

**10166359 (England and Wales)**



**PENNPETRO ENERGY PLC**

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS FOR THE YEAR ENDED**

**31 MARCH 2025**

**PENNPETRO ENERGY PLC**

Annual Report & Financial Statements  
For the year ended 31 March 2025



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**COMPANY INFORMATION**

<b>Directors</b>	<p>Olof Nils Rapp (<i>Senior Non-Executive Director</i>)  Mavriky Kalugin (<i>Chief Executive Officer</i>) (<i>appointed 16 October 2025</i>)  Richard Spinks (<i>Executive Chairman</i>) (<i>appointed 29 October 2025</i>)  Sergiy Lesyk (<i>Non-Executive Director</i>) (<i>appointed 27 January 2026</i>)</p>	
<b>Secretary</b>	MSP Corporate Services Limited	
<b>Registered Office</b>	<p>Eastcastle House,  27-28 Eastcastle Street  London, W1W 8DH</p>	
<b>Legal Advisors</b>	<p><b>UK Legal Advisers</b>  DMH Stallard LLP  6 New Street Square  New Fetter Lane, London  EC4A 3BF</p>	<p><b>US Legal Advisers</b>  Walne Law, PLLC  4900 Woodway  Houston, Texas  TX 77056</p>
		<p>Porter Hedges LLP  1000 Main Street, 36<sup>th</sup> Fl.  Houston, Texas  TX 77002</p>
<b>Corporate broker</b>	<p>Oak Securities Ltd  90 Jermyn Street  London  SW1Y 6JD</p>	
<b>Independent Auditor</b>	<p>Crowe U.K. LLP  55 Ludgate Hill  London  EC4M 7JW</p>	
<b>Registrars</b>	<p>Computershare Investor Services plc  The Pavilions  Bridgewater Road  Bristol  BS13 8AE</p>	
<b>Communications</b>	<p>Capital Market  Communications Limited  40 Strand  London  WC2N 5RW</p>	
<b>Registered Number</b>	10166359	

**PENNPETRO ENERGY PLC**  
**CHAIRMAN'S STATEMENT**

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**Chairman's Statement**

The period under review has been one of profound transition for Pennpetro Energy plc, marked by significant operational, financial and governance challenges, which since October 2025, after the period of these accounts have been dramatically improved and overhauled to support the Company's stated goal of returning to trading on the exchange by a new and experienced board. The delays in producing the audited accounts were created by legacy management clearly pursuing an agenda at odds with the successful reorganisation of and improvement of the Company's prospects, whereby the goal appeared to be one of maintaining control by a number of means, including, delaying the return of over 50% those who should have held shares with the associated voting capacity, whilst simultaneously maintaining directorships and control over access to financial and other documentation, long after their resignation and departure from the Company. This despite the clear requirement that at the point of standing down as director/s of Pennpetro Energy Plc, they should have immediately resigned directorships at all group companies and subsidiaries. Something they deliberately did not do, in my personal opinion.

These difficulties were compounded by a sustained and coordinated campaign by certain former directors and management and supported by associated shareholders and other individuals who, in particular between the departure date of the former CEO, right up until the General Meeting held on the 23/12/2025 at which time a significant improvement in this situation was noticed, sought to undermine through false narratives the Company, at every possible opportunity.

This delayed progress, bringing the Company to an operational and commercial standstill, incurring the Company in otherwise unnecessary costs and putting shareholder investments at significant risk of a total loss. Had the new directors not taken so seriously the situations created by these actions and persisted in their efforts to return the Company to good governance and worked with outside backer, RMD Group, closely and openly, this report would not have been published.

This board have constantly stated that it was critical that all shareholders who have in the past been disenfranchised be made whole in their lent share positions was a critical and necessary step to return the business to trading. These individuals tried every possible approach to maximise disruption and to thwart the Company's efforts to stabilise operations, return shares to rightful owners from historical arrangements, perform this final outstanding audit 2024/25 and ultimately, prepare the Company for its expected return to trading. Whilst in a severely weakened form the final remnants of this activity persists to this day, the board will fully end this in the near future, the Company will succeed going forward.

Following the recent changes in leadership, the Board has constantly reviewed and identified deficiencies in prior management oversight and governance, beginning at the listing date of the business on the exchange and continuing until the departure of Thomas Evans and associates in 2024. Ironically, they sought to use projection, social media, to create a false narrative that what they themselves had perpetrated somehow was created post-departure, by others.

In the most difficult stages of the turnaround of PPP, the Company was forced to consider administration on more than one occasion, had no choice but to impair certain US assets, and seek short-term funding arrangements to avoid imminent delisting and liquidation.

The departure of the former CEO of Pennpetro Energy Plc, in 2024 should have been the end of the concerns for the Company, yet if anything the subsequent obstruction in accessing key financial and banking information orchestrated by at least this individual, post-departure and likely involving certain remaining personnel at the Company connected with the US subsidiaries, materially delayed the Company's ability to restore compliance, file complete audited accounts and secure funding to take the Company forward, whilst, resulting in the continuation of the already lengthy, ongoing suspension of trading.

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The current Board, now in its third composition since this current suspension began, has worked tirelessly with auditors, legal advisers and regulators to rectify historic issues, strengthen internal controls, and rebuild corporate governance frameworks. This process has been both time-consuming and costly, particularly given the financial position at PPP that was inherited.

Nonetheless, the Company secured interim funding via, thus far, two Convertible Loan Notes from Canadian RMD Group, enabling the settlement of long-dated legacy creditor balances and providing working capital during this transition; as well as providing legal support for the Company as the new directors unravelled the complex circumstances being actively obfuscated by legacy directors and other employees and online assets, to create a situation where their past actions may not be discovered by the Company, as it would not exist to do so.

What for most companies would have been business as usual, was for PPP a significant milestone, achieved in November 2025 with the holding of the Annual General Meeting and the publication of the 2023/24 accounts prior to that.

A complete revamp of how the Company communicates with existing and potential shareholders, stakeholders and partners has followed.

The audited 2024/25 accounts presented here bring the Company up to date with its statutory reporting obligations in regard to overdue, audited, accounts filings, and ending the cycle of missed account filings, impaired accounts and audits caused by mismanagement in the past.

In conjunction with the release of the upcoming 2025/26 Interim Report, in short order from today, the Company will have been brought fully into compliance, upon publication and filing, removing the reasons for the suspension of the Company from the exchange.

From an accounting perspective, this clears the path to apply for re-admission to trading on the London Stock Exchange, which the Board intends to request immediately. There can be no guarantee that this request will be met with a positive response and immediate return to trading.

For the record, it is not the intention of this board to delay the return of the Company to trading on the exchange until after the RTO announced in Q4:2025, this is still an active situation, but will not be allowed, nor used, to delay an orderly return to trading of the Company.

The Board has prioritised governance reform, implemented strengthened compliance structures and appointed experienced professionals, including, most recently, Mr. Sergiy Lesyk as an Independent Non-Executive Director for Corporate Governance and Compliance, and Advisory with advanced discussions regarding the appointment of a quality Sponsor in anticipation, following re-admission of increased M & A activity at the Company in the coming months.

