JERSEY OIL AND GAS PLC

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

CONTENTS OF THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

Highlights

- Transaction with NEO Energy ("NEO") completed for the farm-out of a 50% interest in the Greater Buchan Area ("GBA") licences in exchange for certain cash payments, funding through to Field Development Plan ("FDP") approval and a 12.5% development expenditure carry to first oil for the 50% interest retained by the Company
- Redeployment of a Floating, Production, Storage and Offloading ("FPSO") vessel selected as the preferred GBA development solution – negotiation of fully termed agreement for acquisition of a high-quality vessel advancing
- Approval secured from the North Sea Transition Authority ("NSTA") for the extension of the Second Term durations of the GBA licences, thereby providing the time required to prepare the necessary Field Development Plans ("FDP")
- Transfer of operatorship to NEO formally completed in July 2023, with the project team now mobilised for commencement of Front End Engineering and Design phase of activities
- Preparation underway of the Environmental Statement for the Buchan field redevelopment programme that is planned for submission later this year – engagement ongoing with the statutory consultees
- Key focus remains on creating additional value through securing a further GBA farm-out in order to ultimately provide the Company with a fully carried 20-25% interest in the Buchan redevelopment – engagement ongoing with potential counterparties
- Cash position of approximately £5.6 million, with no debt, as at 30 June 2023. Further cash receipts due on satisfying Buchan re-development milestones – $9.4 million on execution of the FPSO acquisition agreement and $12.5 million on Buchan FDP approval

Andrew Benitz, CEO of Jersey Oil & Gas, commented:

"The first half of the year has been a pivotal period in the history of the Company. With the farm-out to NEO Energy completed, the GBA development solution locked down and the licences covering the area extended, we now have a clear pathway to monetising the resource base we have built up over recent years.

We are encouraged by the collaborative progress being made by NEO and look forward to finalising the acquisition agreements for the FPSO, creating additional value through securing further farmouts and moving onwards with the various workstreams required to get to Field Development Plan approval next year."

Greater Buchan Area Farm-out success

The first half of 2023 was a pivotal period in the Company's history with April's announcement of the successful farm-out of an interest in our Greater Buchan Area ("GBA") development to NEO Energy ("NEO"). The deal, which completed in June, saw NEO acquire a 50% working interest in, and operatorship of, both the licences that cover the GBA, which include the project to redevelop the Buchan oil field, the Verbier and J2 discoveries and several exploration prospects. The transaction unlocks the route to monetising total resources in excess of 100 million barrels of oil equivalent.

The transaction delivers material value to JOG, including cash milestone payments, funding through to Field Development Plan ("FDP") approval and a minimum 12.5% development expenditure carry to first oil for the 50% interest retained by the Company (a 1.25 carry ratio). NEO is a major UK North Sea operator producing approximately 90,000 barrels of oil equivalent per day and is owned by HitecVision AS, a leading private equity investor focused on Europe's offshore energy industry with approximately US$8 billion of assets under management.

GBA Development Operational Update

With the introduction of NEO to the GBA, the partnership undertook confirmatory studies to finalise selection of the preferred development solution for the GBA; determining that re-deployment of an "electrification ready" FPSO offers the lowest cost development option and the one that results in the lowest full-cycle carbon footprint out of all the potential options evaluated. A Concept Select Report was submitted to the North Sea Transition Authority ("NSTA") setting out the development solution and its alignment with the NSTA's strategy to maximise the economic recovery of reserves and assist with achieving the UK government's net zero target. The NSTA subsequently issued a letter confirming that it has no objections to the licensees preparing a Field Development Plan ("FDP") in accordance with that described in the Concept Select Report.

To facilitate preparation, submission and approval of the FDP for the redevelopment of the Buchan field, the NSTA approved an 18 month extension to the Second Term of licence P2498 to 28 February 2025. Following FDP approval, the licence will move into the Third Term, which covers the development and production phase of activities for the life of the field. In addition, the Second Term of the P2170 "Verbier" licence was extended by three years to 29 August 2026. This extension was requested in order to provide the licensees with the time required to prepare an FDP for the Verbier discovery, as part of a phased GBA development plan.

