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Reabold Resources PLC
27 May 2022

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Reabold Resources plc

("Reabold" or the "Company")

Full Year Results for the year ended 31 December 2021
Posting of Annual Report

Reabold, the AIM quoted investing company, which focuses on investments in upstream oil and gas projects, is pleased to announce its audited results for the year ended 31 December 2021.

The Company's Annual report and Financial Statements for the same period are now also available on the Company's website: https://reabold.com/investor-relations/reports-and-presentations/.

Reporting period highlights

West Newton

- During H2 2021, West Newton B-1Z and A-2 completion and testing operations commenced, evaluating the hydrocarbons in the conventional Kirkham Abbey Formation reservoir, which is key for the future development of the West Newton licence (PEDL183) and, in particular, for informing the optimal location for the drilling of the horizontal B-2 development well.

- With both gas and liquid hydrocarbons recovered to surface, the test programme provided further evidence that there is a substantial hydrocarbon column and resource in place. The updated Most Likely Median Case of in-place hydrocarbons over PEDL183 was estimated to be 412.3 mmbbl of oil and 183.5 bcf of gas.

Corallian

- A further investment of £1.0 million into Corallian Energy Limited ("Corallian") was made by way of a Convertible Loan to fund the submission of a draft Field Development Plan ("FDP") for the Victory gas field, which was submitted at the end of 2021. The Company sold 50% of its Convertible Loan for net proceeds of £0.5 million to a group of strategic investors.

- Reabold acquired an additional 13.12% of Corallian shares from existing Corallian shareholders, in exchange for 468,994,086 new Reabold shares, resulting in the Company owning 49.99% of Corallian, thereby increasing its interest in the Victory gas discovery, wholly owned by Corallian.

- Completion of Environmental Baseline Survey, which was a key element in the submission of the Environmental Statement ("ES") for Victory.

- A CPR for the Victory project was completed, calculating a gross 2C recoverable resource of 179 bcf. The Victory development plan is relatively simple because, *inter alia*, it is adjacent to significant gas

infrastructure. Corallian's 2C economic valuation (NPV10) of Victory, based on a historical average gas price of 50p/therm, is £193 million. Victory is an important resource and could contribute meaningfully to the UK's energy needs.

Reabold California

- Reabold entered into a conditional equity exchange agreement with Daybreak Oil and Gas Inc. ("Daybreak"), a US over-the-counter ("OTC") traded oil and gas operator with assets in California, whereby Reabold will acquire up to 46.5% of Daybreak via the issuance of new Daybreak shares to Reabold, in exchange for Daybreak acquiring Reabold California LLC, Reabold's subsidiary, which holds, *inter alia*, Reabold's licence interests in California.

Corporate and Other Activities

- The 18 month extension of the Parta Exploration Licence in Romania, held 100% by Danube Petroleum Limited, in which Reabold has a 50.8% equity interest, for the current exploration phase until 3 December 2022.

- Oversubscribed placing and subscription at a premium to the prevailing market price to raise gross proceeds of £7.5 million, supported by key existing and new institutional investors.

Post reporting period highlights

- On 26 May 2022, Reabold announced the completion of the equity exchange agreement with Daybreak. Reabold California LLC, Reabold's subsidiary which holds, inter alia, Reabold's licence interests in California, has now become a wholly owned subsidiary of Daybreak, which, in exchange, has issued 160,964,489 new Daybreak shares to Gaelic Resources Limited, a wholly owned subsidiary of Reabold. Reabold now indirectly owns 42%of Daybreak's share capital, as enlarged by the completion of the transaction.

- On 4 May 2022, Reabold announced that Corallian had received a non-binding, conditional offer from a credible party for the acquisition of its entire issued share capital (the "Potential Sale"). Corallian's board considers the Potential Sale to be sufficiently attractive to seek to conclude a sale process and is progressing negotiations with the potential purchaser.

- As part of the Potential Sale process, Reabold announced that it had entered into a conditional sale and purchase agreement ("SPA") to acquire Corallian's working interest in all the non-Victory licences within the Corallian portfolio for a cash consideration of £250,000. The licences that will be acquired by Reabold are P2396, P2464, P2493, P2504 and P2605 (all at 100% working interest) and P2478 (36% working interest), which the Board believes have significant prospective potential.

- RPS Group ("RPS") estimated that a horizontal optimised well drilled at West Newton could deliver an initial production rate of ca 35.6 mmcf/d of gas over the first month of production.

- East Riding of Yorkshire Council Planning committee approved planning applications for drilling and production at Rathlin's West Newton A site as well as a time extension to allow for further drilling at the West Newton B site, paving the way for the next phase of activity at West Newton towards development.

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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 2021 and the subsequent post period-end has seen significant increases in energy prices driven by strong global economic growth and dramatic geopolitical events. Against this backdrop, the Company is positioned for a transformative period ahead for its investment portfolio, particularly in respect of the Victory and West Newton projects.

The submission of a draft FDP for Victory was a significant milestone for this gas field, in which the Company has an indirect 49.99% interest. Victory is in shallow water, close to pre-existing subsea infrastructure, allowing a cost-effective tie-back solution. It is fully appraised and requires no additional pre-development drilling. The updated independent CPR has ascribed recoverable 2C resources of 179 bcf of dry gas to the field, which is situated in an area of significant infrastructure, meaning its development is expected to be straightforward, whilst providing a meaningful gas resource to the UK energy supply.

The strategic review of Corallian that commenced in Q4 2021 has resulted in a non-binding, conditional offer from a credible party for the acquisition of its entire issued share capital. At the time of writing, the potential sale has not yet reached completion, however this is potentially a major milestone for the Company in demonstrating the execution of its strategy by way of monetising its investment.

The Company is well funded, following the placing in January 2021, whereby it raised £7.5 million in gross proceeds by way of an oversubscribed placing of 890,909,093 new ordinary shares in the capital of the Company ("Ordinary Shares") to new and existing institutional investors, and a total of 472,727,270 new Ordinary Shares being subscribed to certain Directors and institutional investors, at a price of 0.55 pence per new Ordinary Share, a 2.8% premium to the then prevailing share price.

We were delighted to secure this funding required to finance activity across our asset base, including further drilling and testing at West Newton, adding value across the wider PEDL183 licence, and providing available funding to move the Victory gas development towards FDP.

In October 2021, Reabold announced the signing of a conditional equity exchange agreement between Daybreak Oil and Gas Inc. ("Daybreak"), a US OTC traded oil and gas operator with assets in California (the "Equity Exchange Agreement"), which will result in Reabold becoming a major shareholder of Daybreak via the issuance of new Daybreak shares to Reabold, in exchange for Daybreak acquiring Reabold California LLC ("Reabold California").

As per the terms of the Equity Exchange Agreement, Reabold California will become a wholly-owned subsidiary of Daybreak, which, in exchange, will issue 160,964,489 Daybreak shares to Gaelic Resources Limited, a wholly-owned subsidiary of Reabold.