We believe these steps demonstrate a decisive shift toward robust oversight and disciplined management and that our shareholders are already feeling the benefits of the same.

A key focus for the board is a swift resolution of all issues surrounding historically lent shares. Back in 2023, Thomas Evans, the CEO responsible for creating this unacceptable situation, promised, in writing to those who he had convinced to lend shares, that the lenders of the same would have their shares returned to them within 4-6 weeks. This situation was dramatically improved by the current board when shareholders voted at the General Meeting (23/12/25) to authorise the issuance of sufficient new shares to return to their rightful owners those owed by the Company; a turnaround from 90% votes against (July '25) to 53% in favour (December '25). This will be resolved by the current board and all who should be able vote will have that opportunity, again.

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Encouraged by the wind change seen at the December 2025 General Meeting, from shareholders, the board is advancing the necessary processes to regularise outstanding matters and ensure that shares are issued where clear legal entitlement is demonstrated. Shareholders are being kept informed throughout this process.

Transparency has been returned with clear visibility now attained. The situation regarding the impaired US assets is such that the impairments cannot be justifiably lifted by the board at this time, and it is not the view of the directors that this is likely to happen in the near future, if at all.

This board prefers to focus its available funding, time and resources in the best interest of all shareholders on strong, high value and properly documented and managed assets.

While 2025 was an exceptionally challenging year, the foundations for recovery have now been firmly established. This current Board believes that the Company is well positioned to move forward with strengthened governance, renewed strategic focus, real, tangible and well due diligence assets and relationships, with the objective of returning to cash-generative operations.

Importantly, the Company has dramatically improved, and this board will continue to provide clarity, transparency and communication to and with all shareholders existing and new alike.

**Richard Spinks**  
Executive Chairman  
20 March 2026

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*Richard Spinks*  
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**PENNPETRO ENERGY PLC**  
**STRATEGIC REPORT (continued)**  
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### Strategic Report

The Directors present their strategic report on the group for the year ended 31 March 2025.

### Principal Activities

The principal activity and purpose of the Group is to focus on developing strategic traditional and transition energy projects. The Board ensures that the Company's strategy, operational activities, and governance framework are aligned with this purpose and directed toward the creation and preservation of long-term value for shareholders, while having regard to wider stakeholder interests. 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 developing strategic traditional and transition energy projects.

### Review of Business

The year under review represented a period of decisive restructuring and renewal for Pennpetro Energy Plc. Following the suspension of trading in the Company's shares, the Board prioritised restoring compliance, strengthening governance and stabilising the Company's financial position. Short term funding has been secured for the Company through a Convertible Loan Note, enabling the settlement of outstanding creditors and supporting the Company through its transition. With compliance restored, and engagement with advisers and regulators ongoing, the Company is focused on progressing its application for re-admission to trading and advancing plans to secure longer term financing and operational development to deliver sustainable shareholder value.

### Financial Performance Review

The loss of the Group for the year ended 31 March 2025 amounts to \$1,717,113 (year ended 31 March 2024: loss of \$8,897,048).

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	2025 \$	2024 \$
Net cash flows from operating activities	(814,669)	(763,259)
Cash and short-term investments	101,852	6,266

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.

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**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 Chief Executive Officer 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' Report) 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 2025, 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

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to the principal risk exposure on climate related matters on page 11. 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.

The Board has considered the resilience of the Company's strategy under difference climate-related scenarios, including a scenario consistent with limiting global warming to 2°C or below. Given the Company's current limited operational footprint, direct transition risk exposure is presently modest. However, the Board recognises that longer-term regulatory changes, carbon pricing mechanisms, and shifts in energy demand could affect the sector.

### **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, Scope 2, 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. The Group did not generate any Scope 2 emissions during the year, as it did not consume purchased energy in its operations.

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**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:

- Renegotiation of strategic transactions and liabilities
- Focus on developing strategic energy projects
- Strengthening financial governance and management

**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.

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

The Company had no employees during the year. Accordingly, the Directors did not have any matters to consider in respect of the interests of employees when performing their duties under section 172 (1) of the Companies Act 2006. The Board keeps the Company's resourcing requirements under review and will give due consideration to employee interest should staff be engaged in the future.

**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 an oil and gas production 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**

Having considered the matter set out above, the Directors are satisfied that they have fulfilled their duty under section 172 (1) of the Companies Act 2006 to act in good faith in a manner most likely to promote the success of the Company for the benefit of its members as a whole.

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**STRATEGIC REPORT (continued)**  
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**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.

***Financing and liquidity risk***

The Group is dependent on external funding to meet its working capital requirements, settle creditor balances, and progress its strategic objectives. At the reporting date, the Group has limited cash resources and remains reliant on future equity fundraisings, debt restructuring, and asset transactions. There is no certainty that additional funding will be available.

Failure to secure sufficient funding in a timely manner could result in an inability to meet liabilities as they fall due, delays to operational plans, loss of key assets, or further dilution for shareholders. The Board actively monitors short-term cash flow forecasts, engages with existing creditors regarding restructuring options, and evaluates potential funding alternatives.

If required, the Board will take appropriate mitigating actions, including deferral of discretionary expenditure, renegotiation of payment terms, and prioritisation of essential costs.

***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

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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. The Directors have concluded that the uncertainties and conditions giving rise to the impairment recognised in the year ended 31 March 2024 remain unchanged.

This report was approved by the Board on 20 March 2026 and signed on its behalf:

**Richard Spinks**  
Executive Chairman

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*Richard Spinks*  
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## PENNPETRO ENERGY PLC DIRECTORS' REPORT

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### Directors' Report

The Directors present their Annual Report and the audited Financial Statements for the year ended 31 March 2025.

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 2025 was one Executive Director, Executive Chairman and one Non-Executive Director. During the year, on 16 December 2024, Thomas Evans resigned from his position in the Company as Chief Executive Officer. Post year end, on 16 October 2025, Mavriky Kalugin was appointed as an Executive Director of the Company. On 29 October 2025, Richard Spinks was appointed as an Executive Director of the Company. Composition of the Board at the date of signing these financial statements was one Executive Director, one Executive Chairman, and two Non-Executive Directors. 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 2025		31 March 2024	
	Ordinary shares (number)	Share options (number)	Ordinary shares (number)	Share options (number)
Olof Rapp	2,500,000	-	2,500,000	-
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	-
Stephen Lunn (resigned 7 November 2025)	1,404	-	1,404	-
Robert Menzel (appointed 21 January 2025)	-	-	-	-
Mavriky Kalugin (appointed 16 October 2025)	-	-	-	-
Richard Spinks (appointed 29 October 2025)	-	-	-	-

<sup>(1)</sup> Thomas Martin Evans shares are held by FHF Securities (A'Asia) Limited. FHF assisted the

## PENNPETRO ENERGY PLC DIRECTORS' REPORT

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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.

The Directors who held office at 31 March 2025 are summarised as follows:

Name of Director	Position
Stephen Lunn	Executive Chairman (resigned 7 November 2025)
Thomas Evans	Executive Director (resigned 16 December 2024)
David Lenigas	Executive Chairman (resigned 31 October 2024)
Robert Menzel	Executive Director (appointed 21 January 2025)
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 (2024: \$Nil).

