Chairman's Statement

Dear Shareholders,

I am pleased to share with you the interim results for the six months ended 31 March 2023.

We have had a busy six months which has culminated in three producing wells at our Saltfleetby Field flowing gas to the National Grid with average daily production of up to 9.5 mmscfd, which level is a little over 100,000 therms a day.

The UK's natural gas price for spot delivery at the National Balancing Point fell from the brief but extraordinary highs of above 400 pence per therm at the beginning of the period to around 80 pence a therm at the end, since which time it has oscillated between 50 pence a therm and 110 pence a therm which is comfortably above the pre-crisis average for traditionally subdued summer gas prices. Forward pricing for this coming winter remains well above 110 pence a therm and bodes well for our winter cash flows.

The unrealised profit during the period of account on the derivative instrument reduces the future liability on this gas derivative instrument on our balance sheet from £158.7 million as at 30 September 2022 to £37.5 million as at 31 March 2023. This reduction is derived from the gas price movements during the period and was in part responsible for the significant profit for the period of £115.298 million. This figure included a gain of £109.668 million for the derivative instrument and operating profits of £6.486 million (2022: loss of £1.238 million). The Group recorded a net cash inflow from operating activities of £6.290 million (2022: cash outflow of £3.614 million).

We were particularly pleased to have appointed as CEO, Mr Richard Herbert, former head of Exploration at BP amongst other leading positions in the energy industry. With his appointment I was pleased to step down as CEO, an office which I assumed on an interim basis in January 2019, and take on my current role of Executive Chairman. Simultaneously Patrick Clanwilliam stepped down as Chairman to become Senior Independent Non-Executive Director.

The period also saw yet further changes in the UK's taxation of oil and gas profits with the increase in the Energy Profits Levy to 35% and further restrictions on reliefs and without any graduated rate. This brings the total marginal rate of tax up to a punitive 75% even as crude oil prices are back well within their 7 year historical range, and current gas prices are, whilst looking to remain higher for longer, back within a range which the UK has experienced over the last two decades without calls for such taxation. Moreover, little let-up is in sight for the domestic industry, onshore and offshore, with further restrictions planned by the shadow Labour cabinet in advance of elections expected in early 2025.

The arguments for domestic hydrocarbon production over imports from an environmental and energy security perspective are obvious and we won't rehearse them here. We would seek to join our voice with those of many others in the energy industry in calling for a cross-party committee to formulate or, at least, advise on and review a national medium- and long-term energy strategy.

Operational Highlights

Saltfleetby

On 31 August 2022, the Company was pleased to announce it had made its first nominations for gas export and sale to Shell via National Grid beginning with the Gas Day of Tuesday 30 August 2022.

During the period the Company successfully completed the drilling of the SF7v sidetrack at the Saltfleetby Field, reaching a total measured depth of 2,746 meters in the Westphalian 1D reservoir.

On 15 May 2023, the Company announced that, as planned, the second compressor at Saltfleetby Field was successfully commissioned. The Field has operated in dual compressor mode since then with three producing wells, B2, A4 and the new B7T well, which have been flowing gas to the National Grid at the combined average daily rate of up to 9.5 mmscfd since then. This represents more than a 75% increase in production over that achieved in the first quarter of this year.

Potential Future Drilling and Gas Storage

The Company has also engaged planning consultants to submit a further planning permission to provide the option for an expanded site at Saltfleetby to encompass a number of new wells and process plant. This initiative would seek to address the Namurian reservoir as a commercial source of natural gas, but any wells would also be designed to be repurposed as potential injection wells for gas storage (natural gas, hydrogen or CO2), for which further planning permissions at national level would be sought.

The Namurian reservoir, which sits below the Westphalian from which the Company currently extracts natural gas, has produced 1.5 bcf to date but a wide variation amongst previous Operators exists as to estimates of recoverables, with contingent 3C resources of 4 bcf estimated by our own 2020 CPR. To date no detailed interpretation of the Namurian, separately from the Westphalian, has been undertaken and accordingly a full third party re-interpretation of both reservoirs is presently underway, expected to complete in October.

Former Operator, Gazprom-Wintershall, estimated the storage capacity of the Saltfleetby Field to be between 700 and 800 million cubic metres, making it easily the largest onshore storage facility in the UK and all of the wells contemplated by the forthcoming application can be recompleted in the Westphalian. Estimates by Angus of storage capacity are somewhat higher and do not include the Namurian.

Geothermal

During the year the Company continued to progress the option of becoming a low-cost UK producer of baseload geothermal power. Based on the acquired land gravity and radiometrics as well as the desk top study on overall project economics the company has produced a detailed Geothermal Development Plan. The Geothermal Development Plan is split over 2 focused areas, with each area's work program broken down into 4 Phases. The program kicks off with further 2D/3D gravity and heat flow modelling, a comprehensive seismic survey, shallow drilling and finally a third party Feasibility Study.

Brockham

The Field has been shut in during the period, awaiting essential maintenance and overhaul of equipment. Plans are being made to restart production in the second half of 2023.

