



Orcadian Energy PLC

REGISTERED NUMBER: 13298968

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

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COMPANY INFORMATION

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Company Secretary	Ben Harber of Arch Law Ltd	
Registered Number	13298968	
Registered Office	C/O Arch Law Floor 2, 8 Bishopsgate London EC2N 4BQ	
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD	
Solicitors	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2ER	Tandon Hildebrand Labs Triangle Stables Market Chalk Farm Road London NM1 8AB
Nominated Advisor & Joint Broker	Zeus Capital Limited 125 Old Broad Street London EC2N 1AR	
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Registrar	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD	

Chairman and CEO's Statement

The fortunes of Orcadian are tied to the fortunes of the UK's oil and gas business. We have all worked other basins in the past, but there is none we know as well as the UK; and whilst the Siren song of overseas diversification is sweet, we know this basin, we know the regulatory framework and the regulators, and we know the potential counter-parties, having learned our trade with their principals since we were all in short trousers.

UK Oil and Gas Sector

Oil and gas is too important to the UK to be allowed to fester, whether transition is the order of the day or a new government exhorts us to "drill, baby drill". So, while progress is slower than we would like, and we are very impatient, progress there is and progress there will be.

At her budget speech in November 2025, Reeves did not mention oil and gas once, but the Treasury published the results of the consultation on the replacement for the iniquitous Energy Profits Levy ("EPL"). Always one for a snappy acronym, Treasury has dubbed the replacement windfall tax the Oil and Gas Price Mechanism ("OGPM"). We will call it the new windfall tax.

The new windfall tax is an elegant solution for the fiscal mess that our political masters have concocted for us. Between Hunt and Reeves, the EPL was transformed from a short-term windfall tax into a confusing, unfair, and burdensome levy that has threatened the entire existence of the North Sea oil and gas industry. Having assisted in that process, Treasury has designed an elegant exit that will incentivise near term investment in projects, and provide fiscal clarity on the future tax regime while preserving a genuine and fair windfall tax.

You would not think that if you read the newspapers, rather than the Treasury's consultation response, but 'tis the case.

Starting with the future fiscal environment. From 2Q 2030 the EPL is no more, it is replaced by the OGPM and any allowances that might offset EPL have no value past that date, but the 38% levy on top of the "permanent tax regime" is gone. The "permanent tax regime" is the combination of a 30% corporation tax and a 10% supplementary charge; this regime has never been stable but we are all accustomed to it and everyone in the industry understands how it works. Unlike the renewable power industry, the oil and gas industry expects to pay higher taxes and is unaccustomed to guaranteed prices and other government subsidies.

The replacement tax only applies to revenue in excess of a threshold price for the product. The thresholds are close to the actual real historic average prices for our products: \$90/bbl for oil and 90p/therm for gas. The OGPM is a 35% revenue tax that only applies to the price over the threshold so if the price for oil is \$120/bbl producers pay 35% of \$30/bbl, as opposed to 38% of \$120/bbl in today's system.

This makes sense, bankers and boards take decisions to develop new fields with conservative assumptions about oil and gas prices. The existing and poorly named Energy Security Investment Mechanism guarantees that investment decision makers combine low product prices with a greedy fiscal take. So, the industry has been paralyzed, temper tantrums ensue and despair grips the industry.

We can all wake up, the nightmare is over, it is time to get to work on planning projects, and with the rules established, work out how to make the best of the situation we find ourselves in.

For companies that are currently producing, and paying EPL, the message is clear – start projects and spend money between now and the end of EPL. Every pound spent on development and exploration projects reduces those companies' tax bill by 38% without an offsetting uplift to their tax bills when those projects start production.

Producers have the opportunity to execute projects for nearly 40% off, if they sanction them now. That message hasn't got through to all the players just yet, but it soon will.

We are very upbeat about the prospects for a renewed wave of North Sea investment. Orcadian's strategy has always been to build a portfolio of carried interests in projects that can deliver a legacy for our investors and shareholders and while we are disappointed that new licences are limited to the Transitional Energy Certificates, which we believe will enable access to the Feugh discovery in support of Pilot, we would not be surprised if a future government reversed this policy as quickly as the New Zealand government has done.

Orcadian has five licences with three appraised development projects (Pilot, Earlham and Lowlander), two appraisal targets (Elke and Fynn Beauly), three gas exploration prospects (Clover, Glenlough and Breckagh) and the potential redevelopment of Orwell. From the industry's perspective the hiatus in licence awards chokes off the supply of new project opportunities. From Orcadian's perspective, we have multiple opportunities for investment at a time when the producing companies paying EPL need good investment opportunities and have limited means to access new opportunities from the NSTA.

In our view the current limitation on new licences is a two-edged sword, a constraint for the industry but an opportunity for Orcadian to benefit from the work we did to maintain and grow our licence portfolio since listing.

Business Outlook

Ping continues to progress Pilot and we are working to support them as they build their in-house static and dynamic models of how Pilot will perform under a polymer flood. Our viscous oil business includes our 18.75% carried interest in Pilot, our 100% interest in the Elke and Narwhal discoveries, and our 50% interest in the Fynn Beauly and Lowlander discoveries. Pilot is the trail blazing project which can demonstrate how best to recover viscous oil, over a range of gravities, from under the tempestuous North Sea.