### Share capital and major shareholdings

The issued share capital of the Company as at 31 March 2025 comprised 112,299,089 Ordinary shares of 1p (2024: 100,299,089).

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 27 February 2026 the Company had been notified of the following interests in the Company's ordinary share capital:

	Number of shares	Percentage (%)
Hargreaves Lansdown (Nominees) Limited	9,899,411	8.82
Interactive Investor Services Nominees Limited	8,697,695	7.75
Hargreaves Lansdown (Nominees) Limited	7,558,903	6.73
Hargreaves Lansdown (Nominees) Limited	7,317,390	6.52
Interactive Investor Services Nominees Limited	6,891,873	6.14
Pennpetro Energy Plc	6,000,000	5.34
Barclays Direct Investing Nominees Limited	5,434,715	4.84

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**DIRECTORS' REPORT**

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HSDL Nominees Limited	4,980,290	4.43
Pershing Nominees Limited	4,639,527	4.13
HSDL Nominees Limited	3,875,662	3.45
Interactive Investor Services Nominees Limited	3,672,134	3.27

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 received minimum income from oil sales in the year to 31 March 2025, even along with reducing expenditure for the financial year 2026, 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. Another convertible loan note agreement to provide the Company with £250,000 for working capital requirements was entered into on 28 January 2026. Further details are set out in Note 29.

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.

## **PENNPETRO ENERGY PLC**

### **DIRECTORS' REPORT**

Annual Report & Financial Statements For  
the year ended 31 March 2025



## **Events after the Reporting Period**

### ***Corporate Undertaking***

Petroquest Energy Limited issued a Corporate Undertaking on 25 August 2025, 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.

### ***Heads of Terms agreement Limnytskyi Oil Field***

The Company announced that it signed a Heads of Terms Agreement to acquire a new asset in the Lymnytskyi Oil Field in conjunction with RMD Holdings Ltd.

Details of proceeds raised after the reporting period are detailed in note 29.

### **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.

### **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 20 March 2026 and signed on its behalf:

**Richard Spinks**  
Executive Chairman

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*Richard Spinks*  
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**PENNPETRO ENERGY PLC  
DIRECTORS' INFORMATION**

Annual Report & Financial Statements for  
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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).

**Richard George Spinks, Executive Chairman**

Richard, a serial entrepreneur, has 40 years' experience working across sectors including technology, fisheries, agriculture, forestry, and for the past 13 years, renewable energy and decarbonisation fuel product development. He has founded several disruptive companies in traditional industry sectors, held executive and board positions in privately held, and in both US and UK listed entities. Richard works internationally and has deep knowledge and strong connections, including in Ukraine where he has been active for over 20 years. Richard is multi-lingual and a strong communicator in multiple languages.

**Mavriky Anisimovich Kalugin, Chief Executive Officer**

Mavriky Kalugin has over 28 years of experience in the oil and gas sector and extensive global expertise in managing upstream and service companies, greenfield and brownfield development, and production optimization. He recently served as Executive Director and COO and Naftogaz Group in Ukraine. Mavriky also works as Deputy Chair for Ukrnafta JSC, and Executive Vice President for production and refining. Previously, Mavriky held senior positions for Petrofac, Cairn India, TNK-BP, ConocoPhillips, and ARCO-Alaska. He has a BSc Chemical Engineering degree from the University of Idaho and is a US citizen, from Alaska.

**Sergiy Lesyk, Non-Executive Director**

Sergiy Lesyk has over 25 years of experience in the international financial services sector, including wealth management, corporate finance, and investment banking. He is currently Director of Research and Analytics at FTSE Russell, a subsidiary of the London Stock Exchange Group. He previously served as Head of Representative Office at UBS AG, representing the largest Wealth Manager in Ukraine, and Head of Research at Millenium Capital. Sergiy is a chartered certified accounting, having started his career at Price Waterhouse in 1994, and graduating from the London School of Economics.

**PENNPETRO ENERGY PLC**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Annual Report & Financial Statements for  
the year ended 31 March 2025



**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 have 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.

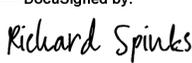
**Directors' Responsibility pursuant to DTR4**

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 Strategic Report, 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 that they face.

This statement was approved by the board on 20 March 2026 and signed on its behalf:

**Richard Spinks**  
Executive Chairman  
20 March 2026

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**PENNPETRO ENERGY PLC**  
**CORPORATE GOVERNANCE REPORT**  
 Annual Report & Financial Statements for  
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## **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 the exceptions listed below, the supporting principles and provisions set out in the Code.

The Company is small with a modest resource base. The Company has a clear mandate to optimise the allocation of limited resources to support its development plans. As such, the Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Company evolves, the Board is committed to enhancing the Company's corporate governance policies and practices deemed appropriate for the size and maturity of the Company.

### **Principle 1: Board Leadership and Company Purpose**

The Company's purpose is to focus on developing strategic traditional and transition energy projects. The Board ensures that the Company's strategy, operational objectives, and governance framework are aligned with this purpose.

The Board determines the strategic objectives of the Company and oversees their implementation with a focus on long-term value generation and preservation.

The Board reviews opportunities and risks to the future success of the Company through regular Board Meetings. The Board usually meets a minimum of four times per year but may meet more frequently on an ad-hoc basis as and when required. The Chairman is ultimately responsible for ensuring that each board decision is taken having sufficient information on and with all due discussion as is relevant to such discussion.

Culture underpins the delivery of strategy and long-term success. The Board monitors and assesses culture through

- Review of operational performance and conduct;
- Oversight of regulatory compliance;
- Consideration of stakeholder feedback; and
- Review of adherence to expected standards of behaviour.

The Board takes corrective action where behaviours or practices are not aligned with the Company's values or governance expectations.

During the year to 31 March 2025, no resolutions received 20% or more of votes cast against the Board's recommendation.

The Board has procedures in place to identify and manage conflicts of interest. The Board is aware of the other commitments and interests of its Directors and changes to these commitments and interests are report to, and, where appropriate, agreed with the rest of the Board. Declared interests are recorded in the minutes.

### **Principle 2: Division of Responsibilities**

The Group has a schedule of matters reserved for its own decision and two committees comprised of Non-Executive Directors: The Audit Committee and the Remuneration Committee, each with delegated duties and responsibilities set out in respective Terms of Reference.

**PENNPETRO ENERGY PLC**  
**CORPORATE GOVERNANCE REPORT**  
 Annual Report & Financial Statements for  
 the year ended 31 March 2025



The division of responsibilities between the Chairman and the Chief Executive Officer is clearly defined, however, they work closely together to ensure effective decision making and successful delivery of the Group's strategy.

During the year, the Board held 3 meetings. Attendance was as follows:

<b>Director</b>	<b>Meetings Attended</b>	<b>Meetings Eligible</b>
David Lenigas	1	1
Thomas Evans	2	2
Olof Rapp	3	3
Stephen Lunn	3	3
Robert Menzel	0	0

**Principle 3: Composition, Succession and Evaluation**

During the year, the Board comprised of one Executive Director, one Executive Chairman and one Non-Executive Director. All Directors are subject to annual re-election at the following Annual General Meeting.