Balcombe

Despite the West Sussex County Council Planning Officer's decision to recommend approval of the Company's application for a one year extended well test at the Company's oilfield site at Balcombe the West Sussex County Council's Planning Committee rejected the Company's planning application for an Extended Well Test. Angus strongly disagrees with their opinion and an application to appeal was submitted in October 2021.

On 14 February 2023, our appeal against the decision was upheld by the Planning Inspectorate. In early March a local residents' association announced its intention to challenge the Inspector's decision and a hearing is due to be held to determine the merits of this judicial review in July 2023. If the challenge is not upheld, the Company will be capable of pursuing this well test subject to satisfaction of planning conditions noted in the Appeal Decision as well as the determination of the variation to the Environmental Permit by the Environment Agency which we understand to be imminent.

Lidsey

The Lidsey Field has been shut in during the period, waiting on the resumption of Brockham production in order to evaluate options for combined operations.

Financial Highlights

On 24 October 2022, the Company agreed the grant of 165.5 million share options under the Company's existing Employee Incentive Scheme to Directors and other staff. The share options have an exercise price of 2 pence per share (being a premium of 23% to the closing price on 21 October 2022) and vest as to 100 per cent., upon the closing mid ‑ market price of the Ordinary Shares being 3 pence or above. The options have a 4 year term from the date of issue.

On 19 December 2022 the Company announced that it had successfully raised gross proceeds of approximately £7 million by means of a placing to certain institutional and other investors to raise approximately £2 million, and a direct subscription to raise approximately £5 million, in each case at a price of 1.65 pence per share.

The Fundraising was conducted in two tranches, with the initial tranche of new Ordinary Shares under the Fundraising (comprising in aggregate 341,219,000 Ordinary Shares, being the shares issued under the Placing and 226,219,000 shares issued under the Subscription) being issued under the Company's pre-existing share capital authorities, and the second tranche of 89,781,000 new Ordinary Shares, together with 311,250,000 warrants in respect of the entire Fundraising ("Warrants"), being subject to shareholders passing certain resolutions at a General Meeting.

In addition, and conditional upon the passing of the Resolutions, Forum Energy Services Ltd agreed to accept the allotment and issue of 60,606,061 new Ordinary Shares at the Fundraising Price (together with the issue of 30,303,030 warrants on the same basis as applicable to the Fundraising in settlement of the Company's obligation to pay certain deferred consideration of £1,000,000 to Forum in accordance with the Saltfleetby SPA as announced on 24 May 2022.

On 28 March 2023, the company entered into a £3 million Bridge Facility provided by the Company's 9.91% shareholder Kemexon Limited. The Bridge Facility has an initial term of three months, extendable with the payment of a 3% roll fee for a further three months. The Bridge Facility is priced at SONIA + 15% and includes the issue 150 million warrants, struck at the previous placement level of 1.65p/share.

Revenues from the existing operations and the sidetrack are expected to repay both the senior and junior facilities. The Company has the option to repay the junior loan in shares at a 25% discount to the 30 day VWAP, subject to a floor at 1p and this same option is also available to the lender but only in the event of default.

Furthermore, through a separate agreement, Aleph Commodities Limited ("ACL") acted as the arranger of the Bridge Facility. In lieu of fees ACL were issued 10,998,719 shares at the 30 day VWAP price of 1.36379 pence prior to the date of issue of the facility.

On 28 March 2023, Knowe Properties Limited ("Knowe") gave notice for the conversion of the £1.4 million Convertible Loan Note dated 17 April 2020 plus accrued interest of £52,931 into Ordinary Shares at 1p each. Accordingly, the Company issued 145,293,100 Ordinary Shares ("New Ordinary Shares") to Knowe which will result in Knowe holding 241,777,556 Ordinary Shares in the Company representing 6.73% of the issued share capital.

During the period, Company issued 177,425,105 ordinary shares at varying prices being 173,100,000 shares at 1.0989 pence per share, 3,216,230 shares at 1.2 pence per share, 554,438 shares at 1.35 pence per share and 554,438 shares at 1.5 pence per share. They were issued in relation of exercise of the Company Warrants.

As at 31 March 2023, Angus Energy recognised 100% of the profit/liabilities of the Debt Facility and Derivative Instruments relating to the Saltfleetby Field, thereby reporting profit of £109 million under the Debt Facility.

As at 31 March 2023 the Group had cash of £3.171m.

Outlook

With the Saltfleetby project completed, we look forward to steady production and cash flow from operations. The new management team can now turn attention to both organic and inorganic growth opportunities.