We don't ignore light oil either, Lowlander is a well appraised discovery with good potential but a very high hydrogen sulphide content. We have conceived a different approach to development of this resource, and we will aim to engage the industry on the potential of this project during 2026.

The focus during 2024-2025 has been on our gas assets, the most advanced of which is the Earlham gas development. Earlham is a great example of our overarching strategy to focus on great rocks and innovate around tricky fluids. The reservoir in Earlham is top-notch. It was never buried to the depth a lot of the low permeability gas fields in the Southern North Sea basin were. Permeability is about 250 millidarcies, great for a gas field. The reason this field was abandoned by bp and other operators was the gas. It is 49% carbon dioxide, so it needs innovation to make it work.

In our likely partners, The Independent Power Corporation plc ("IPC") and The Marine Low Carbon Power Company Limited ("MLCP"), we have found commercial and technical innovation in spades. The scope of the upstream project is now defined. The Earlham project partners will construct a wellhead tower with a metering skid and sell unprocessed gas to the offshore power station; the power station will return almost all the carbon atoms that came out of Earlham (either in the form of carbon dioxide, or as methane, then combusted and captured) at injection pressure to maintain reservoir pressure in Earlham.

Electrical power will be exported South, past the bottleneck in the East Anglian grid, to an identified landfall that will connect into the grid and support data centres under construction around the M25. The data centres will be able to purchase reliable low-carbon electricity, a rarity.

The project is material, but our portion is straightforward and well defined. We continue to work on defining a farm-in arrangement or corporate joint venture arrangement to enable the development of Earlham and the redevelopment of Orwell, and once the terms are pinned down we will make an announcement. This project, which requires no government subsidies, is essential to the fortunes of these planned datacentres so we believe the project will happen.

We believe the UK North Sea is on the verge of a resurgence and that Orcadian is well positioned to make the best of it. The company has multiple options to progress, and shareholders can be confident that management will choose the path that maximizes opportunities for value crystallization and minimises shareholder dilution.

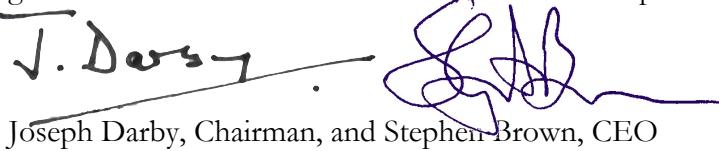
Financial Results

The Group incurred a loss for the year to 30 June 2025 of £884,906 (30 June 2024 – loss of £938,471). The loss mainly arose from salaries, consulting and professional fees along with general administration expenses and new business development.

Cash generated from operations totalled £86,936 (30 June 2024 – cash used in operations of (£489,787)). As at 30 June 2025, the Group had a cash balance of £77,244 (30 June 2024 - £214,977). At the date of this announcement, the Group's cash balance was £326,862

Oil Price Outlook

Last year we wrote this paragraph about oil prices: “Given the results of the US Presidential election and President Trump’s commitment to lower energy prices, we can expect that geology, not politics, will be the constraint on US production which underpins the world’s ability to supply energy. Predicting oil and gas prices is futile, they will either go up or down and most likely will go up and down. However, we can be confident that the International Energy Agency (“IEA”) will be surprised by the strength of demand and OPEC will be surprised by the strength of supply, averaging these two organisations’ projections is not a bad way to divine the future.” Please read it again, currently we are in a phase where expectations are that oil and gas will be in abundance so the narrative is that oil prices will be low. It won’t last.



Joseph Darby, Chairman, and Stephen Brown, CEO

30 December 2025

Board of Directors

Mr. Joseph Darby – Chairman and Non-Executive Director

Mr Darby is former Chief Executive of LASMO plc. He also worked for Shell Petroleum before becoming Managing Director of Thomson North Sea Ltd. and has held a number of senior roles in the oil & gas industry. Mr Darby is currently a Non-Executive director at Gulfsands Petroleum plc and was the senior independent director at Premier Oil plc for six years. He has held non-executive roles at Alkane Energy plc, Nordaq Energy plc, British Nuclear Fuels plc, Mowlem plc, Bowleven plc and Centurion Energy Inc. He was Chairman of Mowlem plc (2005-2006) and Faroe Petroleum plc (2003-2007) and an advisor to the board of Setanta Energy (2011-2013).

Mr. Stephen Brown – Chief Executive Officer and Director

Mr Brown is a Petroleum engineer with a commercial, project development and operational background. He has over forty years of experience with BP, Halliburton, Challenge Energy, Petrofac and Setanta Energy. Mr Brown led the Harding pre-project team for BP and was the first Andrew operations manager during the project execution phase. He is also founder of Challenge Energy (now part of SLR), Exile Resources (now Oando Energy Resources), Setanta Energy and Orcadian Energy.

