIVE CONVENTIONAL PRODUCING ONSHORE OILFIELD IN THE UK AND HAS GENERATED IN EXCESS OF US$19,000,000 IN REVENUES TO UNION JACK SINCE RE-COMMENCEMENT OF PRODUCTION IN AUGUST 2021"



Wressle Gross Oil and Gas Reserves (mboe)

Category	Gross Reserves		
	1P	2P	3P
2016 CPR	303	655	1,356
Added	–	–	–
Produced to 30 June 2023	(519)	(519)	(519)
Revisions	258	354	403
Reclassified	864	1,883	3,647
2023 CPR	906	2,373	4,887
Reserves Change	199%	263%	261%

Note: One barrel of oil equivalent ("boe") is equal to 5,714 standard cubic foot ("scf") of natural gas

Broughton North Gross Oil and Gas Prospective Resources (mboe)

Category	Gross Unrisked Prospective Resources		
	1U	2U	3U
2016 CPR	180	494	1,156
Added	–	–	–
Produced to 30 June 2023	–	–	–
Revisions	33	114	376
Reclassified	–	–	–
2023 CPR	213	608	1,532

A planning application for the drilling of back-to-back (Wressle-2 and Wressle-3) wells and an upgrade of production facilities, including fluid storage tanks, separator system, surface pump and associated bunds, was submitted by the Operator on behalf of the joint venture partnership to the North Lincolnshire Council for approval, during February 2024.

In addition, a planning application has been submitted to enable the production of the material gas reserve contained within the Penistone Flags formation. Gas processing equipment will be sourced and a 600 metre underground gas pipeline will be installed, linking Wressle to the national gas grid.

These applications were finalised following the compilation of a raft of technical assessments including noise and vibration, landscape and visual, ecological, lighting, transport, flood and hydrogeological risk, to name some of the aspects considered.

The Board believes that the Company holds a material interest in Wressle that will continue to deliver significant revenues for at least the next decade. The Board looks forward to the remainder of 2024 and beyond with enthusiasm, where the Company expects to crystalise the additional value of this primary operation.

WEST NEWTON DEVELOPMENT

PEDL183 (16.665%)

PEDL183 is located onshore UK, north of the River Humber, encompassing the town of Beverley, East Yorkshire. The licence area is within the western sector of the Southern Zechstein Basin.

Union Jack entered into a farm-in during 2018 with Rathlin Energy (UK) Limited ("Rathlin") as the Operator, and since that time the West Newton A-2 ("WNA-2") and West Newton B-1Z ("WNB-1Z") drilling programmes have yielded substantial hydrocarbon discoveries within the Kirkham Abbey formation.

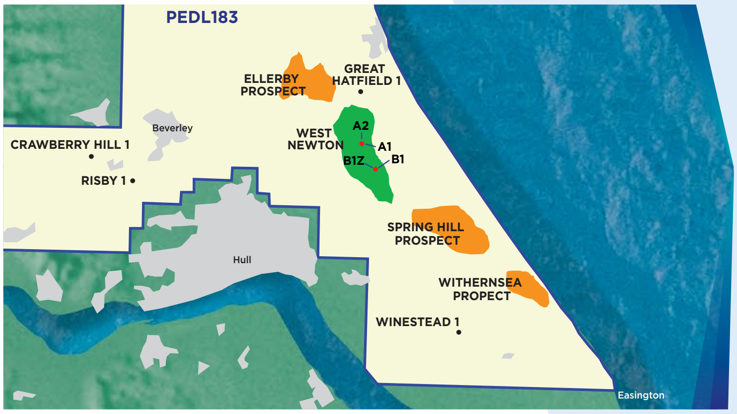
The table below notes the West Newton gross unrisked technically recoverable sales volumes as calculated by independent engineers RPS Group Limited ("RPS") in late 2022.

Category	**Gross Technically Recoverable**	
	Gas (bcf)	**Liquids (mbbl)**
1C	99.7	299.4
2C	197.6	593.0
3C	393.0	1,178.9

Throughout 2022 and 2023, data collected during drilling operations and well testing, which included core, oil and gas samples, wireline log and well test records, were analysed by independent laboratories CoreLab, Applied Petroleum Technology ("APT") and RPS. The results of these analyses, in conjunction with internal evaluations, have been invaluable in informing the upcoming programme of work and future drilling plans.

Laboratory reports confirm that the hydrocarbon-bearing Kirkham Abbey reservoir is extremely sensitive to aqueous fluids and that previous drilling of the West Newton wells with water-based mud had created near well-bore damage through the creation of very fine rock fragments, affecting the natural porosity and permeability of the formation, which in turn had a detrimental effect on its ability to flow. Further analyses have concluded that the use of dilute water-based acids during well testing would have also affected the flow characteristics of the Kirkham Abbey reservoir.

These tests indicate that by drilling the Kirkham Abbey reservoir with an oil-based drilling fluid, damage to the oil and gas reservoir should be minimised.



"A FUTURE WEST NEWTON DEVELOPMENT WILL BENEFIT FROM BEING LOCATED IN AN AREA THAT PROVIDES ACCESS TO SUBSTANTIAL LOCAL INFRASTRUCTURE AND COULD DELIVER SIGNIFICANT VOLUMES OF ONSHORE LOW CARBON SALES GAS INTO THE UK'S ENERGY MARKET"

A feasibility study is being undertaken by independent energy consultants CNG Services Limited on a single well development and gas export plan. The scope of the West Newton feasibility study is to determine the technical and economic viability of a single well development, with production processed from a modular plant and a 3.5 kilometre pipeline from the WNA site to the National Transmission System at an existing above-ground installation.

Commercial gas production could be brought to market within months of a successful production test, resulting in a materially reduced capital investment which provides significant early cash flow whilst additional activity is carried out on the further development of the West Newton project.

GaffneyCline Associates, an international petroleum consultancy, is currently compiling a Carbon Intensity Study in respect of the gas resource at West Newton. Union Jack believes that, in these environmentally aware times, investors will only wish to commit investments in companies and projects that support a transition to a low-carbon economy. As part of our ongoing strategy in respect of the environment going forward, we commit to be totally transparent in respect of our projects and on how our Carbon Management Practice is implemented.

The joint venture partners continue to plan the most efficient and economic method to convert the impressive West Newton Contingent Resource into a viable hydrocarbon development within an acceptable time frame.

A future West Newton development will benefit from being located in an area that provides access to substantial local infrastructure and could deliver significant volumes of onshore low carbon sales gas into the UK's energy market.

KEDDINGTON

PEDL005(R) (55%)

The Keddington oilfield is located along the highly prospective East Barkwith Ridge, an east-west structural high on the southern margin of the Humber Basin.

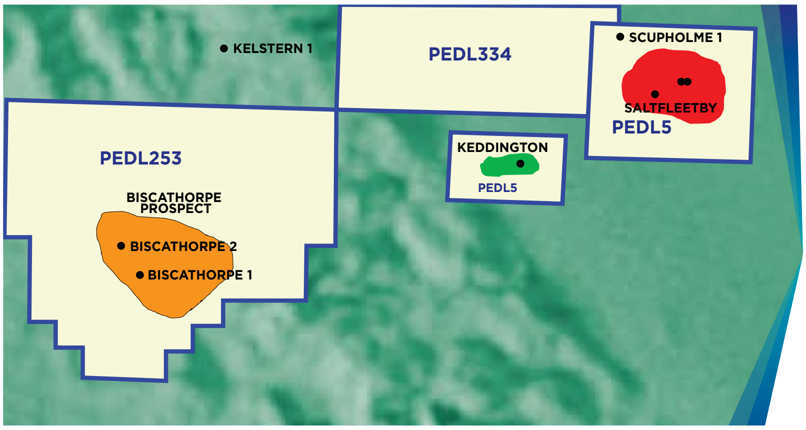
A technical review by the Operator has confirmed that there remains an undrained oil resource located on the eastern side of the Keddington field. Planning consent for further drilling is already in place, presenting an opportunity to increase production via a development side-track from one of the existing wells.

To facilitate confirmation of the target definition and well design planning, re-processing of legacy 3D seismic data has been completed.

Modelling indicates that infill drilling is forecast to improve recovery from the Keddington field by between 113,000 to 183,000 barrels of oil, depending on the reservoir permeability model selected and the combination of infill targets.

The sub-surface location of a step-out well has been finalised and it is planned to drill the well, where planning consent is already granted, when the Operator deems appropriate.

There are plans to upgrade the production equipment at Keddington during 2024, the result of which is expected to increase efficiency and production rates.



BISCATHORPE

PEDL253 (45%)

PEDL253 is situated within the proven hydrocarbon fairway of the South Humber Basin and is on-trend with the Keddington oilfield and the Saltfleetby gasfield.

While drilling the Biscathorpe-2 well, there were hydrocarbon shows, elevated gas readings and sample fluorescence observed over the entire interval from the top of the Dinantian to the total depth of the well, with 68 metres being interpreted as being oil-bearing.

Independent consultants APT also conducted analyses, confirming a hydrocarbon column of 33-34 API gravity oil, comparable with the oil produced at the nearby Keddington oilfield.

Further evaluation of the results of the Biscathorpe-2 well, together with the reprocessing of 264 square kilometres of 3D seismic, indicate a potentially material and commercial hydrocarbon resource that remains to be appraised.

A side-track well is planned, targeting the Dinantian Carbonate where the Operator has assessed, in accordance with the PRMS Standard, a gross Mean Prospective Resource of 2.55 mmbbl. The overlying Basal Westphalian Sandstone has the potential to add gross Mean Prospective Resources of 3.95 mmbbl. Economic modelling demonstrates that the Westphalian target is economically robust, especially in the current oil price environment. Commercial screening indicates break-even full cycle economics to be US$18.07 per barrel.

During November 2023, the Planning Inspectorate upheld the appeal against the refusal of planning permission by Lincolnshire County Council for a side-track drilling operation, associated testing and long-term oil production at the Biscathorpe-2 wellsite.

Union Jack's technical team believe that Biscathorpe remains one of the largest unappraised conventional onshore discoveries within the UK.

NORTH KELSEY

PEDL241 (50%)

North Kelsey is a conventional oil exploration prospect on trend with, and analogous to, the Wressle oilfield which lies approximately 15 kilometres to the northwest. The prospect has been mapped from 3D seismic data and has the potential for oil in four stacked Upper Carboniferous reservoir targets.

The Operator estimates that gross Prospective Resources range from 4.66 (P90) to 8.47 (P10) mmbbl.

The Operator has submitted an appeal on behalf of the Joint Venture, against the refusal of an extension of time to the existing planning permission by Lincolnshire County Council to enable the drilling and testing of a conventional exploration well at the North Kelsey site.

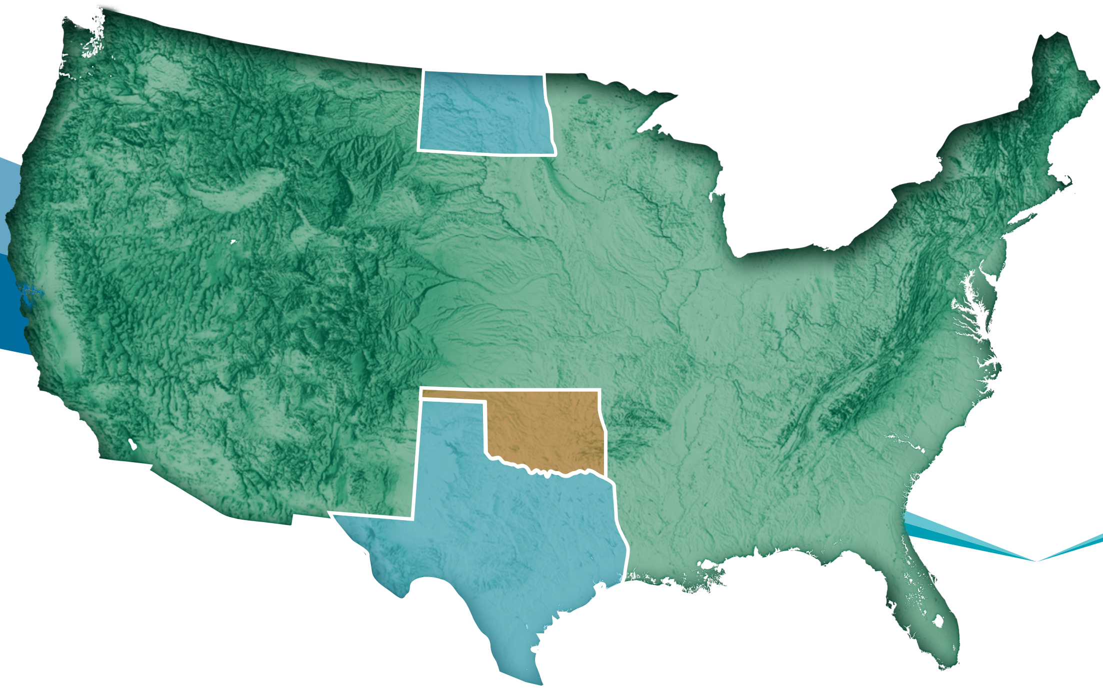
OTHER LICENCE INTERESTS

Union Jack has interests in a number of other non-core projects, namely PEDL118 (Dukes Wood), PEDL203 (Kirklington), PEDL201 (Widmerpool Gulf) and PEDL209 (Laughton).

These licence interests have all been fully impaired and are at various stages of relinquishment with the exception of Dukes Wood where the geothermal upside potential is being investigated.

Fiskerton Airfield (EXL294) is currently shut in. Longer term potential for the site is to manage produced water through the existing water injection well on site and also for potential geothermal repurposing.

During the year, PEDL181 was relinquished at no cost to the company.



UNITED STATES OF AMERICA STRATEGIC GROWTH AND EXPANSION PLAN

During December 2023, for numerous reasons, including the punitive Energy Profit Levy of 35% imposed on profits generated within the UK, the Board commenced the execution of a plan to seek growth opportunities in regimes with sympathetic views towards the hydrocarbon industry, without compromising global environmental objectives and the aim of achieving net zero by 2050.

To this end, Union Jack has, in just the period of a few months, assembled an attractive and growing portfolio of cash generating Mineral Royalties, located in the Permian Basin and Eagle Ford Shale, Texas and Bakken Shale, North Dakota, USA. These are operated by major producers.

The Company has entered into farm-in agreements with Reach to drill two wells, one of which, the Andrews 1-17, has already been drilled and declared a commercial discovery. The other well, the Diana-1, designed to test a Wilzetta Fault play, will be drilled during Q3 2024.

A further agreement was signed to conduct a 3D seismic survey over certain areas of the Wilzetta Fault, in Oklahoma, one of the largest hydrocarbon producing states in the USA.

Union Jack's strategic partnership with Reach offers the opportunity to access a wider inventory of drill-ready prospects in Oklahoma.

As a result of the initial success of Andrews 1-17, a follow-up well location is currently in the planning phase in readiness for early drilling.

MINERAL ROYALTIES

During late 2023 and early 2024, Union Jack acquired six quality Mineral Royalty packages, all brokered by the Company's Oklahoma based agent and adviser, Reach.

The attractions of USA Mineral Royalties include:

- Exposure to active and productive basins and some of the largest operators in the USA
- Monthly income with no development or operating costs
- Owned in perpetuity, with no forward liabilities or obligations
- Royalties are estimated to have a long economic life, in some cases more than 26 years and an Internal Rate of Return in excess of 20%

The Mineral Royalties portfolio assembled to date is summarised below:

- Cronus Unit, containing a 25 well package in the Permian Basin, Midland County, Texas, (effective date December 2023); the property is comprised of nine Chevron and 16 XTO (a subsidiary of Exxon) operated wells
- COG Operating LLC (a subsidiary of ConocoPhillips) operated Powell Ranch Unit, consisting of 15 wells in the Permian Basin, Upton County, Texas (effective date November 2023); the property is comprised of seven horizontal and eight vertical wells
- Occidental operated Palm Springs Unit, containing 10 horizontal wells in the Permian Basin, Howard County, Texas (effective date January 2024)
- Bakken Shale, a diversified 96 well interest package, located in Dunn, McKenzie and Williams Counties, North Dakota. Quality Operators include Burlington Resources, Continental and Hess (effective date March 2024)
- Permian Basin, an eight well producing unit, located in Howard and Borden Counties, Texas. Operated by Vital Energy Inc, a quoted, Permian Basin focused entity, based in Tulsa, Oklahoma (effective date March 2024)
- Eagle Ford Shale, a nine producing horizontal well package, located in DeWitt County, Texas, operated by ROCC Operating (effective date March 2024)

The Mineral Royalties also provide additional upside as new wells are completed and drilled on the properties at no cost to Union Jack. Chevron, one of the operators, has publicly stated their commitment to expanding activities in the Permian Basin.

The operators associated with the Royalties are all major producers, ranking highly in the S&P Global (formerly Standard & Poor's), Fitch, and Moody credit ratings.

The Company's intent is to expand its Mineral Royalty portfolio as and when appropriate acquisition opportunities arise.

WEST BOWLEGS PROSPECT AND ANDREWS 1-17 WELL OKLAHOMA

(45%)

During January 2024, the Company signed a farm-in agreement with Reach, to acquire a 45% interest in the West Bowlegs Prospect, located in Seminole County, Oklahoma, where the Andrews 1-17 well was subsequently spudded in late March 2024, and drilled to a depth of 4,600 feet.

The primary objective for the Andrews 1-17 well was the Hunton Limestone, a prolific, producing hydrocarbon reservoir in Oklahoma. The Hunton Limestone is unconformably overlain by the main oil-prone source rock, the Woodford Shale, and is in an excellent position for the migration of oil.

The Andrews 1-17 well confirmed the presence of the main objective, the Hunton Limestone, showing high porosity with elevated gas readings, with good reservoir qualities being interpreted on the wireline logs.

The well was completed and placed on production and is currently cleaning up. Oil produced has been sold and permanent oil and gas production facilities are being assembled on site. I look forward to commenting further on productivity in due course.

Reach and its drilling team conducted activities with precision, below budget and, of key importance, safely and incident free.

The West Bowlegs drilling met our criteria of acquiring material interests in near-term drilling projects and being capable of quickly adding cash-flow.

The Company's first drilling venture in the USA is a commercial success and an excellent start for Union Jack in its initial enterprise with Reach.

WILZETTA FAULT PLAY AND DRILLING IN OKLAHOMA

(75%)

During February 2024, the Company signed a farm-in agreement with Reach to acquire a 75% interest in a high-impact well, Diana-1, planned to be drilled in Q3 2024, to test the Footwall Fold Prospect in the Wilzetta Fault play, a proven oil producing location and in an area of associated interest.

The prolific Wilzetta Fault plays are the sites of numerous oilfields across Central Oklahoma which include:

- North-East Shawnee field, three miles south of the Prospect, which has produced more than 5,800,000 barrels of oil to date
- West Bellmont field, adjacent to the Prospect, which has produced more than 580,000 barrels of oil to date
- Arlington Field, ten miles north-east of the Prospect, which has produced more than 1,800,000 barrels of oil to date

Typical wells drilled in the Wilzetta Fault can produce approximately 250 barrels of oil per day providing pay-back within three months.