With kind regards,

George Lucan

Executive Chairman
30 June 2023

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2023

	Note	**Six months 31 March 2023 Unaudited £'000**	Six months 31 March 2022 Unaudited £'000
Revenue	**4**	**16,466**	27
Cost of sales		**(2,356)**	(37)
Depletion cost		**(5,162)**	-
Gross profit / (loss)		**8,948**	(10)
Administrative expenses		**(1,499)**	(1,228)
Share based payment charge		**(963)**	-
Operating profit / (loss)		**6,486**	(1,238)
Derivative financial instrument gain / (loss)	**11**	**121,222**	(30,459)
Crystalised paid derivative costs	**11**	**(11,554)**	
Finance cost		**(856)**	(53)
Profit / (Loss) on ordinary activities before taxation		**115,298**	(31,750)
Income tax expense		**-**	-
Profit / (Loss) for the period attributable to the equity holder of the Company		**115,298**	(31,750)
Profit / (Loss) per share (EPS):		**£**	£
Basic and diluted **(whole £'s)**	**12**	**0.0315**	(0.029)

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2023

	Note	**As at 31 March 2023 Unaudited £'000**	As at 31 March 2022 Unaudited £'000	As at 30 September 2022 Audited £'000
Non-current assets				
Property, plant and equipment	**5**	**20**	9	27
Exploration and evaluation assets	**6**	**5,619**	16,465	5,572
Oil and gas production assets	**7**	**85,656**	6,572	80,792
Leases		**31**	11	48
Trade and other receivables	**8**	**-**	20,139	-
		91,326	43,196	86,439
Current assets				
Trade and other receivables	**8**	**3,266**	28,386	4,107
AFS finance investments		**13**	27	20
Leases assets		**33**	-	33
Inventory		**-**	-	3
Cash and bank balances		**3,171**	1,441	747
		6,483	29,854	4,910
Total Assets		**97,809**	73,050	91,349
Equity				
Share capital	**13**	**6,868**	2,615	5,529
Share premium	**13**	**46,598**	25,251	38,708
Merger reserve		**(200)**	(200)	(200)
Loan Note reserve		**106**	106	106
Accumulated loss		**(22,048)**	(59,213)	(138,599)
Total Equity		**31,324**	(31,441)	(94,456)
Current liabilities				
Trade and other payables	**9**	**15,151**	2,632	11,154
Loan payable – current	**10**	**4,200**	3,600	5,250
Derivative liability – current	**11**	**20,319**	44,393	86,583
		39,670	50,625	102,987
Non-current liabilities				
Provisions	**16**	**4,369**	3,007	4,369
Trade and other payables		**57**	1,359	52
Loan payable – non current	**10**	**5,250**	8,400	6,300
Derivatives Liability – non current	**11**	**17,139**	41,100	72,097
Total non-current liabilities		**26,815**	53,866	82,818
Total liabilities		**66,485**	104,491	185,805
Total Equity and Liabilities		**97,809**	73,050	91,349

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2023

	Share Capital £'000	Share premium £'000	Merger Reserve £'000	Loan Note reserve £'000	Retained Earnings £'000	Total equity £'000
Balance at 1 October 2021	**1,933**	**23,605**	**(200)**	**106**	**(27,463)**	**(2,019)**
Loss for the period	-	-	-	-	(31,750)	(31,750)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(31,750)**	**(31,750)**
Transaction with owners:						
Issue of placing shares	682	1,802	-	-	-	2,484
Less: issuance costs	-	(156)	-	-	-	(156)
Balance at 31 March 2022	**2,615**	**25,251**	**(200)**	**106**	**(59,213)**	**(31,441)**

	Share Capital £'000	Share premium £'000	Merger Reserve £'000	Loan Note reserve £'000	Retained Earnings £'000	Total equity £'000
Balance at 1 October 2021	**1,933**	**23,605**	**(200)**	**106**	**(27,463)**	**(2,019)**
Loss for the year	-	-	-	-	(111,947)	(111,947)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(111,947)**	**(111,947)**
Transaction with owners:						
Issue of shares	3,596	15,615	-	-	-	19,211
Less: issuance cost	-	(512)	-	-	-	(512)
Granted of share option	-	-	-	-	811	811
Balance at 30 September 2022	**5,529**	**38,708**	**(200)**	**106**	**(138,599)**	**(94,456)**
Loss for the period	-	-	-	-	**115,298**	**115,298**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**115,298**	**115,298**
Transaction with owners:						
Issue of placing shares	1,339	8,740	-	-	-	10,079
Less: issuance costs	-	(560)	-	-	-	(560)
Granted of options	-		-	-	963	963
Granted of warrants as fund raising cost		(290)			290	-
Balance at 31 March 2023	**6,868**	**46,598**	**(200)**	**106**	**(22,048)**	**31,324**