Mr. Alan Hume – Chief Financial Officer and Director

Mr Hume is a highly experienced CFO with a diverse background in the oil and gas exploration and production sector as well as the broader energy market. He has held senior finance, commercial and operational roles in the oilfield services, engineering, construction and energy production sectors, and has significant experience with both private equity backed companies and publicly listed entities. Mr. Hume is a Fellow of the Chartered Institute of Management Accountants and has held previous positions at Halliburton, Brown & Root, Rockwater, Xtract Energy plc, Elko, Zenith Energy and Edison Mission Energy.

Mr. Timothy Feather – Non-Executive Director

Mr. Feather trained as a lawyer and now a Qualified Chartered Accountant with 30 years of experience in the financial industry. He is currently the Chief Financial Officer of Vanadium Resources Ltd, an Australian listed developer of a large vanadium project in South Africa. Previously he was Corporate Finance Director at WH Ireland where he was a Qualified Executive for AIM and acted as retained adviser for a portfolio of AIM quoted clients in a wide range of sectors including mining, oil and gas, healthcare and technology. He is a co-founder of Westhouse Securities, Mr. Feather also previously worked for Brown Shipley & Co. Limited, Henry Cooke Lumsden and Touche Ross (now Deloitte).

Director's Strategic Report for the Year Ended 30 June 2025

The Directors present their Strategic Report of Orcadian Energy Plc for the year ended 30 June 2025.

Objectives

The principal activity of Orcadian Energy Plc is managing oil and gas assets and through its subsidiary Orcadian Energy (CNS) Ltd the Group holds interests in UKCS Seaward Licences P2244, which contains the Pilot and Harbour heavy oil discoveries, P2482, which contains the Elke and Narwhal discoveries, P2634 which contains the Fynn heavy oil discovery, P2650 which contains shallow gas prospects and P2680 which contains the Earlham development project, the Orwell re-development project and the Clover gas prospect.

Strategy and Business Model

Orcadian's strategy is to secure discovered resources at low cost and to transform those resources into reserves and onto production. We discuss our strategy and how it informed our licence application process in the Chairman & CEO's Statement so we won't repeat it here.

Operational review and outlook

A full review of the operations, financial position and outlook are set out in the Chairman & CEO's Statement.

Key Performance Indicators

Success for Orcadian will be progress by Ping towards a development decision on the Pilot field, completion of a revised concept select report and progress into the authorisation phase of the project. For Earlham we will prepare a concept select report for this project and seek to enter the authorisation phase in 2026. In parallel we will aim to agree either a farm-out, corporate joint venture or financing arrangement to enable the development of Earlham to supply gas to MLCP's planned offshore power station. Progressing both Pilot and Earlham will be the foundation for further development of opportunities to deliver value from the other discoveries and prospects on the Group's acreage holdings.

In addition, we continue to seek other opportunities to acquire discovered resources for which we can articulate profitable and attractive development plans.

Principal Risks and uncertainties

The Group's performance is affected by a number of risks and uncertainties, which the Board monitor on an ongoing basis in order to identify, manage and minimise their possible impact. The principal business is the development and production of oil and gas assets. Set out below are the principal risks and uncertainties facing the Company:

Risk area	Description	Mitigation
Funding risk (Pilot and Earlham)	<p>The Company has entered into a farm-out deal with Ping Petroleum and is working on a funding and partnership arrangement with IPC and MLCP. The deals should eliminate the requirement for Orcadian to raise capital to finance the development as all pre-first oil and gas costs are to the account of the Farminees. However, the Farminees are not obliged to develop Pilot or Earlham and may need to raise external capital to fully finance the project.</p>	<p>Ping has plans to involve a third party in the Pilot project as the project execution plan matures.</p> <p>MLCP is in the process of financing the construction and installation of a Mobile Offshore Generating Unit (“MOGU”) to generate power from the Earlham discovery. MLCP would export power to identified datacentre customers on the M25.</p>
Funding risk (other assets)	<p>The Group has relatively modest work commitments on its other licenses (refer to note 24). However the company is required to acquire 40 Km² of new seismic over Narwhal. The company is discussing options to acquire this data with TGS. P2482 is a drill-or-drop licence and also requires a commitment to drill a well by July 2027.</p> <p>In the event that sufficient funding cannot be obtained and the work commitments not funded, there is a risk that the licence would not continue into Phase C.</p>	<p>By July 2027, the Company has to demonstrate financial capacity to drill a well on the P2482 licence. The company is seeking farm-in partners.</p>
Personnel	<p>Oil and gas exploration and development activities are dependent on the availability of skilled personnel, drilling and related equipment in the particular areas where such activities will be conducted. Demand for such personnel or equipment, or access restrictions may affect the availability to the Group.</p> <p>The loss of key directors and key management personnel may have a negative impact on the Company's ability to execute its business strategy.</p>	<p>The Company's ability to execute its business plan is dependent on the quality of its directors and key personnel. The Company ensures that its directors and key personnel collectively possess a diverse and extensively experienced skill set and seeks to retain its key staff by offering remuneration packages at competitive marketplace rates.</p>

