

10166359 (England and Wales)



**PENNPETRO ENERGY PLC**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
31 MARCH 2024**



# **PENNPETRO ENERGY PLC**

Annual Report & Financial Statements  
For the year ended 31 March 2024



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## PENNPETRO ENERGY PLC

Annual Report & Financial Statements  
For the year ended 31 March 2024



### COMPANY INFORMATION

|                            |                                                                                                                                                                                                                        |                                                                                                                                                                                            |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>           | Olof Nils Rapp ( <i>Senior Non-Executive Director</i> )<br>Stephen Lunn ( <i>Chairman</i> ) ( <i>appointed 22 September 2024</i> )<br>Robert Menzel ( <i>Executive Director</i> ) ( <i>appointed 21 January 2025</i> ) |                                                                                                                                                                                            |
| <b>Secretary</b>           | MSP Corporate Services Limited                                                                                                                                                                                         |                                                                                                                                                                                            |
| <b>Registered Office</b>   | 6 Heddton Street<br>London, W1B 4BT                                                                                                                                                                                    |                                                                                                                                                                                            |
| <b>Legal Advisors</b>      | <b>UK Legal Advisors</b><br>DMH Stallard LLP<br>6 New Street Square<br>New Fetter Lane, London<br>EC4A 3BF                                                                                                             | <b>US Legal Advisors</b><br>Walne Law, PLLC<br>4900 Woodway<br>Houston, Texas<br>TX 77056<br><br>Porter Hedges LLP<br>1000 Main Street, 36 <sup>th</sup> Fl.<br>Houston, Texas<br>TX 77002 |
| <b>Corporate broker</b>    | Peterhouse Capital Limited<br>3 <sup>rd</sup> Floor<br>80 Cheapside<br>London<br>EC2V 6EE                                                                                                                              | Capital Plus Partners Limited<br>4 <sup>th</sup> Floor<br>49 St James Street<br>London<br>SW1A 1JT                                                                                         |
| <b>Independent Auditor</b> | Crowe U.K. LLP<br>55 Ludgate Hill<br>London<br>EC4M 7JW                                                                                                                                                                |                                                                                                                                                                                            |
| <b>Registrars</b>          | Computershare Investor Services plc<br>The Pavilions<br>Bridgewater Road<br>Bristol<br>BS13 8AE                                                                                                                        |                                                                                                                                                                                            |
| <b>Communications</b>      | Flagstaff Strategic and<br>Investor Communications<br>1 King Street<br>London<br>EC2V 8AU                                                                                                                              |                                                                                                                                                                                            |
| <b>Registered Number</b>   | 10166359                                                                                                                                                                                                               |                                                                                                                                                                                            |



## **Chairman's Statement**

Dear Shareholders,

Since Pennpetro Energy Plc's (the "Company" or "PPP") last annual report, there have been significant changes within the Pennpetro Energy Plc Group (the "Group").

The recent appointments of both the Chairman and the Chief Executive Officer (the "CEO") have taken place after 31 March 2024.

It is important to note that neither Stephen Lunn (appointed Non-Executive Director in September 2024, or Robert Menzel (appointed CEO in January 2025) were in office during this reporting period. The sudden passing of the Company Secretary in April 2024, who was acting through a corporate structure and was the sole signatory on the Company's bank account, caused significant delays in obtaining the necessary financial information for the audit of these Financial Statements.

The Board has been working closely with the Company's accountants, auditors and lawyers to present these annual financial statements for the year ended 31 March 2024. Shareholders and Directors have understandably been extremely frustrated with the ongoing delay in finalising these accounts. The Board has been tasked with filling in the gaps of information in both the UK and USA and are confident that the information provided in this report is both accurate and complete to the best of their knowledge except for the unidentified expenditure as disclosed later in these financial statements.

As the shareholders are aware, the company was suspended from trading on 1 August 2024 and, consequently, utilising the opening balance from the 31 March 2023, the Directors have made some very important decisions in respect of the company's ongoing position to ensure that proper corporate governance is installed to improve the rigour of the financial reporting processes going forward.

Stephen Lunn was appointed as a non-executive director on 22 September 2024 and after the resignation at short notice of the previous chairman, David Lenigas, filled the position of Chairman.

On 16 December 2024, Tom Evans resigned at short notice and Stephen Lunn became the interim CEO until the formal appointment of Robert Menzel on 21 January 2025.

The new Board of Directors has carefully reviewed the company's financial position to ensure that they give a true and fair view of the state of affairs of the Company and Group as at the end of the financial year and of the loss recorded by the Group for that period as far as can be supported by the evidence available to the Board of Directors.

**Stephen Lunn**  
**Chairman**  
24 September 2025

A handwritten signature in blue ink that reads 'Stephen Lunn'.

## **PENNPETRO ENERGY PLC**

### **CEO REPORT**

Annual Report & Financial Statements For  
the year ended 31 March 2024



### **Chief Executive Officer's Report**

Nobel Petroleum USA Inc. ("Nobel USA") a wholly owned subsidiary of PPP, entered into a Participation, Development and Option Agreement ("PDA") with Millennium PetroCapital Corporation ("Millennium") on March 15, 2023 relating to the Whistling Straits #5H well ("5H"), to be sidetracked from the 3H well.

Nobel would earn 25% WI in exchange for paying 33.33% of the costs to drill and complete the well. The 5H well was spud on March 21, 2023 and was completed as a potential oil producer on April 13, 2023.

Nobel acquired Millennium's interest in the 5H well on June 22, 2023 via the Whistling Straits Letter Agreement. Apart from the well, Nobel also assumed 100% WI in the 2036.38 acres of leaseholdings and an option to acquire the 1H and 4H wells and executed an Equipment Lease Agreement, which was subsequently extended and replaced by a revised version.

The option to acquire the 1H and 4H wells was exercised on August 17, 2023 with the Wellbore Assignment, Bill of Sale and Assumption Agreement. The Texas Railroad Commission ("RRC") approved the Chalk Talk well assignment on August 25, 2023.

Production Figures on Peach Creek (Austin Chalk) Whistling Straits 1H well amounted to 7,363 barrels and 1,550 barrels for well 4H, amounting to a total production for the year of 8,913 barrels equalling US\$493,005.

There was no production recorded from our City of Gonzales COG "1" well.

With regard to the operating results, the Board has reviewed and concluded that a level of impairment of the company's assets is necessary amounting to US\$7.1m. The impairment could be reversed in future periods depending on the outcome of establishing the status of mineral leases. The Board is working closely with relevant authorities to reach a conclusion in this regard.

The impairments are necessary to place the company in good standing for future activities. A number of opportunities are under consideration which will permit future growth, enhance shareholder value, and provide a strong platform for further capital raising.

**Robert Menzel**

**CEO**

24 September 2025

A handwritten signature in black ink, appearing to read 'Robert Menzel', written over a horizontal line.

## **Strategic Report**

The Directors present their strategic report on the group for the year ended 31 March 2024.

### **Principal Activities**

The principal activity of the Group is onshore oil and gas exploration and production in the United States of America. Pennpetro Energy Plc acts as a holding company and provides direction and other services to its subsidiaries.

Pennpetro USA Corp., holds 100% of the US operational subsidiary Nobel Petroleum USA, Inc. ("Nobel USA"), an independent oil and gas production company based in the City of Gonzales, Gonzales County, Texas, USA. Nobel USA's core area of business is in the Austin Chalk and Eagleford Shale oil and gas horizontal formations together with the lower oil and gas reservoir, the Buda Formation in South Texas, United States.

### **Strategic Approach**

The Board's strategic intent is to maximise shareholder value through the continuing investment into new wells and leases in proven US onshore formations and participating alongside established operators in multiple wells, while further reducing costs, where applicable.

The Company provides shareholders with exposure to the high growth associated with the producing oil and gas sector. This is achieved with a low overhead base.

### **Review of Business**

On 27 June 2023 the Group signed agreements to increase its stake in Whistling Straits 5H well from 25% interest to 100% interest with 75% net revenue interest. In November, Chalk Talk 1 well began producing oil at an average of 161 bopd which saw regular revenues for the Group through to April 2024. The well then experienced a number of top-of-well and bottom-of-well technical issues requiring intervention and resulted in a sustained fall in overall daily production. Technical issues have also been encountered at Whistling Straits 5H well which has slowed progress for the Group. After the reporting period, a deal Heads of Terms was signed with Globalvision International U. LDA ("Globalvision") whereby they will purchase 100% of the issued share capital in the Company's subsidiary Nobel USA, for a life of asset royalty on the City of Gonzales #1 Well, Chalk Talk #1 Well, Chalk Talk #4 Well and Whistling Straits #5 Well, securing long term positive cash flow for the Group.

The sudden passing of the Company Secretary in April 2024, who was acting through a corporate structure and was the sole signatory on the Company's bank account, caused significant delays in obtaining the necessary financial information of the audit of these Financial Statements.

The Board have been working closely with the Company's accountants and auditors to present these financial statements and to fill gaps where required. Note 7 discloses an amount of unknown expenditure for which the Board are unable to provide supporting documentation. During the course of reviewing these gaps of information, the Board undertook a review of the Group's lease portfolio and identified a number of leases where the validity and enforceability of the leases is uncertain. In light of this uncertainty, the Board has resolved to impair the related asset values until clarity over a final decision has been obtained.

### **Financial Performance Review**

The loss of the Group for the year ended 31 March 2024 amounts to \$8,897,048 (15 month period ended 31 March 2023: loss of \$318,902).

The Board monitors the activities and overall performance of the Group on a regular basis by reference to certain key milestones. The main Key Performance Indicators ("KPIs") for the Group are as follows:

| KPIs                                     | 2024<br>\$ | 2023<br>\$ |
|------------------------------------------|------------|------------|
| Net cash flows from operating activities | (763,259)  | (389,892)  |
| Cash and short-term investments          | 6,266      | 129,016    |

Participation in well drilling programmes are monitored on an individual project basis in terms of revenue and cost per barrel of oil or Mcf (one thousand cubic feet) of gas, together with the anticipated payback period on each project.

#### **Board diversity**

Although the Board consisted of four male Directors, the Board supports diversity in the boardroom. Aside from the Directors, there are no employees in the Company. The Board will pursue an equal opportunity policy and seek to employ those persons most suitable to delivering value for the Company.

#### **Corporate responsibility**

The Group operates a management system that embodies Environmental, Health, Safety and Social Responsibility principles.

A number of objectives have been set by the Board to address these principles and the Executive director is responsible for demonstrating to the Board that these principles are adhered to in its US Oil and Gas operation.

The policy of the Board of Pennpetro is to be fully accountable for the necessary practices, procedures and means being in place so as to ensure that each objective is demonstrated and that continuous improvement practices are operating to ensure that the required practices, procedures and means are being monitored, refined and optimised as necessary.

The objectives of the Environmental, Health, Safety and Social Responsibility Policy include:

- The Group shall manage all operations in a manner that protects the environment and the health and safety of employees, third parties and the community.
- Risk identification, assessment and prioritisation can reduce risk and mitigate hazards to employees, third parties, the community and the environment. Management of risk is a continuous process.
- The use of internationally recognised standards, procedures and specifications for design, construction and commissioning activities are essential for achieving operational excellence.
- The minimisation of environmental risks and liabilities are integral parts of the Group's operations.
- Third parties who provide materials and services or operate facilities on the Group's behalf have an impact on Environmental, Health and Safety and Social Responsibility excellence. It is essential that third-party services are provided in a manner consistent with the Group's Policy.
- Preparedness and planning for emergencies are essential to ensuring that all necessary actions are taken if an incident occurs, to protect employees, third parties, the public, the environment, the assets and brand of Pennpetro.
- Open and honest communication with the communities, authorities and stakeholders with which the Group operates builds confidence and trust in the integrity of Pennpetro.

- The Group has determined that the greenhouse gas emissions from the operations of the Company and its subsidiaries are sufficiently low that it does not have responsibility to produce the disclosures required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. The reason for this is that there was only limited activity from its US based operating subsidiary during the current and prior period.

During the year to 31 March 2024, the Group closely monitored the limited drilling, completion and production operations of its 5H well and there have been no breaches of any applicable Acts recorded against the Group during the reporting period.

### **Task Force on Climate-related Financial Disclosures (TCFD)**

This section of the report sets out our climate-related disclosures in relation to the four pillars of the TCFD framework; Governance, Strategy, Risk Mitigation and Metrics & Targets.

#### **Governance**

The Board of Directors is responsible for oversight of climate related risks and opportunities – refer to the principal risk exposure on climate related matters on page 10. Climate related risks and opportunities are reviewed each six months.

#### **Strategy**

The principal focus of environmental risk is around potential flaring gas related issues but is highly cognisant as to the impact of climate change issues prevailing within the petroleum industry.

The Company's operational activity is situated in Texas, where weather patterns can influence activities. The county of Gonzales where activities are located can be impacted by windstorms and especially hurricanes during certain months of the year. This can lead to flooding of operational sites as has happened to the Company in the past resulting in severe flooding to drilling operations, resulting in additional expenditures for water recovery.

#### **Risk Management**

The Board of Directors is responsible for identifying and assessing climate related risks. Although there's currently no formal process for this, the Board is considering developing one as the Group's activities are expected to increase in the coming years.

As current onsite operations are limited at present, there have not been significant physical environmental risks identified. The Board works with the operator at its sites to ensure measures are in place to mitigate the impact of climate-related risks such as flooding or storm damage.

The Directors also monitor the activities of the Texas petroleum authority – the Texas Railroad Commission – regarding obligations and regulatory matters with operational requirements on both a State and Federal perspective such that the Company can be pro-active in complying with new requirements.

#### **Metrics and Targets**

The Group has limited operational and administrative activity at present and hence the Directors are in the process of developing climate related metrics and targets appropriate to the current extent of operations. The Group performs regular checks of air quality operational equipment and analyses the results against local township vectors.