The Board has established an Audit Committee and a Remuneration Committee, however, each currently comprises one member. The Code recommends that a small company Audit Committee and Remuneration Committee should have at least two members. Given the current size and scale of the Company's operations, the Board considers the present structure appropriate. Committee composition will be reviewed as the Company develops.

The Board has significant experience in the oil and gas sector and from that, a strong network of individuals working in the sector. The Board leads the process for Board appointments and is responsible for review of the Board size, structure, and composition (both executive and non-executive) including any potential new applicants to ensure the Board contains the right balance of skills, knowledge, and experience to manage and grow the business.

The Board does not carry out a formal annual evaluation of its performance, its committees, the Chairman, and individual Directors, which is contrary to the recommendation of Code Provision 21. However, the Chairman continuously considers the performance of the Board, its committees and of individual directors and provides feedback when appropriate.

The Board considers the time and cost involved in carrying out a formal process, especially one that is externally facilitated, cannot be justified for the Company at this stage in its development. Nonetheless, the Board acknowledges the merits in carrying out formal board evaluations and will monitor the continuing suitability of this stance as the Company grows in size.

**Principle 4: Audit, Risk and Internal Control**

The Audit Committee currently comprises one member, Olof Rapp. The Code recommends that a small company Audit Committee should have at least two members. Given the current size and scale of the Company's operations, the Board considers the present structure appropriate. Committee composition will be reviewed as the Company develops.

The Board considers both principal and emerging risks as part of its ongoing risk review process. Emerging risks are identified through:

- Regular Board discussions;
- Engagement with advisers;
- Monitoring regulatory and industry developments; and
- Assessment of operational and environmental developments.

## **PENNPETRO ENERGY PLC**

### **CORPORATE GOVERNANCE REPORT**

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Where emerging risks are identified, the Board evaluates their potential impact and likelihood and implements mitigating actions, which may include operational controls, insurance, contractual protections or strategic adjustments.

The Board is responsible for the Company's risk management and internal control systems. The Board monitors these systems on an ongoing basis and has conducted an internal review post year end.

#### **Principle 5: Remuneration**

During the year, the Remuneration Committee:

- Reviewed directors' remuneration arrangements;
- Assessed the appropriateness of directors' fees in light of the Company's size, performance, and financial position; and
- Considered market comparators where appropriate.

The Committee ensures that remuneration arrangements support the long-term success of the Company and do not encourage excessive risk-taking.

As the Company is in a transition stage, the use of traditional performance standards, such as corporate profitability, is not considered to be appropriate in the evaluation of corporate or directors' performance. Discretionary bonuses may be paid to aid staff retention and reward performance. The Board considers that the remuneration policy has operated as intended in terms of Company performance and quantum.

#### **Provisions not applied**

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 reviews audit and risk matters in accordance with adopted terms of reference which govern the matters to be reviewed and the frequency with which such matters are considered. The Board is responsible for the appointment of auditors and approval of their remuneration, monitors and reviews the integrity of the Company's financial statements, and takes 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

**PENNPETRO ENERGY PLC**  
**CORPORATE GOVERNANCE REPORT**

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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 does not comply with the provision that the Audit Committee and Remuneration Committee should comprise of at least two members.
- the Board did not carry out a review of the effectiveness of the Company's risk management and controls, however, this has been carried out after the year end.

**PENNPETRO ENERGY PLC**  
**CORPORATE GOVERNANCE REPORT (continued)**Annual Report & Financial Statements for  
the year ended 31 March 2025**The Board of Directors**

As at 31 March 2025, 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. A new Chief Executive Officer was appointed since the year end, 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.

**Richard Spinks**  
Executive Chairman  
20 March 2026

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*Richard Spinks*  
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**PENNPETRO ENERGY PLC**  
**DIRECTORS' REMUNERATION REPORT**

Annual Report & Financial Statements for  
the year ended 31 March 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 2025, 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 \$421,367 were payable to Directors who held office during the year ended 31 March 2025 (2024: \$226,222).

	Salary \$	Valuation of options \$	Taxable benefits \$	Other receipts received \$	Pension benefits \$	2025 Total \$
Olof Rapp	57,402	-	-	-	-	57,402
David Lenigas	84,263	-	-	-	-	84,263
Thomas Evans	123,840	-	-	-	3,428	127,268
Stephen Lunn	89,292	-	-	-	-	89,292
Robert Menzel	63,142	-	-	-	-	63,142
	<b>417,939</b>	-	-	-	<b>3,428</b>	<b>421,367</b>

	Salary \$	Valuation of options \$	Taxable benefits \$	Other receipts received \$	Pension benefits \$	2024 Total \$
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>

**PENNPETRO ENERGY PLC**  
**DIRECTORS' REMUNERATION REPORT (continued)**

Annual Report & Financial Statements for  
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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 2025



**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.

**Olof Rapp**  
Non-Executive Director  
20 March 2026

Signed by:  
*Olof Rapp*  
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## **PENNPETRO ENERGY PLC**

### **AUDIT COMMITTEE REPORT**

Annual Report & Financial Statements for  
the year ended 31 March 2025



## **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 2025 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.

**PENNPETRO ENERGY PLC**  
**AUDIT COMMITTEE REPORT (continued)**  
Annual Report & Financial Statements for  
the year ended 31 March 2025



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 was 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 2025 Annual General Meeting.

**Olof Rapp**  
Non-Executive Director  
20 March 2026

Signed by:  
  
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**PENNPETRO ENERGY PLC**  
**AUDIT COMMITTEE REPORT (continued)**  
 Annual Report & Financial Statements for  
 the year ended 31 March 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 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company 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 the following matters:

1. 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 was a significant loss of financial information during the year ended 31 December 2024 which the company has been unable to reinstate.

We were unable to obtain sufficient appropriate audit evidence over the following balances and transactions in the prior year, and as such do not have appropriate evidence over the opening balances to which these relate:

- 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.

2. In addition to the matters in connection with the opening balances, 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 the subsidiary companies Pennpetro USA Corp, Nobel Petroleum 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.

3. We were unable to obtain sufficient, appropriate audit evidence over the following transactions and balances in the current financial year relating to the subsidiary company Nobel Petroleum USA Inc:

- Cash at bank of \$66,382
- Supporting documentation for the sample of journal transactions selected

**PENNPETRO ENERGY PLC**  
**AUDIT COMMITTEE REPORT (continued)**

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

**Overview of our audit approach***Materiality*

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be \$50,000 which represents 3% of the loss before taxation (2024: \$250,000, based on 3% of loss before tax). Materiality for the parent company financial statements as a whole was set at \$26,000 which represents 3% of the loss before taxation (2024: \$80,000, based on 3% of loss before tax).

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. Performance materiality was set at 60% of materiality for the financial statements as a whole, which equates to \$30,000 (2024 \$150,000) and \$15,600 (2024: \$48,000) for the Parent Company.

We agreed with the Audit Committee to report to it all identified errors in excess of \$2,500 (2024: \$12,500). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

*Overview of the scope of our audit*

The Company and Group finance function is based in the United Kingdom, and audit procedures were carried out thereon from our office, with discussions with management as required and information being requested from the US where appropriate. All procedures were performed by the group audit team.