Risk area	Description	Mitigation
Commodity price volatility	Oil and gas prices are highly volatile, and lower oil and gas prices will negatively affect the Group's financial position, capital expenditures and results of operations.	The Company has yet to enter into production so near-term price volatility has little effect on ongoing activities. The Company believes that the recent decline in oil prices will inevitably lead to a low level of investment in new exploration and development projects which will ultimately lead to a scarcity of oil so that oil prices will remain above the breakeven lifting costs anticipated for the Group's main asset.
Operational risk	Oil and gas drilling is a speculative activity and involves numerous risks and substantial and uncertain costs that could adversely affect the Group.	In 2024 the Company concluded a farm-out deal with an in-coming Operator on the Pilot project which requires the Operator to fund 100% of all pre-first oil costs.
Environmental risk	Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during evaluation of a project. Once a project is in production unforeseen events can give rise to environmental liabilities.	The Group has not yet entered into production however it hopes to in the foreseeable future. The Group will ensure that robust crisis management and emergency response processes are in place and tested against potential scenarios. The Group actively monitors the political, economic and social situation in areas where we do business, including business continuity plans tailored to pre-defined levels of alert.
Political risk	Government support for further development of oil and gas resources in the UK may not be forthcoming. The Government has implemented its ban on new licences, however it has also announced Transitional Energy Certificates which can enable the development of already discovered resources, such as the Feugh and Blakeney discoveries in the area of former licence P2320.	The Company lobbies directly for a rational policy towards oil and gas development and is supportive of Offshore Energies UK's activities in this matter will seek to take advantage of every opportunity to maximise economic recovery from the UKCS. Fortunately the group has good success in the 33rd licensing round and has a significant portfolio of resources to progress through the licence agreements which the government has promised to honour.

ESG Reporting

Orcadian Energy plc is committed to operating responsibly and sustainably and recognises the critical role it plays in the environment, society, and governance in the energy sector.

Our ESG strategy is integral to our mission and values and reflects our commitment to contributing responsibly and positively to the environment and to communities we serve while delivering long-term value to our stakeholders.

Orcadian Energy plc qualified as a low energy user in the year ending 30 June 2025 and accordingly is not required to disclose energy consumption and Greenhouse Gas GHG emission information.

The Company is dedicated to implementing best practices in relation to ESG and is actively seeking innovative solutions and partnerships to enhance its ESG performance in particular in our focus area of the UK energy sector. We are committed to being a responsible energy provider, and our mission is to make a significant contribution to a sustainable future for the UK.

We recognise that sustainability is a continuous journey, and we are progressing with an ongoing programme of improvements in our ESG practices. We continue to seek innovative solutions and partnerships to enhance our ESG performance.

Relations with Shareholders

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

The requirements of s172 are for the Directors to:

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

The Group's operation is the managing and development of oil and gas assets. The Board has identified its key stakeholders as its partners, shareholders, employees and suppliers. The Board keeps itself appraised of its key stakeholders' interests through a combination of both direct and indirect engagement, and the Board has regard to these interests when discharging its duties.

Careful consideration is given to the long-term consequences of decision making. The Board has determined that the key to the Group's success, and a prime strategic objective is to secure the finance necessary to develop its licences, either through farm-out or creation of contractor alliances to develop the assets. The Group will also seek to mature its portfolio of prospective and contingent resources into reserves.

The Board considers the Group's major stakeholders to include employees, suppliers, partners, loan holders and shareholders. When making decisions, consideration is given to the interest of each stakeholder group individually and collectively. Certain decisions require more weight attached to some stakeholders than others and while generally seeing the long-term interest of the shareholders is of primary importance, the Directors consider those interests are best served by having regard to the interests of the other key stakeholder groups and, in fact, to all the s172 considerations.

Given the size of the Group and the nature of its business, there are only a few employees however, the Board considers the Group's employees essential to the success of the Group. The Board has identified

personnel risk as being a key risk area facing the Group and has the following risk mitigation in place: The Group ensures that its directors and key personnel collectively possess a diverse and extensively experienced skill set and seeks to retain its key staff by offering remuneration packages at competitive marketplace rates.

The Board ensures that the Group endeavours to maintain good relationships with its suppliers through contracting on standard business terms and paying promptly, within reasonable commercial terms, given limited resources in 2025 the group has been supported by its suppliers who have provided forbearance when requested. In addition to communicating through news announcements made available on the Company's website, and through regulated market announcements, the Group also engages in supplier face-to-face meetings, email and telephone conversations with key contacts.

As is stated in the Corporate Governance Report Principle 3, "The Board is very aware of its corporate, environmental and social responsibilities. In pursuing its business objectives Orcadian Energy plc is committed to delivering lasting benefit to the local communities and environments where we work as well as to our shareholders, employees and contractors." The Group strives to ensure that it operates in adherence to all applicable environmental and social guidelines and seeks to ensure that suppliers engaged by the Group conduct their business activities with the same diligence.