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2023

	Six months 31 March 2023 Unaudited £'000	Six months 31 March 2022 Unaudited £'000
Cash flow from operating activities		
Profit/Loss before taxation	**115,298**	(31,750)
Adjustment for:		
Unrealised derivative financial instrument (gain)/loss	**(122,936)**	30,459
Interest payable	**394**	53
Share based payment charge	**962**	-
Depletion charges	**5,162**	-
Depreciation and amortisation charges	**6**	2
Write-off of Inventory	**4**	-
Revaluation of Investment	**7**	-
Lease amortisation charges	**22**	-
Operating cash flows before movements in working capital	**(1,081)**	(1,236)
Change in trade and other receivables	**841**	(3,011)
Change in trade and other payables	**3,526**	633
Cash used in operating activities	**3,286**	(3,614)
Income tax paid	**-**	-
Net cash used in operating activities	**3,286**	(3,614)
Cash flows from investing activities		
Changes in Investment in share	**-**	1
Changes in trade and other payable	**(196)**	-
Acquisition of exploration and evaluation assets	**(47)**	(3,392)
Acquisition of fixed assets and oil production assets	**(10,025)**	(42)
Net cash used in investing activities	**(10,268)**	(3,433)
Cash flows from financing activities		
Loan facility repayment	**(2,100)**	-
Bridging loan finance	**3,004**	
Lease principal repayment	**(18)**	-
Net proceeds from issue of share capital	**8,520**	2,328
Net cash generated from financing activities	**9,406**	2,328
Net increase in cash & cash equivalents	**2,424**	(4,719)
Cash and equivalent at beginning of year	**747**	6,160
Cash and equivalent at end of period	**3,171**	1,441

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION AND PRINCIPAL ACTIVITIES

Angus Energy Plc (the "Company") was incorporated in United Kingdom as a limited company with company number 09616076. The registered office of the Company is Building 3, Chiswick Park, 566 Chiswick High Road, London, W4 5YA, UK.

This financial information is for the Company and its subsidiaries undertakings (together, the "Group").

The principal activities of the entities of the Group are as follows:

	Name of Company	Country of Incorporation	Principal Activities
i)	Angus Energy Holdings UK Limited	United Kingdom	Investment holding company
ii)	Angus Energy Weald Basin No. 1 Limited	United Kingdom	Investment holding company
iii)	Angus Energy Weald Basin No. 2 Limited	United Kingdom	Investment holding company
iv)	Angus Energy Weald Basin No. 3 Limited	United Kingdom	Oil & Gas extraction for distribution to third parties
v)	Saltfleetby Energy Limited	United Kingdom	Natural Gas Extraction

The principal place of business of the Group is in United Kingdom.

The interim consolidated financial information is presented in the nearest thousands of Pound Sterling (£'000), which is the presentation currency of the group. The functional currency of each of the individual entity is the local currency of each individual entity.

2. BASIS OF PREPARATION

The interim consolidated financial information for the six months ended 31 March 2023 and 31 March 2022 have been prepared in accordance with IAS 34, Interim Financial Reporting which are unaudited and do not constitute a set of statutory financial statements.

The principal accounting policies used in preparing the interim results are the same as those applied in the Group's financial statements as at and for the year ended 30 September 2022, which have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The auditors' report on those accounts was unqualified and did not draw attention to any matters by way of emphasis.

A copy of the audited consolidated financial statements for the year ended 30 September 2022 is available on the Company's website.

The interim report for the six months ended 31 March 2023 was approved by the Directors on 30 June 2023.

Going Concern

The Group made a profit for the period of £115.298 million which included a gain of £109.668 million for the derivative instrument resulting and an operating profit of £6.486 million (2022: loss of £1.238 million) and recorded a net cash inflow from operating activities of £6.290 million (2022: cash outflow of £3.614 million). The Group meets its day to day working capital requirements through revenue from oil and gas sales and existing cash reserves. At 31 March 2023, the Group had £3.171 million of available cash.

The Directors have assessed the Group's working capital forecasts for a minimum of 12 months from the date of the approval of these financial statements. In undertaking this assessment, the Directors have reviewed the underlying business risks, and the potential implications these risks would have on the Group's liquidity and its business model over the assessment period. This assessment included a detailed cash flow analysis prepared by the management, and they also considered several reasonably plausible downside scenarios. The scenarios included potential delays to expected future revenues. In particular the Directors have noted a payment due under the derivative instrument by 20 July 2023 of approximately £3.5million. Discussions with the lenders are ongoing as well as various parties to secure debt funding to meet this liability which the Directors believe will conclude shortly. In making their overall assessment the Directors took into account the advanced stage of the development of the Saltfleetby gas field and the impact of the derivative instrument if there were delays in gas production. As outlined in note 11, the Group has committed to future cash flows as a result of the derivatives in place which are due even if gas is delayed.

Forecast cashflows place reliance on there not being a suspension of gas production for an unforeseen significant period. Current production levels are in excess of derivative requirements. There are no present operational concerns and whilst there are mitigating steps that could be taken, the contracted derivative will need to be settled at a fixed point in time. In the event of any significant delay this would be subject to further negotiation with the derivative holder or further funding may be required. The Directors have therefore identified a material uncertainty which may cast doubt over the Group's ability to continue as a going concern.

Based on the current management's plan, management considered that the working capital from the expected revenue generation are sufficient for the expenditure to date as well as the planned forecast expenditure for the forthcoming twelve months from the date of the approval of this financial statement. As a result of that review the Directors consider that it is appropriate to adopt the going concern basis preparation, notwithstanding the material uncertainty as outlined above. The Director has assessed the company's ability to continue as a going concern and have reasonable expectation that the company has adequate resources to continue operations for a period of at least 12 months from the date of approval of these financial statements.