Following announcement of the farm-out transaction, NEO and JOG have been working collaboratively to facilitate a smooth transfer of operatorship of the GBA licences and the associated subsurface and engineering work completed on the assets. The formal transfer of operatorship to NEO was approved by the NSTA in July 2023. In tandem, NEO has established the necessary project management team, including JOG secondees, and recently finalised the plan and contracting strategy to move the Buchan redevelopment into the Front End Engineering and Design ("FEED") phase of activities. FEED scopes of work are now being initiated with respect to well design, subsea and gas export infrastructure, as well as FPSO electrification, life extension and re-deployment. Liaison with offshore wind developers continues, with the GBA development offering the potential to be a component of the future Outer Moray Firth offshore wind electrification plans that are currently being considered as part of the Government's Innovation and Targeted Oil and Gas ("INTOG") leasing round process. Preparation of the FDP is underway, with submission to the NSTA targeted for the first half of 2024 for subsequent approval later in the year. In addition, environmental impact assessments are being undertaken and consultation with the Offshore Petroleum Regulator for Environment and Decommissioning ("OPRED") and statutory consultees is ongoing, ahead of submission of an Environmental Statement, being a precursor to FDP approval.

Business Development Progress

In line with the Company's strategy to ultimately retain a 20-25% fully carried interest in the Buchan redevelopment project, JOG is engaged with industry parties who have expressed potential interest in farming-in to the GBA licences for a non-operated working interest. Whilst there can be no certainty of a successful transaction(s), we are encouraged by this ongoing engagement that is naturally facilitated by the progress the joint venture is making on the Buchan redevelopment project. Completion of a further farm-out(s) remains the Company's key priority.

Financial Review

JOG's cash position was approximately £5.6m as of 30 June 2023 (31 December 2022: £6.6m). Cash costs of £2.7m (including an £0.2m increase in working capital) were partially offset by a payment of £1.7m received on completion of the NEO transaction.

JOG had no production revenue during the period and received only a modest amount of interest on its cash deposits.

The underlying cash expenditure incurred in running the business in the first half of 2023 was down 15% from the same period last year at £1.8m (H1 2022: £2.1m). During the first 6 months of the year there were also transaction costs associated with the farm-out of £0.8m and a non-cash share based compensation charge of £1.0m (2022: £0.3m). These business costs are partially recognised as Administrative Expenses through the Profit and Loss account, £2.9m (H1 2022: £1.2m) and partially capitalised on the Balance Sheet as Intangible Asset Additions, £0.6m (H1 2022: £1.2m). The reduced activity and personnel numbers in the first 6 months of this year has resulted in a lower proportion of overhead being capitalised on the Balance Sheet and hence a larger proportion has been expensed in the Profit and Loss account.

The loss for the period, before and after tax, was approximately £2.9m (2022: £1.2m).

JOG is fully carried for its 50% share of the estimated US$25m cost to take the Buchan field through to FDP approval and is forecast to receive its next deferred cash payment of US$9.4m associated with the NEO farm-out upon finalising the acquisition of the FPSO.

Macro Outlook

Global oil and gas fundamentals remain strong. Demand continues to grow, unsurprisingly given an energy hungry growing global population and supply continues to be suppressed by under investment. In the UK North Sea, the country's oil production is roughly a quarter of its peak in 1999. Energy policy should recognise the opportunity to attract global capital investment into the UK North Sea where relatively low carbon developments are available. Oil and gas imported from elsewhere inevitably has a higher carbon footprint. When looked at holistically it is estimated that energy spend in the UK North Sea could reach £200bn this decade, providing a major and unique opportunity for the UK economy. It is not logical to deter investment to the detriment of national energy security and drive-up costs to consumers with carbon intensive energy imports. Within this context it is encouraging to see the GBA development moving forward, a project that embodies the qualities of locally sourced energy from a re-developed field, to be produced through the reuse of existing infrastructure, with the lowest carbon emissions through the planned integration and use of proximal wind power.

Summary and outlook

We are encouraged by the collaborative progress being made with NEO on the Buchan field redevelopment programme, having successfully closed out the development concept select phase of activities and entered into the FEED phase. Finalising the selection of the preferred development concept, in the form of redeployment of an existing FPSO, was naturally a significant step forward and work is progressing to close out the relevant transaction agreements to acquire a high quality vessel. We remain on track for submission to the NSTA of the FDP for the Buchan field re-development programme in 2024 and the commencement of production in 2026.

