RNS Number : 4002B
Reabold Resources PLC
10 June 2021

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Reabold Resources plc

("Reabold" or the "Company")

Full Year Results for the year ended 31 December 2020

Reabold, the investor in upstream oil and gas projects, is pleased to announce its audited results for the year ended 31 December 2020.

Reporting period highlights

- Opportunistic acquisition of a direct 16.665 per cent. interest in the West Newton field for the consideration of the issue of 350,000,000 new ordinary shares and £1.4 million in cash; taking the Company's effective economic interest in West Newton to circa 56.4 per cent. from 39.7 per cent.

- Significant discovery at the West Newton field with the B-1Z well, which exceeded pre-drill expectations, further suggesting that the West Newton discovery would be the largest UK onshore discovery since 1973.

- West Newton development plan has been given an AA rating by Gaffney, Cline & Associates ("GaffneyCline") for carbon intensity, the best possible grade for low carbon emissions from potential upstream crude oil production.

- Corallian Energy Limited ("Corallian") was awarded by the UK Oil and Gas Authority ("OGA") a 100 per cent. interest in block 207/1a, containing the Victory gas discovery, a simple, low-risk gas development which has been fully appraised and requires no additional pre-development drilling, with 2C contingent resources of 157 BCF[1] and NPV10 of circa £146 million (based on 50p/therm).

- Further investment of £600,000 into Corallian through exercise of warrants, increasing the Company's interest in Corallian to approximately 36.9 per cent., bringing further optionality and additional upcoming activity to the Reabold portfolio.

- Additional commercial discovery on West Brentwood licence in California.

- Proven reserves of 1.12 million barrels of oil equivalent ("boe") attributed to Reabold's net interest in 4 PDP[2] and 1 PUD[3] wells in California, with associated value of US$20.4 million (NPV10), as at February 2020.

- Testing of the IMIC-1 discovery well in Romania undertaken, with engineering studies ongoing to determine the potential viability of two development options.

Post reporting period highlights

- Oversubscribed placing at a premium to the market to raise £7.5 million at 0.55p per share, supported by key existing and new institutional investors.

- Further investment of £1,000,000 into Corallian by way of a Convertible Loan to fund the submission of a draft Field Development Plan for the Victory gas field, planned to be before the end of 2021. Subsequently, the Company sold 50 per cent. of its Convertible Loan for net proceeds of £500,000 to a group of strategic investors have indicated their support of an IPO or RTO for Corallian.

- Reabold completed a conditional offer to acquire up to an additional 13.12 per cent. of Corallian shares from existing Corallian shareholders, in exchange for new Reabold shares, at a ratio of 474 Reabold shares for 1 Corallian share (the "Offer"). The Offer was oversubscribed, and all conditions precedent fulfilled. As a result, Reabold acquired 989,439 Corallian shares, equivalent to 13.12 per cent. of Corallian, from existing Corallian shareholders, and issued 468,994,086 new Reabold shares as consideration and now owns 49.99 per cent. of Corallian Energy. By increasing its position in Corallian, the Company has increased its economic interest in the 100 per cent. Corallian owned Victory gas discovery.

- Cash assets of the Company as at the date of this report of approximately £6.8 million.

[1] Billion cubic feet

2 Proven developed producing

3 Proven undeveloped

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Notes to Editors

Reabold Resources plc is an investing company investing in the exploration and production ("E&P") sector. The Company's investing policy is to acquire direct and indirect interests in exploration and producing projects and assets in the natural resources sector, and consideration is currently given to investment opportunities anywhere in the world.

As an investor in upstream oil & gas projects, Reabold aims to create value from each project by investing in undervalued, low-risk, near-term upstream oil & gas projects and by identifying a clear exit plan prior to investment.

Reabold's long term strategy is to re-invest capital made through its investments into larger projects in order to grow the Company. Reabold aims to gain exposure to assets with limited downside and high potential upside, capitalising on the value created between the entry stage and exit point of its projects. The Company invests in projects that have limited correlation to the oil price.

Reabold has a highly-experienced management team, who possess the necessary background, knowledge and contacts to carry out the Company's strategy.

Chairman's Statement

The year ended 31 December 2020 was a dramatic period globally with the impact of the Covid-19 virus. Despite the unprecedented challenges of Covid-19, the Company's investments and projects have made solid progress overall, particularly given the significant delays to work programmes as a result of the lockdowns.

The Company has emerged in a strong financial position and with an exciting and potentially transformative year ahead, especially in respect to the West Newton and Victory projects.

As an investor in upstream oil & gas projects, under the leadership of Sachin Oza and Stephen Williams, the Co-Chief Executive Officers, Reabold aims to create value from each project by investing in undervalued, lower-risk, near-term upstream oil & gas projects. This has been achieved through investments across our portfolio of assets in the UK, US and Romania.

The dramatic impact of Covid-19 on the oil and gas industry has highlighted the strength of the Reabold model of investing in undervalued assets that would be able to deliver profitably under any reasonable oil and gas price assumption, are at the lower end of the industry cost curve and will be competitive against other sources of hydrocarbons.

The Reabold portfolio is well positioned not only to survive downturns, but to continue to progress and thrive throughout 2021 and beyond.

Our portfolio companies have a fully funded, high impact work programme planned for the remainder of 2021 and we look forward to sharing the results of these key drilling, testing and development planning programmes as they progress.

The first half of 2020 saw the Company complete the opportunistic acquisition of a 16.665 per cent. direct interest in PEDL 183 onshore UK, which covers the West Newton field, for the consideration of £1.4 million in Reabold shares and £1.4 million cash. This was followed, later in the year, by the significant discovery at the West Newton field with the B-1Z well, which exceeded pre-drill expectations.

The B-1Z well has indicated substantial areal extent by discovering pay in the Kirkham Abbey formation, 2.5km south from the previous A-2 discovery. With better-than-expected porosity and

positive reservoir characteristics versus the A-2 well, the B-1Z well has significantly increased the height of the observed hydrocarbon column, and we are yet to encounter an oil water contact demonstrating the potential for further upside.

West Newton continues to surpass expectations and we are confident that it will be the largest onshore UK discovery since Wytch Farm in the 1970s.

Following the Company's acquisition of a 16.665 per cent. direct interest in PEDL 183, Reabold's effective economic interest in the West Newton field increased from 39.7 per cent. (through its 59.6 per cent. equity investment in Rathlin Energy (UK) Limited, operator and holder of a 66.67 per cent. interest in f PEDL 183) to approximately 56 per cent.

Going forward this year, there is a significant work programme to appraise further the West Newton field, including the extended testing programme for WNB-1Z and WNA-2, the drilling of an additional appraisal well at the WNB site, and the completion of the updated CPR. We also believe that the successful drilling campaign at West Newton has derisked a number of analogous, follow on targets within the licence area that were identified by seismic data.

In a significant environmental milestone, we were very pleased with the West Newton development plan being given an AA rating by GaffneyCline for carbon intensity, the best possible grade for low carbon emissions from potential upstream crude oil production.

Reabold was delighted with the success of 36.9 per cent. owned Corallian in the UK Oil and Gas Authority's ("OGA") 32nd Offshore Licensing Round, being awarded 100 per cent. interests in the Victory gas discovery in block 207/1a, the Laxford gas discovery and Scourie appraisal prospects in blocks 214/29c and 214/30c, and the Oulton oil discovery in block 3/11a.

We note in particular the Victory project, which is a simple, low-risk gas development which has been fully appraised and requires no additional pre-development drilling. SLR Consulting estimates that Victory has 2C contingent resources of 157 BCF; valuations (NPV10) of Victory currently range from circa £85 million (based on current gas price forecasts of 42.5p/therm) to circa £146 million (based on historical average gas price and base case valuation of 50p/therm).

Corallian plans to submit the Victory draft Field Development Plan ("FDP") to the OGA by the end of 2021, with a Competent Persons Report expected to be completed earlier in the year and first gas production in 2024. A three year gas production plateau of 70 mmscf/d from 2025 is expected from the Victory field, delivering over 25 BCF per year, with total planned gas production recovered over the 8-year field life of 157 BCF. The work associated with the FDP is intended to de-risk the project to the point where the planned liquidity event for Corallian shareholders can take place, expected by early 2022.

We see Victory as adding significant value to Reabold as one of the best remaining undeveloped assets in the UK Continental Shelf. The Victory development is likely to be relatively simple and is adjacent to infrastructure, including the Total operated Greater Laggan Area.

In California, amidst the significant oil and gas downturn experienced during much of 2020, the Company's focus switched to maintaining cash generative production, following an active five well drilling campaign in 2018-2019.

The early part of 2020 saw the completion of the drilling of our fifth California well, VG-6 on the West Brentwood license, in which Reabold California has a 50 per cent. equity interest. Significantly, success at VG-6 has opened up a new geological horizon at the West Brentwood field and therefore additional follow on targets.

Prior to the VG-6 well being brought into production, the reserves report in respect to the California assets was updated, with proven reserves of 1.12 million barrels of oil equivalent ("boe") attributed to Reabold's net interest in 4 PDP and 1 PUD wells in California, with associated value of US$20.4 million (NPV10), as at February 2020.

The Californian assets are characterised by relatively low operating costs and continued to be cash generative amidst the lower oil and gas price environment that was experienced during much of 2020.

With oil prices significantly improved, attention can once again turn to opportunities to grow the business in California.

In Romania, the work programme of Danube Petroleum Limited ("Danube"), in which the Company holds a 50.8 per cent. interest, was significantly impacted by Covid-19 related restrictions, with testing of IMIC-1 not commencing until Q3 2020. Whilst site preparations commenced for the drilling of IMIC-2 , the drilling of IMIC-2 to a planned depth of 2,200 metres, originally planned for Q3 2020, remains on hold pending further analysis of drilling and testing results at IMIC-1.

In a potential significant corporate development, on 17 July 2020, the Company announced that it was in the process of evaluating a possible all-share offer for 100 per cent. of AIM quoted Deltic Energy plc ("Deltic") (the "Possible Offer"). Reabold believed that the Possible Offer, if made and successfully completed, would have delivered clear synergistic benefits and cost savings which should potentially serve to accelerate the delivery of the enlarged group's strategy. Given that the Possible Offer was proposed to be structured as a securities exchange offer, Reabold was of the view to only proceed with the Possible Offer on the pre-condition that the Board of Directors of Deltic recommended the Possible Offer. However, Reabold was disappointed to receive a letter from the Deltic Board unequivocally rejecting the Possible Offer. Given this, on 10 August 2020, Reabold announced that it did not intend to make an offer for Deltic.

Post Reporting Period

On 28 January 2021, the Company announced that it had raised £7.5 million in gross proceeds by way of an oversubscribed placing of 890,909,093 new ordinary shares of 0.1p each in the capital of the Company ("Ordinary Shares") to new and existing institutional investors by Stifel, and a total of 472,727,270 new Ordinary Shares being subscribed for certain Directors and institutional investors, at a price of 0.55 pence per new Ordinary Share.

We were delighted to secure the funding required to progress activity across our asset base, including further drilling and testing at West Newton, adding value across the wider PEDL 183 licence, and providing available funding to move the Victory gas development towards FDP in 2021.

On 22 February 2021, the Company announced a further investment of £1,000,000 into Corallian by way of a convertible loan to fund the submission of a draft Field Development Plan for the Victory gas field before the end of 2021. Subsequently, on 3 March 2021, the Company announced that it sold 50 per cent. of its convertible loan to Corallian for net proceeds of £500,000 to a group of strategic investors, who have indicated their support for a future IPO or RTO for Corallian.

On 27 April 2021, the Company announced the conditional offer to acquire up to an additional 13.12 per cent. of Corallian from existing Corallian shareholders, in exchange for Reabold shares, at a ratio of 474 Reabold shares for 1 Corallian share (the "Offer"), potentially increasing Reabold's shareholding in Corallian to a maximum of 49.99 per cent., from its existing 36.87 per cent. interest.

On 10 May 2021, the Company was pleased to announce that the Offer had been oversubscribed, and all conditions precedent fulfilled. As a result, Reabold acquired 989,439 Corallian shares, equivalent to 13.12 per cent. of Corallian from existing Corallian shareholders, and issued 468,994,086 new Reabold shares as consideration and now owns 49.99 per cent. of Corallian. By increasing its position in Corallian, the Company has materially increased its economic interest in interest in the Victory gas discover, in which Reabold management sees significant value.

Outlook

Whilst we continue to face challenges with the Covid-19 virus, the Company's financial position is strong and funding is in place for the key 2021 work programmes to drive what promises to be a potentially transformative value driving year ahead.

We look forward to reporting further in due course on the progression of our investee companies and take this opportunity to thank our shareholders for their continued support.

This report was approved by the Board and signed on its behalf:

Jeremy Edelman
Chairman

9 June 2021

Strategic report

Business model

Reabold invests in the E&P sector. The Company's investing policy is to acquire direct and indirect interests in exploration and producing projects and assets in the natural resources sector, and consideration is currently given to investment opportunities anywhere in the world.

As an investor in upstream oil & gas projects, Reabold aims to create value from each asset by investing in undervalued, low-risk, upstream oil & gas opportunities with near-term activity and by identifying potential monetisation plans prior to investment.

Reabold's long term strategy is to re-invest capital generated through monetisation of its investments into new projects in order to grow the Company and create value for its shareholders. Reabold aims to gain exposure to assets with limited downside and high potential upside, capitalising on the value created between the entry stage and exit point of its projects. The Company invests in projects that have limited correlation to the oil price. The value realisation of a project is determined by monetising the asset (putting it into production or selling it). The value increase of an asset from the acquisition entry point to monetisation is achieved through successful appraisal and/or development drilling.

Reabold's non-operator model helps to keep costs low and allows the Company to manage a diversified portfolio.

Reabold has a specific strategy to fund other operators' appraisal wells where the Company has assessed such opportunities to be high quality, high return projects from previous drilling activity that has de-risked the asset. The projects targeted have relatively quick cycle times to monetisation as the projects are in areas with access to infrastructure and services.

In order to maximise the return profile, identifying the optimal time to exit a project is critical to Reabold's strategy. Doing so effectively will allow the Company to scale and attract more capital over time thereby creating value for the Company's shareholders. Monetisation of investments is determined by, amongst other factors, the extent of successful activity in the project area and industry and capital market conditions. Pathways to monetisation include:

i) an asset sale or IPO; and/or
ii) putting the asset into production.

Reabold has a highly-experienced management team, which possesses the necessary background, knowledge and contacts to carry out the Company's strategy. The biographies of the Board are summarised on page [25]. Management believes the current distress in the oil & gas industry presents an opportune time to deploy capital in undervalued assets with huge potential.

Reabold portfolio and operational annual summary

Rathlin Energy (UK) Limited

2020 was another transformational year for Reabold's involvement in the West Newton project, as well as the broader Zechstein play in the PEDL183 license area. During the year, we opportunistically increased our exposure to the project through the acquisition of a c.17 per cent. direct license interest in PEDL183, and subsequently the B-1Z well made an extremely promising discovery in the primary target Kirkham Abbey formation.

Acquisition of Additional Interest in West Newton:

On 26 May 2020, Reabold announced that it had signed a conditional Sale and Purchase Agreement ("SPA") to acquire Humber Oil and Gas Ltd's interest in the PEDL 183 onshore UK, which includes the West Newton field. The consideration for the Acquisition of the additional 16.665 per cent. interest in the licence comprised of £1.4 million in cash (subject to adjustment) and the issue of 350,000,000 new ordinary shares of 0.1p each in the capital of Reabold, ("Consideration Shares"), with the deal conditional upon, *inter alia*, approval of the transfer of Humber's interest in PEDL 183 to Reabold by the UK's Oil and Gas Authority. The completion of the transaction was announced on 29 July 2020. Pursuant to the SPA, Humber agreed to a lock up over 66.67 per cent. of the Consideration Shares for a period of three months from the date of admission to trading on AIM of the Consideration Shares and an orderly market restriction for a further period of three months once the lock-in period expired.

As a result of the acquisition, the Company's effective economic interest in the licence increased from approximately 39 per cent. to approximately 56 per cent. This interest comprises of a 16.665 per cent. direct interest and a 39.66 per cent. indirect interest via the Company's 59.48 per cent. shareholding in Rathlin Energy (UK) Limited ("Rathlin"), operator of West Newton, which, in turn, holds 66.67 per cent. of the licence. The timely acquisition of Humber's interest was expected to allow the West Newton JV to progress the work programme optimally and unlock the value in the asset.

West Newton B-1 / B-1Z drilling:

On 15 April 2020, Reabold announced that preparatory work ahead of drilling had commenced at the West Newton B site. Following the oil and gas discovery made at the West Newton A-2 well in 2019, the focus of activity on the licence is on appraising the potentially significant resources that have been discovered as well as testing further potential in the identified exploration targets. Key to this programme was the drilling at the West Newton B site, which was designed to appraise further the discovery made in the Kirkham Abbey formation, as well as target the deeper Cadeby formation.

Pre-construction works in April 2020 included installing land drainage and drilling two water monitoring boreholes. Work commenced on the site access track in early May 2020. This activity, which was subject to an archaeological watching brief, was completed in mid-June 2020, facilitating access to the West Newton B site. Site works commenced in late May 2020 with a full archaeological strip, map and record study. Following topsoil stripping and archaeological reporting, construction operations were initiated.

Drilling operations commenced in mid-August 2020, with a conductor drilling rig successfully mobilised to the West Newton B-1 ("WNB-1") site. The conductor rig drilled to a depth of 74 metres into the Cretaceous chalk where steel casing was installed and cemented to surface. The conductor rig was demobilised from site in the week commencing 13 September 2020 and the main drilling rig and associated equipment commenced mobilisation to site on 22 September 2020. Spud of the well was announced on 5 October 2020.

On 23 November 2020, Reabold announced that WNB-1 well had been drilled safely to a Total Depth of 2,295 metres, encountering both the primary and secondary objectives, the Kirkham Abbey and Cadeby formations respectively. The Kirkham Abbey formation indicated a hydrocarbon charge based on wireline logs, cuttings and mud gas readings. The secondary target, the Cadeby formation contained insufficient reservoir development at this location. The operator then commenced a planned side-track drilling operation from the WNB-1 well. The objective of the West Newton B-1Z ("WNB-1Z") side-track well was to further appraise the Kirkham Abbey formation at a structurally higher location, targeting reservoir with characteristics anticipated to be similar to that at the West Newton A-2 location. The WNB-1Z location was believed to be suitable for a subsequent flow test. The information derived from both WNB-1 and WNB-1Z provided additional data to inform the optimal locations of future development wells at the West Newton project. The sidetrack also provided an additional penetration into the Cadeby, which Reabold believed remained a valid target in this location.

On 10 December 2020, we were delighted to have announced a significant hydrocarbon discovery with the WNB-1Z well. The WNB-1Z side-track well reached a total depth of 2,114 metres (measured depth), in the Carboniferous interval. 18 metres of core was successfully extracted from the primary Kirkham Abbey target, and all planned logging operations were completed.

Wireline logs indicate that a gross 62 metre hydrocarbon saturated interval was encountered within the Kirkham Abbey Formation. In conjunction with the results from WNB-1, the overall hydrocarbon column in the accumulation is estimated to be at least 118 metres.

Furthermore, with the WNB-1Z sidetrack located approximately 2.5 kilometres south of the West Newton A-1 and A-2 wells, the results indicate a particularly extensive accumulation with good reservoir continuity. Favourable reservoir characteristics were observed in the Kirkham Abbey, with porosities measuring over 14 per cent. from log data across sections of the interval. The initial petrophysical data obtained from the WNB-1Z well correlated positively with the results from the WNA-1 conventional discovery well and A-2 appraisal well.

The secondary Cadeby objective was unsuccessful at this location, but the data gathered from this well will be used to inform its potential prospectivity elsewhere in the block.

West Newton Well Testing:

Following the successful drilling of the WNA-2 well as announced by the Company on 17 June 2019, the Extended Well Test ("EWT") operations were paused in late August 2019, in order to design a test that was better suited to evaluate the significant oil column encountered in the WNA-2 well, as opposed to the original intention, which was to test what was expected to be predominantly gas. This alternative test was designed by the operator and all necessary equipment had been identified to recommence the EWT. However, the re-designed test required that the operator obtain regulatory approvals prior to the recommencement of the re-calibrated EWT.