Post Reporting Period

Corallian

In May 2022, as described on page 2, we announced that Corallian had received a non-binding, conditional offer to acquire the Victory Project held by Corallian, by way of the acquisition of 100% of the issued capital of Corallian. As part of the sale process, Reabold announced that it had entered into a conditional SPA to acquire Corallian's working interest in all the non-Victory licences within the Corallian portfolio for a cash consideration of £250,000.

West Newton

On 17 January 2022, the Company announced initial results of analysis of the West Newton Extended Well Test ("EWT") programme carried out in the second half of 2021 by RPS and the results of analysis carried out on fluids produced to surface:

- Independent study by RPS indicates potential for initial production rates of 35.6 mmcf/d (5,900 boe/d from an optimised horizontally drilled well situated in the gas zone, based on the data from the West Newton A-2 well.
- Study also indicates potential initial production rates of 1,000 bbls/d from a horizontally drilled well situated in the oil zone, based on well data from West Newton A-2.

On 17 March 2022, the Company announced that, at an East Riding of Yorkshire Council Planning committee, planning applications for drilling and production at Rathlin's West Newton A site as well as a time extension to allow for further exploratory drilling at the West Newton B site were approved. These approvals pave the way for the next phase of activity at West Newton as the partnership continues to move the project forward towards development.

Reabold California

On 26 May 2022, Reabold announced the completion of the equity exchange agreement with Daybreak. Reabold California LLC, Reabold's subsidiary which holds, *inter alia*, Reabold's licence interests in California, has now become a wholly owned subsidiary of Daybreak, which, in exchange, has issued 160,964,489 new Daybreak shares to Gaelic

Resources Limited, a wholly owned subsidiary of Reabold. Reabold now owns 42%of Daybreak's share capital, as enlarged by the completion of the transaction.

Outlook

The Company's current financial position is strong and funding is in place for the key 2022 work programmes to drive what the Board expects to be a 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

26 May 2022

Strategic report

Strategy and 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 and gas projects, Reabold aims to create value from each asset by investing in undervalued, low-risk 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 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 pages 20-21. Management believes that distress in the oil and gas industry over several years presents an opportune time to deploy capital in undervalued assets with huge potential.

Reabold portfolio and operational annual summary

Rathlin Energy (UK) Limited / PEDL183

2021 was an extremely important year for Reabold's involvement in the West Newton project, as well as the broader Zechstein play in the PEDL183 licence area. During the year, extensive testing was carried out at both the B-1Z and A-2 discovery wells, which is leading to a significant increase in our understanding of the Kirkham Abbey formation in the West Newton field. We continue to formulate optimised drilling and completion techniques for the future West Newton production wells, and thoughts are moving on to development planning.

Reabold holds a c. 56% economic interest in West Newton via its c. 59% shareholding in Rathlin, which, in turn, has a 66.67% interest in PEDL183. In addition, Reabold has a 16.665% direct licence interest in PEDL183.

West Newton B-1Z testing:

On 20 March 2021, Reabold announced that Rathlin had received a draft of the permit variation from the Environmental Agency that was needed to accommodate completion, well clean-up and EWT operations. The first phase of the evaluation would commence in April 2021 and initially consist of a customised cased hole logging programme and vertical seismic profiling survey, before moving onto the main EWT operations. On 20 April 2021, Reabold announced that the first phase was complete and that the EWT phase would commence during May with an anticipated four week duration, and on 25 May 2021 it was announced that equipment had been mobilised to site. Reabold also announced on 20 April 2021 that thin section images obtained from core plugs taken from West Newton B-1Z showed porosity throughout the core including samples of between 12% and 15% porosity.

On 21 July 2021, Reabold announced that well testing operations had commenced on 7 June, with an initial focus on the lower portion of the Kirkham Abbey pay zone. Significant inflow of completion fluids into and subsequently out of the reservoir indicated a functioning permeability system, and liquids and gas were recovered to surface. Gas analyses exhibited a strong similarity to analyses obtained from the West Newton A site wells with samples showing approximately 90% methane and no native H_2S. An additional 19 metre pay zone in the upper Kirkham Abbey formation was identified for perforation and flow testing.

On 31 August 2021, Reabold announced a further update to the test programme at B-1Z. Testing of the well had yielded significant information to help understand the West Newton field, with both gas and liquid hydrocarbons recovered to surface, which is consistent with information gathered from the A site wells and further evidence that we have a substantial hydrocarbon column and resource in place. As expected, the reservoir demonstrated a dual

permeability system, with natural fractures alongside a lower permeability matrix. Completion fluids were injected into the formation at a rate constrained by the pumps on site at 5.7 barrels per minute (8,208 barrels per day).

However, the Kirkham Abbey reservoir appeared to be sensitive to the drilling and completion fluids. We saw clear signs of reservoir damage in near wellbore areas. This was probably preventing more significant flow at that time. Testing to date had not yet returned all the completion fluids injected into the formation and a measurable flow of hydrocarbons had not yet been achieved.

The B-1Z well was therefore suspended with pressure gauges monitoring pressure build up in the well bore, with a view to further potential testing following the results at the A-2 well.

West Newton A-2 testing:

On 13 October 2021, following the conclusion of testing at the A-2 well, Reabold provided a further update in respect of the overall testing operations at West Newton.

The results of the EWT confirmed that the WNA-1, WNA-2 and WNB-1z wells are substantial hydrocarbon discoveries. Gas and light oil/condensate were recovered to surface from the WNA-2 and WNB-1z wells, although sustained flow rates were not achieved, and multiple samples were gathered for geochemical analysis.

The large suite of data accumulated during the EWTs including downhole logs, pressure data, geochemical and core analysis are being used to progress a reservoir modelling study to determine the optimum production design for the Kirkham Abbey reservoir.

A number of external studies, utilising the knowledge of specialist carbonate reservoir modelling consultants are being conducted, encompassing a wide range of potential reservoir stimulation treatments, the results of which could be applied to the West Newton series of wells, in order to achieve optimum flow rates.

The "Greater West Newton" area has been confirmed to contain material resources. The method by which to produce this known accumulation of hydrocarbons is still being assessed.

This data will be used to inform the drilling of the next well on the West Newton field, which will be designed to deliver an optimal flow rate from the Kirkham Abbey formation.

West Newton Site Planning:

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 require an environmental impact assessment. On 22 March 2021, Reabold announced that Rathlin was carrying out a public consultation regarding the development of the WNA site.

On 1 October 2021, Rathlin's planning application for the West Newton A well site expansion was refused by a narrow margin by The East Riding of Yorkshire Council Planning Committee, despite it being recommended for approval by The East Riding of Yorkshire Council's own planning officers. On 26 November, Rathlin noted an intention to submit a new application, taking into account the concerns associated with the earlier application.

On 17 March 2022, at an East Riding of Yorkshire Council Planning committee, planning applications for drilling and production at Rathlin's West Newton A site as well as a time extension to allow for further exploratory drilling at the

West Newton B site were approved. These approvals pave the way for the next phase of activity at West Newton as the partnership continues to move the project forward towards development.