As is stated in the Corporate Governance Report Principle 8, "The Board strives to promote a corporate culture based on sound ethical values and behaviours. To that end, the Company has adopted a strict anti-corruption and whistle-blowing policy but the Directors are not aware of any event to date that might be considered to breach this policy. The Executive Directors ensure that external contractors are aware of, and comply with, this policy". The Board recognises its responsibility for setting and maintaining a high standard of behaviour and business conduct. There is no special treatment for any group of shareholders and all material information is disseminated through appropriate channels and available to all through the Company's corporate presentations, news releases and website as is described in more detail in the Corporate Governance Report Principle 2.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during the year to 30 June 2025:

- Allocation of the Group's capital in a way which the Directors believe offers significant long-term returns to shareholders, while also ensuring that the Group retains flexibility to continue to deploy capital towards growth. Specifically the acquisition of HALO Offshore UK Ltd has given the Company and IPC a valuable tax advantaged vehicle for acquisition of producing interests which can be realised in multiple ways.

During the year to 30 June 2025, the Board assessed its current activities between the Board and its stakeholders, which demonstrated that the Board actively engages with its stakeholders and takes their various objectives into consideration when making decisions. Specifically, actions the Board has taken to engage with its stakeholders over the last twelve months include:

- Arranged meetings with certain stakeholders to provide them with updates on the Company's operational activities and other general corporate updates;
- Discussed feedback from investors' and analysts' meetings following the release of our annual and half-year announcements. We have an investor relations programme of meetings with existing and potential shareholders; and
- Establish a company culture and with the intention of enabling continuous improvement of company culture and morale as the Group continues to develop.

The Board believes that appropriate steps and considerations have been taken during the period so that each Director has an understanding of the various key stakeholders of the Company. The Board recognises its responsibility to contemplate all such stakeholder needs and concerns as part of its discussions, decision-making, and in the course of taking actions, and will continue to make stakeholder engagement a top priority in the coming years.

Approved on behalf of the board on 30 December 2025 by:



Stephen Brown
Chief Executive Officer

CORPORATE GOVERNANCE

The directors recognise the importance of, and are committed to, high standards of corporate governance. The Company applies the Quoted Companies Alliance Corporate Governance Code (2023) (“QCA Code”). The Board has considered each principle and provides clear, well-reasoned disclosures - including any departures - in this report and on our website. The 2023 QCA Code applies to periods beginning on or after 1 April 2024; accordingly, this Annual Report for the year ended 30 June 2025 has been prepared against the 2023 QCA Code. The Group’s compliance with this code is summarised below and can be found in full on the Group’s website at: <https://orcadian.energy/esg/governance/>.

Governance Report

Introduction

The Company recognises the importance of, and is committed to, high standards of Corporate Governance. The Company adopted the Quoted Company Alliance Corporate Governance Code (2023) (“the Code”). It is believed that the QCA Code provides the Group with the framework to help ensure that a strong level of governance is maintained, enabling the Group to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all its stakeholders.

There follows a short explanation of how the Group will apply key principles. The other principles are stated on the Company’s website:

Principle 1 – Strategy

Establish a purpose, strategy and business model which promote long-term value for shareholders
Our purpose is to provide long term gain for shareholders through improved financial performance. To deliver this, our strategy focuses on identifying discovered resources, preferably well appraised and most likely on the UKCS; executed through a business model that secures access to those resources; and to create a profitable field development plan which attracts finance either from oil industry partners or financial investors. Since Orcadian Energy (CNS) Limited was founded in March 2014 the company currently holds a carried 18.75% interest in licence P2244, a 100% interest in licence P2482 and P2680, a 50% interest in licences P2634 and P2650. The P2244 licence contains a shallow viscous oil discovery known as the Pilot field which has audited 2P reserves of 79 MMbbl, this licence is now operated by Ping Petroleum UK plc who are progressing the preparation of a Field Development plan. The Group is discussing with IPC the terms of a farm-out of a 50% share in its interest in licence P2680 which contains the Earlham gas discovery and P2650. The Group will also seek to mature its portfolio of prospective and contingent resources into reserves.

The Group also owns a 50% interest in HALO Offshore UK Ltd, a joint venture company, which is intended to pursue a strategy of acquiring producing, non-operated, gas fields on the UKCS.

Principle 2 – Promote a corporate culture that is based on ethical values and behaviours

Seek to understand and meet shareholders' needs and expectations

Governance Report (continued)

The Board strives to promote a corporate culture based on sound ethical values and behaviours.

To that end, the Company has adopted a strict anti-corruption and whistle-blowing policy but the directors are not aware of any event to date that might be considered to breach this policy. The executive directors ensure that external contractors are aware of, and comply with, this policy.

The Company has also adopted a code for directors' and employees' dealings in securities, which is appropriate for a company whose securities are traded on AIM. The code is in accordance with the requirements of the Market Abuse Regulation that came into effect in 2016.

The Board is also aware that the tone and culture that it sets will greatly impact all aspects of the Company and the way that employees behave, as well as the achievement of corporate objectives. A significant part of the Company's activities is centred upon an open dialogue with shareholders, employees and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

*Principle 3 – Seeking to understand and meet shareholder needs and expectations*Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company supports an open and transparent dialogue with shareholders with the aim of ensuring shareholders views on the performance of the Company are heard and shareholders needs and objectives are understood.

