Jersey Company number: 129667

Upland Resources Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 30 June 2022

Upland Resources Limited

Contents

Upland Resources Limited

Officers and Professional Advisers

Directors	B B H Di - Chairman D K S Wong A A B Nasharuddin
Registered Office	3rd Floor 44 Esplanade St Helier Jersey JE4 9WG
Jersey Company Number	129667
Brokers & Financial Advisers	Optiva Securities Limited 118 Piccadilly London W1J 7NW
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
UK Legal Advisers	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Company Secretary	Ogier 44 Esplanade St Helier Jersey JE4 9WG
Principal Bankers	Coutts & Co 440 Strand London WC2R 0QS

Board of Directors

Bolhassan Di *(Age 69)* – ***Chairman and Chief Executive***
Mr Di has many years of political and commercial experience within Sarawak, one of two Malaysian states upon the Island of Borneo. During his lengthy service within the Sarawak State Assembly, he held positions as Chairman of the Public Accounts Committee, Assistant Minister in the Sarawak Chief Minister's Department and subsequently Assistant Minister at the Ministry of Infrastructure Development and Communication.

A graduate of the School of Engineering at Sheffield University, he began his career in 1979 at Sarawak Shell Bhd. (a subsidiary of Royal Dutch Shell plc) where he gained project planning, design, construction, commissioning and start-up experience in offshore projects. These included the F6A project in Sarawak waters (the largest offshore gas project in the region), the E11 and F23 gas production projects in Sarawak waters and also projects such as the St Joseph and South Furious offshore oil production platforms in Sabah waters. From 1987 to 1997, he was also the Chairman of the Miri Port Authority. He has also had significant oil and gas experience with Shell in South Korea, Singapore, the North Sea and the Netherlands.

Dixon Kit Seng Wong *(Age 33)* - ***Non-Executive Director***
Mr Wong is a director of a number of businesses owned by Tune Group and has been involved in a variety of roles within the organisation including corporate finance, group strategy, driving organisational change and synergies across the group. One of Upland's major shareholders, Tune Assets Limited, is part of the Tune Group. Mr Wong has previously worked for HSBC Bank Malaysia and the Bank of Tokyo-Mitsubishi. Mr Wong holds a BCom, Accounting and Finance from the University of Queensland, Australia and a Master of Business degree from the Queensland University of Technology.

Aimi Aizal Bin Nasharuddin *(Age 55)* - ***Non-Executive Director***
Mr Nasharuddin carries over 30 years of business, corporate finance and hands-on operational experience. An accountant by profession, he started his career at Arthur Andersen & Co as an auditor and business advisor where he was involved in mapping out strategies and implementing business processes for various sectors of corporates, including manufacturing, financial and investment, property development, construction and oil and gas-based companies. He later gained further expertise in the corporate world at CIMB Investment Bank Berhad, the largest investment bank in Malaysia, where he was integral to some of the largest transactions involving financial restructuring, business re-engineering, takeovers, reverse takeovers, acquisitions and corporate financing.

Upland Resources Limited

Chairman's Statement

We are pleased to report our audited results for the year ended 30 June 2022.

Upland has made good progress in the year under review and since the balance sheet date. It has now put into action the first phase of its newly formed strategy, whilst laying the foundations for the second phase. We believe that Upland has a bright future ahead of it and I look forward to reporting further progress towards our stated goals.

Into 2022, the world changed substantially and we saw seismic shifts in demand-supply balances and, with the lifting of global COVID-19 related restrictions, saw the world go back to work and back to travelling, all against the backdrop of a severe and prolonged lack of capital investment in the oil and gas exploration segment of the sector

The tragedy of war in Ukraine has caused oil and gas prices to rise as many of the world's nation states look elsewhere than to Russia for their energy needs. It is not necessary to go into much further detail on the now well-established link to Europe's requirements for energy security, energy independence and to secure her energy needs closer to home.

This brings us to Upland's Tunisian gas assets. We are progressing our prospective partnership with Pennpetro and look forward to successfully developing the Tunisian Saouaf Permit with them. At the time of writing, our application for a one-year extension to December 2023 has been submitted on 21 October 2022 . Saouaf is a large scale, potentially multi-trillion cubic feet gas asset with multiple leads and prospects situated in near proximity to the TrasnsMed gas pipeline that supplies gas from Algeria through Tunisia and into Europe via Sicily. Europe's energy needs have never been as vital as they are now and further developing this asset has potential to provide exceptional returns for investors upon success.

We are uniquely positioned in Sarawak. A new area of strategic focus; the award of the Joint Technical Study represents a significant milestone for Upland and our shareholders. Preference for the award of new permits is given to Sarawakian companies and to those companies partnered with Sarawakian companies, whilst not jeopardising the interests of companies already operating in Sarawak, which the Company believes is beneficial to the structure of its agreements and our relationships in Sarawak. Preliminary activities on SK334 have commenced, the initial kick off meeting was held last month, all available SK334 data has now been received from Petros and downloaded to our consultants. Furthermore, our first workshop event has been scheduled, which we look forward to updating our shareholders on.

The P2478 licence contains the Dunrobin prospect. Technical studies by our joint venture partners for this highly prospective area have confirmed and enhanced the JV's geological understanding of this potential large prospect. The prospect consists of three large shallow Jurassic rotated fault blocks that are mapped mostly on 3D seismic data within a single culmination with Direct Hydrocarbon Indicators. Reservoir targets are the Jurassic Beatrice and Dunrobin sandstones, overlain by a thick Kimmeridge Clay to seabed. The prospect is approximately 30km offshore with a water depth of approximately 75m. As such, providing further positive technical results and any drilling decision by the joint venture partners to test Dunrobin, we see heightened potential for this asset to attract external farm-out interest and drive shareholder value.