The Directors have assessed there to be limited Scope 1 and Scope 3 emissions from the Group's administrative and operational activities; Scope 3 emissions relating to the supply chain have not yet been evaluated.

## **Section 172 Statement**

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this annual report, and referenced herein, how the Board engages with stakeholders.

### **Promotion of the Company for the benefit of the members as a whole**

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Company is quoted on the London Stock Exchange, and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, of the Board's broad and specific intentions and the rationale for its decisions. The application of the s172 requirements are demonstrated throughout this report and the financial statements as a whole, with the following examples representing some of the key decisions made in this reporting period and up to the date of approval of these financial statements:

### **The likely consequences of any decision in the long term**

The application of the Section 172 (1) requirements can be demonstrated in relation to some of the key decisions made during the reporting period, including:

- Continuing to invest in work on numerous projects across Texas
- Continuing to focus on strategic partnerships with the JV partner
- Continued assessment of corporate and operational overheads and expenditure

### **The need to act fairly between members of the Company**

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy over the long-term, taking into consideration the impact on stakeholders. The Directors believe they have acted in the way they consider most likely to promote the success of the Company for the benefit of its members as a whole.

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

### **The desirability of the Company maintaining a reputation for high standards of business conduct**

The Board periodically reviews and approves clear frameworks to ensure that its high standard are maintained both within the Group and the business relationships we maintain. This, complemented by the various ways the Board is informed and monitors compliance with relevant governance standards, help ensure its decisions are taken and that the Group acts in ways that promote high standards of business conduct.



**The interests of the Company's employees**

The Board recognises that the Company's employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety, and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

**The fostering of relationships with suppliers, customers and others**

Delivering on our strategy requires strong mutually beneficial relationships with suppliers. The Group values all of its suppliers and aims to build strong positive relationships through open communication and adherence to option agreement terms. The Group is committed to being a responsible entity and doing the right thing for its suppliers and business partners.

**The impact of the Company's operations on the community and the environment**

The Group is committed to the highest environmental, social and governance standards both internally and within the Group and externally with its partners. The Group is committed to being a responsible entity in terms of the community and the wider environment. As a mining exploration Company operating in Texas, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption & bribery. The Company, recognizing the global impact of environmental concerns, initiated due diligence to expand its experiences and core competencies in the fossil energy sector to specific green energy initiatives. These initiatives were secured with US intellectual property filings and are being expanded internationally.

**Conclusion**

The Directors believe that to the best of their wisdom and abilities, they have acted in the way they consider prudent to promote the success of the Company for the benefit of its members as a whole, in the true spirit of the provisions of Section 172 (1) of the Companies Act 2006.

## **Principal Risks and Uncertainties**

The Group's activities expose it to a variety of risks and uncertainties.

### ***Market risk***

The Group operates in an international market for hydrocarbons and is exposed to risk arising from variations in the demand for and price of the hydrocarbons. Oil and gas prices historically have fluctuated widely and are affected by numerous factors over which the Group does not have any control, including world production levels, international economic trends, currency exchange fluctuations, inflation, speculative activity, consumption patterns and global or regional political events. The Group will consider hedging against the risks of fluctuating oil prices and currency exchange once commercial production recommences.

### ***Environmental risk***

The Group's operations are subject to environmental regulation in all the jurisdictions in which it operates. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would adversely affect the Group's operations. There can be no assurance that such new environmental legislation once implemented will not oblige the Group to incur significant expenses and undertake significant investments. The Group identifies, assesses and prioritises environmental risks on an ongoing basis, as part of its management system.

### ***Oil and gas exploration and production risks***

Whilst Nobel Petroleum USA, Inc., a Group subsidiary, took over the operatorship during 2019 with the formal approval of the regulator, the Texas Railroad Commission, and is the Working Interest owner, the previous operator is still engaged under sub-contracting terms. This allows the Group to fully integrate its operational teams in Houston.

Although it does not engage in exploration activities, per se, it might engage in some limited exploration activity if it was in an area offsetting producing assets and the Company decided such activity was worthwhile on a minimised risk basis to enhance its lease profile. There are significant risks and hazards inherent in the exploration and production of oil and gas, including environmental hazards, industrial incidents, labour disputes, fire, drought, flooding and other acts of God. The occurrence of any of these hazards can delay or interrupt production and increase production costs. The Group operates a management system that embodies Environmental, Health, Safety and Social Responsibility principles in order to mitigate these hazards.

There is no guarantee that oil and/or gas will be discovered in any of the Group's existing or future licenses/permitted acreage or that commercial quantities of oil and/or gas can be recovered.

### ***Licences and title***

The leases in which the Group has or is seeking to have an interest will be subject to termination after the primary term of such leases unless there is current production of oil and/or gas in commercial quantities. If a lease is not extended after the primary term, the Group may lose the opportunity to develop and discover any hydrocarbon resources on that lease area. The Group would then not be able to continue to access or benefit from these leased assets, which could result in a loss of future economic benefits. Since the year end, it has been identified that the primary term of some leases has expired and not been extended. In response, the Board has taken the prudent approach to impair the assets associated with these leases in these financial statements, reflecting the uncertainty over title to those leases.

This report was approved by the Board on 24 September 2025 and signed on its behalf:

**Stephen Lunn**  
Chairman





## Directors' Report

The Directors present their Annual Report and the audited Financial Statements for the year ended 31 March 2024.

The new UK Listing Rules, which came into force on 29 July 2024, replaced the former standard and premium listing segments of the London Stock Exchange Main Market with a single segment.

The Company's ordinary shares are listed on the London Stock Exchange in the Equity Shares (Transition) category of the Official List, in accordance with the new UK Listing Rules.

### Organisation Review

The Board is responsible for providing strategic direction for the Group. This incorporates setting out objectives, management policies and performance criteria. The Board assesses its performance against these on a monthly basis.

Composition of the Board at 31 March 2024 was one Executive Director, Executive Chairman and one Non-Executive Director. During the year, on 25 March 2024, Andrew Clifford resigned from his position in the Company as Non-Executive Director. The Board believes that the present composition provides an appropriate mix to conduct the Group's affairs.

The Board is responsible for monitoring risks and uncertainties faced by the Group. These risks and uncertainties are detailed in the Strategic Report and note 3 to the financial statements.

The corporate governance arrangement of the Group is disclosed in the Corporate Governance Report.

### Directors and Directors' interests

The Directors who held office during the year to the date of approval of these financial statements, together with their beneficial interests in the ordinary shares of the Company, are shown below.

|                                                         | 31 March 2024            |                        | 31 March 2023            |                        |
|---------------------------------------------------------|--------------------------|------------------------|--------------------------|------------------------|
|                                                         | Ordinary shares (number) | Share options (number) | Ordinary shares (number) | Share options (number) |
| Olof Rapp                                               | 2,500,000                | -                      | 2,000,000                | -                      |
| Thomas Evans (resigned 16 December 2024) <sup>(1)</sup> | 500,000                  | -                      | 500,000                  | -                      |
| Andy Clifford (resigned 25 March 2024)                  | 1,000,000                | -                      | 1,000,000                | -                      |
| David Lenigas (resigned 31 October 2024)                | -                        | -                      | -                        | -                      |
| Stephen Lunn (appointed 22 September 2024)              | 1,404                    | -                      | -                        | -                      |
| Robert Menzel (appointed 21 January 2025)               | -                        | -                      | -                        | -                      |

<sup>(1)</sup> Thomas Martin Evans shares are held by FHF Securities (A'Asia) Limited. FHF assisted the Company in contributing 4,500,000 shares to the April 2023 placement. The 4,500,000 shares are under agreement with the Company to be replaced through the mechanism of a new prospectus.

**PENNPETRO ENERGY PLC**  
**DIRECTORS' REPORT**

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The Directors who held office at 31 March 2024 are summarised as follows:

| <b>Name of Director</b> | <b>Position</b>                                |
|-------------------------|------------------------------------------------|
| David Lenigas           | Executive Chairman (resigned 31 October 2024)  |
| Thomas Evans            | Executive Director (resigned 16 December 2024) |
| Olof Rapp               | Senior Non-Executive Director                  |

**Directors' Remuneration**

The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of the Directors on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and senior executive team.

The Directors' remuneration and policies for appointment or replacement of directors are disclosed in the Directors' Remuneration Report.

**Dividends**

The Directors do not recommend the payment of a dividend (2023: \$Nil).

**Share capital and major shareholdings**

The issued share capital of the Company as at 31 March 2024 comprised 100,299,089 Ordinary shares of 1p (2023: 84,499,071). This increased to 112,299,071 in November 2024 following the share issues described in note 28 to the financial statements.

The Company has only one class of share capital formed of ordinary shares. All shares forming part of the ordinary share capital have the same rights and each carry one vote.

As at 24 September 2025 the Company had been notified of the following interests in the Company's ordinary share capital:

|                                                | Number of shares | Percentage (%) |
|------------------------------------------------|------------------|----------------|
| Hargreaves Lansdown (Nominees) Limited         | 10,084,091       | 9.06           |
| Interactive Investor Services Nominees Limited | 8,210,799        | 7.38           |
| Hargreaves Lansdown (Nominees) Limited         | 7,568,903        | 6.80           |
| Hargreaves Lansdown (Nominees) Limited         | 7,274,555        | 6.54           |
| Pennpetro Energy Plc                           | 6,000,000        | 5.39           |
| Interactive Investor Services Nominees Limited | 5,889,963        | 5.29           |
| Barclays Direct Investing Nominees Limited     | 5,434,715        | 4.88           |
| W B Nominees Limited                           | 5,280,409        | 4.74           |
| HSDL Nominees Limited                          | 4,980,290        | 4.47           |

## PENNPETRO ENERGY PLC

### DIRECTORS' REPORT

Annual Report & Financial Statements For  
the year ended 31 March 2024



|                                                |           |      |
|------------------------------------------------|-----------|------|
| HSDL Nominees Limited                          | 3,731,282 | 3.35 |
| Interactive Investor Services Nominees Limited | 3,662,134 | 3.29 |

To the best of the Directors' knowledge, no shareholder directly or indirectly exercises, or could exercise, control over the Company.

#### Going Concern

These financial statements have been prepared on the going concern basis, as set out in Note 2.3.

Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations.

The Group receives income from oil sales but even along with reducing expenditure for the financial year 2025, the forecasts indicate that the Group and Parent Company, in order to meet their operational objectives, and expected liabilities as they fall due, will be required to raise additional funds within the next 12 months.

On 24 September 2025, the Company entered into a convertible loan note agreement to provide the Company with £250,000 for working capital requirements. Further details are set out in Note 28.

Whilst the Directors are confident that they will secure the necessary funding, the current conditions do indicate the existence of a material uncertainty that may cast significant doubt regarding the applicability of the going concern assumption. The Directors are confident in the Company's ability to raise additional funds as required, from existing and/or new investors, within the next 12 months. Thus, they continue to adopt the going concern basis of accounting preparing these financial statements.

#### Events after the Reporting Period

##### *Loan Note facility*

The loan note continues to be in place as at 31 March 2024 and is accruing interest, however, has a maturity date of 31 December 2024. On 20 August 2025, Petroquest Energy Limited issued a Corporate Undertaking within which the majority of the Petroquest loan note would be written off and its security over assets held in Nobel Petroleum LLC be released. The balance of the loan will be converted into a 50% stake in Pennpetro USA Corp. This process has not yet been finalised as of the date of approval of these financial statements.

##### *Sale and Purchase Agreement on Texas Oil Assets*

The Company announced that it signed a Sale and Purchase Agreement with Globalvision International Lda on 1 August 2024, with regard to the sale of its Texas assets. The transaction could not be completed due to title issues that are currently under review. In the interim period, a caretaker role is being carried out by Globalvision International Lda.

Details of proceeds raised after the reporting period are detailed in note 28.

#### Provision of Information to Auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**PENNPETRO ENERGY PLC**  
**DIRECTORS' REPORT**  
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the year ended 31 March 2024



**Independent Auditor**

The auditor, Crowe U.K. LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. Crowe U.K. LLP has signified its willingness to continue in office as auditor.

This report was approved by the board on 24 September 2025 and signed on its behalf:

**Stephen Lunn**  
Executive Chairman

A handwritten signature in blue ink that reads 'Stephen Lunn'.

**PENNPETRO ENERGY PLC**  
**DIRECTORS' INFORMATION**

Annual Report & Financial Statements for  
the year ended 31 March 2024



As at the date of this report, the following directors held office in the Company:

**Olof Nils Anders Rapp, Senior Non-Executive Director**

Olof Rapp has vast international experience in the aerospace and automotive sector and has held leading managerial positions with Rolls-Royce International, Volvo Truck Corporation and VistaJet International in South America, Middle East and Asia. His last position at Rolls Royce was as Regional Director, Malaysia, with overall responsibility for Rolls-Royce Plc's business in Malaysia and Brunei (Aviation, Marine, Nuclear and Oil & Gas). Olof serves as a Board Director in Serunai Commerce Sdn Bhd. He has also served as Director of European Chamber of Commerce Malaysia (EuroCham), and Vice President of Swedish Chamber of Commerce Malaysia (SwedCham).

**Stephen Gary Lunn, Chairman**

Stephen Lunn entered the commercial world in 1972 and now possesses a wide spectrum of experience gained in the global stock broking and investment banking sectors, initially spending time with Merrill Lynch in London, New York and Hong Kong. Having obtained registration with the Commodity Futures Trading Commission in the USA (CFTC), Stephen moved his focus from commodity trading to dealing in Equities and Bonds. Moving to Australasia in 1976, he worked with a number of Stock Exchange member firms, culminating in the position of Deputy Chairman for a full-line broking house, Frank Renouf & Co. covering equities, bonds, portfolio management together with mergers and acquisitions. Managing significant Pension funds involved participation in Initial Public Offerings, capital raisings and underwriting new issues.

