Chairman's Statement

Dear shareholders,
I am pleased to share with you the interim results for the six months ended 31 March 2022.

Operational Highlights

Saltfleetby

On 24 May 2022, the Company executed a share purchase agreement to acquire the entire issued share capital of the Company's current joint venture partner in the Saltfleetby Project (the "Project"), Saltfleetby Energy Limited, which owns a 49% working interest in the Project thereby giving Angus Energy a 100% interest in the Project.

With all equipment necessary to export gas now on site, the process has been handed over to commissioning specialists. With the leak testing complete, commissioning is expected to take between one and two weeks with a target date for first gas export (ie sales) between the 7th and 12th July.

Angus looks forward to providing updates via Twitter, Linked-In and RNS Reach on detailed progress through the remainder of the commissioning sequence.

Geothermal

The Company continues to progress its ambitions of becoming a low-cost UK producer of baseload geothermal power. The Company previously completed a desk top based study which identified an area with the highest heat flow in SW England. In July 2021 the company acquired radiometric data over the area of interest. Austinbridgeporth Limited, in conjunction with Imperial College successfully carried out a land gravity and radiometrics survey over a 35km^2 area of interest. The gravity data was recorded at 200m intervals along the survey lines with spacing of 250m and a total of circa 700 stations were acquired. The newly acquired data has an increased coverage of data points compared to available data and therefore a more accurate representation of the subsurface. On the back of these results the company has entered discussions with five landowners progressed to negotiating draft heads of terms to enter into land leases.

Brockham

The application to the Environment Agency for permission to re-inject formation water to maintain pressure in that reservoir to gain maximum hydrocarbon recovery was issued on 02 March 2022. Subsequently the Company has recommenced oil production and water reinjection in the Portland reservoir. Current average rates of production from the BRX2-Y well are 50 barrels of oil per day (net 40 bopd to Angus) with an approximately equal amount of formation water produced and reinjected daily into BRX3.

Plans for a reperforation of the BRX4-Z well in the Portland reservoir, which would also involve abandonment of the Kimmeridge layer in that well, for which planning permission was recently obtained, are being discussed with our other regulators.

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 has 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. Amongst other things, the appeal references the local and national planning policies referred to by the Planning Committee and why both Angus and the Planning Officer believe the development is acceptable when it is considered against the development plan and any relevant material considerations. In summary the principle of the development has been previously accepted, the site selection represents the best environmental option and is safeguarded, energy Policy states that the domestic oil and gas industry has a critical role in maintaining the country's energy security and is a major contributor to our economy and minerals are given great weight with the extraction of hydrocarbons seen as central to the UK energy policy in the immediate and long-term future. In light of the above and the current energy crisis we find ourselves in, the Angus management team are confident that the appeal will be overturned.

Lidsey

The Company completed the reprocessing and reinterpreting of the Lidsey seismic data. One of the conclusions of the work is that previous seismic mapping both underestimated the aerial extent of the reservoir and most importantly its shape. The Company therefore acquired a new line of seismic data and reprocess the existing seismic lines.

The Company's seismic reinterpretation of the Lidsey field was completed and, has been subject to rigorous third party verification. The new mapping shows there to be a significant structure not dissimilar in area to the original structure considered by the previous Competent Person's Report, which continues to support a commercially significant estimate of oil in place. However, the interpretation does allow Angus to narrow its field of focus in target selection and explore low-cost options for remediation of the field's productivity centre around the reuse, workover or side-tracking of the existing wells and these will be considered with our partners in the next stage of the work.

Financial Highlights

The Group recorded a loss of £31.750m for the period, which included an unrealized loss of £30.459m in relation to the derivative instrument, resulting in an adjusted loss of £1.291m (2020: £1.479m). As per note 3(e) in the Audited Annual Accounts to 30 September 2021, the Group uses derivative financial instrument, to hedge its commodity price risk, such as commodity swap contracts. The Group has elected not to apply the hedge accounting on this derivative. Derivative financial instruments are recognized at fair value on the date on which the contract is entered into and subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is greater than its initial measurement and financial liabilities when fair value is negative. Any gains or losses arising from the changes in fair value of the derivatives are recognised in the statement of profit and loss and other comprehensive income, as recorded in this period and further detailed in note 11 below.