These financial statements do not include any adjustment that may result from any significant changes in the assumption used.

3. CRITICAL ACCOUNTING ESTIMATES AND SOURCES OF ESTIMATION UNCERTAINTY

In applying the accounting policies, the directors may at times require to make critical accounting judgements and estimates about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the directors consider are relevant.

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are reviewed are as stated below.

Key accounting judgements

(a) Impairment of non-current asset

The group's non-current assets represent its most significant assets, comprising of oil production assets, exploration and evaluation (E&E) assets on its onshore site.

Management is required to assess exploration and evaluation (E&E) assets for indicators of impairment and has considered the economic value of individual E&E assets. The carrying amount of the E&E asset are subject to a separate review for indicators if impairment, by reference of the impairment indicators set out in IFRS 6, which is inherently judgemental.

Processing operations are large, scarce assets requiring significant technical and financial resources to operate. Their value may be sensitive to a range of characteristics unique to each asset and key sources of estimation uncertainty include proved reserve estimates, future cash flow expected to arise from the cash-generating unit and a suitable discount rate.

In performing impairment reviews, the Group assesses the recoverable amount of its operating assets principally with reference to the Group's independent competent person's report, estimates of future oil prices, operating costs, capital expenditure necessary to extract those reserves and the discount rate to be applied to such revenues and costs for the purpose of deriving a recoverable value.

As detailed in note 6 and 7, the carrying value amount of the Group's E&E assets and Oil production assets at 31 March 2023 were approximately £5.619m and £85.656m respectively. No impairments were made during the interim period.

4. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker in order to allocate resources to segments and to assess their performance.

Currently, the Group's principal revenue is derived from the sale of natural gas and condensate oil. All revenue arose from continuing operations within the United Kingdom. Therefore, management considers no detail of operating and geographical segments information is to be reported. Nonetheless, the Group's revenue can be classified into the following streams:

	31 March 2023 £'000	31 March 2022 £'000
Sale of oil	**735**	27
Sales of natural gas	**15,731**	-
Total Revenue	**16,466**	27

All the non-current assets of the Group are located in the United Kingdom. All revenue arising from the sale of natural gas is derived from sales to Shell plc and represents over 96% of the Company's revenue.

5. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group did not incur any additions to property, plant and equipment (1H 2022: £3,215). The depreciation charge for the period on the Group's property, plant and equipment was £6,208 (1H 2022: £2,478).

6. EXPLORATION AND EVALUATION ASSETS

	Total £'000
Cost or valuation	
At 31 March 2022	16,465
Additions	8,946
Increase in abandonment provision	12
Acquisition Saltfleetby Energy Limited	54,535
Transfer to Oil and Gas Production Asset	(74,386)
At 30 September 2022	5,572
Additions	47
At 31 March 2023	**5,619**
Amortisation	
At 30 September 2022	-
Charge for the period	-
At 31 March 2023	-
Net book value	
At 30 September 2022	5,572
At 31 March 2022	16,465
At 31 March 2023	**5,619**

Saltfleetby Energy Limited was acquired by the Group on 24 May 2022, with its 49% participating interest in Saltfleetby field, and the field went into production on 30 August 2022. In line with the company's accounting policy, the Saltfleetby field asset has been reclassified as an Oil & Gas Production Asset in 2022. This relates to the £74.386m in the above note.

7. OIL AND GAS PRODUCTION ASSETS

	Total
	£'000
Cost or valuation	
At 30 September 2021	7,501
Additions	38
At 31 March 2022	7,539
Additions	238
Increase in abandonment provision	125
Acquisition of Saltfleetby Energy Limited	54,535
Transfer from Exploration and Evaluation assets	19,851
At 30 September 2022	82,288
Additions	10,025
At 31 March 2023	**92,313**
Depreciation and impairment	
At 30 September 2021	967
Charge for the period	-
At 31 March 2022	967
Charge for the period	529
Impairment for the period	-
At 30 September 2022	1,496
Charge for the period	5,161
At 31 March 2023	**6,657**
Net book value	
At 30 September 2022	80,792
At 31 March 2022	6,572
At 31 March 2023	**85,656**

As of 31 March 2023, the Group retained 100% interest in Saltfleetby Field, 80% interest in Lidsey field and 80% in Brockham field and is still the operator of all the fields.

8. TRADE AND OTHER RECEIVABLES

	31 March 2023 £'000	31 March 2022 £'000	30 September 2022 £'000
Non—current			
Contract Debtor – derivative	**-**	20,139	-
	-	-	-
Current			
Contract debtor – derivative	**-**	21,753	-
Accrued sales income	**2,065**		2,975
VAT recoverable	**477**	167	206
Amount due from farmees	**611**	6,372	3
Rent deposit	**6**	-	4
Other receivables	**107**	94	919
	3,266	28,386	4,107
	3,266	**48,525**	**4,107**

On 31 March 2022, the receivables from Contract Debtors amounting to £20,139m was recognised in the statement of financial position. It represented the 49% share of Saltfleetby Energy Limited on the Derivative Liability as a result of a fair value valuation on the instruments. Due to the acquisition of Saltfleetby Energy Limited in May 2022, this has been removed on consolidation.