West Newton CPR

On 10 May 2021, Reabold announced that Gaffney, Cline & Associates Limited, an international energy consultancy, had been appointed to prepare a Competent Person's Report in respect of PEDL183, to be executed following the testing of the B-1Z and A-2 wells. Given the ambiguity associated with potential flow rates immediately following the testing operations, the execution of the CPR was put on hold whilst additional analysis was carried out.

Reabold California

Following an active five well drilling campaign in 2018-2019, the last two years focused on maintaining cash generative production throughout and beyond the oil price downturn.

Most importantly, the decision was taken to explore ways in which Reabold could participate in ongoing growth of its business in California, by accessing external capital to facilitate additional drilling, without calling on Reabold's own cash resources, which are currently focused on other areas of the Reabold portfolio.

This led to the agreement to merge Reabold California with Daybreak, a US OTC listed E&P business with producing assets in California. This creates a California focused upstream entity with a larger footprint, significant running room across both sets of licences, and the ability to use its listing to raise capital to achieve growth.

On 21 October 2021, Reabold announced the signing of a conditional equity exchange agreement with Daybreak, which would result in Reabold becoming a major shareholder of Daybreak via the issuance of new Daybreak shares to Reabold, in exchange for Daybreak acquiring Reabold California, Reabold's subsidiary which holds, *inter alia*, Reabold's licence interests in California.

Per the conditions of the Equity Exchange Agreement, prior to completion of the transaction, Daybreak is required to raise a minimum of US$2.5 million via an equity raise; the proceeds of which will be used to grow production across Daybreak's enhanced portfolio. In addition, Daybreak will be required to complete a conversion of certain of its debt into equity. On 20 May 2022, at a Special Shareholder Meeting for Daybreak, shareholders voted to approve the Equity Exchange Agreement. On 26 May 2022, Reabold announced the completion of the equity exchange agreement with Daybreak. Reabold California LLC, Reabold's subsidiary which holds, *inter alia*, Reabold's licence interests in California, has now become a wholly owned subsidiary of Daybreak, which, in exchange, has issued 160,964,489 new Daybreak shares to Gaelic Resources Limited, a wholly owned subsidiary of Reabold. Reabold now owns 42% of Daybreak's share capital, as enlarged by the completion of the transaction.

Transaction Rationale:

- Creates a self-funded, OTC traded, Californian oil and gas operator, with a strong balance sheet, in which Reabold will have a major shareholding

- Daybreak will utilise its existing in-state management team and expertise to grow the portfolio through development of existing licences as well as considering strategic acquisition opportunities
    - Daybreak's management team have 12 years' experience operating in California
    - Daybreak is led by James F. Westmoreland

- With a clear focus in California, Daybreak can utilise significant market opportunities for consolidation in the state, creating further opportunities for synergistic growth

- As a result of the transaction, Reabold's interests in California will be exchanged for shares of an OTC traded entity, creating flexibility and funding opportunities going forward

Reserves:

The proved reserves attributable to the California business, net to Reabold, are shown below:

	Oil bbl	Gas mcf	Total oil and gas boe*
1P reserves as at 1 April 2021	606,860	36,790	612,992

* Total gas reserves at 1 April 2021 have been converted to barrels of oil equivalent using a factor of 6.0 mcf per boe for reporting purposes.

Proved reserves at 1 April 2021 shown here have been extracted from an independent report prepared by Petrotech Resources Company Inc. ("Petrotech") in accordance with the reserve definitions guidelines defined in the Society of Petroleum Engineers (SPE) Petroleum Resources Management System 2007.

Operational update and production:

Production (net to Reabold)	**2021**	2020
Crude Oil (boe)	**23,518**	31,035
Natural gas (boe)	**1,029**	2,855
Total hydrocarbons (boe)	**24,457**	33,890
Average realizations		
Total hydrocarbons ($/bbl)	**65.4**	38.4
Total hydrocarbons (net of royalties) ($/bbl)	**52.3**	30.7

Corallian Energy Limited

Reabold has a 49.99% 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).

Victory Development Project

We believe Victory to be a straightforward, 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 mmcf/d from 200 feet (circa 60.6 metres) of net gas pay in Lower Cretaceous sandstones, proving reservoir commerciality.

On 25 June 2021, Reabold announced the completion of the environmental baseline survey (EBS) at Victory. Data acquisition for the Victory EBS was successfully completed on 23 June 2021, with the survey completed within the

budget estimate and with zero health and safety incidents. Data acquired included side-scan sonar, multibeam echosounder, seabed sediment samples, and video and camera stills over the proposed project sites. This data was used to complete an Environmental Impact Assessment and ultimately an Environmental Statement for the Victory project.

On 20 October 2021, Reabold announced that a CPR had recently been completed by RPS, following the finalisation of both static and dynamic modelling, together with well / network optimisation studies for the development. RPS estimates a total Victory field 2C or best / mid case technically recoverable resource of 179 bcf dry gas. This estimate represents a 14% increase over the previous interim CPR completed by SLR Consulting in December 2020 of 157 bcf of technically recoverable gas.

On 23 December 2021, Corallian confirmed that it had submitted a draft FDP for the Victory gas field to the Oil and Gas Authority, now known as the North Sea Transition Authority.

Further investment in Corallian

Reabold continued to invest in Corallian in 2021 mainly to support progression of the Victory project. On 22 February 2021, Reabold announced that it had entered into a conditional convertible loan instrument (the "Instrument") with Corallian pursuant to which Reabold would advance £1 million to Corallian (the "Convertible Loan"). The completion of the transaction was announced on 24 February 2021.

Corallian intended to utilise the proceeds of the Convertible Loan to support workstreams related to the submission of a draft FDP for the Victory gas field, which Corallian had aimed to do before the end of 2021, and for general working capital purposes.

The Convertible Loan, including interest at a rate of 15% per annum (accruing daily), will convert into new ordinary shares in Corallian ("Corallian Shares") within 21 months from the date of the 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.

On 3 March 2021, Reabold announced that it had initiated the sale of a portion of the convertible loan notes in Corallian with a principal value of £500,000, to a group of strategic investors (the "Strategic Investors"), in exchange for cash proceeds of £500,000. Reabold will retain £500,000 principal value of the CLN.

The Strategic Investors had indicated their support of an initial public offering, reverse takeover or similar for Corallian, which is in line with Reabold's strategy of clearly identifying monetisation opportunities across its portfolio. The strategic investors also signalled their intention to support Reabold in facilitating further potential strategic value creation opportunities across the wider Reabold portfolio.

On 27 April 2021, Reabold announced a conditional offer to acquire up to an additional 13.12% of Corallian, at a ratio of 474 Reabold shares for 1 Corallian share, potentially increasing Reabold's shareholding in Corallian to a maximum of 49.99%.

By increasing its position in Corallian, Reabold increased its economic interest in the 100% Corallian-owned Victory Gas Discovery, West of Shetland, in which Reabold management sees significant value.