On 20 October 2021, and further to the RNS of 20 April 2020, detailing the terms of a £1.4m Convertible Loan Note repayable on 17 April 2022, the Company announced that the holder, Knowe Properties Limited, had agreed to extend the final mandatory repayment date by a further 12 months until 17 April 2023.

The Note, which was otherwise convertible at 1p per ordinary share from 17 February 2022, will now only be convertible at the earliest of 17 July 2022. Additionally, the Company retains the right to repay the Note at any time with the additional grant of warrants at 1.3p per share as detailed in the RNS of 20 April 2020. All other terms of the Note remain the same. In consideration for this extension the Company issued to the Noteholder 11,200,000 ordinary shares (the "Shares") in the Company for nil consideration.

On 3 December 2021, the Company raised gross proceeds of £750,000 through the placing of 115,384,611 Ordinary Shares to certain institutional and other investors at a price of 0.65 pence per share.

On 6 January 2022, the Company announced that it was undertaking a review of the strategic options. These options include, but were not limited to, a sale of the Company which will be conducted under the framework of a "formal sale process" in accordance with the Takeover Code.

On 4 February 2022, the Company raised gross proceeds of £1,400,000 through the placing of 175,000,000 Ordinary Shares to certain institutional and other investors at a price of 0.8 pence per share.

On 9 March 2022, and further to the announcement of 9 June 2021, the Company announced that it had reached a settlement agreement with a financial services provider (not being the Company's broker or Nomad) with whom it has been in dispute relating to the Saltfleetby Loan Facility. As part of this settlement agreement the Company issued 39,200,000 ordinary shares.

On 8 April 2022, the Company announced that whilst it will continue its strategic review at the asset level only, it has ended the "formal sale process" of the Company which it had commenced previously in accordance with Rules 2.4 and 2.6 of the Takeover Code. Accordingly, the Company is no longer in an offer period as defined by the Takeover Code.

On 11 April 2022, the Company raised gross proceeds of £675,000 through the placing of 61,363,634 Ordinary Shares to certain institutional and other investors at a price of 1.1 pence per share.

On 24 May 2022, the Company announce that it has executed a share purchase agreement to acquire the entire issued share capital of the Company's current joint venture partner in the Saltfleetby Project, Saltfleetby Energy Limited, which owns a 49% working interest in the Project thereby giving Angus Energy a 100% interest in the Project. To fund the Acquisition and other working capital requirements, the Company had concurrently arranged a direct subscription with affiliates of Aleph International Holdings (UK) Limited pursuant to which Aleph has subscribed for a total of 546,000,000 Ordinary Shares in the Company at a price of 1.0989011 pence, being £6,000,000 (Direct Subscription) split into an initial unconditional tranche of £3,000,000 and a second tranche of £3,000,000 conditional on Shareholder approval.

Summary of the Acquisition

The Company has executed a share purchase agreement to acquire the entire issued share capital of the Target from Forum Energy Services Limited. The total effective consideration payable pursuant to the SPA is the sum of £15,452,000, which comprises:

- £250,000 to be paid in cash at Completion;
- the issue of 91 million Ordinary Shares at 1.0989011 pence per share at Completion;
- the issue and allotment of the 546,000,000 Ordinary Shares at a price of 1.2 pence per Ordinary Share at Completion; and
- up to £6,250,000 in deferred consideration to be paid in instalments from net cash payments to Angus Energy from the Project through to 31 March 2025 (and subject to an upward or downward net cash adjustment) as and when those payments would have been available to SEL under the Company's Senior Debt Facility of May 2021.

Following completion of the Acquisition, the Group now owns a 100% working interest in, and will continue to be the operator of, the Saltfleetby Licence.

As at 31 March 2022, Angus Energy recognised 100% of the liabilities of the Debt Facility and Derivative Liability relating to the Saltfleetby Field, thereby reporting liabilities of £12 million owed under the Debt Facility and a Derivative Liability of £85.493 million. Angus Energy recognised a debtor of £6.372 million and £41.892 million in respect of these last two amounts, thereby accounting for SEL's 49% interest. Following completion of the Acquisition, Angus Energy will recognise 100% of the Project revenues, costs and liabilities with no farmee interest represented.

As at 31 March 2022 the Group had cash of £1,441,340.