The carrying amount of trade and other receivables approximates to their fair value.

9. TRADE AND OTHER PAYABLES

	31 March 2023 £'000	31 March 2022 £'000	30 September 2022 £'000
Trade payables	**4,487**	2,273	2,319
Convertible loan notes	**1,347**	-	1,319
Bridge loan	**3,004**	-	-
Other taxation	**251**	179	-
Deferred consideration on Saltfleetby Energy Limited acquisition	**5,538**	-	6,734
Accruals	**137**	173	62
Other payables	**3**	7	293
Interest payable – loan	**366**	-	392
Lease Liability	**18**	-	35
	15,151	2,632	11,154

10. LOAN PAYABLE

On 17 May 2021, the Group signed a Loan Facility, conditional on the setting of the derivative and regulatory approval of the royalty from the Oil and Gas Authority, between Angus Energy and Saltfleetby Energy Limited and Mercuria Energy Trading Limited and Aleph Saltfleetby Limited as the co-Lender. The term of the Loan Facility provides for a four year amortisation loan facility of up to £12 million with a 12% margin over LIBOR, a 3% commitment fee payable out of the facility, a share granted of 30 million shares in Angus, issued over the life of the facility and an override of 8% of gross revenue following the repayment of the facility.

The £12 million facility is required for the re-development of the Saltfleetby Gas Field and the drilling of the side-track well in line with the Field Development Plan and the Plans for the acceleration of production through the fast-tracking of the side-track well.

	31 March 2023	**31 March 2022**	**30 September 2022**
Repayment date schedule were as follows:	**£'000**	**£'000**	**£'000**
Current			
1st year	4,200	3,600	5,250
Non-Current			
2nd year	5,250	4,200	4,200
3rd year	-	4,200	2,100
Total Facility Loan	**£**9,450	12,000	£11,550

11. DERIVATIVES LIABILITY

On 01 June 2021, Angus Energy Weald Basin no. 3 Limited (AWB3) entered into a derivative agreement with Mercuria Energy Trading SA (METS) under a Swap contract as part of the condition of the Loan Facility (see Note 23). The derivative instrument was used to mitigate price risk on the expected future cash flow from the production of Saltfleetby Gas Field. Under the Swap contract, AWB3 will pay METS the floating price while METS will pay AWB3 the fixed price on the sale of gas from the field.

Further details of the contract as at 31 March 2023 are as below:

Period of Gas Production		Quantity in Therms	Fixed price in pence per Therms
1-Apr-23	30-Jun-23	5,250,000	37.55
1-Apr-23	30-Jun-23	843,750	315.00
1-Jul-23	30-Sep-23	4,500,000	37.55
1-Oct-23	31-Mar-24	9,000,000	46.55
1-Apr-24	30-Jun-24	4,500,000	35.60
1-Jul-24	30-Sep-24	3,750,000	35.60
1-Oct-24	31-Mar-25	7,500,000	45.00
1-Apr-25	31-Jun-25	3,750,000	45.00
		39,093,750	

As of the reporting date, the expected cash flow on the sale of natural gas amounted to £55.6m (1H 2022: £107.84m) resulting in a derivative liability of £37.458m (1H 2022: £85.493m) of which the Groups has now recorded 100% share on its new working interest due to the acquisition of Saltfleetby Energy Limited. Included in the £37.458m is a payment due under the derivative instrument by 20 July 2023 of approximately £3.5million. Discussions with the lenders are ongoing as well as various parties to secure debt funding to meet this liability which the Directors believe will conclude shortly.

Cash Flow of Derivative Instruments	**31 March 2024**	**31 March 2025**	**30 June 2025**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Cash Inflow	10,508	6,312	1,322	18,142
Cash Outflow	(30,827)	(20,805)	(3,968)	(55,600)
Net Liability on Swap Contract	(20,319)	(14,493)	(2,646)	(37,458)

Specific valuation technique used to value the financial instruments includes fair value measurement derived from inputs other than quoted prices included within Level 1 of fair value hierarchy valuation, that are observable for the instrument either directly or indirectly (see accounting policy for Derivatives Instrument).

The carrying value of the financial instrument approximates their fair value and was valued using Level 2 fair value hierarchy valuation. The fair value has been determined with reference to commodity yield curves, as adjusted for liquidity and trading volumes as at the reporting date supplied by the Group's derivative partner, Mercuria Energy Trading. Management considered that the value provided by Mercuria Energy Trading best represented the fair value of these arrangements as the forward pricing curves did not take into account other market conditions.

