



# Focusing on high-value growth opportunities

Europa Oil & Gas (Holdings) plc  
Annual Report and Financial Statements 2024





WHO WE ARE

# Accelerating growth with high-value assets

Europa Oil & Gas (Holdings) plc, the AIM traded West Africa, UK and Ireland focused oil and gas exploration, development and production company, announces its final results for the 12-month period ended 31 July 2024.

## What we do

Europa is building a balanced portfolio of producing, appraisal and exploration assets with minimal emissions within the net zero context

1.

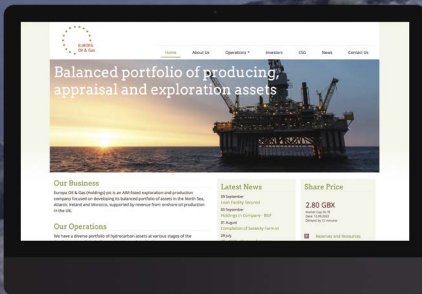
Producing assets generating significant revenues with an associated work programme that will aim to drive shareholder value over the next 18 months and provide Windfall Tax shelter

2.

Gas appraisal and development opportunities with multiple development routes

3.

Two high impact gas exploration assets near existing infrastructure (“ILX”) with farm-out processes underway on both.



To find out the most up-to-date information, visit our website: [www.europaoil.com](http://www.europaoil.com)

New port expansion in Bata, Equatorial Guinea

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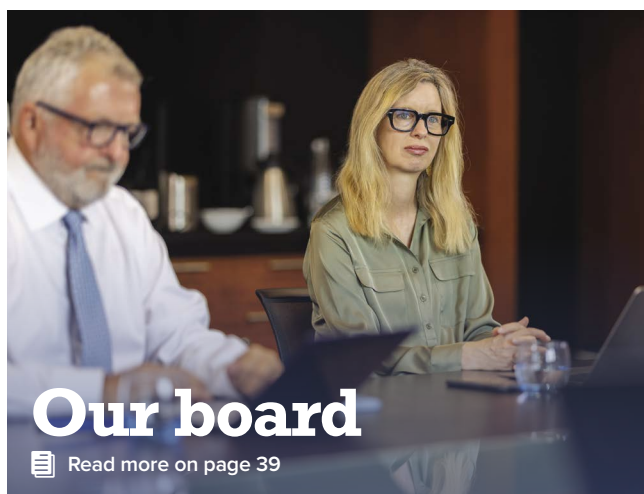
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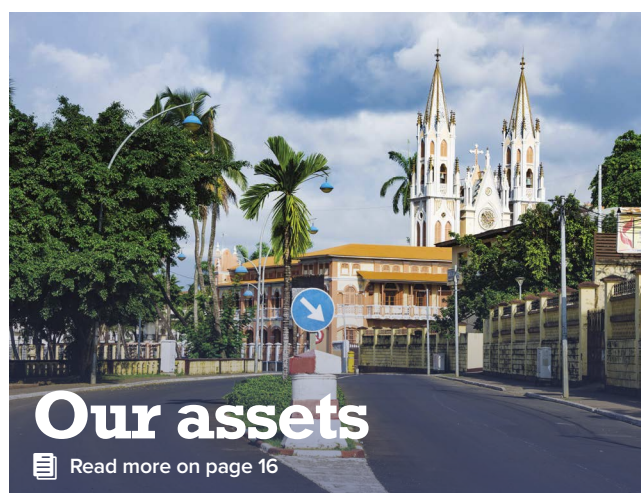
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# Our performance in 2024

Europa Oil & Gas (Holdings) plc, the AIM traded West Africa, UK and Ireland focused oil and gas exploration, development and production company, announces its final results for the 12-month period ended 31 July 2024.

## Operational highlights

Building a balanced portfolio of exploration, appraisal, and production assets

### Equatorial Guinea

Europa announced a ground-breaking deal in December 2023 with the acquisition of a 42.9% stake in Antler Global Limited (“Antler”), which has an 80% working interest in licence EG-08 offshore Equatorial Guinea. This gives rise to a joint venture arrangement

- Europa agreed a US\$3 million cash subscription for new ordinary shares in Antler, with the payments being made in four instalments and which has now completed
- EG-08 is a highly prospective licence which has three drill-ready prospects, with internally estimated Mean Prospective Resource of 1.4 tcf of gas equivalent
- Antler and our technical team have further evaluated the seismic data across the block and have identified additional prospectivity, resulting in a Mean Prospective Resource of 2.1 tcf of gas equivalent
- Antler commenced a farm-down process in Q3 this year with a view to bringing in a partner for drilling, potentially in 2025
- A discovery from only one of the three main prospects could be quickly tied back to existing gas infrastructure located 9km to the south

### Offshore Ireland

Lower risk/very high reward infrastructure-led exploration in proven gas play in the Slyne Basin

- Licence FEL 4/19 contains the Inishkea West gas exploration prospect, which has been mapped as a large four-way closure with a prospective resource Pmean of 1.5 tcf of recoverable gas
- The FEL 4/19 licence extension was granted by the Irish Government, extending the licence term to 31 January 2026
- Following the licence extension, a farm-out process has begun again with the aim of bringing in a partner to assist with the drilling of the prospect
- Inishkea West is within easy tie-back range of the Corrib gas field situated some 18 kilometres to the southeast. This proximity to the Corrib infrastructure, the mapped four-way closure, the large prospective resource and the reduced seal risk means that the Inishkea West prospect has become the primary exploration target on the FEL 4/19 licence

### Onshore UK

Net production declined 48% to 137 barrels of oil per day (“bopd”) (2023: 265 bopd) following planned downtime and increased water cut on the Wressle oilfield

- We continue to progress our Cloughton asset to determine if commercial rates can be obtained using modern completion techniques so that the 192 bcf (Pmean) potential can be monetised. Terms have been agreed for the site and work has now commenced to secure the necessary permits required to drill an appraisal well, expected to be in 2026. Given the proximity to the UK gas network and quality of the natural gas contained within the reservoir, a successful appraisal well could be quickly brought online, displacing LNG imports and reducing global emissions
- Wressle production declined throughout the period
  - Gross production averaged 357 bopd throughout the period (2023: 710 bopd), with Europa’s net share equating to 107 bopd (2023: 213 bopd)
  - A jet pump was installed on the Wressle-1 well that took three months to complete and resulted in interrupted production between mid-August through to early November 2023

- A new seismic interpretation and mapping exercise across the Wressle field has highlighted a potentially significant increase in resources from the Ashover Grit and the results of the analysis are now being incorporated into the field development plan. The intention is that two back-to-back development wells will be drilled from the existing Wressle site. Planning consent was received for the project in September, however the North Lincolnshire Council's decision to grant planning permission has subsequently been challenged in light of the Finch Supreme Court judgement which ruled that scope 3 emissions must be considered in planning applications for oil and gas developments. This is expected to result in the planning approval being rescinded. The Wressle Joint Venture is now going to submit further information that covers potential scope 3 emissions such that a future planning process could be approved. The wells will be drilled at the earliest opportunity, once the necessary consents and regulatory approvals have been received
- In addition to the two development wells, work is ongoing to monetise the associated gas being produced from Wressle by connecting to a local gas distribution network. This work is expected to be completed around the same time as the development wells and is subject to the same regulatory approvals
- The revised CPR on Wressle was completed in H2 2023 by ECRE which incorporated the new field interpretation, historical production performance data and the field development plan. The key highlights of the CPR included: 263% increase in 2P Reserves compared to 2016 CPR, reclassification of 1,883 mboe in Penistone Flags Contingent Resources to 2P Reserves, 59% upgrade to the Ashover Grit and Wingfield Flags Estimated Ultimate Recoverable and 23% upgrade to Broughton North Prospective Resources

- Total net production of 137 bopd was produced from Europa's UK onshore fields during the year with Wressle contributing roughly 78% of this and the remainder coming from the three older fields

## Offshore UK

### Serenity discovery in the North Sea

- The recent change in government in the UK and the continued uncertainty of the domestic regulatory and fiscal environment have sharply increased the possibility of future fiscal changes for the oil and gas industry, which we believe could negatively impact the economics of the Serenity project
- Given that the Serenity licence was due to expire at the end of September 2024, we have therefore taken the decision to allow the licence to lapse, which has resulted in a £4.9 million impairment of the capitalised costs associated with the project

## UK offshore licensing round

- In 2022, Europa participated in the UK Government's 33rd offshore oil and gas licensing round and in May 2024 the Company was contacted by the North Sea Transition Authority ("NSTA") who proposed a licence-sharing arrangement between Europa and another party for a new licence. After careful consideration, the Company has decided not to accept the proposed shared licence given the recent new country entry into the highly prospective EG-08 licence and the limited resources of the Company. The board believes that the risk/reward proposition for new assets in the UK is currently challenging

## Board

- Simon Oddie resigned in November 2023
- Stephen Williams resigned in November 2023
- Simon Ashby-Rudd was appointed in December 2023
- Eleanor Rowley was appointed in April 2024

## Post reporting period events

- In September 2024, we were delighted that planning approval was awarded for two new development wells on the Wressle field which we expect to drill back-to-back next year. As a result of the Finch Supreme Court ruling and a proposed legal challenge to the granting of planning permission for the next phase of the Wressle development, it is expected that the planning consent will be rescinded once the court process has concluded. The Wressle Joint Venture plans to submit further information that covers potential scope 3 emissions such that a future planning process could be approved.
- We have decided against applying to extend the Serenity licence in the North Sea following its expiry at the end of September 2024 and given the ongoing uncertainties around the oil and gas fiscal regime in the UK

## Change of accounting reference date

- We have decided to change our accounting reference date from 31 July to 31 December. This change aligns our financial reporting period with the calendar year and allows for enhanced comparability with peer companies in the oil and gas industry. It also aligns more closely with industry standard timeframes for project work programmes and budgets. As a result, our next full annual report will be for the 17-month period ending 31 December 2025. We will report interim results as at 31 December 2024 and 30 June 2025 in the intervening period.



Europa announced a highly material new country entrance during the 2023/24 financial year, with the acquisition of a 42.9% stake in Antler Global, providing us with significant near-term exposure to exploration in Equatorial Guinea through the EG-08 licence. I cannot overstate how exciting an opportunity this is for Europa and its stakeholders, given the sheer scale of the prize on offer in this highly prospective hydrocarbon province. With over 2 tcf of nearfield, infrastructure-led, low-risk, Amplitude versus Offset (“AVO”) supported prospects identified which can be quickly brought online, EG-08 is a world-class asset. We have a data room up and running and have already seen considerable interest from industry. We are targeting completion of a farm-out within the coming months and have concurrently started planning for a well to be drilled, which could spud as early as next year.

We continue to progress our Irish business throughout the year and are hoping to farmout a portion of our 100% owned licence FEL 4/19, which contains the 1.5 tcf Inishkea West near-field exploration prospect. I am pleased to report that a licence extension was granted by the Irish Government, extending the licence term from January 2024 to 31 January 2026. Last October, we announced the results of our internally generated seismic reprocessing which has materially improved the subsurface imaging of the prospect. We now have much greater confidence in the quality of the seal and trap at Inishkea West. A prospect of this size and quality simply has to be drilled in my opinion, not least because of the significant impact a successful discovery would have on Ireland’s security of energy supply for a number of years.

Since assuming operatorship of Cloughton in July 2023 we have made steady progress with the appraisal work on PEDL343, which is an onshore UK licence.

We have agreed terms for a site on which to establish a drilling pad and have initiated the planning approval process in order to drill an appraisal well on the field to test if the estimated 192 bcf (Pmean) GIIP can be produced at commercial rates. We believe that whilst the UK continues to consume gas, which is forecast to continue beyond 2050, the most responsible source is, both commercially and environmentally, domestic gas. For that reason, a development of the Cloughton gas field is fully aligned with the UK Government’s British Energy Security Strategy and Net Zero 2050 goals.

We continued to develop and produce from our core assets onshore UK, where we continue to invest in our flagship Wressle oilfield. Planning is ongoing to develop the gassy Penistone Flags reservoir with two back-to-back wells as soon as the necessary approvals have been received. We believe that these wells will boost oil production and enable the export of gas into the local network grid, thus eliminating the need for flaring.

In the year, we delivered revenue of £3.6 million, and whilst this was roughly half of the previous year’s, we invested significantly in the Wressle field with the successful installation of a jet pump. The extensive works on the jet pump and associated production facilities meant that Wressle was offline for three months which materially impacted the volume of oil that we produced. This was further exacerbated by lower oil prices during the period, resulting in the reduced revenue for the year. Nevertheless, we ended the year with a cash balance of £1.5 million in Europa accounts, £0.7 million in Antler accounts (gross) and we continue to generate cash flow from Wressle and our other onshore UK assets.

Throughout the year, we worked on various development options for the Serenity oil discovery in the Central North Sea. However, we became increasingly concerned about the political and fiscal backdrop in the UK as time progressed. We have evaluated the options for commercialisation of the asset and do not believe in the current environment it is attractive for Europa shareholders. Consequently, in September 2024 we chose not to extend the Serenity licence, which we believe is in the best interest of Europa and its shareholders.

Following the expected activity from our new-country entry into Equatorial Guinea, and progress with our onshore UK projects at Cloughton and Wressle along with our Irish acreage, I believe we are well positioned to continue to grow the Company, and I look forward to updating shareholders over the coming 12 months.

**William Holland, CEO**

## Financial performance

### Revenue (£m)

<b>£3.6m</b>	<b>2024</b>
£6.7m	2023

- Revenue declined 46% to £3.6 million, reflecting lower oil production (which included a three-month shut-in period at Wressle) and lower realised oil prices (2023: £6.7 million)

### Gross profit (£m)

<b>£0.3m</b>	<b>2024</b>
£3.4m	2023

### Pre-tax loss (£m)

<b>£6.8m</b>	<b>2024</b>
£0.9m	2023

- Pre-tax loss of £6.8 million after non-cash exploration impairment loss of £5.0 million (2023: pre-tax loss of £0.9 million after non-cash impairment loss of £1.7 million)

### Net cash (used in)/generated by operating activities (£m)

<b>(£0.6m)</b>	<b>2024</b>
£2.8m	2023

### Cash balance at 31 July 2024 (£m)

<b>£1.5m</b>	<b>2024</b>
£5.2m	2023

## AT A GLANCE

# Responsible custodians of hydrocarbons

**Europa's objective is to participate actively in the global energy transition to sustainable renewables by being a preferred partner for the supply of hydrocarbons as this transition takes place. By being a good custodian of the hydrocarbon resource and developing assets responsibly, Europa provides a valuable resource and helps minimise the total emissions associated with consuming hydrocarbons.**

It is recognised that hydrocarbons play a vital role in society and that mankind is reliant on both oil and gas and shall be for the foreseeable future. However, in order to reduce emissions as much as possible, the best sources of hydrocarbons are the ones that are produced as close to where they are consumed as possible, as this reduces the significant emissions associated with the transportation process. Gas in particular is seen as a transition fuel that will play a vital role in the global energy transition.

The UK Government recognises that delivering a low-carbon future will be achieved by protecting infrastructure already present in the UK Continental Shelf and onshore through continued activity. It also recognises the need for hydrocarbons and the strategic importance of utilising existing infrastructure to reduce our emissions and improve energy security.

Equally, Ireland is well positioned to utilise its existing gas infrastructure to minimise the total emissions associated with its energy consumption by targeting domestic exploration opportunities and prioritising these above higher emissions gas imports.

Europa has a material gas-focused portfolio with development of the gassy Penistone Flags reservoir at Wressle, high impact gas appraisal at Cloughton and material gas exploration potential at EG-08 and FEL 4/19, all of which could potentially supply the UK and European gas markets.

## Delivering for our stakeholders

Europa is committed to creating stakeholder value by building a balanced portfolio of exploration, appraisal and production assets with an emphasis on West Africa whilst continuing to develop our core UK assets and the high potential of Atlantic Ireland.

With a focus on value and prudent utilisation of cash, we will continue to evaluate and acquire quality assets, provided that these can be acquired and developed on acceptable commercial terms and within the transition context.

## Experienced team

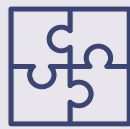
Europa is led by a highly experienced board and management team with extensive knowledge of the oil and gas sector and a proven track record of project monetisation, focused on generating substantial shareholder value.



Shareholders



Government regulators



Joint venture partners



Suppliers and advisers



Local community



📍 North Yorkshire, England



📍 Malabo, Equatorial Guinea

# A diverse portfolio of predominantly high impact gas assets from ILX to development

## Our portfolio

We have a diverse portfolio of assets from exploration and appraisal to development and production

 Read more on page 16


- **EG-08 PSC**

# 2.1 tcf Pmean

 Read more on page 20


- **Inishkea West prospect**

# 1.5 tcf Pmean

 Read more on page 16

- **Cloughton appraisal**

# 192 bcf GIIP

 Read more on page 16

Country	Area	Licence	Field/Prospect	Operator	Working interest	Status	Expiry
Equatorial Guinea	Douala Sub Basin, Gulf of Guinea	EG-08	Arrowhead, Barracuda, Cardinal	Antler <sup>1</sup>	34.32% <sup>2</sup>	Exploration	2027 <sup>3</sup>
UK	East Midlands	DL 003	West Firsby	Europa	100%	Production	2025 <sup>4</sup>
		DL 001	Crosby Warren	Europa	100%	Production	2026
		PL 199/215	Whisby W4	BPEL	65%	Production	2026
		PEDL180	Wressle	Egdon	30%	Production	2039
		PEDL182	Broughton North	Egdon	30%	Exploration	2039
		PEDL343	Cloughton	Europa	40%	Exploration	2046 <sup>5</sup>
Ireland	Slyne Basin	FEL 4/19	Inishkea, Corrib North	Europa	100%	Exploration	2034 <sup>6</sup>

1 Europa is a 42.9% shareholder in Antler and has one of the two seats on the Antler board of directors

2 Antler holds an 80% interest in EG-08, as a result Europa holds a 34.32% net interest in the licence

3 Initial two-year term expiring in October 2025 followed by two-year second term after which further extension is subject to well results and term negotiation with host government

4 Production period expiry is in December 2025 and a further extension will be applied for during 2025. Last extension was granted in 2022

5 Progression to next phase by March 2026

6 Progression to next phase by January 2026



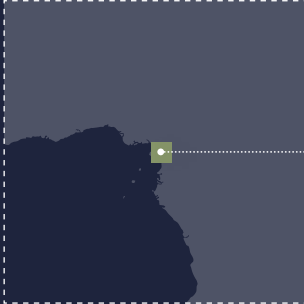
## Key

■ Production

■ Exploration

■ Appraisal

■ Development

**Equatorial Guinea EG-08**

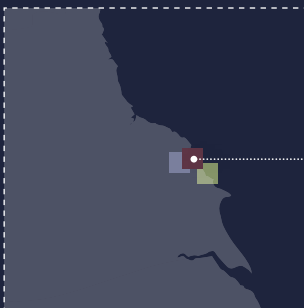
Farm-out process launched in Q3 2024

[Read more on page 20](#)

**Inishkea West prospect**

Licence extended to January 2026 and farm-out process ongoing

[Read more on page 16](#)

**Cloughton – North Yorkshire**

Terms of drilling pad have been agreed and planning application in progress for a gas appraisal well

[Read more on page 16](#)

**Wressle**

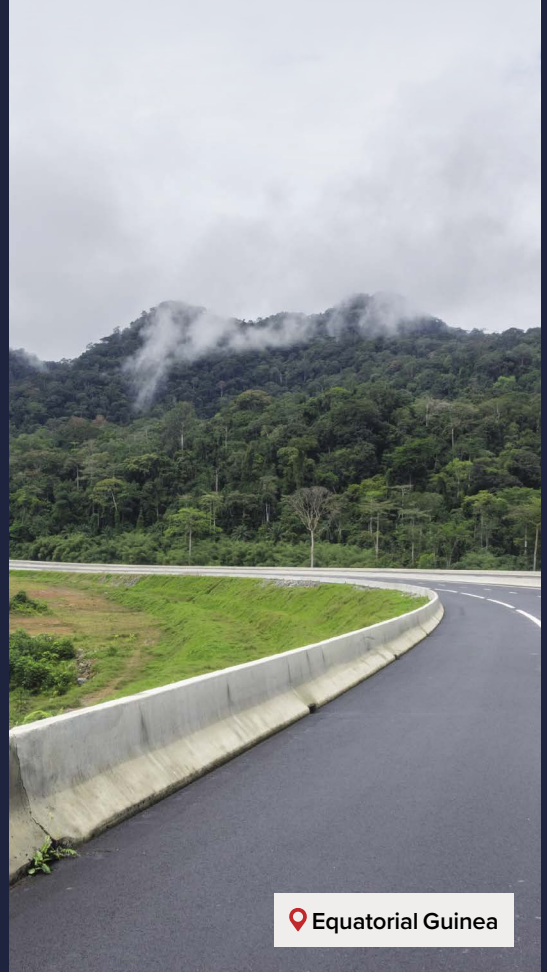
Planning approval ongoing for a two-well development programme and gas processing and grid connection

[Read more on page 17](#)

**Equatorial Guinean asset**

The interest in the EG-08 asset was acquired as a direct result of a proactive business development campaign to identify and secure a high-impact asset with near-term value-generating activity. Since acquiring the interest in December 2023 the technical team has mapped 2.1 tcf of near-field infrastructure lead exploration prospects and initiated a farm-out process. The EG-08 attributes are what the majors are looking for: materiality, great technical characteristics, gas prone, near existing infrastructure so quick to production which feeds the European gas market.

[Read more on page 20](#)



**Equatorial Guinea**

# Executing on our growth strategy and diversifying our political risk



Brian O'Cathain, Chairman

## Introduction

The 2023/2024 financial year was a busy, and at times challenging, period for Europa as we focused on progressing workstreams surrounding our new Equatorial Guinea (EG) licence whilst ensuring the Company maintains a healthy balance of producing, exploration and appraisal assets.

Against a backdrop of well-documented macroeconomic pressures and political tensions impacting UK-focused hydrocarbon businesses, we have still managed to identify a suitable location for an appraisal well at Cloughton and, alongside our partners, have ensured Wressle remains cash generative. Through our decision to turn our new ventures focus on Africa and not apply for an extension to the Serenity licence, we have further diversified our asset mix whilst reducing our exposure to some of the negative political rhetoric surrounding the UK upstream sector. We continue to focus on finding good farm-in partners for our EG and Irish assets as an important near-term priority.

## Equatorial Guinea

In the final month of 2023, we were delighted to complete the acquisition of a 42.9% stake in Antler, which has an 80% working interest in licence EG-08 offshore Equatorial Guinea in West Africa. This entry into West Africa was a prudent decision underpinned by the wealth of exploration and development project experience the Europa team and board have across the region. We consider EG-08 to be a highly prospective, low risk opportunity for the Company and have been encouraged by the Equatorial Guinean Government's robust support and regular communication since we acquired a stake in the licence.

We estimate that EG-08 has total prospective resources of 2.1 tcf and, given it contains what we consider to be drill-ready prospects consisting of three independent targets totalling 1.4 tcf (Pmean) with a 70% geological chance of success ("GCOS"), we regard EG-08 as a relatively low risk, high impact opportunity which is close to infrastructure so can be brought quickly into production, if successfully appraised.

We have now initiated the farm-in process to secure a partner capable of providing us with the financial support necessary to advance this exciting project, whilst we will continue to evaluate other opportunities that arise in this prolific hydrocarbon region which is well regulated and supportive of the upstream hydrocarbon industry.