**Robert Martin Menzel, Chief Executive Director**

Robert Menzel is the founding member and Chairman of Globalvision International Lda, an international commodity trading organization with a focus on developing oil and gas investment projects. His career experience includes setting up new business ventures; working in the finance operations of international oil conglomerates; having trained and practiced as a professional accountant for two of the big four professional services firms, Robert brings excellent skills to the Company.

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Group as at the end of the financial year and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the applicable UK adopted international accounting standards has been followed subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements may differ from legislation in other jurisdictions.

### **Directors' Responsibility pursuant to DTR4**

Each of the Directors whose names and functions are listed on page 2 confirm that, to the best of their knowledge and belief:

- The Financial Statements give a true and fair view of the assets, liabilities, financial position and loss of the Group and Company; and
- The Annual Report and Financial Statements, including the Business review, includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties and they face.

On behalf of the Board

**Stephen Lunn**  
Chairman  
24 September 2025



## **PENNPETRO ENERGY PLC**

### **CORPORATE GOVERNANCE REPORT**

Annual Report & Financial Statements for  
the year ended 31 March 2024



#### **Corporate Governance Practices**

Pennpetro Energy plc's ordinary shares are listed on the London Stock Exchange in the Equity Shares (Transition) category and is thus not required to comply with the requirements of the U.K. Corporate Governance Code ("the Code") as issued by the Financial Reporting Council. The disclosures below are required by the UKLA's Disclosure and Transparency Rule 7.

The Board is committed to ensuring the highest standards of corporate governance, and voluntarily complies with, subject to a small number of exceptions listed below, the supporting principles and provisions set out in the Code.

The following describes the ways in which the Company does not comply with the detailed provisions of the Code and the Board's rationale thereon:

- given the size of the Board and the Company's current limited operational status, certain provisions of the Corporate Governance Code (in particular the provisions relating to the composition of the Board and the division of responsibilities between the Chairman and chief executive and executive compensation), are not being complied with by the Company as the Board does not consider these provisions to be appropriate for the Company;
- the Board has considered the requirement to prepare a viability statement. As the Group is in the early stages of establishing operations and has not yet achieved a stable revenue base, the Board does not consider it appropriate to provide a viability statement this year. This position will be reviewed annually, and a viability statement will be prepared once operations and revenue generation have reached a stable and sustainable level. Further details regarding the Group's assessment of going concern are provided in note 2 of these financial statements;
- the Board as a whole will review audit and risk matters, on the basis of adopted terms of reference governing the matters to be reviewed and the frequency with which such matters are considered. The Board as a whole will also take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance;
- the Board as a whole will be responsible for the appointment of executive and non-executive Directors. The Company does not currently believe it is necessary to have a separate nominations committee at this time. The requirement for a nominations committee will be considered on an ongoing basis;
- the Board believes in the benefits of diversity, including the need for diversity in order to effectively represent shareholders' interests. This diversity is not restricted to gender but also includes geographic location, nationality, skills, age, educational and professional background. The board's policy remains that selection should be based on the best person for the role;
- the Board as a whole will consider the Board's size, structure and composition and the scale and structure of the Directors' fees, taking into account the interests of Shareholders and the performance of the Company;
- the Board does not comply with the provision of the Corporate Governance Code that at least half of the Board, excluding the Chairman, should comprise non-executive directors determined by the Board to be sufficiently independent;
- the Company has in place procedures ensuring compliance with the new Market Abuse Regulation and the Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Market Abuse Regulation by the Directors; and
- the Company will not seek Shareholder approval at a general meeting in respect of any further acquisitions it may make, unless it is required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons.



### **The Board of Directors**

As at 31 March 2024, the Board of Directors comprised three members: one Executive Director, one Executive Chairman and one Non-Executive Director. The Executive Chairman and Executive Director have a wealth of experience analytically covering the oil and gas industry. Similarly, the Non-Executive Director has extensive corporate and financial experience. Since the year end, the Executive Chairman resigned and was replaced with a new Executive Chairman. Similarly, the Executive Director resigned and was replaced with a new Executive Director, both of whom have significant experience covering the oil and gas industry.

The Company has a policy of appraising Board performance annually and had adopted an internal policy of regular face to face meetings in which all Board members discuss any issues as and when they arise in relation to the Board or any individual member's performance.

### **Board Meetings**

The Board ordinarily meets on a monthly basis and as and when further required, providing effective leadership and overall management of the Group's affairs by reference to those matters reserved for its decision. This includes the approval of the budget and business plan, major capital expenditure, acquisitions and disposals, risk management policies and the approval of the financial statements. Formal agendas, papers and reports are sent to the Directors, in a timely manner, prior to the Board meetings. Board meetings were mostly held telephonically.

### **Internal Controls**

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future developments of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

### **Relations with Shareholders**

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements and regular updates on the Company website. The Board views the Annual General Meeting as a forum for communication between the Group and its shareholders and encourages their participation in its agenda.

A handwritten signature in dark ink, appearing to read 'Stephen Lunn'.

**Stephen Lunn**  
Executive Chairman  
24 September 2025



## Directors' Remuneration Report

The Company's Remuneration Committee comprises one Non-Executive Director, Olof Rapp.

The Company's Remuneration Committee operates within the terms of reference approved by the Board. In the year to 31 March 2024, the Remuneration Committee documented one review.

The items included in this report are unaudited unless otherwise stated.

### Committee's main responsibilities

- The Remuneration Committee considers the remuneration policy, employment terms and remuneration of the Executive Director;
- The Remuneration Committee's role is advisory in nature and it makes recommendations to the Board on the overall remuneration package for the Executive Director in order to attract, retain and motivate high quality executives capable of achieving the Company's objectives;
- The Remuneration Committee also reviews proposals for any share option plans and other incentive plans, makes recommendations for the grant of awards under such plans as well as approving the terms of any performance-related pay schemes;
- The Board's policy is to remunerate the Company's executives fairly and in such a manner as to facilitate the recruitment, retention and motivation of suitably qualified personnel; and
- The Remuneration Committee, when considering the remuneration packages of the Company's executives, will review the policies of comparable companies in the industry.

### Directors' remuneration (audited)

Fees and benefits of \$226,222 were payable to Directors who held office during the year ended 31 March 2024 (2023: \$146,532).

Director Thomas Evans has received a loan of £10,000 which was outstanding as at 31 March 2024. The loan is repayable within 12 months.

|               | Salary<br>\$   | Valuation of<br>options<br>\$ | Taxable<br>benefits<br>\$ | Other<br>receipts<br>received<br>\$ | Pension<br>benefits<br>\$ | 2024<br>Total<br>\$ |
|---------------|----------------|-------------------------------|---------------------------|-------------------------------------|---------------------------|---------------------|
| Andy Clifford | -              | -                             | -                         | -                                   | -                         | -                   |
| Olof Rapp     | 37,704         | -                             | -                         | -                                   | -                         | 37,704              |
| David Lenigas | 150,814        | -                             | -                         | -                                   | -                         | 150,814             |
| Thomas Evans  | 37,704         | -                             | -                         | -                                   | -                         | 37,704              |
|               | <b>226,222</b> | -                             | -                         | -                                   | -                         | <b>226,222</b>      |

|               | Salary<br>\$   | Valuation of<br>options<br>\$ | Taxable<br>benefits<br>\$ | Other<br>receipts<br>received<br>\$ | Pension<br>benefits<br>\$ | 2023<br>Total<br>\$ |
|---------------|----------------|-------------------------------|---------------------------|-------------------------------------|---------------------------|---------------------|
| Andy Clifford | 53,934         | -                             | -                         | -                                   | -                         | 53,934              |
| Olof Rapp     | 46,299         | -                             | -                         | -                                   | -                         | 46,299              |
| David Lenigas | -              | -                             | -                         | -                                   | -                         | -                   |
| Thomas Evans  | 46,299         | -                             | -                         | -                                   | -                         | 46,299              |
|               | <b>146,532</b> | -                             | -                         | -                                   | -                         | <b>146,532</b>      |

The Directors' remuneration is disclosed in full in the above table and is not linked to performance. All current Directors' service contracts are kept available for inspection at the Company's registered office.

All shares and interests held by the Directors are disclosed in the Directors' report.

**Total pension entitlements (audited)**

The Company currently does not have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration.

The Company has not paid out any excess retirement benefits to any Directors or past Directors.

**Payments to past directors (audited)**

The Company has not paid any compensation to past Directors.

**Payments for loss of office (audited)**

No payments were made for loss of office during the year.

**Directors' interests in share warrants (audited)**

None of the Directors had interests in share warrants.

**Consideration of shareholder views**

The Remuneration Committee considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's periodic reviews of its policy on remuneration.

**Statement of policy on Directors' remuneration**

The Company's policy is to maintain levels of remuneration so as to attract, motivate, and retain Directors and Senior Executives of the highest calibre who can contribute their experience to deliver industry leading performance with the Company's operations. Currently Director's remuneration is not subject to specific performance targets.

In the future, the Company may introduce a remuneration policy that aligns Executive compensation with corporate and individual performance. This policy aims to align the interests of Directors with those of shareholders and incentivize them to excel. The Remuneration Committee reviews the remuneration policy and employment terms for Directors, making recommendations to the Board of Directors for the overall remuneration packages. No Director participates in any decision directly affecting their own remuneration.

**Policy for new appointments**

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

**Policy on payment for loss of office**

Payment for loss of office would be determined by the Remuneration Committee, taking into account contractual obligations.

**PENNPETRO ENERGY PLC**  
**DIRECTORS' REMUNERATION REPORT (continued)**  
Annual Report & Financial Statements for  
the year ended 31 March 2024



**Other matters**

The Company does not currently have any annual or long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

*Stephen Lunn*

**Stephen Lunn**  
Chairman  
24 September 2025

## **PENNPETRO ENERGY PLC**

### **AUDIT COMMITTEE REPORT**

Annual Report & Financial Statements for  
the year ended 31 March 2024



### **Audit Committee Report**

The Audit Committee comprised two Directors, Olof Rapp (Chair of the Audit Committee) and Thomas Evans, until Thomas's retirement from the Company on 16 December 2024. The Audit Committee oversees the Company's financial reporting and internal controls and provides a formal reporting link with the external auditors. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly report remains with the Board.

### **Main Responsibilities**

The Audit Committee acts as a preparatory body for discharging the Board's responsibilities in a wide range of financial matters, with terms of reference including:

- monitoring the integrity of the financial statements and formal announcements relating to the Company's financial performance;
- reviewing significant financial reporting issues, accounting policies and disclosures in financial reports, which are considered to be in accordance with the key audit matters identified by the external auditors;
- overseeing that an effective system of internal control and risk management systems are maintained;
- ensuring that an effective whistle-blowing, anti-fraud and bribery procedures are in place;
- overseeing the Board's relationship with the external auditor and, where appropriate, the selection of new external auditors;
- approving non-audit services provided by accounting firms; and
- ensuring compliance with legal requirements, accounting standards and the Listing Rules and the Disclosure and Transparency Rules.

### **Governance**

The Code requires that at least one member of the Audit Committee has recent and relevant financial experience. Both directors have served in financial executive and managing director roles. As a result, the Board is satisfied that the Audit Committee has recent and relevant financial experience.

Members of the Audit Committee are appointed by the Board and whilst shareholders, the Company believes they are considered to be independent in both character and judgement.

The Company's external auditor, Crowe U.K. LLP, did not provide any non-audit services in the period.

The Audit Committee believes that the Company does not require an internal audit function due to the current size of the organisation and its operations.

### **Meetings**

In the year to 31 March 2024 the two members of the Audit Committee have met once. The key work to be undertaken by the Audit Committee is as follows;

- interview of external auditors and recommendation to the Board;
- review of audit planning and update on relevant accounting developments;
- consideration and approval of the risk management framework, appropriateness of key performance indicators;
- consideration and review of full-year results;
- review of the effectiveness of the Audit Committee; and
- review of internal controls.

The Code states that the Audit Committee should have primary responsibility for making a recommendation on the appointment, reappointment or removal of the external auditor.

**External auditor**

The Audit Committee appointed Crowe U.K. LLP as auditors to the Company, commencing with the first audit for the year ended 31 December 2018. The external auditor has unrestricted access to the Audit Committee Chairman. The Committee is satisfied that Crowe U.K. LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained.

The external auditors report to the Audit Committee annually on their independence from the Company. In accordance with professional standards, the partner responsible for the audit is changed every five years. The current auditor, Crowe U.K. LLP were first appointed by the Company in 2019 following a tender process and therefore a new partner has been rotated onto the engagement for the March 2024 audit. Having assessed the performance objectivity and independence of the auditors, the Committee will be recommending the reappointment of Crowe U.K. LLP as auditors to the Company at the 2024 Annual General Meeting.

*Stephen Lunn*

**Stephen Lunn**  
Chairman  
24 September 2025

## **Independent auditor's report to the members of Pennpetro Energy Plc**

### **Disclaimer of opinion**

We were engaged to audit the financial statements of Pennpetro Energy plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 March 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Statements of Financial Position, the Consolidated and Parent Statements of Changes in Equity, the Consolidated and Parent Statements and of Cash Flows and notes to the financial statements, including a summary of material accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

We do not express an opinion on the accompanying Group and Parent Company financial statements. Because of the significance of the matters described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for disclaimer of opinion**

The disclaimer of opinion arises as a result of severe limitations over the evidence available for the audit of the Group entities, including for the main operating subsidiaries which are incorporated in the United States of America. Due to the death of the individual acting as Company Secretary and financial controller in April 2024 and changes to the board there has been a significant loss of financial information which the company has been unable to reinstate.