On 10 May 2021, Reabold announced that the offer had been oversubscribed and all conditions precedent fulfilled. As such, Reabold acquired 989,439 Corallian shares, equivalent to 13.12% of Corallian, and issued 468,994,086 Reabold shares.

Corallian Strategic Review

On 20 October 2021, Reabold announced that Corallian had decided to conduct a formal review of the various strategic options available to maximise value for all of its shareholders. In May 2022, as noted in the Chairman's Statement, we announced that Corallian had received a non-binding, conditional offer to acquire the Victory Project held by Corallian, by way of the acquisition of 100% of the issued capital of Corallian. As part of the sale process, Reabold announced that it had entered into a conditional SPA to acquire Corallian's working interest in all the non-Victory licences within the Corallian portfolio for a cash consideration of £250,000.

Danube Petroleum Limited

Reabold has a 50.8% equity interest in Danube, with ASX listed ADX Energy Ltd ("ADX") holding the remaining 49.2%. Danube is active in Romania through its ownership of the Parta Licence. Danube has a 100% interest in the Parta licence as well as the Iecea Mare production licence which includes the IMIC-1 discovery drilled in 2019.

A planned 3D seismic work programme is designed to target appraisal opportunities within the Iecea Mare production licence as well as both exploration and appraisal targets in the large Parta exploration licence. The Parta 3D seismic programme was deferred in September 2020 following the default by ASK listed Tamaska Oil & Gas Limited pursuant to a farm-in agreement to fund a 100 km^2 3D seismic program.

On 21 June 2021, Reabold and ADX announced that the Romanian National Agency for Mineral Resources had approved an 18-month work programme extension of the current phase 1 (exploration phase) for the Parta exploration licence. The extension was granted without additional work programme obligations.

Funding

During the reporting period, Reabold carried out an equity capital raise in January 2021, raising gross proceeds of £7.5 million. Such fundraise was completed at a price of 0.55 pence per new Ordinary Share, representing a 2.8% 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 were to be 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 PEDL183 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 move the development towards FDP; and
iv) additional contingency to provide capital flexibility across the Company's investment portfolio and working capital.

Section 172(1) statement

In accordance with the requirements of Section 172 of the Companies Act 2006, the directors consider that, during the financial year ended 31 December 2021, they have acted in a way that they consider, in good faith, would most likely promote the success of the company for the benefit of the members as a whole, having regard to the likely consequences of any decision in the long term and the broader interests of other stakeholders, as required by the Act. The board delegates day-to-day management of the business of the company to the Co-CEOs, save for those matters which are reserved for the board's approval. More information on how the board has regard to the Section 172 factors are outlined below.

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

The Board of Directors is collectively responsible for the decisions made towards the long-term success of the Company and the way in which the strategic, operational and risk management decisions have been implemented throughout the business is detailed in our Strategy and business model on page 5 and throughout the Strategic Report.

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

During 2021, the only employees of the Company were three Executive Directors. In March 2022, the company hired its first employee, who is not a director. 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. The Board ensures that:

- It has meaningful and regular dialogue with the workforce to capture key insights and to bring the employee voice into the boardroom.
- Annual pay and benefit reviews are carried out to determine whether all levels of employees are benefitting fairly and to retain and encourage skills vital for the business.
- Employees are informed of the results and important business decisions and are encouraged to feel engaged and to improve their potential.
- Working conditions are favourable.

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. The Board upholds ethical business behaviour across all of the Company's activities and encourages management to seek comparable business practices from all suppliers and customers doing business with the Company. We value the feedback we receive from our stakeholders and we take every opportunity to ensure that where possible their wishes are duly considered.

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.

Given the tragic events in Ukraine, the need to supply our own energy is more important than ever. As outlined by the Secretary of State for Business, Energy and Industrial Strategy, those calling for an immediate end to domestic oil and gas ignore the fact that this would simply make the UK more reliant on foreign imports - it would not, in fact, lead to greater decarbonisation globally. Producing more of our own energy will protect us into the future to ensure greater energy independence.

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"

The Company is incorporated in the UK and governed by the Companies Act 2006. The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code") and the Board recognises the importance of maintaining a good level of corporate governance, which together with the requirements to comply with the AIM Rules ensures that the interests of the Company's stakeholders are safeguarded.

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"

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.

The primary communication tool with our shareholders is through the Regulatory News Serviced ("RNS") on regulatory matters and matters of material substance. The Company's website provides details of the business, investor presentations and details of the Board and Board Committees, changes to major shareholder information and QCA Code disclosure updates under AIM Rule 26. Changes are promptly published on the website to enable the shareholders to be kept abreast of Company's affairs. The Company's Annual Report and Notice of Annual

General Meetings are available to all shareholders. The Interim Report and investor presentations are also available on our website.

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, and how directors have performed their duty under Section 172.

Additional investment in Corallian

The Board approved to acquire an additional 13.12% in Corallian. The decision was made with due regard to Reabold's financial framework and it was determined that this could add further value to shareholders.

Creation of Enhanced California E&P Company

The Board approved the equity exchange agreement with Daybreak resulting in Reabold becoming a major shareholder in Daybreak in exchange for Daybreak acquiring Reabold California. The decision was made to create a self-funded Californian operator that can utilise significant market opportunities for consolidation in the state, creating further opportunities for synergistic growth, offering potential upside for the Group and its shareholders.

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 contribute positively to the growing demand for energy and products that require hydrocarbons in the supply chain.

While the pace of transition to a lower carbon economy is uncertain, oil and natural gas demand is expected to remain a key element of the energy mix for many years based on stated policies, commitments and announced pledges to reduce emissions. 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. This will provide security of supply to the UK under a strict regulatory environment as well as providing jobs and supporting UK industry, compared to the alternative of importing fuel. The COVID-19 pandemic highlighted the importance of our critical national infrastructure and this has become even more apparent in recent times with the war in Ukraine.

We believe that natural gas has an important role to play in the energy transition, bridging the gap on the journey from fossil fuels to a renewable, zero-carbon future and helping to supply stable and affordable energy to UK homes and businesses as part of a lower-carbon energy supply mix. To that end, we continue to explore ways to invest in gas projects such as the Victory project.

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 in 2020 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.

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 (KPIs)

The Group's main business is to invest in direct and indirect interests in exploration and producing projects. 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. The Company tracks its new business development objectives through the building of a risk-balanced portfolio of assets. The company reviews its KPIs on an ongoing basis as it moves through the lifecycle of its strategy to ensure they continue to serve as a useful measure of our strategic performance.

Changes to KPIs

We have removed the commercial production KPI as it does not reflect the current position of the company in the lifecycle of its strategy. Reabold in an investor in E&P projects and therefore growth in net assets and total Shareholder Return serve as more useful measures of our strategic performance. The retention of key management KPI has also been removed as this is seen as a business risk rather than a performance indicator. See principal risks and uncertainties on pages 16-17.