Regarding corporate matters, sadly as previously reported, my fellow Director, Jeremy King, passed away in April 2022. Jeremy was an important member of our Board, managed the Company's finances and made an important contribution to the strategic direction of the Company. In addition, Chris Pitman decided not to seek re-election at our AGM held on 28th September in order to pursue other business opportunities. I thank Chris for his service and wish him success in his future endeavours.

Upland Resources Limited

Chairman's Statement (continued)

We have strengthened our team with the appointments of John Forrest as CFO and Gerard Murray as Chief Strategic Officer. Gerry is a long time Upland shareholder and supporter who has a MSc Oil & Gas Management from the University of Aberdeen while John is a CPA who came on to assist with the completion of the 2021 audit and re-listing of the Company’s shares in June. The Directors are delighted to add Gerard and John to our team. We have also identified a UK-based Technical Director and are working out the final details. With his past experience in the region, he will be a very important addition as the Sarawak Technical Study commences in earnest.

Finally, on 25 October 2022 we announced the placement of 124,000,000 shares at 0.25p each to generate gross proceeds of £ 310,000 which will be used for Sarawak and working capital. The issue included 60,000,000 warrants on a 1:2 basis that are exercisable at 0.40p between 6 and 18 months from the closing date

Our next AGM will be held on 8 December 2022.

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B B H Di
Chairman
28 October 2022

Upland Resources Limited

Strategic Report for the Year Ended 30 June 2022

The Directors present their strategic report for the year ended 30 June 2022.

Principal activity

The Company and Group was formed for the purpose of acquiring assets, businesses or target companies that have operations in the oil and gas exploration and production sector that it will then look to develop and expand.

Review of the business

Regarding Upland's Tunisian gas assets, we are progressing our prospective partnership with Pennpetro Energy plc (RNS 21 July 2022) and look forward to successfully developing the Tunisian Saouaf Permit with them. At the time of writing, our application for a one-year extension to December 2023 is to be submitted no later than 22 October 2022. Saouaf is a large scale, potentially multi-trillion cubic feet gas asset with multiple leads and prospects situated in near proximity to the TrasnsMed gas pipeline that supplies gas from Algeria through Tunisia and into Europe via Sicily. Europe's energy needs have never been as vital as they are now and further developing this asset has potential to provide exceptional returns for investors upon success.

We are uniquely positioned in Sarawak. A new area of strategic focus; the award of the Joint Technical Study (RNS 2 September 2022) represents a significant milestone for Upland and our shareholders. Preference for the award of new permits is given to Sarawakian companies and to those companies partnered with Sarawakian companies, whilst not jeopardising the interests of companies already operating in Sarawak, which the Company believes is beneficial to the structure of its agreements and our relationships in Sarawak. Preliminary activities on SK334 have commenced, the initial kick off meeting was held last month, all available SK334 data has now been received from Petros and downloaded to our consultants. Furthermore, our first workshop event has been scheduled, which we look forward to updating our shareholders on.

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Significant events since the balance sheet date

On 1 September 2022, the Company's wholly-owned subsidiary Upland Resources (Sarawak) Sdn Bhd ("URS") signed a Joint Technical Study Agreement with Big Oil Ventures Sdn Bhd ("BOV") and Petroleum Berhad Sarawak (Petros) to conduct a study on Block SK334 which covers 6685 km2 in the northern region of Onshore Sarawak, Malaysia. On 10 October 2022, the parties to the agreement formed a joint venture company Upland Big Oil Sdn Bhd. BOV and URS will finance the joint venture company 80:20 respectively.

Significant events since the balance sheet date (continued)

In conjunction with its Farm Out Agreement with Pennpetro Energy plc, which was announced in an RNS on 21 July 2022, on 21 October 2022, the Company submitted an application to the Granting Authority in Tunisia to extend the term of the Saouaf Permit until 23 December 2023. A decision is pending.

On 25 October 2022 the Company announced the placement of 124,000,000 shares at 0.25p each to generate gross proceeds of £ 310,000 which will be used for Sarawak and working capital. The issue included 60,000,000 warrants on a 1:2 basis that are exercisable at 0.40p between 6 and 18 months from the closing date

Principal risks and uncertainties

The directors consider that the main business risks and uncertainties of the Group are:

Sub-surface risks

Risk 1: The success of the business relies on accurate and detailed analysis of the sub-surface. This can be impacted by poor quality data, either historical or recently gathered, and limited data coverage. Certain information provided by external sources may not be accurate.

Mitigation: All externally provided historical data is rigorously examined and discarded when appropriate. New data acquisition will be considered and relevant programmes implemented, but historical data can be reviewed and reprocessed to improve the overall knowledge base.

Risk 2: Data can be misinterpreted leading to the construction of inaccurate models and subsequent plans.

Mitigation: All analytical outcomes are challenged internally and peer reviewed. Interpretations are carried out on modern geoscience software.

Corporate risks

Risk 1: When it expired in May 2021 the Company did not replace a USD 1M bank guarantee issued by the Company to the Tunisian government, as beneficiary, to part-secure the work commitment of its Tunisian subsidiary in respect of the Saouaf Permit. The bank guarantee was a condition imposed when the Permit was granted and there is a risk that the Permit could be cancelled. There is a lesser risk that the Tunisian government will seek compensation should the work commitment be unfunded.