The initial Wilzetta well will be drilled to a depth of 6,000 feet where the prospect integrity is supported by recently reprocessed 3D seismic data.


Dan
RIG 2

CORPORATE AND FINANCIAL

The 12 month period under review, even with a reduced oil price and an adverse exchange rate has, for the second consecutive year, seen Union Jack remain a cash generating and profitable entity. The Company retains a strong Balance Sheet and a clear focus on the development of its flagship assets both in the UK and the opportunity charged USA, where a balanced portfolio of Mineral Royalties along with production and exploration assets has already been assembled.

The expectation that Union Jack's USA ventures, guided by both Reach's and Union Jack's very able technical teams, have already been confirmed by the success of the Andrews 1-17 discovery.

Ray Godson has made the decision to step down from the Board of Union Jack at the forthcoming AGM. Ray, since the conception of the Company, has been an exemplary director and we all wish Ray an enjoyable retirement. Craig Howie has joined the team at Union Jack as an independent non-executive director. Craig, appointed on 22 April 2024, has over 20 years of City and advisory experience, especially within the oil industry and is well known within his peer group in respect of his knowledge of oil enterprises, both junior and major. The Board of Union Jack look forward to working with Craig and welcome him to the team.

Revenues from oil sales of £5,065,679 (2022: £8,507,050) reported for the period continued to have had a positive effect on the Income Statement, resulting in the Company being able to report a gross profit of £3,298,844 (2022: £5,100,479), and net profit of £859,089 (2022: £3,606,624).

Basic Earnings per share of 0.79 pence were reported (2022: 3.2 pence).

Since the commencement of our dividend policy and share buy-back programme, approximately £3,000,000 has been returned to shareholders.

The Company retains its policy of returning cash to shareholders when deemed appropriate, taking into consideration its financial requirements going forward.

In view of our sound financial position and the additional income received since the year end from the Mineral Royalties, on 14 May 2024 the Board declared a dividend of 0.25 pence per ordinary share to be paid to qualifying shareholders on Friday 26 July 2024.

The Company holds 6,300,000 ordinary shares in Treasury which increase the Earnings Per Share, hold no voting rights and are not entitled to a dividend payment.

I take this opportunity to thank our shareholders for their continued support, as well as my co-directors and advisers, all of whom continue to contribute towards the development and growth of the Company.

OUTLOOK

The Board's confidence has once again been supported by the Company's solid 2023 financial results, confirming its resilience, both financially and operationally.

In the UK, Union Jack will remain focused on the development of its flagship project, Wressle, where the Operator and joint venture partners have ambitious near-term appraisal and development programmes planned. The Board is of the opinion that, within the Wressle development, there remains significant material upside which will support the Company with revenues for at least another decade.

I also look forward to progress at West Newton. Encouragingly, the results from this key project to date signal a potentially highly valuable onshore project with resources comparable to those usually reported offshore. A significant onshore domestic gas resource, as indicated at West Newton, has the potential to become an important transition fuel in helping the UK achieve its 2050 Net Zero target.

Union Jack's initial successes in the USA, in just a few months, highlight the ease of entry and ability to execute business in that country, justifying the Board's decision to seek further growth opportunities internationally to bolster its flagship production and appraisal assets in the United Kingdom.

Following the Company's USA entry, involving both the Andrews 1-17 discovery well and the financial attractions of Union Jack's expanding Mineral Royalties portfolio, I believe that the Board's optimism and our further expansion in the USA, executed alongside a proactive drilling campaign, will deliver material rewards in due course.

Our appetite for additional growth opportunities has been whetted by our recent positive experience in the USA and discussions are at an advanced stage with Reach in respect of materially expanding our activities over the coming months and beyond.

I am confident that the significant increase in drilling, appraisal and development activity now planned in the pursuit of growth from our balanced UK and USA portfolios has the potential for significant value creation for shareholders. We believe our heightened activity and the expected additional news-flow generated, combined with effective investor engagement on both sides of the Atlantic, will continue to attract the ongoing support of our existing shareholders and the attention of new investors, broadening the appeal of the Company to a wider audience.

Overall, Union Jack is in sound financial health with a robust Balance Sheet and continues to be debt free.

The future of Union Jack remains bright.

David Bramhill

Executive Chairman

17 May 2024

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGY

Our strategy is the appraisal and development of the licence interests currently owned in the United Kingdom and United States of America.

BUSINESS REVIEW

Union Jack Oil plc is a UK registered company, focused on the exploration and future development of the hydrocarbon project interests held by the Company within the UK and the USA.

A review of the Company's operations during the year ended 31 December 2023 and subsequent to the date of this report is contained in the Chairman's Statement and this Strategic Report.

The gross profit for the year amounted to £3,298,844 (2022: £5,100,479),

The net profit for the year amounted to £859,089 (2022: £3,606,624).

The profit for the year includes impairments to Property, Plant and Equipment of which total costs are £56,829 (2022: £478,584). These impairments are in relation to PEDL118, -£8,639 (2022: £33,718), PEDL203, -£11,160 (2022: £28,260) and EXL294, £76,628 (2022: £416,606).

The profit for the year includes no impairments to Intangible Assets (2022: -£3,028).

Administrative expenses, excluding impairment costs, amounted to £2,057,506 (2022: £1,665,174).

Cash and cash equivalents at year end amounted to £5,198,303 (2022: £7,155,100).

Total Assets at year end amounted to £24,176,606 (2022: £26,361,337).

Non-current assets at year end amounted to £17,431,036 (2022: £17,157,286).

Intangible Assets totalled £10,905,630 (2022: £9,134,006).

Tangible assets totalled £5,888,456 (2022: £5,666,212).

Of the asset figures above, the net effect is a reduction in capital due to a dividend payment and share buybacks through the year.

The Company's Income Statement reports revenues of £5,065,679 (2022: £8,507,050) in respect of production income from Wressle and the Keddington Oilfield.

Post balance sheet date on 14 May 2024, the Board declared a dividend of 0.25 pence per ordinary share to be paid to qualifying shareholders on Friday 26 July 2024.

In May 2023, the Company announced the disposal of its 2.5% interest in the Claymore Area Royalty Agreement. Union Jack is pleased with the consideration price and terms of the sale, which generated an above average return on the Company's original investment.

During May 2023, a dividend of 0.3 pence per ordinary share was declared and paid in July 2023.

In August 2023, operations commenced on the Wressle-1 well to install a downhole jet pump and associated surface facilities as part of the planning to optimise future production.

During September 2023, the Company was informed that the Environment Agency had issued a variation of permit for the West Newton B wellsite which allows for the use of oil-based fluids within the Permian formations during drilling and testing operations.

In November 2023, the Planning Inspectorate upheld the appeal against the refusal of planning permission by Lincoln County Council for a side-track drilling operation, associated testing and long-term oil production at the Biscathorpe-2 wellsite.

Production resumed at Wressle-1 and the sale of oil recommenced during November 2023, following the completion of site upgrades.

During December 2023, the Company received a CPR, prepared by ERCE in respect of Wressle, the highlights of which were a 263% increase in the 2P Reserves compared to the 2016 CPR, a reclassification of 1,883 mboe in Penistone Flags Contingent Resources to 2P Reserves and a 59% upgrade to the Ashover Grit and Wingfield Flags Estimated Ultimate Recoverable.

At the year end, the Company had purchased, as a function of an approved share buy-back plan, 6,300,000 ordinary shares which are in Treasury. These shares do not hold any voting rights, nor do they qualify for any dividend payments.

A detailed Business Review can be found within the Chairman's Statement of the Annual Report and Financial Statements.

FUTURE DEVELOPMENTS

The directors intend to continue with the Company's stated strategy, reviewing the licence interests held in respect of future viability, any potential impairment indicators that may arise during the year and adjusting as soon as possible to any changes that may be required in the operation of the licence interests held.

In the UK the Company holds a number of key, quality project interests, namely, Wressle, West Newton, Biscathorpe, Keddington and North Kelsey, where development, appraisal and exploration plans are in place for the future benefit of stakeholders and the Company.

The initial success as a result of the drilling of the Andrews 1-17 well is encouraging and further drilling in the USA is planned throughout 2024.

KEY PERFORMANCE INDICATORS

The Financial Statements for the year end 31 December 2023 show production from Wressle and Keddington.

The Board is extremely pleased with the business performance of the Company and note the significant positive financial figures reported within the KPI table.

During the year, the Company has also remained profitable, paid a dividend and continued a share buy-back programme.

Further events which took place after the Balance Sheet date are described in the Directors' Report and note 23 of the Annual Report and Financial Statements.

Table of Key Performance Indicators

KEY PERFORMANCE INDICATORS	FOR THE YEAR ENDING 31 DECEMBER 2023 £	FOR THE YEAR ENDING 31 DECEMBER 2022 £
Revenues	5,065,679	8,507,050
Total Comprehensive Income	733,687	3,777,124
Cash and Cash Equivalents	5,198,303	7,155,100
Net Current Assets	6,356,047	8,425,761
Total Equity	21,896,746	23,005,231

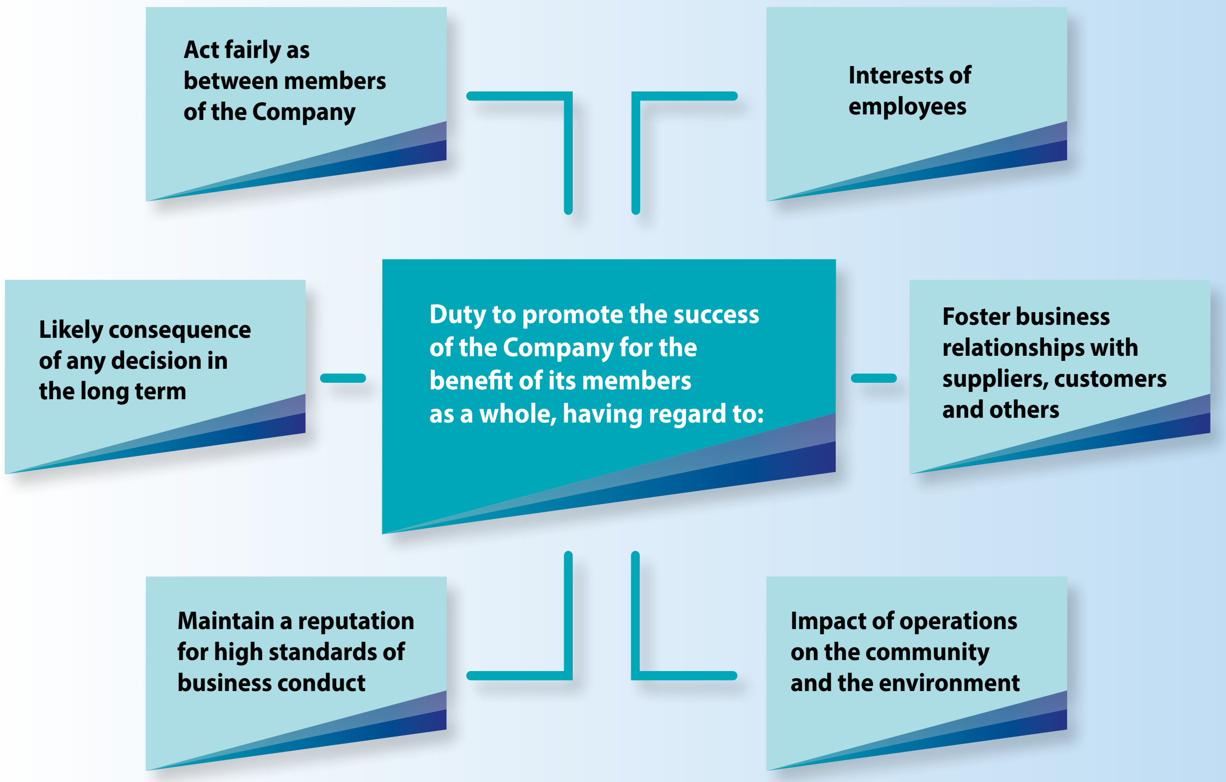
SECTION 172 STATEMENT

All large companies must include a separate statement within their Strategic Report that explains how the directors have had regard to broader stakeholder interests when performing their duty under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole.

The past few years have seen intense focus and debate on UK corporate governance. A decline in public trust in business has been caused in part by high-profile business failures, accusations of excessive executive pay, unethical tax avoidance by multinational businesses and deteriorating relationships with employees over pay and contractual terms. These factors have led to Prime Ministerial statements, select committee inquiries, public consultations, a Government white paper and, ultimately, to changes in legislation, stock exchange rules and governance codes.

Many of the matters noted have resulted from decisions made in the board room and their effects have been felt by employees, pension scheme members, customers, suppliers and other stakeholders, as well as shareholders, the interests of all of whom directors have a statutory duty to consider when making a decision.

Under section 172, the directors have a duty to promote the success of the Company for the benefit of the members as a whole and, in doing so, they should have regard to (amongst other matters) six specified areas that relate, by-and-large, to wider stakeholder interests.



Likely consequences of any decision in the long-term

The Company has a clear aim which is to build a safe, sustainable and successful conventional onshore hydrocarbon exploration, development and production business, within the UK and the USA.

The Company's activities of investment in licence interests to explore and/or produce oil and/or gas are in general focused on the longer term. This is particularly the case given that the Company itself is not an operator of any of the oil or gas fields in which it has an interest, which means that the Board is able to focus on longer term strategic decisions rather than day-to-day operating decisions. The Company undertakes its strategic acquisitions in conjunction with three JOA partners, Egdon Resources Limited, Rathlin Energy (UK) Limited and Reach Oil & Gas Company Inc ("Reach") (the "JOA Partners").

Through its financing activities and production revenues, the Board has ensured that the Company is well capitalised and has cash resources for all of its current and anticipated capital requirements, to ensure that the Company has a viable operating plan for the long-term.

Stakeholder identification and engagement

The Company recognises the importance of fostering strong relationships with its stakeholders in order to create sustainable long-term value, and the Board encourages active dialogue and transparency with all its stakeholder groups.

Business decisions are made with the needs of the Company's key stakeholders in mind. The Company has identified external and internal stakeholder groups which are principally relevant to the proper discharge of the duty of the directors under section 172(1) to promote the success of the Company.

Customers and Suppliers

The Company does not deal directly with customers or suppliers in relation to the oil and gas fields, save for its relationship with the JOA Partners who operate the relevant fields, both within the UK and the USA.

The Company's strategy in respect of its customers and suppliers is to ensure a sustainable relationship with its JOA Partners.

The Company has implemented this strategy in the following ways:

- The Board ensures that there is a direct relationship at Board level with the Company's partners
- The Board is careful to select JOA and other partners with experience, resources and similar values to the Company
- The Board only invests in interests in licences where the Company has a degree of influence over the manner in which the operations of that block are operated
- The Board is mindful in its decisions of the indirect impact that the Company's actions may have through the activities of its operators and other partners on suppliers, customers and others
- The Board maintains good relations with its suppliers by adhering to a strict policy of settling all invoices in a timely manner

Regulators

The Company is subject to a variety of laws and regulations both in the UK and the USA that involve matters central to the business.

In particular, site operations are also subject to scrutiny by the North Sea Transition Authority, the Environment Agency and the Health and Safety Executive before commencement. In response to regulation in this area, the Board ensures that the Company is partnered with JOA partners that adhere diligently to all requirements for a safe working environment via the Operators. For example, the JOA Partners ensure that site personnel are subject to all health and safety measures which include induction courses before admission to site and the mandatory wearing of safety equipment in order to ensure the wellbeing of site staff and visitors.

Shareholders

The Company recognises the importance of active shareholder engagement, to enable the views of the Company's wider shareholder base to be considered as part of the Board's decision making process.

The Board has implemented this strategy in the following ways:

- The Board is very active in encouraging and participating in direct dialogue with shareholders in order to ensure the Company's shareholders are kept regularly updated and are able to discuss strategy and performance directly with the Board (subject always to compliance with legal and regulatory requirements, including the Market Abuse Regulations ("MAR")). This also allows the Board to obtain a clear understanding of shareholders' motivations and concerns

- The Board facilitates direct communication with shareholders through the timely release of regulatory news, via a regulatory information service, which can be accessed through various channels, including the London Stock Exchange website www.londonstockexchange.com and the Company's website www.unionjackoil.com

- The Executive Chairman and the Company's Nominated Adviser and Investor Relations consultants manage investor communications. For example, there has been recent investor speculation around junior hydrocarbon companies and the Board recognises the particular importance of regular, clear and timely communications with shareholders, to ensure that they are kept updated of major developments and potential risks in respect of the Company and the Industry in a timely manner

- The Board believes that shareholders are seeking a return on their investment primarily through capital appreciation as a result of exploration and appraisal success. Therefore the Company ensures that work programmes are fully funded and utilises the Board's technical expertise to reduce or mitigate the risk of exploration

- The Board also believes, given the current stage of the Company's development and its cash position, that it is appropriate to benefit shareholders through the commencement of dividend payments and a share buyback programme, which began in 2022.

Employees

During the period, the Company directly employed four people all of whom are directors of the Company. As part of its strategy, the Board recognises that the Company's employees are critical to the success of the Company and takes steps to ensure that the interests of its employees are protected, for example:

- The Company ensures that the employees possess a variety of complementary experiences and skill sets, including experience of industry-specific technical, financial and public capital markets sectors

- The Company has a Remuneration Committee to review the executive directors' remuneration packages

- The Board determines the non-executive directors' remuneration packages

Impact on the environment and the community

Environment, communities and supply chains

The Company is committed to the highest standards of health, safety and environmental protection. These aspects command equal prominence with other business considerations and the Board is committed to operating the Company in a sustainable way. In particular, the Board is keenly aware of the local environment and the inhabitants in which the Company's licence interests are situated.

For example, the Company chooses to produce oil and gas in the UK, instead of importing from overseas. This has resulted in local employment, a stream of tax revenues and direct investment into the surrounding communities.

The onshore oil and gas industry has an excellent record in relation to health, safety and the protection of the environment.

The industry is also regulated by a number of statutory bodies including the Environment Agency in England and is recognised as being robust. Please refer to "Regulators" within this Strategic Report for further details.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Company has adopted various strategies and governance structures. The Board believes that its reputation for high standards of business conduct will follow from ensuring that appropriate governance structures are in place and from taking the right decisions, as noted within this Strategic Report. These strategies also ensure the continued success of the Company's business model and response to specific risks.

The need to act fairly as between members of the Company

As an AIM quoted company, Union Jack is subject to governance requirements and rules (including the AIM Rules for Companies and MAR), which are intended to ensure that shareholders are treated fairly. The Board takes its obligations to comply with these requirements seriously and has regular contact with its experienced professional advisers to ensure that these requirements are satisfied.