We have not been able to perform a review of management override of controls through the conduct of journal entry testing for some subsidiaries in the Group. This has occurred due to the absence of complete general ledgers which also agree to the individual trial balances as of the year end. We were not provided general ledgers for Pennpetro USA Corporation, Nobel LLC, Pennpetro Greentec Limited, Pennpetro Greentec UK Limited and Pennpetro Green Energy Limited. We are therefore unable to determine the completeness of the trial balance for these entities for purposes of inclusion in the consolidation.

We have been unable to obtain sufficient appropriate audit evidence over the following balances and transactions:

- A share lending transaction involving some previous directors. The value of this transaction was \$425,617.
- The other gains/losses of \$423,563 and legal expenditure of \$299,436 included in the financial statements. These amounts represent expenditure for which there is no supporting information.
- Receipt of part of the proceeds, £180,000, from the issue of 5.8 million shares in the Group.
- Certain decommissioning liabilities, currently included in the financial statements at \$50,000.

As a result of these matters which together we consider material and pervasive, we were unable to determine whether any adjustments might have been necessary in the financial statement line items and the elements making up the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Statements of Financial Position, the Consolidated Statement of Changes in Equity and the Consolidated and Parent Statements of Cash Flows.

## Key Audit Matters

In accordance with ISA (UK) 705, we have described below the matters that we have determined to be key audit matters. Our responsibility is to address these matters in the context of our audit of the financial statements as a whole and to form our opinion thereon. However, because we do not express an opinion on the financial statements due to the matters described in the Basis for Disclaimer of Opinion section, we do not provide an opinion or any level of assurance on the financial statements as a whole, including the matters described below.

| <b>Key audit matter</b>                                                                                                                                                                                                                             | <b>How the scope of our audit addressed the key audit matter</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Adequacy of accounting records</b>                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>The Group has experienced significant challenges in compiling the accounting records for the year ended 31 March 2024, partly as a result of the individual acting as Company Secretary and financial controller passing away in April 2024.</p> | <ul style="list-style-type: none"> <li>• We requested from management supporting detail to the accounting records, including breakdowns, contracts, invoices and other documentation.</li> <li>• We held discussions with the Directors and the Group's outsourced accountants, to obtain an understanding of accounting transactions, and the extent of audit evidence available.</li> <li>• As a result of these enquiries and the responses received, we have determined that a Disclaimer of Opinion is required in relation to the Group's financial statements for the year ended 31 March 2024.</li> </ul> |

## Opinions on other matters prescribed by the Companies Act 2006

Due to the significance of the matters described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

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

## Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the strategic report or the directors' report. Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept or whether the financial statements are in agreement with the accounting records and returns.



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

- returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made;

#### **Responsibilities of directors**

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

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

#### **Auditors responsibilities for the audit of the financial statements**

Our responsibility is to conduct an audit on the Group and Parent Company financial statements in accordance with applicable law and International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRCs Ethical Standards applicable to public interest entities, and we have fulfilled our other responsibilities in accordance with these requirements

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

We design procedures in line with our responsibilities, set out above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). We are unable to determine whether the audit was capable in its ability to detect irregularities, including fraud, on the basis that we were unable to obtain sufficient appropriate audit evidence due to the matter described in the basis for disclaimer of opinion section of our report

#### **Other matters which we are required to address**

We were first appointed by the Board on 25 March 2019 to audit the financial statements for the period ending 31 December 2018. Our total uninterrupted period of engagement is six years, covering the periods ending 31 December 2018 to 31 March 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

### **Use of our report**

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'J Glasby', is positioned above the printed name.

John Glasby  
Senior Statutory Auditor  
For and on behalf of Crowe U.K. LLP  
Statutory Auditor  
London

Date: 24 September 2025

**PENNPETRO ENERGY PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
Annual Report & Financial Statements for the year ended 31 March 2024



|                                                                                         | Note     | Year<br>ended 31<br>March 2024<br>\$ | 15 Months<br>ended 31<br>March 2023<br>\$ |
|-----------------------------------------------------------------------------------------|----------|--------------------------------------|-------------------------------------------|
| <b>Continuing Operations</b>                                                            |          |                                      |                                           |
| Revenue                                                                                 | 5        | 493,005                              | -                                         |
| Cost of Sales                                                                           |          | (5,608)                              | -                                         |
| <b>Gross Profit</b>                                                                     |          | <b>487,397</b>                       | <b>-</b>                                  |
| Administrative expenses                                                                 | 7        | (1,592,150)                          | (556,494)                                 |
| Other losses                                                                            | 7        | (423,563)                            | -                                         |
| Impairments                                                                             | 13,14,18 | (7,108,447)                          | -                                         |
| <b>Operating Loss</b>                                                                   |          | <b>(8,636,763)</b>                   | <b>(556,494)</b>                          |
| Gain on loan modification                                                               | 20       | -                                    | 497,939                                   |
| Finance costs                                                                           | 10       | (260,285)                            | (260,347)                                 |
| <b>Loss before Tax</b>                                                                  |          | <b>(8,897,048)</b>                   | <b>(318,902)</b>                          |
| Income tax                                                                              | 11       | -                                    | -                                         |
| <b>Loss for the year attributable to owners of the parent</b>                           |          | <b>(8,897,048)</b>                   | <b>(318,902)</b>                          |
| <b>Other Comprehensive Income:</b>                                                      |          |                                      |                                           |
| <b>Items that may be reclassified subsequently to profit or loss</b>                    |          |                                      |                                           |
| Currency translation differences                                                        |          | (472,718)                            | 50,127                                    |
| <b>Other Comprehensive (Loss) / Income for the Year</b>                                 |          | <b>(472,718)</b>                     | <b>50,127</b>                             |
| <b>Total Comprehensive Income for the Year attributable to the owners of the parent</b> |          | <b>(9,369,766)</b>                   | <b>(268,775)</b>                          |
| <b>Loss per share attributable to the owners of the parent during the year</b>          |          |                                      |                                           |
| Basic (cents per share)                                                                 | 12       | (9.02)                               | (0.39)                                    |
| Diluted (cents per share)                                                               |          | (9.02)                               | (0.39)                                    |

The notes on pages 35 to 59 form part of these financial statements.

**PENNPETRO ENERGY PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
Annual Report & Financial Statements for the year ended 31 March 2024



|                                                | Note | 31 March<br>2024<br>\$ | 31 March<br>2023<br>\$ |
|------------------------------------------------|------|------------------------|------------------------|
| <b>ASSETS</b>                                  |      |                        |                        |
| <b>Non-Current Assets</b>                      |      |                        |                        |
| Property, plant and equipment                  | 13   | -                      | 1,484,931              |
| Intangible assets                              | 14   | -                      | 4,233,890              |
| <b>Total Non-Current Assets</b>                |      | <b>-</b>               | <b>5,718,821</b>       |
| <b>Current Assets</b>                          |      |                        |                        |
| Trade and other receivables                    | 16   | 307,881                | 315,299                |
| Short term investments                         | 17   | -                      | 82,224                 |
| Cash and cash equivalents                      | 18   | 6,266                  | 46,792                 |
| <b>Total Current Assets</b>                    |      | <b>314,147</b>         | <b>444,315</b>         |
| <b>TOTAL ASSETS</b>                            |      | <b>314,147</b>         | <b>6,163,136</b>       |
| <b>EQUITY AND LIABILITIES</b>                  |      |                        |                        |
| <b>Equity Attributable to Owners of Parent</b> |      |                        |                        |
| Share capital                                  | 19   | 1,277,639              | 1,079,101              |
| Share premium                                  | 19   | 8,443,248              | 6,610,719              |
| Convertible reserve                            |      | 4,172,846              | 4,172,846              |
| Reorganisation reserve                         |      | (6,578,229)            | (6,578,229)            |
| Foreign exchange reserve                       |      | (246,608)              | 226,110                |
| Retained losses                                |      | (13,229,814)           | (4,332,766)            |
| <b>Total Equity</b>                            |      | <b>(6,160,918)</b>     | <b>1,177,781</b>       |
| <b>Current Liabilities</b>                     |      |                        |                        |
| Trade and other payables                       | 21   | 2,129,116              | 966,986                |
| Borrowings                                     | 20   | 4,345,949              | -                      |
| <b>Total Current Liabilities</b>               |      | <b>6,475,065</b>       | <b>966,986</b>         |
| <b>Non- Current Liabilities</b>                |      |                        |                        |
| Borrowings                                     | 20   | -                      | 4,018,369              |
| <b>Total Non-Current Liabilities</b>           |      | <b>-</b>               | <b>4,018,369</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>            |      | <b>314,147</b>         | <b>6,163,136</b>       |

These financial statements were approved by the Board of Directors on 24 September 2025 and signed on its behalf by:

*Stephen Lunn*

**Stephen Lunn**  
Chairman

Company registration number: 10166359

The notes on pages 35 to 59 form part of these financial statements.

**PENNPETRO ENERGY PLC**  
**COMPANY STATEMENT OF FINANCIAL POSITION**  
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|                                            | Note | 31 March<br>2024<br>\$ | 31 March<br>2023<br>\$ |
|--------------------------------------------|------|------------------------|------------------------|
| <b>ASSETS</b>                              |      |                        |                        |
| <b>Non–Current Assets</b>                  |      |                        |                        |
| Investments in subsidiaries                | 15   | -                      | 6,440,980              |
| <b>Total Non–Current Assets</b>            |      | <b>-</b>               | <b>6,440,980</b>       |
| <b>Current Assets</b>                      |      |                        |                        |
| Trade and other receivables                | 16   | 14,240                 | 2,957,318              |
| Short term investments                     | 17   | -                      | 82,224                 |
| Cash and cash equivalents                  | 18   | 41                     | -                      |
| <b>Total Current Assets</b>                |      | <b>14,281</b>          | <b>3,039,542</b>       |
| <b>TOTAL ASSETS</b>                        |      | <b>14,281</b>          | <b>9,480,522</b>       |
| <b>EQUITY AND LIABILITIES</b>              |      |                        |                        |
| <b>Equity Attributable to Shareholders</b> |      |                        |                        |
| Share capital                              | 18   | 1,277,639              | 1,079,101              |
| Share premium                              | 18   | 8,443,248              | 6,610,719              |
| Convertible reserve                        |      | 4,172,846              | 4,172,846              |
| Foreign exchange reserve                   |      | (214,671)              | (334,293)              |
| Retained losses                            |      | (15,459,199)           | (3,406,463)            |
| <b>Total Equity</b>                        |      | <b>(1,780,137)</b>     | <b>8,121,910</b>       |
| <b>Current Liabilities</b>                 |      |                        |                        |
| Trade and other payables                   | 21   | 1,794,418              | 1,358,612              |
| <b>Total Current Liabilities</b>           |      | <b>1,794,418</b>       | <b>1,358,612</b>       |
| <b>TOTAL EQUITY AND LIABILITIES</b>        |      | <b>14,281</b>          | <b>9,480,522</b>       |

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 from presenting the parent company Statement of Comprehensive Income. The loss for the parent company for the period was \$12,052,736 (2023: \$540,433).

These financial statements were approved by the Board of Directors on 24 September 2025 and were signed on its behalf by:

**Stephen Lunn**  
Chairman

*Stephen Lunn*

Company registration number: 10166359

The notes on pages 35 to 59 form part of these financial statements.

# PENNPETRO ENERGY PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Annual Report & Financial Statements for the year ended 31 March 2024



| Group                                        | Share Capital    | Share Premium    | Convertible Reserve | Reorganization Reserve | Foreign Exchange Reserve | Share Based Payments Reserve | Retained Losses     | Total Equity       |
|----------------------------------------------|------------------|------------------|---------------------|------------------------|--------------------------|------------------------------|---------------------|--------------------|
|                                              | \$               | \$               | \$                  | \$                     | \$                       | \$                           | \$                  | \$                 |
| <b>Balance at 31 December 2021</b>           | <b>979,427</b>   | <b>4,121,700</b> | <b>6,021,575</b>    | <b>(6,578,229)</b>     | <b>133,619</b>           | <b>-</b>                     | <b>(4,013,864)</b>  | <b>664,228</b>     |
| Loss for the period                          | -                | -                | -                   | -                      | -                        | -                            | (318,902)           | (318,902)          |
| Foreign currency translation differences     | -                | -                | -                   | -                      | 50,127                   | -                            | -                   | 50,127             |
| Total comprehensive income for the year      | -                | -                | -                   | -                      | 50,127                   | -                            | (318,902)           | (268,775)          |
| Share issue (note 19)                        | 27,419           | 754,909          | -                   | -                      | -                        | -                            | -                   | 782,328            |
| Exercise of convertible loan notes (note 19) | 72,255           | 1,734,110        | (1,848,729)         | -                      | 42,364                   | -                            | -                   | -                  |
| <b>Balance at 31 March 2023</b>              | <b>1,079,101</b> | <b>6,610,719</b> | <b>4,172,846</b>    | <b>(6,578,229)</b>     | <b>226,110</b>           | <b>-</b>                     | <b>(4,332,766)</b>  | <b>1,177,781</b>   |
| Loss for the period                          | -                | -                | -                   | -                      | -                        | -                            | (8,897,048)         | (8,897,048)        |
| Foreign currency translation differences     | -                | -                | -                   | -                      | (472,718)                | -                            | -                   | (472,718)          |
| Total comprehensive income for the period    | -                | -                | -                   | -                      | (472,718)                | -                            | (8,897,048)         | (9,369,766)        |
| Share issue (note 19)                        | 198,538          | 2,053,847        | -                   | -                      | -                        | -                            | -                   | 2,252,385          |
| Cost of share issue (note 19)                | -                | (221,318)        | -                   | -                      | -                        | -                            | -                   | (221,318)          |
| <b>Balance at 31 March 2024</b>              | <b>1,277,639</b> | <b>8,443,248</b> | <b>4,172,846</b>    | <b>(6,578,229)</b>     | <b>(246,608)</b>         | <b>-</b>                     | <b>(13,229,814)</b> | <b>(6,160,918)</b> |

he notes on pages 35 to 59 form part of these financial statements.