Mitigation: The Company has received an opinion from its Tunisian legal advisors that the Tunisian government has recourse to our Tunisian subsidiary but not to the Company. In addition, the Farm Out Agreement (RNS 21 July 2022) obligates the Farminee to deliver a bank guarantee or other security satisfactory to the Tunisian authorities to replace the original bank guarantee.

Risk 2: The Group’s success depends on skilled management as well as retention of technical and administrative staff and consultants. The loss of critical members of the Group’s team could have an adverse effect on the business.

Mitigation: The Group periodically reviews the compensation and contract terms of its staff and consultants to ensure that they are competitive.

Principal risks and uncertainties (continued)

Going concern risk
Risk: The Group has insufficient financial resources to meet its non-discretionary expenses for the 12 months from the date of approval of these accounts. There is no guarantee that funding will be raised and as a result there is an uncertainty about the Group's ability to continue as a going concern.

Mitigation: Despite difficult financial markets, the Group expects support from its shareholders in its efforts to finance non-discretionary expenditures for the next 12 months, including its commitment to the Upland/Big Oil/Petros joint study in Sarawak. On 25 October 2022 the Company announced the placement of 124,000,000 shares at 0.25p each to generate gross proceeds of £ 310,000 which will be used for Sarawak and working capital. The issue included 60,000,000 warrants on a 1:2 basis that are exercisable at 0.40p between 6 and 18 months from the closing date

Approved by the Board on 28 October 2022 and signed on its behalf by:

....
A A B Nasharuddin
Director

Directors' Report for the Year Ended 30 June 2022

The directors present their report and the audited consolidated financial statements for the year ended 30 June 2022.

As a Jersey registered company, Upland Resources Limited is not obliged to comply with the Companies Act 2006. However, the Directors have elected to conform to the requirements of the Companies Act 2006, as regards the Directors' Report, to the extent they consider to be reasonably practical and appropriate for a company of the Company's size and nature.

Details of key events during the year, significant events affecting the Company and its subsidiaries since the end of the financial year and an indication of likely future developments in the business of the Company and its subsidiaries are included in the Strategic Report.

Directors of the Group

The directors who held office during the year were as follows:

B B H Di – Chairman and Chief Executive

C N Pitman (resigned 28 September 2022)

J E S King (deceased 18 April 2022)

D K S Wong

A A B Nasharuddin

Results and dividends

The Group's loss on ordinary activities after taxation amounted to £494,295 for the year (2021 - £789,892). No dividend will be paid (2021 – £nil).

Financial instruments and risk management

An explanation of the Group's financial risk management objectives, policies and strategies and information about the use of financial instruments by the Company is given in note 9 to the financial statements.

Capital structure

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the period, are shown in note 16 to the financial statements. The company has one class of ordinary shares which carry no right to fixed income.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights.

No person has any special rights of control over the Company's share capital.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Companies (Jersey) Law 1991 and related legislation. The Articles themselves may be amended by special resolution of the shareholders.

Directors' interests

As at 30 June 2022, the beneficial interests of the Directors and their connected persons in the ordinary share capital of the Company were as follows:

Director	Number of Ordinary Shares	% of Ordinary Share Capital
B B H Di *	16,634,620	2.42%
A A B Nasharuddin	14,730,770	2.14%
C N Pitman **	7,142,857	1.04%

* Included 7,788,460 shares held by the director's wife.

** Mr Pitman resigned on 28 September 2022. Mr Pitman also held 3,571,429 warrants to subscribe for new ordinary shares (on the basis of 1 new ordinary share for each warrant). These were issued on 14 July 2020 as part of the issue of warrants referred to below and expired without being exercised.

Substantial shareholders

The following had interests of 3 per cent or more in the Company's issued share capital as at 30 June 2022:

Party Name	Number of Ordinary Shares	% of Ordinary Share Capital
M N B Zakaria	125,674,475	18.30%
Tune Assets Limited	74,579,604	10.86%
Optiva Securities Limited	51,430,576	7.49%

Warrants

On 14 July 2020, the Company issued 33,571,431 warrants to subscribe for new ordinary shares (on the basis of 1 new ordinary share for each warrant) at a subscription price of 1.3p per ordinary share and exercisable at any time during the period of 2 years from 14 July 2020. The warrants expired on 14 July 2022 without being exercised.

Capital and returns management

The Directors believe that, following an acquisition, further equity capital raisings may be required by the Company for working capital purposes as the Company pursues its objectives. The amount of any such additional equity to be raised, which could be substantial, will depend on the nature of the acquisition opportunities which arise and the form of consideration the Company uses to make the acquisition and cannot be determined at this time.

Dividend policy

The Company would consider payment of dividends on the ordinary shares at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion after consideration of operating and capital commitments. The Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

Corporate governance

The Board is not subject to the provisions of a formal governance code and given its present size does not intend to formally adopt any specific code, but will apply governance the Directors consider to be appropriate, having due regard to the principles of governance set out in the UK Corporate Governance Code.