The directors, with the exception of independent non-executive Craig Howie, all hold shares in the Company and their interests are therefore aligned to those of the other shareholders.

PRINCIPAL RISKS AND UNCERTAINTIES

As with the majority of companies within the energy sector, the business of oil and gas exploration and development includes varying degrees of risk. These risks broadly include operating reliance on third parties, the ability to monetise discoveries and the risk of cost overruns. There are also specific political, regulatory and licensing risks attached to various projects as well as issues of commerciality, environmental, economic, competition, reliance on key personnel, contractor and judicial factors.

Commodity prices will have an impact on potential revenues and forward investment decisions by the Operator on the projects invested in, as the economics may be adversely affected. However, onshore development costs are generally lower than for offshore developments. The Company does not use hedging facilities. The Company holds adequate Directors' Insurance cover and the Company is covered by the Operator's insurance during drilling and other operational situations. The Board, in its opinion, has mitigated risks as far as reasonably practicable.

The principal risks to the Company as well as the mitigation actions are set out below.

Strategic: A weak or poorly executed development process fails to create shareholder value

This risk is mitigated through performing a detailed technical review, both internally by management and externally by advisers, before an investment decision is taken, for each investment which includes a valuation exercise on the potential return on monies spent. The amount of interest acquired in each project is dependent upon the Company's financial capability to fulfil its obligation. The Company's technical management team is highly skilled with many years' industry experience.

Operational: Operational events can have an adverse effect

The main risk is the potential failure to obtain planning permission in respect of the Company's licence interests.

This risk is mitigated by the appointment of specialist professional entities who work together to compile planning applications designed to achieve a positive result.

A further potential risk is the reliance upon the Operators, Egdon Resources U.K. Limited, Rathlin Energy (UK) Limited, and Reach Oil & Gas Company Inc and their ability to determine timetables and priorities which are beyond the control of the Company.

External Risk: Lack of growth caused by political, industry or market factors

The Company operates within the UK and the USA. The Board considers that the UK and USA onshore hydrocarbon arenas offer excellent value under regimes with a very clearly spelt out protocol, giving the opportunity to develop assets unhindered.

As mentioned in this review, oil and gas price volatility can cause concern. However, onshore developments can continue as planned in most cases as development costs are lower than for offshore.

The oil price environment is always being monitored, however, the Company's key assets are cashflow positive at a breakeven oil price of approximately US$18 per barrel. Lack of control over key assets is mitigated by the fact that our Operators of choice, Egdon Resources U.K. Limited, Rathlin Energy (UK) Limited and Reach Oil & Gas Company Inc have a very transparent operating protocol and all partners are involved, both formally and informally, with offering input to the ongoing development of the projects in which they are involved. The Company's in-house technical team capabilities are further supported by external consultants involved at all times and who together participate in regular technical meetings.

Financial Risk: The lack of ability to meet financial obligations

The main risk is the lack of funds being available to pay for our future project commitments.

All expenditure associated with exploration and development assets is forecast and budgeted at least 12 months in advance. The Company could raise its funds through the financial market by share issues, derivatives or borrowing to fund its financial obligations. Further comment in respect of Financial Risk Management Objectives and Policies, Cash Flow Risk, Credit Risk and Liquidity Risk are also covered within this Strategic Report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a number of financial risks including liquidity risk, oil price risk, credit risk and cash flow risk.

The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Company would not use derivative financial instruments for speculative purposes and has had no requirement for their use to date.

LIQUIDITY RISK

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses its existing cash funds.

OIL PRICE RISK

The Company is exposed to oil price risk associated with sales of oil from production. The Company does not currently consider it necessary to use hedging instruments to manage its exposure to this risk.

CREDIT RISK

The Company's principal financial assets are its cash balances. The credit risk on liquid funds is limited because the counterparty is a bank with high credit-rating.

CASH FLOW RISK

During the year, the Company's activities did not expose it to financial risks of changes in foreign currency exchange rates. Whilst oil revenues are paid in US dollars, currency is exchanged at a spot price, unless allocated to US near future expenditure.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and this Strategic Report. The directors' forecasts demonstrate that the Company will meet its day-to-day working capital and share of estimated project costs over the forecast period being at least 12 months from the sign-off of these financial statements. The principal risk to the Company's working capital position is drilling cost overruns. The Company has sufficient funding to meet planned drilling expenditures and a level of contingency. Taking account of these risks, sensitised forecasts show that the Company is able to operate within the level of funds currently held at the date of approval of these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

APPROVAL OF THE BOARD

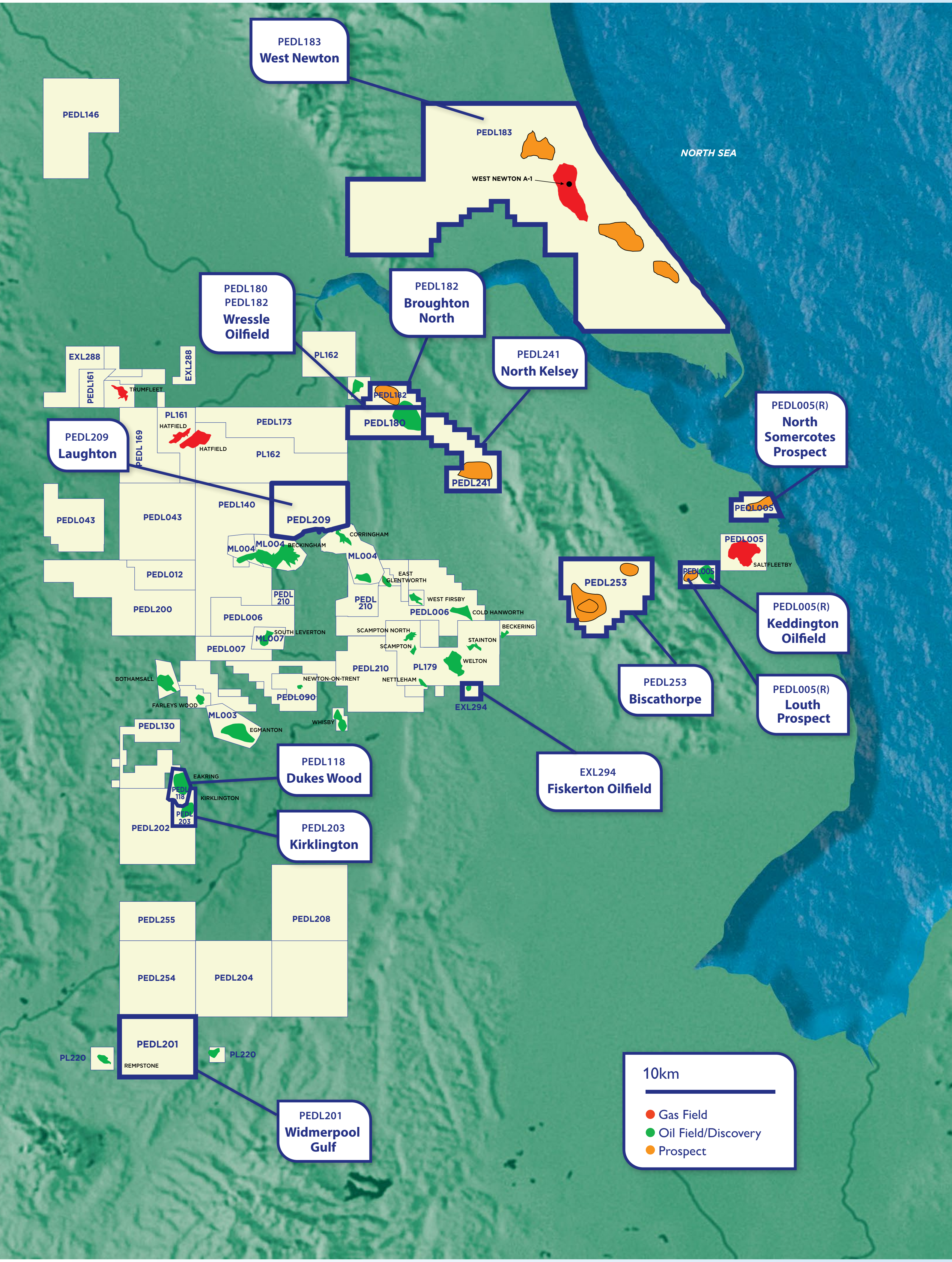
This Strategic Report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business. While the directors believe the expectations reflected within the Annual Report to be reasonable in light of the information available up to the time of their approval of this report, the actual outcome may be materially different owing to factors either beyond the Company's control or otherwise within the Company's control, for example owing to a change of plan or strategy. Accordingly, no reliance should be placed on the forward-looking statements.

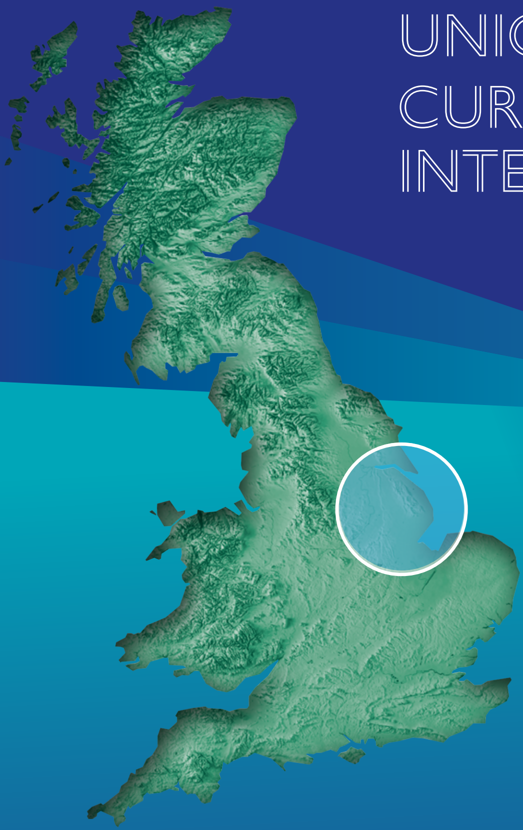
On behalf of the Board

David Bramhill

Executive Chairman

17 May 2024

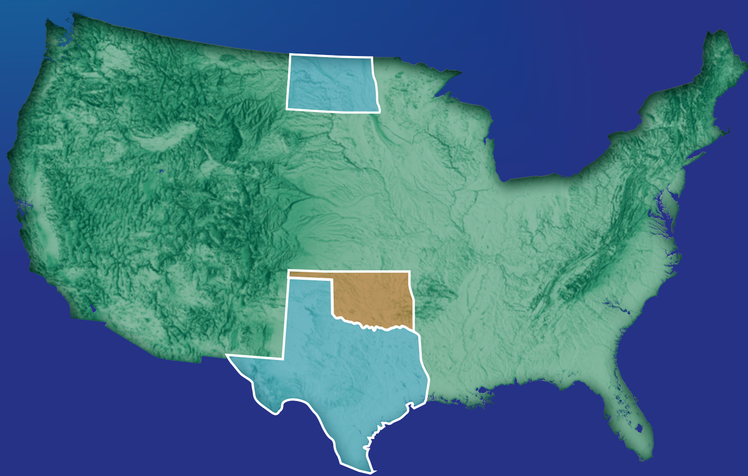

PEDL183
West Newton
PEDL146
PEDL183
WEST NEWTON A-1
NORTH SEA
PEDL180
PEDL182
Wressle
Oilfield
PEDL182
Broughton
North
PEDL241
North Kelsey
PEDL005(R)
North
Somercotes
Prospect
EXL288
PEDL161
TRUMFLEET
EXL288
PL162
PEDL182
PEDL180
PEDL241
PL161
HATFIELD
HATFIELD
PEDL173
PL162
PEDL209
Laughton
PEDL 169
PEDL140
PEDL209
PEDL043
PEDL043
CORRINGHAM
ML004
ML004
BECKINGHAM
ML004
PEDL005
PEDL005
SALTFLEETBY
PEDL005
PEDL253
PEDL012
EAST
GLENTWORTH
PEDL
210
PEDL
210
WEST FIRSBY
PEDL200
PEDL006
PEDL006
COLD HANWORTH
PEDL005(R)
Keddington
Oilfield
BECKERING
SOUTH LEVERTON
SCAMPTON NORTH
ML007
SCAMPTON
STAINTON
PEDL007
WELTON
PEDL210
PL179
BOTHAMSALL
NEWTON-ON-TRENT
NETTLEHAM
PEDL253
Biscathorpe
PEDL005(R)
Louth
Prospect
FARLEYS WOOD
PEDL090
EXL294
ML003
WHISBY
PEDL130
EGMANTON
PEDL118
Dukes Wood
EXL294
Fiskerton Oilfield
EAKRING
PEDL
118
KIRKLINGTON
PEDL
203
PEDL202
PEDL203
Kirklington
PEDL255
PEDL208
PEDL254
PEDL204
PEDL201
PL220
PL220
REMPSTONE
10km
Gas Field
Oil Field/Discovery
Prospect
PEDL201
Widmerpool
Gulf



UNION JACK'S CURRENT LICENCE INTERESTS

UNITED KINGDOM LICENCE INTERESTS

1	PEDL180 PEDL182	**Wressle Development Broughton North**	40%
2	PEDL183	**West Newton**	16.665%
3	PEDL253	**Biscathorpe**	45%
4	PEDL005(R)	**Keddington Oilfield Louth North Somercotes**	55%
5	EXL294	**Fiskerton Oilfield**	20%
6	PEDL241	**North Kelsey**	50%
7	PEDL118	**Dukes Wood**	16.67%
8	PEDL203	**Kirklington**	16.67%
9	PEDL201	**Widmerpool Gulf**	26.25%
10	PEDL209	**Laughton**	10%



UNITED STATES OF AMERICA LICENCE AND ROYALTY INTERESTS

West Bowlegs	45%
Wilzetta	75%
Royalties	

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report together with the financial statements for the year ended 31 December 2023.

The directors have chosen, in accordance with section 414C(11) of the Companies Act 2006, to set out in the Company's Strategic Report information required by Schedule 7 to the Accounting Regulations to be contained in the Directors' Report. This information includes future developments of the Company and the risks associated with the use of financial instruments.

DIRECTORS

The directors in office at the end of the year, and their interests in the shares of the Company as at 1 January 2023 and 31 December 2023, were as shown in the table below:

	ORDINARY SHARES	
	31 December 2023	1 January 2023
D Bramhill	416,646	416,646
J O'Farrell	2,031,314	1,897,914
R Godson	392,058	392,058
G Bull	20,000	20,000

Directors who served during the year are as follows:

David Bramhill (Executive Chairman)

Joseph O'Farrell (Executive Director)

Raymond Godson (Non-executive Director)

Graham Bull (Non-executive Director)

Raymond Godson will be stepping down from the Board of Directors at the forthcoming AGM.

Craig Howie was appointed as an independent Non-executive Director on 22 April 2024 and a resolution for his re-election is detailed within the AGM notice.

DIRECTORS' REMUNERATION

The remuneration of the directors in office at the year end 31 December 2023 was as follows:

	SALARIES AND FEES	
	2023 £	2022 £
D Bramhill	398,333	287,083
J O'Farrell	177,500	120,000
R Godson	47,500	40,000
G Bull	57,500	40,000

	OPTIONS	
	2023	2022
D Bramhill	1,200,000	1,200,000
J O'Farrell	700,000	700,000
R Godson	150,000	150,000
G Bull	550,000	550,000

Directors' remuneration is disclosed in note 3 of these financial statements.

No options were granted to directors or officers during 2023.

Joseph O'Farrell purchased 133,400 ordinary shares at a weighted average price of 31.25 pence each, on 16 June 2023.

Further information in respect of options can be found in note 13(b) within the Notes to the Financial Statements section.

Copies of the Service Agreements in respect of David Bramhill and Joseph O'Farrell are available for inspection at the Company's Registered Office. Copies of the Letters of Appointment in respect of Graham Bull, Raymond Godson and Craig Howie are available for inspection at the Company's Registered Office.

DIVIDEND

In view of our sound financial position and the additional income received since the year end from the Mineral Royalties, the Board has declared a dividend of 0.25 pence per ordinary share to be paid during July 2024 to qualifying shareholders.

PURCHASE OF OWN SHARES

Under section 724 of the Companies Act 2006, a company may purchase its own shares to be held in treasury ("Treasury Shares"). The existing authority given to the Company at the last AGM to purchase Treasury Shares of up to 10% of its issued share capital will expire at the conclusion of the next AGM. The Board considers it would be appropriate to renew this authority and intends to seek shareholder approval to purchase Ordinary Shares of up to 10% of its issued share capital at the forthcoming AGM in line with current investor sentiment. Details of the resolution renewing the authority is included in the Notice of Annual General Meeting on page 79, within this Report. During the year, the Company made market purchases of 5,600,000 Ordinary Shares with a nominal value of 5 pence per share, an aggregate nominal value of £280,000, and representing 4.96% of the Company's issued share capital, for an aggregate consideration of £1,522,473. At 31 December 2023, the Company held 6,300,000 Treasury Shares with a total nominal value of £315,000 and representing 5.58% of its issued share capital, at an aggregate cost of £1,736,700. The shares were purchased as part of the Company's strategy to return value to investors.

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company's financial statements in accordance with UK adopted international accounting standards (IFRSs). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 27 June 2024, in accordance with the Notice of Annual General Meeting on page 79. Details of the resolutions to be passed are included in the notice.

EVENTS AFTER THE BALANCE SHEET DATE

The following events have taken place after the year end:

During January 2024, the results of a CPR by ERCE were published in respect of the Reserves and Resources at the Wressle development contained within PEDL180 and PEDL182. The highlights of the CPR, include a 263% increase in 2P Reserves, the reclassification of 1,883 mbo in Penistone Flags Contingent Resources to 2P Reserves and a 59% upgrade to the Ashover Grit and Wingfield Flags Estimated Ultimate Recoverable. In addition, a 23% upgrade was attributed to the Broughton North Prospective 2U Resources.

During January 2024, the Company announced details of its expansion into the United States of America ("USA"), with the purchase of three Mineral Royalty packages ("Royalties") all located in the Permian Basin, Texas, brokered by its Oklahoma based, agent and adviser, Reach Oil & Gas Company Inc ("Reach"). The Royalties comprise the Cronus, Powell Ranch and Palm Spring Units operated by Chevron, COG Operating LLC (a subsidiary of ConnocoPhillips) and Occidental, respectively. The Royalties are estimated to have an economic life of more than 26 years and a current Internal Rate of Return in excess of 20%. The total amount spent on royalties to date is £813,600.

During February 2024, Union Jack announced details of a farm-in agreement with Reach to acquire a 45% working interest in a well planned to be drilled on the West Bowlegs Prospect and an area of associated interest, located in Seminole County, Oklahoma, USA. The total amount spent on the asset to date is £714,476.