Alongside working closely with NEO to progress the various technical and regulatory workstreams required to reach Buchan FDP approval, we remain actively engaged with other potential GBA farm-in partners in order to secure our ultimate objective of retaining a 20-25% fully carried interest in the field redevelopment.

As ever, we are grateful for the ongoing support from our shareholders, who should take comfort that the GBA development is being driven forward by a highly capable North Sea operator that values the importance of a strong joint venture partnership.

Les Thomas
Non-Executive Chairman

Andrew Benitz
Chief Executive Officer

13 September 2023

JERSEY OIL AND GAS PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Notes	6 months to 30/06/23 (unaudited) £	6 months to 30/06/22 (unaudited) £	Year to 31/12/22 (audited) £
Administrative expenses	4	(2,941,550)	(1,200,589)	(3,185,103)
OPERATING LOSS		(2,941,550)	(1,200,589)	(3,185,103)
Finance income		47,149	17,050	82,842
Finance expense		(1,297)	(2,839)	(4,730)
LOSS BEFORE TAX		(2,895,698)	(1,186,377)	(3,106,991)
Tax	5	-	-	-
LOSS FOR THE PERIOD		(2,895,698)	(1,186,377)	(3,106,991)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(2,895,698)	(1,186,377)	(3,106,991)
Total comprehensive loss attributable to:				
Owners of the parent		(2,895,698)	(1,186,377)	(3,106,991)
Loss per share expressed in pence per share:				
Basic	6	(8.89)	(3.64)	(9.54)
Diluted	6	(8.89)	(3.64)	(9.54)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

JERSEY OIL AND GAS PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	30/06/23 (unaudited) £	30/06/22 (unaudited) £	31/12/22 (audited) £
NON-CURRENT ASSETS				
Intangible assets - exploration & development costs	7	23,304,939	22,752,129	24,372,882
Property, plant and equipment	8	3,294	24,633	10,203
Right-of-use assets	12	182,809	133,168	81,328
Deposits		2,692	31,112	31,112
		23,493,734	22,941,042	24,495,525
CURRENT ASSETS				
Trade and other receivables	9	456,199	346,631	167,060
Cash and cash equivalents	10	5,633,066	8,666,792	6,579,349
		6,089,265	9,013,423	6,746,409
TOTAL ASSETS		29,582,999	31,954,465	31,241,934
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	11	2,573,395	2,573,395	2,573,395
Share premium account		110,309,524	110,309,524	110,309,524
Share options reserve		3,431,457	1,708,075	2,566,343
Accumulated losses		(87,347,793)	(82,738,107)	(84,600,273)
Reorganisation reserve		(382,543)	(382,543)	(382,543)
TOTAL EQUITY		28,584,040	31,470,344	30,466,446
NON-CURRENT LIABILITIES				
Lease liabilities	12	99,092	18,830	-
		99,092	18,830	-
CURRENT LIABILITIES				
Trade and other payables	13	845,532	334,198	688,796
Lease liabilities		54,335	131,093	86,692
		899,867	465,291	775,488
TOTAL LIABILITIES		998,959	484,121	775,488
TOTAL EQUITY AND LIABILITIES		29,582,999	31,954,465	31,241,934

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

JERSEY OIL & GAS PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Called up share capital £ (unaudited)	Share premium account £ (unaudited)	Share options reserve £ (unaudited)	Accumulated Losses £ (unaudited)	Re-organisation reserve £ (unaudited)	Total equity £ (unaudited)
At 1 January 2022	2,573,395	110,309,524	1,397,287	(81,551,730)	(382,543)	32,345,933
Loss for the period and total comprehensive income	-	-	-	(1,186,377)	-	(1,186,377)
Share based payments	-	-	310,788	-	-	310,788
At 30 June 2022	2,573,395	110,309,524	1,708,075	(82,738,107)	(382,543)	31,470,344
At 1 January 2023	2,573,395	110,309,524	2,566,343	(84,600,273)	(382,543)	30,466,446
Loss for the period and total comprehensive income	-	-	-	(2,895,698)	-	(2,895,698)
Lapsed share options	-	-	(148,178)	148,178		-
Share based payments	-	-	1,013,292	-	-	1,013,292
At 30 June 2023	2,573,395	110,309,524	3,431,457	(87,347,793)	(382,543)	28,584,040