In order to implement its business strategy, the Company has adopted a corporate governance structure whereby the key features of its structure are:

• The Board of Directors is knowledgeable and experienced and has extensive experience of making acquisitions;

• Consistent with the rules applicable to companies with a Standard Listing, unless required by law or other regulatory process, shareholder approval is not required in order for the Company to complete an acquisition. The Company will, however, be required to obtain the approval of the Board of Directors, before it may complete an acquisition;

• The Company does not have separate audit and risk, nominations or remuneration committees. The Board as a whole reviews audit and risk matters, as well as the Board’s size, structure and composition and the scale and structure of the Directors’ fees, taking into account the interests of shareholders and the performance of the Company, and takes responsibility for the appointment of auditors and payment of their audit fee, monitors and reviews the integrity of the Company’s financial statements and takes responsibility for any formal announcements on the Company’s financial performance;

• At every Annual General Meeting of the Company, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to and not exceeding one-third) will retire from office and will be eligible for re-election. In addition, any Director who has been appointed to the Board other than pursuant to a Resolution of Members since the last Annual General Meeting of the Company will retire and again will be eligible for re-election; and

• Following an acquisition, the Company may seek to transfer from a Standard Listing to either a Premium Listing or other appropriate listing venue, based on the track record of the Company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. If the Company is successful in obtaining a Premium Listing, further rules will apply to the Company under the Listing Rules and Disclosure Guidance and Transparency Rules and the Company will be obliged to comply or explain any derogation from the UK Corporate Governance Code.

Internal control and risk management

The Board has the ultimate responsibility for the Group's internal control and risk management. The Board monitors internal controls and risk management systems on an annual basis. The Group has established a system of control and risk management involving an appropriate degree of oversight by the Board.

The management, via the Board of Directors and board meetings, provide the Board with updates of risk and uncertainties facing the Group and accompanying actions to mitigate such risks. The Board is satisfied with the appropriateness of the risk management framework which provides for the identification and management of risk factors by management and non-executive Directors.

As the Group expands, the Board will ensure that the Group's control and risk management process is regularly reviewed and updated as the Board deems necessary.

Going concern

The Directors have acknowledged the latest guidance on going concern from the Financial Reporting Council (FRC). The Directors regularly review the performance of the Group to ensure that they are able to react on a timely basis to opportunities and issues as they arise.

The Directors have completed a final assessment of the Group’s financial resources, including forecasts. Based on this review, the Directors believe that the Group is in a position to manage its business risks successfully within the expected economic outlook.

After making suitable enquiries, the Directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Additional discussion is included in the Principal Risks and Uncertainties section of the Strategic Report above.

Disclosure of information to the auditors

The directors of the Company who held office at the date of the approval of this Annual Report as set out above confirm that:

• so far as they are aware, there is no relevant audit information (information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and

• they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 28 October 2022 and signed on its behalf by:

A A B Nasharuddin
Director

Upland Resources Limited

Statement of Directors' Responsibilities

The directors are required by the Companies (Jersey) Law 1991, to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the company for that period.

The directors are responsible for preparing the financial statements in accordance with UK-adopted International accounting standards and Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ('DTR'). 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 of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with all applicable legislation and, as regards the Group financial statements. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. The work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors confirm that to the best of their knowledge the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; the strategic report includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face; and the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

This responsibility statement was approved by the Board on 28 October 2022 and signed on its behalf by:

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A A B Nasharuddin
Director

Upland Resources Limited

Independent Auditor's Report to the Members of Upland Resources Limited

Opinion

We have audited the financial statements of Upland Resources Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards ;
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

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 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 2 to the financial statements. The Group raises funding from time to time to finance its exploration and ongoing administrative activities. Note 2 indicates that there can be no guarantee that the required funds will be raised by the parent company within the necessary time-frame. As detailed in note 2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group'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 entity's ability to continue to adopt the going concern basis of accounting included the following:

The going concern assessment period used by the Directors was at least 12 months from the date of the approval of the financial statements. We assessed the appropriateness of the approach, assumptions and arithmetic accuracy of the model used by management when performing their going concern assessment.

We evaluated the Directors' assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment. Additionally, we reviewed and challenged the results of management's stress testing, to assess the reasonableness of economic assumptions in light of the impact of Covid-19 on the Group's solvency and liquidity position.

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

Our approach to the audit

Our application of materiality

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

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £23,000 (FY2021 - £28,000). It was considered appropriate to base this on approximately 5% (FY2021 - 4%) measure of operating result. The materiality is rounded to nearest thousand.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements our initial amount of materiality equal to £17,250. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Board of Directors to report to it all identified errors in excess of £1,150 (FY2021 - £1,400). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The Group's accounting function is outsourced to an accounting organisation in the UK which directly reports to Directors. In establishing the overall approach to the Group audit, we determined the work that needed to be performed by us. All group companies were within the scope of our audit testing.

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) that we identified. These matters included 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.

Going concern was identified as a key audit matter and has been addressed within the "Material uncertainty related to going concern" section of the audit report. We have determined that there are no other key audit matters to communicate in our report. Our audit procedures in relation to the matter were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on the matter individually and we express no such opinion

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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.

Independent Auditor's Report to the Members of Upland Resources Limited (continued)

Other information (continued)

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.

Matters on which we are required to report by exception

We have nothing to report to you in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 12), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's 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 to cease operations, or have no realistic alternative but to do so.

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:

Independent Auditor's Report to the Members of Upland Resources Limited (continued)

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies (Jersey) Law 1991 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed by the audit committee on 29 October 2020 to audit the financial statements for the period ending 30 June 2022. Our total uninterrupted period of engagement is 5 years, covering the periods ended 30 June 2018 to 2022.

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

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

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

55 Ludgate Hill
London
EC4M 7JW
28 October 2022

Upland Resources Limited

Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2022

	Note	2022 £	2021 £
Revenues		-	-
Exploration and evaluation expenditure	10	(139,467)	-
Intangible asset impairment	10	-	(219,216)
Administrative expenses		(354,828)	(570,676)
Operating loss	3	(494,295)	(789,892)
Loss before tax		(494,295)	(789,892)
Taxation	4	-	-
Loss for the financial year		(494,295)	(789,892)
Total comprehensive expense for the financial year		(494,295)	(789,892)
Loss attributable to:			
Owners of the Company		(494,295)	(789,892)
Total comprehensive expense attributable to:			
Owners of the Company		(494,295)	(789,892)
Loss per share			
Basic and diluted (pence per share)	5	(0.07)	(0.12)

The above results were derived from continuing operations.