During February 2024, Union Jack announced details of two further farm-in agreements with Reach. The first agreement was to acquire a 75% working interest in a well planned to be drilled to test the Footwall Fold Prospect in the Wilzetta Fault play and in an area of associated interest. The second agreement was to acquire a 37.5% working interest in a 2D and 3D seismic acquisition programme to identify additional drillable prospects along the Wilzetta Fault. The total amount spent on the asset to date is £357,147.

During March 2024, the Company announced details of the acquisition of a further three Mineral Royalty packages in the United States of America. The royalties comprise the Bakken Shale, Permian Basin and Eagle Ford Shale, located in North Dakota and Texas, respectively, and the amount spent is included in the total royalty spend above.

In March 2024, permission was granted to trade the Ordinary Shares of the Company on the OTCQB Venture Market on the New York Stock Exchange.

In April 2024, Craig Howie was appointed as an independent non-executive director to the Board of the Company.

In May 2024, a dividend of 0.25 pence per ordinary share was declared by the Board, to be paid in July 2024 to qualifying shareholders.

CAPITAL STRUCTURE

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 13(a).

DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors at the date of the approval of this Annual Report confirm that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

AUDITOR

A resolution to reappoint Crowe U.K. LLP will be proposed at the forthcoming Annual General Meeting.

COMPANY NAME AND REGISTERED NUMBER

The registered number of Union Jack Oil plc is 07497220.

On behalf of the Board

David Bramhill
Executive Chairman

17 May 2024

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

CORPORATE GOVERNANCE REPORT

The Company's securities are traded on the AIM of the London Stock Exchange and the OTCQB Venture Market in the USA.

The London Stock Exchange requires all AIM listed companies to adopt and comply with a recognised corporate governance code.

The Corporate Governance Report has been prepared by David Bramhill, the Executive Chairman of the Company, and has been approved by the Company's board of directors (the "Board") in accordance with the recommendations of the Quoted Companies Alliance Corporate Governance Code (the "Code"), which the Company has adopted as its code of governance.

This statement explains how the 10 principles of the Code are applied by the Company and where the Company departs from the Code, an explanation of the reasons for doing so is provided.

The Company is interested in a number of onshore UK hydrocarbon licences which are managed and operated by one of two joint operating agreement partners ("the JOA Partners"), Egdon Resources plc and Rathlin Energy (UK) Limited. Onsite operational matters in the UK are managed by the relevant site operator, which will be either one of the two JOA Partners, ("The Operators"). In the USA, the company has three Joint Venture agreements with Reach Oil & Gas Company Inc in respect of two drilling projects and a seismic acquisition programme.

QCA Code principle and summary explanation	Application by the Company
Principle 1 **Establish a strategy and business model which promotes long-term value for shareholders.** The Board must be able to express a shared view of the Company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the Company intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the Company from unnecessary risk and securing its long-term future.	The primary objective of the Company is to build a safe, sustainable and successful conventional onshore hydrocarbon exploration, development and production business, which the Board seeks to deliver through the acquisition of, and subsequent investment in, carefully selected licence interests. In the UK, the Company undertakes this in conjunction with the JOA Partners. In the USA, the company has three Joint Venture agreements with Reach Oil & Gas Company Inc in respect of two drilling projects and a seismic acquisition programme. The Company's strategy is the appraisal and exploitation of the assets currently owned. Simultaneous with this process, the Board expects to continue to use its expertise and cash resources to acquire further or expand licence interests and production in the UK and the USA. The Board is optimistic about the prospect of delivering shareholder value in the medium to long-term via the acquisition and increased interest in various high impact licence areas with proven reserves, contingent resources and drill-ready prospects. The Board is acutely aware of the risks associated with hydrocarbon exploration, development and production and seeks to mitigate the risk of exploration by having interests in a portfolio of petroleum licences, and so not being overly exposed to any single asset. The Company's strategy is underpinned by a well-balanced and diverse onshore UK and USA asset portfolio, ensuring the relevant components of production, development, appraisal and discovery are all in place, as is adequate and prudently sourced funding for the Company's commitments going forward. The key challenges in the execution of the Company's business model and strategy are referred to within the Strategic Report.

QCA Code principle and summary explanation	Application by the Company
Principle 2 **Seek to understand and meet shareholder needs and expectations.** Directors must develop a good understanding of the needs and expectations of all elements of the Company's shareholder base. The Board must manage shareholder expectations and should seek to understand the motivations behind shareholder voting decisions.	Since the Company's incorporation in January 2011, members of the Board have been very active in encouraging and participating in direct dialogue with shareholders in order to ensure the Company's shareholders are kept regularly updated and are able to discuss strategy and performance directly with the Board (subject always to compliance with legal and regulatory requirements, including the UK version of the Market Abuse Regulation ("MAR")). This also allows the Board to obtain a clear understanding of shareholders' motivations and concerns. Direct communication with shareholders is achieved primarily through the timely release of regulatory news, via a regulatory information service, which can be accessed through various channels, including the London Stock Exchange website www.londonstockexchange.com and the Company's website www.unionjackoil.com. In addition to the dissemination of regulatory news, the Company also seeks to keep its shareholders informed of current developments and performance with presentations at oil industry conferences and similar events. All shareholders are encouraged to attend the Company's Annual General Meeting, where the directors are available to answer questions. Investors also have access to current information on the Company through its website and via genuine enquiries sent to: info@unionjackoil.com. Investor communications are managed by the Executive Chairman, in conjunction with the Company's Nominated Adviser and other IR entities. Due to investor speculation around junior hydrocarbon companies, the Board recognises the particular importance of regular, clear and timely communications with shareholders, to ensure that they are kept abreast without delay of major developments and potential risks in respect of the Company and the industry. Management believes that shareholders are seeking a return on their investment primarily through capital appreciation as a result of exploration and appraisal success. Management prudently manages the Company to ensure that work programmes are fully funded and uses the Board's technical expertise to reduce or mitigate the risk of exploration.

QCA Code principle and summary explanation	Application by the Company
Principle 3 **Take into account wider stakeholder and social responsibilities and their implications for long-term success.** Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The Board needs to identify the Company's stakeholders and understand their needs, interests and expectations. Where matters relate to the Company's impact on society, the communities within which it operates or the environment have the potential to affect the Company's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the Company's strategy and business model. Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.	The Board is keenly aware of the local environment and the inhabitants in which the Company's licence interests are situated. While the Company does not manage these relationships directly on a day-to-day basis, the Board works with the JOA Partners to ensure that any queries or concerns any community members may have are swiftly addressed and, at the same time, all community members are treated with the respect and attention they deserve. The JOA Partners act, via the Operators, to the highest standards and operate in a safe and conscientious manner in respect of site safety and environmental policies. Site operations in the UK are subject to scrutiny by the North Sea Transition Authority, the Environment Agency and the Health and Safety Executive before commencement. The relevant site Operator adheres diligently to all requirements for a safe working environment. All site personnel are subject to all Health and Safety measures which include induction courses before admission to site and the mandatory wearing of safety equipment in order to ensure the wellbeing of site staff and visitors. As set out above, due to the specific nature of the Company's business, the Company currently relies on its three key JOA Partners, Egdon Resources U.K. Limited, Rathlin Energy (UK) Limited and Reach Oil & Gas Company Inc, who manage and operate the Company's licence interests on its behalf, in the UK and the USA respectively. The Company takes very seriously its relationship with its JOA Partners and its third party professional advisers (both of whom it sees as key stakeholders) and the Board continues to discuss in an open, direct and constructive manner any issues and queries which the Company's JOA Partners may have. The Company also acknowledges the importance of maintaining good relations with its suppliers and creditors and it adheres to a strict policy of settling all invoices in a timely manner.

QCA Code principle and summary explanation	Application by the Company
Principle 4 **Embed effective risk management, considering both opportunities and threats, throughout the organisation.** The Board needs to ensure that the Company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; companies need to consider their extended business, including their supply chain, from key suppliers to end-customers. Setting strategy includes determining the extent of exposure to the identified risks that the Company is able to bear and willing to take (risk tolerance and risk appetite).	The management of the business and the execution of the Company's strategy are subject to a number of risks. The Board ensures risks are mitigated as far as reasonably practicable by performing a detailed review of the issues pertaining to each significant decision. Significant decisions are reviewed by the Board having consulted the Company's professional third party advisers (e.g. legal, financial or technical). The Board formally convenes on a regular basis, either by telephone or in person, to discuss risk management as explained in Principle 5. As with the majority of companies within the energy sector, the business of oil and gas exploration and development includes varying degrees of risk. These risks include operating reliance on third parties, the ability to monetise discoveries, the price of products and the costs of exploration and/or production. The principal risks to the Company as well as the mitigation actions by the Board are set out below: **Strategic risk:** a weak or poorly executed acquisition and development process fails to create shareholder value. This risk is mitigated through performing a detailed technical review, both internally by management and externally by advisers, for each investment which includes valuation exercises on the potential return on capital invested. **Operational risk:** operational events can have an adverse effect. The main risk is the potential failure to obtain planning permission in respect of the Company's licence interests. This risk is mitigated by the appointment of specialist professional entities who work together to compile planning applications designed to achieve a positive result. Onsite operational risks are managed by the relevant site operators, Egdon Resources U.K. Limited, Rathlin Energy (UK) Limited and Reach Oil & Gas Company Inc, who have, to date, safety records of the highest standard. **External Risk:** lack of growth caused by political, industry or market factors. The Company operates within the UK and the USA and whilst the Board considers that both countries onshore hydrocarbon arena offers political security, the USA also provides excellent value under a regime with a very clearly spelt out protocol giving the opportunity to develop assets unhindered. **Financial Risk:** the lack of ability to meet financial obligations. The Company has historically raised its funds through equity capital markets by share issues and has not been involved in derivative instruments and debt financing to meet its financial obligations. **Product Price Risk:** due to the nature of the periodic fluctuation of oil prices, any such adverse fluctuation could potentially have an impact on the Company's resulting return to its shareholders. The Company holds Directors' and Officers' Liability Insurance cover and the Company is covered by the relevant operators' insurance policies during drilling and other operational situations for specific projects both in the UK and in the USA.

QCA Code principle and summary explanation	Application by the Company
Principle 5 **Maintain the Board as a well-functioning, balanced team led by the Chairman.** The Board members have a collective responsibility and legal obligation to promote the interests of the Company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the Board. The Board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. The Board should have an appropriate balance between executive and non-executive directors and should have at least two independent non-executive directors. Independence is a Board judgement. The Board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. Directors must commit the time necessary to fulfil their roles.	The Board consists of two executive directors, David Bramhill and Joseph O'Farrell, and three non-executive directors, Graham Bull, Raymond Godson and Craig Howie, who are responsible for the management of the Company. Craig joined the Board on 22 April 2024. Ray Godson will be stepping down from the Board at the conclusion of the forthcoming AGM. All three non-executive directors are considered by the Board to be independent. Although Ray Godson and Graham Bull hold options in the Company, these are considered by the Board not to affect their independence and judgement. No members of the Board have other commitments that would prevent them from spending as much time as required to ensure the aims and best interests of the Company are met. Any changes to directors' commitments and interests will be reported to and, where appropriate, agreed with the rest of the Board. The Board meets regularly in person and by telephone throughout the year. The Board also holds frequent informal project appraisal and strategy discussions, and meets every quarter, to review trading performance, budgets, ensure adequate funding, set and monitor strategy, examine acquisition opportunities and assess risks on an ongoing basis in respect of operational projects. The directors encourage a collaborative Board culture to ensure that each decision reached is always in the Company's and its shareholders' best interests and that no one individual opinion ever dominates the decision making process. The Board seeks, so far as possible, to achieve decisions by consensus and all directors are encouraged to use their independent judgement and to challenge all matters whether strategic or operational. To date all decisions have been unanimous. During 2023, six Board meetings and two Audit and Remuneration Committee meetings were held, either by telephone or in person.

Board Member	Board Meetings Attended (6 held in the period)	Audit Committee (2 held in the period)	Remuneration Committee (2 held in the period)
D Bramhill	6	–	–
J O'Farrell	5	–	–
G Bull	6	2	2
R Godson	6	2	2

There are no mandatory hours for directors to be available for Company business. The executive directors and non-executive directors are available for any Company business when it may arise.

The Board delegates certain decisions to an Audit Committee and a Remuneration Committee. The Audit Committee has joint responsibility for reviewing the year end accounts with the Auditor. The Remuneration Committee reviews the remuneration of the executive directors on an annual basis. Both committees are dedicated to establish and maintain robust internal financial control systems for the Company.

QCA Code principle and summary explanation	Application by the Company
Principle 6 **Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.** The Board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The Board should understand and challenge its own diversity, including gender balance, as part of its composition. The Board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a Board. As companies evolve, the mix of skills and experience required on the Board will change, and Board composition will need to evolve to reflect this change. Succession planning has been considered at Board level and a strategy agreed upon. The directors are committed to promoting diversity and equal opportunities and consider the Company to be a supportive employer.	The current Board composition of the Company and each director's experience is set out in this report. The Board's view is that the directors have a variety of complementary experiences and skillsets, including experience of industry-specific technical, financial and public capital markets sectors. The Company believes that the current Board of Directors collectively hold the relevant experience, skills and personal qualities and capabilities to deliver the strategy of the Company for the benefit of the shareholders over the medium to long-term. An overview of the directors are as follows: The majority of the directors have experience of working in the USA and an understanding of the assets and control. **David Bramhill, Executive Chairman, 73** Mr Bramhill has over 40 years' experience in the natural resources industry. Mr Bramhill has directed and managed several energy companies and was the former managing director of OilQuest Resources plc, subsequently acquired by EnCore Oil plc. Mr Bramhill was an executive director at the time of Nighthawk Energy plc's AIM flotation in March 2007 and a non-executive Chairman of Wessex Exploration plc when that company floated on AIM in March 2011. He resigned from these companies in 2010 and 2012 respectively. Mr Bramhill had previously consulted in an engineering capacity for over 20 years on projects for Shell, ExxonMobil, Petrofina, BP and numerous other international energy companies. **Joseph O'Farrell, Executive Director, 72** Mr O'Farrell has over 30 years' corporate experience in the hydrocarbon and mining industry. He has managed several energy companies and is a former director of OilQuest Resources plc and Nighthawk Energy plc, having been a director of these two companies at the time of their respective flotations on AIM. He has assisted a number of companies working in conjunction with corporate advisers in pre-IPO fundraising and project acquisition. **Graham Bull, Non-Executive Director, 78** Mr Bull is a geologist with 53 years of international oil and gas industry exploration experience. Following graduation from the University of Leicester in 1968 with a BSc Hons Geology, he worked in Canada and held positions with Chevron, Dome Petroleum, Siebens Oil and Gas and Poco Petroleum and also provided exploration expertise to a Canadian drilling fund. He returned to the UK in 1982, taking the position as Chief Geologist to Sovereign Oil and Gas plc. In addition, Mr Bull has operated as a geological adviser for OilQuest Resources plc (subsequently acquired by EnCore plc), Premier Oil plc, Cirque Energy and DSM Energy. Mr Bull is a member of the Petroleum Exploration Society of Great Britain, the American Association of Petroleum Geologists and a Fellow of the Geological Society of London. Mr Bull is the Chairman of the Remuneration Committee and a member of the Audit Committee.

QCA Code principle and summary explanation	Application by the Company
Principle 6 *(continued)*	**Raymond Godson, Non-Executive Director, 80** Mr Godson is a chartered accountant with 44 years' experience in the provision of oil and gas related services to energy companies. Mr Godson joined the Rio Tinto group in 1973 where he spent 16 years rising to become the financial and commercial director of the oil and gas subsidiary RTZ Oil & Gas Limited. In 1988 he joined Teredo Petroleum PLC ("Teredo") where he became the managing director in 1992. Following the takeover of Teredo in 1993, he became a full time accountant in general practice, where the majority of his business has been oil and gas related. Mr Godson acted as Company Secretary for Fusion Oil & Gas plc from IPO to its takeover by Sterling Energy Plc. He was subsequently company secretary for both Ophir Energy Plc and Aurelian Oil & Gas Plc. He is currently an executive director of Montrose Industries Limited. Mr Godson is currently the Chairman of the Audit Committee and a member of the Remuneration Committee. Mr Godson will be stepping down from the Board of the Company at the conclusion of the forthcoming AGM to be held on 27 June 2024 and will be replaced on the Audit and Remuneration Committees by Craig Howie. **Craig Howie, Non-Executive Director, 48** Mr Howie is an Extel-ranked financial oil and gas analyst with wide-ranging financial markets experience and skills. Mr Howie holds several securities industry qualifications and is a Society of Petroleum Engineers (SPE) member. Mr Howie has held roles with Murray Johnstone Limited, Williams de Broe Plc, KPMG Corporate Finance and Blue Oar Securities. For the past 10 years, Mr Howie had responsibility for E&P sector research at Shore Capital, regularly producing detailed financial models on production-led companies. In addition, Mr Howie's proactive engagement with corporate and institutional clients have assisted in building the business development skills required to establish the ongoing growth of several companies. The directors are mindful of the need to ensure the Company has in place a diverse Board that encompasses the right skills required to ensure the Company's continued success, including creating an atmosphere of constructive challenge and consensus for any decision reached. As such, and given the current size of the Company, the Board is of the opinion its composition and skillset is sufficient to maintain and drive the long-term success for the Company's shareholders. Each director takes his continued professional and technical development seriously, so in order to ensure the Board keeps abreast of the current challenges faced by the industry the Company operates in, the directors attend both trade shows and technical sessions during the course of any given year. The Board ensures it is well advised and supported by utilising a range of external experts in various fields, and employs accountants, legal counsel, a Company Secretary and a Nominated Adviser, in accordance with the AIM rules. On the industry specific front, it also employs three technical consultancies: JL Geophysics Ltd, Calderdale Geoscience Limited and Oil & Gas Advisers Limited.

QCA Code principle and summary explanation	Application by the Company
Principle 6 *(continued)*	JL Geophysics Ltd and Calderdale Geoscience Limited are responsible for supplying technical advice on specific projects. Both companies work closely with non-executive director, Graham Bull and are responsible, on a permanent basis, for updating and reviewing independently all technical information provided to the Company on its key projects. Oil & Gas Advisors Limited provides a financial overview in respect of due diligence on potential project acquisitions and ongoing economics of our project interests. Matthew Small is Company Secretary and, via Berkeley Hall Marshall Limited, represents the Company as *de facto* Financial Controller, working closely with the Executive Chairman and the Audit and Remuneration Committees.
Principle 7 **Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.** The Board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual directors. The Board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual directors or the wider senior management team. It is healthy for membership of the Board to be periodically refreshed. Succession planning is a vital task for the Board. No member of the Board should become indispensable.	While the Board is very much aware of the needs of the Company in ensuring effectiveness of Board performance and the periodic refreshment of the composition of the Board, the Board believes that due to the Company's current size and its current corporate culture of constructive challenge and consensus on each decision reached, the procedures already in place are sufficient for monitoring Board performance and no external performance reviews are required at this time. This will be kept under review. The Board is also of the opinion that the Company has appropriate measures in place to ensure any refreshment of the Board occurs in a timely manner, and always with the best interests of the shareholders in mind. The Company has adopted and discussed succession planning and the processes by which it approaches board and other senior management appointments.