# PENNPETRO ENERGY PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY

Annual Report & Financial Statements for the year ended 31 March 2024



| Company                                      | Share Capital<br>\$ | Share Premium<br>\$ | Convertible Reserve<br>\$ | Foreign Exchange Reserve<br>\$ | Share Based Payments Reserve<br>\$ | Retained Losses<br>\$ | Total Equity<br>\$ |
|----------------------------------------------|---------------------|---------------------|---------------------------|--------------------------------|------------------------------------|-----------------------|--------------------|
| <b>Balance at 31 December 2021</b>           | <b>979,427</b>      | <b>4,121,700</b>    | <b>6,021,575</b>          | <b>575,249</b>                 | <b>-</b>                           | <b>(2,866,030)</b>    | <b>8,831,921</b>   |
| Loss for the period                          | -                   | -                   | -                         | -                              | -                                  | (540,433)             | (540,433)          |
| Foreign currency translation differences     | -                   | -                   | -                         | (951,906)                      | -                                  | -                     | (951,906)          |
| Total comprehensive income for the period    | -                   | -                   | -                         | (951,906)                      | -                                  | (540,433)             | (1,492,339)        |
| Share issue (note 19)                        | 27,419              | 754,909             | -                         | -                              | -                                  | -                     | 782,328            |
| Exercise of convertible loan notes (note 19) | 72,255              | 1,734,110           | (1,848,729)               | 42,364                         | -                                  | -                     | -                  |
| <b>Balance at 31 March 2023</b>              | <b>1,079,101</b>    | <b>6,610,719</b>    | <b>4,172,846</b>          | <b>(334,293)</b>               | <b>-</b>                           | <b>(3,406,463)</b>    | <b>8,121,910</b>   |
| Loss for the period                          | -                   | -                   | -                         | -                              | -                                  | (12,052,736)          | (12,052,736)       |
| Foreign currency translation differences     | -                   | -                   | -                         | 119,622                        | -                                  | -                     | 119,622            |
| Total comprehensive income for the period    | -                   | -                   | -                         | 119,622                        | -                                  | (12,052,736)          | (11,933,114)       |
| Share issue (note 19)                        | 198,538             | 2,053,847           | -                         | -                              | -                                  | -                     | 2,252,385          |
| Cost of share issue (note 19)                | -                   | (221,318)           | -                         | -                              | -                                  | -                     | (221,318)          |
| <b>Balance at 31 March 2024</b>              | <b>1,277,639</b>    | <b>8,443,248</b>    | <b>4,172,846</b>          | <b>(214,671)</b>               | <b>-</b>                           | <b>(15,459,199)</b>   | <b>(1,780,137)</b> |

he notes on pages 35 to 59 form part of these financial statements.

**PENNPETRO ENERGY PLC**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
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|                                                                 | Year<br>ended 31<br>March 2024<br>\$ | 15 months<br>ended 31 March<br>2023<br>\$ |
|-----------------------------------------------------------------|--------------------------------------|-------------------------------------------|
| <b>Cash Flows from Operating Activities</b>                     |                                      |                                           |
| Loss before tax                                                 | (8,897,048)                          | (318,902)                                 |
| Foreign exchange                                                | (471,786)                            | 778                                       |
| Gain on loan amendment                                          | -                                    | (497,939)                                 |
| Finance costs                                                   | 260,285                              | 260,347                                   |
| Impairment charge                                               | 7,108,447                            | -                                         |
|                                                                 | (2,000,102)                          | (555,716)                                 |
| <b>Changes to working capital</b>                               |                                      |                                           |
| Decrease / (Increase) in trade and other receivables            | 7,418                                | (5,843)                                   |
| Increase in trade and other payables                            | 1,229,425                            | 171,667                                   |
|                                                                 | 1,236,843                            | 165,824                                   |
| <b>Net Cash used in Operating Activities</b>                    | <b>(763,259)</b>                     | <b>(389,892)</b>                          |
| <b>Cash Flows from Investing Activities</b>                     |                                      |                                           |
| Purchases of property, plant and equipment                      | (1,337,392)                          | (100,000)                                 |
| Decrease / (increase) of short-term investments                 | 31,525                               | (47,310)                                  |
| <b>Net Cash generated from / (used in) Investing Activities</b> | <b>(1,305,867)</b>                   | <b>(147,310)</b>                          |
| <b>Cash Flows from Financing Activities</b>                     |                                      |                                           |
| Proceeds from issues of ordinary shares                         | 2,252,385                            | 582,166                                   |
| Transaction costs on issue of ordinary shares                   | (221,318)                            | -                                         |
| <b>Net Cash generated from Financing Activities</b>             | <b>2,031,067</b>                     | <b>582,166</b>                            |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>   | <b>(38,059)</b>                      | <b>44,964</b>                             |
| Cash and cash equivalents at the beginning of the period        | 46,792                               | 1,828                                     |
| Effect of exchange rates on cash balance                        | (2,467)                              | -                                         |
| <b>Cash and Cash Equivalents at the End of the Period</b>       | <b>6,266</b>                         | <b>46,792</b>                             |

The notes on pages 35 to 59 form part of these financial statements.



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|                                                                 | Period end<br>31 March<br>2024<br>\$ | 15 Months<br>period 31 March<br>2023<br>\$ |
|-----------------------------------------------------------------|--------------------------------------|--------------------------------------------|
| <b>Cash Flows from Operating Activities</b>                     |                                      |                                            |
| Loss before tax                                                 | (12,052,736)                         | (540,433)                                  |
| Impairment of investment                                        | 6,535,308                            | -                                          |
| Impairment of intercompany loan balance                         | 4,408,041                            | -                                          |
| Impairment of short-term investments                            | 50,699                               | -                                          |
| Unrealised foreign exchange                                     | 25,063                               | 2,496                                      |
|                                                                 | (1,033,625)                          | (537,937)                                  |
| <b>Changes to working capital</b>                               |                                      |                                            |
| Increase in trade and other receivables                         | (1,464,730)                          | (134,753)                                  |
| Increase in trade and other payables                            | 435,807                              | 137,834                                    |
|                                                                 | (1,028,923)                          | 3,081                                      |
| <b>Net cash used in Operating Activities</b>                    | <b>(2,062,548)</b>                   | <b>(534,856)</b>                           |
| <b>Cash Flows from Investing Activities</b>                     |                                      |                                            |
| Decrease / (increase) of short-term investments                 | 31,525                               | (47,310)                                   |
| <b>Net Cash generated from / (used in) Investing Activities</b> | <b>31,525</b>                        | <b>(47,310)</b>                            |
| <b>Cash Flows from Financing Activities</b>                     |                                      |                                            |
| Proceeds from issue of ordinary shares                          | 2,252,385                            | 582,166                                    |
| Transaction costs on issue of ordinary shares                   | (221,318)                            | -                                          |
| <b>Net Cash generated from Financing Activities</b>             | <b>2,031,067</b>                     | <b>582,166</b>                             |
| <b>Net movement in Cash and Cash Equivalents</b>                | <b>44</b>                            | <b>-</b>                                   |
| Cash and cash equivalents at the beginning of the year          | -                                    | -                                          |
| Net Increase in cash and cash equivalents                       | 44                                   | -                                          |
| Effect of exchange rates on cash balances                       | (3)                                  | -                                          |
| <b>Cash and Cash Equivalents at the End of the Year</b>         | <b>41</b>                            | <b>-</b>                                   |

The notes on pages 35 to 59 form part of these financial statements.

## 1. GENERAL INFORMATION

Pennpetro Energy plc (the “Company”) is a public limited company which is listed on the London Stock Exchange in the Equity Shares (Transition) category of the Official List and incorporated and domiciled in England and Wales. Its registered office address is 6 Heddon Street, London, W1B 4BT.

The consolidated financial statements of the Company consist of the following companies (together “the Group”):

|                                |                           |
|--------------------------------|---------------------------|
| Pennpetro Energy plc           | UK registered company     |
| Pennpetro USA Corp             | US registered company     |
| Nobel Petroleum USA Inc        | US registered company     |
| Nobel Petroleum LLC            | US registered company     |
| Pennpetro Greentec Limited     | Cyprus registered company |
| Pennpetro Greentec UK Limited  | UK registered company     |
| Pennpetro Green Energy Limited | UK registered company     |

The Group is an oil and gas developer with assets in Texas, United States. The Company’s US-based subsidiaries own a portfolio of leasehold petroleum mineral interests centred on the City of Gonzales, in southeast Texas, comprising the undeveloped central portion of the Gonzales Oil Field.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1. Basis of preparation

These consolidated financial statements have been prepared and approved by the Directors in accordance with the UK adopted International Accounting Standards.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the UK adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The Directors note that the individual acting as Company Secretary and financial controller passed away in April 2024. This has resulted in a significant limitation to the accounting information and records available to the Directors for the preparation of the consolidated financial statements for the year ended 31 March 2024.

### 2.2. Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries (the “Group”).

Subsidiaries include all entities over which the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another

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**COMPANY STATEMENT OF CASH FLOWS**

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entity. Subsidiaries are consolidated from the date on which control commences until the date that control ceases. Intra-group balances and any unrealised gains and losses on income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

### **2.3. Going concern**

The Directors have prepared cashflow forecasts as part of their assessment of the going concern position of the Company and Group. The Board of Directors have considered these forecasts and have a reasonable expectation that the Company and Group has adequate resources to continue in operational existence through to 31 March 2027 as projected.

The Group has received revenue from oil sales in the year to 31 March 2024 but has ceased since the year end. Even with reducing expenditure for the following 12 months, the forecasts indicate that the Group and Parent Company, in order to meet operational objectives, and expected liabilities as they fall due, will be required to raise additional funds within the next 12 months.

The revised maturity date on the Petroquest loan note is 31 December 2024 and is currently in default. On 20 August 2025, Petroquest Energy Limited issued a Corporate Undertaking within which the majority of the Petroquest loan note would be written off and its security over assets held in Nobel Petroleum LLC be released. The balance of the loan will be converted into a 50% stake in Pennpetro USA Corp. This process has not yet been finalised as of the date of approval of these financial statements.

On 24 September 2025, the Company entered into a convertible loan note agreement to provide the Company with £250,000 for working capital requirements. Further details are set out in Note 28.

Whilst the Directors are confident in the Company's ability to raise additional funds as required, from existing and/or new investors, the current conditions do indicate the existence of a material uncertainty that may cast significant doubt regarding the applicability of the going concern assumption. The financial statements do not include adjustments that would arise in the event of the Group and Company not being able to continue as a going concern.

### **2.4 New standards, amendments and interpretations adopted by the Group and Company**

The International Accounting Standards Board has issued standards and interpretations effective for the first time for the financial period beginning 1 April 2023 for entities applying UK adopted International Accounting Standards. The Directors consider their adoption has not had any significant impact on the disclosures or on the amounts reported in these financial statements:

The Directors have considered IFRS and amendments that are in issue but not yet in effect for the accounting period. They have assessed that none of these are expected to have a significant impact on the amounts reported in future periods or to disclosures, other than IAS 1 (amended) which has been adopted in these financial statements.

This replaces the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. Accordingly, this has resulted in a reduction in disclosure within the accounting policy section in these financial statements. The amendment to IAS 1 is effective for periods beginning on or after 1 January 2023.

## 2.5 Revenue Recognition

Most of the Group's revenue is derived from the sale of physical goods to customers. The contract contains one performance obligation which is satisfied at the point of delivery. The performance obligation of goods sold are transferred according to the specific terms that have been formally agreed with the customer, generally upon delivery.

The transaction price for this revenue is the amount which can be invoiced to the customer once the performance obligations are fulfilled, reduced to reflect the provision recognised for local taxes. The Group does not routinely offer discounts or volume rebates.

For all sales of goods, revenue is recognised at a point in time, being the point at which the goods are delivered to the customer.

## 2.6 Investments in Subsidiaries

Investments in subsidiaries are accounted for at cost less impairment.

## 2.7 Foreign Currency Translation

- *Functional and presentation currency*  
Items included in each of the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the UK parent entity is pound sterling and the functional currency of the US subsidiaries is US dollars. The financial statements are presented in US Dollars, rounded to the nearest dollar, which is the Group's and Company's presentation currency.
- *Transactions and balances*  
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where such items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement Of Comprehensive Income.
- *Group companies*  
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position;
  - income and expenses for each Statement of Comprehensive Income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
  - all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the Statement of Comprehensive Income as part of the gain or loss on sale.

## **2.8 Property, Plant and Equipment**

Following evaluation of successful exploration of wells, if commercial reserves are established and the technical feasibility of extraction demonstrated, and once a project is sanctioned for commercial development, then the related capitalised exploration costs are transferred into a single field cost centre within 'producing properties' within property, plant and equipment after testing for impairment.

The net book values of 'producing properties' are depreciated on a unit of production basis at a rate calculated by reference to proven and probable reserves and incorporating the estimated future cost of developing and extracting those reserves once production has commenced.

The Petroleum (Mineral lease) expenditure to date is over land that has already had historical vertical drilled wells and has proven oil reserves. All these costs were therefore immediately capitalised within property, plant and equipment.

All costs incurred after the technical feasibility and commercial viability of producing hydrocarbons has been demonstrated, are capitalised within 'drilling costs and equipment' on a well-by-well basis. Subsequent expenditure is capitalised only where it either enhances the economic benefits of the development/producing asset or replaces part of the existing development/producing asset. Any costs remaining associated with the part replaced are expensed.