The notes on pages 22 to 34 form an integral part of these financial statements.

Upland Resources Limited

Consolidated Statement of Financial Position as at 30 June 2022

	Note	2022 £	2021 £
Non-current assets			
Intangible assets	10	-	-
Current assets			
Trade and other receivables	12	7,185	8,327
Cash and cash equivalents	13	305,526	757,988
		312,711	766,315
Total assets		312,711	766,315
Equity and liabilities			
Stated capital	16	8,427,732	8,427,732
Retained earnings		(8,686,185)	(8,191,890)
Total equity		(258,453)	235,842
Current liabilities			
Trade and other payables	14	571,164	530,473
Total equity and liabilities		312,711	766,315

These financial statements were approved and authorised for issue by the Board on 28 October 2022 and signed on its behalf by:

A A B Nasharuddin

Director

The notes on pages 22 to 34 form an integral part of these financial statements.

Upland Resources Limited

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2022
Equity attributable to equity holders of the parent company

	Stated capital £	Retained earnings £	Total equity £
At 1 July 2021	8,427,732	(8,191,890)	235,842
Loss for the year and total comprehensive income	-	(494,295)	(494,295)
At 30 June 2022	8,427,732	(8,686,185)	(258,453)

	Stated capital £	Retained earnings £	Total equity £
At 1 July 2020	7,989,832	(7,450,830)	539,002
Loss for the year and total comprehensive income	-	(789,892)	(789,892)
Transactions with shareholders			
Share-based payment transactions	-	48,832	48,832
Issue of shares	470,000	-	470,000
Share issue costs	(32,100)	-	(32,100)
At 30 June 2021	8,427,732	(8,191,890)	235,842

The notes on pages 22 to 34 form an integral part of these financial statements.

Upland Resources Limited

Consolidated Statement of Cash Flows for the Year Ended 30 June 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Loss from operations for the year		(494,295)	(789,892)
Adjustments to cash flows from non-cash items:			
Impairment of intangible assets		-	219,216
Share-based payment expense		-	48,832
Foreign exchange loss/(gain)		(37,713)	84,320
Operating cash flows before working capital movements		(532,008)	(437,524)
Decrease/(increase) in trade and other receivables		1,142	3,214
Increase/(decrease) in trade and other payables		40,691	(28,166)
Net cash flow used in operating activities		(490,175)	(462,476)
Cash flows from investing activities			
Expenditures incurred on exploration and evaluation assets		-	(106,243)
Net cash flow used in investing activities		-	(106,243)
Cash flows from financing activities			
Issue of ordinary shares, net of issue costs		-	437,900
New loan finance received		-	150,000
Net cash flow from financing activities		-	587,900
Net (decrease)/increase in cash and cash equivalents		(490,175)	19,181
Cash and cash equivalents at beginning of period	13	757,988	823,127
Exchange differences in respect of cash and cash equivalents		37,713	(84,320)
Cash and cash equivalents at end of period	13	305,526	757,988

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1 General information

The Company was incorporated in the British Virgin Islands on 14 March 2012 as a private limited company with the name Ribes Resources Limited. On 3 September 2013 the company changed its name to Upland Resources Limited. On 15 August 2019, the Company was registered in Jersey by way of a continuation out of the British Virgin Islands and migration into Jersey.

The Company has a year end of 30 June.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The Board has reviewed the accounting policies set out below and considers them to be the most appropriate to the Group's business activities.

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International accounting standards The financial statements have been prepared under the historical cost convention.

No company information is included in the financial statements as it is not required by Jersey Companies (Law) 1991.

The financial information is presented in Sterling (£).

Standards and interpretations issued but not yet applied

At the date of authorisation of these financial statements, certain new standards, interpretations and amendments to existing standards have been published but are not yet effective and have not been adopted early by the Company. The Directors anticipate that these standards will be adopted in the Company's accounting policies for the first period beginning on or after their effective dates.

The Directors have reviewed the standards in issue by the International Accounting Standards Board (IASB) which are effective for future accounting periods and are of the opinion that none of these standards would have a material impact on the financial reporting of the Company.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 June 2022.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2 Accounting policies (continued)

Going concern

These financial statements have been prepared on a going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future. The Group meets its current day to day working capital requirements through existing cash reserves.

The Group raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only and further funding will be required from time to time to finance those activities as well as ongoing administrative expenses. On 25 October 2022 the Company announced the placement of 124,000,000 shares at 0.25p each to generate gross proceeds of £ 310,000 which will be used for Sarawak and working capital. The issue included 60,000,000 warrants on a 1:2 basis that are exercisable at 0.40p between 6 and 18 months from the closing date. In common with many early-stage exploration companies, the Group will require additional funding within the next 12 months to continue its operations.

The Directors believe that the Group will be able to raise, as required, sufficient cash or reduce its commitments to enable it to continue its operations, including the pursuit of future exploration opportunities, and to continue to meet, as and when they fall due, its liabilities for at least the next twelve months from the date of approval of the Group financial statements. The Group financial statements have, therefore, been prepared on the going concern basis. In addition, the Directors have considered the possibility of compensation payments falling due to the Tunisian authorities and have sought a legal opinion that indicated that any such compensation would be ring-fenced within the Group's Tunisian subsidiary. Having obtained this advice, the Directors have assessed outflows in this respect to be negligible in the forecasts. Should this not be the case, further funds would be required to be raised to satisfy any material obligations arising.