QCA Code principle and summary explanation	Application by the Company
Principle 8 **Promote a corporate culture that is based on ethical values and behaviours.** The Board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. The policy set by the Board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the Company. The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the Company. The corporate culture should be recognisable throughout the disclosures in the Annual Report, website and any other statements issued by the Company.	The directors recognise that their 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 seeks to embody and promote a corporate culture that is based on sound ethical values as it believes the tone and culture set by the Board impacts all aspects of the Company, including the way that employees and other stakeholders behave. The Company has adopted a share dealing code which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of MAR. The Board believes that, as evidenced through the disclosures made throughout this statement, its corporate governance regime and culture are at the core of its operations and are appropriate given the current size of the Company. Furthermore, through its interaction with its stakeholders and in the communities in which it operates (described above), it maintains a collaborative and constructive dialogue that embodies a dynamic, accessible, open door and vibrant corporate culture. The Company's corporate culture is monitored and assessed regularly, taking on board immediately any changes made by AIM Rule 26 and where advisers may advise. All financial transactions are reviewed independently by Berkeley Hall Marshall Limited. An anti-bribery policy is in place. The Board ensures the Company has the means to determine that ethical values and behaviours are recognised and respected.

QCA Code principle and summary explanation	Application by the Company
Principle 9 **Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.** The Company should maintain governance structures and processes in line with its corporate culture and appropriate to its: • size and complexity; and • capacity, appetite and tolerance for risk. The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the Company.	As disclosed throughout this statement, the Company maintains and employs robust corporate governance practices to support an effective and collaborative Board, always working in the best interests of its shareholders. The roles of the individual Board members are as follows: • **The Executive Chairman**, David Bramhill, is responsible for running the business of the Board, ensuring strategic focus and direction and for managing investor communications • **The Executive Director**, Joseph O'Farrell, is responsible for assisting the Executive Chairman to execute the Board's strategy and coordinating corporate finance activities • **The Non-Executive Director**, Graham Bull, is a petroleum geologist and is responsible for identifying and evaluating potential projects and to provide technical oversight of the Company's existing projects. Mr Bull chairs the Remuneration Committee • **The Non-Executive Director**, Raymond Godson, is a Chartered Accountant who has abundant experience in the oil & gas industry. Mr Godson currently chairs the Audit Committee. Mr Godson will be retiring as a director at the conclusion of the forthcoming AGM. • **The Non-Executive Director**, Craig Howie is an experienced financial profiler. Mr Howie will chair the Audit Committee and become a member of the Remuneration Committee with effect from the conclusion of the forthcoming AGM. Two Board committees are in place to ensure control over the Company's financial reporting processes and directors' remuneration. Details of the two Board committees are as follows: **The Audit Committee** The Audit Committee comprises Raymond Godson, who currently acts as its Chairman, and Graham Bull. The Audit Committee is responsible for considering a wide range of financial matters which include the reviewing of Half Yearly and Annual Reports, discussions with the Auditor, share placing agreements and the oversight of internal controls and new accounting standards relevant to the Company. This Committee also provides a forum for reporting by the Company's auditor. The executive directors may attend meetings by invitation. **The Remuneration Committee** The Remuneration Committee comprises Graham Bull, who acts as its Chairman, and Raymond Godson. The current executive director remuneration package comprises basic salary and share options. Directors' remuneration for the year is noted in the Directors' Report in the Company's Annual Report. The remuneration of non-executive directors is determined by the executive directors. Due to the size of the Company, it is not considered necessary to have a separate Nominations Committee at this time. Instead this role is fulfilled by the Board as a whole. The Board also reserves to itself the process by which a new director is appointed. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties.

<table>
<tr><th>QCA Code principle and summary explanation</th><th>Application by the Company</th></tr>
<tr><td>Principle 9 (continued)</td><td>The Board intends that the Company's governance structures will evolve over time in parallel with its objectives, strategy and business model to reflect the development of the Company.

On Raymond Godson's retirement at the forthcoming AGM, Craig Howie will assume appointments to the Audit and Remuneration Committees.

The Board will meet at least four times in the coming year to review trading performance and budgets, ensure adequate funding, set and monitor strategy, examine acquisition opportunities and report to shareholders. The Board has a formal schedule of matters specifically reserved to it for decisions.</td></tr>
<tr><td>Principle 10

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

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.

It should be clear where these communication practices are described (Annual Report or website).</td><td>The Company ensures:
• a printed Annual Report is delivered to each registered shareholder, and also made available on the Company's website
• a Half Yearly Report is made available on the Company's website
• all RNS announcements are released in a timely manner, while also ensuring all announcements are drafted in a clear and concise fashion

The Company includes historical Annual Reports, Notices of General Meetings and RNS announcements over the last five years on its website. The Company also lists contact details on its website, should shareholders wish to communicate with the Board.

The Company intends to include, where relevant, in its Annual Report, any matters of note arising from the Audit or Remuneration Committees. A Remuneration or Audit Committee report is not included separately within these financial statements. All relevant information has been included where required.

Shareholders are actively encouraged to both attend the Company's Annual General Meeting and throughout the year to contact the Chairman to discuss any queries or concerns they may have. The outcome of all shareholders votes are disclosed in a clear and transparent manner via a RNS.

Given the size of the Company, the Board is of the opinion that no formal communication structures are required at this time.

The Company does however:
• ensure continued disclosure of all items in conjunction with AIM Rule 26 on its website
• disclose the results of all shareholder votes once held, in conjunction with the Company's Annual General Meeting
• keep in constant communication and dialogue with its key stakeholders and JOA partners through an accessible and open-door policy, with the Executive Chairman acting as the key conduit. For avoidance of doubt, it is important to note that any conversations shareholders and the Executive Chairman may have are always conducted in accordance of what is permissible under MAR

The Company's communication practices are set out on its website at: www.unionjackoil.com/aim-rule-26/</td></tr>
</table>

THE BOARD

During the year the Board of Union Jack Oil plc consisted of two executive directors and two non-executive directors as disclosed within the Directors, Officers and Advisers section of this report, who were responsible for the proper management of the Company. The Board met in person or by telephone, as permitted by the current Articles of Association, seven times during the year. In addition, the Board held numerous project appraisal and strategy discussions during the year.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Graham Bull, who acts as its Chairman, and until he retires as a director at the forthcoming AGM, Raymond Godson. Craig Howie will become a member of the Remuneration Committee at the conclusion of the forthcoming AGM.

The current executive director remuneration package comprises basic salary and share options. Directors' remuneration for the year is noted in the Directors' Report and shown in note 3 on page 62.

The remuneration of non-executive directors is determined by the Board.

AUDIT COMMITTEE

The Audit Committee comprises Raymond Godson, who currently acts as its Chairman, and Graham Bull. Craig Howie will become Chairman of the Audit Committee at the conclusion of the forthcoming AGM. The Audit Committee is responsible for considering a wide range of financial matters, which include the reviewing of Half Yearly and Annual Reports, discussions with the Auditor, share placing agreements and the oversight of internal controls and new accounting standards relevant to the Company.

This Committee also provides a forum for reporting by the Company's auditor. The executive directors may attend meetings by invitation.

During 2023, the Board appointed a new auditor, following the Company's decision to end its relationship with BDO LLP for commercial reasons. After a rigorous process it was decided by the Board that Crowe U.K. LLP would be best suited to this important role, and they accepted the position. Shareholder approval to confirm Crowe U.K. LLP's appointment will be sought at the Company's upcoming Annual General Meeting on 27 June 2024.

INTERNAL FINANCIAL CONTROL

The directors are responsible for establishing and maintaining the Company's internal financial control systems. These are designed to meet the particular needs of the Company and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

The key procedures that the directors have established to provide effective internal financial controls are:

- **Identification of Business Risks**

  The Board is responsible for identifying the major business risks faced by the Company and for determining the appropriate course of action to manage these risks

- **Investment Appraisal**

  Capital expenditure is regulated by authorisation limits. For expenditure beyond the specified limits including investments in exploration projects, detailed proposals are submitted to the Board for review and sign-off.

- **Financial Reporting**

  The Company has a comprehensive system for reporting financial results to the Board

- **Audit Committee**

  The Audit Committee considers and determines relevant action in respect of any control issues raised by the external auditor

CLIMATE CHANGE POLICY

The Company does not operate the projects in which it has invested.

The Company's policy is to work with site operators whose vision is to provide locally derived, secure and affordable energy to meet the UK's evolving needs. In addition, and in line with the international treaty on climate change known as the Paris Agreement, the companies that we align with must be committed to attaining Net Zero emissions no later than 2050, with at least a 25% reduction in emissions by 2025. This commitment by the Operator's include their share of Scope 1 (direct emissions) and Scope 2 (purchase of indirect power) emissions from operated and non-operated assets. This forms part of Union Jack's commitment to safety, environmental and social responsibility.

To achieve the above, our site operators have:

- Established time bound targets that support the ambitions of the Paris Agreement
- Identified and pursued opportunities to minimise their carbon footprint and greenhouse gas emissions within their operations
- Participated with industry and academic partners to evaluate, identify and invest in technology and studies that can help mitigate or offset their emissions
- Communicated with internal and external stakeholders in a transparent manner on their climate related performance and their associated governance, risk management and target setting
- Considered carbon emissions as part of their decision-making process across our asset portfolio to test the robustness of investments against net zero strategy
- Incentivised emission reduction opportunities identified by their staff and contractors with an emphasis on operational plant efficiency

The management of the Company has been assured that the policies highlighted above will be continually reviewed and updated as understanding of climate related risks, new technologies and associated regulations evolve.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

TO THE MEMBERS OF UNION JACK OIL PLC

OPINION

We have audited the Financial Statements of Union Jack Oil plc (the "Company") for the year ended 31 December 2023, which comprise:

- the Income Statement for the year ended 31 December 2023;
- the Statement of Comprehensive Income for the year ended 31 December 2023;
- the Balance Sheet as at 31 December 2023;
- the Statement of Changes in Equity for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the Notes to the Financial Statements, including Principal Accounting Policies.

The financial reporting framework that has been applied in the preparation of the Financial Statements is applicable law and UK-adopted international accounting standards.

In our opinion, the Financial Statements:

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the Financial Statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the Going Concern basis of accounting included:

- reviewing directors' assessment of the Going Concern assumption covering a period of not less than 12 months from the date of approval of the Financial Statements;
- enquiring of directors as to their knowledge of events or conditions beyond the period of directors' assessment that may cast significant doubts on the entity's ability to continue as a Going Concern;
- reviewing the cashflow projections prepared by directors and making an assessment of the assumptions included therein taking into consideration the timing of costs, scope of work programmes and oil prices;
- performing a review of committed expenditure and minimum spend amounts under licence agreements and other contracts; and
- evaluating the adequacy of disclosures made in the financial statements in respect of Going Concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least 12 months from 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.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

TO THE MEMBERS OF UNION JACK OIL PLC

MATERIALITY

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the Financial Statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Company Financial Statements as a whole to be £243,000, based on 1% of total assets. Total assets was used because the Company has a mix of exploration and production assets. A profit measure alone is susceptible to fluctuation mainly due to periods of shut in or movements in oil prices for a company which has only one producing asset. The asset measure provides a stable basis for the assessment of materiality.

We use a different level of materiality ("performance materiality") to determine the extent of our testing for the audit of the Financial Statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 70% of materiality for the Financial Statements as a whole, which equates to £170,000.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £12,150. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

OVERVIEW OF THE SCOPE OF OUR AUDIT

Our engagement was in respect of the audit of the Financial Statements of the Company. Our audit approach was developed by obtaining a thorough understanding of the Company's activities and is risk based.

Based on this understanding we assessed those aspects of the Company's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error.

Specifically, we identified what we considered to be areas of increased risk and planned an audit approach to focus on these areas accordingly. We undertook a combination of analytical procedures and substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

KEY AUDIT MATTER

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

In addition to Going Concern, we identified the following Key Audit Matter. This is not a complete list of all risks identified by our audit.

<table>
<tr><th>Key audit matter(s)</th><th>How the scope of our audit addressed the key audit matter</th></tr>
<tr><td rowspan="2">Carrying value of Oil and Gas Assets

Refer to notes 7 and 8 to the financial statements.

The Company's oil and gas assets amounted to £15,974,313 as of 31 December 2023. Exploration and evaluation interests (E&E) amounted to £10,226,088. Property, plant and equipment or development and producing interests (D&P) amounted to £5,748,225.

Given the material carrying value of these assets, there is a risk that the carrying value is higher than the recoverable amount. Therefore when an indicator of impairment is identified and an assessment is performed, the assessment will involve significant judgement.</td>
<td>Our work in respect of both the E&E assets and the D&P assets focused on evaluating the directors' impairment indicator review for both producing and exploration licences.

We challenged the considerations made as to whether or not there were any indicators of impairment identified in accordance with the requirements of the relevant accounting standards. Our specified procedures are included below:

Exploration and evaluation (E&E) assets - IFRS 6 Exploration and Evaluation of Mineral Resources
• understanding of the controls operating in respect of the Company's impairment reviews
• reviewing directors' assessment of impairment under IFRS 6 and consider whether there are any indicators of impairment
• obtaining and reviewing agreements and other information available during the audit to identify any additional interests
• making enquiries and reviewing publicly available information as to whether the licences are in good standing and whether the terms of the licences are being adhered to
• obtaining the Company's budget and ensuring that expenditure has been planned to maintain licences and for future expenditure to be spent to develop these licence areas
• reviewing the available resource statements to determine if there is any evidence of impairment including publications by the respective operators
• reviewing board minutes for evidence of impairment; and
• assessing the adequacy of the disclosures in the Financial Statements</td></tr>
<tr><td>Development and production assets (D&P) assets - IAS 36 Impairment of Assets
• understanding the controls operating in respect of the Company's impairment reviews
• reviewing directors' assessment of impairment under IAS 36 and considering whether there are any indicators of impairment
• reviewing the available resource statements to determine if there is any evidence of impairment including publications by the respective operators
• confirming the consistency of the reserves and resources in the models with the updated Competent Person reports
• assessing the competence and objectivity of external and internal Competent Persons
• reviewing public information and Board minutes for evidence of indicators of impairment
• reviewing directors' impairment models and sensitivity analysis for those models as well as performing additional sensitivity analysis on the impairment models where considered necessary; and
• reviewing the disclosures in the Financial Statements, including the appropriateness of key judgements and sensitivities regarding asset carrying values and impairment</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

TO THE MEMBERS OF UNION JACK OIL PLC

OTHER INFORMATION

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

As explained more fully in the Directors' Responsibilities Statement set out on page 27, the directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed on page 46.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the procedures in place for ensuring compliance. Based on our understanding of the Company and industry, discussions with those charged with governance we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the Financial Statements. Our work included direct enquiry of those charged with governance, reviewing Board and relevant committee minutes and inspection of correspondence.

As part of our audit planning process, we assessed the different areas of the Financial Statements, including disclosures, for the risk of material misstatement. This included considering the risk of fraud where direct enquiries were made of those charged with governance concerning both whether they had any knowledge of actual or suspected fraud and their assessment of the susceptibility of fraud. We considered the risk was greater in areas involving significant estimate or judgement. Based on this assessment we designed audit procedures to focus on key areas of estimate or judgement, this included specific testing of journal transactions, both at the year end and throughout the year.

We identified the significant laws and regulations of the UK to be those relating to the industry including, Oil & Gas Regulations, the financial reporting framework, tax legislation and the AIM listing rules. The Company is subject to laws and regulations where the consequence of non-compliance could have a material impact on the amount or disclosures in the financial statements, through the imposition of fines or litigations. These laws and regulations include those relating to health and safety, licensing and the environment.

Our audit procedures included:

- enquiry of directors about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance including fraud
- discussions with directors to consider any known or suspected instances of non-compliance with laws and regulations identified by them
- reviewing minutes of meetings of those charges with governance for any instances of non-compliance with laws and regulations
- reviewing correspondences with regulatory and tax authorities including HMRC and Environmental Agency for any instances of non-compliance with laws and regulations
- engaging tax specialists in the audit to assess compliance with relevant tax laws and regulations
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the Financial Statements; and
- Reviewing accounting estimates for biases and financial statement disclosures and agreeing to surround information.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the Financial Statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

USE OF OUR REPORT

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

Matthew Stallabrass (Senior Statutory Auditor)

For and on behalf of Crowe U.K. LLP,

Statutory Auditor

London EC4M 7JW

17 May 2024

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	31.12.23 £	31.12.22 £
Revenue		5,065,679	8,507,050
Cost of sales - operating costs		(1,118,794)	(1,143,967)
Cost of sales - depreciation		(463,782)	(2,125,425)
Cost of sales - Net Profit Interest payment	2	(184,259)	(137,179)
Gross profit		3,298,844	5,100,479
Administrative expenses (excluding impairment charge)		(2,057,506)	(1,665,174)
Impairment		(56,829)	(475,556)
Total administrative expenses		(2,114,335)	(2,140,730)
Operating profit		1,184,509	2,959,749
Finance income	4	141,672	86,586
Royalty income	4	35,142	42,444
Profit before taxation		1,361,323	3,088,779
Taxation	5	(502,234)	517,845
Profit for the financial year		859,089	3,606,624
Attributable to:			
Equity shareholders of the Company		859,089	3,606,624
Earnings per share			
Basic (pence)	6	0.79	3.20
Diluted (pence)	6	0.79	3.16

The accompanying accounting policies and notes on pages 52 to 78 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	31.12.23 £	31.12.22 £
Profit for the financial year		859,089	3,606,624
Items which will not be reclassified subsequently to profit			
Other comprehensive income			
Profit on investment revaluation	10	44,984	170,500
Taxation		(170,386)	–
Total comprehensive profit for the financial year		733,687	3,777,124

The accompanying accounting policies and notes on pages 52 to 78 form an integral part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Notes	31.12.23 £	31.12.22 £
Assets			
Non-current assets			
Exploration and evaluation assets	7	10,905,630	9,134,006
Property, plant and equipment	8	5,888,456	5,666,212
Investments	10	530,112	552,043
Deferred tax asset	5	106,838	1,805,025
		17,431,036	17,157,286
Current assets			
Inventories		21,313	28,038
Trade and other receivables	11	1,525,954	2,020,913
Cash and cash equivalents	12	5,198,303	7,155,100
		6,745,570	9,204,051
Total assets		24,176,606	26,361,337
Liabilities			
Current liabilities			
Trade and other payables	19	389,523	778,290
Non-current liabilities			
Provisions	20	1,890,337	1,700,069
Deferred tax liability	5	–	877,747
		1,890,337	2,577,816
Total liabilities		2,279,860	3,356,106
Net assets		21,896,746	23,005,231
Capital and reserves attributable to the Company's equity shareholders			
Share capital	13(a)	7,514,576	7,514,576
Share-based payments reserve	14	712,634	712,634
Treasury reserve	14	(1,736,700)	(214,227)
Accumulated profit	14	15,406,236	14,992,248
Total equity		21,896,746	23,005,231