Outlook

With the Saltfleetby project shortly to be flowing gas, we look forward to steady production before the drilling on the SF7 Sidetrack. As we continue to work hard to achieve this, we remain focused on delivering value from all the assets in our portfolio, which includes our Geothermal project. Together with our funding partners we are well placed to take the Company forward and achieve our objectives.

Lord Clanwilliam

Non-Executive Chairman
29 June 2022

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2022

	Note	Six months 31 March 2022 Unaudited £'000	Six months 31 March 2021 Unaudited £'000
Revenue	4	**27**	-
Cost of sales		**(37)**	(166)
Gross Loss		**(10)**	(166)
Administrative expenses		**(1,228)**	(1,196)
Share based payment charge		**-**	(81)
Operating loss		**(1,238)**	(1,443)
Derivative Financial Instrument loss		**(30,459)**	-
Finance cost		**(53)**	(36)
Loss on ordinary activities before taxation		**(31,750)**	(1,479)
Income tax expense		**-**	-
Loss for the period attributable to the equity holder of the Company		**(31,750)**	(1,479)
Loss per share (EPS):		**£**	£
Basic and diluted **(whole £'s)**	12	**(0.029)**	(0.002)

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 March 2022

	Note	As at 31 March 2022 Unaudited £'000	As at 31 March 2021 Unaudited £'000	As at 30 September 2021 Audited £'000
Non-current assets				
Property, plant and equipment	5	9	11	8
Exploration and evaluation assets	6	16,465	9,499	13,073
Oil production assets	7	6,572	6,493	6,534
Leases		11	23	11
Trade and other receivables	8	20,139	-	11,117
		43,196	16,026	30,743
Current assets				
Trade and other receivables	8	28,386	760	5,132
AFS finance investments		27	-	28
Cash and bank balances		1,441	591	6,160
		29,854	1,351	11,320
Total Assets		73,050	17,377	42,063
Equity				
Share capital	13	2,615	1,833	1,933
Share premium	13	25,251	23,272	23,605
Merger reserve		(200)	(200)	(200)
Loan Note reserve		106	106	106
Accumulated loss		(59,213)	(13,445)	(27,463)
Total Equity		(31,441)	11,566	(2,019)
Current liabilities				
Trade and other payables	9	2,632	1,576	1,974
Loan payable – current	10	3,600	-	1,500
Derivative liability – current	11	44,393	-	3,083
		50,625	1,576	6,557
Non-current liabilities				
Provisions	16	3,007	3,007	3,007
Trade and other payables		1,359	1,228	1,331
Loan payable – non current	10	8,400	-	10,500
Derivatives Liability – non current	11	41,100	-	22,687
Total non-current liabilities		53,866	4,235	37,525
Total liabilities		104,491	5,811	44,082
Total Equity and Liabilities		73,050	17,377	42,063

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2022

	Share Capital £'000	Share premium £'000	Merger Reserve £'000	Loan Note reserve £'000	Retained Earnings £'000	Total equity £'000
Balance at 1 October 2020	**1,430**	**21,982**	**(200)**	**106**	**(12,047)**	**11,271**
Loss for the period	-	-	-	-	(1,479)	(1,479)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(1,479)**	**(1,479)**
Transaction with owners:						
Issue of placing shares	403	1,405	-	-	-	1,809
Less: issuance costs	-	(115)	-	-	-	(115)
Granted of options and warrants	-	-	-	-	81	81
Balance at 31 March 2021	**1,833**	**23,272**	**(200)**	**106**	**(13,445)**	**11,566**
Balance at 1 October 2020	**1,430**	**21,982**	**(200)**	**106**	**(12,047)**	**11,271**
Loss for the year	-	-	-	-	(15,598)	(15,598)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(15,598)**	**(15,598)**
Transaction with owners:						
Issue of shares	503	1,770	-	-	-	2,273
Less: issuance cost	-	(147)	-	-	-	(147)
Granted of share option	-	-	-	-	182	182
Balance at 30 September 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)
Granted of options and warrants	-	-	-	-	-	-
Balance at 31 March 2022	**2,615**	**25,251**	**(200)**	**106**	**(59,213)**	**(31,441)**