As there can be no guarantee that the required funds will be raised within the necessary timeframe, consequently a material uncertainty exists that may cast doubt on the Group's ability to continue to operate as planned and to be able to meet its commitments and discharge its liabilities in the normal course of business for a period not less than twelve months from the date of approval of this report. The financial statements do not include the adjustments that would result if the Group was unable to continue in operation.

Intangible assets

Oil and gas assets: exploration and evaluation

The Group has adopted the 'successful efforts' method of accounting for Exploration and Evaluation (''E&E'') costs, having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'.

The successful efforts method means that only the costs which relate directly to the discovery and development of specific oil and gas reserves are capitalised. Such costs may include costs of license acquisition, technical services and studies, exploration drilling and testing but do not include costs incurred prior to having obtained the legal rights to explore the area. Under successful efforts accounting, exploration expenditure which is general in nature is charged directly to the income statement and that which relates to unsuccessful drilling operations, though initially capitalised pending determination, is subsequently written off. Only costs which relate directly to the discovery and development of specific commercial oil and gas reserves will remain capitalised and to be depreciated over the lives of the reserves. The success or failure of each exploration effort will be judged on a well-by-well basis as each potentially hydrocarbon-bearing structure is identified and tested. Exploration and evaluation costs are capitalised within intangible assets. Costs incurred prior to obtaining legal rights to explore are expensed immediately to the income statement.

2 Accounting policies (continued)

Intangible assets (continued)

Oil and gas assets: exploration and evaluation (continued)

All lease and licence acquisition costs, geological and geophysical costs and other direct costs of exploration, evaluation and development are capitalised as intangible assets. Intangible assets comprise costs relating to the exploration and evaluation of properties which the directors consider to be unevaluated until reserves are appraised as commercial, at which time they are transferred to tangible assets as 'Developed oil and gas assets' following an impairment review and depreciated accordingly. Where properties are appraised to have no commercial value, the associated costs are treated as an impairment loss in the period in which the determination is made.

Costs are amortised on a field by field unit of production method based on commercial proven and probable reserves, or to the expiry of the licence, whichever is earlier.

The calculation of the 'unit of production' amortisation takes account of the estimated future development costs and is based on the current period and un-escalated price levels. Changes in reserves and cost estimates are recognised prospectively.

E&E costs are not amortised prior to the conclusion of appraisal activities.

E&E assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount, and upon transfer to PP&E where they are allocated to cash-generating units based on geographical proximity and other factors.

Financial assets and liabilities

The financial assets and liabilities of the Group comprise cash at bank and other debtors and payables arising in the normal course of business.

The fair values of the financial assets and liabilities are not considered to be materially different to their book values and they are all held at amortised cost.

Financial assets and liabilities are accounted for as follows:

Financial assets and liabilities are initially recognised on the date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Cash and cash equivalents

Cash and cash equivalents include cash at bank with an original maturity of three months or less.

Equity

Equity comprises the following:

• "Stated capital" represents the amount of cash received by the company for the issue of shares of that class; and

• "Retained earnings" represents retained losses and credits in respect of share-based payment transactions.

2 Accounting policies (continued)

Foreign currency translation

Functional and presentation currency

Items included in the financial information are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Sterling (£), which is the Company's functional and presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Operating segments

The Group has one operating segment, which is the exploration of oil and gas properties in the UK, Southeast Asia, and North Africa.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with UK- adopted international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities as well as the disclosure of the reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from those estimates.

The key source of estimation uncertainty that has a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year is the impairment of intangible exploration and evaluation (E&E) assets.

3 Operating loss

Arrived at after charging/(crediting):

	2022 £	2021 £
Directors' remuneration and fees (note 7)	86,118	125,155
Fees payable to the Company's auditor and its associates – audit of the financial statements	22,000	19,000
Impairment of intangible assets	-	219,216
Exploration and evaluation expenditure	139,467	-
Loss/(gain) on foreign exchange	(37,713)	84,320

4 Taxation

The tax charge for the period can be reconciled to the loss in the Statement of Comprehensive Income as follows:

	2022 £	2021 £
Loss before tax on continuing operations	(494,295)	(789,892)
Tax at the applicable standard tax rate of 19% (2021 – 19%)	(93,916)	(150,079)
Expenses not allowable for tax	-	10,542
Change in unrecognised deferred tax assets	93,916	139,537
Tax charge for the period	-	-

The Company was registered as resident for tax purposes in BVI until 15 August 2019 when it migrated to Jersey. The company has been treated as resident in the UK for tax purposes since 1 July 2018. Management consider that the only accumulated losses incurred prior to 1 July 2018 that will be available to offset any future profits are those accumulated in the UK subsidiaries.

The Group has £6,305,209 tax losses carried forward (2021 - £5,844,914). No deferred tax asset has been recognised in respect of these losses as there is insufficient evidence that the amount will be recovered in future years.

5 Loss per share

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

	2022	2021
Loss for the period from continuing operations	£494,295	£789,892
Weighted average shares in issue	686,768,853	684,377,463
Basic loss per share (pence per share)	0.07p	0.12p

Basic loss per share is calculated by dividing the loss for the period from continuing operations of the Group by the weighted average number of ordinary shares in issue during the period.