The KPIs are:

KPI	***Definition***	***Performance***	***Attainment***
KPI 1	Grow value through material investments, project delivery and commercial discoveries	· Acquired an additional 13.12% equity interest in Corallian bringing Reabold's total equity interest in Corallian to 49.99% increasing Reabold's position in the low-risk, high potential Victory Gas Discovery. · Draft FDP submitted by Corallian for the Victory gas field.	Achieved
KPI 2	Being adequately resourced for all corporate and JV-related financial matters sufficient for advancement of investment strategy	· Oversubscribed placing and subscription 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. · Reabold continues to have a healthy cash position and is fully funded for all intended activities and commitments in 2022.	Achieved
KPI 3	Growth in total net assets over the prior year	· Net assets increased by £7.6 million from £38.9 million at the end of 2020 to £46.5 million at the end of 2021.	Achieved
KPI 4	Total shareholder return over a calendar year	· The share price was down by 0.48p in the 2021 calendar year. · The share price rebounded in Q1 2022, increasing by 97% as at 31 March 2022.	Not achieved
KPI 5	Compliance with legal and regulatory requirements	· The company successfully met all licence commitments relating to the company's asset portfolio during the year, maintained effective relationships at all levels with JV partners in compliance with Joint Operating Agreements (JOAs), operated within appropriate governance and HR policies, ensuring the Company had adequate in-house capability to manage its operations and third-party providers, and ensured all corporate legal obligations were met.	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.

Risks	**Mitigation**	**Magnitude & likelihood**
Strategic and Commercial risks		
Investment Returns: Stock market support may be eroded lowering investor appetite and obstructing fundraising if we fail to scale our business at pace, make poor investment choices or fail to sustain and develop a high-quality portfolio of assets.	· Management regularly communicates its strategy to shareholders. · Focus is placed on building a diverse and resilient asset portfolio capable of offering prospectivity throughout the business cycle. The Group continually reviews its portfolio of assets to identify internal growth opportunities. · The Company seeks to limit its financial dependence on any one single asset by holding a diversified portfolio and re-investing capital generated through monetisation of its investments into new projects in order to grow the Company and create value for its shareholders. · The Group engages with a range of advisers and active competitor monitoring to provide a range of opportunities for screening. · The Group also engages third-party assurance experts to review, challenge and, where appropriate, make recommendations to improve the processes for project management, cost control and governance of projects.	Potential impact - High Likelihood - Medium
Prices and Markets: Decreases in oil and gas prices could have an adverse effect on revenue, margins, profitability and cash flows. If these reductions are significant or for a prolonged period, we may have to write down assets and investments and reassess the viability of certain projects, which may impact future cash flows, profit, capital expenditure, the ability to work within our financial frame and maintain our investment programme.	· Contingency is built into the evaluation, planning and budgeting process to allow for the downside movements in commodity prices. · The Reabold business model is to invest in undervalued oil and gas assets that would be able to deliver profitably under any reasonable oil/gas price assumptions, 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.	Potential impact - Medium Likelihood - Medium
Accessing and progressing hydrocarbons: Inability to access and progress hydrocarbon resources could adversely affect delivery of our strategy.	· The Group and its investee companies undertake extensive analysis of available technical information to determine work programmes. · Appraisal programmes are designed to de-risk the overall field development. Well and seismic data is continually reviewed to best allocate capital and make drilling decisions. · Downside risk can be reduced by entering into risk sharing arrangements.	Potential impact - High Likelihood - Medium
Liquidity, financial capacity and financial exposure: insufficient liquidity and funding capacity of the Group and its investee companies could adversely	· Management has a clear strategy for value realisation and creation as evidenced by the conditional offer for Corallian in May 2022.	Potential impact - High Likelihood - Medium

impact the implementation of the Group's strategy and restrict work programmes due to lack of capital.	• The Group maintains a strong balance sheet by maximising cash to ensure sufficient liquidity within the business. The Group has no debt. • Cash forecasts are monitored including considering multiple scenarios. • The Company demonstrated it can raise incremental capital if needed as it successfully raised new equity in Q1 2021. • The Group continually monitors its capital allocation and will only pursue programs that are of appropriate size and risk relative to the Group's capital resources.	
Joint arrangements: Varying levels of control over the standards, operations and compliance of our partners could result in legal liability and reputational damage.	• The Group continually engages with its operating partners and closely monitors the operation of its assets. • The Group completes thorough due diligence reviews before entering future partnerships to ensure that their strategic and operational objectives are aligned with those of the Group.	Potential impact - Medium Likelihood - Low
Climate change: A global transition to alternative energy sources could have an adverse impact on demand for oil and gas, commodity prices and/or the Group's access to and cost of capital.	• Management looks for opportunities to deliver low carbon intensity production into the UK market by using low carbon intensity facilities, including potential re-use of existing infrastructure. • The Group's "investment horizon" is considered to fall within time frames too short to be materially affected by the Paris Agreement $2^{O}C$ scenario.	Potential impact - High Likelihood - Medium
Talent and capability: Inability to attract, develop and retain people with necessary skills and capabilities could negatively impact delivery of our strategy	• Recruitment and retention of key staff through providing competitive remuneration packages and stimulating and safe working environment. Balancing salary with longer term incentive plans.	Potential impact - High Likelihood - Low
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
Geopolitical: Exposure to a range of political developments and consequent changes to the operating and regulatory environment (including the continued impact of COVID-19 and events relating to the Russia-Ukraine conflict) could cause business disruption.	• Management maintains regular communication with regulatory authorities. • The Company aligns its standards and objectives with government policies as closely as possible • Reabold demonstrates a flexible approach to working from home whilst supporting appropriate working practices in London office spaces. • The Group does not consider it has a material adverse exposure to the geopolitical situation with respect to the sanctions imposed on Russia, although recognises the evolving situation is causing price volatility. The Group will continue to monitor its position to ensure it remains compliant with any sanctions in place.	Potential impact - Medium Likelihood - Medium
Compliance and control risks		
Regulation: planning, environmental, licensing and other permitting risks associated with the Group and its investee companies' operations particularly with exploration drilling operations.	• The Group and its 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.	Potential impact - High Likelihood - Medium

Financial review

Group Income Statement

The loss for the year ended 31 December 2021 was £2.6million (2020: loss of £2.7 million).

Production on a working interest basis from our California assets was 24,457boe (2020: 33,890boe), delivering total revenues of £1.2 million (2020: £1.0 million). The lower production was primarily due to workover of wells and bringing enhanced storage infrastructure online. The realised sales price was 65.4 $/bbl (2020: 38.4 $/bbl).

The gross loss for 2021 was £152,000 compared to a gross profit of £4,000 in 2020. Overall cost of sales of £1.3 million compared to £1.0 million for 2020. This comprised £0.7 million of production costs (2020: £0.5 million), royalties of £0.2 million (2020: £0.2 million) and £0.4 million of non-cash depletion charges (2020: £0.3 million).

Administrative expenses were broadly in line with prior year at £1.7 million (2020: £1.6 million)

Group Balance Sheet

The Group retained a strong balance sheet during the year allowing it to sustain its capital investment programme. An increase in exploration and evaluation assets from £7.6 million in 2020 to £9.1 million at 31 December 2021 reflected appraisal work at West Newton during the year.