The AGM is a key part of the Company's investor relations strategy and shareholders are encouraged to participate, particularly private investors who have the opportunity to ask questions and raise issues, either formally during the meeting or informally with directors following conclusion of business.

Direct communication with shareholders is achieved primarily through the timely release of regulatory news, via a regulatory information service, which can be accessed through various channels, including the London Stock Exchange website and the Company website.

<https://www.londonstockexchange.com>
<https://orcadian.energy>

The Company has an on-going investor relations programme which includes individual meetings with institutional shareholders and analysts following the preliminary and half-year results including presentations to institutions as well as face to face, or virtual, briefings to for groups of shareholders. Ongoing shareholder communication is also conducted regularly throughout the year on an ad hoc basis. We will aim to answer as many questions as possible in these session.

In light of Stephen Brown and Julia Cane-Honeysett's 36.9% aggregate shareholding in the Company, a relationship agreement is in place between the Company, the Nomad, Stephen Brown and Julia Cane-Honeysett. Pursuant to the agreement Stephen Brown and Julia Cane-Honeysett

have given various undertakings to the Company regarding the relationship between each of them, their connected persons and the Company.

Governance Report (continued)

If you wish to contact the Company, contact details are on our website at <https://orcadian.energy/contacts> details of the Company and the Company's advisors are included in all announcements released via RNS should shareholders wish to communicate with the Board. The Chairman and/or the Executive Director typically respond to shareholder queries directly (whilst maintaining diligence on Market Abuse Regulations restrictions on insider information and within the requirements of the AIM Rules for Companies) or through our Investor Relations advisers Tavistock Communications.

Principle 4 – Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Board is very aware of its corporate, environmental and social responsibilities. In pursuing its business objectives Orcadian Energy plc is committed to delivering lasting benefit to the local communities and environments where we work as well as to our shareholders, employees and contractors.

The Group takes its corporate social responsibilities, including its wider environmental, social and governance responsibilities, very seriously and is focused on maintaining effective working relationships across a wide range of stakeholders in order to achieve long term success.

The Group has identified its key stakeholders, including shareholders, employees, customers, suppliers and communities, and is reliant on its ability and willingness to engage with them to positively influence the development of the companies and communities it interacts with, together with the environments in which the Group operates.

Principle 5 – Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board and the Risk Committee is responsible for setting the risk framework within which the Company operates and ensuring that suitable risk-management controls and reporting structures are in place throughout the Group.

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Board ensures risks are mitigated as far as reasonably practicable by performing a detailed review of the issues pertaining to each significant decision. Significant decisions are reviewed by the Board having consulted the Company's professional third-party advisers (be they legal, financial or technical). The Board convenes on a regular basis, either by telephone or in person on a formal basis to discuss risk management.

The nature of the Group's operations will have particular risk management challenges, including, in particular, maintaining the health and safety of all staff and contractors working on site and ensuring that all drilling and related operations are carried out in an environmentally sound and safe manner. All health and safety measures are formalized, described in detailed manuals and explained in person to all people associated with the Group's operational activities. In addition, the Company will have appropriate insurances in place before commencing any of its planned technical work.

Governance Report (continued)

Principle 6 – Maintain the board as a well-functioning, balanced team led by the chair

The Board meets formally in person and by telephone multiple times throughout the year and at least six times per year. The Board also holds regular informal project appraisal and strategy discussions, to examine operations, opportunities and assess risks.

The directors encourage a collaborative Board culture to ensure that each decision reached is always in the Company's and its shareholders' best interests and that any one individual opinion never dominates the decision-making process. The Board seeks, so far as possible, to achieve decisions by consensus and all directors are encouraged to use their independent judgement and to challenge all matters whether strategic or operational.

The Board will maintain a balance of executives and non-executive directors. Currently there are two non-executives: the Non-Executive Chairman Joseph Darby and one Independent Non-Executive Tim Feather. There are no mandatory hours for directors to be available for Company business although the CEO is required to commit 100% of his working time (based on a 40-hour working week) to the Company. The non-executive directors are available for any Company business when it may arise.

The Board delegates certain decisions to an Audit Committee, the Remuneration Committee the Risk Committee and the Reserves Committee, details of these committees are included in page 19 to 21 of this Report.

Principle 7 – Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

The Board currently consists of two Executive and two Non-executive directors. The Board has an appropriate balance of skills and expertise across the areas of resources, operations, finances and public markets. The Board membership will be reviewed periodically as the needs of the Group evolve.

The Directors biographical details can be found on page 5 of this Report.

Each director takes his continued professional and technical development seriously.

The Board ensures it is well advised and supported by utilising a range of external experts in various fields, and employs accountants, legal counsel, a Company Secretary and a Nominated Adviser and Broker, in accordance with the AIM rules.

AIM quoted companies are required to state which recognised corporate governance code they will follow from Admission, how they comply with such code and to explain reasons for any non-compliance. The Directors recognise the value and importance of high standards of corporate governance and intend, given the Company's size and the constitution of the Board, to comply with the recommendations set out in the QCA Code.