On 27 April 2020, Reabold announced that a positive decision document in respect of the testing of the WNA-2 well had been received from the Environment Agency ("EA"). Rathlin, on 24 April 2020, received a decision document from the EA, granting a variation to the permit for the West Newton A Site and associated WNA-2 testing operations. This variation would allow Rathlin to use mechanical methods (pumpjack/nodding donkey) for lifting wellbore fluids and for the utilisation of a smaller incineration unit during the testing of the WNA-2 well. During drilling and early testing operations of the WNA-2 well, additional information was gathered that improved the understanding of the targeted Kirkham Abbey reservoir leading to the identification of a potential oil leg overlain by an associated gas cap within the reservoir interval pursuant to the RNS issued on 29 August 2019. Accordingly, this redesigned test programme was optimised to evaluate the identified oil column.

At that time, restrictions on the movement of people and equipment due to COVID-19 prevented testing operations from taking place. Subsequently, early activity in support of the drilling of the first well at the West Newton B site was able to take place under COVID-19 restrictions earlier than A site testing operations. The decision was therefore made to drill the WNB-1 well ahead of testing at WNA-2, and subsequently to test both wells in a back to back programme.

West Newton Site Planning:

On 20 August 2020, Reabold announced that Rathlin had made a communication to local residents stating that it had submitted Screening Requests to East Riding of Yorkshire Council for two new potential hydrocarbon wellsites, West Newton C and West Newton D. This was the first step of the planning process to further explore and appraise the West Newton hydrocarbon field and would determine whether planning application submissions for West Newton C and West Newton D will require environmental impact assessments.

Additionally, on 22 January 2021, Rathlin received a Screening Opinion from the East Riding of Yorkshire Council in response to its screening request for the proposed West Newton A site extension. The proposed extension of the existing WNA wellsite and associated work programme would provide for testing, appraisal and production from the two existing wells (WNA-1 and WNA-2) and the potential for drilling, testing, appraisal and production from up to six new wells on the WNA site over a 25 year period. The East Riding of Yorkshire Council's Screening Opinion considered that the proposed development would not comprise EIA (Environmental Impact Assessment) development. On 22 March 2021, Reabold announced that Rathlin was carrying out a public consultation regarding the development of the WNA site.

Volumetrics at West Newton:

No formal re-evaluation of the volumes of hydrocarbons with the West Newton field had been carried out following the drilling of the WNB-1Z well. It is anticipated that an independent CPR will be commissioned by the joint venture following the testing of the WNB-1Z and WNA-2 wells in the near future.

On 11 November 2019, Rathlin provided an update in respect of the estimated in-place oil and gas volumes of the West Newton area.
In the United Kingdom, the Zechstein reservoirs of the Southern Permian Basin have been explored and produced largely in the offshore Southern North Sea, with limited exploration in the immediately neighbouring onshore. They have, by contrast, been extensively and successfully explored and produced in the Netherlands, Germany and Poland, providing multiple analogues to West Newton.

Subsequent to the drilling of WNA-2, Rathlin had undertaken a number of technical studies including core analysis, petrophysical evaluation, sedimentology, and hydrocarbon geochemical characterisation, which were reintegrated with the results of the pre-existing 3D seismic survey and WNA-1 well. As a result of these studies, Rathlin upgraded the estimated volumes of hydrocarbons in place in the West Newton Kirkham Abbey formation reservoir.

The integrated study indicated a significant upgraded volume of estimated hydrocarbons in place in the Kirkham Abbey formation reservoir of West Newton consisting of a significant volume of oil below a gas cap also of potentially significant size:

- Base Case:
  - Liquids: 146.4 million barrels ("mmbbl") of oil initially in-place ("OIIP");
  - Gas: 211.5 bcf of gas initially in-place ("GIIP")
- Upside Case:
  - Liquids: 283 mmbbl OIIP
  - Gas: 265.9 bcf GIIP

Basis for re-evaluation of the Kirkham Abbey Formation Reservoir:

Rathlin provided an updated technical analysis of the West Newton Kirkham Abbey Formation reservoir, including:

- Evaluation of drilling results from the West Newton A-2 well, particularly petrophysical, fluid saturation, sedimentological and diagenetic analyses;
- Identification of an oil leg in the Kirkham Abbey reservoir in the West Newton A-2 well, based on the "C5+" readings in the mud gas (an industry standard means of determining fluid type in a reservoir); analysis of drilling samples; fluorescence from core and surface samples; and the results of pulsed-neutron downhole logs;
- Analysis of the 28 metre physical core recovered from the Kirkham Abbey reservoir, yielding key sedimentological and depositional information, which has been tied to the petrophysical interpretation of downhole log data;
- Integration of these well results into the reflection and inversion volumes of the 3D seismic survey, which covers the entirety of the West Newton area; and
- Updated ranges of reservoir rock volumes and parameters including, porosities, hydrocarbon saturations and fluid characterisation have been derived, and combined to arrive at a revised range of in-place hydrocarbon estimates.

Carbon Intensity Study:

On 16 June 2020, Reabold announced the results of a carbon intensity study completed by GaffneyCline in respect of the West Newton field.

The West Newton development plan was given an AA rating by GaffneyCline for carbon intensity, the best possible grade for low carbon emissions from potential upstream crude oil production. The study stated that the West Newton field has carbon intensities "significantly lower than the UK average and also compared to onshore analogues". Based on the study, GaffneyCline estimated that West Newton could produce the equivalent of just 5 grams of CO_2 per megajoule of energy created ("gCO_2eq./MJ").

The study did not include the review of any carbon offsetting measures, which could further limit West Newton's net carbon emissions. The study also highlighted that this number could be further reduced

to just 3.5 $gCO_2eq./MJ$ by applying, inter alia, gas to grid technologies. The study used specific West Newton reservoir and fluid parameters, notional development plans and analogous field development plans. The result of this study was benchmarked against other field analogues using the Global field database. Reabold intends that the development at West Newton will seek to utilise the best fit for purpose technologies, including gas to grid technologies, and tight leak-rate specifications to minimise any venting, flaring or fugitive emissions.

Reabold California

Following an active five well drilling campaign in 2018-2019, last year the focus switched to maintaining cash generative production throughout the oil price downturn. With oil prices significantly improved, attention can once again turn to opportunities to grow the business in California.

The early part of 2020 saw the completion of the drilling of our fifth California well, VG-6 on the West Brentwood license, in which Reabold California has a 50 per cent. equity interest. On 6 January 2020 Reabold announced that the well was drilled by Integrity Management Solutions to a measured depth of approximately 1,455 metres and encountered oil and gas shows at the target interval.

On 26 February 2020 we announced the successful testing of the VG-6 well. The well tested at 350 mscf/d and was put onto production. Gas produced from VG-6 is sold utilising the existing pipeline infrastructure constructed by Reabold and its partners in California, IMS and Sunset Exploration.

VG-6 was designed to test a new geological horizon at West Brentwood, the Third Massive, different from the Second Massive which is the producing horizon for the VG-3 and VG-4 wells. Success at VG-6 has therefore opened up a new play on the West Brentwood field and therefore additional follow on targets.

Reserves:

As part of an evaluation of the current and future potential value associated with its California business, Reabold commissioned Petrotech Resources Company Inc. ("Petrotech"), based in Bakersfield California, to compile a reserves report, prepared in accordance with the 2007 Petroleum Resources Management System, to cover the West Brentwood field.

The Proved Developed Producing ("PDP") and Proved Undeveloped ("PUD") reserves reported for oil and associated gas, net to the Reabold interest, as at 1 February 2020, are as follows:

Reserves as at 1 February 2020			
	Mbbl	**MMcf**	**Mboe ***
PDP (4 wells)	755.10	232.41	793.84
PUD (1 well)	266.99	363.15	327.52
Total	**1,022.09**	**595.56**	**1,121.35**

** gas equivalence based on 6,000 scf/bbl*

The reserves report was subsequently updated by Petrotech, in accordance with the 2007 Petroleum Resources Management System, as at 1 February 2020, and attributed an NPV10 value, net to Reabold, of US$20.41 million associated with the PDPs at VG-3 and VG-4 and the PUD at VG-6, as well as the PDPs at the 2A and 2B locations in Monroe Swell that were brought into production. The PUD at the VG-6 location was brought into production in Q1 2020. It is noted that the additional prospectivity associated with other potential drilling locations at West Brentwood and the other locations, along with "Probable" and "Possible" upsides, have not been included in the valuation calculation. These updated reserves correspond to a total capitalised expenditure by Reabold in respect to the PDPs and PUD at West Brentwood and Monroe Swell to 31 December 2020 of approx.US$6.1 million, associated with the drilling and completion.

This technical information was reviewed by Mr Jon Ford as a Qualified Person. Jon has more than 38 years' experience as a petroleum geologist, holds a BSc in Geology & Geophysics from the University of Durham, is a Fellow of the Geological Society of London, and is a member of the European Association of Geoscientists & Engineers and the Petroleum Exploration Society of Great Britain.

Operational update and production:

	Unit	H1 2020	H2 2020	Total 2020	Total 2019
Total Production	Boe	37,426	30,354	**67,780**	65,692
Reabold's 50% share of production	Boe	18,713	15,177	**33,890**	32,846
Reabold's gross revenue	US$	$718,000	$610,000	**$1,328,000**	$1,854,000
Reabold's revenue net of royalties	US$	$575,000	$488,000	**$1,063,000**	$1,483,000
Realised price per boe	US$	$38.1	$38.8	**$38.4**	$60.0
Realised price per boe net of royalties	US$	$30.5	$31.1	**$30.7**	$48.0
Cash operating cost per boe	US$	$14.4	$23.4	**$18.5**	$13.7

Corallian Energy Limited

Reabold has a 36.9 per cent. equity holding in Corallian, a private UK oil and gas exploration and appraisal company, with an experienced in-house team to execute its programmes. In addition to the Victory project, Corallian's project portfolio, includes the West of Shetland (Laxford discovery and Scourie prospect in Licence P2605, and the Sandvoe prospect in Licence P2493), the Viking Graben (Unst and Quoys prospects in Licence P2464, and the Oulton discovery in Licence P2504), the Inner Moray Firth (Dunrobin and Golspie prospects in Licence P2478) and in the Central Graben (Curlew-A discovery in Licence P2396).

Corallian licence awards

2020 proved to be a transformational year for Corallian, as a result of considerable success in the 32nd UK offshore licence round. In September 2020, we were pleased to announce that Corallian had been offered 100 per cent. interests in the Victory gas discovery in block 207/1a, the Laxford gas discovery and Scourie prospects in blocks 214/29c and 214/30c, and the Oulton oil discovery in block 3/11a.

We believe Victory to be a simple, low-risk gas development which has been fully appraised and requires no additional pre-development drilling. Victory is located near to existing local infrastructure, with the development of Victory expected to be via a single-well sub-sea tieback. The licence was originally offered to Texaco in 1972 and it drilled a discovery well in 1977 that flowed at circa 9 mmscf/d from 200 feet (circa 60.6 metres) of net gas pay in the Lower Cretaceous sandstones, proving reservoir commerciality. SLR Consulting estimates that Victory has 2C contingent resources of 157 BCF.

Corallian plans to submit the Victory Field Development Plan to the OGA by the end of 2021, with a Competent Persons Report (CPR) expected to be completed in the Summer of 2021 and first gas production in Q4 2024. A three year gas production plateau is planned at 70 mmscf/d from 2025, delivering over 25 BCF per year, with total planned gas production recovered over the 8-year field life of 157 BCF.

Valuations (NPV10) of Victory currently range from circa £85 million (based on current gas price forecasts of 42.5p/therm) to circa £146 million (based on historical average gas price and base case valuation of 50p/therm). Based on Reabold's 34.9 per cent. interest in Corallian, these valuations net to Reabold range from circa £30 million to circa £51 million. Payback of cash invested at a project level is expected to be achieved within 12 months of first gas (assuming a historical average gas price).

Further investment in Corallian

Reabold continued to invest in Corallian in 2020 mainly to support progression of the Victory project. On 1 December 2020, Reabold announced that it had exercised 272,727 warrants over shares in Corallian, at a subscription price of £2.20 per share, equating to an investment of approximately £600,000. Following the exercise of the Warrants, Reabold held 2,780,049 Corallian shares, representing approximately 36.9 per cent. of Corallian's then issued share capital.

On 21 November 2019, Warrants were issued to all Corallian shareholders on the register at that date, with exercise of such Warrants being conditional on the successful offer of any licence(s) to Corallian by the OGA, as part of the 32nd UK oil and gas licencing round.

On 22 February 2021, Reabold announced that it had entered into a conditional convertible loan instrument with Corallian pursuant to which Reabold would advance £1 million to Corallian. Corallian intends to utilise the proceeds of the Convertible Loan to support workstreams related to the submission of a draft Field Development Plan for the Victory gas field, which Corallian is aiming to do before the end of 2021, and for general working capital purposes.

The Convertible Loan, including interest at a rate of 15 per cent. per annum (accruing daily), will convert into new ordinary shares in Corallian within 21 months from the date of signing. If, during this period, Corallian is acquired, undertakes a material disposal of assets, an initial public offering or a reverse takeover, where the relevant valuation is greater than £3.20 per share, the Convertible Loan will convert at £3.20 per share. If the relevant valuation is below £3.20 per share, then the Convertible Loan will convert at a price equal to the relevant valuation. If no such corporate action has taken place within 21 months, the Convertible Loan will automatically convert at a price of £1.50 per share.

Danube Petroleum Limited

Reabold has a 50.8 per cent. equity position in Danube, with ASX listed ADX Energy Ltd ("ADX") holding the remaining 49.2 per cent. Danube is active in Romania through its ownership of the Parta License. Danube has a 100 per cent. interest in the Parta licence which includes the IMIC-1 discovery and the IMIC-2 prospect.

Testing of IMIC-1:

Testing of the IMIC-1 discovery well, which was drilled in 2019, had originally been scheduled for Q1 2020, but was deferred as a result of border closures related to COVID-19. On 18 June 2020, Reabold announced that workover rig mobilisation would commence on 19 June 2020 in preparation for production testing of the successful IMIC-1 well, as COVID-19 related restrictions in Romania had been eased. Production testing would follow the rig up of the work over rig, the removal of well head, the installation of permanent production tubing and flow control equipment, as well as the perforation of the well casing utilising underbalanced inflow techniques to maximise well production.

Testing would concentrate on the PA IV sand, which is a proven reservoir and has the greatest reserves potential of the three reservoir intervals intersected in the IMIC-1 well. This reservoir unit also has a large stratigraphic upside potential.

On 2 July 2020 Reabold announced that the production equipment required to flow test the well had been run into the well and the well had been perforated to initiate flow from the PA IV gas reservoir. While some inflow from the well was evident from wellhead pressure manifold data, gas flow from the well to surface was not achieved following perforation and nitrogen treatment to minimise the pressure against the PA IV gas reservoir. The well has been checked utilising electric line logging equipment which confirmed the perforation guns have indeed been fired across the PA IV reservoir.

These results suggested the presence of mud filtrate build up around the well bore given that the IMIC-1 well encountered good reservoir porosity (20 per cent. within the net pay gas zone) and gas saturations in the PA IV sandstone reservoir based on electric wireline logs and gas shows (gas inflow to the drilling mud) while drilling. In addition, well test results from the nearby historic well drilled in the mid-1980s flowed at up to 1 million standard cubic feet per day (MMSCFPD) and subsequent cuttings from IMIC-1 drilling analysis together with modern petrophysical analysis of the newly acquired IMIC-1 logs indicated good PA IV gas reservoir permeability

Mud filtrate build-up around the well bore has potentially occurred resulting in reservoir fluids being blocked due to mud ingress into the reservoir and the build-up of non-permeable filtrate from drilling mud. This damage can be overcome with acidization, which is a routine practice within these reservoirs in the Pannonian basin where carbonate cement between the matrix porosity containing movable hydrocarbons is common. Modern rock typing work has established the presence of carbonate cement (Siderite) within the PA IV reservoir. A nearby oil well (2.5 km to the north) required acidization prior to initial commercial flow.

In early September 2020, IMIC-1 was successfully acidised utilising coiled tubing for pumping the acid to the bottom of the well and then circulating the acid and brine in the well to surface utilising nitrogen

to enable lifting liquids. The recovered liquids included a sludge material likely to be a combination of dissolved reservoir material and fine reservoir sediments from the reservoir.

Gas flow was observed after approximately 12 hours with a combination of methane and nitrogen coming to surface.

The well was subsequently shut in to observe pressure build up as the reservoir continues to clean up following the acidisation.

Separately, engineering studies are ongoing to determine the potential viability of two development options, namely, the delivery of sales gas to the grid at the nearby Satchinez-Calacea Gas Plant or alternately the conversion of produced gas to power and the connection to a high voltage power line located approximately 2km from the IMIC-1 location.

IMIC-2:

In April 2020, site preparation with local contractors for the IMIC-2 commenced in preparation for future drilling operations originally planned for Q3 2020. The IMIC-2 well has a planned total depth of 2,200 metres with approximately 23 days to drill and evaluate. The drilling of IMIC-2 is currently on hold pending further analysis of drilling and testing results at IMIC-1.

Parta Exploration Farm-In

On 8 September 2020, Reabold announced that ADX had received a notice from Parta Energy, a wholly owned subsidiary of ASX listed Tamaska Oil & Gas Limited, that the board of Tamaska had decided not to proceed with the farm-in transaction relating to the EX-10 Parta licence in Western Romania pursuant to the terms of the previously announced farm-in agreement between ADX Energy Panonia Srl, Danube Petroleum Limited and Parta Energy. Parta Energy Ltd, was to have funded a US$1.5 million seismic programme to earn a 50 per cent. interest in the Parta Exploration Licence, excluding the 'sole risk area', which included the IMIC-1 and IMIC-2 projects.

Funding

In 2020, Reabold did not complete any equity capital raises. In May 2020, in conjunction with the agreement to acquire an additional interest in PEDL183 the Company secured additional liquidity in the form of a £5 million discretionary equity line cash facility that provides additional flexibility and strength to the Company's financial position.

Macro circumstances at the time underscored the benefit of ensuring sufficient financial flexibility is available, particularly ahead of a major drilling campaign such as that planned for West Newton in 2020. Reabold therefore enhanced its liquidity position by securing a £5 million discretionary cash facility with Acuitas Capital, LLC ("Acuitas"). The Directors viewed this discretionary cash facility as a prudent measure to provide increased liquidity without the need to dilute shareholders unduly by way of an equity fundraise whilst the share price significantly undervalued Reabold's portfolio due to the prevailing low oil price environment and the COVID-19 lock-down. The Discretionary Facility is in the form of an Equity Line Agreement (the "ELA") for a period of 24 months with Acuitas, whereby Reabold will have the right, at its sole election, but not the obligation, to issue new Ordinary Shares to Acuitas at a subscription price as determined under the ELA for an aggregate amount not exceeding £5 million.

In order to drawdown on the Discretionary Facility (an "Advance"), Reabold is required to serve an advance notice to Acuitas ("Advance Notice"). The issue price of any new Ordinary Shares issued pursuant to an Advance will be 90 per cent. of the volume weighted average price ("VWAP") of the Ordinary Shares on AIM over either the 5 or 10 trading days ("Pricing Period"), at Reabold's discretion and to be specified in an Advance Notice, following delivery of an Advance Notice. The discount will be based upon the two lowest and the four lowest VWAPs over a 5 day and 10 day Pricing Period (as applicable) respectively. The Company may set out a minimum acceptable price, if any, in the Advance Notice provided such minimum price must be less than or equal to 96 per cent. of the VWAP of the Ordinary Shares on the trading day immediately preceding the Advance Notice. If no such minimum price is specified by the Company in an Advance Notice, the minimum acceptable price shall be 96 per cent. of the VWAP of the Ordinary Shares on the trading day immediately preceding the Advance Notice. Upon the delivery of an Advance Notice, the Company is required to make a public

announcement that it has delivered the Advance Notice, stating the amount of the Advance requested and the dates of the applicable Pricing Period.

The maximum Advance per each Advance Notice shall not exceed 100 per cent. of the average daily value traded of Reabold's Ordinary Shares on AIM ("DVT") in respect of a 5 day Pricing Period or 200 per cent. of the average DVT in respect of a 10 day Pricing Period. In addition, the number of new Ordinary Shares to be issued per Advance shall not exceed 1.5 per cent. of Reabold's then enlarged share capital. Acuitas reserves the right to reduce the amount of an Advance in the event that, during a Pricing Period, the VWAP falls below 0.3p or there is no VWAP on any day during a Pricing Period (reductions of 20 per cent. and 10 per cent. per day where the VWAP falls below 0.3p or there is no VWAP, for a 5 day and 10 day Pricing Period respectively).

Acuitas is restricted from selling any Ordinary Shares during a Pricing Period and it, and its affiliates, are banned from engaging in any short selling of the Company's securities. Acuitas is also subject to a daily volume trading restriction not exceeding 20 per cent. of the aggregate volume of Ordinary Shares traded on that particular trading day.