The financial statements of Union Jack Oil plc, registered number 07497220, were approved and authorised for issue by the Board of Directors on 17 May 2024 and were signed on its behalf by:

David Bramhill
Director

The accompanying accounting policies and notes on pages 52 to 78 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital £	Share premium £	Share-based payment reserve £	Treasury reserve £	Accumulated profit £	Total £
Balance at 1 January 2023	7,514,576	–	712,634	(214,227)	14,992,248	23,005,231
Profit for the financial year	–	–	–	–	859,089	859,089
Other comprehensive profit	–	–	–	–	44,984	44,984
Taxation	–	–	–	–	(170,386)	(170,386)
Total comprehensive profit for the year	**–**	**–**	**–**	**–**	**733,687**	**733,687**
Contributions by and distributions to owners						
Dividends	–	–	–	–	(319,699)	(319,699)
Treasury shares	–	–	–	(1,522,473)	–	(1,522,473)
Total contributions by and distributions to owners	**–**	**–**	**–**	**(1,522,473)**	**(319,699)**	**(1,842,172)**
Balance at 31 December 2023	**7,514,576**	**–**	**712,634**	**(1,736,700)**	**15,406,236**	**21,896,746**
Balance at 1 January 2022	7,507,076	21,528,077	638,586	–	(9,468,392)	20,205,347
Profit for the financial year	–	–	–	–	3,606,624	3,606,624
Other comprehensive profit	–	–	–	–	170,500	170,500
Total comprehensive profit for the year	**–**	**–**	**–**		**3,777,124**	**3,777,124**
Contributions by and distributions to owners						
Exercise of share options	7,500	25,500	(19,368)	–	19,368	33,000
Capital reduction	–	(21,553,577)	–	–	21,553,577	–
Dividends	–	–	–	–	(900,527)	(900,527)
Expiry of warrants	–	–	(11,098)	–	11,098	–
Treasury shares	–	–	–	(214,227)	–	(214,227)
Share-based payments	–	–	104,514	–	–	104,514
Total contributions by and distributions to owners	**7,500**	**(21,528,077)**	**74,048**	**(214,227)**	**20,683,516**	**(977,240)**
Balance at 31 December 2022	**7,514,576**	**–**	**712,634**	**(214,227)**	**14,992,248**	**23,005,231**

The accompanying accounting policies and notes on pages 52 to 78 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	31.12.23 £	31.12.22 £
Cash flow from operating activities	15	1,984,019	5,811,734
Cash flow from investing activities			
Purchase of intangible assets		(1,814,716)	(712,935)
Purchase of property, plant and equipment		(766,424)	(2,852,254)
Disposal of assets		227,272	–
Fixed term deposit		–	(1,000,000)
Loan advanced		–	(1,000,000)
Loan repaid		–	2,000,000
Purchase of investments	10	(770,173)	(100,000)
Sale of investments	10	883,725	6,772
Interest received		141,672	105,996
Net cash used in investing activities		(2,098,644)	(3,552,421)
Cash flow from financing activities			
Proceeds on issue of new shares		–	33,000
Dividends paid		(319,699)	(900,527)
Treasury shares		(1,522,473)	(214,227)
Net cash used in financing activities		(1,842,172)	(1,081,754)
Net (decrease) / increase in cash and cash equivalents		(1,956,797)	1,177,559
Cash and cash equivalents at beginning of financial year		7,155,100	5,977,541
Cash and cash equivalents at end of financial year	12	5,198,303	7,155,100

The accompanying accounting policies and notes on pages 52 to 78 form an integral part of these financial statements.

PRINCIPAL ACCOUNTING POLICIES

Union Jack Oil plc is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 6 Charlotte Street, Bath BA1 2NE, England. The nature of the Company's operations and its principal activities are set out in the Chairman's Statement, Strategic Report and the Directors' Report. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

BASIS OF PREPARATION

The annual financial statements of Union Jack Oil plc ("the Company") have been prepared in accordance with UK adopted international accounting standards ("IFRS") applied in accordance with the provisions of the Companies Act 2006.

IFRS is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 December 2023 and subject to adoption by the UK Endorsement Board ("UKEB").

The financial statements have been prepared under the historical cost convention except for the valuation of investments that have been measured at fair value through other comprehensive income. The principal accounting policies set out below have been consistently applied to all periods presented.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and this Strategic Report. The directors' forecasts demonstrate that the Company will meet its day-to-day working capital and share of estimated project costs over the forecast period being at least 12 months from the sign-off of these financial statements through to 31 December 2025.

There are a number of risks to the Company's working capital position, which have been identified by the directors and its independent advisor, OGA, namely: (i) timing of incurred costs; (ii) scope of work programmes undertaken; and (iii) realised oil price.

The impact of those risks on the Company's working capital position has been assessed under a range of differing scenarios, with the most adverse, given the current operating environment and stage of development that the Company's assets are at, being identified as being the basis for evaluating the impact for the Going Concern assessment using the worst case "stress test."

The Company has sufficient funding to meet planned expenditures and a level of contingency. Taking account of the risks, the stress test shows that the Company is able to operate within the level of funds currently held at the date of approval of these financial statements.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

REVENUES

The Company's revenue is primarily derived from selling hydrocarbons, and revenue is recognised at the point in time when the performance obligation to supply oil has been satisfied, i.e. when control of goods has passed to the customer. This is when oil sold is delivered to a third-party storage on behalf of the customer.

Transaction prices are agreed in writing in advance of sales and do not include any variable elements, including the oil price. As the product sold is clearly identifiable, there is a single performance obligation in each case to which the transaction price is allocated. There are no volume rebates offered and nor are there any payments in the nature of financing arrangements.

ROYALTIES

The Company does not believe the ownership of royalties meet the definition of a revenue contract, given there are no contracts with the customer, or performance obligations to fulfil, and the Company has no input in the running of the relevant oilfields. As a result, revenue is recognised as other income.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and deposits held at call with banks.

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 9, 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 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 most other receivables fall into this category of financial instruments.

Financial assets at Fair Value through Other Comprehensive Income ("FVOCI")

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell
- 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

The Company's investments are classified as financial assets at FVOCI based on the fair value hierarchy groups listed in note 16. The fair value of quoted securities are based on published market prices (Level 1 inputs). The fair value of the unquoted securities are based on Level 3 inputs.

Classification and Measurement of Financial Liabilities

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

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

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

Impairment of Financial Assets

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

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

Any loss allowances measured in accordance with the above are recognised as a deduction from trade receivables in the balance sheet and movements in the loss allowance are recognised as an expense / (or gain) within administrative expenses in the income statement.

INTANGIBLE ASSETS – EXPLORATION AND EVALUATION ASSETS

Costs (including research costs) incurred prior to obtaining the legal rights to explore an area will be expensed immediately to the Income Statement, as these are classified as pre-licence costs.

Expenditure incurred on the acquisition of a licence interest will initially be capitalised on a licence-by-licence basis.

Costs will be held within exploration and evaluation costs until such a time as the exploration phase on the licence area is complete or commercial reserves have been discovered.

Exploration expenditure incurred in the process of determining exploration targets will be capitalised initially within intangible assets as exploration and evaluation costs. Exploration costs will initially be capitalised whilst exploration and evaluation activities are continuing, and until the success or otherwise has been established. The success or failure of each exploration/evaluation effort will be judged on a licence-by-licence basis. Capitalised costs will be written off on completion of exploration and evaluation activities unless the results indicate that hydrocarbon reserves exist and that these reserves are commercially viable.

All such costs will be subject to regular technical, commercial and management review for indicators of impairment which includes confirming the continued intent to develop or otherwise extract value from the licence, prospect or discovery. Where this is no longer the case, the costs will be immediately expensed.

Following evaluation of successful exploration wells, if commercial reserves are established and the technical feasibility of extraction is demonstrated, and once a project is sanctioned for commercial development, then the related capitalised exploration/evaluation costs will be transferred into a single field cash generating unit within development/producing assets after testing for impairment, within Property, Plant and Equipment. Where results of exploration drilling indicate the presence of hydrocarbons which are ultimately not considered commercially viable, all related costs will be written off to the Income Statement.

INTANGIBLE ASSETS – ROYALTIES

Royalties are classified as intangible assets by the Company. The Company considers the substance of the royalty to be economically similar to holding a direct interest in the underlying asset. Existence risk (the commodity physically existing in the quantity demonstrated), production risk (that the operator can achieve production and operate a commercially viable project), timing risk (commencement and quantity produced, determined by the operator) and price risk (returns vary depending on the future commodity price, driven by future supply and demand) are all risks which the Company participates in on a similar basis to an owner of the underlying licence. Furthermore, in the royalty, there is only a right to receive cash to the extent there is a production and there are no interest payments, minimum payment obligations or means to enforce production or guarantee repayment. These are accounted for as intangible assets under IAS 38 and accordingly are amortised over their useful economic life.

PROPERTY, PLANT AND EQUIPMENT – DEVELOPMENT AND PRODUCTION ASSETS

Development and Production (“D&P”) assets are accumulated into cash generating units ("CGU") and represent the cost of developing the commercial reserves and bringing them into production together with the Exploration and Evaluation (“E&E”) expenditures previously transferred from E&E assets as outlined in the policy above.

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons have been demonstrated will be capitalised within development/producing assets on a field-by-field basis. Subsequent expenditure will be capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset.

On acquisition of a D&P asset from a third party, the asset will be recognised in the financial statements on signature of the sale and purchase agreement, subject to satisfaction of any substantive conditions within the agreement.

Costs relating to each CGU are depleted on a unit of production method based on the commercial Proven and Probable Reserves for that CGU. Development assets are not depreciated until production commences. The depreciation calculation takes account of the residual value of site equipment and the estimated future costs of development of recognised Proven and Probable Reserves, based on current price levels. Changes in reserve quantities and cost estimates are recognised prospectively.

DECOMMISSIONING AND SITE RESTORATION PROVISIONS

Licensees have an obligation to restore fields to a condition acceptable to the relevant authorities at the end of their commercial lives.

Provision for decommissioning and reinstatement is recognised in full as a liability and an asset when the obligation arises.

The asset is included within exploration and evaluation assets or property, plant and equipment as is appropriate. The liability is included within provisions.

The amount recognised is the estimated cost of decommissioning and reinstatement, discounted where appropriate to its net present value, and is reassessed each year in accordance with local conditions and requirements.

Revisions to the estimated costs of decommissioning and reinstatement which alter the level of the provisions required are also reflected in adjustments to the decommissioning and reinstatement asset.

CONTINGENT LIABILITIES

Contingent consideration payable in respect of the Company's interest in certain licences is considered to be a contingent liability, which is not recognised due to the lack of estimation certainty of both the timing and amount payable. These will be recognised as a provision when it is possible to accurately estimate costs and the timing is known.

IMPAIRMENT

The carrying amounts of non-current assets are reviewed for impairment, under IAS 36 for Production and Development assets and IFRS 6 for Exploration and Evaluation assets, if events or changes in circumstances indicate the carrying value may not be recoverable. If there are indicators of impairment, such as a well not encountering commercial quantities of oil or a site being shut-in, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of other assets, in which case the review is undertaken at the cash generating unit level on a field-by-field basis. For intangible exploration and evaluation assets potential industry-specific impairment triggers may include the short term expiry of a licence, lack of budgeted spend, or the lack of potential for commercial development of the asset, and more general triggers would include external sources such as significant changes in the industry or internal evidence such as changes in expectation of an asset's economic performance. The potential recoverable value of such assets is assessed by the directors based on their knowledge of the assets and available information. The Company's cash-generating units are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. This reversal is recognised in the Income Statement and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in the prior years.

The recoverable amount of assets is the higher of their value in use and fair value less costs to sell. 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 an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairments are recognised in the Income Statement to the extent that the carrying amount exceeds the assets' recoverable amount. The revised recoverable amounts are amortised in line with the Company's accounting policies.

JOINT ARRANGEMENTS, FARM-IN AND PROFIT SHARING AGREEMENTS

The Company is party to a joint arrangement when there is a contractual agreement that sets out the terms of the relationship over the relevant activities of the Company and at least one other party.

Management has a legal degree of control over these joint operating arrangements through Joint Operating Agreements.

The Company classifies its interests in joint arrangements as joint operations: where the Company has both the rights to assets and obligations for the liabilities of the joint arrangement.

The Company accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

The Company accounts for its own assets, liabilities and cash flows measured in accordance with the terms of the production sharing agreement and the accounting treatment reflects the agreement's commercial effect. The Company's revenue and cost of sales include revenues and operating costs associated with the Company's interest.

Where the percentage ownership in joint arrangements changes during a reporting period, the arrangement is reassessed to ensure it is still appropriately classified, and the Company's share of income and expenses is adjusted prospectively from the date of change.

NET PROFIT INTEREST

A Net Profit Interest ("NPI") agreement exists between Egdon Resources U.K. Limited, Union Jack Oil plc and Valhalla Oil & Gas AS ("Valhalla"), which was activated in September 2022. Under this agreement Union Jack Oil plc, pay Valhalla a maximum of 2.75% NPI of PEDL180 income, less deductible expenditure. Expenditure regarding this contract is recognised in the Income Statement in the period it arises, as calculated based on the income produced by the licence in that period, less deductible expenditure, as set out in the original agreement. Due to the nature of this expenditure, arising directly from the revenue stream, it is recognised as a direct cost in the Income Statement.

CURRENT TAX

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

ENERGY PROFITS LEVY

On 26 May 2022, the government introduced an Energy Profit Levy ("EPL") of 25% on profits.

The EPL for the year 2023, was increased to 35% and the CAPEX relief decreased from 180% to 129%. OPEX allowance remained at 100%.

DEFERRED TAX

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, with the exception of transactions that give rise to equal taxable and deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

The equity instrument in respect of the Company is in relation to the issue of ordinary shares.

SHARE-BASED PAYMENTS

Equity-settled share-based payments in respect of options issued by the Company are measured at the fair value of the equity instruments at the grant date.

Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 13(b). The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest.

At each Balance Sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the Income Statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

When a share-based payment expires, the cumulative expense recognised in the share based payment reserve is reclassified to the relevant component of equity in line with the original recognition of the expense.

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company 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 and revised International Financial Reporting Standards		Effective Date: Annual periods beginning on or after:	UKEB adopted	Impact on the Company
IIAS 1	Amendments to IAS 1: Disclosure of Accounting policies	1 January 2023	Yes	No material impact
IAS 8	Amendments to IAS 8: Definition of Accounting Estimates	1 January 2023	Yes	No material impact
IAS 12	Amendments to IAS 12: Deferred Tax relating to Assets and Liabilities arising from a Single Transaction	1 January 2023	Yes	No material impact

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 Company. 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 Company's financial statements going forward:

New and revised International Financial Reporting Standards		Effective Date: Annual periods beginning on or after:	UKEB adopted
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2024	Yes
IAS 7 & IFRS 7	Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements	1 January 2024	Yes

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

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

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

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in this note, the directors are required to make judgements regarding the choice and application of accounting policies, as well as estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

CRITICAL ESTIMATES

Exploration and Evaluation Costs

The Company's accounting policy leads to the development of tangible and intangible fixed assets, where it is considered likely that the amount will be recoverable by future exploitation or sale, or alternatively where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

This requires management to make assumptions as to the future events and circumstances, especially in relation to whether an economically viable extraction operation can be established. Such estimates are subject to change and following initial capitalisation, should it become apparent that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the Income Statement.

Decommissioning and Reinstatement Provisions

Management use independent estimates for future decommissioning expenditure. Discount rates of 3.814% and inflation rates of 2.125% are used to determine appropriate decommissioning provisions. These may change as a result of revisions to the estimated timing and future cost of decommissioning.

Carrying Value of Property, Plant and Equipment

The Company assesses at each reporting period whether there is any indication that these assets may be impaired as indicated in note 8.

If such indication exists, the Company 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 Company 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.

Depreciation

Production assets are depreciated on a unit of production method based on the commercial proven reserves for each separate asset. Development assets are not depreciated until production commences. The unit of production rate calculation for the depreciation of costs takes into account expenditures incurred to date.

Reserve Estimates

Reserves are estimates of the amount of product that can be economically and legally extracted from the Company'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 Company'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.

Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty – Impairment

Management is required to assess the Exploration and Evaluation assets and the Development and Production assets for indicators of impairment. Note 7 discloses the carrying value of the Exploration and Evaluation assets. Note 8 discloses the carrying value of the Development and Production assets.

Impairment is considered on a Cash Generating Unit basis.

In assessing the need to impair Exploration and Evaluation assets and Development and Production assets the Board makes assumptions about the future progress and likely successful outcome of exploration and drilling activities as well as the estimated level of reserves and resources and the discount rate. Due diligence is performed at the outset of the investment before an investment is made. At an early stage of exploration of each investment the need for impairment is determined through monitoring market and industry conditions, competent person reports on each prospect and any available information from each licence's main Operator.

In the case of those licences where drilling has commenced and management is committed to further exploration and evaluation with sufficient financial resources available to do so, impairment is not recognised unless technical analysis confirms that commercially viable hydrocarbons are insufficient to recover costs incurred.

With regard to the impairment review for Keddington, management have applied the 2P reserves estimate as the representation of the forward programme for the asset. Further improvement is scheduled for later in the year, which will see a potential increase on the current daily production numbers. Management do not consider that the 1P reserves estimate is a realistic outcome and therefore have not based their impairment assessment on those figures.

Investments

The Company's investments in equity instruments are held for strategic purposes and as such these investments are held at Fair Value Through Other Comprehensive Income ("FVTOCI"). Management assesses these assets for any indication of change in their fair value by reviewing the market value of the relevant companies and therefore the value of the underlying asset.

Deferred tax

In determining the deferred tax asset to recognise, the directors have considered the likelihood of generating taxable profits in the foreseeable future against which losses and other timing differences can be offset. The directors have used assumptions consistent with those adopted in preparing the going concern assessment and have not anticipated profits that may arise following future exploration activity. Foreseeable future has been considered to be 24 months. The deferred tax asset recognised is disclosed in note 5 and amounted to £106,838 at the year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 BUSINESS AND OPERATING SEGMENTS

The Company is considered to have two operating segments, being the exploration and evaluation of, and the development and production of hydrocarbon discoveries onshore United Kingdom.