Governance Report (continued)

The Board

The Board will be responsible for the overall management of the Group including the formulation and approval of the Group's long-term objectives and strategy, the approval of budgets, the oversight of Group operations, the maintenance of sound internal control and risk management systems and the implementation of Group strategy, policies and plans. While the Board may delegate specific responsibilities, there will be a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters will include, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions. The Board will meet regularly to review performance.

The QCA Code recommends at least two members of the Board comprise non-executive directors determined by the Board to be independent. The Board is comprised of two executive directors and two non-executive directors, of which one is independent. Given the size of the Company the Board have deferred appointing a second independent director.

The QCA Code recommends that the Board should appoint one of its independent non-executive Directors to be the Senior Independent Director. However, given the size and maturity of the Company it has been decided to defer the appointment of a Senior Independent Director. If shareholders have concerns over an issue that the normal channels of communication (through the Chairman, the Chief Executive Officer or the Chief Financial Officer) have failed to resolve or for which such channels of communication are inappropriate, they are invited to contact either of the Independent non-executives.

The Board has created four committees – Audit, Risk, Reserves and Remuneration Committees – each with written terms of reference and formally delegated duties which are outlined above.

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions. The Company has established properly constituted audit and AIM compliance, Audit, Risk, Reserve and Remuneration committees of the Board with formally delegated duties and responsibilities.

Audit Committee

The Audit Committee has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on and ensuring compliance with the AIM Rules for Companies. It will receive and review reports from the Company's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee will meet no less than three times each year and will have unrestricted access to the Company's auditors. The Audit Committee comprises a minimum of two directors, both of whom are independent Non-Executive Directors, and a minimum of one member shall have with recent and relevant financial experience. The members of the Audit Committee are Mr. Feather (Chairman) and Mr. Darby.

Governance Report (continued)

Remuneration Committee

The Remuneration Committee reviews the performance of executive directors and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The Remuneration Committee will meet at least twice each year. The Remuneration Committee comprises a minimum of two directors all of whom shall be independent Non-Executive Directors. The members of the Remuneration and Nomination Committee shall be Mr. Darby (Chairman) and Mr. Feather.

AIM Rule 31 Compliance Policy and MAR Handbook

The Company has also adopted an MAR Handbook and an AIM Rule 31 compliance policy to ensure that they have in place sufficient procedures for ensuring compliance with the AIM Rules for Companies. In addition, the Company has established an AIM and MAR Compliance Committee that reviews the adherence to these policies and makes recommendations to the Board on matters relating to their compliance with the AIM rules and the MAR. The AIM and MAR Compliance Committee will meet at least twice each year. The AIM and MAR Compliance Committee comprises a minimum of three directors including, at least, two independent Non-Executive Directors and one member with recent and relevant financial experience. The members of the AIM and MAR Compliance Committee are Mr. Feather (Chairman), Mr. Darby and Mr. Hume.

Reserves Committee

The Company has established a Reserves Committee that reviews the company's reported reserves and resources figures and which is responsible for appointing the company's reserves auditors. The Reserves Committee will meet at least once each year and will have unfettered access to the company's reserve auditors. The Reserves Committee comprises a minimum of two directors including, at least, one independent Non-Executive Directors and one member with recent and relevant technical experience. The members of the Reserves Committee are Mr. Darby (Chairman) and Mr. Brown.

Risk Committee

The Company has established a Risk Committee that reviews the company's assessment of risks and makes recommendations to the Board on actions to minimise or mitigate risk. The Risk Committee will meet at least once each year and will have full access to the company's risk assessment. The Risk Committee comprises a minimum of two directors including, at least, two independent Non-Executive Directors and one member with recent and relevant technical experience. The members of the Risk Committee shall be Mr. Darby (Chairman) and Mr. Feather.

Principle 8 – Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The Company is required under the AIM Rules to comply with a recognised corporate governance code to be chosen by the Board. The Board recognises the importance of sound corporate governance and intends that the Company will comply with the provisions of the QCA Code. The Company shall disclose on its website how it complies with the QCA Code and, where it departs from the QCA Code, will explain the reasons for doing so.

The Board is comprised of two executive directors and two non-executive directors (all of whom are considered by the Board to be independent).

Governance Report (continued)

Principle 9 – Establish a remuneration policy which is supportive of long-term value creation and the company’s purpose, strategy and culture

The Board is responsible for establishing an effective remuneration policy which is aligned with the Group’s purpose, strategy and culture, as well as its stage of development. The Board acknowledges that a remuneration policy should motivate management and promote the long-term growth of shareholder value. Remuneration practices across the Group, in particular for senior management, should support and reinforce the desired corporate culture and promote the right behaviours and decisions.

The Board has established the Remuneration Committee which is responsible for all elements of the remuneration of the chairperson of the Board, the Executive Directors and such other senior executives of the Group as it is designated to consider (together the “Executives”) and is responsible, *inter alia*, for determining and agreeing with the Board the framework or broad policy for the remuneration of the Executives, with such remuneration being aligned to the Company’s purpose and values, and for advising on and determining all performance-related formulae and targets relevant to the remuneration of the Executives. The Remuneration Committee also has the responsibility of producing an annual report of the Company’s remuneration policy and practices which will form part of the Company’s annual report which is put to Shareholders for approval at the annual general meeting of the Company.