In consideration for entering into the ELA, the Company payed Acuitas a commission of £100,000 to be satisfied by the allotment and issue of 16,351,625 new Ordinary Shares at a price of 0.61156 pence per share, calculated, pursuant to the ELA, as the average of the VWAPs of the Ordinary Shares over the 5 trading days up to and including 21 May 2020.

Post reporting period, Reabold carried out an equity capital raise in January 2021, raising gross proceeds of £7.5 million. The Fundraise was completed at a price of 0.55 pence per new Ordinary Share, representing a 2.8 per cent. premium to the mid-market closing price on 27 January 2021, being the last practicable closing price prior to the announcement of the Fundraise.

The net proceeds of the Fundraise are being used, alongside existing cash resources, to provide incremental capital to fund the Company's share of:

i) additional appraisal and development activity at the Company's landmark West Newton project, potentially one of the largest oil and gas discoveries onshore UK, notably drilling and testing of the B-2 well;

ii) activity to assess and define the prospectivity of the wider PEDL 183 licence, which includes West Newton, including a seismic programme and exploration work to identify additional future drilling opportunities;

iii) potential costs associated with the fully appraised Victory gas development, which was recently awarded to investee company, Corallian Energy, including an environmental assessment in order to achieve FDP in late 2021; and

iv) additional contingency to provide capital flexibility across the Company's investment portfolio and working capital.

Reabold has a healthy cash position and is fully funded for all intended activities in 2021, including the drilling and testing of a second well at the West Newton B site.

Section 172(1) statement

The revised UK Corporate Governance Code ('2018 Code') was published in July 2018 and applies to accounting periods beginning on or after January 1, 2019. The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. This S172 statement explains how Reabold's Directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to Reabold, and the level of information disclosed is consistent with the size and the complexity of the business.

General confirmation of Directors' duties

Reabold's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. When making decisions, each Director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

S172(1) (A) "The likely consequences of any decision in the long term"

The Directors understand the business and the evolving environment in which we operate. As an investor in upstream oil & gas projects, Reabold aims to create value from each project by investing in undervalued, low-risk, near-term projects and by identifying potential monetisation plans prior to investment. In pursuing this objective, our focus is on minimising our emissions and footprint whilst continuing to positively contribute to the growing demand for energy and products that require hydrocarbons in the supply chain.

The Directors recognise how our investment activities are viewed by different parts of society. Given the complexity of the energy sector, the Directors have taken the decisions they believe best support Reabold's strategic objectives, whilst meeting its environmental, social and governance obligations.

More information on this can be found below within our Environmental, Social and Governance (ESG) Statement.

S172(1) (B) "The interests of the company's employees"

The Company during the reporting period and to date, had no employees other than the Directors. The Board recognises that Reabold employees, currently principally its executives, are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments, and joint-venture partners. We aim to have a positive and enduring impact on the communities in which we operate, through partnering with national and local suppliers, and through payments to governments in taxes and other fees. The Group values all of its suppliers and aims to build strong positive relationships through open communication and adherence to trade terms. The Group is committed to being a responsible entity and doing the right thing for its customers, suppliers and business partners.

Ultimately board decisions are taken against the backdrop of what it considers to be in the best interest of the long-term financial success of the Group and its stakeholders, including shareholders, employees, the community and environment, our suppliers and customers. We value our customer relationships and aim to work closely with our customers to develop and maintain strong relationships, and understand their evolving needs so that we can improve and adapt to meet them.

More information on this can be found below within our Environmental, Social and Governance (ESG) Statement.

S172(1) (D) "The impact of the company's operations on the community and the environment"

This aspect is inherent in our strategic ambitions, most notably on our ambitions to thrive through the energy transition and to sustain a strong societal licence to operate. As such, the Board receives information on these topics to both provide relevant information for specific Board decisions.

Executive Directors conducted site visits of various investee company operations and held external stakeholder engagements, where feasible.

More information on this can be found below within our Environmental, Social and Governance (ESG) Statement.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

Reabold aims to achieve the production of hydrocarbons that meet the world's growing need for energy solutions in ways which are economically, environmentally and socially responsible. The Board periodically reviews and approves clear frameworks, such as Reabold's Code of Conduct, and specific Ethics & Compliance policies, to ensure that its high standards are maintained both within Reabold and the business relationships we maintain. This, complemented by the various ways the Board is informed and monitors compliance with relevant governance standards, help ensure its decisions are taken and that Reabold investee companies act in ways that promote high standards of business conduct.

S172(1) (F) "The need to act fairly as between members of the company"

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy over the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. All shareholders are encouraged to attend the Company's Annual General Meeting and any general meetings held by the Company, subject to any Covid-19 restrictions.

Culture

Whilst Reabold currently comprises a small team of people, the Board recognises that it has an important role in assessing and monitoring that our desired culture is embedded in the values, attitudes and behaviours we demonstrate, including in our activities and stakeholder relationships. The Board has established honesty, integrity and respect for people as Reabold's core values.

Principal decisions

We outline some of the principal decisions made by the Board over the year, explain how the Directors have engaged with, or in relation to, the different key stakeholder groups and how stakeholder interests were considered over the course of decision-making in this Strategic Report and also specifically in the Environmental, Social and Governance (ESG) Statement below.

The Board in its key strategic and principal decisions taken in the year gave due consideration to the matters outlined above for the benefit of the Company's members as a whole. The Board in considering whether to invest directly in the West Newton project by acquiring a 16.665 per cent. interest in PEDL 183, weighed up the benefits and costs and determined that this investment would bring long term benefit for the stakeholders.

Reabold, as an investor in upstream oil and gas projects, is represented by a non-executive director on each of the Boards of its associate investee companies, and accordingly is an active participant in the principal decisions of these companies that are reserved for the Board.

Reabold's interests in US oil and gas leases are operated by Integrity Management Solutions ("Integrity"), a California operating company that leads direct operational decisions pertaining to these leases, but in close consultation with Reabold management to ensure high standards of conduct in line with the Company's policies.

Environmental, Social and Governance (ESG) Statement

Reabold is committed to preserving and protecting our natural environment for future generations. We conduct our business in a manner that respects the environment and addresses climate challenges. Our focus is on minimising our emissions and footprint whilst continuing to positively contribute to the growing demand for energy and products that require hydrocarbons in the supply chain.

There is an increasing demand for energy in a growing global economy, and hydrocarbons will continue to play a critical role in meeting these needs, alongside renewables and other sources of energy for the foreseeable future. The International Energy Agency predicts a 30 per cent. increase in demand for hydrocarbons by 2040. The challenge is to meet the world's energy needs sustainably, which requires managing and reducing harmful emissions. Reabold actively encourages and expects its investee companies / operators of its oil and gas interests to respond to this by continuously striving to minimise the potential environmental impact of operations by:

- Implementing controls to identify and prevent potential environmental risks
- Implementing controls during operations to avoid accidental spills, or leaks of polluting materials
- Managing water with due consideration
- Targeting high energy efficiency levels in drilling and other activities
- Limiting unnecessary wastage
- Handling waste products in an environmentally responsible manner
- Regularly assessing the environmental consequences of operations

The operators have developed systems, controls and processes to integrate climate related considerations, in order to meet these objectives. Reabold complies with the applicable standards of the international oil industry, environmental laws and regulations. We recognise and support the basis of the Paris Agreement to strengthen the global response to the threat of climate change. Furthermore, extraction activities at sites in which Reabold is invested are significantly lower in carbon intensity than the industry average.

Our growth strategy consists of expanding our existing asset base and to developing the world's limited but proven reserves of hydrocarbon fuels in the most efficient and sustainable manner possible.

Reabold's assets are primarily small to medium sized, proven oil and gas fields at relatively shallow depth. As such, the intensity of drilling required is considered low relative to industry standards and we do not conduct energy intensive prospecting activities, reducing the impact on the environment. We continue to seek the most energy efficient drilling methods are utilised by the operators of our interests and as the energy mix evolves towards a higher percentage of renewables in the countries in which we operate (e.g. increasing wind power in the UK and Romania, solar in California), we anticipate a greater share of the energy consumption will be purchased from green sources.

United Kingdom

Our investee company sites in the United Kingdom are located close to areas with a high demand for energy. Consequently, we expect that hydrocarbons produced locally and consumed locally will displace imported hydrocarbons thereby resulting in lower carbon emissions overall.

Reabold is committed to being part of the overall reduction in carbon intensity in the UK. As part of this objective, in a significant environmental milestone for West Newton, we were very pleased with the West Newton development plan being given an AA rating by GaffneyCline for carbon intensity, the best possible grade for low carbon emissions from potential upstream crude oil production.

California, USA

Reabold's investee company's US production sites are located in California, a state with very high renewable energy generation which feeds into the energy required for hydrocarbon extraction. By industry standards, our oil and gas activities require a very low level of energy to extract the hydrocarbons, ensuring it is one of the most energy efficient of its type in California.

Romania

Romania is in the midst of creating a more sustainable energy mix by transitioning away from coal fired generation and ageing nuclear plants towards renewable energy sources. However, during this transition period, the country needs indigenously sourced natural gas as a fuel to ensure the security of supply of energy. By developing and producing gas from the Parta site, Danube Petroleum Limited is able to contribute to the country's efforts to implement this energy strategy.

Managing our environmental footprint and reducing our emissions are important objectives for Reabold Resources. We regularly review and revise our policies, as necessary.

Key performance indicators

The key performance indicators ("KPIs") are:

KPI	***Definition***	***Performance***	***Attainment***
KPI 1	Addition of a material investment that meets the Company's corporate investment criteria	· Opportunistic acquisition of a direct 16.665% interest in the West Newton field for the consideration of the issue of 350,000,000 new ordinary shares and £1.4 million in cash; taking the Company's effective economic interest in West Newton to circa 56.4% from 39.7%. · Further investment of £600,000 into Corallian tincreasing the Company's interest in Corallian to approximately 36.9 per cent., bringing further optionality and additional upcoming activity to the Reabold portfolio, including the Victory Project. · Number of opportunities reviewed and evaluated.	Achieved
KPI 2	A new commercial discovery within the investment portfolio, in-line with investment strategy	· Significant discovery at the West Newton field with the B-1Z well, which exceeded pre-drill expectations, further suggesting that the West Newton discovery would be the largest UK onshore discovery since 1973. · Commercial discovery on West Brentwood licence in California.	Achieved
KPI 2	Increased commercial production of hydrocarbons over prior year	· Increased production of hydrocarbons by Reabold California with its share of production in 2020 of 33,890 boe compared to 32,846 boe in 2019. · Proven reserves of 1.12 million barrels of oil equivalent ("boe") attributed to Reabold's net interest in 4 PDP and 1 PUD wells in California, with associated value of US$20.4 million (NPV10), as at February 2020. · The Californian assets are characterised by relatively low operating costs and continued to be cash generative amidst the lower oil and gas price environment that was experienced during much of 2020.	Achieved
KPI 3	Fund raisings and preservation in the Company's cash position sufficient for advancement of investment strategy	· Post balance date in January 2021, oversubscribed placing at a premium to the market to raise £7.5m at 0.55p per share, supported by key existing and new institutional investors to support the Company's investment strategy. · Strong cash position at date of this report of approx. £6.8m.	Achieved

KPI	*Definition*	*Performance*	*Attainment*
KPI 4	Growth in total net assets over the prior year	· The total consolidated net assets at the end of 2019 and 2020 were £40.1m and £38.9m respectively.	Not achieved
KPI 5	Growth in share price over the prior year	· The closing share prices at the end of 2019 and 2020 were 0.75 pence and 0.66 pence respectively. · On 1 September 2020, the share price achieved a closing high of 0.78 pence (2019 closing high of 1.4 pence).	Not achieved
KPI 6	Environmental compliance	· There was environmental compliance by the Group and investee companies, with permits successfully obtained for multiple drilling campaigns, which facilitates the advancement of appraisal and development activities to unlock value. · West Newton development plan has been given an AA rating by GaffneyCline for carbon intensity, the best possible grade for low carbon emissions from potential upstream crude oil production.	Achieved
KPI 7	Retention of key management and strong Board	· The key executives were retained and incentivised. · The Board is experienced and qualified, including two independent directors. The Board will aim to achieve gender diversity as the Company grows and evolves from its relative current small size.	Achieved

Principal risks and uncertainties

The Company continuously monitors its risk exposures and reports to the board of directors (the "Board") on a regular basis. The Board reviews these risks and focuses on ensuring effective systems of internal financial and non-financial controls are in place and maintained.

Risk	**Mitigation**	**Magnitude & likelihood**
Strategic risks		
Political risk: changes in government policies in the jurisdictions in which the Group investee companies operate, could have an adverse impact on the implementation of the Group's strategy. This includes the Paris Agreement international treaty on climate change to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. These policies raise the risk of hydrocarbon and capital assets being stranded.	The Group assessed political risk prior to making an investment decision and monitors political developments in the various jurisdictions in which it has invested, in-conjunction with its partners and through industry associations. The Group's "investment horizon" is considered to fall within time frames too short to be materially affected by the Paris Agreement 2C scenario.	Magnitude - High Likelihood - Medium
Operational risks		
Exploration risk: the Group and investee companies fail to identify hydrocarbon bearing prospects that have the potential to produce commercially.	The Group and investee companies undertake extensive analysis of available technical information to determine work programmes. Downside risk can be reduced by entering into risk sharing arrangements.	Magnitude - High Likelihood - High

Risk	Mitigation	Magnitude & likelihood
Regulatory risk: planning, environmental, licensing and other permitting risks associated with the Group and investee companies' operations particularly with exploration drilling operations.	The Group and investee companies have to date been successful in obtaining the required permits to operate. Such risks are mitigated through compliance with regulations, proactive engagement with regulators, communities and the expertise and experience of the management teams of the Group and investee companies.	Magnitude - High Likelihood - Medium
Production risk: hydrocarbons are not able to be produced in the projected quantities by the operators/investee companies (as applicable), or cannot be produced economically.	The Group and investee companies undertake extensive analysis of the available technical information towards improving the understanding of the reservoir.	Magnitude - High Likelihood - Medium
Financial risks		
Liquidity risk: insufficient liquidity and funding capacity of the Group and investee companies could adversely impact the implementation of the Group's strategy and restrict work programmes due to lack of capital.	The Board regularly reviews the Group's cash flow forecasts and the availability or adequacy of its current facilities to meet the Group's cash flow requirements. The Company actively monitors the liquidity position of its investee companies.	Magnitude - High Likelihood - Medium
Market risk: uncertainty and volatility of oil and gas prices could adversely impact on expected future revenues, margins, cash flows and returns.	Contingency is built into the evaluation, planning and budgeting process to allow for the downside movements in commodity prices. The Reabold model is to invest in undervalued assets that would be able to deliver profitably under any reasonable oil and gas price assumption, are at the lower end of the industry cost curve and will be competitive against other sources of hydrocarbons. The Group may consider it appropriate in the future to hedge a proportion of its production, particularly if the Group is reliant on the production to service debt.	Magnitude - Medium Likelihood - Medium
Management risks		
Loss of key staff risk: the adverse impact on operating capability and implementation of the Group's strategic objectives from the loss of key executives.	Recruitment and retention of key staff through providing competitive remuneration packages and stimulating and safe working environment. Balancing salary with longer term incentive plans.	Magnitude - High Likelihood - Low
Other risks		

Risk	Mitigation	Magnitude & likelihood
Covid-19 virus: the dramatic impact on global economies, demand for oil & gas and project operational activities, for example the closing of borders, restricting travel movements and resultant effects on project work programmes, as well as impacting fund raising activities.	The Reabold model is to invest in undervalued assets that would be able to deliver profitably under any reasonable oil and gas price assumption, are at the lower end of the industry cost curve and will be competitive against other sources of hydrocarbons. The Company's financial position is strong and with funding in place for the key 2021 work programmes for Reabold's investee work programmes. We believe that these projects remain economic at current oil prices.	Magnitude - High Likelihood - High

Financial review

The Group loss for the 12 months ended 31 December 2020 was £2,707,000 (2019: loss of £4,266,000). The reduction in losses was significantly impacted by the Company's share of losses of associates reducing to £878,000 (2019: loss of £2,952,000). The Company's share of losses of associates primarily comprised the share of Rathlin's loss of £607,000.

During the reporting period, the Group generated revenues of £1,035,000 (2019: £1,452,000) and gross profit of £4,000 (2019: £596,000) from its California assets, reflecting the significantly reduced average realised price per boe of $38.4 in 2020, compared to an average of $60 per boe in 2019.

Total administration costs increased from £1,387,000 for the year ended 31 December 2019 to £1,628,000 for the year ended 31 December 2020, mainly driven by an increase in executive remuneration, legal fees, broker and investor relations fees, reflecting the significant increase in investment and market activities. The impact to the Group loss for the reporting period of share based payments expense was reduced to £nil (2019: £192,000), reflecting no further expensing of options issued to executives in prior periods.

For the year ended 31 December 2020, the Group net cash outflow from operating activities was £1,652,000 (2019: cash outflow of £216,000) reflecting increased administration costs offset by positive movements in working capital. The cash outflow from investing activities reduced considerably from £24,985,000 for the year ending 31 December 2019 to £3,996,000 for the year ended 31 December 2020, reflecting the significant investment activities during the comparative period, including the investments in Rathlin, Danube and Corallian, as well as the funding of activities in California.

The Group raised no funds during the reporting period from share placements (2019: £24,873,000). Cash and cash equivalents as at 31 December 2020 was £1,139,000 (2019: £6,717,000).

Other than the Company's interest in the California production assets, no other assets have been monetised in the reporting period, due to the investments being in the appraisal stage of development.

The Group total net assets and net current assets as at 31 December 2020 were £38,920,000 (2019: £40,127,000) and £1,588,000 (2019: £6,660,000) respectively.

Our people

Our people are a key element in our success and the Company aims to attract, develop and retain talented people and to create a diverse and inclusive working environment, where everyone is accepted, valued and treated equally without discrimination, taking into account the current size of the Company.

Currently the Company comprises 6 directors and no other employees, with the workforce by gender summarised below:

As at 31 December 2020	Male	Female	Female %
Executive Directors	3	-	-%
Non-Executive Directors	3	-	-%
Other employees	-	-	-%
All employees	**6**	**-**	**-%**

COVID-19 virus

During the reporting period and subsequently, the COVID-19 pandemic has had a dramatic global impact. The situation is continually developing and will need constant attention as it continues to evolve over time.

In the Board's view, consistent with others, the evolving COVID-19 pandemic continues to be considered a non-adjusting post balance sheet event and no adjustment is made in the financial statements as a result.

The economic recovery from the COVID-19 pandemic is underway in key regions for the Group, on the back of strong fiscal stimulus, highly accommodative monetary policy, and the vaccine rollout, which has had a positive impact on the recovery of oil and gas prices.

Whilst the reporting period witnessed significant delays to work programmes including the effects of the restrictions on travel movements and closing of borders, we are optimistic towards the 2021 programmes being on track, with the easing and lifting of restrictions underway.

The impact of COVID-19 on the oil and gas industry, highlighted the benefit of the Reabold model to invest in undervalued assets that would be able to deliver profitably under any reasonable oil and gas price assumption, are at the lower end of the industry cost curve and will be competitive against other sources of hydrocarbons.

Outlook

Having secured funding to significantly progress activity across our portfolio in 2021, we are confident that shareholders can look forward to an exciting year ahead and beyond, including further drilling and testing at West Newton, adding value across the wider PEDL 183 licence, and moving the Victory gas development towards FDP in 2021.

Sachin Oza and Stephen Williams
Co-Chief Executive Officers

9 June 2021

Board of Directors

Jeremy Edelman - Non-Executive Chairman
Jeremy Edelman holds Bachelor degrees in Commerce and Law together with a Master's degree in Applied Finance. Jeremy is admitted as a solicitor to the Supreme Courts of Western Australia and New South Wales. Jeremy subsequently worked for some of the world's leading investment banks, including Bankers Trust and UBS Warburg in debt and acquisition finance. He has held consulting and director positions in listed companies in the UK and Australia, such as Mt Grace Resources NL, with a focus on resource exploration and development, including investment companies established with the specific objective of investing in resources projects. He also has corporate finance experience, having been

responsible for co-coordinating a number of companies in making acquisitions in a variety of resource sectors, including oil and gas, uranium, molybdenum, base metals and coal. He has worked in various regions of the world, including the Republic of Kazakhstan, Russia, South Africa and Australia. Jeremy served as a Non-Executive Director of Leni Gas Cuba Limited until 12 July 2016, a Director of Altona Energy Plc (also known as Altona Resources Plc) until 4 July 2006, Executive Director of Leni Gas & Oil PLC from August 2006 to December 2010 and Director of Braemore Resources Plc until 27 July 2005.