The disclosure of the diluted loss per share is the same as the basic loss per share as the conversion of warrants decreases the basic loss per share, thus being anti-dilutive.

6 Staff costs

There were no staff costs paid during the year other than those disclosed as directors' emoluments in note 7 and share-based payments disclosed in note 8.

There are no defined benefit or defined contribution pension arrangements in operation.

7 Directors' emoluments

The Directors are considered to be the key management personnel of the Company. Directors' remuneration details are as follows:

Name of Director	Remuneration detail	2022 £	2021 £
C N Pitman	Fee	40,448	67,566
C N Pitman	Share-based payment	-	5,195
J E S King	Salary (including employers NIC)	20,670	27,394
B B H Di	Fee	25,000	25,000
		86,118	125,155

The Upland Long Term Incentive Plan ("LTIP")

The Company has established the LTIP as part of the general remuneration plan of the Company. All executive directors and senior managers are eligible to participate in the LTIP. Awards under the LTIP are determined by the non-executive directors of the Company following full consultation with the executive directors. Awards are to be made every year, measuring performance against goals in each year ending 25 October. During the year, no cash bonus awards (2021 - £nil) or share option awards (2021 - £nil) have been made under the LTIP.

7 Directors' emoluments (continued)

The Upland Long Term Incentive Plan ("LTIP") – continued

The LTIP is composed of two elements; a share option plan and an annual bonus plan. No maximum shall apply to the number of share options that may be awarded annually. However, annual cash bonus awards will be to a maximum of 75% of the participant's base salary. This maximum may be waived by the non-executive directors.

In determining the level of LTIP award in a given year, performance against the following targets is considered: share price appreciation, increase in market capitalisation and other specified targets. The level of LTIP award shall be made after due consideration of the level of attainment of these targets during the year, taking into consideration general market, and specific oil industry, conditions.

8 Share-based payments

Warrants

On 14 July 2020, the Company issued 33,571,431 warrants (including 4,285,715 to Optiva Securities Limited and 3,571,429 to C N Pitman) to subscribe for new ordinary shares (on the basis of 1 new ordinary share for each warrant) at a subscription price of 1.3p per ordinary share and exercisable at any time during the period of 2 years from 14 July 2020.

	Number of warrants	Weighted average subscription price (pence per share)
Outstanding at beginning and end of the year	33,571,431	1.30

At the end of the year, 33,571,431 warrants were exercisable (2021 – 33,571,431). The warrants outstanding at the end of the year had a weighted average remaining contractual life of 2 weeks. The warrants expired on 14 July 2022 without being exercised.

The total charge for the year was £nil (2021 - £48,832).

9 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Board.

Market risk
Foreign exchange risk
At 30 June 2022, the company held US$366,000 in its USD bank account. The Group is therefore exposed to foreign exchange risk arising from the funds held in the Company's USD bank account.

The exposure to this risk is not considered material to the Group and thus the Directors consider that, for the time being, no hedging or other arrangements are necessary to mitigate this risk.

Credit risk
Credit risk arises from cash and cash equivalents.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Group will only keep its holdings of cash and cash equivalents with institutions which have a minimum credit rating of 'A'. The Group is not subject to any externally imposed capital requirements.

Liquidity risk
Management of liquidity risk is achieved by monitoring budgets and forecasts against actual cash flows.

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 benefits for other stakeholders, and to maintain an optimal capital structure.

The Company monitors capital on the basis of the equity held by the Company, which at 30 June 2022 was negative £258,453 (2021 – positive £235,842).

2022	Total	On Demand	Within 3 months	3 – 12 months	1 – 2 years
	£	£	£	£	£
Trade Payables	154,524	-	154,524	-	-
Short-Term Loan	150,000	150,000	-	-	-
Accrued Expenses	266,640	10	216,630	50,000	-
Total	571,164	150,010	371,154	50,000	-

2021	Total	On Demand	Within 3 months	3 – 12 months	1 – 2 years
	£	£	£	£	£
Trade Payables	134,339	-	134,339	-	-
Other Payables	21,829	21,829	-	-	-
Short-Term Loan	150,000	150,000	-	-	-
Accrued Expenses	224,305	10	174,295	50,000	-
Total	530,473	171,839	308,634	50,000	-

10 Intangible assets

Exploration and evaluation (E&E) costs

The Directors review for impairment when facts and circumstances suggest that the carrying amount of an E&E asset may exceed its recoverable amount. In making this assessment, the Directors have regard to the facts and circumstances noted in IFRS 6 paragraph 20.

The Saouaf Licence currently has an expiry date of 23 December 2022. For an update, please refer to “Significant events since the balance sheet date” on page 6 of the Strategic Report. Given the amount of the unfunded expenditure commitment of USD 2.3m which is to be spent by December 2022, the exploration and evaluation costs to 30 June 2021 associated with this licence, which amounted to £174,557 and had previously been capitalised, were charged through profit and loss as an impairment charge in the prior year accounts. Further exploration and evaluation costs associated with this licence, amounting to £134,111, incurred in the year have been charged directly to profit and loss.

In the prior year, exploration and evaluation costs associated with the P2478 Inner Moray Firth Licence, which amounted to £44,659 and had previously been capitalised, were charged through profit and loss as an impairment charge. Further exploration and evaluation costs associated with this licence amounting to £5,356 have been incurred in the year. These further costs have been charged directly to profit and loss.