For the year ending 31 December 2023

	Exploration and Evaluation £	Development and Production £	Corporate £	Total £
Revenue	–	5,065,679	–	5,065,679
Operating expenses	–	(1,303,053)	–	(1,303,053)
Depreciation	–	(463,782)	–	(463,782)
Impairment	–	(56,829)	–	(56,829)
Other administrative expenses	–	–	(2,057,506)	(2,057,506)
Profit from continuing operations before tax	–	3,242,015	(2,057,506)	1,184,509
Finance income	–	–	141,672	141,672
Royalty income	–	–	35,142	35,142
Profit before taxation	–	3,242,015	(1,880,692)	1,361,323

For the year ending 31 December 2022

	Exploration and Evaluation £	Development and Production £	Corporate £	Total £
Revenue	–	8,507,050	–	8,507,050
Operating expenses	–	(1,281,146)	–	(1,281,146)
Depreciation	–	(2,125,425)	–	(2,125,425)
(Impairment) / reversal	3,028	(478,584)	–	(475,556)
Other administrative expenses	–	–	(1,665,174)	(1,665,174)
Profit from continuing operations before tax	3,028	4,621,895	(1,665,174)	2,959,749
Finance income	–	–	86,586	86,586
Royalty income	–	–	42,444	42,444
Profit before taxation	3,028	4,621,895	(1,536,144)	3,088,779

For the year ending 31 December 2023

	Exploration and Evaluation £	Development and Production £	Corporate £	Total £
Non-current assets	10,905,630	5,888,456	636,950	17,431,036
Current assets	54,379	440,005	6,251,186	6,745,570
Non-current liabilities	(606,169)	(753,611)	(530,557)	(1,890,337)
Current liabilities	(44,284)	(224,539)	(120,700)	(389,523)
Net assets	10,309,556	5,350,311	6,236,879	21,896,746

1 BUSINESS AND OPERATING SEGMENTS (CONTINUED)

For the year ending 31 December 2022

	Exploration and Evaluation £	Development and Production £	Corporate £	Total £
Non-current assets	9,134,006	5,559,420	2,463,860	17,157,286
Current assets	203,511	761,223	8,239,317	9,204,051
Non-current liabilities	(484,177)	(766,847)	(1,326,792)	(2,577,816)
Current liabilities	(73,450)	(594,307)	(110,533)	(778,290)
Net assets	8,779,890	4,959,489	9,265,852	23,005,231

2 OPERATING PROFIT

	31.12.23 £	31.12.22 £
Operating profit is stated after charging:		
Depletion of producing assets	463,782	2,125,425
Net Profit Interest payment	184,259	137,179
Staff costs (see note 3)	767,219	638,605
Fees payable to the Company's auditor for:		
– The audit of these financial statements	57,977	68,100
– Tax compliance services	–	10,000

A historical Net Profit Interest ("NPI") agreement between Egdon Resources U.K. Limited, Union Jack Oil plc and Valhalla Oil & Gas AS ("Valhalla") was activated in September 2022.

Under this agreement Union Jack Oil plc, pay Valhalla a maximum of 2.75% NPI of PEDL180 income, less deductible expenditure.

The fees payable to the auditor for the current year were paid to Crowe U.K. LLP and to BDO LLP for the prior year.

3 EMPLOYEE INFORMATION AND REMUNERATION OF DIRECTORS

The aggregate payroll cost in the year of the employees, all of whom are directors, was as follows:

	31.12.23 £	31.12.22 £
Salaries	680,833	487,083
Share-based payment expense	–	95,450
Social security costs	86,386	56,072
	767,219	638,605

The number of persons employed by the Company was 4 (2022: 4).

Details of each director's emoluments are included in the Directors' Report and within this note.

Executive directors David Bramhill and Joe O'Farrell were paid £75,000 and £50,000 respectively as a one-off payment to reflect the non-payment by the Company of standard employee benefits over a several year period.

These payments were made following a recommendation and review by an independent Salary Benchmarking Consultancy.

As a result, the salaries in respect of David Bramhill and Joe O'Farrell will revert to the lower pre-2023 salaries and will be reflected within the 2024 accounts.

The salaries, fees and share-based payments of individual directors were as follows:

Year ended December 2023	Salaries £	Share-based payment expense £	Total £
D Bramhill	398,333	–	398,333
J O'Farrell	177,500	–	177,500
R Godson	47,500	–	47,500
G Bull	57,500	–	57,500
	680,833	–	680,833

Year ended December 2022	Salaries £	Share-based payment expense £	Total £
D Bramhill	287,083	36,257	323,340
J O'Farrell	120,000	25,958	145,958
R Godson	40,000	9,064	49,064
G Bull	40,000	24,171	64,171
	487,083	95,450	582,533

The emoluments of the highest paid director were £398,333 (2022: £287,083).

Share-based payments are non-cash remuneration by way of share options in the Company. No share options were granted to the directors or officers in 2022 or 2023.

3 EMPLOYEE INFORMATION AND REMUNERATION OF DIRECTORS (CONTINUED)

Directors' share options outstanding at 31 December 2023 and at 31 December 2022:

	2023	2022
D Bramhill	1,200,000	1,200,000
J O'Farrell	700,000	700,000
R Godson	150,000	150,000
G Bull	550,000	550,000

4 OTHER INCOME

Finance Income	31.12.23 £	31.12.22 £
Bank interest	141,672	30,330
Loan interest receivable	–	56,256
	141,672	86,586

Royalty Income	31.12.23 £	31.12.22 £
UK Royalties	–	42,444
US Royalties	35,142	–

5 TAXATION

The major components of income tax for the years ended 31 December 2023 and 2022 are:

	2023 £	2022 £
Current tax expense		
Current income tax (credit)/charge	(318,206)	409,433
Total current tax	(318,206)	409,433
Deferred tax		
Origination of temporary differences	46,096	877,747
Recognition of deferred tax asset previously unrecognised	–	(1,805,025)
Change in amount recognised	3,736,870	–
Adjustment in respect of prior years	(1,977,942)	–
Energy Profits Levy	(984,584)	–
Total deferred tax	820,440	(927,278)
Total tax charge/(credit)	502,234	(517,845)

5 TAXATION (CONTINUED)

A reconciliation between tax charge/(credit) and the product of the accounting profit and the standard rate of tax in the UK for the years ended 31 December 2023 and 2022 is as follows:

	2023 £	2022 £
Accounting profit before tax from continuing operations	1,361,323	3,088,779
Profit multiplied by the standard rate of tax of 40% (2022: 40%)	544,529	1,235,512
Expenses not permitted for tax	26,701	232,028
Other adjustments in respect of prior years	(2,125,762)	–
Change in amount recognised	3,736,870	–
Recognition of deferred tax asset not previously recognised	–	(1,805,025)
Energy profits levy	(984,584)	409,433
Ring Fence Expenditure Supplement effect	(695,520)	–
Recognition of deferred tax liability not previously recognised	–	877,747
Losses utilised on which no deferred tax was recognised	–	(1,467,540)
Total tax charge/(credit)	502,234	(517,845)

Included in the OCI is tax amounting to £170,386 on the gain from the sale of investments in shares held by the Company.

Deferred tax

The movement on the deferred tax asset account is shown below:

	2023	2022 £
At 1 January	(927,278)	–
Recognised in profit and loss	820,440	(927,278)
At 31 December	(106,838)	(927,278)

Other adjustments in respect of prior years (£2,125,762) is the aggregate of the adjustment for current corporation tax ("CT") and the adjustment in respect of prior years for deferred CT. The adjustment for deferred tax derives from a change in deferred tax assets from the self assessment for 2022 and a restatement of the deferred tax liability.

Change in amount recognised £3,736,870 represents the difference between the net unrecognised amount of deferred CT assets and liabilities at the start of the period and at the end of the period.

In determining the deferred tax to recognise, the directors have considered the likelihood of generating taxable profits in the foreseeable future against which losses can be offset. The directors have used assumptions consistent with those adopted in preparing the going concern assessment and have not anticipated profits that may arise following future exploration activity. Foreseeable future has been assessed as 24 months for these purposes. No deferred tax asset for CT has been recognised as the deferred tax asset is considered to be equal to the deferred tax liability from accelerated tax losses. A deferred tax asset has been calculated on temporary differences based on accelerated tax relief calculations for the Energy Profits Levy. The asset recognised amounted to £106,838 at the year end.

As at 31 December 2023, there are unrecognised deferred tax assets of £3,558,523 in respect of Corporation Tax and £494,307 in respect of Energy Profits Levy.

Energy Profits Levy

The EPL credit to the Company during 2023, after an OPEX allowance of 100% and CAPEX relief of 129%, was £147,820 (2022: £409,433).

The planned development and drilling programme for 2024 are expected to provide a cushion in respect of EPL payments made by the Company during the year.

5 TAXATION (CONTINUED)

Tax losses

In addition to the above recognised tax losses the Company also has the following tax losses for which no deferred tax asset has been recognised:

	2023 £	2022 £
Unrecognised tax losses	7,029,687	12,505,980
Potential tax benefit @ 40% (2022: 40%)	2,811,875	5,002,392

6 EARNINGS PER SHARE

The Company has issued options over ordinary shares which could potentially dilute the basic earnings per share in the future. Further details are given in note 13(b).

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

These options have been taken into account when calculating the diluted earnings per share.

Earnings per share	2023 Pence	2022 Pence
Profit per share from continuing operations		
– Basic	0.79	3.20
– Diluted	0.79	3.16

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

	2023 £	2022 £
Profit used in the calculation of total basic and diluted profit per share	859,089	3,606,624

Number of shares	2023	2022
Weighted average number of ordinary shares for the purposes of basic and diluted profit per share		
– Basic	108,268,772	112,706,307
– Diluted	108,531,272	114,132,334

As detailed in note 13(a), the Company has 831,680,400 (2022: 831,680,400) deferred shares. These have not been included within the calculations of basic shares above on the basis that IAS 33 defines an ordinary share as an equity instrument that is subordinate to all other classes of equity instruments. Any residual interest in the assets of the Company would not currently, on liquidation, go to the deferred shareholders, hence they are not currently considered subordinate. These deferred shares have not been taken into account when calculating the diluted profit per share as their impact was anti-dilutive.

7 INTANGIBLE ASSETS

	31.12.23 Exploration and evaluation £	31.12.23 Royalties £	31.12.23 Total £	31.12.22 Total £
Cost				
At 1 January	9,066,566	93,610	9,160,176	8,544,070
Costs incurred in the year	1,162,834	681,727	1,844,561	616,106
Disposals	–	(93,610)	(93,610)	–
At 31 December	10,229,400	681,727	10,911,127	9,160,176
Depreciation and impairment				
At 1 January	3,312	22,858	26,170	18,697
Amortisation charge for the year	–	2,185	2,185	10,501
Disposals	–	(22,858)	(22,858)	–
Costs impaired	–	–	–	(3,028)
At 31 December	3,312	2,185	5,497	26,170
Net book value				
At 31 December	10,226,088	679,542	10,905,630	9,134,006
At 1 January	9,063,254	70,752	9,134,006	8,525,373

Additions to exploration and evaluation costs represent exploration and appraisal costs incurred in the year in respect of unproven properties and provisions recognised for decommissioning and restoration liabilities.

The directors have reviewed whether there were any potential indicators for impairment evidence for each of the assets. If an indicator was identified, the directors considered the potential value of the projects and licences. The directors have also considered the likely opportunities for realising the value of licences and have concluded that the likely value of each exploration area is individually in excess of its carrying amount. There was no impairment for 2023.

Included in the above intangible asset additions during the year are amounts arising in relation to changes in decommissioning and restoration provisions (note 20).

Intangible assets (less any impairment and provisions) comprise amounts capitalised as follows:

		31.12.23 £	31.12.22 £
West Newton	PEDL183	6,137,178	5,689,647
Biscathorpe	PEDL253	3,666,898	3,045,506
North Kelsey	PEDL241	422,012	328,101
UK Royalties		–	70,752
US Royalties		679,542	–
		10,905,630	9,134,006

8 PROPERTY, PLANT AND EQUIPMENT

	31.12.23 Development and production £	31.12.23 Equipment £	31.12.23 Total £	31.12.22 Total £
Cost				
At 1 January	9,295,607	116,539	9,412,146	8,707,703
Additions	709,416	95,038	804,454	704,443
Disposals	–	(38,990)	(38,990)	–
At 31 December	10,005,023	172,587	10,177,610	9,412,146
Depreciation and impairment				
At 1 January	3,736,187	9,747	3,745,934	1,132,178
Depreciation charge for the year	463,782	32,356	496,138	2,135,172
Disposals	–	(9,747)	(9,747)	–
Costs impaired	56,829	–	56,829	478,584
At 31 December	4,256,798	32,356	4,289,154	3,745,934
Net book value				
At 31 December	5,748,225	140,231	5,888,456	5,666,212
At 1 January	5,559,420	106,792	5,666,212	7,575,525

The Board has assessed the Development and Production assets as at 31 December 2023 and has identified indicators of impairment as set out in IAS36 Impairment of assets in respect of PEDL118 Dukes Wood, PEDL203 Kirklington and EXL294 Fiskerton Airfield, respectively. This impairment amounts to a total of £56,829 (2022: £478,584). These three licences have a carrying value of nil (2022: nil) and the impairment shown here represents a movement in the abandonment provision.

There were no indicators for impairment on any other assets.

Development and Production assets comprise amounts capitalised as follows:

		31.12.23 £	31.12.22 £
Wressle	PEDL180/182	4,844,894	4,695,402
Keddington	PEDL005(R)	903,331	864,018
		5,748,225	5,559,420

9 JOINT OPERATIONS

The Company is party to 10 joint arrangements which carry out exploration and development of hydrocarbons in the United Kingdom. The joint operations in which the Company held an interest as at 31 December 2023 are as below:

Licence	Name	Proportion of ownership interest 2023	Proportion of ownership interest 2022	Principal place of business
PEDL180/182	Wressle/Broughton North	40%	40%	England
PEDL183	West Newton	16.665%	16.665%	England
PEDL201	Widmerpool Gulf	26.25%	26.25%	England
PEDL005(R)	Keddington	55%	55%	England
PEDL253	Biscathorpe	45%	45%	England
PEDL241	North Kelsey	50%	50%	England
PEDL118	Dukes Wood	16.67%	16.67%	England
PEDL203	Kirklington	16.67%	16.67%	England
EXL294	Fiskerton Airfield	20%	20%	England
PEDL181	Humber Basin	–	12.5%	England
PEDL209	Laughton	10%	10%	England

During the year, PEDL181 was relinquished at no cost to the Company.

10 INVESTMENTS

	2023 £	2022 £
Investments in equity instruments designated as at FVTOCI		
Shares	530,112	552,043

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the directors of the Company have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the future. Measurement criteria for investments are given in note 16.

	31 December 2023 £	31 December 2022 £
At 1 January	552,043	291,518
Additions	770,173	100,000
Disposals	(837,088)	(9,975)
Changes in fair value of investments	44,984	170,500
At 31 December	530,112	552,043

10 INVESTMENTS (CONTINUED)

Elephant Oil Corp

The Company is the beneficial holder of 56,650 (2022: 56,650) ordinary shares of Elephant Oil Corp, registered in Nevada, United States of America (USA).

The principal activity of Elephant Oil Corp is the exploration and evaluation of hydrocarbon assets in West Africa.

Elephant Oil Corp has applied for admission on NASDAQ, a USA trading market during 2023.

The value of the unquoted Elephant Oil Corp shares are deemed to be US$2.25 per share and, on this basis, the Company has valued its holding at £100,112 (2022: £93,043).

Egdon Resources plc

The Company was the beneficial owner of 17,000,000 (2022: 17,000,000) ordinary shares in Egdon Resources plc ("Egdon"), a company registered in England and Wales, which represented a 3.13% (2022: 3.13%) interest in that company.

The investment in Egdon was disposed of for £765,000 when Egdon was taken into private ownership in September 2023.

BP plc

The Company was the beneficial owner of 25,000 (2022: nil) ordinary shares in BP plc, a company registered in England and Wales, a non-representative interest in that company. The shares were purchased in June 2023 for £118,012 and disposed on in July 2023 for £118,725. The share were purchased as a short term investment.

Beacon Energy plc

The Company is the beneficial owner of 430,000,000 (2022: nil) ordinary shares in Beacon Energy plc ("Beacon"), a company registered in the Isle of Man, which represents a 3.22% (2022: nil) interest in that company at year end. Payment for 333,000,000 of new shares acquired was by means of a subscription at a price of 0.15 pence per Subscription Share, for total consideration of £499,500. The additional 97,000,000 balance of the holding was purchased for £152,660 at an average price of 0.157 pence per share.

The principal activity of Beacon is the production and exploration of hydrocarbons internationally.

The investment in Beacon was revalued at the year end to the value of £430,000 (0.1 pence per share).

The change in valuation for the above investments are reported in the Statement of Comprehensive Income on page 48.

11 TRADE AND OTHER RECEIVABLES - CURRENT

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables. The Company measures the loss allowance for trade receivables at an amount equal to 12 months ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Company has recognised no loss allowance for the trade receivables as there has been no historical experience to indicate that these receivables are not recoverable.

The Company has other receivables of £35,142 which is accrued royalty income.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

	31.12.23 £	31.12.22 £
Trade receivables	357,706	649,439
Term deposit	1,000,000	1,000,000
Other receivables	35,142	200,915
VAT	103,114	135,471
Prepayments	29,992	35,088
	1,525,954	2,020,913

The term deposit of £1,000,000 is a bank deposit, at a fixed rate of interest, for an agreed period of 12 months. Therefore this term deposit does not meet the criteria for cash and cash equivalents defined as short term bank deposits with an original maturity of three months or less.

12 CASH AND CASH EQUIVALENTS

	31.12.23 £	31.12.22 £
Cash at bank	5,198,303	7,155,100

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is equal to their fair value.

13(a) SHARE CAPITAL

Allotted and issued: Number	Class	Nominal value	31.12.23 £	31.12.22 £
112,865,896 (31 December 2022: 112,865,896)	Ordinary	5p	5,643,295	5,643,295
831,680,400 (31 December 2022: 831,680,400)	Deferred	0.225p	1,871,281	1,871,281
Total			7,514,576	7,514,576

Ordinary shares hold voting rights and are entitled to any distributions made on winding up. Deferred shares do not hold voting or dividend rights and are not entitled to distributions made on winding up.

Treasury shares

	2023		2022	
	Number	£	Number	£
Ordinary shares held in treasury by the Company	6,300,000	1,749,810	700,000	214,227

13(b) SHARE-BASED PAYMENTS – OPTIONS

No options were granted to directors of the Company during 2023. Options are Issued with an exercise price equating to the mid-market closing price on the date of Issue.

Options have a vesting period of 3 years and are subject to a further condition that the options can only be exercised if the share price is at a 30% premium to the exercise price.