Sachin Oza - Executive Director and Co-Chief Executive
Sachin Oza has 18 years' investment experience, including 14 years' covering the energy sector. He joined Guinness Asset Management in April 2016, having previously worked as an investment analyst at M&G Investments for 13 years, where he covered the Utility, Transport, Mining and Oil & Gas sectors on a global basis. Sachin has also held investment analyst roles at Tokyo Mitsubishi Asset Management and JP Morgan Asset Management.

Stephen Williams - Executive Director and Co-Chief Executive
Stephen Williams has 16 years' experience in the energy sector. He joined Guinness Asset Management in April 2016, having previously worked as an investment analyst at M&G between 2010 and 2016, where he focussed on energy and resources. Prior to this, Stephen worked as an energy investment analyst for Simmons & Company International between 2005 and 2010 and from 2003 to 2005 he worked as an analyst at ExxonMobil.

Marcos Mozetic - Non-Executive Director
Marcos Mozetic, an exploration geologist, brings over 42 years of international technical experience in the oil and gas industry to the Company. His most recent experience was in designing, implementing and leading Repsol S.A's exploration strategy between 2004 and 2016. During this period, Repsol become a leader in reserve replacement and participated in some of the most exciting discoveries worldwide. Previous to this, Marcos worked as a development geologist in 1975 with Bridas, before moving into the exploration department, which he later led. Following this, Marcos worked for BHP Petroleum and BHP Minerals as Chief Geologist for Argentina and later Country Leader. Marcos holds a BSc and Post-Graduate degree in Petroleum Geology from the University of Buenos Aires.

Mike Felton - Non-Executive Director
Mike Felton is an experienced fund manager in the City and brings over 30 years of financial expertise to the Company. Mike previously served as Head of UK Retail Equities at M&G Investments and was Manager of the M&G UK Select Fund, growing the fund's assets from £110m to circa £550m at its peak. Mike has also previously served as Joint Head of Equities at ISIS Asset Management and Manager of ISIS UK Prime Fund, as well as Chief Investment Officer at Lumin Wealth, a position he still retains part-time. Mr Felton sits on the International Tennis Federation's Investment Advisory Panel and is a Business Ambassador for Anthony Nolan, the UK's blood cancer charity and bone marrow register.

Anthony Samaha - Executive Director
Anthony Samaha is a Chartered Accountant who has over 30 years' experience in accounting and corporate finance, including resources development. Anthony worked for over 10 years with international accounting firms, including Ernst & Young, principally in corporate finance, gaining significant experience in valuations, IPOs, independent expert reports, and mergers and acquisitions. He has extensive experience in the listing and management of AIM and TSX quoted companies, including fund raisings, project development and mergers and acquisitions. Anthony has been involved in acquisitions and resource projects in various regions of the world, including Australia, South Africa, West Africa, North America, Kazakhstan and the People's Republic of China. He holds Bachelor of Commerce and Bachelor of Economics degrees from the University of Western Australia, and is a Fellow of the Chartered Accountants Australia and New Zealand and an Associate of the Financial Services Institute of Australasia.

Directors' report for the year ended 31 December 2020

The Directors submit their report and the audited financial statements of the Company for the year ended 31 December 2020.

Principal activities
The principal activity of the Company is investment in pre-cash flow upstream oil and gas projects, primarily as significant minority interests in unlisted oil & gas companies or majority interests in unlisted oil & gas companies with non-operating positions on licences.

Results and dividends
The results of the Group are shown on page 39. No dividends were declared or paid in the year (2019: £nil). The Directors do not recommend the payment of a final dividend. The Directors are satisfied with the performance of the Company in the year.

Post balance sheet events
Details of post reporting date events are disclosed in Note 30 of the financial statements.

Financial Risk Management
The Group's activities expose it to foreign currency, credit and liquidity risks. The size of the Company means that it is unnecessary and impractical for the Directors to delegate the responsibility of monitoring financial risk management to a sub-committee of the Board. Refer to Note 29 of the financial statements, for further details.

Directors and their interests
The names of the Directors who held office during the year and their shareholdings are shown below.

Director	**At 31 December 2020**	At 1 January 2020
Jeremy Edelman *	**169,000,000**	169,000,000
Sachin Oza	**16,637,058**	16,637,058
Stephen Williams	**12,222,111**	12,222,111
Marcos Mozetic	**-**	-
Michael Felton	**8,386,431**	8,386,431
Anthony Samaha	**1,000,000**	1,000,000

** including 144,000,000 shares held by Saltwind Enterprises Ltd, a company connected with Jeremy Edelman.*

The total options held by directors as at 31 December 2020 was 315,000,000. Sachin Oza and Stephen Williams each held 150,000,000 options and Anthony Samaha held 15,000,000 options. The options have a weighted average exercise price of 0.8 pence and a weighted average life of 1.0 years.

Directors' indemnity
The Company maintains a directors' and officers' liability policy on normal commercial terms which includes third party indemnity provisions.

Going concern
The financial statements have been prepared on the going concern basis. The Directors have prepared cash flow forecasts for the period ending 30 June 2022 which take account of the current cost and operational structure of the Group, as well as the current investment agreements and budgeted capital expenditure commitments.

The Group's production assets are characterised by relatively low operating costs and are budgeted to be cash generative at oil and gas prices significantly below the current forward rates.

The Directors have assessed in the cash flow forecasts the impacts of increased overhead and operating costs, lower oil and gas prices and increased capital expenditure costs.

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

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Outlook and future developments
Future developments are outlined in the Chairman's Statement and Strategic Report.

Brexit
The United Kingdom left the European Union on 31 January 2020 and is no longer part of the political institutions, with the trade deal that was agreed on 24 December 2020, being ratified by the European parliament on 27 April 2021. The Board does not currently envisage any material negative impact on the Company specifically from Brexit.

Political and charitable contributions
The Company made no contributions to charitable or political bodies during the year (2019: £Nil).

Significant shareholders
As at 9 June 2021, the significant shareholders in the Company were:

Holder	No. of shares*	%
Premier Fund Managers Limited	911,009,907	10.20
Ruffer Investment Management	560,000,000	6.27
Chelverton Asset Management Limited	461,576,116	5.17
FIL Limited	424,318,933**	5.02
Edale Capital LLP	279,963,723	3.14

Notes:-
* taken from third party share register analysis as at 8 May 2021.
** updated for TR-1 published by the Company on 19 May 2021.

Corporate governance
The Board is committed to ensuring good standards of corporate governance in so far as practicable for a company of this size. The London Stock Exchange has required all AIM companies to apply a recognised corporate governance code from 28 September 2018. In connection with the introduction of these new requirements, the Quoted Companies Alliance has published a new Corporate Governance Code which the Company has adopted from 28 September 2018. The Company has adopted and operates a share dealing code for Directors and senior employees on substantially the same terms as the Model Code appended to the Listing Rules of the UK Listing Authority. Information in relation to the Corporate Governance of the Group is contained within the Corporate Governance Report.

Employment policies and remuneration
The Company is committed to promoting policies which ensure that high calibre employees are attracted, retained and motivated, to ensure ongoing success for the business. Employees and those who seek to work with the Company are to be treated equally regardless of sex, marital status, creed, age, colour, race or ethnic origin.

The Company remunerates the Directors at a level commensurate with the size of the Company and the experience of its Directors. The Board has reviewed the Directors' remuneration and believes it upholds the objectives of the Company with regard to this issue. Details of Directors' emoluments and payments made for professional services rendered are set out in Note 9 to the financial statements.

Environmental policies
The Group's operations are, and will be, subject to environmental regulation (with regular environmental impact assessments and evaluation of operations required before any permits are granted to the Group) in the jurisdiction in which it operates. Although the Group intends to be in

compliance with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other circumstances, which could subject the Group to extensive liability. Further, the Group may fail to obtain the required approval from the relevant authorities necessary for it to undertake activities which are likely to impact the environment. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area. No environmental breaches have been notified by any governmental agency as at the date of this report.

Energy and carbon report

The Group is not required to report energy and emissions information under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, given its size. The Group will review providing voluntary disclosures in future reporting periods, where it continues to be below the reporting thresholds.

Board of Directors

The Board meets regularly to determine the policy and business strategy of the Company and has adopted a schedule of those matters that are reserved as the responsibility of the Board. The Directors who held office during the year and up to the date of this report are given below:

Jeremy Edelman (Non-Executive Chairman)
Sachin Oza (Executive Director and Co-CEO)
Stephen Williams (Executive Director and Co-CEO)
Anthony Samaha (Executive Director)
Marcos Mozetic (Non-Executive Director)
Michael Felton (Non-Executive Director)

Board committees

The Board has an Audit Committee and a Remuneration Committee.

Corporate and social responsibility

The Company maintains high, ethical standards in its business activities. We act responsibly, promoting accountability as individuals and as a company. We operate with ethics and fairness and comply with all required rules and regulations.

The Company requires that in respect to any of its investee's exploration and development, there runs alongside this a comprehensive community engagement plan. It is vital that our investee companies engage, listen and communicate effectively with local communities, particularly when they begin the process of planning new developments. Whilst the Company is cognisant of its corporate social responsibilities, the Company considers that it is not of the size to warrant a formal policy as the issues that are relevant to this policy are mostly the responsibility of the operators of the wells with which the Company has agreements.

Controlling party

In the opinion of the Directors there is no controlling party.

Statement of disclosure to auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and they 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.

Matters covered in the Strategic Report

As permitted by Paragraph 1A of schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic Report instead. These matters relate to the Business review.

Bribery Act
The Company is cognisant of its responsibilities under the Bribery Act and has implemented an Anti-Bribery policy.

UK City Code on Takeovers and Mergers
The Company is subject to the UK City Code on Takeovers and Mergers.

Market Abuse Regime
The Company has adopted and operates a share dealing code for Directors and senior employees on substantially the same terms as the Model Code and MAR appended to the Listing Rules of the UKLA.

Auditor
In accordance with section 489 of the Companies Act 2006, a resolution to reappoint Mazars LLP was put to the Annual General Meeting held on 23 September 2020 and was approved. The auditor, Mazars LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006. Mazars LLP has signified its willingness to continue in office as auditor.

Annual General Meeting
Notice of the forthcoming Annual General Meeting will be enclosed separately.

By order of the Board, 9 June 2021

A Samaha
Registered Office:
20 Primrose Street
London
EC2A 2EW

Corporate governance report

The London Stock Exchange required that all AIM companies apply a recognised corporate governance code from the 28 September 2018. In connection with the introduction of these new requirements, the Quoted Companies Alliance published a new corporate governance code.

The Directors of the Company formally applied the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") from 28 September 2018. The Board recognises the principles of the QCA Code, which focus on the creation of medium to long-term value for shareholders without stifling the entrepreneurial spirit in which small to medium sized companies, such as Reabold, have been created. The Company sets out below its annual update on its compliance with the QCA Code.

The QCA Code sets out 10 principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles:

1) Principle One: Establish a strategy and business model which promote long-term value for shareholders

The Board has concluded that the highest medium and long term value can be delivered to its shareholders by the adoption of a single strategy for the Company.

The investing policy of the Company is to acquire direct and indirect interests in exploration and producing projects and assets in the natural resources sector, and consideration is given to investment opportunities globally. However, under that policy, the Board is focused on investments in pre-cash flow upstream oil and gas projects. Those projects are primarily in the form of significant minority interests in unlisted oil & gas companies or majority interests in unlisted oil & gas companies with non-

operating positions on licences that are on-shore or near-shore assets with low-cost drilling opportunities that can provide medium term production and hence cash flow.

The Company is an investor in upstream oil & gas projects globally with an aim to create value from each project by investing in undervalued, low-risk, near-term upstream oil & gas projects and by identifying realistic potential exit plans prior to investment.

The Company's long term strategy is to re-invest capital made through its investments into larger projects in order to grow the Company. The Company aims to gain exposure to assets with limited downside and high potential upside, capitalising on the value created between the entry stage and exit point of its projects. The Company invests in projects that have limited correlation to the oil price.

The Company only invests in projects which meet its stringent requirements.

The Company may be both an active and a passive investor depending on the nature of the individual investments.

Although the Company intends to be a medium to long-term investor, the Company will place no minimum or maximum limit on the length of time that any investment may be held and therefore shorter term disposal of any investments cannot be ruled out. The Company intends there to be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules for Companies. The investing policy will allow investments to be in all types of assets and there will be no investment restrictions.

The Company may offer new Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash resources for working capital. The Company may, in appropriate circumstances, issue debt securities or otherwise borrow money to complete an investment.

The Company provides shareholders with a discussion of corporate strategy within this Annual Report, specifically the Chairman's Statement and the Strategic Report sections. Key business challenges and how they may be mitigated are detailed in the Strategic Report.

2) Principle Two: Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

All shareholders are encouraged to attend the Company's Annual General Meeting and any general meetings held by the Company.

Investors also have access to current information on the Company through its website, www.reabold.com, and through Sachin Oza and Stephen Williams, the Co-Chief Executive Directors, who are available to answer investor relations enquiries. The Company disseminates all regulatory updates via a Regulatory Information Service before doing so elsewhere.

3) Principle Three: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that the long term success of the Company is reliant upon the efforts of the employees of the Company and its contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. The Company has close ongoing relationships with a broad range of its stakeholders and provides them with the opportunity to raise issues and provide feedback to the Company.

4) Principle Four: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board ensures that procedures are in place and such procedures are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company. Key business challenges and risks are detailed in the Strategic Report on pages 23 to 24, including the impact and how these are mitigated.

The Board has established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical due to the size of the Company and the close day to day control exercised by the executive directors. However, the Board will continue to monitor the need for an internal audit function. The Board has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

5) Principle Five: Maintain the board as a well-functioning, balanced team led by the chair

As at the date of publication, the Board comprised of Jeremy Edelman as the Non-Executive Chairman, Marcos Mozetic and Michael Felton as Non-Executive Directors and Sachin Oza and Stephen Williams, the Co-Chief Executive Directors, and Anthony Samaha as Executive Director. Biographical details of the current Directors are set out on page 24 of this Annual Report.

The Executive and Non-Executive Directors are subject to re-election at the second annual general meeting of the Company after their last appointment or reappointment, if not before.

The Co-Chief Executive Officers are considered to be full time employees. Anthony Samaha, whilst an Executive Director is not a full time employee. The Non-Executive Directors are considered to be part time but are expected to provide as much time to the Company as is required.

The Board elects a Chairman to chair every meeting. The Board meets at least six times per annum. The Board has agreed that appointments to the Board are made by the Board as a whole and so has not yet created a Nominations Committee.

The Non-Executive Directors, Michael Felton and Marcos Mozetic are considered to be Independent Directors. The Board notes that the QCA recommends a balance between executive and non-executive Directors and recommends that there be two independent non-executives. The Board will review further appointments as scale and complexity grows.

The role of the Chairman is to provide leadership of the Board and ensure its effectiveness on all aspects of its remit to maintain control of the Company. In addition, the Chairman is responsible for the implementation and practice of sound corporate governance. The Chairman is considered to have adequate separation from the day-to-day running of the Company.

Attendance at Board and Committee Meetings

In order to be efficient, the Board meets formally and informally both in person and by telephone. To date there have been at least bimonthly meetings of the Board, and the volume and frequency of such meetings is expected to continue at least at this rate. The Company had 10 Board meetings during the year and reports below on the number of Board and committee meetings attended by Directors.

	Board (out of total possible)	**Audit Committee** (out of total possible)	**Remuneration Committee** (out of total possible)
Jeremy Edelman	9/10	2/2	-
Sachin Oza	10/10	-	-

Stephen Williams	10/10	-	-
Anthony Samaha	10/10	-	-
Marcos Mozetic	9/10	-	-
Michael Felton	9/10	2/2	-

6) Principle Six: Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board currently consists of six Directors. In addition to holding office as an Executive Director, Anthony Samaha also currently holds the office of Company Secretary. The Company believes that the current balance of skills in the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industry sectors.

The Board recognises that it currently has a limited diversity, including a lack of gender balance, and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

The Board shall review annually the appropriateness and opportunity for continuing professional development whether formal or informal. The Company Secretary supports the Chairman and Executives in addressing the training and development needs of Directors, and their membership of appropriate professional and industry associations. These professional associations have ongoing professional development requirements, which the Company supports.

The Board during the reporting period consulted with its legal advisors and nominated advisor on specific matters in respect of the application of QCA Code and the AIM Rules.

7) Principle Seven: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

Internal evaluation of the Board and individual Directors is undertaken on an annual basis in the form of peer appraisal and discussions to determine the effectiveness and performance in various applicable areas to their role as well as the Directors' continued independence.

The results and recommendations that come out of the appraisals for the Directors shall identify the key corporate and financial targets that are relevant to each Director and their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

Following a review by the Board of the positive performance of the Executive Directors in implementing the business strategy and raising of further significant capital, the Board implemented additional performance-based equity incentives to the Executive Directors through the issue to them of additional options.

During the reporting period, the Board undertook a performance evaluation of the Executive Directors, and in view of the overall positive progress against KPIs and the significant increase in investment activities, the remuneration of the Executive Directors was increased within market remuneration ranges for comparable companies.

The Board performance evaluation is to be undertaken annually and includes an assessment of achievement of KPIs by Executive Directors. The Remuneration Committee will undertake a review of the remuneration of Executive Directors at least annually and may consult with external consultants to assist in the evaluation and determination of appropriate compensation and incentivisation schemes to ensure the Company remains competitive in retaining management.

The Board is to consider periodically a succession plan. Executive Directors are to have sufficient length of notice periods to ensure the appointment of new personnel and ensure sufficient time to handover responsibilities.

8) Principle Eight: Promote a corporate culture that is based on ethical values and behaviours

The Board recognises 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 is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, clients and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great import on this aspect of corporate life and seeks to ensure that this flows through all that the Company does.

The Board consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge. The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016, and which is a major part of how the Company determines that ethical values and behaviours are recognised and respected.

9) Principle Nine: Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Ultimate authority for all aspects of the Company's activities rests with the Board with the respective responsibilities of the Chairman and the Executive Directors arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Co-Chief Executive Directors.

The Board has adopted guidelines for the appointment of Non-Executive Directors which have been in place and which have been observed throughout the year. These provide for the orderly and constructive succession and rotation of the Chairman and Non-Executive directors.

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

The role of the Chairman is to provide leadership of the Board and ensure its effectiveness on all aspects of its remit to maintain control of the Company. In addition, the Chairman is responsible for the implementation and practice of sound corporate governance. The Chairman is considered to have adequate separation from the day-to-day running of the Company.

The Corporate Governance Report provides details of the Company's governance structures, the roles and responsibilities of directors, details of the Audit Committee and the Remuneration Committee.

The Board has implemented an Audit committee comprising Michael Felton (Chair) and Jeremy Edelman, with Anthony Samaha an attendee. The principal duties and responsibilities of the Audit Committee include:

- overseeing the Group's financial reporting disclosure process; this includes the choice of appropriate accounting policies;
- monitoring the Group's internal financial controls and assess their adequacy;
- reviewing key estimates, judgements and assumptions applied by management in preparing published financial statements;
- annually assessing the auditor's independence and objectivity; and
- making recommendations in relation to the appointment, re-appointment and removal of the Company's external auditor.

The Board has implemented a Remuneration committee comprising Marcos Mozetic (Chair), Jeremy Edelman, and Michael Felton. The principal duties and responsibilities of the Remuneration Committee include:

- setting the remuneration policy for all Executive Directors;
- recommending and monitoring the level and structure of remuneration for senior management;
- approving the design of, and determining targets for, performance related pay schemes operated by the Company and approve the total annual payments made under such schemes; and
- reviewing the design of all share incentive plans for approval by the Board and shareholders.

The Board will implement a Nomination committee at the appropriate time in line with changes to the structure, size and composition of the Board.

The Board of Directors is responsible for the success of the Group, but given the size and complexity of its operations the day-to-day operations of the Group are managed on a delegated basis by the Executive Directors. The schedule of matters reserved for the Board include:

- approval of the Group's strategic plan, oversight of the Group's operations and review of performance in the view of the Group's strategy, objectives, business plans and budgets, and ensuring that any necessary corrective action is taken;
- ultimate oversight of risk, including determining the Group's risk profile and risk appetite;
- culture and succession planning;
- investments, acquisitions, divestments and other transactions outside delegated limits;
- financial reporting and controls, including approval of the half-year interim results, full-year results, approval of the Annual Report and Financial Statements, approval of any significant changes in accounting policies or practices and ensuring maintenance of appropriate internal control and risk management systems;
- ensuring the Annual Report and Financial Statements present a fair, balanced and understandable assessment of the Group's position and prospects;
- assessment of the Group's ability to continue as a going concern;
- capital expenditure, including the annual approval of the capital expenditure budgets and any material changes to them in line with the Group-wide policy on capital expenditure;
- dividend policy, including the annual review of the dividend policy and recommendation and declaration of any dividend;
- appointment of Directors;
- shareholder documentation, including approval of resolutions and corresponding documentation to be put to shareholders and approval of all material press releases concerning matters decided by the Board;
- terms of reference of Board committees and appointment of members to the committees; and
- key business policies, including approval of remuneration policies.