We assessed the Parent Company to be a significant component, on which we carried out a full scope audit. The subsidiary entities were assessed to comprise a second component, on which we carried out specific audit procedures.

Given the limited activity during the year, we did not consider that a visit to the Group's US locations was required.

**PENNPETRO ENERGY PLC**  
**AUDIT COMMITTEE REPORT (continued)**  
 Annual Report & Financial Statements for  
 the year ended 31 March 2025



## 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.

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### *Key audit matter*

### *How the scope of our audit addressed the key audit matter*

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#### **Adequacy of accounting records**

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. As a result, certain opening balances include amounts without adequate supporting information.

- We requested from management supporting detail to the accounting records, including breakdowns, contracts, invoices and other documentation.
  - 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.
- 

#### **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;

**PENNPETRO ENERGY PLC**  
**AUDIT COMMITTEE REPORT (continued)**  
Annual Report & Financial Statements for  
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### **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 matters 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 matters 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 seven years, covering the periods ending 31 December 2018 to 31 March 2025.

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.

**PENNPETRO ENERGY PLC**  
**AUDIT COMMITTEE REPORT (continued)**

Annual Report & Financial Statements for  
the year ended 31 March 2025



**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 'John 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: 20 March 2026

**PENNPETRO ENERGY PLC**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
Annual Report & Financial Statements for the year ended 31 March 2025



	Note	Year ended 31 March 2025 \$	Year ended 31 March 2024 \$
<b>Continuing Operations</b>			
Revenue	5	30,067	493,005
Cost of Sales		-	(5,608)
<b>Gross Profit</b>		<b>30,067</b>	<b>487,397</b>
Administrative expenses	7	(1,285,069)	(1,592,150)
Other losses	7	-	(423,563)
Impairments	14	(104,142)	(7,108,447)
<b>Operating Loss</b>		<b>(1,359,144)</b>	<b>(8,636,763)</b>
Finance costs	10	(357,969)	(260,285)
<b>Loss before Tax</b>		<b>(1,717,113)</b>	<b>(8,897,048)</b>
Income tax	11	-	-
<b>Loss for the year attributable to owners of the parent</b>		<b>(1,717,113)</b>	<b>(8,897,048)</b>
<b>Other Comprehensive Income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Currency translation differences		(107,889)	(472,718)
<b>Other Comprehensive Loss for the Year</b>		<b>(107,889)</b>	<b>(472,718)</b>
<b>Total Comprehensive Loss for the Year attributable to the owners of the parent</b>		<b>(1,825,002)</b>	<b>(9,369,766)</b>
<b>Loss per share attributable to the owners of the parent during the year</b>			
Basic (cents per share)	12	(1.59)	(9.02)
Diluted (cents per share)		(1.59)	(9.02)

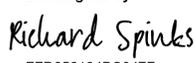
The notes on pages 41 to 65 form part of these financial statements.

**PENNPETRO ENERGY PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
Annual Report & Financial Statements for the year ended 31 March 2025



	Note	31 March 2025 \$	31 March 2024 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Trade and other receivables	16	-	307,881
Cash and cash equivalents	18	101,852	6,266
<b>Total Current Assets</b>		<b>101,852</b>	<b>314,147</b>
<b>TOTAL ASSETS</b>		<b>101,852</b>	<b>314,147</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity Attributable to Owners of Parent</b>			
Share capital	19	1,431,895	1,277,639
Share premium	19	9,255,778	8,443,248
Convertible reserve		4,172,846	4,172,846
Reorganisation reserve		(6,578,229)	(6,578,229)
Foreign exchange reserve		(354,497)	(246,608)
Retained losses		(14,946,927)	(13,229,814)
<b>Total Equity</b>		<b>(7,019,134)</b>	<b>(6,160,918)</b>
<b>Current Liabilities</b>			
Trade and other payables	21	2,403,955	2,129,116
Borrowings	20	4,717,031	4,345,949
<b>Total Current Liabilities</b>		<b>7,120,986</b>	<b>6,475,065</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>101,852</b>	<b>314,147</b>

These financial statements were approved by the Board of Directors on 20 March 2026 and signed on its behalf by:

DocuSigned by:  
  
FFD056194BC847F...  
**Richard Spinks**  
Chairman

Company registration number: 10166359

The notes on pages 41 to 65 form part of these financial statements.

**PENNPETRO ENERGY PLC**  
**COMPANY STATEMENT OF FINANCIAL POSITION**

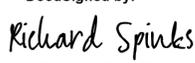
Annual Report & Financial Statements for  
the year ended 31 March 2025



	Note	31 March 2025 \$	31 March 2024 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Trade and other receivables	16	98,325	14,240
Cash and cash equivalents	18	35,122	41
<b>Total Current Assets</b>		<b>133,447</b>	<b>14,281</b>
<b>TOTAL ASSETS</b>		<b>133,447</b>	<b>14,281</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity Attributable to Shareholders</b>			
Share capital	19	1,431,895	1,277,639
Share premium	19	9,255,778	8,443,248
Convertible reserve		4,172,846	4,172,846
Foreign exchange reserve		(268,138)	(214,671)
Retained losses		(16,438,239)	(15,459,199)
<b>Total Equity</b>		<b>(1,845,858)</b>	<b>(1,780,137)</b>
<b>Current Liabilities</b>			
Trade and other payables	21	1,979,305	1,794,418
<b>Total Current Liabilities</b>		<b>1,979,305</b>	<b>1,794,418</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>133,447</b>	<b>14,281</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 \$979,040 (2024: \$12,052,736).

These financial statements were approved by the Board of Directors on 20 March 2026 and were signed on its behalf by:

DocuSigned by:  
  
FFD056194BC847F...  
**Richard Spinks**  
Executive Chairman

Company registration number: 10166359

The notes on pages 41 to 65 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 2025



Group	Share Capital	Share Premium	Convertible Reserve	Reorganization Reserve	Foreign Exchange Reserve	Retained Losses	Total Equity
	\$	\$	\$	\$	\$	\$	\$
<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>(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>(13,229,814)</b>	<b>(6,160,918)</b>
Loss for the period	-	-	-	-	-	(1,717,113)	(1,717,113)
Foreign currency translation differences	-	-	-	-	(107,889)	-	(107,889)
Total comprehensive income for the period	-	-	-	-	(107,889)	(1,717,113)	(1,825,002)
Share issue (note 19)	154,256	849,224	-	-	-	-	1,003,480
Cost of share issue (note 19)	-	(36,694)	-	-	-	-	(36,694)
<b>Balance at 31 March 2025</b>	<b>1,431,895</b>	<b>9,255,778</b>	<b>4,172,846</b>	<b>(6,578,229)</b>	<b>(354,497)</b>	<b>(14,946,927)</b>	<b>(7,019,134)</b>

The notes on pages 41 to 65 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 2025



Company	Share Capital	Share Premium	Convertible Reserve	Foreign Exchange Reserve	Retained Losses	Total Equity
	\$	\$	\$	\$	\$	\$
<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>(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>(15,459,199)</b>	<b>(1,780,137)</b>
Loss for the period	-	-	-	-	(979,040)	(979,040)
Foreign currency translation differences	-	-	-	(53,467)	-	(53,467)
Total comprehensive income for the period	-	-	-	(53,467)	(979,040)	(1,032,507)
Share issue (note 19)	154,256	849,224	-	-	-	1,003,480
Cost of share issue (note 19)	-	(36,694)	-	-	-	(36,694)
<b>Balance at 31 March 2025</b>	<b>1,431,895</b>	<b>9,255,778</b>	<b>4,172,846</b>	<b>(268,138)</b>	<b>(16,438,239)</b>	<b>(1,845,858)</b>

The notes on pages 41 to 65 form part of these financial statements.