## **2.9 Intangible Assets**

- ***Development expenditure***

Expenditure on the drilling of development wells, including service, is capitalised initially within intangible fixed assets and when the well has formally commenced commercial production, then it is transferred to property, plant and equipment and is depreciated from the commencement of production as described in the accounting policy for property, plant and equipment.

- ***Drilling costs and Petroleum mineral leases***

The Group applies the successful efforts method of accounting for oil and gas assets, having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Statement of Comprehensive Income.

Exploration expenditure incurred in the process of determining exploration targets is capitalised initially within intangible assets as drilling costs. Drilling costs are initially capitalised on a well-by-well basis until the success or otherwise has been established. Drilling costs are written off on completion of a well unless the results indicate that hydrocarbon reserves exist and there is a reasonable prospect that these reserves are commercially viable. Drilling costs are subsequently transferred to 'Drilling expenditure' within property, plant and equipment and depreciated over their estimated useful economic life. All such costs are subject to regular technical, commercial and management review on at least an annual basis to confirm the continued intent to develop or otherwise extract value from the discovery. Where this is no longer the case, the costs are immediately expensed to the Statement of Comprehensive Income.

## 2.10 Impairment of Non-Financial Assets

Assets not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment at each reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## 2.11 Financial Assets

### *Classification*

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. At initial recognition, the Group measures its financial assets at amortised cost which comprise 'trade and other receivables' and 'cash and cash equivalents'.

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### *Recognition and measurement*

At initial recognition, an entity shall measure a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At initial recognition, an entity shall measure trade receivables at their transaction price if the trade receivables do not contain a significant financing component.

### *Derecognition*

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of the ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Derecognition also takes place for certain assets when the Group writes-off balances pertaining to the assets deemed to be uncollectible.

### *Impairment of financial assets*

IFRS 9 mandates the use of an expected credit loss model to calculate impairment losses rather than an incurred loss model, and therefore it is not necessary for a credit event to have occurred before credit losses are recognised. The impairment model applies to the Group's financial assets and loan commitments. The Group recognises lifetime expected credit losses ("ECL") when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to a lifetime ECL.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



## **2.12 Short Term Investments**

Short term investments are cash amounts held in bank accounts and deposits by intermediaries that have been approved by the Directors.

## **2.13 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks.

## **2.14 Trade and Other Payables**

Trade and other payables are initially measured at fair value, net of transaction costs that are directly attributable to the issue of the financial liability and are subsequently measured at amortised cost using the effective interest method if the time value of money is significant.

## **2.15 Borrowings**

Borrowings are recognised initially at fair value minus transaction costs that are directly attributable to the issue of the financial liability. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

## **2.16 Share Capital**

Ordinary shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax. Incremental costs directly attributable to the issue of equity instruments as consideration for the acquisition of a business are included in the cost of acquisition.

## **2.17 Reserves**

On 17 May 2017 Pennpetro Energy plc ("Pennpetro") acquired 100% of the issued capital of Nobel Petroleum UK Limited ("Nobel UK") in a share for share exchange with the shareholders of Nobel UK's parent company at that time, Nobel Petroleum Ireland Limited ("Nobel Ireland"). This reverse merger was accounted for as a share-based payment transaction which should be accounted for in accordance with IFRS 2. On the basis of the guidance in para 13A of IFRS 2, the reverse merger has been treated as a continuation of the Nobel Group into the Pennpetro Group. The consideration included the issue of new share capital and the issue of a convertible bond. The total consideration less the share capital in Nobel UK resulted in the creation of the reorganisation reserve.

The convertible reserve represents the principal value of a mandatory convertible note issued by Pennpetro Petroleum plc to Nobel Petroleum Ireland Limited in part consideration for the acquisition of Nobel Petroleum UK under an agreement dated 17 May 2017. The convertible loan note was issued by Pennpetro to Nobel Ireland in the Reverse merger of Nobel UK. This may be converted into 19 million ordinary shares if certain conditions are met, at a fixed subscription price of 25 pence. The loan note was partially exercised in March 2022 for issue of 5,833,333 shares.

The translation reserve represents effects of currency translation in the year.

## **2.18 Taxation**

The tax expense or credit comprises current and deferred tax. It is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill), from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit, or if it does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## **2.19 Segment Information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments and making strategic decisions. The CODM is determined to be the board of Directors.



**PENNPETRO ENERGY PLC**  
**COMPANY STATEMENT OF CASH FLOWS**

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**3. FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and cash flow and interest rate risk), credit risk and liquidity risk.

***Market risk***

The Group operates in an international market for hydrocarbons and is exposed to risk arising from variations in the demand for and price of the hydrocarbons. Oil and gas prices historically have fluctuated widely and are affected by numerous factors over which the Group has no control, including world production levels, international economic trends, exchange rate fluctuations, speculative activity and global or regional political events.

***Commodity and currency risk***

As the Group's potential earnings will be derived from the sale of oil, the Group's future revenues and cash flows will be impacted by changes in the prices and available market of this commodity. Any substantial decline in the price of oil or in transport or distribution costs may have a material adverse effect on the Group. Commodity prices fluctuate and are affected by a number of factors including current and expected future supply and demand, production cost levels in major oil producing centres, as well as macroeconomic conditions such as inflation and interest rates.

Furthermore, the capital raises of the Company are denominated in Great British Pounds whereas the Groups assets and liabilities are primarily held in United States Dollars. Consequently, material changes in the Pound Sterling exchange rate may impact the Group's ability to raise sufficient funds for operations in Texas. Exchange rates are impacted by numerous factors beyond the control of the Group, including inflation, interest rates, and general economic outlook. The Directors are confident that they have put in place a strong management team capable of dealing with the above issues as they arise.

***Credit risk***

The Group's principal financial assets are cash and cash equivalents, other receivables and short-term investments.

Credit risk represents the risk of loss the Group would incur if third party operators and counterparties fail to fulfil their credit obligations. The risk is concentrated between a relatively small group of operators given the small number of parties involved in oil and gas exploration and production activities. The Group seeks to mitigate this risk where possible by assessing the credit quality of the participants and by establishing ongoing and long-term relationships.

The initial credit risk on cash and cash equivalents and short-term investments is limited because it is the Group's policy to invest with banks that firstly offer the greatest degree of security in the view of the Group and, secondly the most competitive interest rates. The credit risk for short term investments and cash and cash equivalents is considered negligible since the counterparties are reputable banks.

Other receivables include amounts due from parties that have been involved in the Gonzales Project since its inception and continue to have an interest in the Group in their capacity as shareholders in Pennpetro or as lenders to the Group. Other receivables are therefore initially considered low credit risk.

Other receivables are considered in default if the entity or party has not settled its payment obligation by the due date set out in the underlying contracts and agreements.

A loss allowance is recognised for expected credit losses on all financial assets held at the balance sheet date. Given risk mitigation steps undertaken by the Directors, no provision has been made for losses.

The maximum exposure due to credit risk for the Group on financial assets during the year was \$336,589 (2023: \$444,315). All amounts are expected to be received in full and on time.

**PENNPETRO ENERGY PLC**  
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***Liquidity risk***

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group Finance. Group Finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs, while seeking to maintain sufficient headroom on its undrawn committed borrowing facilities (note 20) at all times, so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal Statement of Financial Position ratio targets, and, if applicable, external regulatory or legal requirements (for example, currency restrictions).

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings, based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| <b>Group</b>              | <b>Less than<br/>1 year<br/>\$</b> | <b>Between<br/>1 and 2 years<br/>\$</b> | <b>Between<br/>2 and 3 years<br/>\$</b> |
|---------------------------|------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>At 31 March 2024</b>   |                                    |                                         |                                         |
| Borrowings (undiscounted) | 4,604,181                          | -                                       | -                                       |
| Trade and other payables  | 2,129,116                          | -                                       | -                                       |
| <b>At 31 March 2023</b>   |                                    |                                         |                                         |
| Borrowings (undiscounted) | -                                  | 4,018,369                               | -                                       |
| Trade and other payables  | 966,986                            | -                                       | -                                       |

## **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

### **4.1. Use of estimates and judgements**

The preparation of Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below.

### **4.2. Critical accounting judgements**

- ***Recoverability of non-producing mineral leases and capitalised drilling costs & equipment***

Management tests annually whether non-producing mineral leases have future economic value in accordance with the accounting policies. This assessment takes into consideration the likely commerciality of the asset, the future revenues and costs pertaining and the discount rates to be applied for the purposes of deriving a recoverable value. In the event that a lease does not represent an economic drilling target and results indicate that there is no additional upside, the mineral lease and drilling costs will be impaired.

The Directors have reviewed the estimated value of the licences and have concluded that an impairment charge should be recognised. The primary term of the leases have expired but did not require renewal whilst there was production from the permitted area. Production over the permitted area stopped in April 2024 and has not yet recommenced.

In light of this information, the Directors have concluded that there is a material adjustment required to the value given that the primary term of many of the leases has expired, the production status is under review, and there is material uncertainty over the outcome of this review.

- ***Impairment of investments, and amounts due from subsidiaries***

The Directors have assessed at year end whether there is any indication that the carrying value of the Company's investment in its subsidiaries has been impaired, and whether the amounts due from its subsidiaries are not recoverable. The Directors have determined that the value of the assets owned by its subsidiaries, namely the mineral leases, the proven oil and gas reserves and Net Revenue Interests (as described in the section below "*Estimated impairment of producing properties and capitalised drilling costs & equipment*") are significantly lesser than the combined total of the Investment and receivable balances carried in the Company's books. The Directors therefore have impaired the value of the investment in the Company's books and have impaired the value of assets in the Group.

#### 4.3 Critical accounting estimates

- ***Estimated impairment of producing properties and capitalised drilling costs & equipment***

At 31 March 2024, petroleum mineral leases and capitalised drilling costs & equipment on petroleum properties have a total carrying value of \$Nil (2023: \$5,718,821), (notes 12 and 13). Management tests annually whether the assets have future economic value in accordance with the accounting policies and has previously placed reliance on the Competent Persons Report ("CPR") prepared in December 2017 for the City of Gonzales Lease Area, which is now considered to be out of date.

As detailed in section 4.2, the Whistling Straits Development Area mineral leases have expired and therefore no drilling or production can take place from this area at present. Existing development expenditure incurred thus has no value in use and so the carrying value of these properties is now \$Nil.

The Directors are investigating the potential for new lease agreements to be reached and as such, reinstate the historic value of the properties. However, there is no firm agreement as at the date of this report and as such, no reinstatement of value can yet be made.

There is currently uncertainty over the title and enforceability of leases in the City of Gonzales Lease Area, and hence the carrying value of the assets in relation to this area has been impaired in full, while the Directors establish the status.

#### 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (note 6):

|                                                    | Year ended 31 March 2024 |              | Total<br>\$    |
|----------------------------------------------------|--------------------------|--------------|----------------|
|                                                    | Oil Sales                | Other        |                |
|                                                    | \$                       | \$           |                |
| <b>Segments</b>                                    |                          |              |                |
| <b>Type of goods or service</b>                    |                          |              |                |
| Sale of Oil                                        | 486,721                  | -            | 486,721        |
| Others *                                           | -                        | 6,284        | 6,284          |
| <b>Total revenue from contracts with customers</b> | <b>486,721</b>           | <b>6,284</b> | <b>493,005</b> |

\*rent of office space

All revenue was generated from contracts with customers and recognised at a point in time, when control of the oil passed to the customer at the point of delivery. The performance obligation is satisfied upon delivery of the oil to the customer. There are no material rights of return, warranties or variable consideration affecting the transaction price for the period. The transaction price is determined gross of sales taxes, where cash is received net of such taxes. Payment terms are typically within 30 days of delivery, with no significant financing component.

## 6. SEGMENTAL INFORMATION

The Group operates in two geographical areas, the United Kingdom and the United States of America. Activities in the UK are mainly administrative in nature whilst the activities in the USA relate to exploration and production from oil and gas wells. The reports reviewed by the Board of Directors that are used to make strategic decisions are based on these geographical segments.

| Year ended 31 March 2024 |             |              |                           |             |
|--------------------------|-------------|--------------|---------------------------|-------------|
|                          | USA         | UK           | Intra-segment<br>balances | Total       |
|                          | \$          | \$           | \$                        | \$          |
| Revenue                  | 486,721     | 6,284        | -                         | 493,005     |
| Operating loss           | (3,204,844) | (12,002,239) | 6,439,191                 | (8,767,892) |
| Capital expenditure      | 1,337,392   | -            | -                         | 1,337,392   |
| Total assets             | 299,866     | 14,281       | -                         | 314,147     |
| Total liabilities        | 4,680,647   | 1,794,418    | -                         | 6,475,065   |

| 15 Month Period to 31 March 2023 |           |           |                           |           |
|----------------------------------|-----------|-----------|---------------------------|-----------|
|                                  | USA       | UK        | Intra-segment<br>balances | Total     |
|                                  | \$        | \$        | \$                        | \$        |
| Revenue                          | -         | -         | -                         | -         |
| Operating profit / (loss)        | 221,531   | (540,433) | -                         | (318,902) |
| Capital expenditure              | 100,000   | -         | -                         | 100,000   |
| Total assets                     | 6,068,526 | 3,039,542 | (2,944,932)               | 6,163,136 |
| Total liabilities                | 6,571,675 | 1,358,612 | (2,944,932)               | 4,985,355 |

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and physical location of the asset.