The Board considers its current governance structures and processes to be in line and appropriate for its current size and complexity, as well as its current capacity, appetite and tolerance for risk. The

Board will continue to monitor the appropriateness of its governance structures and processed towards their evolution over time in parallel with the Group's objectives, strategy and business model to reflect the development of the Group.

10) Principle Ten: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

All shareholders are encouraged to attend the Company's Annual General Meeting and any general meetings held by the Company, subject to any COVID-19 restrictions. Where COVID-19 restrictions are imposed on such meetings, shareholders are provided the opportunity to submit questions to the Board in advance of the meeting, with responses to the questions made available on the Company's website following the conclusion of the meeting.

Historical annual reports and other governance related material, including notices of all general meetings of the Company over the last five years are available through the Company's website, www.reabold.com.

Investors also have access to current information on the Company through its website, www.reabold.com, and through Sachin Oza and Stephen Williams, the Co-Chief Executive Directors, who are available to answer investor relations enquiries.

At the time of adoption of the QCA Code from 28 September 2018, the Company established an Audit Committee and Remuneration Committee.

Audit Committee Report

During the reporting period, the Audit Committee met twice, and confirmed:

- the Audit Committee's terms of reference outlined in this Corporate Governance Report;
- the composition of the Audit Committee;
- the proposed schedule for meetings of the Audit Committee in line with the Company's financial reporting timetable;
- the policy to annually review whether it is appropriate to put the audit out to tender;
- the process to procure, review and agree the Audit Strategy Memorandum with the external auditor; and
- the establishment of an internal audit function was not practicable in view of the current size of the Company and the Group.

Remuneration Committee Report

During the reporting period, the Remuneration Committee did not meet, deferring convening until post year end, when further information was available on the results of key projects, as well as the impacts of COVID-19. At the meeting post year end, the Remuneration Committee confirmed:

- the Remuneration Committee's terms of reference outlined in this Corporate Governance Report;
- the composition of the Remuneration Committee;
- the proposed schedule for meetings of the Remuneration Committee in line with the Company's annual review of Executive Directors;
- the members of the Remuneration Committee commit to reviewing and, where necessary, developing the necessary skills and knowledge for the effective function of the committee;
- the Remuneration Committee will consider the view of shareholders when setting executive pay; and

- the Remuneration Committee will periodically review the need to engage external consultants to assist in the evaluation and determination of appropriate compensative and incentivisation schemes to ensure the Company remains competitive in retaining management.

Jeremy Edelman
Chairman

9 June 2021

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with International Accounting Standards ("IAS")and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Reabold Resources Plc

Opinion

We have audited the financial statements of Reabold Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Cash Flows, the Company Statement of Cash Flows, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended; and
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and, as regards the parent company financial statements, as applied in accordance with the provisions 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 SME 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 audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Obtaining and reviewing the directors' going concern assessment;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the directors' disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

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

Key Audit Matter	How our scope addressed this matter
Carrying value of exploration & evaluation assets and oil & gas assets The group's accounting policy in respect of this area is set out in the accounting policy notes on page 49-50. The subsidiaries and associated undertakings are involved in the extraction of oil and gas and hold significant exploration & evaluation assets and oil & gas assets. Due to the significance of the carrying value of these assets and the judgements involved in assessing for indicators of impairment, this is considered a key audit matter.	Our procedures included, but were not limited to, the following: · Reviewing the accounting policies of associates and assessing whether the point at which exploration and evaluation assets are recognised is in accordance with the group's accounting policy and IFRS 6; · Obtaining and reviewing management's assessments as to whether there were indicators of impairment; · Assessing whether other indicators of impairment or under-performing sites may exist through reviewing board minutes, RNS Announcements and externally available information; · Directing the work of component auditors in respect of their work on exploration and evaluation assets through the issuance of instructions; and · Holding discussions with component auditors and reviewing their work to ensure appropriate and sufficient audit evidence had been obtained around the carrying value of oil & gas assets held by associated undertakings. **Our observations** On the basis of our audit procedures, we are satisfied that the judgements applied by management in their impairment assessment of exploration & evaluation assets and oil & gas assets are reasonable.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	Group: £594,800 Parent Company: £592,900
How we determined it	This has been calculated with reference to total assets, of which it represents approximately 1.5% for the group and parent company.
Rationale for benchmark applied	Total assets have been identified as the principal benchmark within the financial statements as it is considered to be the focus of the shareholders due to the investments, namely the subsidiaries and associated entities, being at an early stage of revenue generation. 1.5% has been chosen to reflect the level of understanding of the stakeholders of the group in relation to the inherent uncertainties around accounting estimates and judgements.
Performance materiality	Group: £475,800 Parent Company: £474,300 Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.
Reporting	We agreed with the directors that we would report to them misstatements identified

threshold	during our audit above Group: £17,800 and Parent Company: £17,700, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the group and parent company, their environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and the parent company financial statements of Reabold Resources Plc. Based on our risk assessment, all entities within the group, except for Reabold Resources Limited and Gaelic Resources LLC which are holding companies with no impact on the consolidated financial statements, were subject to full scope audit and was performed by the group audit team. Two of the group's associated undertakings are subjected to audit procedures by component auditors. Group instructions were sent to these component auditors by the group engagement team. Discussions were held with component auditors and specific audit working papers of theirs were reviewed by senior members of the group engagement team to assess the sufficiency and appropriateness of their audit procedures for the purposes of the group opinion. Audit procedures in relation to the other associated undertaking was completed by the group engagement team.

At the parent company level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 33, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates including the carrying value of exploration and evaluation assets, significant one-off or unusual transactions and fraud through revenue recognition, specific to cut-off.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and

- Considering the risk of acts by the group and the parent company which were contrary to the applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

Our audit procedures in relation to fraud through revenue recognition, specific to cut-off included, but were not limited to:

- Reviewing 100% of the group's share of revenue in the year based on the contractual terms of the production sharing contract and each monthly third party oil statement; and
- Reviewing the January 2021 oil statement and ensuring the group's share have been posted in the appropriate period.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under "Key audit matters" within this report.

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

Use of the audit 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.

Stephen Brown (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF
United Kingdom

Date: 9 June 2021

Group statement of comprehensive income for the year ended 31 December 2020

	Notes	**2020**	**2019**
		£'000	**£'000**
Revenue	5	**1,035**	1,452

Cost of sales	6	**(1,031)**	(856)
Gross profit		**4**	596
Other income		**60**	71
Exploration costs expensed	17	**-**	(192)
Impairment of property, plant & equipment	18	**(239)**	(160)
Administration expenses		**(1,628)**	(1,387)
Share based payments expense	25	**-**	(192)
Loss on ordinary activities	7	**(1,803)**	(1,264)
Share of losses of associates	14	**(878)**	(2,952)
Finance income		**13**	17
Loss before tax for the period		**(2,668)**	(4,199)
Taxation	10	**-**	-
Loss for the financial year		**(2,668)**	(4,199)
Other comprehensive loss			
Foreign exchange loss on translation of foreign subsidiaries		**(39)**	(67)
Other comprehensive loss		**(39)**	(67)
Total comprehensive loss for the financial year		**(2,707)**	(4,266)
Attributable to:			
Equity holders		**(2,707)**	(4,266)
		(2,707)	(4,266)
Loss per share			
Basic and fully diluted loss per share (pence)	11	**(0.04)**	(0.11)

All amounts relate to continuing operations.

The notes on pages 46 to 75 form part of these financial statements.

Group statement of financial position as at 31 December 2020

	Notes	**2020**	**2019**

		£'000	£'000
ASSETS			
Non-current assets			
Exploration & evaluation assets	17	**7,586**	3,507
Property, plant & equipment	18	**4,569**	4,400
Investments in associates	14	**25,335**	25,613
Goodwill on acquisition	12	**329**	329
Investments in equity instruments	13	**15**	15
		37,834	33,864
Current assets			
Inventory		**34**	19
Prepayments		**85**	58
Trade and other receivables	19	**379**	855
Restricted cash	20	**208**	341
Cash and cash equivalents		**1,139**	6,717
		1,845	7,990
Total assets		**39,679**	41,854
EQUITY			
Capital and reserves			
Share capital	24	**7,211**	6,845
Share premium account	26	**20,819**	19,685
Capital redemption reserve		**200**	200
Share based payment reserve		**1,746**	1,746
Foreign currency translation reserve		**(39)**	-
Retained earnings		**8,983**	11,651
Total shareholders' funds		**38,920**	40,127
LIABILITIES			
Current liabilities			
Trade and other payables	21	**192**	902
Provisions	22	**-**	299
Accruals	21	**65**	130
		257	1,331
Non-Current liabilities			
Deferred tax liability	12	**329**	329
Provision for decommissioning	23	**173**	67
		502	396
Total equity and liabilities		**39,679**	41,854

Approved by the Board of Directors on 9 June 2021
Signed on behalf of the board of directors:

Anthony Samaha
Director

The notes on pages 46 to 75 form part of these financial statements.

Company statement of financial position as at 31 December 2020

	Notes	2020 £'000	2019 £'000
ASSETS			
Non-current assets			
Exploration & evaluation assets	17	**4,556**	-
Investments in associates	14	**25,335**	25,613
Subsidiaries	15	**1,933**	1,933
Investments in equity instruments	13	**15**	15
		31,839	27,561
Current assets			
Loan to subsidiary	16	**6,292**	6,029
Prepayments		**84**	60
Trade and other receivables	19	**253**	232
Restricted cash	20	**25**	-
Cash and cash equivalents		**1,060**	6,684
		7,714	13,005
Total assets		**39,553**	40,566
EQUITY			
Capital and reserves			
Share capital	24	**7,211**	6,845
Share premium account	26	**20,819**	19,685
Capital redemption reserve		**200**	200
Share based payment reserve		**1,746**	1,746
Retained earnings		**11,649**	15,840
(Loss) for the year		**(2,281)**	(4,191)
Total shareholders' funds		**39,344**	40,125
LIABILITIES			
Current liabilities			
Trade and other payables	21	**9**	77
Provisions	22	**-**	299
Accruals	21	**65**	65
		74	441
Non-Current liabilities			
Provision for decommissioning	23	**135**	-
		135	-
Total equity and liabilities		**39,553**	40,566

Approved by the Board of Directors on 9 June 2021
Signed on behalf of the board of directors:

Anthony Samaha
Director

The notes on pages 46 to 75 form part of these financial statements.

Group statement of cash flows for the year ended 31 December 2020

	Notes	**2020**	**2019**
		£'000	**£'000**
Cash flows from operating activities			
Loss for the financial year		**(2,668)**	(4,199)
Adjustments:			
Net gain on financial assets at fair value through profit or loss	13	**-**	-
Capitalised E&E expenditure expensed to exploration costs	17	**-**	192
Depreciation	18	**326**	237
Impairment	18	**239**	160
Decommissioning finance charge		**7**	-
Share based payments	25	**100**	192
Operating cash flows before movement in working capital		**(1,996)**	(3,418)
Decrease/(increase) in receivables	19	**478**	(430)
Increase/(decrease) in payables and accruals	21	**(776)**	512
Increase/(decrease) in provisions	22	**(299)**	115
Increase/(decrease) in provision for decommissioning	23	**106**	67
Decrease/(increase) in prepayments		**(28)**	(27)
Decrease/(increase) in inventory		**(15)**	13
Cash used in operating activities		**(2,529)**	(3,168)
Share of losses of associates	14	**878**	2,952
Net cash used in operating activities		**(1,652)**	(216)
Cash flows from investing activities			
Investments in associates	14	**(600)**	(20,995)
Expenditure on oil & gas property	18	**(398)**	(3,258)
Expenditure on exploration & evaluation assets		**(1,683)**	(567)
Acquisition of exploration & evaluation rights		**(1,448)**	-
Additions to restricted cash		**132**	(165)
Net cash used in investing activities		**(3,996)**	(24,985)
Cash flows from financing activities			
Share placement net proceeds		**-**	24,873
Net cash generated from financing activities		**-**	24,873

Net increase/(decrease) in cash and cash equivalents	**(5,648)**	(328)
Net foreign exchange differences	**69**	(67)
Cash and cash equivalents at the beginning of the period	**6,717**	7,112
Cash and cash equivalents at the end of the period	**1,139**	6,717
Cash and cash equivalents comprises:		
Cash and cash equivalents	**1,139**	6,717
Overdraft and borrowings	**-**	-
	1,139	6,717

The notes on pages 46 to 75 form part of these financial statements.

Company statement of cash flows for the year ended 31 December 2020

	Notes	**2020 £'000**	**2019 £'000**
Cash flows from operating activities			
Loss for the financial year		**(2,281)**	(4,191)
Adjustments:			
Net gain on financial assets at fair value through profit or loss	13	**-**	-
Share based payments	25	**100**	192
Realised foreign exchange loss/(gain)		**-**	164
Operating cash flows before movement in working capital		**(2,181)**	(3,835)
Decrease/(increase) in receivables	19	**(21)**	(87)
Increase/(decrease) in payables and accruals	21	**(68)**	43
Increase/(decrease) in provisions	22	**(299)**	115
Decrease/(increase) in prepayments		**(24)**	(28)
Net cash used in operating activities		**(2,593)**	(3,792)
Share of losses of associates	14	**878**	2,952
Net cash used in operating activities		**(1,715)**	(840)
Cash flows from investing activities			
Investments in associates	14	**(600)**	(20,995)
Loan to subsidiary	16	**(263)**	(2,051)
Expenditure on exploration & evaluation assets		**(1,573)**	-
Acquisition of exploration & evaluation rights		**(1,448)**	-
Additions to restricted cash		**(25)**	-
Net cash used in investing activities		**(3,909)**	(23,496)
Cash flows from financing activities			
Share placement net proceeds		**-**	24,873
Net cash generated from financing activities		**-**	24,873

Net increase/(decrease) in cash and cash equivalents	**(5,624)**	537
Cash and cash equivalents at the beginning of the period	**6,684**	6,147
Cash and cash equivalents at the end of the period	**1,060**	6,684
Cash and cash equivalents comprises:		
Cash and cash equivalents	**1,060**	6,684
Overdraft and borrowings	**-**	-
	1,060	6,684

The notes on pages 46 to 75 form part of these financial statements.

Group statement of changes in equity for the year ended 31 December 2020

	Share capital	Share premium account	Capital redemption reserve	Share based payments reserve	Foreign currency translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Balance as at 31 December 2018	**3,935**	**25,302**	**200**	**1,554**	**67**	**(11,745)**	**19,313**
Loss for the year	-	-	-	-	-	(4,199)	**(4,199)**
Changes in equity for 2019							
Issue of share capital	2,910	23,755	-	-	-	-	**26,665**
Transaction costs on issue of share capital	-	(1,777)	-	-	-	-	**(1,777)**
Capital reduction	-	(27,595)	-	-	-	27,595	**-**
Share based payments	-	-	-	192	-	-	**192**
Other comprehensive income	-	-	-	-	(67)	-	**(67)**
Balance as at 31 December 2019	**6,845**	**19,685**	**200**	**1,746**	**-**	**11,651**	**40,127**
Loss for the year	-	-	-	-	-	(2,668)	**(2,668)**
Changes in equity for 2020							
Issue of share capital	366	1,134	-	-	-	-	**1,500**
Other comprehensive income	-	-	-	-	(39)	-	**(39)**
Balance as at 31 December 2020	**7,211**	**20,819**	**200**	**1,746**	**(39)**	**8,983**	**38,920**

The notes on pages 46 to 75 form part of these financial statements.

Company statement of changes in equity for the year ended 31 December 2020

	Share capital	Share premium account	Capital redemption reserve	Share based payments reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	**£'000**
Balance as at 31 December 2018	**3,935**	**25,302**	**200**	**1,554**	**(11,755)**	**19,236**
Loss for the year	-	-	-	-	(4,191)	**(4,191)**
Changes in equity for 2019						
Issue of share capital	2,910	23,755	-	-	-	**26,665**
Transaction costs on issue of share capital	-	(1,777)	-	-	-	**(1,777)**
Capital reduction	-	(27,595)	-	-	27,595	**-**
Share based payments	-	-	-	192	-	**192**
Balance as at 31 December 2019	**6,845**	**19,685**	**200**	**1,746**	**11,649**	**40,125**
Loss for the year	-	-	-	-	(2,281)	**(2,281)**
Changes in equity for 2020						
Issue of share capital	366	1,134	-	-	-	**1,500**
Balance as at 31 December 2020	**7,211**	**20,819**	**200**	**1,746**	**9,368**	**39,344**

The notes on pages 46 to 75 form part of these financial statements.

Notes to the financial statements

1. Reporting entity

Reabold Resources Plc is a public limited company registered in England and Wales under the Companies Act, with registered number 3542727, and limited by shares. The Company's registered office is at 20 Primrose Street, London EC2A 2EW. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The nature of the Group's operations and its principal activities are set out in the Directors' report on pages 25 to 27.

2. Basis of preparation

(a) Statement of compliance

These financial statements for the year ended 31 December 2020 have been prepared under International Financial Reporting Standards, as adopted for use by the European Union. The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements were authorised for issue by the Board of Directors on 9 June 2021.

(b) Going concern

The consolidated financial statements have been prepared on the going concern basis. The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and the Strategic Report. The Directors have prepared cash flow forecasts for the period ending 30 June 2022, which take account of the cost and operational structure of the Group, investment agreements and share of estimated drilling and appraisal costs. The principal risk to the Group's working capital position is drilling, testing and other appraisal cost overruns by the Group and its investee companies. The Group has sufficient current funding to meet planned drilling, testing and appraisal expenditures and a level of contingency. Taking account of these risks, the Directors have performed a "stress test" which show that the Group has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. In addition, the Group secured the £5 million Equity Line Agreement discretionary cash facility to provide the Company with further financial flexibility and strength in May 2020 for a period of 24 months. Accordingly, the financial statements have been prepared on a going concern basis.

The ongoing effect of Covid-19 is actively being assessed by the Directors, the future impact of which remains unknown. The Directors are of the opinion that there is no reason to believe there will be any effect in respect of the Group's going concern status for the foreseeable future. Further information on the impact of Covid-19 is included in the Strategic Report.

The ability of the Group to fund its medium-term investment, appraisal and development activities is dependent on its ability to raise additional funds.

(c) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for investments in equity instruments, and share based payments that have been measured at fair value.

(d) Functional and presentation currency

These consolidated financial statements are presented in pounds sterling which is the Company's functional currency. All amounts have been rounded to the nearest thousands of pounds sterling (£1,000), unless otherwise indicated.

(e) Use of estimates and judgments

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income

and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised
in the consolidated financial statements is stated below and included in the following notes:

- IFRS 10 - Management have evaluated and made judgement that the Company is not an investment entity with reference to IFRS 10. Management consider that the existence of Business Stream 2 (monetisation of investments by putting the asset into production) means that Reabold doesn't meet the criteria of IFRS 10 para 27 (b) and (c), and is accordingly not an investment entity.
- Note 14 - Investment in associates judgement regarding control versus significant influence. Management has assessed that the Company does not control Rathlin and Danube, despite holding an interest greater than 50 per cent. at the end of the reporting period, and accordingly has judged that Rathlin and Danube should not be consolidated.
- Note 14 - Investment in associates impairment judgement. Judgements are required in assessing whether there is any indication that an asset may be impaired at each reporting date. Management assess a range of external and internal indicators of impairment in exercising its judgment. External factors assessed include market value declines, negative changes in the economy, market prices, technology and applicable regulatory conditions and laws. Internal factors assessed include technical and economic performance below expectations.
- Note 17 - Exploration and evaluation ("E&E") accounting judgment. The Group policy is to capitalise all expenditure incurred during the appraisal phase until the determination process has been completed or until such point as commercial reserves have been established. Exploration and evaluation assets are expected to be recouped in future through successful development and exploitation of the area of interest.
- Note 17 - Impairment test of exploration and evaluation assets judgement. The amounts for intangible E&E assets represent active E&E projects. These amounts will be written off to the income statement as exploration costs unless commercial reserves are established or the determination process is not completed and there are indications of impairment in accordance with the Group's accounting policy.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the
carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 17 - Impairment test of exploration and evaluation ("E&E") assets. The amounts for intangible E&E assets represent active E&E projects. These amounts will be written off to the income statement as exploration costs unless commercial reserves are established or the determination process is not completed and there are indications of impairment in accordance with the Group's accounting policy. In assessing whether there should be a test of E&E assets for impairment, the Company will consider facts and circumstances including:
  - the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
  - substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
  - exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

The carrying amount of E&E assets as at 31 December 2020 is £7,586,000.