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

Annual Report & Financial Statements for  
the year ended 31 March 2025



	Year ended 31 March 2025 \$	Year ended 31 March 2024 \$
<b>Cash Flows from Operating Activities</b>		
Loss before tax	(1,717,113)	(8,897,048)
Foreign exchange	(107,504)	(471,786)
Finance costs	357,969	260,285
Impairment charge	104,142	7,108,447
	<u>(1,362,506)</u>	<u>(2,000,102)</u>
<b>Changes to working capital</b>		
Decrease in trade and other receivables	307,881	7,418
Increase in trade and other payables	239,956	1,229,425
	<u>547,837</u>	<u>1,236,843</u>
<b>Net Cash used in Operating Activities</b>	<u><b>(814,669)</b></u>	<u><b>(763,259)</b></u>
<b>Cash Flows from Investing Activities</b>		
Purchases of property, plant and equipment	(104,142)	(1,337,392)
Decrease / (increase) of short-term investments	-	31,525
<b>Net Cash generated from / (used in) Investing Activities</b>	<u><b>(104,142)</b></u>	<u><b>(1,305,867)</b></u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issues of ordinary shares	1,003,480	2,252,385
Transaction costs on issue of ordinary shares	(36,694)	(221,318)
Proceeds from borrowings	50,000	-
Repayment of borrowings	(2,004)	-
<b>Net Cash generated from Financing Activities</b>	<u><b>1,014,782</b></u>	<u><b>2,031,067</b></u>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>95,971</b>	<b>(38,059)</b>
Cash and cash equivalents at the beginning of the period	6,266	46,792
Effect of exchange rates on cash balance	(385)	(2,467)
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>101,852</b>	<b>6,266</b>

The notes on pages 41 to 65 form part of these financial statements.

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

Annual Report & Financial Statements for  
the year ended 31 March 2025



	Period end 31 March 2025 \$	Period end 31 March 2024 \$
<b>Cash Flows from Operating Activities</b>		
Loss before tax	(979,040)	(12,052,736)
Finance costs	38,343	-
Impairment of investment	-	6,535,308
Impairment of intercompany loan balance	-	4,408,041
Impairment of short-term investments	-	50,699
Unrealised foreign exchange	(53,467)	25,063
	<u>(994,164)</u>	<u>(1,033,625)</u>
<b>Changes to working capital</b>		
Increase in trade and other receivables	(84,084)	(1,464,730)
Increase in trade and other payables	146,543	435,807
	<u>62,459</u>	<u>(1,028,923)</u>
<b>Net cash used in Operating Activities</b>	<u><b>(931,705)</b></u>	<u><b>(2,062,548)</b></u>
<b>Cash Flows from Investing Activities</b>		
Decrease of short-term investments	-	31,525
<b>Net Cash generated from / (used in) Investing Activities</b>	<u><b>-</b></u>	<u><b>31,525</b></u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of ordinary shares	1,003,480	2,252,385
Transaction costs on issue of ordinary shares	(36,694)	(221,318)
<b>Net Cash generated from Financing Activities</b>	<u><b>966,786</b></u>	<u><b>2,031,067</b></u>
<b>Net movement in Cash and Cash Equivalents</b>	<b>35,081</b>	<b>44</b>
Cash and cash equivalents at the beginning of the year	41	-
Effect of exchange rates on cash balances	-	(3)
<b>Cash and Cash Equivalents at the End of the Year</b>	<u><b>35,122</b></u>	<u><b>41</b></u>

The notes on pages 41 to 65 form part of these financial statements.

**PENNPETRO ENERGY PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

Annual Report & Financial Statements for  
the year ended 31 March 2025



## 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 centered 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 2025.

### 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

**PENNPETRO ENERGY PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

Annual Report & Financial Statements for  
the year ended 31 March 2025



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 assessed the Group's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. This assessment takes into account the Group's current financial position, expected operating costs, planned activities, and availability of funding.

Since October 2025, the Company has engaged with a number of institutional investors in connection with the proposed return of its shares to trading on the London Stock Exchange and the planned acquisition of the Limnytskyi licence in Ukraine. Feedback to date has been positive, and the directors believe that sufficient funding can be raised to meet the Group's immediate operational and working capital requirements following the resumption of trading. In addition, the Company has access to funding through a convertible loan note ("CLN") arrangement with RMD Group. In January 2025, the board approved a second tranche of £250,000 under this facility, which is subject to an agreed use of funds. Further funding may be made available under this or similar arrangements, should it be required.

RMD Group has also agreed to advance funds directly to suppliers and contractors in Ukraine to progress activities relating to the Limnytskyi licence. These costs will not impact the Group's short-term cash flows. Upon completion of the ongoing restructuring and should the Limnytskyi licence form part of the continuing Group, the related assets and activities will be transferred to the Company, together with the associated funding obligations.

Following the removal of a significant creditor from the balance sheet, the settlement of the majority of remaining creditors, and the availability of committed and potential funding to meet near-term obligations, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

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 2024 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.

**PENNPETRO ENERGY PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

Annual Report & Financial Statements for  
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## 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. There are no material rights of return, warranties, or variable consideration affecting the transaction price. The transaction price is determined gross of sales tax, where cash is received net of such taxes. Payment terms are typically within 30 days of delivery, with no significant financing component.

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.

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## **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.

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## 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 fair value plus transaction costs 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.

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**2.12 Cash and Cash Equivalents**

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

**2.13 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.

**2.14 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.

**2.15 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.

**2.16 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 foreign exchange reserve represents effects of currency translation in the year.

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**2.17 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, 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.

**2.18 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.

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### 3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including commodity and 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. Notes 16 and 21 detail the impact of adverse and favourable movements in exchange rates that may impact the Group.

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.

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The maximum exposure due to credit risk for the Group on financial assets during the year was \$391,103 (2024: \$336,589). All amounts are expected to be received in full and on time.

**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 1 year \$</b>	<b>Between 1 and 2 years \$</b>	<b>Between 2 and 3 years \$</b>
<b>At 31 March 2025</b>			
Borrowings (undiscounted)	4,717,031	-	-
Trade and other payables	2,403,955	-	-
<b>At 31 March 2024</b>			
Borrowings (undiscounted)	4,604,181	-	-
Trade and other payables	2,129,116	-	-

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#### **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 no adjustment to the previously impaired assets should be made. The primary terms 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.

- ***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. This assessment included consideration of the value of the underlying assets held by the subsidiaries, being the mineral leases, proven oil and gas reserves and Net Revenue Interests. Based on this review, the directors have concluded that the assumptions, estimates, and judgements applied in the previous accounting period remain appropriate, and accordingly there has been no change to the impairment conclusions recognised in the previous accounting period.