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

	Number of options	WAEP £
Outstanding at the beginning of the year	3,050,000	0.374
Granted during 2023	–	
Exercised during 2023	–	
Outstanding at the end of the year	3,050,000	0.374
Exercisable at the end of the year	3,050,000	0.374

The fair values of options in issue are calculated using the Black-Scholes model. The inputs into the model are as follows:

Date of grant	06.08.19	19.07.19	04.12.18	07.11.18	18.07.18
Number in issue at 31 December 2023	400,000	1,300,000	150,000	300,000	900,000
Share price at date of grant	53p	53p	22p	22p	18p
Exercise price	53p	53p	22p	22p	18p
Expected volatility	70%	70%	63%	62%	55%
Expected life (years)	6.5	6.5	6.5	6.5	6.5
Risk-free rate	0.3161%	0.5187%	0.8840%	1.1035%	0.9427%
Expected dividend yield	0%	0%	0%	0%	0%
Fair value at date of grant	£133,497	£435,086	£19,491	£58,106	£85,822
Earliest vesting date	06.08.22	19.07.22	04.12.21	07.11.21	18.07.21
Expiry date	06.08.29	19.07.29	04.12.28	07.11.28	18.07.28

The Company recognised total expenses in the Income Statement of £nil in relation to share options accounted for as equity-settled share-based payment transactions during the year (2022: £104,515).

Expected volatility was determined based on a historic 5-year volatility of the Company.

14 RESERVES

The nature and purpose of each reserve within equity is as follows:

Share capital – represents the nominal value of shares issued.

Share premium – represents the amount subscribed for share capital in excess of nominal value, less related share issue costs.

Share-based payment reserve – represents the cumulative cost of warrants and options issued in return for professional services.

Treasury reserve – own shares held in treasury by the Company.

Retained earnings – represents cumulative profits, and all other net gains and losses and transactions with owners not recognised elsewhere.

15 RECONCILIATION OF PROFIT TO CASH GENERATED FROM OPERATIONS

	31.12.23 £	31.12.22 £
Profit for the year	1,361,323	3,088,779
Depletion of producing assets	463,782	2,111,614
Accretion	97,751	13,811
Impairment of intangibles	56,829	475,556
Share-based payments	–	104,514
Amortisation / depreciation	34,541	20,248
Loss on disposal of assets	18,299	3,203
Finance income	(141,672)	(86,586)
Royalty income	(35,142)	(42,444)
	1,855,711	5,688,695
Decrease / (increase) in inventories	6,725	(19,209)
Decrease in trade and other receivables	373,029	96,043
Increase in trade and other payables	10,167	46,205
Cash generated from operations	2,245,632	5,811,734
Income taxes paid	(261,613)	–
Net cash flows from operating activities	1,984,019	5,811,734

16 FINANCIAL INSTRUMENTS

Classification of measurement 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 Company holds investments at fair value through other comprehensive income. Investments in listed shares are a level 1 valuation. Investments in unlisted shares are a level 3 valuation as the quoted price is not available.

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

Financial assets measured at fair value			£
At 31 December 2023	**Level 1**	**Level 3**	**Total**
Investments: FVOCI	430,000	100,112	530,112
At 31 December 2022			
Investments: FVOCI	459,000	93,043	552,043

Financial assets measured at amortised cost	£
At 31 December 2023	
Other receivables	1,168,248
Trade receivables	357,706
Cash and cash equivalents	5,198,303
Total carrying value	6,724,257
At 31 December 2022	
Other receivables	1,336,386
Trade receivables	649,439
Cash and cash equivalents	7,155,100
Total carrying value	9,140,925

All of the above financial assets' carrying values approximate to their fair values at 31 December 2023 and 31 December 2022 given their nature and short times to maturity.

16 FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities measured at amortised cost	£
At 31 December 2023	
Trade payables	285,244
Accruals	104,279
Total carrying value	389,523
At 31 December 2022	
Trade payables	223,538
Other payables	409,433
Accruals	145,319
Total carrying value	778,290

All of the above financial liabilities' carrying values approximate to their fair values at 31 December 2023 and 31 December 2022 given their nature and short times to maturity.

17 FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT

The principal financial risks to which the Company is exposed are: liquidity risk, oil price risk and credit risk. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

Credit risk

The Company measures credit risk on trade receivables using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised no loss allowance for the trade receivables as there has been no historical experience to indicate that these receivables are not recoverable. All outstanding trade receivables of £357,706 have been received prior to approval of the financial statements and the credit risk is believed to be unchanged from previous years.

The Company has other receivables which are accrued royalty income of £35,142. Union Jack has a management agreement with Reach whereby Reach obtain all the royalty payments whilst Union Jack obtains its USA bank account. Union Jack has its internal Revenue Service number and the bank account application is being processed.

Under IFRS 9 the 12 month expected credit losses have been considered on all of these receivables and these assessments resulted in no credit losses being recognised after taking into consideration the credit risk associated with the trade and other receivables and term deposit, of £392,848 and £1,000,000, respectively.

The Company's credit risk is otherwise largely attributable to its cash balances and such risk is limited because the third party is an international bank of which the latest S&P Global (formerly Standard & Poors) rating is A+.

The Company's total credit risk amounts to the total of the sum of the receivables, cash and cash equivalents. At the year end this amounted to £6,591,151 (2022: £9,140,925).

Liquidity risk

In managing liquidity risk, the main objective of the Company is to ensure that it has the ability to pay all of its liabilities as they fall due. The Company 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 financial liabilities as at 31 December 2023 and 31 December 2022, on the basis of their earliest possible contractual maturity.

17 FINANCIAL INSTRUMENT RISK EXPOSURE AND MANAGEMENT (CONTINUED)

At 31 December 2023

	Total £	Within 2 months £	Within 2-6 months £	Greater than 6 months £
Trade payables	285,244	285,244	–	–
Accruals	104,279	104,279	–	–
	389,523	389,523	–	–
At 31 December 2022				
Trade payables	223,538	223,538	–	–
Other payables	409,433	–	–	409,433
Accruals	145,319	138,719	6,600	–
	778,290	362,257	6,600	409,433

Oil price risk

The Company is exposed to oil price risk associated with sales of oil from production. The Company does not currently consider it necessary to use hedging instruments to manage its exposure to this risk.

Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, add shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Company defines capital as being share capital plus reserves as disclosed in the Balance Sheet.

The Board of Directors monitors the level of capital as compared to the Company's commitments, and adjusts the level of capital as is determined to be necessary, by issuing shares.

The Company is not subject to any externally imposed capital requirements.

18 FINANCIAL COMMITMENTS

The Company had no financial commitments as at 31 December 2023 or 31 December 2022, other than those recognised in the Financial Statements and where Authority for Expenditure has been agreed with the Operator.

19 TRADE AND OTHER PAYABLES

	31.12.23 £	31.12.22 £
Trade payables	285,244	223,538
Other payables	–	409,433
Accruals	104,279	145,319
	389,523	778,290

20 PROVISIONS

	Decommissioning and reinstatement provision £
As at 1 January 2022	1,876,758
Adjustment to provision estimates	(190,500)
Accretion of provision	13,811
At 31 December 2022	1,700,069
Adjustment to provision estimates	92,517
Accretion of provision	97,751
At 31 December 2023	1,890,337
At 31 December 2022	1,700,069

A provision has been made for decommissioning costs on productive fields. A provision has also been made for reinstatement costs relating to exploration and evaluation assets where work performed to date gives rise to an obligation, principally for site restoration. Assumptions, based on the current economic environment, have been made which the directors believe are a reasonable basis upon which to estimate the future liability. This estimate will be reviewed regularly to take into account any material changes to assumptions. Actual costs will depend on a number of factors, including future market prices and any variation in the extent of decommissioning and reinstatement to be performed.

Decommissioning and reinstatement costs are currently expected to be used between 2025 and 2044.

Provisions created during the year, based on an independent review, relate to obligations in respect of Keddington, Fiskerton Airfield, Dukes Wood, Kirklington, Wressle and West Newton assets. No provisions have been utilised during the year.

Sensitivity to key assumption changes
Variations to the key assumptions used in the decommissioning provision estimates would cause increases/(reductions) to the provision as follows:

	Further decommissioning provision
Inflation rate (current assumption 2.125%)	
1%	(151,919)
3%	128,867
Discount rate (current assumption 3.814%)	
3%	129,208
5%	(162,948)

21 CONTINGENT LIABILITIES

At the year end there were no contingent liabilities.

22 RELATED PARTY TRANSACTIONS

Details of key management personnel remuneration are disclosed in note 3. Key management comprises only the directors.

Charnia Resources (UK), an entity owned by Graham Bull, non-executive director, was paid £121,962 (2022: £120,807) in respect of consulting fees. £12,138 was outstanding at the year end (2022: £12,053).

Jayne Bramhill, spouse of David Bramhill, received the sum of £12,000 (2022: £12,000) from the Company in respect of IT maintenance and administration costs. No amounts were outstanding at the year end (2022: £nil).

Raymond Godson, non-executive director is also a director of Montrose Industries Limited who holds an interest in PEDL253 containing the Biscathorpe Prospect. Raymond Godson took no part in any decision making in respect of PEDL253, due to potential conflicts of interest.

23 EVENTS AFTER THE BALANCE SHEET DATE

The following events have taken place after the year end:

During January 2024, the results of a CPR by ERCE were published in respect of the Reserves and Resources at the Wressle development contained within PEDL180 and PEDL182. The highlights of the CPR, include a 263% increase in 2P Reserves, the reclassification of 1,883 mbo in Penistone Flags Contingent Resources to 2P Reserves and a 59% upgrade to the Ashover Grit and Wingfield Flags Estimated Ultimate Recoverable. In addition, a 23% upgrade was attributed to the Broughton North Prospective 2U Resources.

During January 2024, the Company announced details of its expansion into the United States of America ("USA"), with the purchase of three Mineral Royalty packages ("Royalties") all located in the Permian Basin, Texas, brokered by its Oklahoma based, agent and adviser, Reach Oil & Gas Company Inc ("Reach"). The Royalties comprise the Cronus, Powell Ranch and Palm Spring Units operated by Chevron, COG Operating LLC (a subsidiary of ConnocoPhillips) and Occidental, respectively. The Royalties are estimated to have an economic life of more than 26 years and a current Internal Rate of Return in excess of 20%. The total amount spent on royalties to date is £813,600.

During February 2024, Union Jack announced details of a farm-in agreement with Reach to acquire a 45% working interest in a well planned to be drilled on the West Bowlegs Prospect and an area of associated interest, located in Seminole County, Oklahoma, USA. The total amount spent on the asset to date is £714,476.

During February 2024, Union Jack announced details of two further farm-in agreements with Reach. The first agreement was to acquire a 75% working interest in a well planned to be drilled to test the Footwall Fold Prospect in the Wilzetta Fault play and in an area of associated interest. The second agreement was to acquire a 37.5% working interest in a 2D and 3D seismic acquisition programme to identify additional drillable prospects along the Wilzetta Fault. The total amount spent on the asset to date is £357,147.

During March 2024, the Company announced details of the acquisition of a further three Mineral Royalty packages in the United States of America. The royalties comprise the Bakken Shale, Permian Basin and Eagle Ford Shale, located in North Dakota and Texas, respectively, and the amount spent is included in the total royalty spend above.

In March 2024, permission was granted to trade the Ordinary Shares of the Company on the OTCQB Venture Market on the New York Stock Exchange.

In April 2024, Craig Howie was appointed as an independent non-executive director to the Board of the Company.

In May 2024, a dividend of 0.25 pence per ordinary share was declared by the Board, to be paid in July 2024 to qualifying shareholders.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (the "**AGM**") of Union Jack Oil plc (the "**Company**") will be held in the George White Suite at The Bristol Hotel, Prince Street, Bristol BS1 4QF on 27 June 2024 at 11.00 a.m. to consider and, if thought fit, pass the following resolutions, of which resolutions numbered 1 to 7 will be proposed as ordinary resolutions and resolution numbered 8 will be proposed as a special resolution:

ORDINARY RESOLUTIONS

1 Report and accounts

To receive the audited annual accounts of the Company for the year ended 31 December 2023, together with the Directors' Report and the Auditor's Report on those annual accounts.

2 Re-election of director

To re-elect Joseph O'Farrell as a director, who retires by rotation in accordance with the Company's Articles of Association.

3 Re-election of director

To re-elect Craig Howie as a director, who, having been appointed since last year's AGM, is standing for re-election in accordance with the Company's Articles of Association.

4. Re-appointment of auditor

To re-appoint Crowe UK LLP as auditor of the Company to hold office from the conclusion of this AGM until the conclusion of the next general meeting at which accounts are laid before the Company.

5 Auditor's remuneration

To authorise the directors to determine the remuneration of the auditor.

6 Directors' authority to allot shares

That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and they are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "**Act**") to exercise all powers of the Company to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company ("**Relevant Securities**"), up to an aggregate nominal amount of £2,664,147 (representing approximately 50% of the issued share capital of the Company (excluding treasury shares) at the date of this notice) provided that, unless previously revoked, varied or extended, this authority shall expire on the conclusion of the next AGM of the Company, except that the Company may at any time before such expiry make an offer or agreement which would or might require Relevant Securities to be allotted after such expiry and the directors may allot Relevant Securities in pursuance of such an offer or agreement as if this authority had not expired.

7 Directors' authority to repurchase shares

That the Company be and is hereby unconditionally and generally authorised for the purposes of section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of its ordinary shares of 5 pence each ("**Ordinary Shares**") provided that:

(a) the maximum number of Ordinary Shares authorised to be purchased is 10,656,589;

(b) the minimum price which may be paid for any such Ordinary Share is 5 pence;

(c) the maximum price which may be paid for an Ordinary Share shall be the higher of:

- (i) 105% of the average of the middle market quotations for an Ordinary Share derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day on which the share is contracted to be purchased, and
- (ii) an amount equal to the higher of the price of:
  - (A) the last independent trade of an Ordinary Share; and
  - (B) the highest current independent bid for an Ordinary Share, as derived from the London Stock Exchange Trading System; and

(d) this authority shall, unless previously renewed, revoked or varied, expire on the earlier of the date falling 15 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting, but the Company may enter into a contract for the purchase of Ordinary Shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

SPECIAL RESOLUTION

8 Directors' power to issue shares for cash

That, conditional upon the passing of resolution numbered 6, the directors be and they are empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in section 560(1) of the Act) of the Company, and/ or by way of a sale of treasury shares (in accordance with section 573 of the Act), wholly for cash pursuant to the authority of the directors under section 551 of the Act conferred by resolution numbered 6 above as if section 561(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to the allotment of equity securities up to an aggregate nominal value equal to £2,664,147 (representing approximately 50% of the issued share capital of the Company (excluding treasury shares) at the date of this notice) and, unless previously revoked, varied or extended, this power shall expire on the conclusion of the next AGM of the Company, except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such an offer or agreement as if this power had not expired.

By order of the Board

Matthew Small
Company Secretary

Dated: 17 May 2024

Registered Office: 6 Charlotte Street, Bath BA1 2NE

EXPLANATORY NOTES RELATING TO RESOLUTIONS

Resolution 1 - Report and accounts

All public companies are required by law to lay their annual accounts before a general meeting of the Company, together with the directors' reports and auditors' report on the accounts. At the AGM, the directors will present these documents to the shareholders for the financial year ended 31 December 2023.

Resolution 2 - Re-election of director

This resolution concerns the re-election of Joseph O'Farrell, who retires at the meeting by rotation in accordance with the Company's Articles of Association.

Resolution 3 - Re-election of director

This resolution concerns the re-election of Craig Howie, who, having been appointed since last year's AGM, is standing for re-election in accordance with the Company's Articles of Association.

Resolutions 4 and 5 - Auditors

Resolution 4 concerns the re-appointment of Crowe UK LLP as auditors until the conclusion of the next general meeting at which accounts are laid, that is, the next Annual General Meeting.

Resolution 5 authorises the directors to fix the auditors' remuneration.

Resolution 6 – Directors' authority to allot shares

This resolution grants the directors authority to allot shares in the capital of the Company and other relevant securities up to an aggregate nominal value of £2,664,147, representing approximately 50% of the nominal value of the issued ordinary share capital of the Company (excluding treasury shares) as at the date of this AGM notice. Unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company.

Resolution 7 – Directors' authority to repurchase shares

This resolution authorises the board to make market purchases of up to 10,656,589 ordinary shares (representing approximately 10% of the Company's issued ordinary shares (excluding treasury shares) as at the date of this AGM notice). Shares so purchased may be cancelled or held as treasury shares. The authority will expire at the end of the next Annual General Meeting of the Company or 15 months from the passing of the resolution, whichever is the earlier.

The minimum price that can be paid for an ordinary share is 5p being the nominal value of an ordinary share. The maximum price that can be paid is 5% over the average of the middle market prices for an ordinary share, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the share is contracted to be purchased.

Resolution 8 – Directors' power to issue shares for cash

This resolution authorises the directors to allot equity securities for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The authorisation is limited to a maximum nominal amount of £2,664,147, representing approximately 50% of the nominal value of the issued ordinary share capital of the Company (excluding treasury shares) as at the date of this AGM notice. Unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company.

The Company may hold any shares it buys back "in treasury" and then sell them at a later date for cash rather than simply cancelling them. Any such sales are required to be made on a pre-emptive, pro-rata basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the directors power to allot unissued ordinary shares on a non pre-emptive basis, resolution 8 will also give directors power to sell ordinary shares held in treasury on a non pre-emptive basis, subject always to the limitations noted above.

The directors consider that the power proposed to be granted by resolution 8 is necessary to retain flexibility, although they do not have any intention at the present time of exercising such power.

NOTES

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended), only those members registered in the register of members of the Company at 6.00 p.m. on 25 June 2024 (or if the AGM is adjourned, 48 hours before the time fixed for the adjourned AGM) shall be entitled to attend and vote at the AGM in respect of the number of shares registered in their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the AGM.

2 A member who is entitled to attend, speak and vote at the AGM may appoint a proxy to attend, speak and vote instead of them. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A proxy need not be a member of the Company but must attend the AGM in order to represent you. A proxy must vote in accordance with any instructions given by the member by whom the proxy is appointed. Appointing a proxy will not prevent a member from attending in person and voting at the AGM (although voting in person at the AGM will terminate the proxy appointment). A proxy form is enclosed. The notes to the proxy form include instructions on how to appoint the Chairman of the AGM or another person as a proxy. You can only appoint a proxy using the procedures set out in these notes and in the notes to the proxy form.

3 To be valid, a Proxy Form, and the original or duly certified copy of the power of attorney or other authority (if any) under which it is signed or authenticated, should reach the Company's registrar, Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS99 6ZY, by no later than 11.00 a.m. on 25 June 2024. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services PLC on 0370 702 0000.

4 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment by using the procedures described in the CREST manual (euroclear.com/crest). CREST personal members or other CREST-sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST proxy instruction) must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST manual. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by Computershare (ID: 3RA50) by 11.00 a.m. on 25 June 2024. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers, are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings. The Company may treat a CREST proxy instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

5 In the case of joint holders of shares, the vote of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.

NOTES (CONTINUED)

6 A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways: either by the appointment of a proxy (described in notes 4 and 5) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's Articles of Association and the relevant provision of the Companies Act 2006.

7 Copies of the executive directors' service contracts with the Company and letters of appointment of the non-executive directors are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this notice until the conclusion of the AGM.

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