## Offshore Ireland

Following the Irish Government's decision to extend the FEL 4/19 exploration licence until 2026, we have continued with our extensive search for a suitable farm-in partner during the period. Located off the west coast of Ireland, FEL 4/19 is ideally positioned adjacent to the Corrib gas field, which has been producing gas for domestic consumption for a number of years and has sufficient ullage to monetise a discovery on our licence. FEL 4/19 contains the large 1.5 tcf low-risk Inishkea West gas prospect where a discovery could be brought online quickly providing domestic gas with significantly lower emissions intensity than imported gas from the UK, Norway or other jurisdictions.

During the period, we also published an updated emissions report for FEL 4/19. The third-party study, which calculated the expected emissions associated with the development of a future 1 tcf indigenous gas discovery on the licence, demonstrated that our gas resource at the Inishkea West prospect has the potential to eradicate the need for higher emissions intensity gas imports from the UK for up to three years whilst helping Ireland meet its carbon emission reduction targets.

Russia's invasion of Ukraine and the geopolitical turmoil that has ensued have highlighted to governments worldwide, but particularly those in Europe, the importance of energy security. We will continue to ensure Irish politicians, councillors and all key stakeholders are well informed on our licence and the role it could play in mitigating Ireland's dependence on expensive, carbon intensive overseas imports.

## Onshore UK

At our principal producing asset Wressle, development work to enhance production rates included the installation of a jet pump during the period. This involved a three-month shutdown of the well and, as a result, Wressle's average gross production rate during the year was 357 bopd. The well continues to perform at rates above the independent Competent Person's P10 production profile, which was updated and announced in January 2024. Wressle continues to generate cash flow and, post-period end, we were pleased to announce receipt of planning consent from North Lincolnshire Council for the further development of the Wressle well site. We are disappointed that the planning permission is likely to be rescinded following a legal challenge in light of the recent Finch Supreme Court judgement which ruled that scope 3 emissions must be considered in planning applications for oil and gas developments. The Wressle Joint Venture is now going to submit further information that covers potential scope 3 emissions such that a future planning process could be approved. The works will include extending the existing site to accommodate the drilling of two new wells and construction of gas processing facilities and a 600m underground gas pipeline to connect Wressle to the local gas distribution network. This will result in zero routine flaring as the gas sales further increase revenues.

In February 2024, we announced that the NSTA had granted us a two-year extension to our PEDL343 (Cloughton) licence. The extension has enabled us to continue our ongoing work on the licence, where we estimate Cloughton to have gross gas initially in place (GIIP) volumes of 192 bcf (Pmean). The Cloughton discovery well, drilled in 1986, was looking for oil and demonstrated good quality sweet gas that flowed naturally at rates of up to 28,000 scf/day. We believe that a well could flow at rates of 6 mmscf/day using the modern completion techniques.

We have selected Burniston Mill as our location for an appraisal well at Cloughton and continue to engage with stakeholders to obtain the necessary permits and consents needed to drill the well in order to demonstrate the productivity of the field, which remains a key target for 2025.

## Offshore UK

Post-period end, we announced that we do not intend to apply to the North Sea Transition Authority for an extension to the Serenity licence, which consequently expired on 30 September 2024. As a result, the incurred costs associated with Serenity that the Company has capitalised on its balance sheet will be written off.

## Board changes

In November 2023, Simon Oddie and Stephen Williams decided to withdraw their candidacy for re-election from the resolutions at the Annual General Meeting ("AGM"). Consequently, they ceased to serve as directors of the Company after the AGM. Simon and Stephen both made a significant contribution to the development of Europa, and on behalf of the board and the Company, I would like to put on record our sincere thanks to them, and best wishes for their future endeavours.

In December 2023, the board was strengthened with the addition of Mr Simon Ashby-Rudd as independent non-executive director. Simon has extensive experience in the upstream energy sector which includes 30 years in investment banking roles at large financial institutions, including Dresdner Kleinwort Benson, Citigroup and Standard Bank, where he was Global Head of Oil & Gas. He was the founding European partner at Tristone Capital, which was a leading UK boutique M&A and equity advisory firm before it was acquired by Macquarie Bank.

Simon has significant global experience in advising energy companies on corporate strategy and capital structuring and has spent much of his career focused on Europe and Africa.

In April 2024, we further strengthened the board with the appointment of Dr Eleanor Rowley as independent non-executive director. Eleanor is an exploration geologist and a successful hydrocarbon finder who has extensive experience in the upstream energy sector, with a particular focus on African projects. Eleanor's extensive knowledge of exploration and appraisal asset evaluation has already contributed significant value to Europa, with her skillset highly complementary to the board's existing strengths.

Importantly, appointing a third independent non-executive director has enhanced the independent governance at Europa, returning the board to a majority of independent directors.

## Conclusion and outlook

By developing a well-balanced portfolio of assets across trusted oil and gas jurisdictions, we remain in a stable position to deliver solid operational progress in the coming months.

2025 will be an exciting period for Europa with activity across many of our assets that has the potential to materially drive shareholder value. Wressle remains one of the UK's leading onshore oilfields and a key cash generator for Europa, and the proposed two well development would generate important revenues for the Company.

At Cloughton, appraisal drilling to test the reservoir productivity could result in the UK's largest onshore gas field, which given its proximity to gas infrastructure, could be brought online quickly.

In addition, we have exciting near-term gas exploration opportunities at our Equatorial Guinea licence, as well as our Ireland licence, and continue to search for ideal farm-inees for both assets. Both assets are close to gas infrastructure so, like Cloughton, both can be brought online quickly following a successful well.

On behalf of the board, I would like to thank all Europa employees who have helped us mitigate the impact of macroeconomic and domestic headwinds prevalent across the period. We look forward to what should be a highly productive next 12 months for Europa with a number of key projects progressing as planned.

**Brian O'Cathain**

**Non-executive Chairman**

25 October 2024

“  
**The 2023/24 financial year was a productive period for Europa underpinned by our entry into the highly prospective EG-08 PSC.**

# Expanding our portfolio with a value driven new country entry

Europa is focused on building a high impact balanced portfolio of producing, development, appraisal and exploration assets in West Africa, the UK and Atlantic Ireland.

We continue to assess significant value accretive opportunities while ensuring that the Company minimises risk. Europa uses various financial and non-financial performance measures to monitor progress and ensure that strategic objectives are met. The key performance indicators for 2023/24 are set out in this report and comprise daily production, revenue, gross profit, and net cash generated by operating activities.

The value-focused strategy was epitomised during the last year with the acquisition of the EG-08 asset in Equatorial Guinea and assuming operatorship of Cloughton. EG-08 has multi-tcf gas potential located close to existing infrastructure which supplies the European gas market. The prospectivity of the licence is excellent as the primary structures are defined by calibrated amplitude versus offset (“AVO”) responses which result in a 70% chance of finding gas for each of the three primary prospects. The risk/reward proposition of this licence is excellent and is attracting significant interest from potential farm-in partners.

A strategic asset review of the Europa portfolio identified Cloughton as a “sleepers asset” with material upside within the portfolio. The partners agreed that Europa was best placed to appraise and develop the estimated 192 bcf GIIP potential of the onshore UK gas field, which was discovered in 1986 but not developed due to the prevailing gas market at the time. We now intend to drill an appraisal well and demonstrate that the gas can be produced commercially.

The field’s potential will then be realised by a field development which would involve connecting it to the UK gas network and selling the gas.

Over the last five years, the Company has moved away from a predominantly frontier exploration strategy with some local production paying the bills to a lower risk near-field exploration, appraisal and development strategy matching the current industry demands and with a shorter time scale from investment to production.

With gas being a clean transition fuel, opportunities to explore and develop gas fields remain attractive, especially those located near the market. This is the case for Cloughton in the UK along with the EG-08 and the FEL 4/19 assets, which are both located adjacent to existing infrastructure and which both have multi-tcf potential. The proximity to infrastructure means that the gas can be brought online quickly following successful drilling.

Smaller companies are facing challenging times for expansion. Inflation means that projects are more expensive and equity markets remain tight as some institutional investors increasingly choose not to invest in the hydrocarbon sector. As such, we carefully manage our cost base and utilise our existing cash flow. All new projects are assessed by their potential to add value whilst maintaining profitability at a time when regulation, planning delays and increased governmental taxation makes cash accumulation for capital-intensive projects more challenging. Europa continues to focus on projects where we can see that we have a competitive advantage while at the same time pursuing value-added diversification to ensure effective risk management.

The Cloughton and Wressle fields have great potential for undeveloped gas and will form the foundation for a substantial business for the immediate future.

EG-08 continues to attract significant attention from farm-in partners while FEL 4/19 remains of interest to some key potential partners and both have the potential to materially drive shareholder value.

For small E&P companies, access to finance affects the rate of growth of the Company. Therefore, all new opportunities must not only satisfy our own rigorous technical assessment but must also be able to attract the necessary investment finance to appraise and develop the asset.

## Assets

We have a diverse portfolio of hydrocarbon assets at various stages of the development cycle including exploration, appraisal and production.

## North Sea

The UK Government recognises that hydrocarbons will play a vital role in the UK beyond 2050 as the country progresses towards the stated Net Zero goals. As such, our Cloughton and Wressle assets are well placed to play a role in this process.

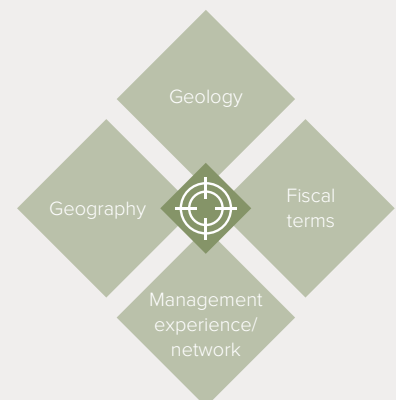
## European gas

Gas has long been seen as an important transition fuel for the European markets, and following Russia’s invasion of Ukraine and the resulting impact on gas prices, security of supply has also become an important factor. Both our Irish and EG assets provide excellent near-field infrastructure-led gas opportunities, and, following exploration success, both could quickly start providing gas into the European gas markets.

Europa recognises the myriad of opportunities that exist in the upstream sector and continues to explore new projects to further diversify its asset base and generate additional shareholder value.

## New ventures

1. **Value driven**
2. **Target the best deals for EOG**
  - Opportunity cost in both staff time (G&A) and EOG financial resources
3. **New opportunities measured against**
  - Strategic fit to EOG portfolio
  - Match to EOG core skillset
  - Materiality – significantly move EOG valuation
  - Risk – acceptable risk/reward profile
4. **Proactive approach to new ventures**
  - Leverage EOG management experience
5. **Experienced team: across multiple African jurisdictions and basins**



## INVESTMENT CASE

# Four reasons to invest

## 1

### Balanced and diverse portfolio of producing, development, high impact appraisal, and high impact exploration assets

Europa is well placed to continue its production, development, appraisal and exploration of existing onshore and offshore UK assets, alongside the Company's projects in Equatorial Guinea and Ireland. The Company is committed to continuing to build on its asset portfolio by adding further exploration and appraisal opportunities which can drive shareholder value in the near term.

## 3

### Pivotal role in the energy transition

Gas will play a key role in the energy transition and the main assets that are being progressed by the Company are either gas plays or gas-focused developments. EG-08, FEL 4/19 and Cloughton are all gas projects, and added to this the development of Wressle is targeting the gas-rich Penistone Flags reservoir horizon of the field. All projects are close to gas infrastructure so can be brought online relatively quickly and all will supply the UK or European gas market.

Governments and some environmental groups alike agree that a key step in achieving net zero goals is to increase domestic gas supply which minimises the transportation and emissions associated with importing hydrocarbons, especially now that the UK gas market is increasingly reliant on high emissions LNG.

## 2

### Near-term transformational activity

Over the next 12 months there is activity across our asset base that has the potential to drive material shareholder value. We are progressing the farm-out process with both of our infrastructure-led exploration assets in EG and Ireland where we are seeking partners to provide a full carry on near field exploration prospects. Concurrently we are progressing our onshore UK Cloughton gas appraisal asset to secure the necessary approval for drilling in 2026.

## 4

### Robust financial foundations with an experienced board providing platform to explore additional E&P opportunities

With no debt, supportive shareholders and continuing profits from production which, due to past investment, continues to be shielded from the Energy Profits Levy (Windfall Tax), Europa is in a position to further develop its existing producing assets and to target value enhancing appraisal opportunities contained in our existing asset portfolio. The board and management team at Europa have a history of successfully identifying and monetising new upstream opportunities and the Company is well placed to continue to seek and acquire further assets. Our strategic acquisition focus is on assets that can deliver material shareholder value, contribute to domestic supply and those that utilise existing infrastructure.



# Multiple near-term value accretive activities

# Gas focused asset base to support the energy transition to 2050 and beyond

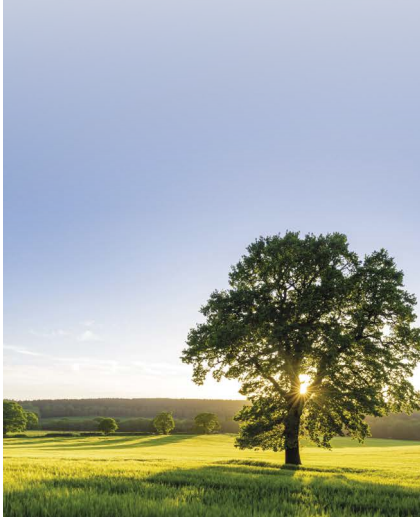
## Europa's strategy revolves around the three key pillars of ESG: Environment, Social and Governance.

Europa recently undertook a materiality assessment that helped identify the key material topics relevant to Europa's business. These topics were then aligned with relevant United Nations Sustainable Development Goals ("UN SDGs"). From this, we developed high-level goals which have been built upon this year as we further develop our strategy, as well as continue to support the UK's energy transition.



### Environment

We believe in acting as responsible custodians of the physical spaces which we occupy as a company, with the utmost respect for the environment in which we operate.



[Read more on page 14](#)



### Social

Europa commits to being fair and inclusive in all our interactions with our employees and partners, including those communities with whom we interact.

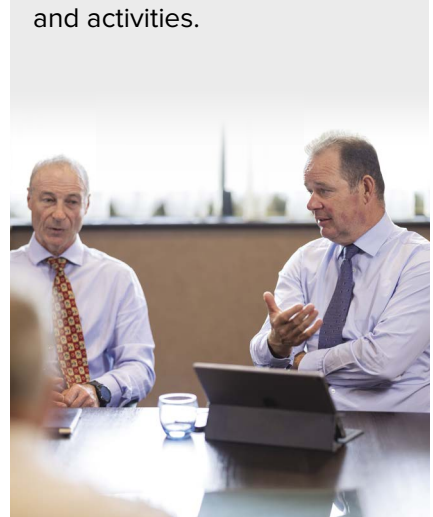


[Read more on page 15](#)



### Governance

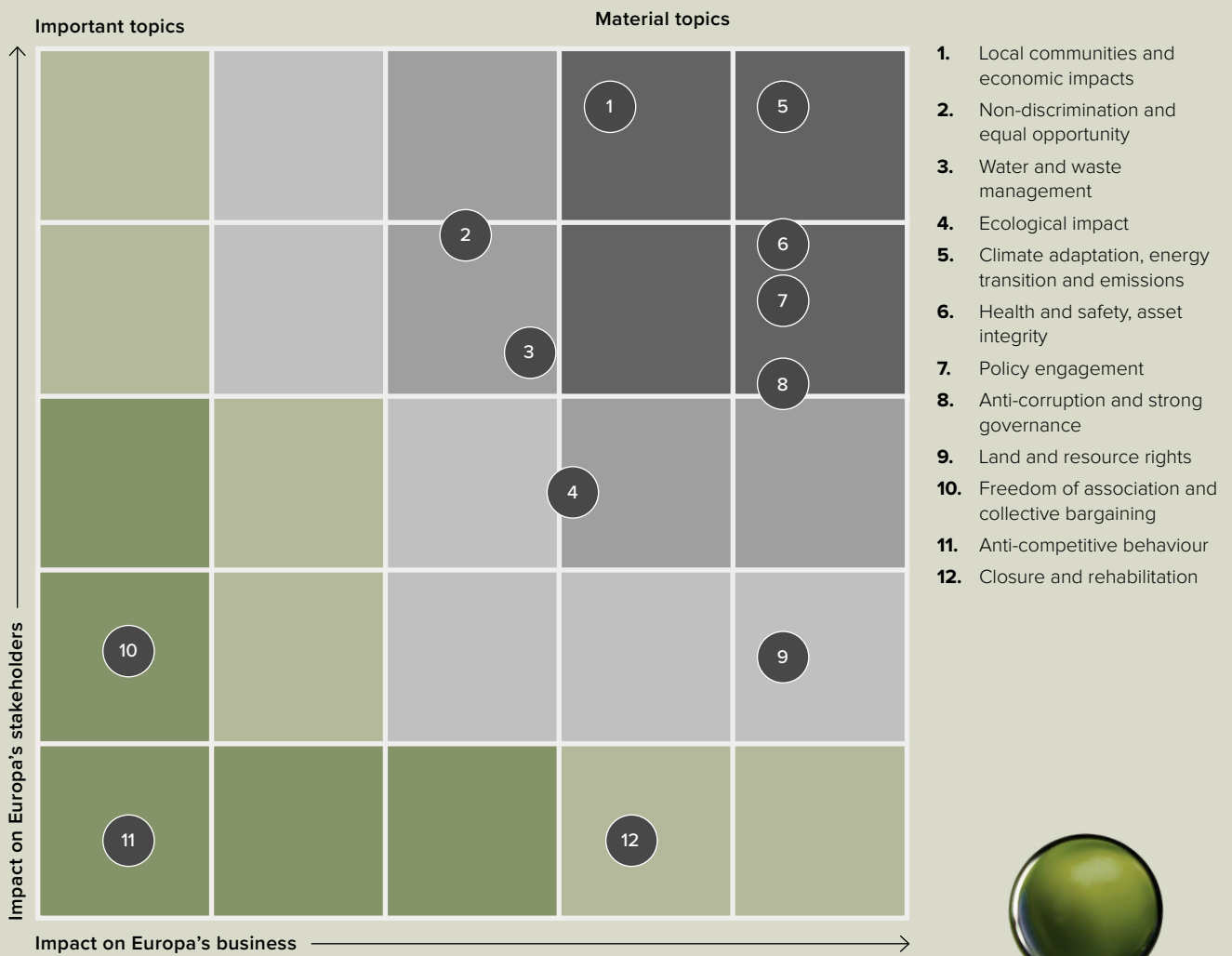
As an AIM-quoted entity Europa follows all required reporting and corporate governance guidelines. To go beyond the minimum requirements, our ESG Committee has oversight on the integration of our ESG strategy with our overall Company development and activities.



[Read more on page 30](#)

## Materiality matrix

Europa continued to reassess the materiality matrix to ensure that it still accurately represents our stakeholders and business. It was determined there were currently no changes to our material topics and that the previously conducted materiality matrix was still relevant. The materiality matrix will be periodically reassessed to ensure it remains relevant and reflective of Europa's activities.



# Transparent, responsible and accountable

## Supporting the energy transition

Europa plays an active role in providing energy security and supporting the energy transition. Through our producing and appraisal assets we provide a domestic supply of hydrocarbons.

Europa is also active in supporting the Irish Government's plans of transitioning towards a lower carbon economy. As per an independent report commissioned by the Company from a leading ESG consultancy, domestic gas which could be produced from Europa's FEL 4/19 licence is expected to have a carbon intensity of 2.5 kgCO<sub>2</sub>e/boe, considerably less than the intensity of imported gas from the UK which has an average intensity of 36 kgCO<sub>2</sub>e/boe.

A discovery at FEL 4/19 could extend the life of the Bellanaboy Gas Terminal and could have the potential to supply up to 75% of Ireland's gas needs. As Ireland currently imports roughly 80% of its natural gas supply from the UK via the Moffat Interconnector, a domestic supply from Europa's FEL 4/19 licence would have a significantly beneficial impact on the carbon intensity of Ireland's natural gas supply.

A discovery at EG-08 would be produced into the Punta Europa terminal on Bioko Island which in turn ships gas predominantly into the European gas market. Given the proximity to the existing infrastructure, which includes a gas pipeline to Punta Europa that lies across the EG-08 block, any discovery could be brought online quickly and with minimal additional infrastructure and as such minimal additional emissions.



Cliffs of Moher, Galway, Ireland



## Update from our last report

### Zero Flaring

We continue to make steady progress towards our Zero Flaring goal at Wressle and will seek to obtain planning permission to install gas processing facilities on site. This will include a 600m pipeline which is planned to be installed at the site during 2025 to allow for a connection to the local gas grid, at which point routine flaring at Wressle will be eliminated.

### Community fund

So far during 2024, the Wressle partners' community fund has awarded £41,000 to 11 local projects. Since inception the Wressle partners have awarded funding to sports clubs, schools, youth centres and youth groups, events, and theatre groups. Funds included support for sign language training, equipment for an outside gym, and modifications to allotments to make them more accessible for those with mobility issues. Through the continued support of the community fund, Europa contributes to our UN SDGs of Reduced Inequalities and Good Health and Wellbeing.

### Employee wellbeing

Europa strives to be an employer of choice and is committed to the health and wellbeing of its employees. We support flexible working arrangements wherever feasible and support all employees with access to a range of benefits and services supporting both physical and mental health.

Europa participates in the UK Government's cycle to work scheme and is proud to report that over 50% of employees in our London office cycle to work, both improving employee wellbeing and reducing emissions.

## Reporting frameworks

Last year Europa undertook a review of relevant ESG reporting frameworks and standards to determine which would be the best fit. The introduction of the International Financial Reporting Standards ("IFRS") S1 and S2 in June 2023 is testament to the fact that this area continues to develop and progress. Both the IFRS standards and the TPT framework build upon the Taskforce for Climate-related Financial Disclosures ("TCFD") framework structure and requirements. Therefore, Europa has decided to voluntarily start working towards reporting to the TCFD to put itself in good stead for reporting to the IFRS or TPT if required to do so in the future.

To aid this, a data audit has been carried out of the Company's currently collected data to determine what is already being recorded and what additional data collection processes need to be put in place to allow them to report to the TCFD. Europa has adopted a new data collection approach, set up to identify how and what we are required to report. It is expected that this data collection and the quality of the information will be improved over time, allowing steady progress that will be reflected in Europa's annual reporting. Data collected will be aligned with the Global Reporting Initiative ("GRI") Universal and Oil and Gas Sector Standards (2021 version) to enable future reporting in reference to the GRI.

## GHG reporting

Europa has elected to work towards developing a full GHG inventory to allow the Company to identify the biggest sources of emissions and plan any reduction or mitigation projects that can be undertaken. This process started in 2023 with an investigation of how the Company could create a GHG inventory aligned with the GHG Protocol and ISO 14064-1 standard and will be ongoing as Europa works to establish all data collection processes to enable a comprehensive inventory.

## What is TCFD?

The TCFD framework is designed to identify climate-related risks and opportunities to aid companies' and investors' understanding of the financial implications of transitioning to a lower-carbon economy and the changes in physical risks associated with climate change. The TCFD disclosures are structured around the four pillars of Governance, Strategy, Risk Management, and Metrics & Targets with 11 recommended disclosures. Scenario analysis is recommended as part of the TCFD process to identify the range of risks and opportunities a company may face across different climate scenarios.