- Note 18 - Impairment test of property, plant and equipment assets. Their carrying value is checked by reference to the net present value of future cash flows which requires key assumptions and estimates in relation to commodity prices that are based on forward curves for a number of years and the long-term corporate economic assumptions thereafter, discount rates that are adjusted to reflect risks specific to individual assets, the quantum of commercial reserves and the associated production and cost profiles. Future development costs are estimated taking into account the level of development required to produce the reserves by reference to operators, where applicable, and internal engineers. The carrying amount of property, plant & equipment assets as at 31 December 2020 is £4,569,000.
- Note 23 - Provision for decommissioning. The Group estimates the decommissioning obligations for O&G wells and their associated production facilities and pipelines. In most circumstances, removal of the assets and remediation occurs many years into the future. Amounts recognised for decommissioning liabilities and related accretion expense require assumptions regarding the removal date, future environmental legislation, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, inflation rate estimates and the estimate of the liability specific discount rates to determine the present value of these future cash flows. The carrying amount of the provision for decommissioning as at 31 December 2020 is £173,000.

3. Significant accounting policies

The Group has consistently applied the following significant accounting policies to all periods presented in these consolidated financial statements.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Reabold Resources Plc and its subsidiaries as at 31 December 2020. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where subsidiaries follow differing accounting policies from those of the Group, those accounting policies have been adjusted to align with those of the Group. Inter-company balances and transactions between Group companies are eliminated on consolidation, though foreign exchange differences arising on inter-company balances between subsidiaries with differing functional currencies are not offset.

(b) Business combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange, adjusted for any conditions imposed on those shares. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

All identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net

assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

(c) Interests in equity-accounted investees

The Group's and the Company's interests in equity-accounted investees comprise interests in associates. Associates are those entities in which the Group and the Company has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's and the Company's share of the profit or loss and other comprehensive income (OCI) of equity-accounted investees, until the date on which significant influence ceases.

(d) Foreign currency translation

(i) Foreign operations

The assets and liabilities of subsidiaries that have a functional currency different from that of the Company are translated into sterling at the closing rate at the date of the statements of financial position, and revenue and expenses are translated at the average rate for the period and the difference is recorded in other comprehensive income (loss).

(ii) Transactions in foreign currency

Transactions in foreign currencies are translated at the exchange rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the reporting date. All differences that arise are recorded in net loss. Non-monetary assets measured at historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions.

(e) Revenue and other income

Revenue from contracts with customers is recognized when the Group satisfies a performance obligation by transferring control of a promised good or provision of a service to a customer. The transfer of control of oil and gas usually coincides with the title passing to the customer and the customer taking physical possession. This generally occurs when the product is physically transferred into the customer's tanker, pipeline or other delivery mechanism. The Group principally satisfies its performance obligations in respect of the sale of oil and gas at a point in time. The Group principally satisfies its performance obligations in respect of the provisions of services classified under other income, over a period of time. There were no performance obligations that are unsatisfied at the end of the reporting period. Interest income is recognised as the interest accrues.

Payment for oil and gas is usually received within a specified time from transfer of title and payment for services is usually received within a specified time from completion of the service.

When a performance obligation is satisfied, the Group recognizes as revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the group is entitled. The transaction price is allocated to the performance obligations in the contract based on selling prices of the goods or services defined in the contract.

Revenue from sales of oil and natural gas is recognised at the defined market transaction price to which the Group is entitled, after deducting any applicable sales taxes, levies and discounts. Revenue from the production of oil and gas, in which the Group has an interest with other producers, is recognised based on the Group's working interest and the terms of the production sharing contracts. Discounts can be made to the value of the oil sold for basic sediment and water ("BS&W") impurities. The buyers of the Group's interest in hydrocarbons have the right to refuse delivery of any oil and gas which fails to meet the defined quality specifications.

A contract asset is recognised when a performance obligation is satisfied (and revenue recognised), but the payment is conditional not only on the passage of time but usually relating to the fulfilment of other performance obligations in the contract. Contract assets are different from trade receivables, because trade receivables represent an unconditional right to receive payment. A contract liability is recognised when a payment for customer is due (or already received, whichever is earlier) before a related performance obligation is satisfied. The Group did not have any contract assets and contract liabilities as at 31 December 2020 or 31 December 2019.

The disaggregation of revenue by business stream, geography, external customer and type of good and service, is set out in Note 5.

(f) Cost of sales

Production expenditure, hydrocarbon evacuation, lifting and handling expenditure, depreciation, depletion and amortisation of oil and gas assets and over-riding royalties are reported as costs of sales.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of consumable materials is determined using the weighted average method and includes expenditures incurred in acquiring the stocks, and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Taxation

The tax charge represents the sum of current and deferred tax.

Current tax payable is based on taxable profits for the year. Taxable profits differ from net profits as reported in the income statement because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

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 liability method. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which temporary differences can be utilised.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability or the asset is realised.

(i) Oil & gas assets

(j) Licence acquisition costs

Licence acquisition costs are capitalised as intangible E&E assets. These costs are reviewed on a continual basis by management to confirm that activity is planned and that the asset is not impaired. If no future activity is planned, the remaining balance of the licence and property acquisition costs is written off. Capitalised licence acquisition costs are measured at cost less accumulated amortisation and impairment losses. Costs incurred prior to having obtained the legal rights to explore an area are expensed directly as they are incurred.

(ii) Exploration expenditure

Exploration expenditure is expensed to the profit or loss statement as and when it is incurred and included as part of cash flows from operating activities.

(iii) Evaluation expenditure

Evaluation expenditure is capitalised to the Statement of Financial Position. All expenditure incurred during the appraisal phase is capitalized until the determination process has been completed or until such point as commercial reserves have been established. Evaluation is deemed to be activities undertaken from the beginning of the pre-feasibility study conducted to assess the technical and commercial viability of extracting a resource before moving into the Development phase. The criteria for carrying forward the costs are:

- Such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- evaluation activities in the area of interest which has not yet reached a state which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area are continuing.

Costs carried forward in respect of an area of interest which is abandoned are written off in the year in which the abandonment decision is made.

(iv) Treatment of intangible E&E assets at conclusion of appraisal activities

Intangible E&E assets related to each cost pool are carried forward until the existence, or otherwise, of commercial reserves have been determined, subject to certain limitations including review for indications of impairment. If commercial reserves have been discovered, the carrying value, after any impairment loss, of the relevant E&E assets, are then reclassified as development and production assets within property plant and equipment. However, if commercial reserves have not been found, the capitalised costs are charged to expense.

Such reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon:

- a reasonable assessment of the future economics of such production;
- a reasonable expectation that there is a market for all or substantially all the expected hydrocarbon production;
- evidence that the necessary production, transmission and transportation facilities are available or can be made available; and
- the making of a final investment decision.

(v) Development and production assets

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

(vi) Depreciation of producing assets

The net book values of producing assets are depreciated generally on a field-by-field basis using the unit-of-production method by reference to the ratio of production in the year and the related commercial reserves of the field, taking into account the future development expenditure necessary to bring those reserves into production.

(vii) Disposals

Net cash proceeds from any disposal of an intangible E&E asset are initially credited against the previously capitalised costs. Any surplus proceeds are credited to the income statement.

(viii) Decommissioning

Provision for decommissioning is recognised in full when the related facilities are installed. The amount recognised is the present value of the estimated future expenditure. The discount rate

reflects current market assessments of the time value of money and the risks specific to the decommissioning liability. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related oil and gas property. This is subsequently depreciated as part of the capital costs of the production facilities. Any change in the present value of the estimated expenditure is dealt with prospectively as an adjustment to the provision and the oil and gas property. The unwinding of the discount is included in finance cost.

(j) Goodwill

Goodwill is measured as described in Business Combinations. Goodwill is not amortised but is tested for impairment each reporting period, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to the cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(k) Impairment

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested each reporting period for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(l) Share based payments

The Company has an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions;
- Excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period; and
- Including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances, employees may provide services in advance of the grant date, and therefore the grant-date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

(m) Financial instruments

Financial assets and financial liabilities are recognised in the Company's statements of financial position when the Company has become a party to the contractual provisions of the instrument.

IFRS 9 contains four principal classification categories for financial assets:

- amortised cost;
- fair value through other comprehensive income ("FVOCI") with gains or losses recycled to profit or loss on derecognition;
- FVOCI with no recycling of gains or losses to profit or loss on derecognition; and
- fair value through profit or loss ("FVTPL").

The following summarises the accounting policies in respect of financial instruments upon adoption of IFRS 9 by the Company:

Classification	Financial instrument	Description
Financial assets measured at amortised cost	Cash	Cash balances with banks
	Cash restricted	Restricted cash is denoted as restricted when it is not under the exclusive control of the Group.
	Cash held in trust	Cash balances held in trust for specified purposes - not available to fund normal operations
	Other receivables	Amounts receivable from third parties
	Loans receivable	Loans receivable and long-term receivables
Financial assets measured at FVTPL	Equity investments	Equities of publicly traded and private entities
Financial assets measured at FVOCI (with no recycling)	Equity investments	Equities of publicly traded and private entities
Financial liabilities	Accounts payable and accrued labilities	Amounts payable to suppliers and third parties

Under IFRS 9 the Company can classify, measure and account for its loans receivable and other receivables as amortised cost, FVOCI (with recycling) and FVTPL while equity investments can be classified as FVOCI (with no recycling) or FVTPL. The Company analyses each loan receivable, other receivables and equity investment on an individual basis. The analysis and classification is driven by the following criteria.

Classification	Criteria
Loans and receivables	
Amortised cost	· Held within a business model whose objective is to hold assets in order to collect contractual cash flows and; · Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
Financial assets measured at FVOCI (with recycling)	· Held within a business model in which assets are managed to achieve a particular objective by both collecting contractual cash flows and selling financial assets and; · Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
FVTPL	· All loans receivable and investments in funds not measured at amortised cost or at FVOCI must be measured at FVTPL.

Classification	Criteria
Investments in equity instruments	
FVTPL	· Investment acquired with the purpose of sale or, · Evidence of historical short-term profit making on similar instruments.
FVOCI (with no recycling)	· Investment made primarily for non-financial benefits such as strategic alliances and strategic investments.

After classification as amortised cost, FVTPL or FVOCI, the Company uses the following policy for initial measurement and subsequent measurement at each reporting period.

Classification	Initial measurement	Subsequent measurement	Changes in fair value
Amortised cost	Fair value less expected credit loss	Amortised cost using the effective interest method	Reported in consolidated statement of loss when realized or impaired. Interest accretion on loans is recorded in "Finance income" on the consolidated statement of loss.
FVTPL	Fair value	Re-measured at subsequent reporting dates to fair value	Reported in "Net gain (loss) on financial assets measured at FVTPL" on the consolidated statement of loss.
FVOCI (with no recycling)	Fair value	Re-measured at subsequent reporting dates to fair value using quoted market prices, if available.	Reported in consolidated statement of other comprehensive loss. There is no recycling of amounts from the statement of comprehensive loss to the statement of loss upon the disposal of the financial asset.
Financial liabilities	Fair value	Amortised cost using the effective interest method.	Reported in consolidated statement of loss when liability is extinguished. The interest accretion is recorded in "Finance expense" on the consolidated statement of loss.
Financial liabilities measured at FVTPL	Fair value	Re-measured at subsequent reporting dates to fair value	Reported in "Net gain (loss) on financial liabilities measured at FVTPL" on the consolidated statement of loss.

(n) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy,
then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input
that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes:

Note 13 - Investments in equity instruments
Note 25 - Share-based payment arrangements
Note 29 - Financial risk management and financial instruments

Unlisted Investments are therefore classified at Level 2 of the fair value hierarchy when initially recognised and subsequent to initial recognition.

(o) Capital and reserves

(i) Share capital

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(ii) Share premium

Representing the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

(iii) Capital redemption reserve

Where a company acquires its own shares out of free reserves, then a sum equivalent to the nominal value is transferred to a capital redemption reserve.

(iv) Share based payments reserve

Represents the value of equity benefits provided to employees and directors as part of their remuneration and provided to consultants and advisors hired by the Company from time to time as part of the consideration paid.

(v) Foreign currency translation reserve

Exchange differences arising on consolidating the assets and liabilities of the Group's subsidiaries are classified as equity and transferred to the Group's translation reserve.

(vi) Retained losses

Cumulative net gains and losses recognised in the financial statements.

(p) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated
reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money
and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic

benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

(r) Capital commitments

Capital commitments include all projects for which specific board approval has been obtained up to the reporting date. Projects still under investigation for which specific board approvals have not yet been obtained are excluded.

(s) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the
profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding
during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and theweighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares which comprise
share options granted to employees. Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

(t) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs
expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group
defines geographical areas as operating segments in accordance with IFRS 8- Operating Segments.

4. New and amended International Financial Reporting Standards

During the financial year ended 31 December 2020, the Group adopted the following mentioned amendments, which have not had a material impact on the Group's and the Company's financial statements:

- *Amendments to IAS 1 and IAS 8: Definition of Material*
- *Amendments to IFRS 3: Business Combinations*
- *Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform*

At the date of authorisation of these consolidated financial statements, the IASB and IFRS Interpretations Committee have issued standards, interpretations and amendments which are applicable to the Group. Whilst these standards and interpretations are not effective for, and have not been applied in the preparation of these consolidated financial statements, the following could potentially have a material impact on the Group's financial statements going forward:

- *Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

5. Segment analysis

The Directors consider the Group to have two segments, being Business Stream 1 (which encompasses the UK/European based investments in Corallian, Danube, Rathlin and PEDL 183) and Business Stream 2 (which encompasses the Group's project in California, USA). The Business Stream 1 segment investments are currently predominantly in the appraisal phase, and the Business Stream 2 segment investment is in evaluation and production phase. Corporate costs

relate to the administration and financing costs of the Company and are not directly attributable to the individual investments and projects. The Company's registered office is located in the United Kingdom.

31 December 2020	Business Stream 1 UK/Europe £'000	Business Stream 2 USA £'000	Corporate £'000	Total £'000
Revenue[1]	-	1,035	-	1,035
Cost of sales[2]	-	(1,031)	-	(1,031)
Gross profit	**-**	**4**	**-**	**4**
Net gain in financial assets measured at FVTPL	-	-	-	-
Other income	-	-	60	60
Impairment	-	(239)	-	(239)
Exploration expenses	-	-	-	-
General and administration expenses	-	(66)	(1,561)	(1,628)
(Loss)/profit on ordinary activities before taxation	**-**	**(301)**	**(1,501)**	**(1,803)**
Share of losses of associates[3]	(878)	-	-	(878)
Finance income	-	-	12	12
(Loss)/profit on ordinary activities before taxation	**(878)**	**(301)**	**(1,489)**	**(2,668)**
Taxation on profit on ordinary activities	-	-	-	-
(Loss)/profit on ordinary activities after taxation	**(878)**	**(301)**	**(1,489)**	**(2,668)**
Other comprehensive income	-	-	(39)	(39)
Total comprehensive (loss)/income for the period	**(878)**	**(301)**	**(1,528)**	**(2,707)**
Segment assets[4]	29,916	8,022	-	37,938
Unallocated corporate assets	-	-	1,741	1,741
Total assets	**29,916**	**8,022**	**1,741**	**39,679**
Segment liabilities	135	221	-	356
Unallocated corporate liabilities	-	-	403	403
Total liabilities	**135**	**221**	**403**	**759**

1 All revenue of Business Stream 2 is attributable to sales of oil & gas at a point of time from contracts with external customers, with 97 per cent. of sales to a single external customer.

2 Cost of sales of Business Stream 2 includes depreciation of oil & gas assets of £326,000.

3 All of the investment in associates in Business Stream 1 is accounted for by the equity method. The direct investment in PEDL is accounted for as a joint operation.

4 The net additions to non-current assets of Business Stream 1 was £4,303,000 and a reduction in Business Stream 2 assets of £900,000.

31 December 2019	Business Stream 1 UK/Europe £'000	Business Stream 2 USA £'000	Corporate £'000	Total £'000
Revenue[5]	-	1,452	-	1,452
Cost of sales[6]	-	(856)	-	(856)
Gross profit	**-**	**596**	**-**	**596**
Net gain in financial assets measured at FVTPL	-	-	-	-
Other income	-	-	71	71
Impairment	-	(160)	-	(160)
Exploration expenses	-	(192)	-	(192)
General and administration expenses	-	(60)	(1,519)	(1,579)
(Loss)/profit on ordinary activities before taxation	**-**	**184**	**(1,448)**	**(1,264)**
Share of losses of associates[7]	(2,952)	-	-	(2,952)
Finance income	-	-	17	17
(Loss)/profit on ordinary activities before taxation	**(2,952)**	**184**	**(1,431)**	**(4,199)**
Taxation on profit on ordinary activities	-	-	-	-
(Loss)/profit on ordinary activities after taxation	**(2,952)**	**184**	**(1,431)**	**(4,199)**
Other comprehensive income	-	-	(67)	(67)
Total comprehensive (loss)/income for the period	**(2,952)**	**184**	**(1,498)**	**(4,266)**
Segment assets[8]	25,613	8,922	-	34,535
Unallocated corporate assets	-	-	7,319	7,319
Total assets	**25,613**	**8,922**	**7,319**	**41,854**
Segment liabilities	-	1,286	-	1,286
Unallocated corporate liabilities	-	-	441	441
Total liabilities	**-**	**1,286**	**441**	**1,727**

5 All revenue of Business Stream 2 is attributable to sales of oil & gas at a point of time from contracts with external customers, with 99 per cent. of sales to a single external customer.

6 Cost of sales of Business Stream 2 includes depreciation of oil & gas assets of £237,000.

7 All of the investment in associates in Business Stream 1 is accounted for by the equity method.

8 The amounts of additions to non-current assets of Business Stream 1 and Business Stream 2 was £20,995,000 and £3,962,000 respectively.

6. Cost of sales

	2020 £'000	2019 £'000
Production costs	**498**	329
Royalties	**207**	290
Depreciation of oil & gas assets	**326**	237
	1,031	856

7. Loss on ordinary activities before taxation

The loss on ordinary activities before taxation has been arrived at after charging/(crediting):	Note	2020 £'000	2019 £'000
Auditor's remuneration - audit of Company		**64**	58
Auditor's remuneration - other taxation services		**-**	15
Exploration costs		**-**	192
Foreign exchange loss / (gain)		**228**	170
Net gain in financial assets measured at FVTPL	**13**	**-**	-
(Release of) / addition to provision for VAT non-claimable	**22**	**(244)**	115
Share based payments	**25**	**-**	192
Directors' employment costs	**8**	**749**	604

8. Directors' employment costs

Directors' employment costs were:

	2020 £'000	2019 £'000
Wages and salaries	**654**	527
Social security costs	**73**	59
Other pension costs	**22**	18
	749	604

During the year there were no employees (2019: nil) employed by the Company excluding the Directors. The staff costs during the year include the accrual of Director fees in the amount of £nil (2019: £6,000) which were not paid during the reporting period.

9. Directors' remuneration

The total emoluments paid to Directors during the year was as follows:

Directors	Salary & fees £'000	Share based Payments £'000	Pension contribution £'000	2020 Total £'000	2019 Total £'000
Sachin Oza	220	-	11	**231**	289
Stephen Williams	220	-	11	**231**	289
Anthony Samaha	84	-	-	**84**	72
Jeremy Edelman	60	-	-	**60**	33
Marcos Mozetic	35	-	-	**35**	27
Mike Felton	35	-	-	**35**	27
	654	-	22	**676**	737

An accrual of £nil (2019: £6,000) for Director fees which were unpaid during the reporting period has been made.

The Directors are the key management personnel of the Company.

As at 31 December 2020, there were two Director receiving defined contribution pension schemes benefits (2019: two).

The total options held by Directors as at 31 December 2020 was 315,000,000 (2019: 315,000,000). Sachin Oza and Stephen Williams each held 150,000,000 (2019: 150,000,000 each) options and Anthony Samaha held 15,000,000 (2019: 15,000,000) options. The options have a weighted average exercise price of 0.8p and a weighted average life of 1.0 years (2019: 2.0 years).