Total investment in associates increased from £25.3 million at year end 2020 to £27.7 million at 31 December 2021. Additions were related to the increased investment in Corallian of £3.2 million offset by combined total losses from associates of £0.8 million.

The group does not have any significant liabilities.

Overall net assets have increased from £38.9 million at year end 2020 to £46.5 million at 31 December 2021.

Group cash flow statement

Cash used in operating activities for the year ended 31 December 2021 was £1.8 million, £0.7 million lower than in 2020 reflecting favourable working capital movements.

Net cash used in investing activities for the year ended 31 December 2021 decreased by £1.9 million compared with 2020. The decrease reflected lower capital expenditure on exploration and evaluation rights.

Net cash provided by financing activities for the year ended 31 December 2021 was £6.9 million (2020: £0 million). Financing cash flows in 2021 reflect the issuance of 1,363,636,363 new ordinary shares at 0.55 pence per share, for gross proceeds of £7.5 million (£6.9 million net of issuance costs). The proceeds were primarily used to fund additional appraisal activity at West Newton as well as to provide additional contingency across the Group's investment portfolio.

Liquidity

Cash balances increased from £1.1 million at 31 December 2020 to £4.9 million. The Group has no debt.

Commitments

There are no significant commitments contracted for in 2022. Reabold's share of authorised capital expenditure for West Newton in 2022 is £0.4 million.

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.

As at 31 December 2021, the Company comprises 6 directors and no other employees, with the workforce by gender summarised below:

As at 31 December 2021	Male	Female	Female %
Executive Directors	3	-	-%
Non-Executive Directors	3	-	-%
Other employees	-	-	-%
All employees	**6**	**-**	**-%**

COVID-19 virus

At the time of writing, the world is still experiencing the effects of COVID-19. The pandemic has continued to disrupt work programmes in 2021, however the Reabold business model is designed to be robust, and it has not fundamentally affected our strategy.

Outlook

The energy markets are being impacted by the military action in Ukraine, which is adding significant upside pressure to prices. As an investor in the E&P sector, Reabold is clearly exposed to the updside, however there remains, at this point in time, uncertainty. 2022 will be a pivotal year for Reabold and we look forward to delivering further phases of growth in 2022 and over the years ahead.

Sachin Oza and Stephen Williams
Co-Chief Executive Officers

26 May 2022

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 19 years' investment experience, including 15 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 17 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 43 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 2021

The Directors submit their report and the audited financial statements of the Group and Company for the year ended 31 December 2021.

Principal activities

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

Results and dividends

The results of the Group are shown on page 37. The Company has not declared any dividends during the year (2020: £nil). The Directors do not propose the payment of a final dividend.

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 financial risk management objectives and policies are discussed in note 29.

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 2021**	At 1 January 2021
Jeremy Edelman *	**173,545,454**	169,000,000
Sachin Oza	**36,551,821**	16,637,058
Stephen Williams	**29,643,953**	12,222,111
Marcos Mozetic	**4,545,454**	-
Michael Felton	**25,240,599**	8,386,431
Anthony Samaha	**7,818,182**	1,000,000

** including 173,545,454 shares held by Saltwind Enterprises Ltd, a company connected with Jeremy Edelman.*

The total options held by directors as at 31 December 2021 was 325,000,000. Sachin Oza and Stephen Williams each held 150,000,000 options and Anthony Samaha held 25,000,000 options. See note 25 for further details.

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 2023 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 12 months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

Outlook and future developments

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

Political and charitable contributions

The Company made no contributions to charitable or political bodies during the year (2020: £Nil).

Significant shareholders

As at 8 May 2022, 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	461,576,116	5.17
Fidelity International Limited	421,413,644	4.72

Notes:

** taken from third party share register analysis as at 8 May 2022.*

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 Company adopts the QCA Code which it believes to be the most appropriate recognised corporate governance code for the Company. 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 28 July 2021 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, 26 May 2022

A Samaha

Registered Office:

20 Primrose Street

London, EC2A 2EW

Corporate governance report

The Company adopts the QCA Code which it believes to be the most appropriate recognised corporate governance code for the Company. 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 interests in unlisted oil and gas companies or majority interests in unlisted oil and gas companies with non-operating positions on licences with low-cost drilling opportunities that can provide medium term production and hence cash flow.

The Company is an investor in upstream oil and gas projects globally with an aim to create value from each project by investing in undervalued, low-risk, near-term upstream oil and 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. A description of how the Group considers key stakeholders in its decision-making is included in the section 172 statement on page 11.

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 16-17 including the impact and how these are mitigated.

The Executive Directors have regular conference calls with the Company's Nominated Adviser and, when relevant, the Company's corporate communications advisers to discuss - amongst other items - operations, key risks, and other relevant matters. Additionally, the Group also has structured weekly operational and management conference calls with its JV partners to identify and discuss key business challenges and risk areas. The Board believes that this regular program of internal communications provides an effective opportunity for potential or real-time risks to be identified, considered and - where necessary - addressed in a timely manner. Given the Company's current size, the Board considers that the Executive Management team-with oversight from the Non-Executive Board of Directors and relevant advisers are sufficient to identify risks applicable to the Company and its operations and to implement an appropriate system of controls. Accepting that no systems of control can provide absolute assurance against material misstatement or loss, the Directors believe that the established systems for internal control within the Group are appropriate to the size and cost structure of the business. 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 pages 20-21 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 11 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	8/11	1/1	1/1
Sachin Oza	11/11	-	-
Stephen Williams	11/11	-	-

Anthony Samaha	10/11	-	-
Marcos Mozetic	8/11	-	1/1
Michael Felton	7/11	1/1	1/1

The Board has two committees as explained below.

Audit Committee

The Audit Committee consists of Michael Felton as Chairman, and Jeremy Edelman. This Committee provides a forum through which the Group's finance functions and auditors, report to the non-executive Directors. Meetings may be attended, by invitation, by the Company's Nominated Adviser, Company Secretary, other directors and the Company's auditors. 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.

Remuneration Committee

The Remuneration Committee consists of Marcos Mozetic as Chairman, Jeremy Edelman, and Michael Felton. The Committee meets as and when required. 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.

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 complementary skills and experience of our Board are included on pages 20-21. If the Company identifies an area where additional skills are required, the Company will often contract an appropriately qualified third party to advise as required.

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 advisers and nominated adviser 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.

During the reporting period, the Board undertook a performance evaluation of the Executive Directors. The salaries were benchmarked to market and the committee considered the delivery of our strategic goals. Please see note 9 of the financial statements for details of
Directors' remuneration. In February 2022, the Remuneration Committee also took the decision to extend the expiry dates of certain existing options held by the Executive Directors due to the significant constraints the COVID-19 pandemic has had on the Company's ability to successfully implement its medium-term strategy. Please see note 30 post balance sheet events for further details.

The Board performance evaluation is to be undertaken annually and includes an assessment of achievement of KPIs by Executive Directors. The Remuneration Committee undertakes 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 importance 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.