The nature of these arrangements in the present environment is such that material fluctuations in the value of the derivatives are occurring on a daily basis. Wholesale gas prices have increased substantially, but remain highly volatile, this year and as a result, the loss on these contracts has also increased significantly.

The adjusted loss on these hedging contracts as of 31 March 2023 represents the forecasted spot-price value of the gas to be extracted against the value fixed provided to the Group. Under projected gas production volumes, these arrangements will fix the amount payable to the group for the contracted volumes, with any excess volume being able to be sold at the available spot price.

The valuation of financial instruments as of the period resulted in a gain of £121.222m (1H 2022: loss £30.459m) as a result of a decrease in forward pricing as at 31 March 2023. An amount of £11.554m of crystalised in the period was paid to Mecuria Energy trading.

In the event that the Group does not meet its production timetable, the swaps will crystallise as a liability at the dates at the proposed periods of gas production in the swap agreements.

12. EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the loss for the year attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2023	31 March 2022
Net gain / (loss) attributable to equity holders of the Group	**115,297,958**	**(31,750,000)**
Weighted average number of ordinary shares	**3,655,793,215**	**1,088,669,800**
Basic and diluted gain / (loss) per share	**0.0315**	**(0.029)**

The diluted gain / (loss) per share is the same as the basic loss per share as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

13. SHARE CAPITAL AND RESERVE

	Number of shares	Ordinary shares £'000	Share Premium £'000
Issued:			
As at 30 September 2021	**966,502,268**	**1,933**	**23,605**
19 October 2021 - issue of shares	11,200,000	22	-
6 December 2021- issue of shares	115,384,611	232	519
8 February 2022 – issue of shares	175,000,000	350	1,050
21 March 2022 – issue shares	39,200,000	78	233
Less: Issuance of cost			(156)
As at 31 March 2022	**1,307,286,879**	**2,615**	**25,251**
Issue of shares 11 April 2022	61,363,634	122	552
Issue of shares 24 May 2022	91,000,000	182	818
Issue of shares 24 May 2022	546,000,000	1,092	5,460
Issue of shares 24 May 2022	273,000,000	546	2,454
Issue of shares 24 May 2022	5,000,000	10	37
Issue of shares 4 July 2022	273,000,000	546	2,454
Issue of shares 12 July 2022	27,300,000	54	245
Issue of shares 13 July 2022	403,226	2	4
Issue of shares 13 July 2022	150,000	1	1
Issue of shares 13 July 2022	5,250,000	10	53
Issue of shares 5 September 2022	3,461,538	7	15
Issue of shares 5 September 2022	8,750,000	17	52
Issue of shares 5 September 2022	5,405,555	11	38
Issue of shares 5 September 2022	3,068,182	6	28
Issue of shares 5 September 2022	8,750,000	18	88
Issue of shares 5 September 2022	4,375,000	9	50
Issue of shares 5 September 2022	4,375,000	9	56
Issue of shares 13 September 2022	18,025,596	36	140
Issue of shares 13 September 2022	5,370,967	11	53
Issue of shares 13 September 2022	1,193,549	2	14
Issue of shares 13 September 2022	2,685,484	5	35
Issue of shares 16 September 2022	15,000,000	30	120
Issue of shares 16 September 2022	25,774,375	52	257
Issue of shares 16 September 2022	12,731,187	25	146
Issue of shares 16 September 2022	11,731,188	23	153
Issue of shares 23 September 2022	21,100,000	42	211
Issue of shares 23 September 2022	12,162,903	24	140
Issue of shares 23 September 2022	10,550,000	22	139
Less: Issuance of costs			(356)
As at 30 September 2022	**2,764,264,264**	**5,529**	**38,708**
13 October 2022 - issue of shares	127,400,127	255	1,156
28 October 2022 – issue of shares	10,193,759	20	86
2 November 2022 – issue of shares	36,599,864	73	329
21 November 2022 – issue of shares	312,000	1	2
8 December 2022 - issue of shares	500,000	2	4
19 December 2022 - issue of shares	341,219,000	682	4,948
20 January 2023 – issue of shares	89,781,000	179	1,303
20 January 2023 – issue of shares	60,606,061	121	878
25 January 2023 – issue of shares	1,612,904	3	17
2 February 2023 – issue of shares	1,612,903	3	17
Less: Issuance of cost			(560)
Less: Grant of warrant as fund raising cost			(290)
As at 31 March 2023	**3,434,101,882**	**6,868**	**46,598**

On 13 October 2022, the Company issued 127,400,127 ordinary shares at 1.0989 pence per share. There were issued in relation of exercise of the Company Warrants.

On 28 October 2022, the Company issued 10,193,759 ordinary shares at varying prices of 9,100,009 shares at 1.0989 pence per share, 546,875 shares at 1.2 pence per share, 273,437 shares at 1.35 pence per share and 273,437 shares 1.5 pence per share. They were issued in relation of exercise of the Company Warrants.

On 2 November 2022, the Company issued 36,599,864 ordinary shares at 1.0989 pence per share. They were issued in relation of exercise of the Company Warrants.