## Metrics and targets

To build on the high level ESG strategy set out in last year's report, Europa has begun developing performance metrics by which the Company can transparently measure current performance across the material topics, goals, and selected UN SDGs. These metrics have been aligned with the three pillars of Environment, Social and Governance to ensure that they span across all Europa's activities. Setting this up will allow Europa to develop a clearer measure of our current performance and the work required to reach our goals. During 2024/25 the Company will be developing targets in line with our goals and metrics to enable these to be tracked and to improve performance over time.

# Our assets

## Infrastructure-led exploration – Equatorial Guinea

In December 2023, the Company acquired a 42.9% equity interest in Antler Global Limited (“Antler”), which holds an 80% working interest in the highly prospective EG-08 production sharing contract (“PSC”), offshore Equatorial Guinea, with Guinea Ecuatorialde Petroleos (“GEPetrol”), the national oil company, holding the remaining 20%. This adds an additional geographical location to the Company’s existing portfolio of assets, and one which the board believes has enormous near-term, infrastructure-led, near-field exploration potential.

Since acquiring the interest, Europa has evaluated the seismic data across the block and identified three primary prospects with a Mean Prospective Resource (“Pmean”) of 1.4 tcf (internal estimate) and a further six prospects that result in a total Pmean of 2.1 tcf. With the completion of this stage of technical work, we have started a process to secure a farm-in partner to accelerate drilling an exploration well which will target one horizon in the primary Barracuda prospect, with an estimated GCOS of 70%. Future wells will target the significant additional upside in Barracuda and throughout the licence. It is hoped that a farm-in partner can be secured by early 2025.

## Infrastructure-led exploration – offshore Ireland

Located offshore Ireland on the west coast, Europa’s FEL 4/19 licence is a strategic asset containing the large, low risk Inishkea West gas prospect which is estimated to contain 1.5 tcf of recoverable gas. We have continued to search for a suitable partner to farm-in to this licence, and have been awarded an extension to the licence by the Irish Government through to 31 January 2026. FEL 4/19 is adjacent to the Corrib gas field which has been producing one of the lowest carbon intensive gases in Europe since 2015.

This prospect has the potential to facilitate the energy transition and mitigate Ireland’s dependence on energy imports, particularly vital amid the current energy security crisis facing Europe, as described in the Government of Ireland’s Energy Security in Ireland to 2030 report. The Company’s recent third-party emissions report found that the projected production from Inishkea West has the potential to almost eliminate the need for gas imports from the UK to Ireland in 2030 through to the end of 2032 (based on SEAI demand predictions) and therefore dramatically reduce associated emissions.

## UK appraisal – Cloughton

In July 2023, Europa assumed operatorship for PEDL343 (Cloughton) where it holds a 40% working interest. Cloughton was discovered in 1986 and drilled by Bow Valley, where the discovery well encountered gas throughout the Carboniferous section. The discovery well at PEDL 343 (Cloughton) flowed good quality sweet gas (with over 98% methane and ethane content) at rates of up to 28,000 scf/day on natural flow, and the Company believes that a well could flow at 6 mmscf/day using the modern completion techniques. The discovery well encountered 60 metres of Carboniferous net sandstone reservoir with high gas saturations. Europa has subsequently completed an internal review of the gross Cloughton gas in place volumes which has resulted in a Pmean Gas Initially In Place (“GIIP”) estimate of 192 bcf demonstrating the material volume of gas in place that has already been discovered.

Cloughton is a gas appraisal opportunity with the critical technical challenge being to obtain commercial flowrates from future production testing operations. Burniston Mill has been identified as a potential location for an appraisal well pad, and Europa is in the process of submitting its planning application to North Yorkshire Council, the local planning authority. Following the granted permissions and successful testing operations, the field would be developed by connection to the nearby gas grid.



The proposed drilling activities at Burniston include a proppant squeeze, a conventional low volume production enhancing operation. Domestically produced gas generates employment, local and national tax revenues and has a lower carbon footprint than the imported gas upon which the UK is becoming increasingly reliant. As such, development of Cloughton is fully aligned with the UK Government's British Energy Security Strategy and Net Zero 2050 goals.

The NSTA granted a two-year extension to the Cloughton licence in February 2024, allowing Europa to continue its ongoing work to commercialisation. Post-year end in September 2024, the Company held a Questions & Answer session for the local community in Cloughton and Burniston to address any local concerns and to communicate the Company's focus to minimise any disruption for local people or environmental disturbance.

Europa held a 25% working interest in the Serenity oil discovery, a development opportunity that we farmed into in April 2022. Post-period end in September 2024, the Company announced its decision to not apply to the NSTA for an extension to the Serenity licence, which expired on 30 September 2024.

## UK development – Wressle

During the period, Wressle averaged 357 bopd gross (107 bopd net to Europa). Wressle continues to be one of the most productive onshore UK oilfields, despite a three-month shutdown period required to source and install a jet pump for an artificial lift on the Wressle-1 well. Wressle operations remain cash generative.

A seismic interpretation and mapping exercise that took place this year across the Wressle field has highlighted a potentially significant increase in resources from the Ashover Grit and the results of the analysis have been incorporated into the field development plan, which predominantly looks to develop the Penistone Flags reservoir of the field. The intention is that two back-to-back development wells will be drilled from the existing Wressle site.

In addition to the two development wells, work is ongoing to develop the associated gas being produced from Wressle by connecting to the local gas distribution network, just 600m from the wellsite. This work is expected to be completed around the same time as the development wells and is subject to the same regulatory approvals. Post-year end in September 2024, planning consent was received from North Lincolnshire Council for the further development of the Wressle well site. As a result of the Finch Supreme Court ruling and a proposed legal challenge to the granting of planning permission for the next phase of the Wressle development, it is expected that the planning consent will be rescinded once the court process has concluded. The Wressle Joint Venture plans to submit further information that covers potential scope 3 emissions such that a future planning process could be approved. The works will include extending the existing site to accommodate the drilling of two new wells and construction of gas processing facilities and an underground gas pipeline to connect Wressle to the local gas distribution network.



**Our exploration, appraisal and development assets are gas focused and infrastructure-led thereby reducing the investment cycle by accelerating cash flows, all within the energy transition context.**



Wressle, England

# Global energy markets in the year ahead

## An overview of the key factors that have an impact on the energy market



### Governance

The Company operates in well-regulated jurisdictions that govern the operational activities undertaken by Europa. In addition, these governing bodies issue licences, permits and determine the fiscal environment. The regulatory bodies in both the UK, EG and Ireland have experienced staff and well-defined statutes. The UK Exchequer has a record of changing the fiscal environment in line with oil prices where it increases and decreases the tax burden on oil and gas companies as oil and gas prices fluctuate. These frequent changes in the UK's regulatory and fiscal environment expose the Company to additional uncertainties relating to our UK assets.

#### What is the impact?

It is difficult to model the economic outcome for shareholders when there is significant instability in the UK fiscal and regulatory environment, and it is challenging to put in place mitigating measures.

By contrast, the legally defined stability inherent in a production sharing contract such as that for Equatorial Guinea block 08 results in a significantly more stable fiscal and regulatory environment.

#### What does this mean for Europa?

The value of the discovery, development and production of hydrocarbons in the UK is uncertain as the stability of the prevailing policies of the relevant governing bodies cannot be reliably forecast.



### Commodity prices

History demonstrates that the price of crude oil is never immutable. Wide price swings are experienced in times of shortage or oversupply. The price of crude oil may fluctuate violently, affected by external factors such as global macroeconomic conditions, the Organisation of Petroleum Exporting Countries plus other oil-producing countries ("OPEC +") policy, political factors, war, market speculation, and the value of the US dollar. Recently crude oil prices have continued to be volatile, despite being in a tight range, and the decline in prices over the summer period (due to reduced fuel demand in China and slowing US jobs growth) is expected to recover with OPEC+ production cuts. The US Energy Information Administration ("EIA") forecasts oil prices to be between \$80 to \$85/bbl during 2025. The EIA expects that Brent oil prices will rise to average \$83/b in 1Q25. By mid-2025, the EIA anticipates that the market will gradually return to moderate inventory builds as OPEC+ increases production throughout the year and as forecast production growth from countries outside of OPEC+ begins to outweigh global oil demand growth. The EIA estimates that global oil inventories will increase by an average of 0.5 million b/d in the second half of 2025 (2H25) and forecasts the Brent price will average \$84/b in 2025. With regards to gas, the EIA forecasts that prices will generally rise during 2025.

#### What is the impact?

Fluctuating oil prices have a direct impact on the Company's income and result in uncertainty around the availability of capital to deploy into development, appraisal and exploration operations.

#### What does this mean for Europa?

Europa models future cash flows and adopts a conservative view on oil prices to ensure that the Company does not overcommit available capital. Where there are capital commitments which are reliant on future cash flows that require certainty over funding, a hedging strategy may be implemented.



## Demand and supply

The EIA forecasts that global consumption of liquid fuels will increase by 1.5 million b/d in 2025. Most of the expected liquid fuels demand growth is from non-OECD countries, which will increase their liquids consumption by 1.0 million b/d in 2024 and 1.3 million b/d in 2025.

The Institute for Energy Economics and Financial Analysis forecasts that by the end of 2028, the world's LNG capacity could reach 666.5 MTPA, which far exceeds the International Energy Agency ("IEA") total LNG trade forecast of 482 MTPA under its stated policies scenario. This robust supply growth will likely lead to lower prices. Also, in Asia ongoing fiscal challenges and lengthy delays for new LNG infrastructure pose structural challenges to demand. To overcome these challenges some LNG importers are investing in and trading with emerging market buyers to offload surplus contracted supplies. Similarly, European players justified new offshore regasification terminals partly by arguing that they could eventually be relocated to Asia. For the LNG industry to thrive financially, emerging Asian nations must not only replace shrinking imports from developed markets, but also absorb the massive volume of new supplies coming online. This renders the LNG industry increasingly reliant on markets with less-creditworthy buyers, riskier business environments and greater sensitivity to high prices. If rapid and sustained demand growth does not materialise, LNG suppliers and traders, particularly those with higher costs and significant uncontracted supplies, will likely face an extended period of low prices.

### What is the impact?

The market is currently reasonably balanced. However, the global macropolitical and economic environments can change rapidly and disrupt this balance.

### What does this mean for Europa?

Changes in the global demand and supply balance will have a direct impact on global oil and gas prices, which in turn impacts the future income of Europa and, in the case of an over supplied market, its ability to progress asset development due to potential shortfalls in available capital.



## Transition to renewable energy

With its European partners the UK has committed to transition to net zero carbon emissions by 2050. While the transition to net zero carbon emissions by 2050 is a big challenge, it is believed to be economically and technically feasible, and is becoming easier as the cost of low-carbon technologies declines. However, during this transition and beyond there is an ongoing demand for hydrocarbons, not only as a fuel source but also due to the myriad of consumer products that are made from petroleum byproducts. To achieve these net zero goals, scope 1 and scope 2 emissions need to be minimised. This can be done by producing hydrocarbons in the most emissions-efficient manner possible and also by producing hydrocarbons locally to the demand centres, rather than transporting the product over long distances.

### What is the impact?

Mature hydrocarbon countries, such as the UK, EG and Ireland, provide not only a well understood sub-surface environment but also existing infrastructure that can be efficiently utilised to extract hydrocarbons in a well-regulated environment with world class levels of emissions. This domestic and gas focused production is materially more emissions-efficient than importing hydrocarbons from overseas.

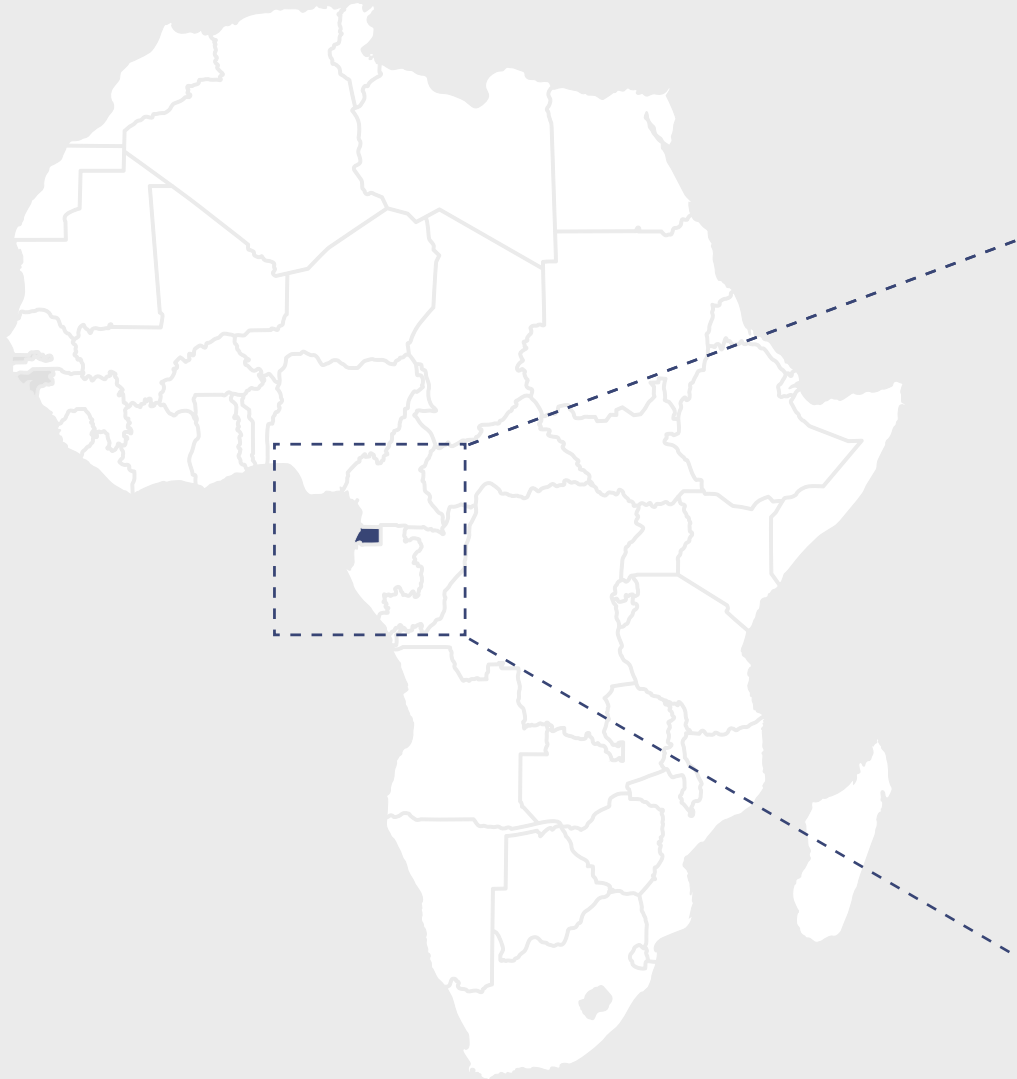
### What does this mean for Europa?

Europa is focused on exploring, appraising and developing hydrocarbons, especially gas, which is close to existing infrastructure and centres of demand, thereby contributing towards the global goals of net zero 2050. The Company is experienced in the regions in which we operate, and therefore understands the specific technical challenges associated with developing the resources, and how to do so most efficiently.

# Equatorial Guinea – a well-established hydrocarbon jurisdiction

## Equatorial Guinea

Equatorial Guinea, a Spanish-speaking country, consists of the mainland, Rio Muni, and five islands including Bioko, where the capital Malabo and the Punta Europa gas processing, methanol and LNG plants are located. Equatorial Guinea is one of sub-Saharan Africa's biggest oil and gas producers and is a member of OPEC. The giant Alba gas field (4.6 tcf) was discovered in 1984 and brought onstream in 1991. Marathon is operator and there is associated gas processing infrastructure producing LPG, methanol and LNG products. The giant Zafiro oil field (1.2 billion bbls) was discovered in 1995 by Mobil and began production in 1996. Thereafter, exploration activity accelerated with several oil, condensate and gas discoveries being made at Ceiba & Okume (Triton, then Hess) and Alen & Aseng (Noble, now Chevron) between 2001 and 2007, all of which are now in production with gas being produced through Punta Europa. In the last decade or so little exploration activity has taken place, however natural decline has resulted in capacity at Punta Europa which in turn has reinvigorated exploration interest in the region. In 2023, the Equatorial Guinea government signed an HOA with Chevron and Marathon for the development of Gas Mega Hub phases II and III. Phase II is Alba infill drilling, while Phase III will monetise previously reinjected Aseng gas (Block I).<sup>1</sup>



### Energy use

The average energy consumption per person in Equatorial Guinea was 12,399 kWh in 2021, with the country overall consuming 20 TWh of energy in 2021.<sup>2</sup>



### Transport links

There are seven airports in Equatorial Guinea with carriers including Air Europa from Madrid and Air France from Paris. A ferry service operates between Douala, Bata and Malabo.



### Market stats

Oil and gas are the country's main exports, and forestry, farming and fishing are also major components of GDP.<sup>3</sup>

1 Wood Mackenzie Equatorial Guinea upstream summary  
 2 <https://ourworldindata.org/energy/country/equatorial-guinea>  
 3 [https://www.experience-africa.de/index.php?en\\_equatorial-guinea\\_economy](https://www.experience-africa.de/index.php?en_equatorial-guinea_economy)

**Equatorial Guinea holds nearly two billion boe of remaining resources, and benefits from existing gas infrastructure and capacity at the Punta Europa plant. The majority of LNG from Punta Europa feeds the European gas market<sup>1</sup>**

### Equatorial Guinea's Gas Mega Hub

- An agreement between the Equatorial Guinea government, Marathon Oil and Chevron's Noble Energy E.G. Ltd has been made to move forward with the development of the Gas Mega Hub.
- The infrastructure on Bioko Island is set to make Equatorial Guinea one of West Africa's biggest producers of LNG.<sup>4</sup>



Equatorial Guinea:

**28,050**

Area (km<sup>2</sup>)

**1.6**

Population (millions)

**731**

Licence area (km<sup>2</sup>)

**Malabo**

Capital

**296**

Coastline (km)

### Why Equatorial Guinea is a good opportunity for Europa



**Well-established and well-regulated oil and gas industry**



**Government highly supportive of hydrocarbon exploration**



**Already attracted oil and gas majors**

<sup>4</sup> S&P Global article

# Block EG-08 offshore in the Douala Basin

Block EG-08 offshore in the Douala Basin of Equatorial Guinea is held by Antler Global Ltd, a company that was set up specifically to acquire the EG-08 block which is effective from October 2023, with 80% working interest in the EG-08 production sharing contract and Guinea Ecuatorialde Petroleos (“GEPetrol”), the national oil company, holding the remaining 20%.

EG-08 has over 2 tcf of gas prospectivity, of which 1.4 tcf stems from three high-graded prospects which we assess to have similar AVO characteristics to the Alen and Aseng fields and other discoveries in Chevron’s Blocks O and I immediately to the south. The Alen gas field is located 9km to the south of our primary prospect and produces gas into the Punta Europa LNG facility on Bioko Island with the connecting pipeline crossing the EG-08 licence.

The AVO story is very compelling and regionally seven of the eight exploration prospects have resulted in a commercial discovery. Accordingly, we estimate the chance of success is 70% for each of the three prospects, which we believe to be independent of each other. Volumes across the three identified prospects are estimated at mean prospective resources of 1.4 tcf (this figure includes the gas and liquids). Each of these three primary prospects has a 70% chance of success and, as such, this is a high-quality, low risk and high reward asset in shallow water with modest well costs.

A successful discovery in EG-08 could be developed quickly with possible offtake to Chevron’s nearby Alen platform (9km), where hydrocarbons would be processed with any liquids being exported through the Chevron infrastructure to an FPSO and with the gas going via the pipeline to the Punta Europa LNG and methanol facility on Bioko Island.

The initial phase of the licence is a two-year drill or drop. During this period, Antler intends to refine the existing 3D seismic data and begin a farm-out process. There then follows a two-year second period, two one-year extension periods and a development phase. The PSC is typical for Equatorial Guinea whereby the state has a carried 20% interest and a royalty and profits share depending on production.

**731**

Licence area (km<sup>2</sup>)

**2.1**  
**tcf**

Mean prospective resources

**70%**

Chance of success for each of the three primary prospects





“  
**The AVO story is very compelling and, accordingly, we estimate the chance of success at 70% for each of the three independent prospects.**

**Asset potential**

The three primary prospects in the EG-08 block are Barracuda, Cardinal and Arrowhead, with Barracuda being assessed as having 798 bcfe Pmean in strata equivalent to the producing Alen Field located 9km from Barracuda. Cardinal and Arrowhead have a combined 599 bcfe Pmean identified, also in Alen equivalent strata. Each prospect is defined by a calibrated class 2 AVO response. These AVO responses have resulted in commercial discoveries on seven of the eight wells drilled in the near vicinity on the same play. A discovery could be monetised either via the Alen Field or connected directly to the pipeline to Punta Europa that crosses the EG-08 block.

**Resource upside**

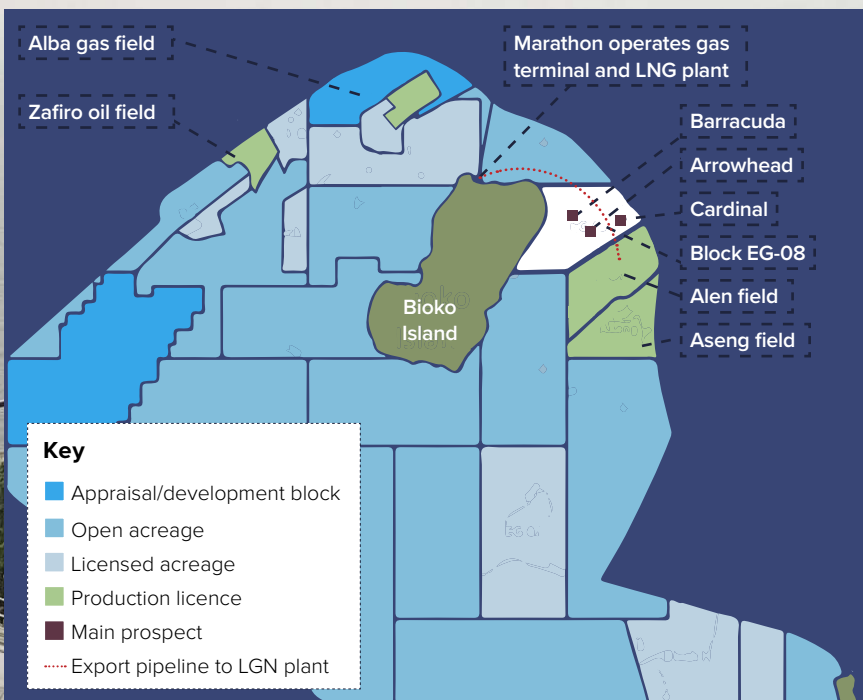
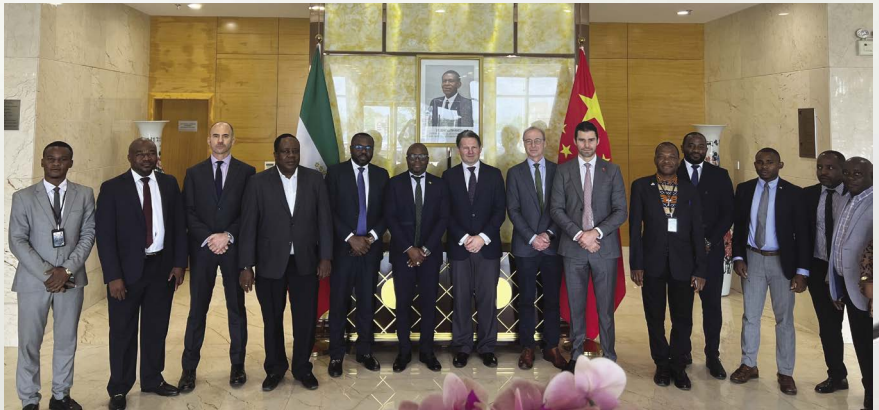
Beyond the primary three prospects there is an additional 344 bcfe Pmean identified in four prospects, which are also found in the Alen Strata. Outside of the Alen Strata two other leads have been mapped with 375 bcfe Pmean potential. All of these additional leads and prospects also present a class 2 AVO response.