10. Taxation

	2020 £'000	2019 £'000
Loss before tax	**(2,668)**	(4,199)
Loss multiplied by standard rate of corporation tax in the UK	**(507)**	(798)
Effects of:		
Share of operating loss of associates not taxable	**167**	561
Expenses not deductible for tax purposes	**32**	41
Deferred tax asset not recognised	**308**	196
Total tax for the year	**-**	-

No deferred tax assets have been recognised in the year (2019: nil).

The corporation tax rate throughout 2020 and 2019 was 19 per cent.

From 1 April 2023, the corporation tax main rate for non-ring fenced profits will be increased to 25% applying to profits over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

The Company has unused tax losses of £5.3 million (2019: £3.7 million) and capital losses of £2.5 million (2019: £2.5 million). The deferred tax asset for these losses, amounting to £1.5 million (2019: £1.2 million) has not been recognised as the timing of profits is uncertain. The corporation tax rate applied in the deferred tax asset is 19 per cent. Future tax rates increases and decreases will have the effect of increasing and decreasing respectively the deferred tax asset for the applicable unused losses.

11. Loss per share

The calculations of the basic and diluted earnings per share are based on the following data:	2020 £'000	2019 £'000
Loss for the year	**(2,668)**	(4,199)
Loss for the purpose of basic earnings per share	**(2,668)**	(4,199)
	Number	**Number**

Number of shares:		
Weighted average number of ordinary shares in issue during the year	**6,850,918,924**	3,822,854,007
Loss per share:		
Basic and diluted loss per share (pence)	**(0.04)**	(0.11)

As the Group is reporting a loss in each period in accordance with IAS 33, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

12. Goodwill on acquisition and deferred tax liability

Goodwill on acquisition	**Group 2020 £'000**	**Group 2019 £'000**	**Company 2020 £'000**	**Company 2019 £'000**
At 1 January	**329**	329	**-**	-
Additions	**-**	-	**-**	-
Impairment	**-**	-	**-**	-
At 31 December	**329**	329	**-**	-

Deferred tax liability	**Group 2020 £'000**	**Group 2019 £'000**	**Company 2020 £'000**	**Company 2019 £'000**
At 1 January	**329**	329	**-**	-
Additions	**-**	-	**-**	-
Reductions	**-**	-	**-**	-
At 31 December	**329**	329	**-**	-

The goodwill on acquisition of £329,000 was recognised on the completion of the acquisition of 100 per cent. of the issued share capital of Gaelic Resources Ltd and its wholly owned subsidiary Reabold California LLC (formerly Temporary Energy LLC) on 4 July 2018.

The Group has tested the goodwill arising on acquisition and assessed no impairment is required as at 31 December 2020. For the 2020 reporting period, the recoverable amount was determined based on the reserves reports compiled by Petrotech Resources Company Inc.

13. Investments in equity instruments

	Group 2020 £'000	**Group 2019 £'000**	**Company 2020 £'000**	**Company 2019 £'000**
At 1 January	**15**	**-**	**15**	-
Addition at cost	**-**	15	**-**	15
At 31 December	**15**	15	**15**	15

On 8 February 2019, Reabold announced the issue of 1,980,000 new ordinary shares of 0.1 pence each in the Company to an institutional investor, as consideration for the purchase of 350,000 common shares in Connaught Oil & Gas Ltd. ("Connaught"), a private oil and gas company incorporated and registered in the Province of Alberta, Canada. Connaught's primary asset was a 35.04 per cent. interest in Rathlin, at the time of the transaction. The deemed value of the Reabold shares was 0.75 pence each at the time of the transaction, valuing the Company's acquired 0.52 per cent. interest in Connaught at £14,850. The directors believe that there has been no material change in the fair value of the shares during the reporting period.

14. Investments in associates

The table below presents the Company's associates, in which it has significant influence:

Associate	Country of registration	Registered address	Nature of business	Class of shares	Holding 31-Dec-20	Holding 31-Dec-19
Corallian Energy Limited	England & Wales	Blackstable House, Longridge, Sheepscombe Stroud, Gloucestershire GL6 7QX	Oil & gas	Ordinary	36.9%	34.9%
Danube Petroleum Limited	England & Wales	3 Waterfront Business Park, Brierley Hill, West Midlands DY5 1LX	Oil & gas	Ordinary	50.8%	50.8%
Rathlin Energy (UK) Limited	England & Wales	11-12 St James' Square, London SW1Y 4LB	Oil & gas	Ordinary	59.5%	59.5%

Whilst Reabold holds an equity stake in Rathlin of 59.5 per cent., it is considered to only have significant influence and not control over Rathlin. Pursuant to the existing Rathlin Shareholders' Agreement, Reabold has the right to appoint only one director to the Board of Rathlin, which comprises 5 directors. Reabold's increased interest in Rathlin to 59.5 per cent. is as a result of Rathlin's funding requirements and Reabold's desire to increase its economic interest in the West Newton Project, rather than an objective by Reabold to seek control over Rathlin.

Similarly, whilst Reabold holds an equity stake in Danube of 50.8 per cent., it is considered to only have significant influence and not control over Danube. Pursuant to the existing Danube Shareholders' Agreement, Reabold has the right to appoint only one director to the Board of Danube, which comprises 3 directors. Reabold's increased interest in Danube to 50.8 per cent. is as a result of Danube's funding requirements and Reabold's desire to increase its economic interest in Danube's projects in Romania, rather than an objective by Reabold to seek control over Danube.

All of the Company's associates are unlisted. A breakdown of investments in associates as at 31 December 2020 and 2019 and the respective changes during the year then ended are summarised as follows:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
At 1 January	**25,613**	7,570	**25,613**	7,570

Additions	**600**	20,995	**600**	20,995
Share of loss of associates	**(878)**	(2,952)	**(878)**	(2,952)
At 31 December	**25,335**	25,613	**25,335**	25,613

The table below presents summarised financial information in respect of the Company's associates:

	31-Dec-20 Rathlin £'000	**31-Dec-20 Corallian* £'000**	**31-Dec-20 Danube £'000**
Current assets	12,856	976	1,074
Non-current assets	14,514	1,662	8,095
Total assets	27,370	2,638	9,168
Current liabilities	2,021	57	177
Non-current liabilities	1,269	-	-
Total liabilities	3,290	57	177
Net assets	24,080	2,581	8,992
Revenue	-	-	-
Total comprehensive loss for period	(1,021)	(481)	(200)
Reabold's share of loss	(607)	(169)	(101)

** Corallian has a financial period of 1-Nov-19 to 31-Dec-20*

	31-Dec-19 Rathlin £'000	**31-Oct-19** Corallian £'000**	**31-Dec-19 Danube £'000**
Current assets	18,354	602	2,322
Non-current assets	8,223	1,547	6,694
Total assets	26,577	2,149	9,015
Current liabilities	629	175	101
Non-current liabilities	1,261	-	-
Total liabilities	1,889	175	101
Net assets	24,688	1,974	8,914
Revenue	-	181	-
Total comprehensive loss for period	(1,021)	(7,161)	(147)
Reabold's share of loss	(438)	(2,459)	(55)

*** Corallian has a financial year end of 31-Oct-19*

(a) Rathlin

On 22 August 2019, Reabold announced that it had increased its investment in Rathlin through participation in an advanced subscription agreement. Following the successful drilling result at West Newton A-2, Rathlin raised £1,793,000 by way of an advanced subscription agreement in which Reabold invested £1,000,000. The additional shares to be issued under the advanced subscription agreement were to be priced at the higher of either a 20 per cent. discount to the price achieved in the next Rathlin funding round or at £0.8427 per share, being the price per share of Rathlin's previous fundraise.

On 5 November 2019, the next Rathlin fundraise was completed, with Reabold the sole investor in a £16m equity subscription at £2.75 per share. This also triggered the pricing and allotment of

shares from the previously described advanced subscription agreement. This resulted in Reabold having a 59.5 per cent. equity position in Rathlin.

As at 31 December 2020, Reabold had invested a total of £20,000,000 (2019: £20,000,000) for a 59.5 per cent. (2019: 59.5 per cent.) interest in Rathlin.

During the period ended 31 December 2020, the Company's share of Rathlin's total loss amounted to £607,000 (2019: loss of £438,000).

(b) Corallian

On 25 February 2019, Reabold secured an additional equity investment into Corallian, by way of an advanced subscription agreement, whereby Reabold invested £750,000, priced at a 30 per cent. discount to the next Corallian fundraise.

Corallian's next fundraise was completed in late July 2019, when the company completed an equity raise of £1,225,000 at £2.20 per share with a new shareholder. Completion of the Round 6 Fundraise enabled Corallian to allot the shares related to the advanced subscription agreements that it executed with its existing shareholders in December 2018 and February 2019. Accordingly, Reabold was allotted 681,818 new Corallian shares at £1.54 per share, taking the Company's interest in Corallian to 34.9 per cent. from 32.9 per cent.

On 22 November 2019, Reabold announced that it had participated in the second tranche of Corallian's then recently completed Round 6 fundraise. Reabold subscribed for 47,727 new ordinary shares in Corallian at a subscription price of £2.20 per Ordinary Share, an investment of £105,000, being Reabold's pro rata share. In aggregate, Corallian raised £300,000 pursuant to the Fundraise via the issuance of 136,363 Ordinary Shares.

On 1 December 2020, Reabold announced that it had exercised 272,727 warrants over shares in Corallian, at a subscription price of £2.20 per share, equating to an investment of approximately £600,000. Following the exercise of these warrants, Reabold held 2,780,049 Corallian shares, representing approximately 36.9 per cent. of Corallian's then issued share capital.

As at 31 December 2020, the Company had invested a total of £4,255,000 (2019: £3,655,000) for a 36.87 per cent. (2019: 34.91 per cent.) interest.

During the period ended 31 December 2020, the Company's share of Corallian's total loss amounted to £169,000 (2019: loss of £2,459,000). The results in the comparative period reflected impairments by Corallian in respect to Colter and Wick.

(c) Danube

On 9 May 2019, Reabold announced that it had agreed to subscribe for a further 375,940 ordinary shares in Danube at an issue price of £1.00 per share. This increased Reabold's shareholding in Danube from 33.3 per cent. to 37.5 per cent., with ASX listed, ADX Energy Ltd ("ADX") holding the remaining 62.5 per cent.

On 16 September 2019, Reabold subscribed for 810,811 Danube at an issue price of £1.00 per share via two tranches, with the first tranche being for 237,838 Danube shares and the second tranche being for of 572,973 Danube shares. Simultaneously, ADX subscribed for 540,541 Danube shares at an issue price of £1.00 per share, comprising 158,559 first tranche shares and 381,982 second tranche shares. Following completion of this subscription, Reabold's equity interest in Danube would increase to 41.6 per cent., with ADX holding the remaining 58.4 per cent.

On 22 November 2019, Reabold exercised its option to subscribe for 200,000 new shares in Danube at a price of £1.20 per share for a total sum of £240,000. Following the subscription agreement, Reabold held a 43.2 per cent. interest in Danube, with ADX holding the remaining 56.8 per cent.

On 2 December 2019, Reabold announced that it had fully exercised the remainder of its option to increase its investment in Danube through the subscription for additional shares. Reabold exercised its options over a further 1,427,604 Danube shares at a subscription price of £1.20 per share, being an investment of £1,713,125. ADX elected to partially exercise its own corresponding options, subscribing for 241,929 Danube shares at £1.20 per share. Following these investments, Reabold now owns 50.8 per cent. of Danube, with the remaining 49.2 per cent. held by ADX.

As at 31 December 2020, Reabold had invested a total of £5,020,000 (2019: £5,020,000) for a 50.8 per cent. (2019: 50.8 per cent.) interest in Danube.

During the period ended 31 December 2020, the Company's share of Danube's total loss amounted to £101,000 (2019: loss of £55,000).

15. Subsidiaries

The table below presents the Company's subsidiaries:

Associate	Country of Registration	Registered Office	Nature of business	Holding 31-Dec-20	Holding 31-Dec-19
Reabold Resourcing Limited	England & Wales	20 Primrose Street, London EC2A 2EW	Dormant holding company	100%	100%
Gaelic Resources Limited	Isle of Man	14 Albert Street, Douglas, Isle of Man, IM1 2QA	Holding company	100%	100%
Reabold California LLC (formerly Temporary Energy LLC) [(1)]	U.S.A.	5701 Lonetree Blvd, Rocklin CA 95765	Oil & gas	100%	100%

[(1)] 100 per cent. held by Gaelic Resources Limited

The Company's investment in subsidiaries is as follows:

	Note	2020 £'000	2019 £'000
At 1 January		**1,933**	1,933
Additions	**12**	**-**	-
Impairment		**-**	-
At 31 December		**1,933**	1,933

16. Loan to subsidiary

	Company 2020	Company 2019

	£'000	£'000
Loan to Reabold California LLC	**6,292**	6,029
Total	**6,292**	6,029

The loan to the subsidiary has been provided by way of a Loan Note Instrument and is subject to interest rates at the short term monthly (compounded annually) Applicable Federal Rates published by the Internal Revenue Service of the United States federal government. The loan has no fixed repayment date and is denominated in USD. Subject to the subsidiary being solvent, the loan is repayable by giving the subsidiary not less than one month's written notice. The accrued interest on the loan as at 31 December 2020 was US$231,000 (2019: US$183,000), equivalent to £169,000 (2019: £139,000)

The amount of the loan to the subsidiary as at 31 December 2020 was US$8,587,000 (2019: US$7,964,000), equivalent to £6,292,000 (2019: £6,029,000).

17. Exploration and evaluation assets

The movement on the exploration and evaluation assets account was as follows:

	Note	Group 2020	Group 2019	Company 2020	Company 2019
		£'000	£'000	£'000	£'000
At 1 January		**3,507**	3,131	-	-
Acquisition of contractual earn-in rights		**2,848**	284	2,848	-
Additions		**1,818**	639	1,708	-
Reclassified to oil & gas assets within property, plant & equipment	18	**(468)**	(257)	-	-
Written off to exploration costs		**-**	(192)	-	-
Foreign exchange differences		**(119)**	(99)	-	-
At 31 December		**7,586**	3,507	4,556	-

During the reporting period, Reabold acquired a direct interest of 16.665 per cent. in the PEDL183 licence at West Newton for initial consideration of £2,800,000 plus capitalised acquisition costs of £48,000.

During the comparative reporting period, Reabold California entered into the McCool Ranch earn-in agreement with Sunset and Integrity Management Services Inc., which provides Reabold California the right, but not the obligation to earn a 50 per cent. interest in the McCool Ranch licence area, for the consideration payable by Reabold California of a prospect fee of US$375,000 (£284,000). The agreement includes Reabold California paying for 100 per cent. of the completion costs of an existing well as a water injection well, and 100 per cent. of the costs to re-establish oil production from an existing well.

Of the additions during the reporting period, £110,000 (2019: £639,000) are in respect of evaluation expenditure by Reabold California on the California projects and £1,708,000 (2019: £nil) are in respect of evaluation expenditure by Reabold on PEDL183 West Newton.

The reclassification to oil & gas asset within property, plant & equipment was in respect of the capitalised carrying value of expenditure by Reabold California on the California assets which was brought into production on a commercial basis, being the VG-6 well in West Brentwood.

During the reporting period, £nil (2019: £192,000) expenditure in respect of E&E assets was written off to exploration costs as management assessed this capitalised expenditure would not result in commercial production. In view of the commercial evaluation and development success by Reabold California and at the PEDL183 West Newton site during the reporting period and subsequent to balance date, the economic analysis supports no impairment charge.

18. Property, plant and equipment

The movement on the property, plant and equipment assets account was as follows:

Oil & gas assets	**2020 £'000**	**2019 £'000**
Costs:		
At 1 January	**4,815**	1,571
Reclassified from exploration and evaluation assets	**468**	257
Additions	**374**	3,039
Foreign exchange differences	**(155)**	(52)
At 31 December	**5,502**	4,815
Accumulated depreciation and impairment:		
At 1 January	**(415)**	(32)
Charge	**(326)**	(237)
Impairments	**(239)**	(160)
Foreign exchange differences	**47**	14
At 31 December	**(933)**	(415)
Net book value at 31 December	**4,569**	4,400

The additions during the reporting period are in respect of the expenditure by Reabold California on the California assets that were brought into production on a commercial basis, as well as reclassification from exploration and evaluation assets in California that was brought into production on a commercial basis.

During the reporting period, impairment charges of £78,000 in respect of Doud A-1, £86,000 in respect of Doud A-2 and £75,000 in respect of Doud A-7 were recognised, as these wells were not operating at sufficiently economically viable levels and have been impaired in full, with a recoverable amount of nil which represents the value in use. In view of the commercial evaluation and development success by Reabold California during the reporting period and subsequent to the balance sheet date, the economic analysis supports no further impairment charges.

19. Trade and other receivables

	Group 2020 £'000	**Group 2019 £'000**	**Company 2020 £'000**	**Company 2019 £'000**
Trade receivables	**126**	276	**-**	-
Other receivable	**15**	351	**-**	-
Amounts owed by Group undertakings	**-**	-	**15**	4
VAT receivable	**238**	228	**238**	228
Total	**379**	855	**253**	232

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. All receivables are due within one year.

20. Restricted cash

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Restricted cash	**208**	341	**25**	-
Total	**208**	341	**25**	-

The restricted cash is in respect of surety bonds in the amount of US$250,000 (£183,000) (2019: US$450,000 (£341,000)) to cover oil and gas drilling activities in California, as required by regulatory authorities and £25,000 (2019: £nil) to cover restoration of the PEDL183 West Newton site.

21. Trade and other payables

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade and other payables	**192**	902	**9**	77
Accruals	**65**	131	**65**	65
Total	**257**	1,033	**74**	142

The Directors consider that the carrying amount of trade and other payables approximates to their fair value. All liabilities are due within one year.

22. Provisions

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
At 1 January	**299**	184	**299**	184
Released provision for VAT non-claimable	**(244)**	-	**(244)**	-
Utilised provision for VAT	**(55)**	-	**(55)**	-
Additions - Provision for VAT	**-**	115	**-**	115
At 31 December	**-**	299	**-**	299

The Company had been advised by HMRC in prior reporting periods that, following a review of its activities, HMRC had assessed that the Company's investment activities was not a supply for consideration and as a result the Company could not claim any Input Tax related to its investment activities. During the year ended 31 December 2020, the Company received confirmation from HMRC that, after further considerations of the Company's activities, it is engaged in VAT-able activities and the Input VAT could be recovered. This resulted in HMRC releasing refunds in respect of claims for previously blocked Input VAT. During the year ended 31 December 2020, £299,000 of provisions were released (2019: £115,000 provided). The balance of provisions in respect of irrecoverable Input VAT as at 31 December 2020 was £nil (2019: £299,000).

23. Provision for decommissioning

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
At 1 January	**67**	-	**-**	-

Utilised in the year	**(36)**	-	**-**	-
Finance cost	**7**	-	**-**	-
Additions - Provision for decommissioning	**135**	67	**135**	-
At 31 December	**173**	67	**135**	-

The Group has recognised a provision for decommissioning in respect to its 50 per cent. interest in licences in California, and its 16.665 per cent. interest in PEDL 183, representing the present value of the Group's estimated share of costs to plug and remediate wells on these licences as the end of their estimated productive lives, in accordance with applicable regulations.

In respect to California, the provision covers the estimated costs of 10 wells, estimated to be decommissioned between approximately 2031 and 2070, dependent on the future production profiles of the wells and government legislation. It is noted that one well was decommissioned in 2020. The provision has been estimated applying an assumed inflation rate of 2 per cent. and discounted to present value at 10 per cent. The provision recognised represents 50 per cent. of the net present value of the estimated total future cost as Reabold California's 50 per cent. partner, Sunset Exploration Inc., is obligated to bear 50 per cent. of the cost.

In respect to PEDL 183, the provision covers the estimated abandonment and site reclamation costs of the WNA-1, WNA-2 and WNB1Z wells, estimated to be required in 2033. The provision has been estimated applying an assumed inflation rate of 2 per cent. and discounted to present value at 10 per cent. The provision recognised represents 16.665 per cent. of the net present value of the estimated total future cost, given Reabold's responsibility for its interest in PEDL 183 of 16.665 per cent.

A corresponding amount equivalent to the provision is recognised as part of the cost of the related property, plant and equipment.
The amount recognised is the estimated cost of decommissioning, discounted to its net present value, and is reassessed each year
in accordance with local conditions and requirements, reflecting management's best estimates, including input from its technical advisors. The Company's technical advisors have significant experience in the area of operations and historical data for reference, however there is inherent uncertainty about the actual future amount and timing of these decommissioning obligations.