On 21 November 2022, the Company issued 312,000 ordinary shares at varying prices of 156,000 shares at 1.35 pence per share and 156,000 shares at 1.5 pence per share. They were issued in relation of exercise of the Company Warrants.

On 8 December 2022, the Company issued 500,000 ordinary shares at varying prices of 250,000 shares at 1.2 pence, 125,000 shares at 1.35 pence per share and 125,000 shares at 1.5 pence per share. They were issued in relation of exercise of the Company Warrants.

On 19 December 2022 the Company announced that it had successfully raised gross proceeds of approximately £7 million by means of a placing to certain institutional and other investors to raise approximately £2 million, (the "Placing") and a direct subscription to raise approximately £5 million (the "Subscription") (together, the "Fundraising"), in each case at a price of 1.65 pence per share (the "Fundraising Price"). The Fundraising was conducted in two tranches, with the initial tranche of new Ordinary Shares under the Fundraising (comprising in aggregate 341,219,000 Ordinary Shares, being the shares issued under the Placing and 226,219,000 shares issued under the Subscription) being issued under the Company's pre-existing share capital authorities, and the second tranche of 89,781,000 new Ordinary Shares ("Conditional Subscription"), together with 311,250,000 warrants in respect of the entire Fundraising ("Warrants"), being subject to shareholders passing the certain resolutions ("Resolutions") at a General Meeting ("GM").

On 20 January 2023, Forum Energy Services Ltd ("Forum") has agreed to accept the allotment and issue of 60,606,061 new Ordinary Shares (the "Forum Share Issue") at the Fundraising Price (together with the issue of 30,303,030 warrants on the same basis as applicable to the Fundraising ("Forum Warrants") in settlement of the Company's obligation to pay certain deferred consideration of £1,000,000 to Forum in accordance with the Saltfleetby SPA as announced on 24 May 2022.

On 25 January 2023, the Company issued 1,612,904 ordinary shares at varying price of 806,452 at 1.2 pence per share and 403,226 shares at 1.5 pence per share. They were issue in relation of exercise of the Company Warrant.

On 2 February 2023, the Company issued 1,612,903 ordinary shares at 1.2 pence per share. They were issue in relation of exercise of the Company Warrant.

14. SHARE OPTIONS AND WARRANTS

On 13 October 2016, the Group implemented an Enterprise Management Incentive Scheme followed by a NED and Consultant Share Option Scheme (The Scheme).

At 30 September 2022, the Group had 76,600,892 share options and 216,897,121 warrants outstanding in respect of ordinary shares.

During the period ended 31 March 2023 the Group has issued 165,500,000 options and 461,483,886 warrants. The outstanding and exercisable total of the share options and warrants was 703,584,778 with a weighted average price of £0.019 at 31 March 2023.

The inputs into the model were as follows:

	Options	Warrants	Warrants	Warrants
Stock price	1.95p	1.5p	1.5p	1.6p
Exercise price	2p	1.65p	1.65p	1.0989p
Interest rate	0.5%	0.5%	0.5%	0.5%
Volatility	30%	30%	30%	30%
Time to maturity	4 years	3.5 years	3.5 years	3 years

15. SEASONALITY OF GROUP BUSINESS

There are no seasonal factors that materially affect the operations of any company in the Group.

16. PROVISIONS FOR OTHER LIABILITIES AND CHANGES

	31 March 2023	31 March 2022	30 September 2022
	£'000	£'000	£'000
Abandonment costs	4,369	3,007	4,369

The Group makes full provision for the future costs of decommissioning oil production facilities and pipelines on the installation of those facilities. The amount provision is expected to be incurred up to 2029 when the producing oil and gas properties are expected to cease operations.

These provisions have been created based on the Group's internal estimates and expectation of the decommissioning costs likely to incur in the future. For the period under review, the directors have assessed that the discount rate and inflation rate to be applied to the current cost of decommissioning to be similar. On this basis, the current cost is considered to be similar to the discounted net present value.

17. SUBSEQUENT EVENTS

On 15 May 2023, the Company announced that, as planned, the second compressor at Saltfleetby Field was successfully commissioned in dual compressor mode and the 3 producing wells in the field, B2, A4 and the new B7T well, have been flowing gas to the National Grid at the combined average daily rate of 9.5 mmscfd since then. This represents more than a 75% increase in production over that achieved in the first quarter of this year.

On 19 May 2023, the Company finalised the appointment of Richard Herbert as Chief Executive Director, George Lucan as Executive Chairman and Patrick Clanwilliam as Non-Executive Director.

On 19 May 2023, the Company agreed the grant of 103 million share options, representing 2.87% of the Company's issued share capital, under the Company's existing Employee Incentive Schemes (the "Options") to Directors and other members of staff.

The share options to be granted were proposed by the remuneration committee and approved by the Board as part of the Company's annual share option grants; the most recent grant of which was on 24 October 2022. The conditional share options are as follows:

Richard Herbert*	70,000,000
Other employees	33,000,000