Details of the Audit Committee and the Remuneration Committee are provided under principle 5.

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. Page 11 of this Annual Report provides a section 172 statement which discusses how the Group considers the interests of shareholders and other relevant stakeholders in its decision making.

The Board has not published an audit committee or remuneration committee report, which the Board considers to be appropriate given the size and stage of development of 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.

Jeremy Edelman
Chairman

26 May 2022

Statement of Directors' responsibilities

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 in conformity with the requirements of the Companies Act 2006. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

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 the financial statements comply with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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 2021 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 UK-adopted international accounting standards 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 2021 and of the group's loss for the year then ended; and
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 (E&E) assets and oil & gas assets (group and parent company risk) Group carrying value £9,123k (2020: £7,586k), and parent company carrying value £5,968k (2020: £4,556k). The group's accounting policy in respect of this area is set out in the accounting policy notes on page 48-49. The group is involved in the extraction of oil and gas and holds 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 capitalisation criteria and 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 subsidiaries and 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 evaluating 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; · Obtaining supporting evidence of additions and recalculating the depreciation, in line with the Group's policy, of the assets held directly by the parent company and subsidiary. · Directing the work of component auditors in respect of their work on E&E and oil & gas assets through the issuance of instructions; · 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; and · Evaluating management's assessment of the directly held exploration and evaluation assets and testing for impairment. **Our observations** On the basis of our audit procedures, we are satisfied that the judgements applied by management in their capitalisation criteria and impairment assessment of exploration & evaluation assets and oil & gas assets are reasonable.
Valuation of convertible loan notes (group and parent company risk) Group and parent company carrying value £555k (2020: £nil). The group's accounting policy in respect of this area is set out in the accounting policy notes on page 51-52. The convertible loan notes are held at fair value through profit or loss. Due to the significance of the judgement required in the assumptions needed to prepare the valuation of the convertible loan notes, in addition to the gross value acquired in the year being material, this is considered a key audit matter.	Our procedures included, but were not limited to, the following: · Obtaining the independent valuation carried out by management's valuation expert as at the year-end; · Engaging the Mazars internal expert valuation team to review and challenge the assumptions used in the valuation; and · Comparing the results of management's valuation expert to that of our own expert to assess whether the assumptions used were reasonable. **Our observations** On the basis of our audit procedures, we are satisfied that the judgements applied by management in their valuation of the convertible loan notes are reasonable.

Our application of materiality and an overview of the scope of our audit

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: £711,000 Parent company: £694,300

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: £568,800 Parent company: £555,500 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. Performance materiality represents 80% of overall materiality for the group and the parent company. This percentage was applied due to the experience we have in auditing the group and the parent company, our assessment of the group's and the parent company's control environment, and the volume of transactions.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £21,300 (group) and £20,800 (parent company), as well as misstatements below these amounts 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 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 our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors 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 Limited (which are holding companies with no impact on the consolidated financial statements) were subject to full scope audit, which was performed by the group audit team. Two of the group's associated undertakings were subject to audit procedures by component auditors. Group instructions were sent to these component auditors by the group audit team. Discussions were held with the component auditors and specific component audit working papers were reviewed by senior members of the group audit team to assess the sufficiency and appropriateness of their audit procedures for the purposes of the group audit opinion. Audit procedures in relation to the other associated undertaking was completed by the group engagement team.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their 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 31, 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.
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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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, GDPR regulations, and the AIM Rules.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:
- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the 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 applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.
In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the carrying value of exploration and evaluation and oil & gas assets, the fair value of convertible loan notes, revenue recognition (which we pinpointed to the cut off assertion), and significant one-off or unusual transactions.

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 2022 oil statement and ensuring the group's share had been posted in the appropriate period.

There are inherent limitations in the audit procedures described above and 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.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of 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: 26 May 2022

Group statement of comprehensive income for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Revenue	5	**1,160**	1,035
Cost of sales	6	**(1,312)**	(1,031)
Gross (loss)/profit		**(152)**	4
Other income		**51**	60
Net gain on financial assets measured at fair value through profit or loss	7	**55**	-
Impairment of property, plant & equipment	18	-	(239)
Administration expenses		**(1,663)**	(1,621)
Share based payments expense	25	**(152)**	-
Loss on ordinary activities		**(1,861)**	(1,796)
Share of losses of associates	14	**(801)**	(878)
Finance costs - unwinding of discount on decommissioning provisions	23	**(14)**	(7)
Finance income		**1**	13
Loss before tax for the period		**(2,675)**	(2,668)
Taxation	10	**-**	-

Loss for the financial year		**(2,675)**	(2,668)
Other comprehensive loss			
Foreign exchange gain/(loss) on translation of foreign subsidiaries		**48**	(39)
Other comprehensive loss		**48**	(39)
Total comprehensive loss for the financial year		**(2,627)**	(2,707)
Attributable to:			
Equity holders		**(2,627)**	(2,707)
		(2,627)	(2,707)
Loss per share			
Basic and fully diluted loss per share (pence)	11	**(0.03)**	(0.04)

All amounts relate to continuing operations.

Group statement of financial position as at 31 December 2021 Company no. 3542727

	Notes	2021 £'000	2020 £'000
ASSETS			
Non-current assets			
Exploration & evaluation assets	17	**9,123**	7,586
Property, plant & equipment	18	**4,303**	4,569
Investments in associates	14	**27,716**	25,335
Goodwill on acquisition	12	**329**	329
Other investments	13	**570**	15
		42,041	37,834
Current assets			
Inventory		**20**	34
Prepayments		**79**	85
Trade and other receivables	19	**172**	379
Restricted cash	20	**211**	208
Cash and cash equivalents		**4,883**	1,139
		5,365	1,845
Total assets		**47,406**	39,679

EQUITY			
Capital and reserves			
Share capital	24	**9,044**	7,211
Share premium account	26	**29,033**	20,819
Capital redemption reserve		**200**	200
Share based payment reserve		**1,898**	1,746
Foreign currency translation reserve		**9**	(39)
Retained earnings		**6,308**	8,983
Total shareholders' funds		**46,492**	38,920
LIABILITIES			
Current liabilities			
Trade and other payables	21	**314**	192
Accruals	21	**83**	65
		397	257
Non-Current liabilities			
Deferred tax liability	12	**329**	329
Provision for decommissioning	23	**188**	173
		517	502
Total equity and liabilities		**47,406**	39,679

Approved by the Board of Directors on 26 May 2022

Signed on behalf of the board of directors:

Anthony Samaha

Director

Company statement of financial position as at 31 December 2021 Company no. 3542727

	Notes	**2021**	**2020**
		£'000	**£'000**
ASSETS			
Non-current assets			
Exploration & evaluation assets	17	**5,968**	4,556
Investments in associates	14	**27,716**	25,335
Subsidiaries	15	**3,536**	1,933
Other investments	13	**570**	15
		37,790	31,839
Current assets			
Loan to subsidiary	16	**4,790**	6,292
Prepayments		**79**	84
Trade and other receivables	19	**52**	253
Restricted cash	20	**25**	25

Cash and cash equivalents		**4,622**	1,060
		9,568	7,714
Total assets		**47,358**	39,553
EQUITY			
Capital and reserves			
Share capital	24	**9,044**	7,211
Share premium account	26	**29,033**	20,819
Capital redemption reserve		**200**	200
Share based payment reserve		**1,898**	1,746
Retained earnings		**6,938**	9,368
Total shareholders' funds		**47,113**	39,344
LIABILITIES			
Current liabilities			
Trade and other payables	21	**16**	9
Accruals	21	**83**	65
		99	74
Non-Current liabilities			
Provision for decommissioning	23	**146**	135
		146	135
Total equity and liabilities		**47,358**	39,553

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 £2,430,000 (2020: loss £2,281,000).