ANGUS ENERGY PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2022

	Six months 31 March 2022 Unaudited £'000	Six months 31 March 2021 Unaudited £'000
Cash flow from operating activities		
Loss before taxation	**(31,750)**	(1,479)
Adjustment for:		
Derivative financial loss	**30,459**	-
Interest payable	**53**	36
Share based payment charge	**-**	81
Depreciation and amortisation charges	**2**	3
Operating cash flows before movements in working capital	**(1,236)**	(1,359)
(Increase) in trade and other receivables	**(3,011)**	(151)
Increase / (Decrease) in trade and other payables	**633**	(27)
Lease principal repayment	**-**	(12)
Cash used in operating activities	**(3,614)**	(1,549)
Income tax paid	**-**	-
Net cash used in operating activities	**(3,614)**	(1,549)
Cash flows from investing activities		
Changes in Investment in share	**1**	-
Acquisition of exploration and evaluation assets	**(3,392)**	(1,316)
Acquisition of fixed assets and oil production assets	**(42)**	(89)
Net cash used in investing activities	**(3,433)**	(1,405)
Cash flows from financing activities		
Net proceeds from issue of share capital	**2,328**	1,693
Net cash generated from financing activities	**2,328**	1,693
Net increase in cash & cash equivalents	**(4,719)**	(1,261)
Cash and equivalent at beginning of year	**6,160**	1,852
Cash and equivalent at end of period	**1,441**	591

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

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 2022 and 31 March 2021 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 2021, 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 2021 is available on the Company’s website.

The interim report for the six months ended 31 March 2022 was approved by the Directors on 29 June 2022.

GOING CONCERN

The consolidated financial statements have been prepared on a going concern basis. The Group made a loss for the period of £31.750 million which included an unrealized loss of £30.459 million for the derivative instrument resulting in an adjusted loss of £1.291 million (2021: loss of £1.479 million) and recorded a net cash outflow from operating activities of £3.614 million (2020: £1.549 million). The Group meets its day to day working capital requirements through existing cash reserves. At 31 March 2022, the Group had £1.441 million of available cash.

The COVID-19 pandemic has not had a significant immediate impact on the Company's operations. The Oil and Gas industry has been deemed critical and thus we have been allowed to continue operations. The Directors are aware that if the current situation becomes prolonged then this may change. The consolidated financial statements have been prepared on a going concern basis.

In response to this extraordinary period, the Directors have taken the prudent decision to introduce cost saving measures where possible to preserve working capital. 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 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 to first gas. 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 first gas is delayed.

In respect of Balcombe the Directors have considered the likelihood of a successful appeal.

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.

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 2022 were approximately £16.465m and £6.572m 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 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 2022 £'000	31 March 2021 £'000
Sale of oil	**27**	-

All the non-current assets of the Group are located in the United Kingdom.

All revenue arising from sale of oil is derived from a single customer.

5. PROPERTY, PLANT AND EQUIPMENT

During the period, the Group incurred £3,215 additions to property, plant and equipment (1H 2021: £3,000). The depreciation charge for the period on the Group's property, plant and equipment was £2,478 (1H 2021: £3,195).

6. EXPLORATION AND EVALUATION ASSETS

During 2019, the Group acquired a 51% interest of the Saltfleetby Gas Field (PEDL005) from Saltfleetby Energy Limited. An initial payment of £2.5m was paid to Angus in connection with the field abandonment cost.

	Total
	£'000
Cost or valuation	
At 31 March 2021	9,499
Additions	3,574
At 30 September 2021	13,073
Additions	3,392
At 31 March 2022	16,465
Amortisation	
At 30 September 2021	-
Charge for the period	-
At 31 March 2022	-
Net book value	
At 30 September 2021	13,073
At 31 March 2022	16,465
At 31 March 2021	9,499

7. OIL PRODUCTION ASSETS

	Total
	£'000
Cost or valuation	
At 30 September 2020	7,373
Additions	87
At 31 March 2021	7,460
Additions	41
At 30 September 2021	7,501
Additions	38
At 31 March 2022	7,539
Depreciation and impairment	
At 30 September 2020	967
Charge for the period	-
At 31 March 2021	967
Depreciation for the period	-
Impairment for the period	-
At 30 September 2021	967
Charge for the period	-
At 31 March 2022	967
Net book value	
At 30 September 2021	6,534
At 31 March 2021	6,493
At 31 March 2022	6,572

Depreciation of oil production assets is included in cost of sales in the consolidated statement of comprehensive income.

As of 31 March 2022, the Group retained 80% interest in Lidsey field and 80% in Brockham field and is still the operator of both fields.