1.1

Billion barrels of proven crude oil reserves

1.7 tcf

of proven natural gas reserves



**EG-08**

Licence

34.32%

Europa interest (via a 42.9% ownership interest in Antler)

**GEPetrol**

Partner (20% WI)

731

Area km<sup>2</sup>

**Douala Basin**

Basin

**Two-year**

Term (drill or drop)

# Equatorial Guinea exploration Q&A

**Q** What is the expected reservoir quality?

**A** We are targeting marine turbidities with excellent quality homogeneous reservoir and expect up to 30% porosity and sand permeability of potentially up to eight darcies. This results in highly productive wells with high reserves per well, which reduces the well density and development capital requirement.

**Q** What is the water depth?

**A** The water depth varies across the licence but at the primary prospect it is 80m, so can be drilled by a standard jack-up rig. There is good rig availability and we have already engaged with rig providers and service companies.

**Q** Why did one of the eight exploration wells in the region fail?

**A** The O-2 well was declared dry, but did in fact demonstrate a short gas column in high quality reservoir, but was deemed to be sub-commercial due to the column height. The Barracuda prospect will be drilled in the centre of the same structure as the O-2 well but up dip from the original gas discovery.

**Q** What are the well costs?

**A** A tested discovery well is expected to cost c. \$50m, which would be suspended as a future producer. Drilling should be simple given the relatively soft rock and well depth of ~3000m with no salt or overpressure considerations.

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**The AVO story is very compelling and, accordingly, we estimate the chance of success at 70% for each of the three independent structures.**





📍 SLB bulk plant, Luba Freeport, Equatorial Guinea

**Q What is the local operating environment like?**

**A** Equatorial Guinea has had an active oil and gas industry since the 1980s which is the main source of income for the country. As such there is a well-established legal system which is supported by a responsive, knowledgeable regulator and a ministry that actively encourages drilling activity in the country. In addition, given the drilling activity in the region, the upstream sector is well supplied with materials and expertise from international service companies and advisers.

**Q Is there LNG and methanol capacity at the Punta Europa plant?**

**A** Both independent and internal analysis clearly demonstrate that not only is there capacity in the Punta Europa plant in both the LNG and the methanol facilities but also that there are supply concerns given that the primary fields supplying the Punta Europa plant have come off plateau and are now in decline. As such the operators of Punta Europa are actively looking for new sources of supply to maintain the plant output.

**Q How active is the farm-in market for the region?**

**A** For several reasons the market is very active in EG with majors and large independents actively seeking high quality opportunities. They are drawn to EG-08 because it is gas prone, shallow water, close to gas infrastructure that supplies LNG into the European market, can be brought online quickly, is in a well-regulated active region supported by international service companies and is technically very compelling given the calibrated AVO response from the prospects.

**Q Will the well be abandoned after drilling?**

**A** If the well is a commercial discovery it will be suspended as a producer so it can be quickly tied into the nearby existing infrastructure and monetised via the Punta Europa gas facilities.

## Effective risk management

**The various activities of Europa subject the Company to a range of financial risks including commodity prices, liquidity, exchange rates and loss of operational equipment or wells.**

These risks are managed with the oversight of the board, which this year established a Risk Committee tasked with regularly reviewing the prevailing operational, business and economic circumstances to a granular level. The Risk Committee reports back to the board on a bi-monthly basis, or at any time that a serious shift in risk profile is identified.

The primary risk facing the business is that of asset performance.

Key risk	Description and impact	Mitigation	Change
<b>Funding/ Liquidity</b>	<p>Significant expenditure is required to establish the extent of oil and gas reserves through seismic surveys and drilling and there can be no certainty that oil and gas reserves will be found.</p> <p>Licences may be revoked by the relevant issuing authority if commitments under those licences are not met. Further details of current licence commitments are given in notes 11 and 25, also note comments on going concern in note 1.</p> <p>The Group primarily relies on existing cash balances and revenues from its producing assets to fund its activities. Where such revenues are insufficient to meet its funding demands the Group is reliant on external debt or equity funding. Although the Group has a track record of successfully raising debt and equity funds when required, there can be no certainty that these sources of funding will be available at the same time as when they are required by the Group.</p>	<p>Detailed cash forecasts are prepared regularly and reviewed by management and the board.</p> <p>The Group's production provides a monthly inflow of cash and is the main source of working capital.</p> <p>Management regularly assesses the credit and capital markets to establish the availability and suitability of financing opportunities.</p> <p>Additional cash may be available through the placing of Europa shares in the market, debt financing, or potentially by the trading of assets.</p>	▲
<b>Commodity price and foreign exchange</b>	<p>Each month's oil production is sold at a small discount to Brent price in US Dollars. These funds are matched where possible against expenditures within the business. As most capital and operating expenditures are Sterling denominated, US Dollars are periodically sold to purchase Sterling. A fall in oil price could make some projects economically unviable. During the year the price of oil was volatile and ranged between approximately \$90 and \$75 per barrel. At the reporting date the oil price was approximately \$87 but has since deteriorated. After trading in a relatively stable range around \$1.27 during most of 2023/24 the US Dollar has weakened noticeably to around \$1.33/GBP. There is no mitigation in place at the moment and the Company assumes \$1.30/GBP for forecasting.</p>	<p>The board has considered the use of financial instruments to hedge oil price and US Dollar exchange rate movements. To date, the board has not hedged against price or exchange rate movements but intends to continue reviewing this policy.</p>	▲
<b>Customer</b>	<p>All oil production is sold to one UK-based refinery – if it was to stop buying Europa's crude, additional transportation costs would be incurred.</p>	<p>Other refineries are known to Europa, but the proximity of the incumbent customer aligns with the Group's aim of minimising emissions generated by its operations.</p>	■

Key risk	Description and impact	Mitigation	Change
<b>Exploration, drilling and operational</b>	<p>The business of exploration and production of oil and gas involves a high degree of risk. Few prospects that are explored are ultimately developed into producing oil and gas fields.</p> <p>There are numerous risks inherent in drilling and operating wells, many of which are beyond the Company's control. Operations may be curtailed, delayed or cancelled as a result of environmental hazards, industrial accidents, occupational and health hazards, technical failures, weather, reservoir pressures, shortage or delays in the delivery of rigs and other equipment, labour disputes and compliance with governmental requirements.</p> <p>Drilling may involve unprofitable efforts, not only with respect to dry wells, but also to wells which, though yielding some oil or gas, are not sufficiently productive to justify commercial development or continued operation. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs.</p>	<p>Despite having production from four oil wells located at four different sites, approximately 80% of current production comes from the Wressle-1 well. The Company aims to mitigate this concentration risk through the pursuit of the further development of the Wressle site by drilling at least two more producing wells.</p> <p>Appropriate insurance is obtained annually which covers some of Europa's exploration, development and production activities.</p> <p>The non-operating partners within each joint venture assess the technical merits of each joint venture operator, providing a peer review of operational activities.</p>	▲
<b>Planning risk</b>	<p>Securing planning consent for onshore wells takes time and the outcome of planning applications is not certain.</p>	<p>The granting of planning permission for the further development of the Wressle site was welcomed, however the subsequent legal challenge may result in a delay to the project. However, we do expect that the planning permission will be granted once the scope 3 GHG emissions report has been included in the planning application, but the Group remains subject to various planning consents to progress its other projects. The Group engages planning and legal specialists in the field.</p>	▲
<b>Political risk</b>	<p>The elected governments of the countries where the Group operates set the regulatory and licensing regime within which the Group operates. The regulatory regime may change dramatically based on the policies of the governing party, for example a ban on new exploration licences may be announced, existing licences may be curtailed, or certain operating methods may be restricted. A change of government policy could materially affect the ability of the Group to operate. Europa currently has exposure to political risk in the UK, Ireland and Equatorial Guinea.</p>	<p>The Group monitors changes and proposed changes in government policy in the jurisdictions where it operates, in order to understand the potential impact on the Group, and takes such actions as it can to mitigate the impact on the Group.</p> <p>In the UK, the Company works with industry bodies such as UKOOG to participate actively in raising its concerns at the appropriate levels of government.</p> <p>The Company's diversification into Equatorial Guinea is in part designed as a mitigating factor against increasingly challenging political environments in the UK and Europe.</p>	▲
<b>Climate risk</b>	<p>As a producer of oil and gas, climate change and the transition to a low carbon economy affect the Group's operations through aspects such as potentially adverse effects on commodity prices, limited access to funding and higher cost of capital.</p>	<p>The Group supports the energy transition and complies with all current environmental guidelines. As set out in the Sustainability section of this report, the Group is taking various actions and initiatives to reduce emissions whilst also contributing to energy security in the jurisdictions in which we operate.</p>	▢

On behalf of the board

**William Holland**

CEO

## Directors' statement under Section 172 (1) of the Companies Act 2006

**Section 172 (1) of the Companies Act obliges the directors to promote the success of the Company for the benefit of the Company's members as a whole.**

This section specifies that the directors must act in good faith when promoting the success of the Company and in doing so, have regard (amongst other things) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationship with suppliers, customers and others;
- d) the impact of the Company's operations on the community and environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly between members of the Company.

The board of directors is collectively responsible for the Company's strategy, which is to develop significant value accretive opportunities across a balanced portfolio of energy assets while minimising risk to shareholders.

The board of directors confirms that during the last year under review it acted in accordance with section 172 (1) of the 2006 Companies Act, which requires the board to promote the long-term success of the Company for the benefit of shareholders.

The strategies developed under the leadership and guidance of the board of directors and executed by the Company have yielded a firm foundation for future value creation, and a meaningful de-risking of development plans.

Some of the key decisions taken by the directors during the year under review, and the significant outcomes achieved by the Company aimed at delivering on its strategies, included:

- The directors approved the acquisition of a 42.9% interest in Antler Global Limited ("Antler"), which has an 80% working interest in licence EG-08 offshore Equatorial Guinea. The Company subscribed to new ordinary shares in Antler for US\$3 million.
- The directors continued farm-out efforts on the Frontier Exploration Licence ("FEL") 4/19 located offshore Ireland near the producing Corrib gas field. During the year the Company continued to engage proactively with the Irish Government in relation to the contribution that FEL 4/19 could make to Ireland's energy security and has actively been seeking a suitable farm-in partner.
- During the year Simon Oddie and Stephen Williams ceased to serve as director of the Company and Simon Ashby-Rudd and Eleanor Rowley were appointed as non-executive directors.
- The directors decided not to accept the 33rd Round licence award that the Group applied for in 2023/24. This decision was made in consideration of the earlier decision to commit significant funds to the investment in Equatorial Guinea.
- Following a third-party review, the directors approved a restructuring of the Company's EMI scheme by issuing 50,000,000 new EMI options to executive directors and key employees, and the concurrent cancellation of certain historical options. This was done to appropriately incentivise and retain talent, as well as to ensure their interests are aligned with those of the Company and its shareholders.
- The directors approved the commissioning of a new Competent Person's Report ("CPR") of the Wressle field which provided an improved understanding of the recoverable reserves, which better informs and supports the Company's decisions in relation to further development of the field.
- The directors approved the Company's participation in operations to install an artificial lift system at the Wressle field to maximise the performance of the Wressle-1 well.



## STAKEHOLDER ENGAGEMENT

# Active engagement

There are a number of ways in which Europa seeks effective engagement with stakeholders, as summarised in the table below:

**Key stakeholders:**
**Methods of engagement:**

**Shareholders**

- Website – all announcements are posted to the Company's website, as is information around operations and strategy
- The Company maintains active LinkedIn and X accounts
- Online information sessions with Q&A
- In-person meetings
- Email communication via mail@europaoil.com


**Employees**

- All employees have direct access to both the CEO and COO, and the full board visits both the administrative office and the well sites at least annually in order to meet with employees


**Government regulators**

- NSTA – meetings, seminars, written correspondence and via the NSTA's online portal
- PPRS – monthly submissions and website data input
- Environment Agency – bi-annual reports, soliciting a CAR Report and site visits
- HSE – site visits, meetings, inspections
- DECC – letter and email correspondence
- UKOOG – meetings, letter and email correspondence


**Joint venture partners**

- Regular informal "check-ins", written correspondence and annual TCM/OCM formal meetings


**Suppliers and advisers**

- Email, orders and payments, letters and KYC work


**Local community**

- Maintaining constructive relationships with relevant local communities is important to Europa. The Company's approach to this is site specific and includes group meetings as well as individual meetings with key community representatives

**Glossary**

CAR	Compliance Assessment Report	NSTA	North Sea Transition Authority (UK)
DECC	Department of the Environment and Climate Change (Ireland)	PPRS	Petroleum Production Reporting System
HSE	Health and Safety Executive	TCM	Technical Committee Meeting
KYC	Know Your Customer	UKOOG	UK Onshore Oil and Gas
OCM	Operations Committee Meeting		

# Introduction to governance



**Brian O'Cathain, Chairman**



**As chairman of Europa Oil & Gas (Holdings) plc, it is my responsibility to ensure that the board is performing its role effectively and has the capacity, ability, structure and support to enable it to continue to do so.**

## How we govern the Group

As chairman of Europa Oil & Gas (Holdings) plc, it is my responsibility to ensure that the board is performing its role effectively and has the capacity, ability, structure and support to enable it to continue to do so. The information on corporate governance set out below, and on the website [www.europaoil.com](http://www.europaoil.com), is, in the opinion of the board, fully in accordance with the requirements of AIM Rule 26.

The last 12 months have seen, amongst others, the following governance developments:

- S Ashby-Rudd joined the board of directors as senior independent non-executive director ("SID").
- E Rowley joined the board of directors as a non-executive director (independent).
- Relinquishment of existing options held by non-executive directors to address concerns raised by shareholders last year around independence of non-executive directors.
- SID S Ashby-Rudd assumed the role of Chair of the Audit Committee, with the other member, B O'Cathain, also being independent, resulting in a fully independent Audit Committee.

- SID S Ashby-Rudd assumed the role of Chair of the Remuneration Committee, with the other member, B O'Cathain, also being independent, resulting in a fully independent Remuneration Committee.
- SID S Ashby-Rudd joined the Nomination Committee, which now comprises two-thirds of independent NEDs.
- Meetings and discussions with major shareholders.
- The board engaged an independent third party review into the Company's Long Term Incentive Plans for employees. Acting on the recommendations of that review, the Company cancelled existing employee share options and introduced a new Long Term Incentive Plan with a longer vesting period and price target metrics in line with UK market standards.

The board has determined that the Quoted Companies Alliance ("QCA") Corporate Governance Code for small and mid-size quoted companies is the most appropriate for the Group to adhere to. The QCA released a revised code in November 2023 which, for Europa, will come into effect for the reporting period commencing 1 August 2024. We have however, where practical, sought to incorporate the principles of the revised code in this report.

The QCA Code is constructed around a set of principles and associated disclosures. We have considered how we apply each principle, and below provide an explanation of the approach taken in relation to each. The board considers that it has not departed from any of the principles of the QCA Code during the year under review.

A description of how the Company complies with the principles of the QCA Code is set out below.

Europa Oil & Gas Holdings Plc





## Review of each of the QCA principles

### Principle 1:

Establish a strategy and business model which promotes long-term value for shareholders

Our strategy is described here: <http://www.europaoil.com/strategy.aspx> and also in the Strategic Report forming part of this Annual Report.

- The Strategy Committee met twice in 2023/24
- Strategy is actively assessed and adjusted by discussion between the directors
- Strategy is by necessity opportunity driven

### Principle 2:

Seek to understand and meet shareholder needs and expectations

The Company engages with shareholders, and seeks to understand their needs and expectations by:

- Conducting regular interviews with Proactive Investors and appearing on various virtual forums and in-person retail investor information sessions
- Issuing Regulatory News Service (“RNS”) announcements.
- Maintaining active X and LinkedIn accounts
- Replying directly to investor questions sent to [mail@europaoil.com](mailto:mail@europaoil.com)
- Conducting at least twice-yearly meetings with major shareholders on its results roadshows to obtain a balanced understanding of their issues and concerns
- Hosting an annual “Meet the Team” event

Shareholder liaison is the responsibility of the CEO and chairman, with assistance from the SID.

Major shareholders as at 30 September 2024 were:

Interactive Investor	15.55%
Hargreaves Lansdown, Stockbrokers	15.00%
HSDL, Stockbrokers	7.71%
Bo Kroll	6.04%
Christian W Ahlefeldt-Laurvig	6.00%
BGF	5.91%
Polus Capital Management	5.79%
Barclays Smart Investor	5.19%
Charles Stanley Wealth Management	3.74%
A J Bell, Stockbrokers	3.62%
IG Markets, Stockbrokers	3.59%

### Principle 3:

Take into account wider stakeholder and social responsibilities and their implications for long-term success

Key stakeholders, other than shareholders, are:

- Regulators (NSTA, DECC (Department of Environment, Climate and Communications (Ireland)), EA, HSE, Local Authorities)
- Host governments
- Local communities
- Partners and co-venturers
- Employees and consultants
- Phillips 66 (who purchase our produced crude oil)
- Suppliers

The CEO provides a weekly report to the board which includes a section on finance and investor relations. This includes stakeholder and social responsibility feedback from multiple sources.

Europa is a member of the UK Onshore Oil and Gas (“UKOOG”) which represents the UK onshore oil and gas industry and the wider supply chain.

<p><b>Principle 4:</b></p> <p>Embed effective risk management, considering both opportunities and threats, throughout the organisation</p>	<p>The Risk Committee maintains a risk register for the Group that identifies key operational and financial risks, which is reviewed and updated at least every two months. All members of the board are provided with a copy of the register, which includes a monitoring dashboard.</p> <p>The Audit Committee monitors the integrity of the financial statements and related announcements, reviews the Company's internal control processes and risk management systems, and reports its conclusions to the board. The Committee regularly reviews the effectiveness of the Company's systems and risk management.</p> <p>As part of our internal financial reporting procedures, specific financial risks including foreign currency, interest rates, liquidity and credit are evaluated in detail.</p> <p>All members of staff and contractors are provided with a handbook which includes sections on share dealing, bribery, social media use and whistleblowing. The handbook is updated and reissued regularly.</p>
<p><b>Principle 5:</b></p> <p>Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>All three NEDs are considered by the board to be independent.</p> <p>Biographies are available at: <a href="http://www.europaoil.com/Directors.aspx">http://www.europaoil.com/Directors.aspx</a></p> <p>None of the NEDs currently hold any share options.</p> <p>Directors serving more than six years will be proposed for re-election at each AGM.</p> <p>W Holland (CEO) and A Stuart (COO) are full-time employees.</p> <p>B O'Cathain (non-executive chairman), S Ashby-Rudd and E Rowley (both non-executive directors) are all expected to devote such time as is necessary for the proper performance of their duties including attendance at board meetings, the AGM, and board committee meetings.</p> <p>The minimum numbers of meetings for committees are: Audit Committee – two; Remuneration Committee – one; ESG Committee – one; Nominations Committee – one; and Risk Committee – six. Meetings held and attendance records of all directors for the period 1 August 2023 to 31 July 2024 are set out below.</p> <p>The board is balanced in terms of experience, and the split between executive and non-executive directors.</p> <p>All board and board committee members receive the agenda and associated papers a few days in advance of meetings.</p>
<p><b>Principle 6:</b></p> <p>Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</p>	<p>Members of the board of directors are listed at <a href="http://www.europaoil.com/Directors.aspx">http://www.europaoil.com/Directors.aspx</a> where their relevant experience, skills and personal qualities are set out.</p> <p>There is appropriate breadth of experience covering the key aspects of the business including technical, operational, financial and international. In selecting the two new appointments to the board in the past year, the Company's increasing focus on the West African region was forefront of the selection process to ensure that collectively the board had broad knowledge of and experience in these markets.</p> <p>It is the responsibility of each director to keep their skills up to date with the assistance of the chairman who has a core responsibility in addressing the development needs of the board as a whole with a view to enhancing its overall effectiveness.</p> <p>Board committees call on external advisers where this is deemed necessary. In this past year, the Remuneration Committee engaged external consultants to advise on aspects of employee remuneration.</p> <p>The main internal advisory functions are those of Senior Independent director and company secretary.</p> <p>New directors receive relevant training from the Company's Nominated Adviser and broker.</p>
<p><b>Principle 7:</b></p> <p>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</p>	<p>An independent external review of the board's performance had been undertaken during 2023, the findings of which were provided to the board in September of that year. The review considered aspects such as how well the board performs its duties, governance, risk management and strategy and the overall conclusion was that board is performing at a high level of effectiveness. The report concluded that the board was functioning well.</p> <p>There have been two new appointments to the board during the past year, both contributing significantly to the depth of industry knowledge and experience available to the Company via its board, and also increasing gender diversity.</p>

**Principle 8:**

Promote a corporate culture that is based on ethical values and behaviours

Members of the board are committed to observing and promoting the highest standards of ethical conduct in the performance of their responsibilities on the board of Europa. The board believes that a culture that is based on the highest ethical standards provides a competitive advantage and is consistent with fulfilment of the Group's strategy.

The board meets once a year at one of the production sites during which directors are encouraged to spend time with, listen to, and act upon any concerns of staff members or contractors.

- The board considers that there are no material cultural differences between the UK and Ireland.
- We do not have a culture policy, nor a specific culture related employee training/induction programme but resolve to review the need for such a programme annually. As the Company expands into West Africa, we have taken steps to engage with in-country organisations and professionals in order to ensure that we are mindful and respectful of cultural differences and that the Company plays an active role in providing opportunities for local people and in supporting their wellbeing.
- Culture and strategy are deeply aligned.
- The board ensures that the Company has the means to determine that ethical values and behaviours are recognised and respected.

**Principle 9:**

Maintain governance structures and processes that are fit for purpose and support good decision making by the board

**Role of the chairman – B O’Cathain**

- Runs the board and sets its agenda.
- Promotes the highest standards of corporate governance.
- Ensures that the members of the board receive accurate, timely and clear information, to promote the success of the Group.
- Attends sufficient meetings with major shareholders to obtain a balanced understanding of their issues and concerns.
- Ensures effective communication with shareholders.
- Takes the lead in identifying and meeting the development needs of individual directors, ensuring that the performance of individuals and of the board as a whole and its committees is evaluated at least once a year.

**Role of the CEO – W Holland**

- Develops Group objectives and strategy.
- Executes strategy following approval by the board.
- Recommends and executes appropriate licence acquisition and disposal decisions, joint venture opportunities, and approves major work programmes.
- Leads geographic diversification initiatives.
- Identifies and executes new business opportunities outside current core activities.
- Manages the Group's risk profile, including the health and safety performance of the business, in line with the extent and categories of risk considered acceptable by the board.

**Role of the SID – S Ashby-Rudd**

- Works closely with the chairman, acting as a sounding board and providing support.
- Acts as an intermediary for other directors if and when necessary.
- Is available to shareholders and other non-executives to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication.
- Meets at least annually with the non-executives to review the chairman's performance and carry out succession planning for the chairman's role.
- Attends sufficient meetings with major shareholders to obtain a balanced understanding of their issues and concerns.