Reportable segments' assets are reconciled to total assets as follows:

|                                                  | 31 March 2024 | 31 March 2023 |
|--------------------------------------------------|---------------|---------------|
|                                                  | \$            | \$            |
| Segmental assets for reportable segments         | 314,147       | 6,163,136     |
| Total assets per Statement of Financial Position | 314,147       | 6,163,136     |

## 7. EXPENSES BY NATURE

| Group                                    | Year<br>ended 31<br>March 2024<br>\$ | 15 Month<br>Period ended<br>31 March 2023<br>\$ |
|------------------------------------------|--------------------------------------|-------------------------------------------------|
| Legal, professional and compliance costs | 842,948                              | 297,290                                         |
| Foreign exchange (gain) / loss           | (18,809)                             | 778                                             |
| Wages and salaries                       | 226,222                              | 181,969                                         |
| Other costs                              | 541,789                              | 76,457                                          |
| <b>Total administrative expenses</b>     | <b>1,592,150</b>                     | <b>556,494</b>                                  |
| Unknown expenditure                      | 423,563                              | -                                               |
| <b>Total other losses</b>                | <b>423,563</b>                       | <b>-</b>                                        |

The amounts charged as other losses relate to expenditure incurred in the FHF Corporate Finance Limited bank account for which underlying support could not be obtained. The Directors continue to seek underlying support for these transactions and recover costs where possible.

## 8. AUDITOR REMUNERATION

### Services provided by the Company's auditor and its associates

During the period, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor:

|                                                                                                                 | Period<br>ended 31<br>March 2024<br>\$ | 15 Month<br>Period ended<br>31 March 2023<br>\$ |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------|
| Fees payable to the Company's auditor for the audit of the parent company and consolidated financial Statements | 69,123                                 | 49,310                                          |

## 9. STAFF COSTS

| <b>Group and Company</b> |  | <b>2024</b>    | <b>2023</b>    |
|--------------------------|--|----------------|----------------|
|                          |  | <b>\$</b>      | <b>\$</b>      |
| Wages and salaries       |  | 226,222        | 146,532        |
| Social security costs    |  | -              | 35,437         |
|                          |  | <b>226,222</b> | <b>181,969</b> |

  

| <b>Directors' Emoluments</b>           |            | <b>2024</b>    | <b>2023</b>    |
|----------------------------------------|------------|----------------|----------------|
|                                        |            | <b>\$</b>      | <b>\$</b>      |
| Olof Rapp                              | Emoluments | 37,704         | 46,299         |
| Thomas Evans                           | Emoluments | 37,704         | 46,299         |
| Andy Clifford (resigned 25 March 2024) | Emoluments | -              | 53,934         |
| David Lenigas                          | Emoluments | 150,814        | -              |
|                                        |            | <b>226,222</b> | <b>146,532</b> |

The Group does not employ any full-time employees at its US subsidiaries. Instead, the Group uses specialist service providers to fulfil its well drilling and land management requirements.

The average monthly number of staff, including the Directors, during the financial year was as follows:

|           | <b>2024</b> | <b>2023</b> |
|-----------|-------------|-------------|
| Directors | 4           | 3           |

## 10. FINANCE COSTS

|                  | <b>2024</b>    | <b>2023</b>    |
|------------------|----------------|----------------|
|                  | <b>\$</b>      | <b>\$</b>      |
| Interest expense | 260,285        | 260,347        |
|                  | <b>260,285</b> | <b>260,347</b> |

## 11. INCOME TAX

The tax charge for the year is \$Nil (2023: \$Nil). Factors affecting the tax charge for the period are explained below:

|                                                                  | 2024<br>\$  | 2023<br>\$ |
|------------------------------------------------------------------|-------------|------------|
| Loss for the year before taxation                                | (8,897,048) | (318,902)  |
| UK Loss before tax multiplied by the UK tax rate 25% (2023: 19%) | (2,224,262) | (60,591)   |
| Tax effect of:                                                   |             |            |
| Fixed asset differences                                          | 1,777,112   | -          |
| Expenses not deductible for tax purposes                         | 121,205     | -          |
| Gain on loan modification                                        | -           | (94,608)   |
| Unutilised tax losses carried forward                            | 325,945     | 155,199    |
|                                                                  | -           | -          |

The Group has UK tax losses of approximately \$2,944,526 (2023: \$1,987,874) to carry forward against future profits. The Directors have not recognised a deferred tax asset on the losses to date due to the uncertainty of recovery.

The rate of UK corporation tax increased from 19% to 25% with effect from 1 April 2023.

## 12. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is based on the following loss and number of shares:

|                                                        | 2024       | 2023       |
|--------------------------------------------------------|------------|------------|
| <b>Group:</b>                                          |            |            |
| Loss attributable to equity holders of the parent (\$) | 8,897,048  | 318,902    |
| Weighted average number of shares (number)             | 98,600,728 | 82,674,357 |
| Loss per share (cents)                                 | (9.02)     | (0.39)     |

There is no difference between the basic and diluted earnings per share as the effect would be to decrease the loss per share.



### 13. PROPERTY, PLANT AND EQUIPMENT

| Group                                          | Petroleum<br>(Mineral<br>Leases)<br>\$ | Office<br>equipment<br>\$ | Total<br>\$      |
|------------------------------------------------|----------------------------------------|---------------------------|------------------|
| <b>Cost</b>                                    |                                        |                           |                  |
| <b>At 31 December 2021</b>                     | <b>1,384,931</b>                       | <b>11,699</b>             | <b>1,396,630</b> |
| Additions                                      | 100,000                                | -                         | 100,000          |
| <b>At 31 March 2023</b>                        | <b>1,484,931</b>                       | <b>11,699</b>             | <b>1,496,630</b> |
| <b>At 31 March 2024</b>                        | <b>1,484,931</b>                       | <b>11,699</b>             | <b>1,496,630</b> |
| <b>Accumulated Depreciation and Impairment</b> |                                        |                           |                  |
| <b>At 31 December 2021</b>                     | -                                      | <b>11,699</b>             | <b>11,699</b>    |
| <b>At 31 March 2023</b>                        | -                                      | <b>11,699</b>             | <b>11,699</b>    |
| Impairment                                     | 1,484,931                              | -                         | 1,484,931        |
| <b>At 31 March 2024</b>                        | <b>1,484,931</b>                       | <b>11,699</b>             | <b>1,496,630</b> |
| <b>Net Book Amount</b>                         |                                        |                           |                  |
| <b>At 31 March 2023</b>                        | <b>1,484,931</b>                       | -                         | <b>1,484,931</b> |
| <b>At 31 March 2024</b>                        | -                                      | -                         | -                |

#### Impairment review

It was identified that the primary term for the Mineral Leases had expired without renewal in the year. Whilst there is production on the land, the lease remains enforceable, regardless of whether an extension has been granted. The Mineral Leases at Whistling Straits have had their primary term expire and production ceased in April 2024. Consequently, there is uncertainty over whether the validity and enforceability of said leases.

The Mineral Leases at COG#1-H have also had their primary term expire without renewal. There has not been production at this well for a significant amount of time, resulting in more uncertainty over the validity of these leases. A Competent Person's Report ("CPR") has previously been relied upon to support the ongoing commercial viability at this well. The last CPR is now out of date and the Board are reviewing options to obtain another.

Given this uncertainty, the Directors concluded that an impairment charge of \$1,484,931 was necessary for the year ended 31 March 2024.

Further details regarding consideration of the carrying value is contained in note 4.

#### 14. INTANGIBLE ASSETS

| Group                              | Drilling costs<br>\$ | Total<br>\$      |
|------------------------------------|----------------------|------------------|
| <b>Cost</b>                        |                      |                  |
| <b>At 31 March 2023</b>            | <b>4,233,890</b>     | <b>4,233,890</b> |
| Additions                          | 1,337,392            | 1,337,392        |
| <b>At 31 March 2024</b>            | <b>5,571,282</b>     | <b>5,571,282</b> |
| <b>Amortisation and Impairment</b> |                      |                  |
| <b>At 31 December 2021</b>         | -                    | -                |
| Amortisation charge for the year   | -                    | -                |
| <b>At 31 March 2023</b>            | -                    | -                |
| Impairment                         | 5,571,282            | 5,571,282        |
| Amortisation charge for the period | -                    | -                |
| <b>At 31 March 2024</b>            | <b>5,571,282</b>     | <b>5,571,282</b> |
| <b>Net Book Amount</b>             |                      |                  |
| <b>At 31 March 2023</b>            | 4,233,890            | 4,233,890        |
| <b>At 31 March 2024</b>            | -                    | -                |

Drilling costs represents acquired exploration and evaluation assets with an undetermined useful life and are tested annually for impairment. Drilling costs are capitalised on a well-by-well basis if the results indicate the existence of a commercially viable level of reserves.

At 31 March 2024, the Company held, through its US based subsidiary entities, 100% in the leasehold petroleum interests centered on the City of Gonzales, southwest Texas.

#### Impairment review – Intangible assets

The Directors have undertaken a review to assess whether circumstances exist which could indicate the existence of impairment, considering the following indicators:

- There is uncertainty over the title and enforceability of mineral leases.
- A decision has been taken by the Board to discontinue exploration due to the absence of a commercial level of reserves.
- Sufficient data exists to indicate that the costs incurred will not be fully recovered from future development and participation.

Following their assessment, the Directors concluded that an impairment charge of \$5,571,282 is necessary. Further details regarding consideration of the carrying value is contained in note 4.

## 15. INVESTMENTS

### Investments in subsidiaries

| Company                      | 2024<br>\$       | 2023<br>\$       |
|------------------------------|------------------|------------------|
| Shares in group undertakings |                  |                  |
| At 1 January                 | <b>6,440,980</b> | <b>7,038,631</b> |
| Foreign exchange movements   | 94,328           | (597,651)        |
| Impairments                  | (6,535,308)      | -                |
| <b>At 31 March</b>           | <b>-</b>         | <b>6,440,980</b> |

The Group comprises of the following subsidiaries:

#### **Pennpetro USA Corp**

|                                     |                                               |
|-------------------------------------|-----------------------------------------------|
| Registered Office:                  | 8 The Green Ste A, Dover, Delaware 19901, USA |
| Nature of business:                 | Oil and Gas                                   |
| Class of share:                     | Ordinary shares                               |
| % of equity shares held by Company: | 100%                                          |

#### **Nobel Petroleum USA Inc.**

|                                     |                                                       |
|-------------------------------------|-------------------------------------------------------|
| Registered Office:                  | 198 West 13th Street, Wilmington, Delaware 19801, USA |
| Nature of business:                 | Oil and Gas                                           |
| Class of share:                     | Ordinary shares                                       |
| % of equity shares held by Company: | 100% via Pennpetro USA Corp                           |

#### **Nobel Petroleum LLC**

|                                     |                                                            |
|-------------------------------------|------------------------------------------------------------|
| Registered Office:                  | 3867 Plaza Tower DR Baton Rouge, Louisiana 70816-4378, USA |
| Nature of business:                 | Oil and Gas                                                |
| Class of share:                     | Ordinary shares                                            |
| % of equity shares held by Company: | 100% via Pennpetro USA Corp                                |

#### **Pennpetro Greentec UK Limited**

|                                     |                                    |
|-------------------------------------|------------------------------------|
| Registered Office:                  | 20b Wilton Row London SW1X 7NS, UK |
| Nature of business:                 | Dormant                            |
| Class of share:                     | Ordinary shares (£100)             |
| % of equity shares held by Company: | 100%                               |

#### **Pennpetro Green Energy Limited**

|                                     |                                     |
|-------------------------------------|-------------------------------------|
| Registered Office:                  | 20b Wilton Row, London SW1X 7NS, UK |
| Nature of business:                 | Dormant                             |
| Class of share:                     | Ordinary shares (£100)              |
| % of equity shares held by Company: | 100%                                |

#### **Pennpetro Greentec Limited**

|                                     |                                                                       |
|-------------------------------------|-----------------------------------------------------------------------|
| Registered Office:                  | 1 Kalymnou, Q MERITO, 4th Floor, Agios Nikolaos, 6037 Larnaca, Cyprus |
| Nature of business:                 | IP Holding                                                            |
| Class of share:                     | Ordinary shares (€1,000)                                              |
| % of equity shares held by Company: | 100%                                                                  |

Investments in Group undertakings are stated at cost, which is the fair value of the consideration paid, less any impairment provision.

## 16. TRADE AND OTHER RECEIVABLES

|                                      | <b>Group</b>   |                | <b>Company</b> |                  |
|--------------------------------------|----------------|----------------|----------------|------------------|
|                                      | <b>2024</b>    | <b>2023</b>    | <b>2024</b>    | <b>2023</b>      |
|                                      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      | <b>\$</b>        |
| Amounts owed from group undertakings | -              | -              | -              | 2,944,932        |
| Other receivables                    | 307,881        | 315,299        | 14,240         | 12,386           |
|                                      | <b>307,881</b> | <b>315,299</b> | <b>14,240</b>  | <b>2,957,318</b> |

The fair value of all receivables is the same as their carrying values stated above.

### Group

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

|                   | <b>2024</b>    | <b>2023</b>    |
|-------------------|----------------|----------------|
|                   | <b>\$</b>      | <b>\$</b>      |
| UK Pound Sterling | 14,240         | 12,386         |
| US Dollar         | 293,641        | 302,913        |
|                   | <b>307,881</b> | <b>315,299</b> |

The maximum exposure to credit risk at the reporting date is the carrying value of the trade and other receivables mentioned above. The Group does not hold any collateral as security.

The impact of a 10% favourable movement in the US Dollar to UK Pound would increase the carrying value of other receivables denominated in UK Pounds by approximately \$1,424 (2023: \$1,238). The impact of a 10% adverse movement in the US Dollar to UK Pound would reduce the carrying value of other receivables denominated in UK Pounds by approximately \$1,424 (2021: \$1,238).

### Company

The carrying amounts of the Company's trade and other receivables are denominated in UK Pound Sterling.