8. TRADE AND OTHER RECEIVABLES

	31 March 2022 £'000	31 March 2021 £'000	30 September 2021 £'000
Non—current			
Contract Debtor – derivative	**20,139**	-	11,117
	-	-	11,117
Current			
Contract debtor – derivative	**21,753**	-	1,510
VAT recoverable	**167**	87	218
Amount due from farmees	**6,372**	522	3,073
Other receivables	**94**	151	331
	28,386	760	5,132
	48,525	**760**	**16,249**

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

9. TRADE AND OTHER PAYABLES

	31 March 2022 £'000	31 March 2021 £'000	30 September 2021 £'000
Trade payables	**2,273**	1,263	1,068
Other taxation	**179**	139	-
VAT payable	**-**	-	22
Accruals	**173**	137	231
Other payables	**7**	13	289
Interest payable – loan	**-**	-	364
Lease Liability	**-**	24	-
	2,632	1,576	1,974

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 2022	**31 March 2021**	**30 September 2021**
Repayment date schedule were as follows:	**£'000**	**£'000**	**£'000**
Current			
1st year	3,600	-	1,500
Non-Current			
2nd year	4,200	-	4,200
3rd year	4,200	-	4,200
4th year	-		2,100
Total Facility Loan	**£**12,000	-	£12,000

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 Note 10. 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 2022 are as below:

Period of Gas Production		Quantity in Therms	Fixed price in pence per Therms
1-Jul-22	30-Sep-22	3,375,000	0.4140
1-Oct-22	31-Mar-23	10,500,000	0.5205
1-Apr-23	30-Jun-23	5,250,000	0.3755
1-Jul-23	30-Sep-23	4,500,000	0.3755
1-Oct-23	31-Mar-24	9,000,000	0.4655
1-Apr-24	30-Jun-24	4,500,000	0.3560
1-Jul-24	30-Sep-24	3,750,000	0.3560
1-Oct-24	31-Mar-25	7,500,000	0.4500
1-Apr-25	30-Jun-25	3,750,000	0.3525
		52,125,000	

As of reporting date, the expected cash flow on the sale of natural gas amounted to £107.840m resulting in a loss of £85.493m of which the Groups effective share is at £43.601m on its 51% participating interest. The resulting loss on the Swap contract was a result of the steep rise in the prices of natural gas affecting the Group as the floating price payer as of reporting date.

The Group has recognized the gross liability and the corresponding receivable due from the Contract Debtor.

The cash flow forecast for the coming years on the derivatives on the accompanying consolidated financial position as of 31 March 2022 are:

Cash Flow of Derivative Instruments	**31 March 2023 £'000**	**31 March 2024 £'000**	**31 March 2025 £'000**	**30 June 2025 £'000**	**Total £'000**
Cash Inflow	6,863	7,851	6,312	1,321	22,347
Cash Outlflow	51,256	33,201	19,746	3,637	107,840
Net Liability on Swap Contract	44,393	25,350	13,434	2,316	85,493

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.

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, in this year and as a result, the loss on these contracts has also increased significantly.

The loss on these contracts at 31 March 2022 represents the forecast spot-price value of the gas to be extracted against the value fixed to be 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 of volume being able to be sold at the available spot price.

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 2022	31 March 2021
Net loss attributable to equity holders of the Group	**(31,750,000)**	**(1,479,000)**
Weighted average number of ordinary shares	**1,088,669,800**	**757,730,962**
Basic and diluted (loss) per share	**(0.029)**	**(0.002)**

The diluted loss per share was not applicable 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 2020	**715,158,324**	**1,430**	**21,982**
9 November 2020 - issue of shares	9,678,945	20	38
16 December 2020- issue of shares	41,664,999	83	167
26 January 2021 – issue of shares	150,000,000	300	1,200
Less: issuance cost			(115)
As at 31 March 2021	**916,502,268**	**1,833**	**23,272**
8 April 2021- issue of shares	15,000,000	30	120
3 June 2021-isse of shares	35,000,000	70	245
Less: Issuance of costs			(32)
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**

On 19 October 2021, the Company issued 11,200,000 shares at a price 0.20p for 12 months extension of £1.4m Convertible Loan Note issued on 20 April 2020. Knowe Properties Limited, has agreed to extend the mandatory repayment date to 17 April 2023.