**Principle 9** continued:

**Role of the COO – A Stuart**

- Oversees daily business operations.
- Identifies means of improving operating procedures for optimal efficiency.
- Assesses and enhances the efficiency of internal and external operational processes.
- Leads and motivates staff to achieve organisational objectives.
- Evaluates Company performance, and recommends strategies to improve results.
- Seeks to identify business opportunities in line with Europa's strategic goals.
- Collaborates with directors and other stakeholders to raise capital and carry out other business-expanding strategies.

**Role of the company secretary – L Armstrong**

- Distributes documents to the board.
- Is available to the Audit, Remuneration, Nominations, Strategy, ESG and Risk Committees as required.
- Keeps accurate and timely minutes of meetings.
- Updates Companies House records for the Company and subsidiaries.

Committee Terms of Reference and Matters Reserved for the board are available at:  
<http://www.europaoil.com/corporatedocuments.aspx>

The board intends to continuously review its governance framework in line with the Company's plans for growth.

**Principle 10:**

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The main method for communicating financial and operational performance, and information about how the Company is governed is via this audited Annual Report and the unaudited half-yearly Interim Report. In addition, the Company communicates important information via press releases and updates to the Company website and social media channels.

Past Notice of AGMs are available at <http://www.europaoil.com/reportsandpresentations.aspx>

**Board**

The board is responsible for the overall governance of the Company. Its responsibilities include setting the strategic direction of the Company, providing leadership to put the strategy into action and supervising the management of the business.

The Board now comprises three non-executive directors ("NEDs") and two executive directors, being the CEO and the COO. Biographies of the directors are set out in the Board of directors section of this report. All three NEDs are considered by the board to be independent. The roles and responsibilities of the chairman, CEO, senior independent director ("SID"), COO and company secretary are set out on the website and summarised above.

B O'Cathain is non-executive chairman, S Ashby-Rudd is the senior independent director, E Rowley is non-executive director.

**Terms of Reference**

The Terms of Reference of all board committees are available on the website.

## Record of meetings

Meetings held and attendance records of all directors for the period 1 August 2023 to 31 July 2024 are set out below:

	Board	Audit Committee	Remuneration Committee	Nomination Committee	ESG Committee	Strategy Committee	Risk Committee
	Attended of Possible	Attended of Possible	Attended of Possible	Attended of Possible	Attended of Possible	Attended of Possible	Attended of Possible
B O'Cathain	8/9	2/2	3/3	1/1	1/1	2/2	N/A
S Ashby-Rudd	5/5	1/1	3/3	1/1	0/0	2/2	N/A
E Rowley	2/2	N/A	N/A	N/A	0/0	1/1	N/A
W Holland	9/9	N/A	N/A	1/1	N/A	2/2	6/6
A Stuart	9/9	N/A	N/A	N/A	N/A	2/2	6/6
S Oddie	2/2	N/A	N/A	N/A	1/1	0/0	N/A
S Williams	2/2	1/1	N/A	N/A	1/1	0/0	N/A

### Brian O'Cathain

#### Chairman

**The Audit Committee meets at least twice a year and is chaired by S Ashby-Rudd with B O’Cathain as the other member. During the year, the committee has reviewed:**

- The internal financial control systems and other internal control and risk management systems;
- The statements included in the Annual Report concerning internal controls, risk management and the going concern statement;
- The carrying values of producing and intangible assets;
- The adequacy and security of the Company’s arrangements for its employees and contractors to raise concerns about possible wrongdoing in financial reporting or other matters;
- The procedures for detecting fraud;
- The systems and controls for the prevention of bribery;
- The need for an internal audit function and determined that at this stage, due to the Company’s size and scale, an internal audit function is not required.

The committee has overseen the relationship with the external auditors, including:

- Approved the remuneration for audit and non-audit services;
- Approved the terms of engagement and the scope of the audit;
- Satisfied itself that there are no relationships between the auditor and the Company which would adversely affect the auditor’s independence and objectivity;
- Monitored the auditor’s processes for maintaining independence, its compliance with relevant UK law, regulation, other professional requirements and ethical standards, including guidance on the rotation of audit partner and staff;
- Assessed the qualifications, expertise, resources, and independence of the external auditor and the effectiveness of the external audit process;
- Evaluated the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor’s communications with the Committee;
- Met with the external auditor without management present, to discuss the auditor’s remit and any issues arising from the audit;
- Discussed with the external auditor factors that could affect audit quality and reviewed and approved the annual audit plan, ensuring its consistency with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team.

The committee reviewed the findings of the audit with the external auditor, including:

- A discussion of issues which arose during the audit, including any errors identified, and the auditor’s explanation of how the risks to audit quality were addressed;
- Key accounting and audit judgements;
- The auditor’s view of their interactions with senior management;
- A review of any representation letters requested by the external auditor before they were signed by management;
- A review of the management letter and management’s response to the auditor’s findings and recommendations;
- A review of the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor’s response to questions from the Committee.

**Simon Ashby-Rudd**

**Audit Committee Chair**

## REMUNERATION COMMITTEE REPORT

The Remuneration Committee reviews the scale and structure of the executive directors' remuneration and the terms of their service contracts. Remuneration and terms and conditions of appointment of the non-executive directors are set by the board.

S Ashby-Rudd chairs the committee and B O'Cathain is the other member. The Remuneration Committee met twice in the year.

In setting the remuneration for the executive directors and key staff, the Committee compares published remuneration data for other AIM oil and gas companies of a similar market capitalisation and seeks to ensure that the remuneration of the executive directors is broadly comparable to their peers in other similarly sized organisations. In 2023/24:

- There were no changes to remuneration policy, pension rights or any compensation payments.
  - Changes were made in pay across the Company and Group.
  - An award under the executive bonus scheme was made for the calendar year 2023. A scheme for the calendar year 2024 is in operation for the year commencing 1 January 2024 following the approval and setting of KPIs for the 2024 calendar year.
- Options on issue to employees were cancelled and a new Long Term Incentive Plan ("LTIP") put in place, the terms of which are aligned to standard market practice. Options were issued under this new plan to five employees, these options having a term of four years to vesting date and being contingent on a share price performance hurdle. This LTIP is only available to employees, and not to non-executive directors.
  - All options held by non-executive directors were surrendered during the year. No non-executive directors currently hold any options in the Company's stock.

Directors' remuneration is set out in note 4 of the financial statements.

**Simon Ashby-Rudd**  
Remuneration Committee Chair

## NOMINATIONS COMMITTEE REPORT

The Nominations Committee reviews the size, structure and composition of the board and considers succession planning. The committee identifies and nominates candidates to fill board vacancies for approval by the board.

B O'Cathain chairs the committee. S Ashby-Rudd and W Holland are members. The Nominations Committee met once in the year and discussed and recommended:

- That Dr. E Rowley be appointed to the board as a NED.

**Brian O'Cathain**  
Nominations Committee Chair

## STRATEGY COMMITTEE REPORT

The Strategy Committee reviews the Company's progress in realising its strategic objectives, and reviews opportunities, initiatives, alliances and potential mergers.

W Holland chairs the Committee. B O'Cathain, S Ashby-Rudd, E Rowley and A Stuart are members. The Strategy Committee last sat in July 2024 and its key decisions were:

- Prioritisation of the EG-08 farm-out process.
- To continue active assessment of the optimisation of existing UK onshore assets.
- Continued progression of the Ireland asset.
- That the Company should continue to seek new venture opportunities within its financial means, and in this regard continue to focus on West Africa.

**William Holland**  
Strategy Committee Chair



## ESG COMMITTEE REPORT

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The ESG Committee reviews the ESG policies and initiatives, ensuring they remain effective and up to date, along with ensuring compliance with legal and regulatory requirements including corporate governance principles and industry standards. The board has adopted a precautionary approach to ESG, identifying and assessing the potential risks and impacts of our operations on the world around us at all stages of a project, and the oversight of this lies with the ESG Committee.

The ESG Committee is chaired by B O’Cathain, with S Ashby-Rudd and E Rowley as members.

**Environment** – The board is committed to ensuring that the environmental impacts of its activities are taken into account and that the Company is regarded as a good steward of hydrocarbon resources. As such the ESG Committee will consider how it can actively reduce greenhouse gas emissions and energy consumption in its activities.

**Social** – The committee will consider the Company’s interactions with employees and all stakeholders of the Company to ensure that these relationships are being appropriately managed and will consider the role of the Company in society to ensure that all groups impacted by the activities of the business are given appropriate consideration.

**Governance** – The ESG Committee is responsible for ensuring that the appropriate governance policies are in place. All relevant policies relating to ESG shall be reviewed by the committee and where the committee is not satisfied it shall report its views to the board.

In 2023-24, the ESG Committee:

- Determined to continue to evaluate opportunities for viable renewable energy activities at the West Firsby site.
- Committed to continue to work toward building out our ESG reporting framework.
- Committed to continue working to establish appropriate and comprehensive data collection processes.
- Reviewed metric and emissions targets.
- Reviewed material for the website.

**Brian O’Cathain**

**ESG Committee Chair**

## RISK COMMITTEE REPORT

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The Risk Committee meets six times per year to review identified business risk factors, any changes in the risk environment and to ensure that appropriate mitigations are in place. W Holland is Chair of the Risk Committee, and A Stuart is a member.

Specific risks considered are weighted with respect to probability of occurrence and severity of business disruption in case of occurrence. The Risk Committee reports its bi-monthly determinations to the Audit Committee and on to the full board.

**William Holland**

**Risk Committee Chair**



## BOARD OF DIRECTORS

## Your board of directors



## Chairman

**Brian O’Cathain**  
Independent Non-Executive  
Chairman

## Executive Directors

**William Holland**  
Chief Executive Officer

**Alastair Stuart**  
COO Executive Director

## Non-Executive Directors

**Simon Ashby-Rudd**  
Senior Independent Director

**Dr Eleanor Rowley**  
Independent Non-Executive  
Director

## Audit Committee

**Role:** receives and reviews reports from management and the Company’s auditors relating to the annual and interim accounts and the accounting and internal control systems of the Company. It has unrestricted access to the Company’s external auditors.

**Chair:**  
S Ashby-Rudd

**Members:**  
B O’Cathain

## Nominations Committee

**Role:** reviews the size, structure and composition of the board and gives consideration to succession planning. The committee identifies and nominates candidates to fill board vacancies for approval of the board.

**Chair:**  
B O’Cathain

**Members:**  
S Ashby-Rudd  
W Holland

## Remuneration Committee

**Role:** reviews the scale and structure of the executive directors’ remuneration and the terms of their service contracts. The remuneration and terms and conditions of appointment of the non-executive directors are set by the board.

**Chair:**  
S Ashby-Rudd

**Members:**  
B O’Cathain

## ESG Committee

**Role:** provides an oversight of the Company’s ESG strategy and activities. This includes reviewing ESG policies and initiatives, ensuring they remain effective and up to date.

**Chair:**  
B O’Cathain

**Members:**  
S Ashby-Rudd  
E Rowley

## Strategy Committee

**Role:** provides support to the executive, monitors progress on strategy implementation and advises on resource requirements.

**Chair:**  
W Holland

**Members:**  
B O’Cathain  
S Ashby-Rudd  
E Rowley  
A Stuart

## Risk Committee

**Role:** reviews the various risks faced by the business, assesses the impact that each risk presents and identifies mitigations that could be implemented. The Risk Committee reports to the board

**Chair:**  
W Holland

**Members:**  
A Stuart

Members of the board of directors are listed below, including their relevant experience, skills and personal qualities. There is an appropriate breadth of experience for current activities covering the key aspects of the business including technical, operational, financial and international. It is the responsibility of each director to keep skills up to date with the assistance of the chairman who has a core responsibility in addressing the development needs of the board as a whole with a view to enhancing its overall effectiveness.

Board Committees call on external advisers where this is deemed necessary. During 2023-24 the Remuneration Committee sought advice on employee remuneration from external advisers. The Nominated Adviser is consulted on matters of adherence to AIM regulations and MAR requirements and associated disclosures.

The main internal advisory functions are that of SID (S Ashby-Rudd) and company secretary (L Armstrong).



**William Holland,**  
Chief Executive Officer and  
Executive Director

**Appointed:** June 2022

**Skills and experience:**

William is a proven industry leader with a career spanning over 25 years in the upstream sector. He started as an engineer with Halliburton focused on North Sea and West Africa operations before moving into upstream banking at Macquarie Bank. From 2013 he ran a successful consulting business which advised energy companies on commercial, financial and M&A matters before joining Europa in a full-time capacity in 2022. William has significant experience in corporate acquisitions, establishing and growing small market capitalisation E&P companies, debt and equity financing, balance sheet restructuring and investor relations, much of which was gained working on upstream deals across Africa, the UK and Europe. This includes four years of upstream operational experience living in West Africa followed by over 15 years of investing in West African businesses and numerous M&A activities. He has an engineering degree from Warwick University and an MBA from Heriot-Watt University.

**Committee memberships:**

Nominations, Strategy (Chair), and Risk (Chair).



**Alastair Stuart,**  
Chief Operating Officer and  
Executive Director

**Appointed:** April 2023

**Skills and experience:**

Alastair has over 30 years of experience in operational, commercial and technical roles in the energy sectors. He has been working with Europa in a consultant capacity since 2012. As a 1982 graduate of Heriot-Watt's Masters programme in Petroleum Engineering, he began his career with Total CFP in Paris before joining Enterprise Oil in 1986, shortly after it was established, where he focused on projects in the North Sea and the Far East. He was later promoted to New Ventures Manager, where he led the evaluation and progression of new ventures in South America, Eastern Europe and the Far East. After ten years with Enterprise, he worked briefly with Hardy Oil & Gas, before setting up his own consulting group in 1998 which developed processes and systems for managing capital allocation across large portfolios of investments in the oil and gas, pharmaceutical and venture capital sectors. Alastair consulted for many years with Heritage Oil as Chief Petroleum Engineer, where he was responsible for all engineering matters relating to their African portfolio.

**Committee memberships:**

Strategy and Risk.



**Brian O’Cathain,**  
Non-Executive Chairman

**Appointed:** January 2018

**Skills and experience:**

Brian has worked as a geologist and petroleum engineer in the oil and gas sector since 1984. He began his career with Shell International and worked at Enterprise Oil and Tullow Oil in senior roles. He served as CEO of Afren plc to 2007, and as CEO of Petroceltic International plc until 2016. He was a non-executive director of Eland Oil and Gas, an AIM quoted company producing over 20,000 bopd in Nigeria, until its successful sale to Seplat plc in December 2019. He is also a non-executive director of Nephin Energy, a private gas producing company which is a large equity holder in the Corrib gas field in Ireland. Nephin Energy is a 100% subsidiary of Canadian Pension Plan Investment Board, one of the world’s largest pension funds with assets of US\$473 billion (as of 30 June 2024) under management. He is a founding director and chair of Causeway Geothermal Limited, a geothermal company.

His skills include fundraising, and the technical, legal and financial aspects of running a publicly listed oil and gas company, and he brings a wealth of market understanding to the table. He led and negotiated the agreed nil-premium merger of Petroceltic and Melrose Resources in 2012.

Brian holds a BSc (First Class) in Geology from the University of Bristol.

**Committee memberships:**

ESG (Chair), Audit, Remuneration, Nomination (Chair) and Strategy.



**Simon Ashby-Rudd,**  
Non-Executive Director

**Appointed:** December 2023

**Skills and experience:**

Simon joined the board in December 2023 and has extensive experience in the upstream energy sector which includes 30 years in investment banking roles at large financial institutions, including Dresdner Kleinwort Benson, Citigroup and Standard Bank, where he was Global Head of Oil & Gas. He was the founding European partner at Tristone Capital, which was a leading UK boutique M&A and equity advisory firm before it was acquired by Macquarie Bank. Simon has significant global experience in advising energy companies on corporate strategy and capital structuring, and has spent much of his career focused on Europe and Africa.

Simon holds a B.Sc in Economics from University College London.

**Committee memberships:**

Audit (Chair), ESG, Remuneration (Chair), Nomination, and Strategy.



**Dr Eleanor Rowley,**  
Non-Executive Director

**Appointed:** April 2024

**Skills and experience:**

Eleanor joined the board in April 2024 and has extensive experience in the upstream energy sector working as a geoscientist in both exploration and development projects. She is a proven hydrocarbon finder who has been responsible for multiple impactful discoveries in India, Cyprus, the Middle East and North Africa, and has been responsible for evaluating exploration and appraisal opportunities across multiple jurisdictions including sub-Saharan Africa.

Eleanor is currently Managing Director at Capricorn Energy (Egypt), where she was initially responsible for setting up Capricorn’s business in Egypt, involving a net investment of >US\$300 million in the last two calendar years, and now manages that business, which averaged gross production of 75 kboepd in 2023. Prior to that, she held senior executive positions with supermajors as well as midsize and small E&P companies in multiple geographies, including a period as Vice President Exploration (MENA & Caspian Southern Europe) at TotalEnergies where she was responsible for the region’s exploration and appraisal projects, new business development strategy, exploration operations and technical excellence.

Eleanor holds a BA in Earth Science from Oxford University and a PhD in Geophysics from Cambridge University.

**Committee memberships:**

ESG and Strategy.

## Business review

A detailed review of the Group's business is set out in the Chairman's statement and Our strategy.

## Future developments

Details of expected future developments for the Group are set out in the Chairman's statement and Our strategy.

## Dividends

The directors do not recommend the payment of a dividend (2023: £nil).

## Directors and their interests

The directors' interests in the share capital of the Company at 31 July were:

	Number of ordinary shares		Number of ordinary share options	
	2024	2023	2024	2023
BJ O'Cathain	<b>1,467,948</b>	1,467,948	–	2,950,000
SG Oddie	–	3,384,615	–	9,200,000
SA Williams	–	141,131	–	2,500,000
WP Holland	<b>5,023,316</b>	1,308,357	<b>20,000,000</b>	7,721,000
AM Stuart	<b>710,000</b>	210,000	<b>15,000,000</b>	–
E Rowley	–	–	–	–
S Ashby-Rudd	–	–	–	–

Details of the vesting conditions of the directors' stock options are included in note 21.

## Directors' interests in transactions

No director had, during the year or at the end of the year, other than disclosed above, a material interest in any contract in relation to the Group's activities except in respect of service agreements.

Subject to the conditions set out in the Companies Act 2006, the Company has arranged appropriate directors' and officers' insurance to indemnify the directors against liability in respect of proceedings brought by third parties. Such provisions remain in force at the date of this report.

## Significant shareholdings

Significant direct and indirect interests in the issued share capital of the Company above 3% are shown in this report under the Chairman's introduction to governance and are also available and updated quarterly at <https://www.europaoil.com/investors/aim-rule-26/>.

## Financial instruments

See note 1 and note 22 to the financial statements.

## Related party transactions

See note 25 to the financial statements.

## Post reporting date events

See note 26 to the financial statements.

## Capital structure and going concern

Further details on the Group's capital structure are included in note 20. Comments on going concern are included in note 1.

## Accounting policies

A full list of accounting policies is set out in note 1 to the financial statements. No new accounting standards were adopted in the period.

## Disclosure of information to the auditor

In the case of each person who was a director at the time this report was approved:

- So far as that director was aware there was no relevant available information of which the Company's auditor was unaware; and
- That director had taken all necessary steps to make themselves aware of any relevant audit information, and to establish that the Company's auditor was aware of that information.

## Auditor

PKF Littlejohn LLP was reappointed as the auditor of the Company at the Annual General Meeting that was held on 23 November 2023 and a resolution to re-appoint PKF Littlejohn LLP as auditors for the period through to the end of the Company's 2025 AGM will be proposed at the Company's 2024 Annual General Meeting.

On behalf of the board

**William Holland, CEO, 25 October 2024**

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and Company financial statements in accordance with UK adopted International Accounting Standards. 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 Group and Company and of the profit or loss of the Group for that year. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the 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 enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Website publication**

The directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPA OIL & GAS (HOLDINGS) PLC

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## Opinion

We have audited the financial statements of Europa Oil & Gas (Holdings) plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 July 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. 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 FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that conditions exist that may cast doubt on the group's ability to continue as a going concern. The group incurred a loss of £6,781,000 (2023: £852,000) and incurred operating cash outflows of £613,000 (2023: cash inflows of £2,748,000) and is not expected to generate positive cash inflows from the operations in the 12 months from the date at which these financial statements were signed. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining budgets for at least a 12-month period from the date of approval of the financial statements, ascertaining the key assumptions in the preparing of this forecast/budget and assessing the reasonableness of such assumptions along with undertaking a sensitivity analysis;
- comparing previous budgets to performance to assess the reliability of such forecast/budgets.
- Obtaining the directors' going concern assessment and evaluating the appropriateness of this assessment; and
- Reviewing of external market factors affecting the group and its future economic viability, such as the energy transition, and ensuring this is appropriately reflected in management's forecasts.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage materiality is used to determine the financial statements areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We consider gross assets to be the most significant determinant of the group's financial position and performance used by shareholders, with the key financial statement balances being exploration assets and producing assets. The ability of the group to continue as a going concern depends on its means of funding operations going forward, as well as on the valuation of its assets, which represent the underlying value of the group. Materiality for the financial statements as a whole was £146,000 (2023: £259,000) based on a benchmark of 1.5% (2023: 1.5%) of gross assets.

The same basis for calculation was used for the components of the group, with the parent company materiality set at £145,900 (2023: £258,990) and for the remaining components between £18,000 and £145,900 (2023: £19,000; £256,000). Performance materiality for the group and its components was set at 70% (2023: 70%) of the overall materiality figure, as determined from our risk assessment for 2024, being £102,200, £102,130 and £12,600 to £102,130 for the group, parent company and remaining components respectively (2023: £181,000; £180,990; £13,000; £179,000).

We agreed with the audit committee that we would report to the committee all audit differences identified during the course of our audit in excess of £7,300 for the group as well as differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

## Our approach to the audit

Our audit is risk based and is designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. These areas of estimate and judgement included:

- the carrying value of exploration and evaluation assets (identified as a key audit matter)
- the carrying value of producing assets (identified as a key audit matter)
- the carrying value of intercompany receivables at the parent company level (identified as a key audit matter)
- the valuation of decommissioning provision
- the valuation of share based payments

We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The scope of our audit was based on the significance of component's operations and materiality. Each component was assessed as to whether they were significant or not to the group by either their size or risk.

A few subsidiaries have been assessed as significant components of the group however all subsidiaries have been subject to full scope audits for statutory purposes.