The unwinding of the discount on the decommissioning is included as a finance cost.

Changes in the estimated timing of decommissioning, or decommissioning cost estimates are dealt with prospectively by recording
an adjustment to the provision and a corresponding adjustment to property, plant and equipment.

24. Share capital

	Number of ordinary shares	Nominal Value £	Total Value £'000
Issued at 31 December 2018	**3,821,074,719**	**£0.001**	**3,821**
On 13 March 2018, placing for cash at 0.6p per share	1,980,000	£0.001	2
On 4 July 2018, acquisition for shares at 0.625p per share	240,909,091	£0.001	241
On 5 September 2018, placing for cash at 0.85p per share	2,666,666,666	£0.001	2,667
Issued at 31 December 2019	**6,730,630,476**	**£0.001**	**6,731**
On 1 June 2020, consideration for services at 0.612p per	16,351,625	£0.001	16

share			
On 30 July 2020, acquisition for shares at 0.4p per share	350,000,000	£0.001	350
Issued at 31 December 2020	**7,096,982,101**	**£0.001**	**7,097**

"A" Deferred shares

The Company has in existence at 31 December 2020 and at 31 December 2019, 6,915,896 "A" deferred shares of 1.65p. These deferred shares do not carry voting rights.

Total ordinary and "A" Deferred shares

The issued share capital as at 31 December 2020 and 31 December 2019, is as follows:

	Number of ordinary shares	Nominal Value £	Total Value £'000
Ordinary shares	6,730,630,476	£0.0010	6,731
"A" Deferred shares	6,915,896	£0.0165	114
Issued at 31 December 2019			**6,845**
Ordinary shares	7,096,982,101	£0.0010	7,097
"A" Deferred shares	6,915,896	£0.0165	114
Issued at 31 December 2020			**7,211**

The holders of ordinary shares are entitled to one vote per share at the meetings of the Company and to dividends as declared in proportion to the amounts paid up on the ordinary shares. No shares are of the Company are currently redeemable or liable to be redeemable at the option of the holder or the Company.

The holders of "A" Deferred shares do not have any right to receive written notice of or attend, speak or vote at any general meeting of the Company, or to any dividend declared by the Company. They may however be redeemed by the Company at any time at its option for one penny for all the "A" Deferred shares without obtaining sanction of such holders.

Share Options

During the year nil options were granted (2019: nil).

Exercise Price	Grant Date	Vesting Date	Expiry Date	Options in Issue 31 December 2020	Options in Issue 31 December 2019
0.50p	19 October 2017	19 October 2017	19 October 2021	**70,000,000**	70,000,000
0.75p	19 October 2017	19 October 2018	19 October 2021	**60,000,000**	60,000,000
1.00p	19 October 2017	19 April 2019	19 October 2021	**60,000,000**	60,000,000
0.60p	14 March 2018	19 March 2018	19 March 2022	**45,000,000**	45,000,000
0.90p	14 March 2018	14 March 2019	19 March 2022	**40,000,000**	40,000,000
1.20p	14 March 2018	14 September 2019	19 March 2022	**40,000,000**	40,000,000
				315,000,000	315,000,000

At 31st December 2020 there were 315 million share options outstanding (2019: 315 million).

25. Share based payments

Details of share options and warrants granted during the year to Directors over the ordinary shares are as follows:

Option Holder	At 1 January 2020 No.	Issued during the year No.	Lapsed / Exercised during the year No.	At 31 December 2020 No.	Exercise Price Pence	Vesting Date	Expiry Date
Sachin Oza	20,000,000	-	-	20,000,000	0.60p	19/03/2018	19/03/2022
Sachin Oza	20,000,000	-	-	20,000,000	0.90p	14/03/2019	19/03/2022
Sachin Oza	20,000,000	-	-	20,000,000	1.20p	14/09/2019	19/03/2022
Stephen Williams	20,000,000	-	-	20,000,000	0.60p	19/03/2018	19/03/2022
Stephen Williams	20,000,000	-	-	20,000,000	0.90p	14/03/2019	19/03/2022
Stephen Williams	20,000,000	-	-	20,000,000	1.20p	14/09/2019	19/03/2022
Anthony Samaha	5,000,000	-	-	5,000,000	0.60p	19/03/2018	19/03/2022
Sachin Oza	30,000,000	-	-	30,000,000	0.50p	19/10/2017	19/10/2021
Sachin Oza	30,000,000	-	-	30,000,000	0.75p	19/10/2018	19/10/2021
Sachin Oza	30,000,000	-	-	30,000,000	1.00p	19/04/2019	19/10/2021
Stephen Williams	30,000,000	-	-	30,000,000	0.50p	19/10/2017	19/10/2021
Stephen Williams	30,000,000	-	-	30,000,000	0.75p	19/10/2018	19/10/2021
Stephen Williams	30,000,000	-	-	30,000,000	1.00p	19/04/2019	19/10/2021
Anthony Samaha	10,000,000	-	-	10,000,000	0.50p	19/10/2017	19/10/2021
	315,000,000	**-**	**-**	**315,000,000**			

Option Holder	At 1 January 2019 No.	Issued during the year No.	Lapsed / Exercised during the year No.	At 31 December 2019 No.	Exercise Price Pence	Vesting Date	Expiry Date
Sachin Oza	20,000,000	-	-	20,000,000	0.60p	19/03/2018	19/03/2022
Sachin Oza	20,000,000	-	-	20,000,000	0.90p	14/03/2019	19/03/2022
Sachin Oza	20,000,000	-	-	20,000,000	1.20p	14/09/2019	19/03/2022
Stephen Williams	20,000,000	-	-	20,000,000	0.60p	19/03/2018	19/03/2022
Stephen Williams	20,000,000	-	-	20,000,000	0.90p	14/03/2019	19/03/2022
Stephen Williams	20,000,000	-	-	20,000,000	1.20p	14/09/2019	19/03/2022
Anthony Samaha	5,000,000	-	-	5,000,000	0.60p	19/03/2018	19/03/2022
Sachin Oza	30,000,000	-	-	30,000,000	0.50p	19/10/2017	19/10/2021
Sachin Oza	30,000,000	-	-	30,000,000	0.75p	19/10/2018	19/10/2021

Sachin Oza	30,000,000	-	-	30,000,000	1.00p	19/04/2019	19/10/2021
Stephen Williams	30,000,000	-	-	30,000,000	0.50p	19/10/2017	19/10/2021
Stephen Williams	30,000,000	-	-	30,000,000	0.75p	19/10/2018	19/10/2021
Stephen Williams	30,000,000	-	-	30,000,000	1.00p	19/04/2019	19/10/2021
Anthony Samaha	10,000,000	-	-	10,000,000	0.50p	19/10/2017	19/10/2021
	315,000,000	**-**	**-**	**315,000,000**			

The number and weighted average exercise prices of share options are as follows:

	2020 Weighted average exercise price	**2020 Number of options**	**2019 Weighted average exercise price**	**2019 Number of options**
Outstanding at 1 January	0.80	315,000,000	0.80	315,000,000
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at 31 December	0.80	315,000,000	0.80	315,000,000
Exercisable at 31 December	0.80	315,000,000	0.80	315,000,000

The options outstanding at 31 December 2020 have a weighted average contractual life of 1.0 years (2019: 2.0 years).

The closing share price range during the year ended 31 December 2020 was 0.23p to 0.79p (2019: 0.52p to 1.40p).

The options issued during 2018 were all granted on 14 March 2018 and vest in tranches on 19 March 2018, 12 months from grant and 18 months from grant. The options issued during 2017 were all granted on 19 October 2017 and vest in tranches upon grant, 12 months from grant and 18 months from grant. All options granted had vested by 31 December 2020.

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

	Risk free rate	**Share price volatility**	**Expected life**	**Share price at date of grant**
Granted 14 March 2018	1.05%	120%	4 years	0.65p
Granted 19 October 2017	0.72%	120%	4 years	0.77p

Expected volatility was determined by calculating the historical volatility of the Company's share price.

The Company recognised total expenses relating to equity-settled share-based payment transactions during the year of £nil (2019: £191,879).

26. Share premium

	Value £'000

At 31 December 2018	**25,301**
February 2019, acquisition for shares	14
July 2019, placing for cash	2,287
August 2019, capital reduction	(27,595)
October 2019, placing for cash	19,678
At 31 December 2019	**19,685**
June 2020, consideration for services	83
July 2020, acquisition for shares	1,050
At 31 December 2020	**20,818**

On 30 July 2019, shareholders of the Company at the AGM approved the resolution for a capital reduction, which was subsequently approved by the High Court of Justice on 27 August 2019 to cancel its share premium account. Accordingly, the amount standing to the credit of the Company's share premium account at that time was cancelled.

27. Related party transactions

In addition to the related party transactions disclosed elsewhere, the Company entered into the following related party transactions in the normal course of operations.

(a) During the year ended 31 December 2020, the Company incurred fees to Santannos Limited, a company associated with Anthony Samaha, for provision of accounting and administrative services in the amount of £8,000 (2019: £7,000). As at 31 December 2020, there was £nil amount included in accounts payable in respect of these fees (2019: £nil).

(b) During the year ended 31 December 2020, the Company provided consulting services to Corallian in the amount of £2,500 (2019: £2,500). As at 31 December 2020, there was £600 included in accounts receivable in respect of these fees (2019: £600).

(c) During the year ended 31 December 2020, the Company provided consulting services to Danube in the amount of £12,000 (2019: £12,000). As at 31 December 2020, there was £3,600 included in accounts receivable in respect of these fees (2019: £3,600).

(d) During the year ended 31 December 2020, the Company provided management services to Reabold California in the amount of £48,485 (2019: £46,557). As at 31 December 2020, there was £nil included in accounts receivable in respect of these fees (2019: £nil).

(e) During the year ended 31 December 2020, the Company provided management services to Rathlin in the amount of £27,000 (2019: £nil). As at 31 December 2020, there was £10,800 included in accounts receivable in respect of these fees (2019: £nil).

The directors are the key management of the Company (refer to note 9).

28. Commitments

The Group has committed to an Authorised for Expenditure in respect to the Burnett 1 disposal well in the Monroe Swell licence in the amount of US$188,000 (£137,000), of which its 50 per cent. contribution would be US$94,000 (£69,000), of which US$46,000 (£34,000) had been expended up to 31 December 2020, with the balance of the Group's commitment as at 31 December 2020 of US$48,000 (£35,000).

29. Financial risk management and financial instruments

Overview

The Group has exposure to the following risks from its issue of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board.

The Group's risk management policies are established to identify and analyse risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group charges partners and third parties for the provision of services and for the sale of oil and gas. Should the companies holding those accounts become insolvent then these funds may be lost or delayed in their release. Credit risk is managed through the maintenance of procedures ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. In respect of the Group's trade sales, the Group manages credit risk through dealing only with recognised, creditworthy third parties.

Credit risk relating to the Group's other financial assets which comprise principally cash and cash equivalents, and restricted cash arises from the potential default of counterparties. The credit risk on liquid funds is limited because the counterparties are reputable banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of financial assets represents the maximum credit exposure, which at the reporting date was:

	Notes	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Cash and bank balances		**1,139**	6,717	**6,684**	6,684
Trade and other receivables	**19**	**379**	855	**253**	239
Restricted cash	**20**	**208**	341	**25**	-
Loan to subsidiary	**16**	**-**	-	**6,292**	6,029

The expected credit risk for both the Group and the Company was assessed as not material.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Notes	Group Carrying amount £'000	Group Contractual cash flows £'000	Group 6 months or less £'000
31 December 2020				
Trade and other payables	21	192	192	192
Accruals	21	65	65	65
		257	257	257
31 December 2019				
Trade and other payables	21	902	902	902
Accruals	21	130	130	130
		1,032	1,032	1,032

Non-derivative financial liabilities	Notes	Company Carrying amount £'000	Company Contractual cash flows £'000	Company 6 months or less £'000
31 December 2020				
Trade and other payables	21	9	9	9
Accruals	21	65	65	65
		74	74	74
31 December 2019				
Trade and other payables	21	77	77	77
Accruals	21	65	65	65
		142	142	142

It is not expected that the cash flows in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group manages market risks by monitoring market developments and discussing issues regularly, and mitigating actions taken where necessary.

Foreign currency risk

The Group's functional currency is Sterling and as such the Group is exposed to foreign exchange movements on monetary assets and liabilities denominated in other currencies. In addition, the Group's subsidiary, Reabold California has a functional currency of USD, exposing the Group to foreign exchange differences, which are taken to reserves. Currently there are no foreign exchange hedge programmes in place. However, the Group treasury function manages the purchase of foreign currency to meet operational requirements.

The Group is mainly exposed to currency rate fluctuations of Sterling versus the USD, and measures its foreign currency risk through a sensitivity analysis considering 10 per cent. favourable and adverse changes in market rates on exposed monetary assets and liabilities denominated in Sterling.

As at 31 December 2020, the exposure of the Group to foreign exchange rates is summarised as follows:

	Group 2020	**Group 2019**	**Company 2020**	**Company 2019**
Exposure to USD	£'000	£'000	£'000	£'000
Cash and bank balances	**78**	33	**-**	-
Restricted cash	**183**	341	**-**	-
Trade and other receivables	**126**	623	**-**	
Loan to subsidiary	**-**	-	**6,292**	6,029
Trade and other payables	**(183)**	(761)	**-**	-
Accruals	**-**	(130)	**-**	-
	204	106	**6,292**	6,029

As at 31 December 2020, if Sterling had gained or lost 10 per cent. against the USD, the impact on comprehensive loss would have been as follows:

	Group 2020	**Group 2019**	**Company 2020**	**Company 2019**
Impact on comprehensive loss	£'000	£'000	£'000	£'000
+10% GBP/USD	**(20)**	(11)	**(629)**	(603)
-10% GBP/USD	**20**	11	**629**	603

Price risk

Price risk arises from uncertainty about the future prices of financial instruments held within the Group's portfolio. It represents the potential loss that the Group might suffer through holding market positions in the face of market movements. The investments in equity stocks of unlisted companies are not traded and as such the prices are more uncertain than those of more widely traded securities. The Board's strategy in managing the market price risk inherent in the Group's portfolio of equity investments is determined by the requirement to meet the Group's investment objective. The Directors manage these risks by regular reviews of the portfolio within the context of current market conditions. Unlisted investments are valued as per accounting policy in these financial statements.

Interest rate risk

The Group's exposure to changes in interest rate risk relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

Capital risk management

The Directors consider the Group's capital to comprise of share capital and reserves stated on the statement of financial position. The Group manages its capital to ensure the Group will be able to continue on a going concern on a long term basis while ensuring the optimal return to shareholders and other stakeholders through an effective debt and equity balance. No changes were made in the objectives, policies and processes during the current or previous year.

The share capital, including share premium, and reserves totalling £38,920,000 (2019: £40,127,000) provides the majority of the working capital required by the Group. Management reviews the capital structure and makes adjustment to it in the light of changes in economic conditions.

Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair value.

Categories of financial instruments

	IFRS 9 classification & measurement	**Group 2020** £'000	**Group 2019** £'000	**Company 2020** £'000	**Company 2019** £'000
Financial assets:					
Cash and cash equivalents	Amortised cost	**1,139**	6,717	**1,060**	6,684
Restricted cash	Amortised cost	**208**	341	**25**	-
Receivables	Amortised cost	**379**	855	**253**	232
Investment in equity instruments	FVTPL	**15**	15	**15**	15
Loan to subsidiary	Amortised cost	-	-	**6,292**	6,029
Total financial assets		**1,741**	7,928	**7,645**	12,960
Financial liabilities:					
Other financial liabilities	Amortised cost	**192**	902	**74**	77
Total financial liabilities		**192**	902	**74**	77

30. Post balance sheet events

On 28 January 2021, the Company announced that it had raised £7.5 million in gross proceeds by way of an oversubscribed placing of 890,909,093 new ordinary shares to new and existing institutional investors by Stifel, and a total of 472,727,270 new ordinary shares being subscribed for certain Directors and institutional investors, at a price of 0.55 pence per new ordinary share.

On 22 February 2021, the Company announced a further investment of £1,000,000 into Corallian by way of a convertible loan to fund the submission of a draft Field Development Plan for the Victory gas field before the end of 2021. The Convertible Loan, including interest at a rate of 15 per cent. per annum (accruing daily), will convert into new ordinary shares in Corallian within 21 months from the date of Instrument. If, during this period, Corallian is acquired, undertakes a material disposal of assets, an initial public offering or a reverse takeover, where the relevant valuation (each, a "corporate action") is greater than £3.20 per share, the convertible loan will convert at £3.20 per share. If the relevant valuation is below £3.20 per share, then the convertible loan will convert at a price equal to the relevant valuation. If no such corporate action has taken place within 21 months, the convertible loan will automatically convert at a price of £1.50 per share. Subsequently, on 3 March 2021, the Company announced that it sold 50 per cent. of its convertible loan to Corallian for net proceeds of £500,000 to a group of strategic investors.

On 26 February 2021 the Company announced that it had extended the expiry dates of 70,000,000 options issued to executive directors, by 12 months from 19 October 2021 to 19 October 2022, and subject to additional extended vesting terms, as summarised below:

Executive	Position	Existing Options Held	Exercise Price	Current Expiry	Amended Expiry	Current Vesting Status	Amended Vesting Dates
Sachin Oza	Co-CEO	30,000,000	0.50p	19-Oct-21	**19-Oct-22**	Vested	**30-Sep-21**
		30,000,000	0.75p	19-Oct-21	**19-Oct-22**	Vested	**31-Dec-21**
		30,000,000	1.00p	19-Oct-21	**19-Oct-22**	Vested	**31-Mar-22**
Stephen Williams	Co-CEO	30,000,000	0.50p	19-Oct-21	**19-Oct-22**	Vested	**30-Sep-21**
		30,000,000	0.75p	19-Oct-21	**19-Oct-22**	Vested	**31-Dec-21**
		30,000,000	1.00p	19-Oct-21	**19-Oct-22**	Vested	**31-Mar-22**
Anthony Samaha	Finance Director	10,000,000	0.50p	19-Oct-21	**19-Oct-22**	Vested	**30-Sep-21**

On 26 February 2021, the Company also announced the granting of 10 million new options to an executive director, Anthony Samaha, exercisable at 1.0p, on or before 19 October 2022, vesting on 31 December 2021.

On 27 April 2021, the Company announced the conditional offer to acquire up to an additional 13.12 per cent. of Corallian from existing Corallian shareholders, in exchange for Reabold shares, at a ratio of 474 Reabold shares for 1 Corallian share ("the Offer"), potentially increasing Reabold's shareholding in Corallian to a maximum of 49.99 per cent., from its existing 36.87 per cent. interest.

Corallian shareholders could elect to tender up to their entire holding and in excess of their relevant pro rata percentage. However, should aggregate acceptances received be higher than the 13.12 per cent. maximum, Corallian shareholders tendering in excess of their pro rata entitlements would be scaled back so as to ensure that all Corallian shareholders have the opportunity to accept their pro rata entitlement to the Offer and so that Reabold's shareholding in Corallian does not exceed 49.99 per cent. of Corallian's issued share capital. Accordingly, Reabold would issue a maximum of 468,994,086 Reabold shares assuming a full take up by Corallian shareholders as part of this Offer.

The Offer was conditional upon the satisfaction of certain conditions including, but not limited to, receipt of any necessary regulatory approvals and the passing of a resolution by the shareholders of Corallian. If the conditions were not satisfied by 28 May 2021 (or such later date and time as agreed between Reabold and Corallian) ("Longstop Date"), the Offer would automatically lapse. There was no minimum acceptance condition under the Offer and therefore Reabold could end up acquiring less than an additional 13.12 per cent. of Corallian under the Offer if there was not a full take up of the Offer. The Offer remained open for acceptances by Corallian shareholders until 6 May 2021 (or such later time(s) and/or date(s) as Reabold and Corallian may agree to in writing but not later than the Longstop Date).

On 10 May 2021, the Company announced the completion of the Offer, which was oversubscribed, resulting in Reabold acquiring 989,439 Corallian shares, equivalent to 13.12 per cent. of Corallian, from existing Corallian shareholders, and will issue 468,994,086 Reabold Shares as consideration. Following completion of the Offer, Reabold owns 49.99 per cent. of Corallian.

31. Parent company profit and loss

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company has not been separately presented in these accounts. The parent company total comprehensive loss for the year was £2,281,000 (2019: loss £4,191,000).

32. Ultimate controlling party

In the opinion of the directors there is no controlling party.

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