11 Investments

Company

	2022 £	2021 £
Investments in subsidiaries	7,030	7,030

Subsidiaries	**£**
Cost or valuation	
At 1 July 2021 and 30 June 2022	7,030
Carrying amount	
At 30 June 2021 and 30 June 2022	7,030

The balance, which primarily relates to Upland Resources (UK Onshore) Limited (UK Onshore)will be written off in Company accounts to correspond with Group accounting for project interests owned by UK Onshore. In prior years those project interests were fully impaired.

11 Investments (continued)

Details of undertakings

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Upland Resources (UK Onshore) Limited*	Ordinary	100%	Petroleum exploration and development
Upland (Saouaf) Limited	Ordinary	100%	Petroleum exploration and development
Upland (N Tunisia) Limited*	Ordinary	100%	Dormant
Upland (S Tunisia) Limited*	Ordinary	100%	Dormant
Upland (Ksar Hadada) Limited	Ordinary	100%	Dormant
Upland Resources (Sarawak) Sdn Bhd*	Ordinary	100%	Being reactivated, formerly dormant

* indicates a direct investment of the Company.

All the subsidiary undertakings are incorporated in the UK, other than Upland Resources (Sarawak) Sdn Bhd, which is incorporated in Malaysia.

12 Debtors

	2022 £	2021 £
Prepayments	7,185	8,327
Total current trade and other debtors	7,185	8,327

13 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	305,526	757,988

14 Creditors

	2022 £	2021 £
Due within one year		
Trade payables	154,524	134,339
Other payables	-	21,829
Short-term loan (note 18)	150,000	150,000
Accrued expenses	266,640	224,305
Trade and other payables	571,164	530,473

15 Financial instruments

The Group's accounting classification of its financial assets and liabilities is as follows:

	2022	2021
	£	£
Financial assets		
Cash and cash equivalents	305,526	757,988
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade and other payables	571,164	530,473

Trade and other payables are financial liabilities measured at amortised cost.

16 Stated capital

Allotted and called up	2022 £	2021 £
Stated capital on 686,768,853 (2021 – 686,768,853) shares of no par value	8,427,732	8,427,732

The Company has one class of ordinary shares which carry no rights to fixed income. Each ordinary share confers upon the holder: the right to one vote at a meeting of the members of the Company or on any resolution of the members; the right to an equal share in any dividend paid by the Company; and the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

	2022	2021
Number of shares in issue at start of year	686,768,853	619,625,992
Number of shares issued in year	-	67,142,861
Number of shares in issue at end of year	686,768,853	686,768,853

17 Capital and financial commitments

Group

At the reporting date, Upland (Saouaf) Limited ("Upland Saouaf") held a 50% interest in the exclusive Saouaf hydrocarbon exploration and appraisal licence ("the Licence"). That 50% is subject to a Farm Out Agreement (RNS 21 July 2022). The other 50% interest is held by ETAP (the Tunisian state oil company). The Licence is to be operated by Upland Saouaf subject to the Farm Out Agreement which cedes operations to the Farminee. The terms of the Licence committed Upland Saouaf to carry out a minimum work programme including the acquisition of 300 km of new 2D seismic data. The Licence was for an initial term of two years, and may have been converted and thereby extended in term at Upland Saouaf's option, providing the work commitments of the initial term had been fulfilled within the two years. Recently, the term of the Licence was extended by one year to 23 December 2022. On 21 October 2022, Upland Saouaf applied for a further extension to 23 December 2023. The decision is pending. When its term expired, the Company did not replace a bank guarantee issued to the Tunisian government, as beneficiary, to part-secure the work commitment of its Tunisian subsidiary in respect of the Saouaf Permit. There may be a risk that the Tunisian government will seek compensation. Management has received an opinion from its Tunisian legal advisors that the Tunisian government only has recourse to our Tunisian subsidiary but not to the Company. As a result, management consider that the possibility of any material outflow to be remote.

In addition, at the reporting date, Upland Resources (UK Onshore) Limited ("Upland UK") held a 25% interest in PEDL 299. A cost-sharing arrangement has been put in place under the Joint Operating Agreement between the co-licencees (INEOS Upstream and Europa Oil & Gas). Recently, INEOS have extended the term of this licence by three years to July 2024. No firm commitments have been established.

18 Related party transactions

The Directors are considered to be the key management personnel of the Company. The fees paid to the Directors, or their connected companies, during the year are disclosed in note 7. At the balance sheet date, £120,430 (2021 - £111,476) was outstanding payable to the Directors, or their connected companies, and included in creditors. Share-based payments made in connection with the Directors are disclosed in note 8.

As at the year end, the Group owed £150,000 in connection with a loan made to it by a company of which a Director of the Company was also a director and shareholder. On the death of the Director during the year, the creditor company ceased to be a related party of the Company. There are no formal terms agreed in respect of the £150,000 loan. Accordingly, this loan has been treated as interest-free and repayable on demand in these accounts.

During the year, the Group was charged consultancy fees of £36,000 (2021 - £36,000) by a Director of the Company. At the balance sheet date, £45,000 (2021 - £27,000) was outstanding payable to the Director at the year end and included in creditors.

19 Contingent liability

Following the expiry of the $1m bank guarantee issued to the Tunisian government in respect of the Saoauf Permit, the Group is in breach of the conditions of this permit and it is possible that the Tunisian authorities may seek compensation of up to this amount as well as for future unfunded commitments. Management has considered this and has taken legal advice around the scale and scope of compensation and considers the possibility of material outflows in relation to this matter to be negligible.

20 Ultimate controlling party

The Directors believe there to be no ultimate controlling party.

21 Events after the reporting date

Details of events after the balance sheet date impacting on the Group are included in the Strategic Report on pages 5 to 7 of this Annual Report.