## 17. SHORT-TERM INVESTMENTS

|                        | Group |        | Company |        |
|------------------------|-------|--------|---------|--------|
|                        | 2024  | 2023   | 2024    | 2023   |
|                        | \$    | \$     | \$      | \$     |
| Short-term investments | -     | 82,224 | -       | 82,224 |

Historically, cash has been held in a short term investment account by FHF Corporate Finance Limited on behalf of Pennpetro. As at 31 March 2024, the balance in this account was \$50,699 (2023: \$82,224). Due to the Company not having beneficial ownership nor control of this account, the whole amount has been impaired in these financial statements.

## 18. CASH AND CASH EQUIVALENTS

|              | Group |        | Company |      |
|--------------|-------|--------|---------|------|
|              | 2024  | 2023   | 2024    | 2023 |
|              | \$    | \$     | \$      | \$   |
| Cash at bank | 6,266 | 46,792 | 41      | -    |

At 31 March 2024, the Group held cash of \$6,266 (2023: \$46,792) in banks with a Fitch credit rating of A (Stable).

## 19. SHARE CAPITAL AND PREMIUM

| Group            | Ordinary shares  |           |           | Share premium |           | Total     |
|------------------|------------------|-----------|-----------|---------------|-----------|-----------|
|                  | Number of shares | Value £   | Value \$  | Value £       | Value \$  |           |
| At 1 April 2023  | 84,499,089       | 844,991   | 1,079,101 | 5,214,819     | 6,610,719 | 7,689,820 |
| Share issue      | 15,800,000       | 158,000   | 198,538   | 1,464,428     | 1,832,529 | 2,031,067 |
| At 31 March 2024 | 100,299,089      | 1,002,991 | 1,277,639 | 6,679,247     | 8,443,248 | 9,720,887 |

On 11 April 2023 10,000,000 new ordinary shares were issued at a price of 3.14 pence per share together with transfers from existing shareholders of a further 39,526,195 existing shares at a price of 3 pence per share.

On 12 July 2023 5,800,000 new ordinary shares were issued at a price of 2 pence per share together with transfers from existing shareholders of a further 9,200,000 shares at a price of 2 pence per share.

## 20. BORROWINGS

|                            | <b>Group</b>     |                  | <b>Company</b> |             |
|----------------------------|------------------|------------------|----------------|-------------|
|                            | <b>2024</b>      | <b>2023</b>      | <b>2024</b>    | <b>2023</b> |
|                            | <b>\$</b>        | <b>\$</b>        | <b>\$</b>      | <b>\$</b>   |
| <b>Current liabilities</b> |                  |                  |                |             |
| Corporate borrowings       | <u>4,345,948</u> | <u>4,018,369</u> | <u>-</u>       | <u>-</u>    |

As at 31 March 2023, the Group had a \$5 million Loan Note arrangement with Petroquest Energy Limited, with a maturity date of 31 December 2024. At the date of signature of these financial statements, the whole amount is due for payment. On 20 August 2025, Petroquest Energy Limited issued a Corporate Undertaking within which the majority of the Petroquest loan would be written off and its security over assets held in Nobel Petroleum LLC be released. Further details regarding this agreement are included in Note 28.

The annual interest rate is set at 1% below Barclays Bank base rate. In the year to 31 March 2024, \$211,443 was charged in interest and the effective interest charge for the year to 31 March 2024 is \$48,802 as shown in finance costs (note 10). The undiscounted balance drawn against this loan note as at 31 March 2024 was \$4,604,181 (2023: \$4,018,369). The borrowing facility is secured against certain petroleum leases owned by the Group which have now expired, and the value of these leases impaired per note 12. The Directors are in discussion with Petroquest to agree mutually beneficial terms to resolve the issue. The discounted present value of the loan as at 31 March 2024 was \$4,345,948 (2023: \$3,453,767) and reflects an adjustment for effective interest calculated at 8% per annum over the remaining term of the loan.

The movement in total borrowings in the year was as follows. Borrowings are denominated partially in US dollars and partially in Pounds Sterling.

|                                           | <b>Group</b>     |                  | <b>Company</b> |             |
|-------------------------------------------|------------------|------------------|----------------|-------------|
|                                           | <b>2024</b>      | <b>2023</b>      | <b>2024</b>    | <b>2023</b> |
|                                           | <b>\$</b>        | <b>\$</b>        | <b>\$</b>      | <b>\$</b>   |
| At 1 April                                | 4,018,369        | 4,256,262        | -              | -           |
| Advance                                   | -                | -                | -              | -           |
| Interest charge                           | 211,443          | 260,347          | -              | -           |
| Net repayment                             | -                | -                | -              | -           |
| Adjustment for effective interest         | 48,802           | -                | -              | -           |
| Adjustment for historic Directors balance | 67,335           | (497,939)        | -              | -           |
| Foreign currency exchange                 | -                | (301)            | -              | -           |
| <b>At 31 March</b>                        | <b>4,345,949</b> | <b>4,018,369</b> | <b>-</b>       | <b>-</b>    |

The fair value of borrowings equals their carrying amount. Borrowings are denominated in US dollars.

The net debt position (total borrowings less cash on hand) as at 31 March 2024 is \$4,339,683 (2023: \$3,971,577). Settlement of the Petroquest Loan Note has been agreed since the year end. Further details regarding the settlement are included in Note 28.

## 20. BORROWINGS (continued)

### Group

The carrying amounts of the Group's borrowings are denominated in the following currencies:

|                   | 2024<br>\$       | 2023<br>\$       |
|-------------------|------------------|------------------|
| UK Pound Sterling | -                | -                |
| US Dollar         | 4,345,949        | 4,018,369        |
|                   | <b>4,345,949</b> | <b>4,018,369</b> |

### Company

The company does not carry any borrowings.

## 21. TRADE AND OTHER PAYABLES

|                                    | <b>Group</b>     |                | <b>Company</b>   |                  |
|------------------------------------|------------------|----------------|------------------|------------------|
|                                    | 2024<br>\$       | 2023<br>\$     | 2024<br>\$       | 2023<br>\$       |
| Trade and other payables           | 1,362,468        | 881,076        | 994,462          | 1,240,006        |
| Amounts owed to group undertakings | -                | -              | 33,308           | 32,696           |
| Facility provision <sup>(1)</sup>  | 529,508          | -              | 529,508          | -                |
| Accrued expenses                   | 237,140          | 85,910         | 237,140          | 85,910           |
| <b>At 31 March 2024</b>            | <b>2,129,116</b> | <b>966,986</b> | <b>1,794,418</b> | <b>1,358,612</b> |

- (1) The facility provision relates wholly to a balance owed to a creditor with a historic share subscription facility that the Company drew down on for operations. This balance is due within one year of 31 March 2024.

### Group

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

|                   | 2024<br>\$       | 2023<br>\$     |
|-------------------|------------------|----------------|
| UK Pound Sterling | 1,794,418        | 916,986        |
| US Dollar         | 334,698          | 50,000         |
|                   | <b>2,129,116</b> | <b>966,986</b> |

The impact of a 10% favourable movement in the US Dollar to UK Pound would increase the carrying value of trade and other payables denominated in UK Pounds by approximately \$179,442 (2023: \$91,698). The impact of a 10% adverse movement in the US Dollar to UK Pound would reduce the carrying value of trade and other payables denominated in UK Pounds by approximately \$179,442 (2023: \$91,698).

### Company

The carrying amounts of the Company's trade and other payables are denominated in UK Pound sterling. The carrying amounts of the Company's US subsidiary companies are denominated in US Dollars.

## 22. FINANCIAL INSTRUMENTS BY CATEGORY

|                                                                | <b>Group</b>     |                  | <b>Company</b>   |                  |
|----------------------------------------------------------------|------------------|------------------|------------------|------------------|
|                                                                | <b>2024</b>      | <b>2023</b>      | <b>2024</b>      | <b>2023</b>      |
|                                                                | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        | <b>\$</b>        |
| <b>Assets as per Statement of Financial Position</b>           |                  |                  |                  |                  |
| <b>Loans and receivables:</b>                                  |                  |                  |                  |                  |
| Trade and other receivables (excluding prepayments)            | 307,881          | 315,299          | 14,240           | 2,957,318        |
| Short-term investments                                         | -                | 82,224           | -                | 82,224           |
| Cash and cash equivalents                                      | 6,266            | 46,792           | 41               | -                |
|                                                                | <b>314,147</b>   | <b>444,315</b>   | <b>14,281</b>    | <b>3,039,542</b> |
| <b>Liabilities per Statement of Financial Position</b>         |                  |                  |                  |                  |
| <b>Financial liabilities at amortised cost:</b>                |                  |                  |                  |                  |
| Borrowings                                                     | 4,345,949        | 4,018,369        | -                | -                |
| Trade and other payables (excluding non-financial liabilities) | 2,129,116        | 966,986          | 1,794,418        | 1,358,612        |
|                                                                | <b>6,475,065</b> | <b>4,985,355</b> | <b>1,794,418</b> | <b>1,358,612</b> |

## 23. TREASURY POLICY

The Company and Group operate informal treasury policies which include ongoing assessments of interest rate management and borrowing policy. The Board approves all decisions on treasury policy.

The Group has financed its activities by raising funds through borrowings set out in note 20 above. There are no material differences between the book value and fair value of the financial assets.

## 24. CAPITAL MANAGEMENT POLICIES

The Group and Company set the amount of capital in proportion to its overall financing structure and manage their capital structure and make adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group considers its equity to be its capital.

The Group and Company's capital management objectives are:

- to ensure compliance with borrowing covenants;
- to ensure the Group's and Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debts. The Group will continue making interest payments in accordance with financial and non-financial loan covenants.

The Group applies itself to taking on critically analysed and early productive asset acquisitions as a forward de-risk strategy to maintain going concern issues.



## **25. CAPITAL COMMITMENTS**

As at 31 March 2024, the Group had no capital commitment for drilling and equipment costs contracted but not provided for. The agreements signed in 2023 with Horse Hill carry no capital commitments until that agreement becomes unconditional. The Group had no other capital commitments.

## **26. RELATED PARTY TRANSACTIONS**

### **Transactions with Directors**

An amount of £25,000 was previously received from Olof Rapp via Petroquest Energy Limited. This amount remains outstanding as at 31 March 2024 and is included in the total loan note owed to Petroquest Energy Limited.

An amount of £10,000 that was previously advanced to Thomas Evans remains outstanding as at 31 March 2024 (2023: £10,000). The amount is secured against shares held by him in the Company and is due for repayment within 12 months. No interest has been charged on the advance.

As at 31 March 2024, Thomas Evans was a Director of the following companies which are considered as related parties:

- FHF Securities (A'Asia) Limited – a shareholder in Pennpetro with a 0.49% shareholding in the Company.
- Nobel Petroleum LLC, which is a 100% directly owned subsidiary of Pennpetro USA Corp.
- Nobel Petroleum USA, Inc, which is a 100% owned subsidiary of Pennpetro USA Corp.
- Pennpetro USA Corp., which is a 100% owned subsidiary of Pennpetro.
- Pennpetro Greentec UK Limited, which is a 100% owned subsidiary of Pennpetro.
- Pennpetro Green Energy Limited, which is a 100% owned subsidiary of Pennpetro.
- Pennpetro Greentec Limited, which is a 100% owned subsidiary of Pennpetro.

### **Transactions with Group undertakings**

During the year ended 31 March 2023, the Company provided funds to its wholly owned subsidiary Nobel Petroleum USA of \$1,013,447 (2023: \$134,753).

After the foreign exchange losses of \$55,081 (2023: loss of \$267,965) and an impairment charge of \$3,958,379, the total amount due from the Group as at 31 March 2024 was \$Nil (2023: \$2,944,932).

All Group transactions were eliminated on consolidation.

### **Transactions with other Related Parties**

Subsequent to the date of this report, Stephen Lunn became a majority shareholder in Petroquest Energy Limited. The related party relationship did not exist during the reporting period ended 31 March 2024. This event is disclosed as a material non-adjusting subsequent event under IAS10. The balance owed to Petroquest Energy Limited \$4,345,949 as at 31 March 2024 as detailed in Note 20.

## **27. ULTIMATE CONTROLLING PARTY**

As at 31 March 2024, there was no ultimate controlling party.

## **28. EVENTS AFTER THE REPORTING PERIOD**

On 17 July 2024, the Company signed a deal Heads of Terms with Globalvision International U. LDA ("Globalvision") to purchase the entire share capital in Pennpetro's subsidiary Nobel Petroleum USA Inc ("Nobel") in exchange for a life of asset estimated at around 30 years oil sales revenues through a 12.5% Overriding Royalty Interest. This transaction has not yet completed due to unforeseen complications.

The Company also changed registered address from 20b Wilton Row, London, SW1X 7NS to 6 Heddon Street, London, W1B 4BT on this date.

On 31 July 2024, the Company raised £360,000 gross proceeds from the issue of 6,000,000 new ordinary shares at a price of 6 pence per share.

On 14 August 2024, the Company raised £300,000 gross proceeds from the issue of 5,000,000 new ordinary shares at a price of 6 pence per share.

On 5 November 2024, the Company raised £120,000 gross proceeds from the issue of 1,000,000 new ordinary shares at a price of 12 pence per share.

On 17 December 2024, Thomas Evans resigned from his position as CEO with immediate effect. The position was temporarily filled by Stephen Lunn until Robert Menzel was appointed CEO on 21 January 2025.

On 31 December 2024, the Petroquest loan note reached maturity date. On 20 August 2025, Petroquest Energy Limited issued a Corporate Undertaking within which the majority of the Petroquest loan note would be written off and its security over assets held in Nobel Petroleum LLC be released. The balance of the loan will be converted into a 50% stake in Pennpetro USA Corp. This process has not yet been finalised as of the date of approval of these financial statements.

On 24 September 2025, the Company entered into an unsecured convertible loan note agreement with RMD Holdings Ltd to provide the Company with £250,000 for working capital requirements. Interest shall be payable at 6% per annum and will accrue daily.