Approved by the Board of Directors on 26 May 2022
Signed on behalf of the board of directors:

Anthony Samaha
Director

Group statement of cash flows for the year ended 31 December 2021

	Notes	**2021**	**2020**
		£'000	**£'000**
Cash flows from operating activities			
Loss for the financial year		**(2,675)**	(2,668)

Adjustments:			
Net (gain) on financial assets at fair value through profit or loss	13	**(55)**	-
Depreciation	18	**358**	326
Impairment	18	**-**	239
Net finance costs/(income)		**13**	(6)
Other non-cash movements		**-**	100
Share based payments	25	**152**	-
Operating cash flows before movement in working capital		**(2,206)**	(2,009)
Decrease in receivables	19	**207**	478
Increase/(decrease) in payables and accruals	21	**140**	(776)
(Decrease) in provisions	22	**-**	(299)
Increase in provision for decommissioning	23	**-**	106
Decrease/(increase) in prepayments		**6**	(28)
Decrease/(increase) in inventory		**14**	(15)
Cash used in operating activities		**(1,839)**	(2,543)
Share of losses of associates	14	**801**	878
Net cash used in operating activities		**(1,038)**	(1,665)
Cash flows from investing activities			
Interest received		**1**	13
Investments in associates	14	**(16)**	(600)
Expenditure on oil and gas property	18	**(40)**	(398)
Expenditure on exploration & evaluation assets	17	**(1,497)**	(1,683)
Acquisition of exploration & evaluation rights		**-**	(1,448)
Purchase of other investments	13	**(1,000)**	-
Proceeds from sale of other investments	13	**500**	-
Additions to restricted cash		**-**	132
Net cash used in investing activities		**(2,053)**	(3,984)
Cash flows from financing activities			
Share placement net proceeds		**6,881**	-
Net cash generated from financing activities		**6,881**	-
Net increase/(decrease) in cash and cash equivalents		**3,790**	(5,649)
Net foreign exchange differences		**(46)**	71
Cash and cash equivalents at the beginning of the period		**1,139**	6,717
Cash and cash equivalents at the end of the period		**4,883**	1,139
Cash and cash equivalents comprises:			
Cash and cash equivalents		**4,883**	1,139
		4,883	1,139

Company statement of cash flows for the year ended 31 December 2021

	Notes	**2021**	**2020**
		£'000	**£'000**

Cash flows from operating activities			
Loss for the financial year		**(2,430)**	(2,281)
Adjustments:			
Net (gain) on financial assets at fair value through profit or loss	13	**(55)**	-
Net finance costs		**2**	-
Other non-cash movements		**-**	100
Share based payments	25	**152**	-
Operating cash flows before movement in working capital		**(2,331)**	(2,181)
Decrease/(increase) in receivables	19	**200**	(21)
Increase/(decrease) in payables and accruals	21	**25**	(68)
Decrease in provisions	22	**-**	(299)
Decrease/(increase) in prepayments		**5**	(24)
Net cash used in operating activities		**(2,101)**	(2,593)
Share of losses of associates	14	**801**	878
Net cash used in operating activities		**(1,300)**	(1,715)
Cash flows from investing activities			
Interest received		**1**	-
Investments in associates	14	**(16)**	(600)
Loan to subsidiary		**(92)**	(263)
Expenditure on exploration & evaluation assets	17	**(1,412)**	(1,573)
Acquisition of exploration & evaluation rights		**-**	(1,448)
Purchase of other investments	13	**(1,000)**	-
Proceeds from sale of other investments	13	**500**	-
Additions to restricted cash		**-**	(25)
Net cash used in investing activities		**(2,019)**	(3,909)
Cash flows from financing activities			
Net proceeds from issue of shares		**6,881**	-
Net cash generated from financing activities		**6,881**	-
Net increase/(decrease) in cash and cash equivalents		**3,562**	(5,624)
Cash and cash equivalents at the beginning of the period		**1,060**	6,684
Cash and cash equivalents at the end of the period		**4,622**	1,060
Cash and cash equivalents comprises:			
Cash and cash equivalents		**4,622**	1,060
Overdraft and borrowings		**-**	-
		4,622	1,060

Group statement of changes in equity for the year ended 31 December 2021

	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**
At 1 January 2020	**6,845**	**19,685**	**200**	**1,746**	**-**	**11,651**	**40,127**
Loss for the year	-	-	-	-	-	(2,668)	**(2,668)**
Other comprehensive income	-	-	-	-	(39)	-	**(39)**
Total comprehensive income	**-**	**-**	**-**	**-**	**(39)**	**(2,668)**	**(2,707)**
Issue of share capital	366	1,134	-	-	-	-	**1,500**
At 31 December 2020	**7,211**	**20,819**	**200**	**1,746**	**(39)**	**8,983**	**38,920**
Loss for the year	-	-	-	-	-	(2,675)	**(2,675)**
Other comprehensive income	-	-	-	-	48	-	**48**
Total comprehensive income	**-**	**-**	**-**	**-**	**48**	**(2,675)**	**(2,627)**
Share-based payments	**-**	**-**	**-**	152	-	-	**152**
Issue of share capital, net of direct issue costs	1,833	8,214	-	-	-	-	**10,047**
At 31 December 2021	**9,044**	**29,033**	**200**	**1,898**	**9**	**6,308**	**46,492**

Company statement of changes in equity for the year ended 31 December 2021

	Share capital	Share premium account	Capital redemption reserve	Share based payments reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	**£'000**
At 1 January 2020	**6,845**	**19,685**	**200**	**1,746**	**11,649**	**40,125**
Loss for the year	-	-	-	-	(2,281)	**(2,281)**
Total comprehensive income	-	-	-	-	(2,281)	**(2,281)**
Issue of share capital	366	1,134	-	-	-	**1,500**
At 31 December 2020	**7,211**	**20,819**	**200**	**1,746**	**9,368**	**39,344**
Loss for the year	-	-	-	-	(2,430)	**(2,430)**
Total comprehensive income	-	-	-	-	(2,430)	**(2,430)**
Share-based payments	-	-	-	152	-	**152**
Issue of share capital, net of direct issue costs	1,833	8,214	-	-	-	**10,047**
At 31 December 2021	**9,044**	**29,033**	**200**	**1,898**	**6,938**	**47,113**

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