All audit work was conducted by the group audit team in London.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our scope addressed this matter
Accuracy and valuation of the carrying value of the group's capitalised exploration costs (Note 11)	
<p>The group has intangible assets in relation to capitalised exploration costs in respect of the licences held. There is the risk that the asset is overstated as a result of additions being incorrectly capitalised though not meeting the criteria as per IFRS 6 and indicators of impairment may exist as at 31 July 2024 which would trigger the need for impairment.</p> <p>Particularly for early stage exploration projects where the calculation of recoverable amount via value in use calculations is not possible, management's assessment of impairment under IFRS 6 requires estimation and judgement.</p> <p>This is therefore considered to be a key audit matter due to the significant judgement and estimates involved in assessing whether any indicators of impairment have arisen at the year end, and in quantifying any potential impairment.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>▪ Substantive testing of a sample of exploration and evaluation expenditures to assess their eligibility for capitalisation under IFRS 6 by corroborating to original source documentation;</li> <li>▪ Confirmation that the entity holds good title to the relevant licence areas for the period under review;</li> <li>▪ Making enquiries of management regarding future plans for each project including obtaining cashflow projections where necessary and corroborating to minimum spend requirements attached to licences, where appropriate;</li> <li>▪ Considering whether there are indications of impairment on a project by project basis in accordance with IFRS 6 criteria;</li> <li>▪ Assessing the farm-out agreements in place, their accounting and disclosures;</li> <li>▪ Reviewing management's impairment assessment and latest Competent Person's report for indicators of impairment in respect of the carrying value of intangible assets and providing challenge thereto and corroborating key assumptions used; and</li> <li>▪ Ensuring disclosures made in the financial statements in relation to critical accounting estimates and judgements are adequate and in line with our understanding of the Group and its activities.</li> </ul>

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF EUROPA OIL & GAS (HOLDINGS) PLC CONTINUED

Key audit matter	How our scope addressed this matter
Accuracy and valuation of the carrying value of the group's property, plant and equipment (PPE) (Note 12)	
<p>There is a risk that the carrying value of the group's Oil &amp; Gas assets are overstated at the year end as it is one of the material balances in the financial statements.</p> <p>This is considered to be a key audit matter due to the significant judgement and estimates involved in assessing whether any impairment has arisen at the year end, and in quantifying any such impairment.</p> <p>The volatile nature of long-term oil prices give rise to an increased risk, especially in the circumstances of the group being its key source of revenue and cash generation and the decrease in the Brent Crude price over the financial year.</p> <p>Changes in macroeconomic factors would increase the risk of inappropriate interest and discount rates used as working assumptions in the value in use calculation of the producing assets, thus inflating the value of the assets. These changes include the energy crisis driven by Russia's invasion of Ukraine and the introduction of Labour government who wish to minimise exploration activities in the interest of net-zero goals.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>▪ Assessing the process used by management to derive their internal Reserves and Contingent Resources estimates and associated production profiles for each of the four scenarios;</li> <li>▪ Reviewing the Competent Person Report ("CPR") in place, assessing the scope of work, including an evaluation of the competence, capabilities and independence of the CPR;</li> <li>▪ Reviewing management's internal production forecasts to the CPR and assessing the appropriateness of any differences which arise;</li> <li>▪ Reviewing management's impairment review/net present value workings including oil price assumptions against readily available market data and trends (such as Platts price data) in order to challenge the validity of forecasted prices. In addition, consideration of external market factors and the impact on the valuation of the oil and gas assets held, such as the energy transition, demand and climate change;</li> <li>▪ Discussing with PKF internal valuation experts to independently develop a reasonable range of discount rates for the assets and compared to the discount rate applied by management;</li> <li>▪ Assessing any further management assumptions by reference to third party information, our knowledge of the group and industry and also budgeted and forecast performance;</li> <li>▪ Verifying the existence of a sample of asset additions and confirming appropriate classification in line with UK-adopted IAS; and</li> <li>▪ Assessing whether management's presentation and disclosures relating to estimation uncertainty and PPE balances are adequate.</li> </ul>
Carrying value of investments in subsidiaries and recoverability of intragroup balances (Company only) - (Note 15)	
<p>Investments in intercompany balances at the year end represent a material asset on the company's books. Recoverability depends on management's assumptions regarding the future performance of subsidiaries which are in turn dependent on the market conditions and performance of the group.</p> <p>There is the risk that these intercompany balances may not be recoverable and may be impaired.</p> <p>This is therefore considered to be a key audit matter due to the significant judgement and estimates involved in assessing whether any indicators of impairment have arisen at the year end, and in quantifying any potential impairment.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> <li>▪ Reviewing management's impairment assessment of investments held, testing key inputs to supporting documentation and challenging key inputs and estimates included therein;</li> <li>▪ Agreeing investment holdings to underlying documentation to support current ownership;</li> <li>▪ Assessing the net asset values of the counterparty of which the loan is held;</li> <li>▪ Reconciling the intercompany balances to the intercompany matrix and respective audited trial balances;</li> <li>▪ Reviewing the implication of IFRS 9 and expected credit loss provisioning on the intercompany balances and ensuring adequate disclosure in the financial statements.</li> </ul>



## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the 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

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, we have not identified material misstatements in the strategic report or the directors' report.

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:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group and the 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 the parent company or to cease operations, or have no realistic alternative but to do so.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROPA OIL & GAS (HOLDINGS) PLC CONTINUED

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## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from
  - Companies Act 2006;
  - Control of Major Accident Hazards Regulations
  - Anti Money Laundering Legislation
  - Local Tax laws and regulations
  - AIM Rules
  - Employment Law
  - Bribery Act
  - Environmental Law
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - A review of the board minutes throughout the year and post year end;
  - A review of the RNS announcements;
  - A review of legal expenses per general ledger transactions; and
  - Discussion with management
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the carrying value of the assets held to be an area of potential for management bias. Whilst the carrying value of the assets is held at historical cost, management must consider the impairment indicators under IFRS 6 and IAS 36 and the potential need to conduct a formal impairment review. Being the key balance within these financial statements, and the key driver for the business, this gives rise to an increased risk of material misstatement as a result of management bias. Supporting evidence has been obtained for an appropriate sample of additions throughout the year, and a detailed impairment assessment has been undertaken by management against those indicators as set out per IFRS 6 and IAS 36 and ensured that the carrying value is appropriate.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Nicholas Joel (Senior Statutory Auditor)**

For and on behalf of PKF Littlejohn LLP

Statutory Auditor, 25 October 2024

15 Westferry Circus  
Canary Wharf  
London E14 4HD

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY

	Note	2024 £000	2023 £000
<b>Continuing operations</b>			
Revenue	2	<b>3,566</b>	6,653
<i>Cost of sales</i>	2	<b>(3,117)</b>	(3,448)
<i>Impairment of producing fields</i>	12	<b>(189)</b>	177
Total cost of sales		<b>(3,306)</b>	(3,271)
<b>Gross profit</b>		<b>260</b>	3,382
Exploration impairment	11	<b>(4,968)</b>	(1,686)
Administrative expenses		<b>(1,855)</b>	(1,872)
Share of loss from associate		<b>(2)</b>	–
Finance income	6	<b>223</b>	9
Finance expense	7	<b>(439)</b>	(717)
<b>Loss before taxation</b>	3	<b>(6,781)</b>	(884)
Taxation expense	8	–	32
<b>Loss for the year</b>		<b>(6,781)</b>	(852)
<b>Other comprehensive (loss)/profit</b>			
Items which will not be reclassified to profit/(loss)			
Profit on investment revaluation	9	–	5
Items which may be reclassified to profit/(loss)			
Exchange differences on translation of foreign operations		<b>(17)</b>	–
<b>Total other comprehensive (loss)/profit</b>		<b>(17)</b>	5
<b>Total comprehensive (loss)/income for the year attributable to the equity shareholders of the parent</b>		<b>(6,798)</b>	(847)
<b>Earnings per share (“EPS”) attributable to the equity shareholders of the parent from continuing operations</b>			
Note			
Pence per share			
Basic EPS	10	<b>(0.71)p</b>	(0.09)p
Diluted EPS		<b>(0.71)p</b>	(0.09)p

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY

	Note	2024 £000	2023 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	11	2,664	7,146
Property, plant and equipment	12	1,928	2,417
Investments in joint ventures	13a	2,406	–
<b>Total non-current assets</b>		<b>6,998</b>	9,563
<b>Current assets</b>			
Inventories	14	9	19
Trade and other receivables	15	1,309	893
Cash and cash equivalents		1,463	5,165
<b>Total current assets</b>		<b>2,781</b>	6,077
<b>Total assets</b>		<b>9,779</b>	15,640
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	(1,387)	(781)
<b>Total current liabilities</b>		<b>(1,387)</b>	(781)
<b>Non-current liabilities</b>			
Trade and other payables	16	(6)	(12)
Long-term provisions	19	(4,607)	(4,368)
<b>Total non-current liabilities</b>		<b>(4,613)</b>	(4,380)
<b>Total liabilities</b>		<b>(6,000)</b>	(5,161)
<b>Net assets</b>		<b>3,779</b>	10,479
<b>Capital and reserves attributable to equity holders of the parent</b>			
Share capital	20	9,592	9,592
Share premium	20	23,682	23,682
Merger reserve	20	2,868	2,868
Foreign currency translation reserve	20	(17)	–
Retained deficit		(32,346)	(25,663)
<b>Total equity</b>		<b>3,779</b>	10,479

These financial statements were approved by the board of directors and authorised for issue on 25 October 2024 and signed on its behalf by:

**William Holland**

CEO

Company registration number 05217946

The accompanying notes form part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the equity holders of the parent					
	Share capital £000	Share premium £000	Merger reserve £000	FCTR £000	Retained deficit £000	Total equity £000
<b>Balance at 1 August 2022</b>	<b>9,565</b>	<b>23,660</b>	<b>2,868</b>	<b>–</b>	<b>(24,864)</b>	<b>11,229</b>
<b>Comprehensive loss for the year</b>						
Loss for the year attributable to the equity shareholders of the parent	–	–	–	–	(852)	(852)
Other comprehensive profit attributable to the equity shareholders of the parent	–	–	–	–	5	5
<b>Total comprehensive loss for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(847)</b>	<b>(847)</b>
<b>Contributions by and distributions to owners</b>						
Issue of share capital (net of issue costs)	27	22	–	–	–	49
Share-based payments (note 21)	–	–	–	–	48	48
<b>Total contributions by and distributions to owners</b>	<b>27</b>	<b>22</b>	<b>–</b>	<b>–</b>	<b>48</b>	<b>97</b>
<b>Balance at 31 July 2023</b>	<b>9,592</b>	<b>23,682</b>	<b>2,868</b>	<b>–</b>	<b>(25,663)</b>	<b>10,479</b>
<b>Balance at 1 August 2023</b>	<b>9,592</b>	<b>23,682</b>	<b>2,868</b>	<b>–</b>	<b>(25,663)</b>	<b>10,479</b>
<b>Comprehensive loss for the year</b>						
Loss for the year attributable to the equity shareholders of the parent	–	–	–	–	(6,781)	(6,781)
Other comprehensive loss attributable to the equity shareholders of the parent	–	–	–	(17)	–	(17)
<b>Total comprehensive loss for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(17)</b>	<b>(6,781)</b>	<b>(6,798)</b>
<b>Contributions by and distributions to owners</b>						
Share-based payments (note 21)	–	–	–	–	98	98
<b>Total contributions by and distributions to owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>98</b>	<b>98</b>
<b>Balance at 31 July 2024</b>	<b>9,592</b>	<b>23,682</b>	<b>2,868</b>	<b>(17)</b>	<b>(32,346)</b>	<b>3,779</b>

The accompanying notes form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY

	Note	2024 £000	2023 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	37	49
Investments	13b	2,343	2,343
Investments in joint ventures	13a	2,425	–
Amounts due from Group companies	15,22	5,502	22,143
<b>Total non-current assets</b>		<b>10,307</b>	24,535
<b>Current assets</b>			
Other receivables	15	236	129
Cash and cash equivalents		164	121
<b>Total current assets</b>		<b>400</b>	250
<b>Total assets</b>		<b>10,707</b>	24,785
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	(436)	(250)
<b>Total current liabilities</b>		<b>(436)</b>	(250)
Trade and other payables	16	(6)	(12)
<b>Total non-current liabilities</b>		<b>(6)</b>	(12)
<b>Total liabilities</b>		<b>(442)</b>	(262)
<b>Net assets</b>		<b>10,265</b>	24,523
<b>Capital and reserves attributable to equity holders of the parent</b>			
Share capital	20	9,592	9,592
Share premium	20	23,682	23,682
Merger reserve	20	2,868	2,868
Retained deficit		(25,877)	(11,619)
<b>Total equity</b>		<b>10,265</b>	24,523

The Company has taken advantage of the exemption provided under Section 408 of the Companies Act 2006 not to publish its individual statement of comprehensive income and related notes. The loss dealt with in the financial statements of the parent Company is £14,356,000 (2023: £8,964,000 profit).

These financial statements were approved by the board of directors and authorised for issue on 25 October 2024, and signed on its behalf by:

**William Holland**

CEO

Company registration number 05217946

The accompanying notes form part of these financial statements.

## COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium £000	Merger reserve £000	Retained deficit £000	Total equity £000
<b>Balance at 1 August 2022 originally stated</b>	<b>9,565</b>	<b>23,660</b>	<b>2,868</b>	<b>(20,631)</b>	<b>15,462</b>
Comprehensive profit for the year					
Profit for the year attributable to the equity shareholders of the parent	–	–	–	8,964	8,964
<b>Total comprehensive profit for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,964</b>	<b>8,964</b>
<b>Contributions by and distributions to owners</b>					
Issue of share capital (net of issue costs)	27	22	–	–	49
Share-based payments (note 21)	–	–	–	48	48
<b>Total contributions by and distributions to owners</b>	<b>27</b>	<b>22</b>	<b>–</b>	<b>48</b>	<b>97</b>
<b>Balance at 31 July 2023</b>	<b>9,592</b>	<b>23,682</b>	<b>2,868</b>	<b>(11,619)</b>	<b>24,523</b>
<b>Balance at 1 August 2023 originally stated</b>	<b>9,592</b>	<b>23,682</b>	<b>2,868</b>	<b>(11,619)</b>	<b>24,523</b>
<b>Comprehensive profit for the year</b>					
Loss for the year attributable to the equity shareholders of the parent	–	–	–	(14,356)	(14,356)
<b>Total comprehensive profit for the year</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(14,356)</b>	<b>(14,356)</b>
<b>Contributions by and distributions to owners</b>					
Issue of share capital (net of issue costs)	–	–	–	–	–
Share-based payments (note 21)	–	–	–	98	98
<b>Total contributions by and distributions to owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>98</b>	<b>98</b>
<b>Balance at 31 July 2024</b>	<b>9,592</b>	<b>23,682</b>	<b>2,868</b>	<b>(25,877)</b>	<b>10,265</b>

The accompanying notes form part of these financial statements

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY

	Note	2024 £000	2023 £000
<b>Cash flows from/(used in) operating activities</b>			
Loss after tax from continuing operations		(6,781)	(852)
Adjustments for:			
Share-based payments	21	98	48
Depreciation	12	781	1,133
Impairment/(reversal) of producing field	12	189	(177)
Exploration impairment	11	4,968	1,686
Share of loss from joint venture		2	–
Finance income		(223)	–
Finance expense	7	439	717
Taxation expense recognised in profit and loss	8	–	(32)
(Increase)/decrease in trade and other receivables		(416)	973
Decrease in inventories		10	17
Increase/(decrease) in trade and other payables		320	(765)
<b>Net cash (used in)/generated by operations</b>		<b>(613)</b>	<b>2,748</b>
<b>Income taxes paid</b>		<b>–</b>	<b>32</b>
<b>Net cash (used in)/generated by operating activities</b>		<b>(613)</b>	<b>2,780</b>
<b>Cash flows from/(used in) investing activities</b>			
Purchase of property, plant and equipment		(679)	(564)
Purchase of intangible assets		(486)	(5,047)
Investment in joint venture	13	(2,138)	–
Cash guarantee re Morocco		–	263
Cash escrow deposit re Serenity		–	6,622
<b>Net cash (used in)/generated from investing activities</b>		<b>(3,303)</b>	<b>1,274</b>
<b>Cash flows (used in)/from financing activities</b>			
Gross proceeds from issue of share capital	20	–	49
Proceeds from borrowings		–	1,000
Repayment of borrowings		–	(1,040)
Lease liability payments		(7)	(20)
Lease liability interest payments		(1)	(2)
Finance costs		(1)	(35)
Disposal of listed shares		–	29
<b>Net cash used in financing activities</b>		<b>(9)</b>	<b>(19)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3,925)</b>	<b>4,035</b>
Exchange gain/(loss) on cash and cash equivalents		223	(264)
Cash and cash equivalents at beginning of year		5,165	1,394
<b>Cash and cash equivalents at end of year</b>		<b>1,463</b>	<b>5,165</b>

The accompanying notes form part of these financial statements.



## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY

	Note	2024 £000	2023 £000
<b>Cash flows used in operating activities</b>			
(Loss)/profit after tax from continuing operations		<b>(14,356)</b>	8,964
Adjustments for:			
Share-based payments	21	<b>98</b>	48
Depreciation	12	<b>26</b>	38
Movement in intercompany loan provision	22	<b>15,567</b>	(7,997)
Finance income		<b>(2,333)</b>	(1,928)
Finance expense		<b>1</b>	13
(Increase)/decrease in trade and other receivables		<b>(105)</b>	36
Decrease in trade and other payables		<b>(101)</b>	(273)
<b>Net cash used in operating activities</b>		<b>(1,203)</b>	(1,099)
<b>Cash flows from/(used in) investing activities</b>			
Purchase of property, plant and equipment		<b>(14)</b>	(61)
Investment in joint venture		<b>(2,138)</b>	–
Movement on loans to Group companies		<b>3,407</b>	1,052
<b>Net cash flows generated from investing activities</b>		<b>1,255</b>	991
<b>Cash flows used in financing activities</b>			
Gross proceeds from issue of share capital	20	–	49
Proceeds from borrowings		–	1,000
Repayment of borrowings		–	(1,040)
Lease liability principal payment		<b>(7)</b>	(15)
Lease liability interest payment		<b>(1)</b>	(1)
Finance costs		<b>(1)</b>	(13)
<b>Net cash used in financing activities</b>		<b>(9)</b>	(20)
Net increase/(decrease) in cash and cash equivalents		<b>43</b>	(128)
<b>Cash and cash equivalents at beginning of year</b>		<b>121</b>	249
<b>Cash and cash equivalents at end of year</b>		<b>164</b>	121

The accompanying notes form part of these financial statements.

## 1. Accounting policies

### General information

Europa Oil & Gas (Holdings) plc is a public company incorporated and domiciled in England and Wales, limited by shares, with registered number 05217946. The address of the registered office is 30 Newman Street, London, W1T 1PT. The principal activity of the Company is oil and gas exploration, appraisal, development and production.

The functional and presentational currency of the Company is Sterling (UK£), which is also the presentational currency of the Group.

### Basis of accounting

The consolidated and individual Company financial statements have been prepared in accordance with applicable UK adopted International Accounting Standards.

The accounting policies that have been applied in the opening statement of financial position have also been applied throughout all periods presented in these financial statements. These accounting policies comply with each IFRS that is mandatory for accounting periods ending on 31 July 2024.

### Going concern

The directors have prepared a cash flow forecast for the period ending 31 October 2025 (the "going concern period"), which considers the continuing and forecast cash inflow from the Group's producing assets, the cash held by the Group at October 2024, less administrative expenses and planned capital expenditure.

As at 31 July 2024 the Group had cash of £1.5 million and net current assets of £1.4 million and no borrowings.

Oil price estimates for the base case cash flow forecast are based on the Quarter 3 ERCE forward price curve, which assumes an average oil price in 2025 of \$81.70 per barrel, whilst production estimates are sourced from the January 2024 Competent Person's Report for Wressle and augmented by the Group's internal modelling taking into account recent actual production. The Group has planned, but as yet not-committed, capital expenditures related to its projects for which the timing of the expenditure is uncertain and depends on factors outside the control of the Group, such as being granted planning consents and permits to conduct operations. The directors have considered multiple scenarios in relation to the timing of expenditures, including capital expenditure. The directors have also stress tested various cash flow scenarios with extreme downside assumptions such as a \$65 per barrel oil price and a 50% reduction in Wressle volumes.

For the going concern period the Group has forecast expenditure, including potential capital expenditure, in excess of its currently available cash resources and cash inflows from its producing assets. For the Group to pursue all of its capital projects in a timely and efficient manner it is likely to require additional funding during the going concern period to enable it to meet its obligations as they fall due. In addition, should either or both of the extreme downside scenarios materialise, the need for further funding could be accelerated.

Having considered the prepared cash flow forecasts, likely availability of investor support and asset-backed debt, the directors consider that they will have access to adequate resources during the going concern period. As a result, they consider it appropriate to continue adopting the going concern basis in the preparation of the financial statements.

There can be no assurance that the cash received from fundraises and debt issuance will match the directors' expectations, and this may affect the Group's ability to carry out its work programmes as expected.

Should the Group and Company be unable to continue trading as a going concern, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify non-current assets as current. The financial statements have been prepared on the going concern basis and do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

The directors have concluded, as at the date of approval of these financial statements, that there is a reasonable expectation that the Group and Company will still have sufficient cash resources to be able to continue as a going concern and meet its obligations as and when they fall due over the going concern period.

### Basis of consolidation

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. Intra Group balances are eliminated on consolidation. Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group is engaged in oil and gas exploration, development and production through unincorporated joint operations.

### Joint arrangements

Joint arrangements are those arrangements in which the Group holds an interest on a long-term basis which are jointly controlled by the Group and one or more venturers under a contractual arrangement. When these arrangements do not constitute entities in their own right, the consolidated financial statements reflect the relevant proportion of costs, revenues, assets and liabilities applicable to the Group's interests in accordance with IFRS 11. The Group's exploration, development and production activities are presently conducted jointly with other companies in this way.

For the licences where the Group does not hold 100% equity (refer to the licence interests table) a joint arrangement exists.

The equity and voting interest of the Group is disclosed in the table, and activities are typical for activities in the oil and gas sector and are strategic to the Group's activities. The principal place of business for all the joint arrangements is the UK.

## 1. Accounting policies (continued)

### Investments in joint ventures

Investments in joint ventures shall be recognised when the Group has joint control and rights to the net assets of the arrangement. The equity method of accounting will be applied to investments in joint ventures. Under this method, the Group's investment is initially recognised at cost, including direct incremental transaction costs, and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint venture. The Group's share of joint ventures' profit or loss is recognised in the Group's statement of comprehensive income. Where necessary, adjustments are made to the financial statements of joint ventures to bring the accounting policies used into line with those of the Group. Distributions received from joint ventures will reduce the carrying amount of the investments. Unrealised gains or losses on other transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in them. At each reporting date, the Group will assess whether there is any indication that investments in joint ventures may be impaired. An impairment loss will be recognised when the recoverable amount of the investment is less than its carrying amount. The Company will recognise its investment in the joint venture at cost less impairment losses.

### Revenue recognition

The Group follows IFRS 15. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue when control passes on the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Contracts with customers are presented in an entity's balance sheet as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. The Group's accounting policy under IFRS 15 is that revenue is recognised when the Group satisfies a performance obligation by transferring oil to a customer. The title to oil and gas typically transfers to a customer at the same time as the customer takes physical possession of the oil or gas. Typically, at this point in time, the performance obligations of the Group are fully satisfied.

Revenue is measured based on the consideration to which the Group expects to be entitled under the terms of a contract with a customer. The consideration is determined by the quantity and price of oil and gas delivered to the customer at the end of each month.

### Non-current assets

#### Oil and gas interests

The financial statements with regard to oil and gas exploration and appraisal expenditure have been prepared under the full cost basis. This accords with IFRS 6 which permits the continued application of a previously adopted accounting policy. The unit of account for exploration and evaluation assets is the individual licence.

#### Pre-production assets

Pre-production assets are categorised as intangible assets on the statement of financial position. Pre-licence expenditure is expensed as directed by IFRS 6. Expenditure on licence acquisition costs, geological and geophysical costs, costs of drilling exploration, appraisal and development wells, and an appropriate share of overheads (including directors' costs) are capitalised and accumulated on a licence-by-licence basis. These costs which relate to the exploration, appraisal and development of oil and gas interests are initially held as intangible non-current assets pending determination of technical feasibility and commercial viability. On commencement of production these costs are tested for impairment prior to transfer to production assets. If licences are relinquished, or assets are not deemed technically feasible or commercially viable, accumulated costs are written off to cost of sales.