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**4.3 Critical accounting estimates**

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

At 31 March 2025, petroleum mineral leases and capitalised drilling costs & equipment on petroleum properties have a total carrying value of \$Nil (2024: \$Nil), (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.

**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 2025		
	Oil Sales	Other	Total
	\$	\$	\$
<b>Segments</b>			
<b>Type of goods or service</b>			
Sale of Oil	30,067	-	30,067
Others *	-	-	-
<b>Total revenue from contracts with customers</b>	<b>30,067</b>	<b>-</b>	<b>30,067</b>

	Year ended 31 March 2024		
	Oil Sales	Other	Total
	\$	\$	\$
<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

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**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.

<b>Year ended 31 March 2025</b>				
	<b>USA</b>	<b>UK</b>	<b>Intra-segment balances</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	30,067	-	-	30,067
Operating loss	(738,073)	(979,040)	-	(1,717,113)
Capital expenditure	-	-	-	-
Total assets	66,730	133,447	(98,325)	101,852
Total liabilities	5,043,356	1,979,305	98,325	7,120,986

<b>Year ended 31 March 2024</b>				
	<b>USA</b>	<b>UK</b>	<b>Intra-segment balances</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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

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:

	<b>31 March 2025</b>	<b>31 March 2024</b>
	<b>\$</b>	<b>\$</b>
Segmental assets for reportable segments	101,852	314,147
Total assets per Statement of Financial Position	101,852	314,147

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**7. EXPENSES BY NATURE**

<b>Group</b>	<b>Year ended 31 March 2025 \$</b>	<b>Year ended 31 March 2024 \$</b>
Legal, professional and compliance costs	493,793	842,948
Foreign exchange loss / (gain)	946	(18,809)
Wages and salaries	435,627	226,222
Other costs	354,703	541,789
<b>Total administrative expenses</b>	<b>1,285,069</b>	<b>1,592,150</b>
Unknown expenditure	-	423,563
<b>Total other losses</b>	<b>-</b>	<b>423,563</b>

**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:

	<b>Period ended 31 March 2025 \$</b>	<b>Period ended 31 March 2024 \$</b>
Fees payable to the Company's auditor for the audit of the parent company and consolidated financial Statements	<b>76,536</b>	<b>69,123</b>

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**9. STAFF COSTS**

<b>Group and Company</b>	<b>2025</b> \$	<b>2024</b> \$
Wages and salaries	417,939	226,222
Social security costs	14,260	-
Pension contributions	3,428	-
	<b>435,627</b>	<b>226,222</b>

**Directors' Emoluments**

		<b>2025</b> \$	<b>2024</b> \$
Olof Rapp	Emoluments	57,402	37,704
Thomas Evans	Emoluments	123,840	37,704
David Lenigas	Emoluments	84,263	150,814
Stephen Lunn	Emoluments	89,292	-
Robert Menzel	Emoluments	63,142	-
		<b>417,939</b>	<b>226,222</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>2025</b>	<b>2024</b>
Directors	3	4

**10. FINANCE COSTS**

	<b>2025</b> \$	<b>2024</b> \$
Interest expense	357,969	260,285
	<b>357,969</b>	<b>260,285</b>

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## 11. INCOME TAX

The tax charge for the year is \$Nil (2024: \$Nil). Factors affecting the tax charge for the period are explained below:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Loss for the year before taxation	(1,717,113)	(8,897,048)
UK Loss before tax multiplied by the UK tax rate 25% (2024: 25%)	(429,278)	(2,224,262)
Tax effect of:		
Fixed asset differences	-	1,777,112
Expenses not deductible for tax purposes	117,253	121,205
Difference in overseas tax rate	(2,295)	-
Movement in deferred tax not recognised	314,320	-
Unutilised tax losses carried forward	-	325,945
	-	-

The Group has UK tax losses of approximately \$3,709,687 (2024: \$2,944,526) 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.

## 12. EARNINGS PER SHARE

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

	<b>2025</b>	<b>2024</b>
<b>Group:</b>		
Loss attributable to equity holders of the parent (\$)	1,717,113	8,897,048
Weighted average number of shares (number)	107,863,473	98,600,728
Loss per share (cents)	(1.59)	(9.02)

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

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**13. PROPERTY, PLANT AND EQUIPMENT**

Group	Petroleum (Mineral Leases) \$	Office equipment \$	Total \$
<b>Cost</b>			
<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>At 31 March 2025</b>	<b>1,484,931</b>	<b>11,699</b>	<b>1,496,630</b>
<b>Accumulated Depreciation and Impairment</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>At 31 March 2025</b>	<b>1,484,931</b>	<b>11,699</b>	<b>1,496,630</b>
<b>Net Book Amount</b>			
<b>At 31 March 2024</b>	-	-	-
<b>At 31 March 2025</b>	-	-	-

**Impairment review**

This review included consideration of the status and enforceability of the Mineral Leases, including those at Whistling Straits and COG#1-H, where the primary lease terms have expired and, in certain cases, production has ceased. The Directors also considered the continued relevance of the previously obtained Competent Person's Report in supporting the commercial viability of these assets.

Based on this review, the Directors concluded that the uncertainties and conditions giving rise to the impairment recognised in the year ended 31 March 2024 remain unchanged. Accordingly, the assumptions and judgments applied in the prior year continue to be appropriate, and no additional impairment charge or reversal has been recognised in the current year.

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

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**14. INTANGIBLE ASSETS**

Group	Drilling costs \$	Total \$
<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>
Additions	104,142	104,142
<b>At 31 March 2025</b>	<b>5,675,424</b>	<b>5,675,424</b>
<b>Amortisation and Impairment</b>		
<b>At 31 March 2023</b>	-	-
Impairment	5,571,282	5,571,282
<b>At 31 March 2024</b>	<b>5,571,282</b>	<b>5,571,282</b>
Impairment	104,142	104,142
<b>At 31 March 2025</b>	<b>5,675,424</b>	<b>5,675,424</b>
<b>Net Book Amount</b>		
<b>At 31 March 2024</b>	-	-
<b>At 31 March 2025</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 2025, 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 the uncertainties and conditions giving rise to the impairment recognised in the year ended 31 March 2024 remain unchanged. Further details regarding consideration of the carrying value is contained in note 4.

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**15. INVESTMENTS**

**Investments in subsidiaries**

<b>Company</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Shares in group undertakings		
At 1 April	-	<b>6,440,980</b>
Foreign exchange movements	-	94,328
Impairments	-	(6,535,308)
<b>At 31 March</b>	<b>-</b>	<b>-</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.

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**16. TRADE AND OTHER RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amounts owed from group undertakings	-	-	98,325	-
Other receivables	-	307,881	-	14,240
	<b>-</b>	<b>307,881</b>	<b>98,325</b>	<b>14,240</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>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
UK Pound Sterling	-	14,240
US Dollar	-	293,641
	<b>-</b>	<b>307,881</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.

**Company**

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

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**17. SHORT-TERM INVESTMENTS**

	Group		Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
Short-term investments	-	-	-	-

Historically, cash has been held in a short term investment account by FHF Corporate Finance Limited on behalf of Pennpetro. As at 31 March 2025, the balance in this account was \$Nil (2024: \$50,699). Due to the Company not having beneficial ownership nor control of this account, the whole amount was impaired in the financial statements for the year ended 31 March 2024.