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	**Description and purpose**
Called up share capital	Represents the nominal value of shares issued
Share premium account	Amount subscribed for share capital in excess of nominal value
Share options reserve	Represents the accumulated balance of share-based payment charges recognised in respect of share options granted by the Company less transfers to retained deficit in respect of options exercised or cancelled/lapsed
Accumulated losses	Cumulative losses recognised in the Consolidated Statement of Comprehensive Income
Reorganisation reserve	Amounts resulting from the restructuring of the Group

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

JERSEY OIL AND GAS PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Notes	6 months to 30/06/23 (unaudited) £	6 months to 30/06/22 (unaudited) £	Year to 31/12/22 (audited) £
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash used in operations	14	(2,041,225)	(3,085,544)	(3,319,445)
Net interest received		47,149	17,050	82,842
Net interest paid		(1,297)	(2,839)	(4,730)
Net cash used in operating activities		(1,995,373)	(3,071,333)	(3,241,333)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds received from farm-out transaction	7	1,684,990	-	-
Purchase of intangible assets	7	(549,314)	(1,237,976)	(3,092,186)
Net cash generated from/(used in) investing activities		1,135,676	(1,237,976)	(3,092,186)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal elements of lease payments		(86,586)	(62,289)	(125,520)
Net cash used in financing activities		(86,586)	(62,289)	(125,520)
DECREASE IN CASH AND CASH EQUIVALENTS		(946,283)	(4,371,596)	(6,459,039)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		6,579,349	13,038,388	13,038,388
CASH AND CASH EQUIVALENTS AT END OF PERIOD	10	5,633,066	8,666,792	6,579,349

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

1. GENERAL INFORMATION

Jersey Oil and Gas plc (the “Company”) and its subsidiaries (together, the “Group”) are involved in the upstream oil and gas business in the UK.

The Company is a public limited company incorporated and domiciled in England & Wales and quoted on AIM, a market operated by London Stock Exchange plc. The address of its registered office is 10 The Triangle, ng2 Business Park, Nottingham, NG2 1AE.

The reporting period of the Group’s condensed consolidated interim financial statements is the six month period from 1 January 2023 to 30 June 2023 and these were authorised for issue in accordance with a resolution of the Board of Directors on 12 September 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2023 were prepared in accordance with UK-adopted International Accounting Standard 34 “Interim Financial Reporting” and in conformity with the requirements of the Companies Act 2006 (the “Companies Act”).

These unaudited interim consolidated financial statements of the Group have been prepared following the same accounting policies and methods of computation as the consolidated financial statements for the year ended 31 December 2022. These unaudited interim consolidated financial statements do not include all the information and footnotes required by generally accepted accounting principles for annual financial statements and therefore should be read in conjunction with the consolidated financial statements and the notes thereto in the Company’s annual report for the year ended 31 December 2022.

The financial information contained in this announcement does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006.

Consolidated statutory accounts for the year ended 31 December 2022, on which the auditors gave an unqualified audit report, have been filed with the registrar of Companies.

The Group's financial statements have been prepared on a historical cost basis. The condensed consolidated interim financial statements are presented in Sterling, which is also the Group's functional currency.

Going Concern

The Group has sufficient resources to meet its liabilities as they fall due for a period of at least 12 months after the date of issue of these condensed consolidated interim financial statements. The Company’s current cash reserves are therefore expected to more than exceed its estimated cash outflows in all reasonable scenarios for at least 12 months following the date of issue of these condensed consolidated interim financial statements. Even in an extreme scenario where the GBA development did not progress for any unforeseen reason and the future farm-out instalment payments were not realised the Group has the flexibility within its cost structure to amend its expenditure profile and continue in business beyond the next 12 months solely from utilisation of its existing cash resources. The directors have also considered the risk associated with contractual arrangements associated with progression of the GBA development and are satisfied that the Group is not exposed to any contractual commitments which could impact on the Group’s going concern status over the next 12 months. Based on these circumstances, the directors have considered it appropriate to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

Accounting policies

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2022, except for the following amendments which apply for the first time in 2023. However, not all are expected to impact the Group as they are either not relevant to the Group’s activities or require accounting which is consistent with the Group’s current accounting policies.

The following new standards and amendments are effective for the period beginning 1 January 2023:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

The impact of seasonality or cyclicality on operations is not considered significant on the condensed consolidated interim financial statements.