#### Production assets

Production assets are categorised within property, plant and equipment on the statement of financial position. With the determination of commercial viability and approval of an oil and gas project the related pre-production assets are transferred from intangible non-current assets to tangible non-current assets and depreciated upon commencement of production within the appropriate cash generating unit.

#### Impairment tests

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) as disclosed in notes 11 and 12. As a result, some assets are tested individually for impairment and some are tested at cash generating unit level.

Impairment tests are performed when indicators as described in IAS 36 are identified. In addition, indicators such as a lack of funding or farm-out options for a licence which is approaching termination or the implied value of a farm-out transaction are considered as indicators of impairment.

An impairment loss is recognised and charged to cost of sales for the amount by which the asset's or cash generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist or have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's or cash generating unit's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset or cash generating unit does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment loss been recognised for the asset or cash generating unit in prior years. Such a reversal is credited to cost of sales.

#### Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

## 1. Accounting policies (continued)

### Non-current assets (continued)

#### Depreciation

All expenditure within tangible non-current assets is depreciated from the commencement of production, on a unit of production basis, which is the ratio of oil and gas production in the period to the estimated quantities of proven plus probable commercial reserves at the end of the period, plus the production in the period. Costs used in the unit of production calculation comprise the net book value of capitalised costs. Changes in the estimates of commercial reserves or future field development costs are dealt with prospectively.

Furniture and computers are depreciated on a 25% per annum straight line basis.

#### Reserves

Proven and probable oil and gas reserves are estimated quantities of commercially producible hydrocarbons which the existing geological, geophysical and engineering data shows to be recoverable in future years. The proven reserves included herein conform to the definition approved by the Society of Petroleum Engineers ("SPE") and the World Petroleum Congress ("WPC"). The probable and possible reserves conform to definitions of probable and possible approved by the SPE/WPC using the deterministic methodology. Reserves used in accounting estimates for depreciation are updated periodically to reflect management's view of reserves in conjunction with third party formal reports. Reserves are reviewed at the time of formal updates or as a consequence of operational performance, plans and the business environment at that time.

Reserves are adjusted in the year that formal updates are undertaken or as a consequence of operational performance and plans, and the business environment at that time, with any resulting changes not applied retrospectively.

#### Future decommissioning costs

A provision for decommissioning is recognised in full at the point that the Group has an obligation to decommission an appraisal, development or producing well. A corresponding non-current asset (included within producing fields in note 12) of an amount equivalent to the provision is also created. The amount recognised is the estimated cost of decommissioning, discounted to its net present value and is reassessed each year in accordance with local conditions and requirements. The discount rate used is the risk-free rate, adjusted for risks that are not already included in the forecast cash flows. For producing wells, the asset is subsequently depreciated as part of the capital costs of production facilities within tangible non-current assets, on a unit of production basis. Any decommissioning obligation in respect of a pre-production asset is carried forward as part of its cost and tested annually for impairment in accordance with the above policy.

Changes in the estimates of commercial reserves or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to the decommissioning asset. The unwinding of the discount on the decommissioning provision is included within finance expense.

#### Acquisitions of exploration licences

Acquisitions of exploration licences through acquisition of non-operational corporate structures that do not represent a business, and therefore do not meet the definition of a business combination, are accounted for as the acquisition of an asset. Related future consideration that is contingent is not recognised as an asset or liability until the contingent event has occurred.

### Taxation

Current tax is the tax payable based on taxable profit/(loss) for the year.

Deferred income taxes are calculated using the balance sheet liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. Tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary difference will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

### Foreign currency

The Group and Company prepare their financial statements in Sterling.

Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Any exchange differences arising on the settlement of items or on translating items at rates different from those at which they were initially recorded are recognised in the statement of comprehensive income in the period in which they arise. Exchange differences on non-monetary items are recognised in the statement of changes in equity to the extent that they relate to a gain or loss on that non-monetary item taken to the statement of changes in equity, otherwise such gains and losses are recognised in the statement of comprehensive income.

## 1. Accounting policies (continued)

### Foreign currency (continued)

Europa Oil & Gas (Holdings) plc is domiciled in the UK, which is its primary economic environment, and the Company's functional currency is Sterling. The Group's current operations are based in the UK and Ireland and the functional currencies of the Group's entities are the prevailing local currencies in each jurisdiction. Given that the functional currency of the Company is Sterling, management has elected to continue to present the consolidated financial statements of the Group and Company in Sterling.

### Investments

Investments, which are only investments in subsidiaries, are carried at cost less any impairment. Additions include the net value of share options issued to employees of subsidiary companies less any lapsed, unvested options.

### Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

#### Financial assets

Financial assets are classified as either financial assets at amortised cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVPL") depending upon the business model for managing the financial assets and the nature of the contractual cash flow characteristics of the financial asset.

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVPL, at the end of each reporting period. The Group applies a simplified approach to measure the credit loss allowance for trade receivables using the lifetime expected credit loss provision. The lifetime expected credit loss is evaluated for each trade receivable taking into account payment history, payments made subsequent to year end and prior to reporting, past default experience and the impact of any other relevant and current observable data. The Group applies a general approach on all other receivables classified as financial assets. The general approach recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or have expired.

#### Fair value through other comprehensive income

The Group has a number of strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Group has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investment's carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

#### Amortised cost

This category is the most relevant to the Company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The losses arising from impairment are recognised in a separate line in the income statement. This category generally applies to trade and other receivables.

#### Cash and cash equivalents

Cash and cash equivalents are carried at cost and include all highly liquid investments with a maturity of three months or less.

Restricted cash are those amounts held by third parties on behalf of the Group and are not available for the Group's use; these are recognised separately from cash and cash equivalents on the balance sheet.

#### Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. All purchases of financial liabilities are recorded on the trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values. The Group's financial liabilities consist of financial liabilities measured at amortised cost and financial liabilities at fair value through profit or loss.

#### Trade and other payables

Trade and other payables are initially recorded at fair value and subsequently carried at amortised cost.

#### Derecognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled.

Any gain or loss on derecognition is taken to the statement of comprehensive income.

## 1. Accounting policies (continued)

### Treatment of finance costs

All finance costs are expensed through the income statement. The Group does not incur any finance costs that qualify for capitalisation.

### Defined contribution pension schemes

The pension costs charged against profits are the contributions payable to the scheme in respect of the accounting period.

### Inventories

Inventories comprise oil in tanks stated at the lower of cost and net realisable value. Cost is determined by reference to the actual cost of production in the period.

### Share-based payments

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the statement of comprehensive income with a corresponding credit to reserves. Where options over the parent Company's shares are granted to employees of subsidiaries of the parent, the charge is recognised in the statement of comprehensive income of the subsidiary. In the parent Company accounts there is an increase in the cost of the investment in the subsidiary receiving the benefit.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if the number of share options ultimately exercised is different to that initially estimated.

Upon exercise of share options, the proceeds received, net of attributable transaction costs, are credited to share capital, and where appropriate share premium.

### Critical accounting judgements and key sources of estimation uncertainty

Details of the Group's significant accounting judgements and critical accounting estimates are set out in these financial statements and include:

#### Critical accounting judgements

- Carrying value of intangible assets (note 11) – carrying values are justified with reference to indicators of impairment as set out in IFRS 6. Based on judgements at 31 July 2024 there was £4,968k write off (2023: £1,686k). On 13 September 2024 the Company announced that it does not intend to apply to the North Sea Transition Authority for an extension to the Serenity licence, which expired on 30 September 2024. The directors considered this an adjusting event in relation to the year ended 31 July 2024 and as a result, the incurred costs associated with Serenity that the Company has capitalised on its balance sheet were written off.
 

The Phase 1 period of the FEL 4/19 licence was extended on 29 January 2024 for a further period until 31 January 2026. The impairment indicator in relation to the near-term expiry date of the licence that existed as at 31 July 2023 no longer existed as at 31 January 2024.
- Carrying value of investment in joint venture (note 13a) – the investment in Antler Global Limited was assessed to establish whether the investment may be impaired with consideration of the principles in IAS28 and IAS36. In making this assessment management applies judgement to evaluate both external and internal sources of information, including the financial performance of the joint venture, market conditions, changes in the operating environment in which the joint venture operates and other relevant factors. Based on the current review, the directors have not identified any indicators of impairment in relation to this investment in the joint venture as at 31 July 2024.

#### Critical accounting estimates

- Carrying value of property, plant and equipment (note 12) – carrying values are justified by reference to future estimates of cash flows, discounted at appropriate rates. The directors estimate variables such as reserves volumes, future oil prices, future capital and operating expenditure and discount rates. The directors rely on third party formal reports and historical reservoir performance to establish the appropriate reserves volumes and production profiles to use in estimating future cash flows. Future costs are based on internal or joint venture budgets, and discount rates are estimated with reference to applicable external and internal data sources. The directors utilise management's view on external analyst datasets in relation to oil and gas price forecasts. At 31 July 2024 there was a net impairment of £189k of producing assets, comprising mainly the impairment of workover costs incurred in relation to the Crosby Warren field (2023: £177k impairment reversal).
- Deferred taxation (note 20) – assumptions regarding the future profitability of the Group and whether the deferred tax assets will be recovered.
- Decommissioning provision (note 21) – inflation and discount rate estimates (3% and 10% respectively) are used in calculating the provision, along with third party estimates of remediation costs.
- Share-based payments (note 23) – measurement of the fair value of options granted uses valuation techniques where active market quotes are not available. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.
- Reserves and resources (note 12) – reserves and resources are estimated based on management's view and third-party formal reports and these estimates directly impact the recoverability of asset carrying values that are reported in the financial statements.

## 2. Operating segment analysis

In the opinion of the directors the Group has four reportable segments as reported to the chief executive officer, being the UK, Ireland and West Africa.

The reporting on these segments to management focuses on revenue, operating costs and capital expenditure. The impact of such criteria is discussed further in the Chairman's statement and the Strategic Report of this Annual Report.

### Income statement for the year ended 31 July 2024

	UK £000	Ireland £000	West Africa £000	Total £000
Revenue	3,566	–	–	3,566
<i>Cost of sales</i>	<i>(3,117)</i>	–	–	<i>(3,117)</i>
<i>Impairment of producing fields</i>	<i>(189)</i>	–	–	<i>(189)</i>
Cost of sales	(3,306)	–	–	(3,306)
<b>Gross profit</b>	<b>260</b>	<b>–</b>	<b>–</b>	<b>260</b>
Exploration impairment	(4,968)	–	–	(4,968)
Administrative expenses	(1,855)	–	–	(1,855)
Share of loss from joint venture	–	–	(2)	(2)
Finance income	222	1	–	223
Finance costs	(439)	–	–	(439)
<b>Loss before tax</b>	<b>(6,780)</b>	<b>1</b>	<b>(2)</b>	<b>(6,781)</b>
Taxation	–	–	–	–
<b>Loss for the year</b>	<b>(6,780)</b>	<b>1</b>	<b>(2)</b>	<b>(6,781)</b>

### Segmental assets and liabilities as at 31 July 2024

	UK £000	Ireland £000	West Africa £'000	Total £000
Non-current assets	2,127	2,465	2,406	6,998
Current assets	2,781	–	–	2,781
<b>Total assets</b>	<b>4,908</b>	<b>2,465</b>	<b>2,406</b>	<b>9,779</b>
Non-current liabilities	(4,613)	–	–	(4,613)
Current liabilities	(1,081)	(19)	(287)	(1,387)
<b>Total liabilities</b>	<b>(5,694)</b>	<b>(19)</b>	<b>(287)</b>	<b>(6,000)</b>
<b>Other segment items</b>				
Capital expenditure – cash flow	882	283	2,138	3,303
Depreciation	781	–	–	781
Share-based payments	98	–	–	98

## 2. Operating segment analysis (continued)

### Income statement for the year ended 31 July 2023

	UK £000	Ireland £000	Morocco £000	New ventures £000	Total £000
Revenue	6,653	–	–	–	6,653
<i>Cost of sales</i>	<i>(3,448)</i>	–	–	–	<i>(3,448)</i>
<i>Impairment of producing fields</i>	<i>177</i>	–	–	–	<i>177</i>
Cost of sales	(3,271)	–	–	–	(3,271)
<b>Gross profit</b>	<b>3,382</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,382</b>
Exploration impairment	–	–	(1,686)	–	(1,686)
Administrative expenses	(2,078)	227	–	(21)	(1,872)
Finance income	(4)	4	9	–	9
Finance costs	(717)	–	–	–	(717)
<b>Loss before tax</b>	<b>582</b>	<b>232</b>	<b>(1,677)</b>	<b>(21)</b>	<b>(884)</b>
Taxation	32	–	–	–	32
<b>Loss for the year</b>	<b>615</b>	<b>231</b>	<b>(1,677)</b>	<b>(21)</b>	<b>(852)</b>

### Segmental assets and liabilities as at 31 July 2023

	UK £000	Ireland £000	Morocco £000	New ventures £000	Total £000
Non-current assets	7,380	2,183	–	–	9,563
Current assets	6,077	–	–	–	6,077
<b>Total assets</b>	<b>13,457</b>	<b>2,183</b>	<b>–</b>	<b>–</b>	<b>15,640</b>
Non-current liabilities	(4,380)	–	–	–	(4,380)
Current liabilities	(762)	(19)	–	–	(781)
<b>Total liabilities</b>	<b>(5,142)</b>	<b>(19)</b>	<b>–</b>	<b>–</b>	<b>(5,161)</b>
<b>Other segment items</b>					
Capital expenditure – cash flow	4,925	387	299	–	5,611
Depreciation	1,133	–	–	–	1,133
Share-based payments	48	–	–	–	48

100% of the total revenue (2023: 100%) relates to UK-based customers. Of this figure, one end customer (2023: one) commands more than 95% of the total, including sales made through operators to the end customer. UK revenue by site was as follows: West Firsby £445,000 (2023: £489,000); Crosby Warren £264,000 (2023: £447,000); Whisby £202,000 (2023: £387,000); and Wressle £2,559,000 (2023: £5,330,000). Recharges of costs to Antler Global Limited of £96,000 (2023: £nil) is included within revenue and is not eliminated.

The positive value for administrative expenditure in the Ireland segment in 2023 relates to the reversal of certain accrued licence expenditure which had previously been impaired.



### 3. Profit/loss before taxation

Profit/loss before taxation is stated after charging/(crediting):

	Note	2024 £000	2023 £000
Depreciation and amortisation on property, plant and equipment	12	781	1,133
Staff costs including directors	5	1,468	1,371
Diesel		131	174
Business rates		41	37
Site safety and security		97	98
Exploration impairment	11	4,968	1,686
Impairment/impairment reversal	12	189	(177)
Fees payable to the auditor for the audit		80	78
Operating leases – land and buildings		77	44
Foreign exchange (gain)/loss		(208)	264

### 4. Directors' emoluments

Directors' total emoluments for the Group and the Company are set out in the tables below for the current and comparative years.

	Salaries and fees £000	BIK £000	Pensions £000	Share-based payments £000	Total 2024 £000
BJ O'Cathain	48	–	–	–	48
SG Oddie (resigned 23 November 2023)	11	1	–	–	12
S Williams (resigned 23 November 2023)	11	–	–	–	11
W Holland	263	3	20	49	335
A Stuart	198	6	16	22	242
S Ashby-Rudd (appointed 20 December 2023)	27	–	–	–	27
E Rowley (appointed 8 April 2024)	13	–	–	–	13
	<b>571</b>	<b>10</b>	<b>36</b>	<b>71</b>	<b>688</b>

	Salaries and fees £000	BIK £000	Pensions £000	Share-based payments £000	Total 2023 £000
CW Ahlefeldt-Laurvig (resigned 27 April 2023)	18	2	–	–	20
BJ O'Cathain	44	5	–	1	50
SG Oddie	344	47	–	4	395
S Williams	33	3	–	1	37
W Holland	230	32	18	38	318
A Stuart (appointed 3 April 2023)	53	7	5	–	65
	722	96	23	44	885

Pension charges represent premiums paid to money purchase pension plans during the year. Share-based payments charges represent the accounting charge in respect of share options. No share options were exercised during the period (2023: none).

## 5. Employee information

### Average monthly number of employees including directors – Group

	2024 Number	2023 Number
Management and technical	8	7
Field exploration and production	4	5
	<b>12</b>	12

### Staff costs – Group

	2024 £000	2023 £000
Wages and salaries (including directors' emoluments)	1,155	1,133
Social security	136	137
Pensions	79	53
Share-based payments (note 21)	98	48
	<b>1,468</b>	1,371

### Average monthly number of employees including directors – Company

	2024 Number	2023 Number
Management and technical	8	7
	<b>8</b>	7

### Staff costs – Company

	2024 £000	2023 £000
Wages and salaries (including directors' emoluments)	885	881
Social security	103	113
Pensions	63	37
Share-based payments	98	48
	<b>1,149</b>	1,079

## 6. Finance income

	2024 £000	2023 £000
Bank interest received	15	9
Foreign exchange gains	208	–
	<b>223</b>	9

## 7. Finance expense

	2024 £000	2023 £000
Unwinding of discount on decommissioning provision (note 19)	437	416
Foreign exchange loss	–	264
Other finance expense	2	37
	<b>439</b>	717

## 8. Taxation

	2024 £000	2023 £000
Movement in deferred tax asset (note 18)	(2,102)	1,503
Movement in deferred tax liability (note 18)	2,102	(1,503)
Current tax – UK	–	32
Tax credit/(expense)	–	32

UK corporation tax is calculated at 40% (2023: 40%) of the estimated assessable profit for the year being the applicable rate for a ring-fence trade including the Supplementary Charge of 10%. From 24 May 2022 a new UK tax, the Excess Profits Levy (“EPL”) applies to the Group, and it is levied at 25% of assessable EPL profits for the period from 26 May 2022 to 31 December 2022, and at 35% from 1 January 2023 onwards. The proposed increase to the rate of EPL to 38% had not yet been substantially enacted as at the reporting date.

	2024 £000	2023 £000
(Loss)/profit before tax	(6,781)	(884)
<b>Tax reconciliation</b>		
Loss multiplied by the standard rate of corporation tax in the UK including Supplementary Charge of 40% (2023: 40%)	(2,712)	(354)
Expenses not deductible for tax purposes	2,581	1,003
Deferred tax asset not recognised	113	192
Accelerated capital allowances	(169)	(1,802)
Taxed at a different rate	(121)	(3,995)
Losses carried forward	949	5,172
Previously unrecognised tax losses utilised	(641)	(266)
Prior year adjustment	–	18
Total tax (credit)/expense	–	(32)

## 9. Other comprehensive income

	2024 £000	2023 £000
Profit on sale of investment	–	5

On 8 May 2019, the Group disposed of its interest in PEDL143 to UK Oil & Gas Plc (“UKOG”) for consideration of 25,951,557 UKOG shares. At the time of the sale the shares were worth 1.156p each, resulting in a total value of £300,000. An irrevocable election was made to record gains and losses arising on the shares as Other Comprehensive Income. The investment was revalued at the year-end 2022 to £24,000 (0.09p per share) and was sold during 2023 for £29,000 (0.11p per share).

## 10. Earnings per share

Basic earnings per share (“EPS”) has been calculated on the (loss)/profit after taxation divided by the weighted average number of shares in issue during the period. Diluted EPS uses an average number of shares adjusted to allow for the issue of shares on the assumed conversion of all in the money options.

As the Group made a loss from continuing operations in the year, any potentially dilutive instruments were considered to be anti-dilutive. Therefore, the diluted EPS is equal to the basic EPS for the year. As at 31 July 2024 there were nil (2023: 19,724,154) potentially dilutive instruments in issue related to “in the money” options.

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

	2024 £000	2023 £000
Loss for the year attributable to the equity shareholders of the parent	(6,781)	(852)
<b>Weighted average number of shares</b>		
For the purposes of basic EPS	959,184,178	958,804,515
For the purpose of diluted EPS	959,184,178	958,804,515

## 11. Intangible assets

### Intangible assets – Group

	2024 £000	2023 £000
At 1 August	7,146	3,785
Additions	486	5,047
Exploration impairment	(4,968)	(1,686)
At 31 July	2,664	7,146

Intangible assets comprise the Group's pre-production expenditure on licence interests as follows:

	2024 £000	2023 £000
Ireland FEL 4/19 (Inishkea)	2,444	2,166
UK PEDL181	–	112
UK PEDL182 (Broughton North)	35	34
UK PEDL343 (Cloughton)	185	108
Serenity	–	4,726
<b>Total</b>	<b>2,664</b>	<b>7,146</b>

### Exploration impairment

	2024 £000	2023 £000
Morocco (Inezgane)	–	(1,686)
Serenity	(4,871)	–
PEDL 181	(97)	–

On 13 September 2024 the Company announced that it does not intend to apply to the North Sea Transition Authority for an extension to the Serenity licence, which expired on 30 September 2024. The directors considered this an adjusting event in relation to the year ended 31 July 2024 and as a result, the incurred costs associated with Serenity that the Company has capitalised on its balance sheet were written off. Details of commitments are included in note 23.

## 12. Property, plant and equipment

### Property, plant and equipment – Group

	Furniture & computers £000	Producing fields £000	Right of use assets £000	Total £000
<b>Cost</b>				
At 31 July 2022	18	15,714	67	15,799
Additions	38	290	24	352
At 31 July 2023	56	16,004	91	16,151
Additions	21	460	–	481
<b>At 31 July 2024</b>	<b>77</b>	<b>16,464</b>	<b>91</b>	<b>16,632</b>
<b>Depreciation, depletion and impairment</b>				
At 31 July 2022	4	12,723	51	12,778
Charge for year	24	1,090	19	1,133
Impairment reversal in year	–	(177)	–	(177)
At 31 July 2023	28	13,636	70	13,734
Charge for year	20	753	8	781
Impairment in year	–	189	–	189
<b>At 31 July 2024</b>	<b>48</b>	<b>14,578</b>	<b>78</b>	<b>14,704</b>
<b>Net book value</b>				
At 31 July 2022	14	2,991	16	3,021
At 31 July 2023	28	2,368	21	2,417
<b>At 31 July 2024</b>	<b>29</b>	<b>1,886</b>	<b>13</b>	<b>1,928</b>

The producing fields referred to in the table above are the production assets of the Group, namely the oilfields at Wressle, Crosby Warren and West Firsby, and the Group's interest in the Whisby W4 well.

The carrying value of each producing field was tested for impairment by comparing the carrying value with the value-in-use. The value-in-use was calculated using a discounted cash flow model with production decline rates based on engineering estimates and recent production experience. Brent crude price was based on the Quarter 3 ERCE forward curve, which assumes an average oil price per barrel in the table below. For years after 2033 a 2% inflation factor was applied.

Year	Price	Year	Price	Year	Price
2024	\$83.80	2028	\$82.00	2032	\$89.00
2025	\$81.70	2029	\$83.00	2033	\$90.00
2026	\$79.00	2030	\$85.00		
2027	\$80.00	2031	\$87.00		

The post-tax discount rate of 10% (pre-tax 16.67%) is high because of the applicable rates of tax in the UK. Cash flows were projected over the expected life of the fields which is expected to be longer than five years.

Based on the assumptions set out above, an impairment of £189k of producing assets, comprising mainly of the impairment of workover costs incurred in relation to the Crosby Warren field (2023: impairment reversal of £177,000) was required. The recoverable amount was calculated at a discount rate of 10% (2023: 10%).

## 12. Property, plant and equipment (continued)

### Sensitivity to key assumption changes

Variations to the key assumptions used in the value-in-use calculation, as outlined above, would cause impairment of the producing fields as follows:

	Impairment of producing fields £000
<b>Production decline rate</b>	
+10%	–
-10%	–
<b>Brent crude price per barrel</b>	
\$65 flat	–
\$55 flat	–
<b>Pre-tax discount rate</b>	
20%	–
25%	–

None of the variations result in an impairment individually.