On 6 December 2021, the Company issued 115,384,611 shares at a price 0.65p with WH Ireland for increase on contingency for Saltfleetby budget, Geothermal subsurface and potential acquisition work, planning and regulatory matters in respect of current oil fields and general working capital for the Company's ongoing activities.

On 8 February 2022, the Company issued 175,000,000 shares at a price 0.8p with WH Ireland for increase on contingency for Saltfleetby budget (90% finalised), Geothermal subsurface and potential acquisition work and for general working capital.

On 21 March 2022, the Company issued 39,200,000 shares at a price 0.8p with WH Ireland for the legal settlement as per the agreement dates 9 March 2022 with Gneiss Energy Limited.

The ordinary shares have a par value of £0.002 per share and are fully paid. These shares carry no right to fixed income and have no preferences or restrictions attached to them.

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 2021, the Group had 77,950,892 share options and 211,301,066 warrants outstanding in respect of ordinary shares.

During the period ended 31 March 2022 the Group has issued no options and 15,752,773 warrants. The outstanding and exercisable of share options and warrants was 305,004,731 with a weighted average price of £0.019 at 31 March 2022.

The inputs into the model were as follows:

	Options	Warrants	Warrants	Warrants
Stock price	0.90p	0.90p	0.90p	0.90p
Exercise price	0.009p	0.0118p	0.0133p	0.0148p
Interest rate	0.5%	0.5%	0.5%	0.5%
Volatility	30%	30%	30%	30%
Time to maturity	3 years	3 years	3 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 2022 £'000	31 March 2021 £'000	30 September 2021 £'000
Abandonment costs	3,007	3,007	3,007

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 8 April 2022, the Company announced that whilst it will continue its strategic review at the asset level only, it has ended the "formal sale process" of the Company which it had commenced previously in accordance with Rules 2.4 and 2.6 of the Takeover Code. Accordingly, the Company is no longer in an offer period as defined by the Takeover Code.

On 11 April 2022, the Company raised gross proceeds of £675,000 through the placing of 61,363,634 Ordinary Shares to certain institutional and other investors at a price of 1.1 pence per share.

On 24 May 2022, the Company announce that it has executed a share purchase agreement to acquire the entire issued share capital of the Company's current joint venture partner in the Saltfleetby Project, Saltfleetby Energy Limited, which owns a 49% working interest in the Project thereby giving Angus Energy a 100% interest in the Project. To fund the Acquisition and other working capital requirements, the Company had concurrently arranged a direct subscription with affiliates of Aleph International Holdings (UK) Limited pursuant to which Aleph has subscribed for a total of 546,000,000 Ordinary Shares in the Company at a price of 1.0989011 pence, being £6,000,000 (Direct Subscription) split into an initial unconditional tranche of £3,000,000 and a second tranche of £3,000,000 conditional on Shareholder approval.

Summary of the Acquisition

The Company executed a share purchase agreement to acquire the entire issued share capital of the Target from Forum Energy Services Limited. The total effective consideration payable pursuant to the SPA is the sum of £15,452,000, which comprises:

- £250,000 to be paid in cash at Completion;
- the issue of 91 million Ordinary Shares at 1.0989011 pence per share at Completion;
- the issue and allotment of the 546,000,000 Ordinary Shares at a price of 1.2 pence per Ordinary Share (£6,552,000) at Completion; and
- up to £6,250,000 in deferred consideration to be paid in instalments from net cash payments to Angus Energy from the Project through to 31 March 2025 (and subject to an upward or downward net cash adjustment) as and when those payments would have been available to SEL under the Company's Senior Debt Facility of May 2021.
- The deferred consideration payment is accelerated if there is any Change of Control all early repayment/termination of the Facility Agreement.

Following completion of the Acquisition, the Group now owns a 100% working interest in, and would continue to be the operator of, the Saltfleetby Licence.

As at 31 March 2022, Angus Energy recognised 100% of the liabilities of the Debt Facility and Derivative Liability relating to the Saltfleetby Field, thereby reporting liabilities of £12 million owed under the Debt Facility and a Derivative Liability of £85.493 million. Angus Energy recognised a debtor of £6.372 million and £41.892 million in respect of these last two amounts, thereby accounting for SEL's 49% interest. Following completion of the Acquisition, Angus Energy will recognise 100% of the Project revenues, costs and liabilities with no farmee interest represented.