Accounting policies (cont.)

The following new standards and amendments are effective for the period beginning 1 January 2023:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

The impact of seasonality or cyclicality on operations is not considered significant on the interim consolidated financial statements.

3. SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors.

The Board considers that the Group operates in a single segment, that of oil and gas exploration, appraisal, development, and production, in a single geographical location, the North Sea of the United Kingdom.

The Board is the Group's chief operating decision maker within the meaning of IFRS 8 "Operating Segments".

During the period to 30 June 2023 and during the year ended 31 December 2022 the Group had no revenue.

4. ADMINISTRATIVE COSTS

The following significant costs are included:

	30/06/23 (unaudited) £	30/06/22 (unaudited) £
Third Party Transaction Fees	497,164	-
Transaction Bonuses	268,496	-
Non Cash Share Based Payments	1,103,292	310,788

The Non Cash Share Based Payments increased in H1 2023 mainly as a result of the grant of additional Share Options in April 2023 and accelerated vesting of Share Options issued in November 2021 following the Greater Buchan Area farm-out.

5. TAX

Jersey Oil and Gas plc is a trading company but no liability to UK corporation tax arose on its ordinary activities for the period ended 30 June 2023 due to trading losses. As at 31 December 2022, the Group held tax losses of approximately £62m (2021: £57m).

6. EARNINGS/(LOSS) PER SHARE

Basic loss per share is calculated by dividing the losses attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

There is no difference between dilutive and basic loss per share due to there being a loss recorded in the period.

	Losses attributable to ordinary shareholders £	Weighted average number of shares	Per share amount Pence
Period ended 30 June 2023			
Basic and Diluted EPS			
Loss attributable to ordinary shareholders	(2,895,698)	32,554,293	(8.89)

7. INTANGIBLE ASSETS

	Exploration Costs £
COST	
At 1 January 2023	24,548,122
Additions	617,047
Disposals	(1,684,989)
At 30 June 2023	23,480,180
ACCUMULATED AMORTISATION	
At 1 January 2023	175,241
At 30 June 2023	175,241
NET BOOK VALUE at 30 June 2023	23,304,939

Additions represent the work capitalised on the GBA assets.

In June 2023, Jersey Oil and Gas Plc completed a farm-out transaction with NEO Energy ("NEO"). The parties each now hold a 50% interest in the licences that comprise the Greater Buchan Area ("GBA"), being P2498 ("Buchan") and P2170 ("Verbier"), with NEO having become the operator as part of the transaction.

In exchange for entering into the agreements to divest a 50% working interest and operatorship in the GBA licences to NEO, the Company received £1.685m on completion and:

- a full carry for JOG's 50% share of the estimated US$25m cost to take the Buchan field through to Field Development Plan ("FDP") approval;
- a US$9.4m cash payment upon finalisation of the GBA development solution - namely execution of the fully termed FPSO acquisition agreement;
- a US$12.5m cash payment on approval of the Buchan FDP by the North Sea Transition Authority ("NSTA");
- a 12.5% carry of the Buchan field development costs included in the FDP approved by the NSTA; equivalent to a 1.25 carry ratio; and
- a US$5m cash payment on each FDP approval by the NSTA in respect of the J2 and Verbier oil discoveries

The completion payment of £1.685m has been recorded as a disposal reducing the intangible carrying value of the GBA. No value for the development carries or the future contingent payments is currently being recognised on the consolidated statement of financial position.

Based on the Company's assessment, as at 30 June 2023, there are not deemed to be any indicators that the licences are not commercial and the net carrying value of £23,304,939 continues to be supported by ongoing development work on the licence areas, with no impairments considered necessary.

8. PROPERTY, PLANT AND EQUIPMENT

	Computer and office equipment £
COST	
At 1 January 2023	228,447
Additions	-
At 30 June 2023	228,447
ACCUMULATED AMORTISATION, DEPLETION AND DEPRECIATION	
At 1 January 2023	218,244
Charge for period	6,909
At 30 June 2023	225,153
NET BOOK VALUE at 30 June 2023	3,294

This represents the capitalised cost of computer equipment and fixtures.