### Property, plant and equipment – Company

	Furniture & computers £000	Right of use assets £000	Total £000
<b>Cost</b>			
At 31 July 2022	18	37	55
Additions	37	24	61
At 31 July 2023	55	61	116
Additions	14	–	14
<b>At 31 July 2024</b>	<b>69</b>	<b>61</b>	<b>130</b>
<b>Depreciation</b>			
At 31 July 2022	4	25	29
Charge for year	24	14	38
At 31 July 2023	28	39	67
Charge for year	18	8	26
<b>At 31 July 2024</b>	<b>46</b>	<b>47</b>	<b>93</b>
<b>Net book value</b>			
At 31 July 2022	14	12	26
At 31 July 2023	27	22	49
<b>At 31 July 2024</b>	<b>23</b>	<b>14</b>	<b>37</b>

## 13. Investments

### 13a) Investment in joint ventures

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Investment in Antler Global Limited	<b>2,406</b>	–	<b>2,425</b>	–

On 20 December 2023, the Company completed the acquisition of an interest of 42.9% in Antler Global Limited (“Antler”) by way of a subscription for 750,000 new ordinary shares for a total cash consideration of US\$3,000,000 (£2,353,000). The consideration is payable in four instalments over a period between the completion date and 1 October 2024 according to the following schedule:

	US\$000	GBP£000
Five business days post completion	1,927	<b>1,511</b>
1 April 2024	387	<b>304</b>
1 July 2024	317	<b>249</b>
1 October 2024	369	<b>289</b>
Total	3,000	<b>2,353</b>

Antler is a special purpose entity which on the date of the subscription for shares by the Company held no identifiable assets, apart from the interest in licence EG-08 offshore Equatorial Guinea, and no identifiable liabilities. The investment has been initially recognised at the value of the purchase price and direct incremental transaction costs of £72,000 for a total investment value of £2,425,000. During the period after the investment by the Company Antler has been engaged in exploration activities, the costs of which have been capitalised as intangible assets resulting in an immaterial charge to its statement of comprehensive income. Summarised financial information for Antler at 31 July 2024 is included below:

	31 July 2024 £000
<b>Summarised balance sheet</b>	
Current assets	<b>981</b>
Non-current assets	<b>4,623</b>
Current liabilities	<b>(158)</b>
Net assets	<b>5,446</b>
Company % interest in Antler	<b>42.857%</b>
Company share of net assets	<b>2,334</b>
	31 July 2024 £000
<b>Summarised statement of comprehensive income</b>	
Revenue	–
Loss from continuing operations	<b>(2)</b>
Total comprehensive loss	<b>(2)</b>

### 13. Investments (continued)

#### 13b) Investments in subsidiaries – Company

	2024 £000	2023 £000
At 1 August	2,343	2,343
Current year additions	–	–
At 31 July	2,343	2,343

The Company's investments at the reporting date include 100% of the share capital in the following unlisted companies:

- Europa Oil & Gas Limited, which undertakes oil and gas exploration, development and production in the UK.
- Europa Oil & Gas (West Firsby) Limited, which is non-trading.
- Europa Oil & Gas (Ireland West) Limited, which previously held the interest in the FEL 2/13 licence.
- Europa Oil & Gas (Ireland East) Limited, which previously held the interest in the FEL 3/13 and FEL 1/17 licences.
- Europa Oil & Gas (Inishkea) Limited, which holds the interest in the FEL 4/19 and previously held the interest in FEL 3/19 licences.
- Europa Oil & Gas (New Ventures) Limited, which previously held the interest in the Moroccan licence.

All six companies are registered in England and Wales, all having their registered office at 30 Newman Street, London W1T 1PT.

The results of the six companies have been included in the consolidated accounts.

Europa Oil & Gas Limited owns 100% of the ordinary share capital of Europa Oil & Gas (UK) Limited (registered in England and Wales with registered office at 30 Newman Street, London W1T 1PT and is non-trading).

### 14. Inventories – Group

	2024 £000	2023 £000
Oil in tanks	9	19

### 15. Trade and other receivables

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
<b>Current trade and other receivables</b>				
Trade receivables	1,002	556	133	–
Other receivables	33	103	12	30
Corporation tax receivable	50	50	–	–
Prepayments	224	184	91	99
	<b>1,309</b>	<b>893</b>	<b>236</b>	<b>129</b>
<b>Non-current other receivables</b>				
Owed by Group undertakings (note 22)	–	–	5,502	22,143

### 16. Trade and other payables

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
<b>Current trade and other payables</b>				
Trade payables	140	454	61	175
Lease liabilities	6	10	6	8
Other payables	1,241	317	369	67
	<b>1,387</b>	<b>781</b>	<b>436</b>	<b>250</b>
<b>Non-current trade and other payables</b>				
Lease liabilities	6	12	6	12



## 17. Leases

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
<b>Amounts recognised in the statement of comprehensive income:</b>				
Interest on right of use liabilities	(1)	(1)	(1)	(1)
<b>Amounts recognised in the statement of cash flows:</b>				
Repayment of lease liabilities – principal	(7)	(20)	(7)	(15)
Repayment of lease liabilities – interest	(1)	(2)	(1)	(1)
<b>Maturity analysis (undiscounted):</b>				
Amounts due within 1 year	(6)	(9)	(6)	(8)
Amounts due after more than 1 year & less than 5 years	(6)	(12)	(6)	(12)
Amounts due after more than 5 years	–	–	–	–

The Group's right of use asset comprises the lease of one vehicle (note 12). The corresponding lease liability for the right to use leased asset is included within trade and other payables in the statement of financial position (note 17).

## 18. Deferred tax – Group

	2024 £000	2023 £000
<b>Recognised deferred tax asset:</b>		
As at 1 August	–	–
Charged to statement of comprehensive income	–	–
At 31 July	–	–

The Group has a deferred tax liability of £833,000 (2023: £2,935,000) arising from accelerated capital allowances and a deferred tax asset of £833,000 (2023: £2,935,000) arising from trading losses which will be utilised against future taxable profits. These were offset against each other resulting in a £nil net asset/liability (2023: £nil net asset/liability). This offsetting was required because the Group settles current tax assets and liabilities on a net basis.

### Non-recognised long-term deferred tax asset

The Group has a non-recognised deferred tax asset of £11.8 million (2023: £7.3 million), which arises in relation to ring-fenced UK trading losses of £14.4 million (2023: £13.1 million), STC losses (including investment allowances) of £14.3 million (2023: £13.1 million), non-ring-fenced UK trading losses of £11.7 million (2023: £11.7 million), EPL losses of £5.8 million (2023: £4.1) and subsidiary losses and carried forward capital expenditure of £7.9 million (2023: £7.3 million) that have not been recognised in the accounts as the timing of the utilisation of the losses is considered uncertain.

No deferred tax assets or liabilities are recognised in the Company.

## 19. Provisions – Group

Decommissioning provisions are based on third-party estimates of work which will be required and the judgement of directors. By their nature, timing and the detailed scope of work required are uncertain.

### Long-term provisions

	2024 £000	2023 £000
As at 1 August	4,368	4,164
Charged to statement of comprehensive income (note 7)	437	416
Change in estimated phasing of cash flows	(198)	(212)
At 31 July	4,607	4,368

The change in the estimated decommissioning provision resulted mainly from a reassessment of the estimated timings of when such decommissioning activities are undertaken at the end of their economic lives.

### Sensitivity to key assumption changes

Variations to the key assumptions used in the decommissioning provision estimates would cause increases/(reductions) to the provision as follows:

	Further decommissioning provision £000
<b>Inflation rate (current assumption 3%)</b>	
2%	(716)
5%	836
<b>Discount rate (current assumption 10%)</b>	
5%	1,549
15%	(1,102)

No provisions have been recognised in the Company.

## 20. Called up share capital

	2024 £000	2023 £000
<b>Allotted, called up and fully paid ordinary shares of 1p</b>		
At 1 August 2023: 959,184,193 shares (1 August 2022: 956,466,985)	9,592	9,565
Issued in the year: nil shares (2023: 2,717,193 shares)	–	27
<b>At 31 July 2024: 959,184,178 shares (2023: 959,184,178)</b>	<b>9,592</b>	<b>9,592</b>

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

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value
Merger reserve	Reserve created on issue of shares on acquisition of subsidiaries in prior years
Retained deficit	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income
Foreign currency translation reserve ("FCTR")	Component of equity that arises from the translation of foreign operations' financial statements into the reporting currency of the parent entity

## 21. Share-based payments

The Group operates an approved Enterprise Management Incentive ("EMI") share option scheme for employees and an unapproved scheme for grants in excess of EMI limits and for non-employees. Both schemes are equity-settled share-based payments as defined in IFRS 2 Share-based payments. A recognised valuation methodology is employed to determine the fair value of options granted as set out in the standard. The charge incurred relating to these options is recognised within operating costs.

Combined information for the two schemes operated by the Group is set out below.

There are 60,265,474 ordinary 1p share options/warrants outstanding (2023: 41,550,628).

## 21. Share-based payments (continued)

These are held as follows:

Holder	31 July 2024	31 July 2023
B O' Cathain	–	2,950,000
S Oddie	–	9,200,000
S Williams	–	2,500,000
W Holland	<b>20,000,000</b>	7,721,000
A Stuart	<b>15,000,000</b>	–
Employees of the Group	<b>15,840,000</b>	3,800,000
Consultants and advisers	<b>9,425,474</b>	15,379,628
<b>Total</b>	<b>60,265,474</b>	41,550,628

The fair values of options were determined using a Black Scholes Merton model or, in the case of those issued to advisers as part of the share issue, the fair value was deemed to be the share issue price. Volatility is based on the Company's share price volatility since flotation.

During the year Company cancelled 13,191,000 existing EMI options ("Historical EMI Options") and replaced them with 50,000,000 new EMI options. As the new EMI options were in part to replace the Historical EMI Options, this grant constitutes a "modification" and as such there is no acceleration of the costs related to the cancelled options, but instead the incremental fair value of the new EMI options is estimated and recognised over the period of the new options, with the expense relating to the original (cancelled) options continuing to be recognised over the remainder of the original vesting period.

In total 14,114,154 options expired and 17,171,000 were cancelled, inclusive of the Historical EMI Options (2023: 6,520,000 granted, 2,280,000 expired, 1,180,000 forfeited, and 2,717,193 exercised).

	2024 Number of options	2024 Average exercise price	2023 Number of options	2023 Average exercise price
Outstanding at the start of the year	<b>41,550,628</b>	<b>2.04p</b>	41,207,821	2.23p
Granted – employees/directors	<b>50,000,000</b>	<b>1.08p</b>	6,520,000	1.14p
Exercised	–	–	(2,717,193)	1.80p
Expired	<b>(14,114,154)</b>	<b>1.35p</b>	(2,280,000)	2.31p
Forfeited	–	–	(1,180,000)	3.66p
Cancelled	<b>(17,171,000)</b>	<b>2.70p</b>	–	–
Outstanding at the end of the year	<b>60,265,474</b>	<b>1.21p</b>	41,550,628	2.04p
Exercisable at the end of the year	<b>10,145,474</b>	<b>1.82p</b>	23,599,628	1.56p

The 50,000,000 new EMI options granted in January 2024 vest in three years, and are exercisable conditional upon the Europa Oil & Gas (Holdings) plc volume weighted average share price over the last 20 trading days prior to the Vesting Date to be greater than or equal to 1.25 times the volume weighted average share price over the last 20 trading days prior to the Grant Date, and expire on the tenth anniversary of the grant date. The inputs used to determine their values are detailed in the table:

Grant date	17 January 2024
Number of options	50,000,000
Share price at grant	1.025p
Exercise price	1.075p
Volatility	70.81%
Dividend yield	Nil
Risk free investment rate	4.02%
Option life in years	10
Fair value per option	0.8p

Based on the fair values above, the charge arising from employee share options was £98,000 (2023: £48,000). The charge relating to non-employee share options was £nil (2023: £nil). The charge allocated directly to equity, relating to the issue of options on the issue of share capital, was £nil (2023: £nil).

Share options/warrants outstanding at the end of the period have exercise prices ranging from 1.075p to 8p and the weighted average remaining contractual life at the end of the period was 8 years (2023: 2.7 years).

## 22. Financial instruments

The Group's and Company's financial instruments comprise cash and cash equivalents, bank borrowings, loans, and items such as trade and other receivables and trade and other payables which arise directly from its operations. Europa's activities are subject to a range of financial risks, the main ones being credit; liquidity; interest rates; commodity prices; foreign exchange; and capital. These risks are managed through ongoing review considering the operational, business and economic circumstances at that time.

### Financial assets – Group

	Amortised cost 2024 £000	Amortised cost 2023 £000	Fair value through other comprehensive income 2024 £000	Fair value through other comprehensive income 2023 £000
Trade and other receivables	1,085	709	–	–
Cash and cash equivalents	1,463	5,165	–	–
Total financial assets	2,548	5,874	–	–

### Financial assets – Company

	Amortised cost 2024 £000	Amortised cost 2023 £000	Fair value through other comprehensive income 2024 £000	Fair value through other comprehensive income 2023 £000
Investments	2,343	2,343	–	–
Amounts due from Group companies	5,502	22,143	–	–
Trade and other receivables	145	30	–	–
Cash and cash equivalents	164	121	–	–
Total financial assets	8,154	24,637	–	–

### Financial liabilities – Group

	Amortised cost 2024 £000	Amortised cost 2023 £000	Fair value through other comprehensive income 2024 £000	Fair value through other comprehensive income 2023 £000
Trade and other payables	(1,381)	(771)	–	–
Lease liabilities	(12)	(22)	–	–
Total financial liabilities	(1,393)	(793)	–	–

### Financial liabilities – Company

	Amortised cost 2024 £000	Amortised cost 2023 £000	Fair value through other comprehensive income 2024 £000	Fair value through other comprehensive income 2023 £000
Trade and other payables	(430)	(242)	–	–
Lease liabilities	(12)	(20)	–	–
Total financial liabilities	(442)	(262)	–	–

### Credit risk

The Group is exposed to credit risk as all crude oil production is effectively sold to one multinational oil company. The customer is invoiced monthly for the oil delivered to the refinery in the previous month and invoices are generally settled in full within the same month that invoices are issued. At 31 July 2024 trade receivables were £1,002,000 (2023: £556,000). The fair value of trade receivables and payables approximates to their carrying value because of their short maturity. Any surplus cash is held on short-term deposit with Royal Bank of Scotland. The maximum credit exposure in the year was £1,002,000 comprising July 2024 oil sales and recharges to joint ventures (2023 maximum exposure: £1,574,000). The Company exposure to third-party credit risk is negligible. The intercompany balances with its subsidiaries have been appropriately provided for to account for potential impairments.

## 22. Financial instruments (continued)

### Liquidity risk

The Company currently has no overdraft or overdraft facility with its bankers.

The Group and Company monitor their levels of working capital to ensure they can meet liabilities as they fall due. The following table shows the contractual maturities (representing the undiscounted cash flows) of the Group's and Company's financial liabilities.

At 31 July	Group Trade and other payables		Company Trade and other payables	
	2024 £000	2023 £000	2024 £000	2023 £000
6 months or less	<b>1,387</b>	781	<b>436</b>	250
Total	<b>1,387</b>	781	<b>436</b>	250

Cash and cash equivalents in both Group and Company are all available at short notice.

Trade and other payables do not normally incur interest charges. There is no difference between the fair value of the trade and other payables and their carrying amounts.

### Interest rate risk

The Group has no interest-bearing liabilities (note 18) and immaterial leases (note 19). All loans and leases are at fixed rates of interest and the Group and Company are not exposed to changes in interest rates.

### Commodity price risk

The selling price of the Group's production of crude oil is set at a small discount to Brent prices. The table below shows the range of prices achieved in the year and the sensitivity of the Group's loss before taxation ("LBT") or profit before tax ("PBT") to such movements in oil price. There would be a corresponding increase or decrease to net assets. There is no commodity price risk in the Company.

Oil price	Month	2024 Price US\$/bbl	2024 PBT £000	2023 Price US\$/bbl	2023 PBT £000
Highest	April 2024	<b>88.90</b>	<b>250</b>	\$98.70	1,227
Average		<b>82.40</b>	<b>(9)</b>	\$83.30	(2)
Lowest	December 2023	<b>76.60</b>	<b>(239)</b>	\$73.40	(791)

### Foreign exchange risk

The Group's production of crude oil is invoiced in US\$. Revenue is translated into Sterling using a monthly exchange rate set by reference to the market rate. The table below shows the range of average monthly US\$ exchange rates used in the year and the sensitivity of the Group's PBT/LBT to similar movements in US\$ exchange. There would be a corresponding increase or decrease in net assets.

US Dollar	Month	2024 Rate US\$/£	2024 PBT £000	2023 Rate US\$/£	2023 PBT £000
Highest	July 2024	<b>1.284</b>	<b>(187)</b>	1.286	(410)
Average		<b>1.260</b>	<b>(127)</b>	1.212	(30)
Lowest	October 2023	<b>1.218</b>	<b>(17)</b>	1.117	535

The table below shows the Group's currency exposures. Exposures comprise the net financial assets and liabilities of the Group that are not denominated in the functional currency.

Currency	Item	Group		Company	
		2024 £000	2023 £000	2024 £000	2023 £000
Euro	Cash and cash equivalents	<b>2</b>	18	<b>2</b>	–
	Trade and other payables	<b>(5)</b>	(9)	<b>(5)</b>	(9)
US Dollar	Cash and cash equivalents	<b>1,219</b>	5,102	<b>68</b>	75
	Trade and other receivables	–	556	–	–
	Trade and other payables	<b>869</b>	(47)	<b>133</b>	(47)
Total		<b>2,085</b>	5,620	<b>198</b>	(19)

## 22. Financial instruments (continued)

### Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital. The Group defines capital as being the consolidated shareholder equity (note 22) and third-party borrowings (£nil at 31 July 2024). The board monitors the level of capital as compared to the Group's long-term debt commitments and adjusts the ratio of debt to capital as is determined to be necessary, by issuing new shares, reducing or increasing debt, paying dividends and returning capital to shareholders.

### Intercompany loans

The loans to the subsidiaries are not classified as repayable on demand. IFRS 9 requires consideration of the expected credit risk associated with the loan. As the subsidiary company does not have any liquid assets to sell to repay the loan, should it be recalled, the conclusion reached was that the loan should be categorised as stage 3.

As part of the assessment of expected credit losses of the intercompany loan receivable, the directors have considered the published chance of success for Inishkea, and applying the 33% general wildcat exploration success rate, the loans to Europa Oil & Gas Inishkea have thus been deemed 67% provided.

The loans to Europa Oil & Gas New Ventures, Europa Oil & Gas (Ireland West) and Europa Oil & Gas (Ireland East) have been provided in full due to the relinquishment of the licences held by the subsidiaries.

During the year to 31 July 2024 there has been a decrease in the expected recoverable value of the Group's Crosby Warren producing asset, mainly as a result of a significant reduction in the anticipated water handling revenues connected to the Wressle producing field. The cause of this is that updated production simulations from the CPR indicate much reduced water production as the reservoir becomes supported by gas break-out. Additionally, the estimated recoverable value of the Wressle producing field was adversely impacted by the reduction in forecast UK gas prices during the year. These factors led to an increase in the provisions for impairment that had been made in relation to loans to Europa Oil & Gas Ltd.

The movement in the provision was as follows:

	Europa Oil & Gas Limited £000	Europa Oil & Gas (Ireland West) Limited £000	Europa Oil & Gas (Ireland East) Limited £000	Europa Oil & Gas (Inishkea) Limited £000	Europa Oil & Gas (New Ventures) Limited £000	Total £000
<b>Gross loan balances</b>						
Loan balance at 31 July 2022	26,535	781	1,495	1,168	1,190	31,169
Movement in loan	1,027	(76)	(153)	223	(145)	876
Loan balance at 31 July 2023	27,562	705	1,342	1,391	1,045	32,045
Movement in loan	(1,255)	–	–	181	–	(1,074)
<b>Loan balance at 31 July 2024</b>	<b>26,307</b>	<b>705</b>	<b>1,342</b>	<b>1,572</b>	<b>1,045</b>	<b>30,971</b>
<b>Provisions</b>						
Provision at 31 July 2022	(14,043)	(781)	(1,495)	(783)	(797)	(17,899)
Movement in provision	8,165	76	153	(149)	(248)	7,997
Provision at 31 July 2023	(5,878)	(705)	(1,342)	(932)	(1,045)	(9,902)
Movement in provision	(15,446)	–	–	(121)	–	(15,567)
<b>Provision at 31 July 2024</b>	<b>(21,324)</b>	<b>(705)</b>	<b>(1,342)</b>	<b>(1,053)</b>	<b>(1,045)</b>	<b>(25,469)</b>
Net loan balance at 31 July 2022	12,492	–	–	385	393	13,270
Net loan balance at 31 July 2023	21,684	–	–	459	–	22,143
<b>Net loan balance at 31 July 2024</b>	<b>4,983</b>	<b>–</b>	<b>–</b>	<b>519</b>	<b>–</b>	<b>5,502</b>

## 23. Capital commitments and guarantees

For PEDL181 the partners have agreed to drill two development wells and to construct a gas export line. These activities remain contingent upon planning permission being granted, the budget being approved by the JV partnership and the availability of a suitable rig. The total net cost to Europa for the work programme is estimated to be £1.3 million in 2025 and £2.5 million in 2026.

The final instalment of the Antler consideration was due on 1 October 2024 for \$369,000 (£289,000). This was paid on time after the reporting date.

## 24. Lease commitments

Europa Oil & Gas Limited pays annual site rentals for the land upon which the West Firsby and Crosby Warren oil field facilities are located.

Future minimum lease payments are as follows:

	2024 £000	2023 £000
Less than 1 year	63	–
2-5 years	90	–
<b>Total</b>	<b>153</b>	<b>–</b>

## 25. Related party transactions

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the Group.

In the opinion of the board, the Group's and the Company's key management are the directors of Europa Oil & Gas (Holdings) plc.

Information regarding their compensation is given in note 4.

During the year, the Company provided services to subsidiary companies as follows:

	2024 £000	2023 £000
Europa Oil & Gas Limited	319	336
Europa Oil & Gas (Inishkea) Limited	64	102
Europa Oil & Gas (New Ventures) Limited	–	26
<b>Total</b>	<b>383</b>	<b>464</b>

At the end of the year, after provisions, the Company was owed the following amounts by subsidiaries:

	2024 £000	2023 £000
Europa Oil & Gas Limited	4,983	21,684
Europa Oil & Gas (Inishkea) Limited	518	459
<b>Total</b>	<b>5,501</b>	<b>22,143</b>

## 26. Post reporting date events

On 13 September 2024 the Company announced that it does not intend to apply to the North Sea Transition Authority for an extension to the Serenity licence, which expired on 30 September 2024. As a result, the incurred costs associated with Serenity that the Company has capitalised were written off during the year.

On 16 September 2024 the Company announced that planning consent has been received from North Lincolnshire Council for the further development of the Wressle well site. As a result of the Finch Supreme Court ruling and a proposed legal challenge to the granting of planning permission for the next phase of the Wressle development, it is expected that the planning consent will be rescinded once the court process has concluded. The Wressle Joint Venture plans to submit further information that covers potential scope 3 emissions such that a future planning process could be approved. The works will include extending the existing site to accommodate the drilling of two new wells and construction of gas processing facilities and an underground gas pipeline to connect Wressle to the local gas distribution network.





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