**18. CASH AND CASH EQUIVALENTS**

	Group		Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
Cash at bank	101,852	6,266	35,122	41

At 31 March 2025, the Group held cash of \$101,852 (2024: \$6,266) 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 \$	
<b>At 1 April 2024</b>	<b>100,299,089</b>	<b>1,002,991</b>	<b>1,277,639</b>	<b>6,679,247</b>	<b>8,443,248</b>	<b>9,720,887</b>
Share issue	12,000,000	120,000	154,256	631,200	812,530	966,786
<b>At 31 March 2025</b>	<b>112,299,089</b>	<b>1,122,991</b>	<b>1,431,895</b>	<b>7,310,447</b>	<b>9,255,778</b>	<b>10,687,673</b>

On 31 July 2024 6,000,000 new ordinary shares were issued at a price of 6 pence per share.

On 14 August 2024 5,000,000 new ordinary shares were issued at a price of 6 pence per share.

On 5 November 2024 1,000,000 new ordinary shares were issued at a price of 12 pence per share.

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**20. BORROWINGS**

	Group		Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
<b>Current liabilities</b>				
Corporate borrowings	4,717,031	4,345,948	-	-

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 29.

The annual interest rate is set at 1% below Barclays Bank base rate. In the year to 31 March 2025, \$179,980 was charged in interest and the effective interest charge for the year to 31 March 2025 is \$143,106 as shown in finance costs (note 10). The undiscounted balance drawn against this loan note as at 31 March 2025 was \$4,669,035 (2024: \$4,604,181). 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 2025 equals the undiscounted value as the maturity date of 31 December 2024 has already passed.

In addition to the above, on 15 October 2024, the Group entered into a new Loan Note with Frost Bank for \$50,000, with a maturity date of 15 October 2025. This Note is denominated in US dollars and at the reporting date, the outstanding balance was \$47,996. The interest rate on this Loan Note is the U.S. Prime Rate as quote in the Wall Street Journal U.S. Edition and is accruing daily. The Loan Note is secured against the assets of Pennpetro USA Corp.

Subsequent to the reporting date of these financial statements, on 30 June 2025, the Frost Bank Loan Note was settled in full. Upon settlement, the security previously granted was released.

The movement in total borrowings in the year was as follows. Borrowings are denominated wholly in US Dollars.

	Group		Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
At 1 April	4,345,949	4,018,369	-	-
Interest charge	179,980	211,443	-	-
Adjustment for effective interest	143,106	48,802	-	-
Adjustment for historic Directors balance	-	67,335	-	-
Drawdown of new borrowings	50,000	-		
Repayments	(2,004)	-		
<b>At 31 March</b>	<b>4,717,031</b>	<b>4,345,949</b>	<b>-</b>	<b>-</b>

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

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The net debt position (total borrowings less cash on hand) as at 31 March 2025 is \$4,615,179 (2024: \$4,339,683). Settlement of the Petroquest Loan Note has been agreed since the year end. Further details regarding the settlement are included in Note 29.

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
<b>Opening net Debt</b>	<b>4,339,683</b>	<b>3,971,577</b>
Net (increase) / decrease in cash	(95,971)	38,059
Net Proceeds of loans	47,996	-
Interest charged	323,086	260,245
Adjustment for historic Directors amount	-	67,335
Foreign exchange movements	385	2,467
<b>Closing Net Debt</b>	<b>4,615,179</b>	<b>4,339,683</b>

**Company**

The company does not carry any borrowings.

**21. TRADE AND OTHER PAYABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and other payables	1,656,641	1,362,468	1,197,848	994,462
Amounts owed to group undertakings	-	-	34,143	33,308
Facility provision <sup>(1)</sup>	387,106	529,508	387,106	529,508
Accrued expenses	360,208	237,140	360,208	237,140
<b>At 31 March 2025</b>	<b>2,403,955</b>	<b>2,129,116</b>	<b>1,979,305</b>	<b>1,794,418</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 2025.

**Group**

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

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
UK Pound Sterling	1,979,307	1,794,418
US Dollar	424,648	334,698
	<b>2,403,955</b>	<b>2,129,116</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 \$197,931 (2024: \$179,442). 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 \$197,931 (2024: \$179,442).

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**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**

	Group		Company	
	2025	2024	2025	2024
	\$	\$	\$	\$
<b>Assets as per Statement of Financial Position</b>				
<b>Loans and receivables:</b>				
Trade and other receivables (excluding prepayments)	-	307,881	98,325	14,240
Short-term investments	-	-	-	-
Cash and cash equivalents	101,852	6,266	35,122	41
	<b>101,852</b>	<b>314,147</b>	<b>133,447</b>	<b>14,281</b>
<b>Liabilities per Statement of Financial Position</b>				
<b>Financial liabilities at amortised cost:</b>				
Borrowings	4,717,031	4,345,949	-	-
Trade and other payables (excluding non-financial liabilities)	2,403,955	2,129,116	1,979,305	1,794,418
	<b>7,120,986</b>	<b>6,475,065</b>	<b>1,979,305</b>	<b>1,794,418</b>

**23. CONTINGENT LIABILITIES**

In the usual course of business, the Group may receive various claims from customers, suppliers, and other parties. The outcomes of these proceedings are inherently uncertain, and the ultimate resolution may differ from the assessments made by management.

Based on information presently available, no individual matter is expected to have a material adverse effect on the Group's financial position.

**24. 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.

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## **25. 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.

## **26. CAPITAL COMMITMENTS**

As at 31 March 2025, the Group had no capital commitment for drilling and equipment costs contracted but not provided for. The Group had no other capital commitments.

## **27. 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 2025 and is included in the total loan note owed to Petroquest Energy Limited.

As at 31 March 2025, Stephen Lunn was a Director of the following companies which are considered as related parties:

- Petroquest Energy Limited: balance of \$4,669,035 owed to Petroquest Energy Limited as at 31 March 2025 (2024: \$4,345,949). Total interest charged in the year to 31 March is \$323,086 (2024: \$260,347). Further details of these borrowings are detailed in note 20.

### **Transactions with Group undertakings**

During the year ended 31 March 2025, the Company provided funds to its wholly owned subsidiary Nobel Petroleum USA of \$46,000 (2024: \$1,013,447).

After the foreign exchange gains of \$552 (2024: loss of \$55,081), the total amount due from the Group as at 31 March 2025 was \$46,552 (2024: \$Nil).

All Group transactions were eliminated on consolidation.

## **28. ULTIMATE CONTROLLING PARTY**

As at 31 March 2025, there was no ultimate controlling party.

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**29. EVENTS AFTER THE REPORTING PERIOD**

On 30 June 2025, the Frost Bank Loan Note was settled in full. Upon settlement, the security previously granted was released.

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.

On 13 October 2025, the Company entered into a Heads of Agreement relating to a transaction over the Limnytskyi Oil and Gas Exploration License.

On 28 January 2026, the Company entered into a further secured convertible loan note agreement with RMD Holdings Ltd to provide the Company with an additional £250,000 for working capital requirements. Interest shall be payable at 12% per annum and will accrue daily.