9. TRADE AND OTHER RECEIVABLES

	30/06/23 (unaudited) £	30/06/22 (unaudited) £	31/12/22 (audited) £
Other receivables	30	30	30
Prepayments and accrued income	378,468	268,323	97,328
Deposits	-	-	-
Value added tax	77,701	78,278	69,702
	456,199	346,631	167,060

As at 30 June 2023, there were no trade receivables past due nor impaired. There are immaterial expected credit losses recognised on these balances.

10. CASH AND CASH EQUIVALENTS

The amounts disclosed in the consolidated statement of cash flows in respect of cash and cash equivalents are in respect of these consolidated statement of financial position amounts:

	30/06/23 (unaudited) £	30/06/22 (unaudited) £	31/12/22 (audited) £
Cash and cash equivalents	5,633,066	8,666,792	6,579,349
	5,633,066	8,666,792	6,579,349

11. CALLED UP SHARE CAPITAL

	30/06/23 (unaudited) £	30/06/22 (unaudited) £	31/12/22 (audited) £
Issued and fully paid:			
Number: 32,554,293 (2022: 32,554,293)			
Ordinary class	2,573,395	2,573,395	2,573,395
	2,573,395	2,573,395	2,573,395

12. LEASES

Amounts Recognised in the Statement of financial position

Right-of-use Assets	30/06/23 (unaudited) £	30/06/22 (unaudited) £	31/12/22 (audited) £
Buildings	182,809	133,168	81,328
	182,809	133,168	81,328

Lease liabilities	30/06/23 (unaudited) £	30/06/22 (unaudited) £	31/12/22 (audited) £
Current	54,335	131,094	86,692
Non-Current	99,092	18,829	-
	153,427	149,923	86,692

The liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3%. The borrowing rate applied for 2023 remained at 3% and the leases relate to office space. A new lease agreement was entered into in June 2023 for a total of 9 years with break clauses after 3 and 6 years. Given the 3 year break clause and the future plans for the business it was deemed appropriate to recognise the liability relating to a 3 year period.

Amounts Recognised in the Statement of comprehensive income

	30/06/23 (unaudited) £	30/06/22 (unaudited) £	31/12/22 (audited) £
Depreciation charge of right-of-use asset			
Buildings	51,840	51,840	138,176
	51,840	51,840	138,176

	30/06/23 (unaudited) £	30/06/22 (unaudited) £	31/12/22 (audited) £
Interest expenses (included in finance cost)			
Buildings	1,297	2,831	5,820
	1,297	2,831	5,820

13. TRADE AND OTHER PAYABLES

	30/06/23 (unaudited) £	30/06/22 (unaudited) £	31/12/22 (audited) £
Trade payables	221,847	111,041	459,461
Accrued expenses	440,583	135,770	161,253
Taxation and Social Security	183,102	87,387	68,082
	845,532	334,198	688,796

14. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

RECONCILIATION OF LOSS BEFORE TAX TO CASH USED IN OPERATIONS

	30/06/23 (unaudited) £	30/06/22 (unaudited) £	31/12/22 (audited) £
Loss for the period before tax	(2,895,698)	(1,186,377)	(3,106,991)
Adjusted for:			
Depreciation	6,909	15,444	29,873
Depreciation right-of-use asset	51,840	51,840	103,680
Share based payments (net)	1,013,292	310,788	1,227,504
Finance costs	1,297	2,839	4,730
Finance income	(47,149)	(17,050)	(82,842)
	(1,869,509)	(822,516)	(1,824,046)
(Increase)/decrease in trade and other receivables	(94,994)	6,482	186,054
Decrease in trade and other payables	(76,722)	(2,269,509)	(1,681,452)
Cash used in operations	(2,041,225)	(3,085,544)	(3,319,445)

15. POST BALANCE SHEET EVENTS

Following a competitive tender process, the Board of Directors approved the appointment of BDO LLP as the Company's auditor for the financial year ending 31 December 2023. PricewaterhouseCoopers LLP ("PwC") formally resigned as auditor with effect from 6 September 2023.

16. AVAILABILITY OF THE INTERIM REPORT 2023

A copy of these results will be made available for inspection at the Company's registered office during normal business hours on any weekday. The Company's registered office is at 10 The Triangle, Ng2 Business Park, Nottingham, Nottinghamshire NG2 1AE. A copy can also be downloaded from the Company's website at www.jerseyoilandgas.com. Jersey Oil and Gas plc is registered in England and Wales with registration number 7503957.