Principle 10 – Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Board is committed to maintaining effective communication and having constructive dialogue with Shareholders. The Company intends to have ongoing relationships with both its private and institutional shareholders (through meetings and presentations) as well with analysts, and for them to have the opportunity to discuss issues and provide feedback at meetings with the Directors.

The Company ensures a printed Annual Report is delivered to each shareholder, and also made available on the Company’s website. All RNS announcements are released in a timely manner, while also ensuring all announcements are drafted in a clear and concise fashion. In addition, all shareholders are encouraged to attend the Company’s Annual General Meeting and virtual or in person briefing as and when they are arranged. The outcome of all shareholder votes are disclosed in a clear and transparent manner via an RNS.

Governance Report (continued)

The Company includes historical Annual Reports, Notices of General Meetings and RNS announcements since listing on its website. The Company also lists contact details on its website, should shareholders wish to communicate with the Board.

The Company does, where relevant, in its Annual Report, any matters of note arising from the Audit or Remuneration Committees.

Given the size of the Company, the Board is of the opinion that no formal communication structures are required at this time. The Company does however ensure continued disclosure of all items in conjunction with AIM Rule 26 on its website.

Set out below are the Company's corporate governance practices for the year ended 30 June 2025.

Governance Report (continued)

Committees

The Company has established audit, remuneration, reserves and risk committees.

Reserves Committee

The Reserves Committee periodically reviews and considers the Company's independent reserves evaluator or auditor and the Company's procedures for providing information to such evaluator or auditor. The key duties of the committee are:

- review the Company's procedures relating to the disclosure of information with respect to oil and gas activities;
- review the Company's procedures for providing information to the qualified reserves evaluator or auditor who reports on reserves data;
- meet with management and the qualified reserves evaluator or auditor to review the reserves data and the report of the qualified reserves evaluator or auditor and to determine whether any restrictions affect the ability of the qualified reserves evaluator or auditor to report on reserves data without reservation;
- review and recommend to the Board for approval the filing of the any report on reserves data by the qualified reserves evaluator or auditor;
- review and recommend to the Board for approval the content and filing of Company Announcements on reserves data by the qualified reserves evaluator or auditor; and
- assist the Board in its compliance with legal and regulatory requirements.

The Reserves Committee is comprised of Joseph Darby, who acts as chairman of the committee and the CEO, Stephen Brown. This appointment of chairman is kept under review as the Company develops and in light of any future non-executive Board appointments. The frequency and timing of the meetings will differ according to the needs of the Company.

Audit Committee

The Audit Committee has responsibility for, among other things, the monitoring of the integrity of the financial statements of the Group and Company and the involvement of the Group's auditors in that process. It focuses in particular on compliance with accounting policies and ensuring that an effective system of external audit and financial control is maintained, including considering the scope of the annual audit and the extent of the non-audit work undertaken by external auditors (none) and advising on the appointment of external auditors. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit Committee meets at least three times a year at the appropriate times in the financial reporting and audit cycle.

The members of the Audit Committee are Timothy Feather, who acts as chairman of the committee, and Joseph Darby.

Governance Report (continued)

The Group's external auditor is PKF Littlejohn LLP who have served as external auditor to the subsidiary and have audited the financial statements of the subsidiary for the year ended 30 June 2017 and all periods since. As the Company was incorporated in March 2021 the audit has not yet gone out to tender. The Audit Committee closely monitors the level of audit and non-audit services that they provide to the Company and Group.

Having assessed the performance, objectivity and independence of the auditors, the Committee will be recommending the reappointment of PKF Littlejohn LLP as auditors to the Company at the 2025 Annual General Meeting.

For the year to 30 June 2025 the committee considered the following key issues in relation to the Financial Statements:

Issue	Action
• Accounting policies	The Committee reviewed and discussed the significant accounting policies with management and the external auditor and reached the conclusion that each policy was appropriate to the Group.
• Carrying value of investment in Orcadian Energy (CNS) Ltd and the carrying value of its intangible assets.	The Committee reviewed the impairment assessment report prepared by management, which addressed recent impairments, and agreed that given the reasonable expectation that the Group will achieve its business objectives, that no impairment to the value of the investment in Orcadian Energy (CNS) Ltd, was required as at 30 June 2025.
• Accounting treatment for Halo investment	The Committee reviewed the accounting treatment of the acquisition of HALO Offshore UK Limited ("HALO"), subsequent partial disposal, and determined that the appropriate treatment under IFRS 11 was that the operation was a joint venture arrangement. As such the equity method of accounting in accordance with IAS 28, Investment in Associates is the correct way to account for the investment in HALO.
• Going Concern review	The Committee considered the ability of the Group to operate as a Going Concern considering the cash flow forecast for the next 12 months and the Group's ability to raise additional funds in the market. It was determined by the Committee that, as the Group is reliant on further funds to be raised during the going concern period (i.e. 12 months from the approval of these financial statements) to enable the group to meet its obligations as they fall due, so the directors acknowledge that a material uncertainty exists in relation to going concern and appropriate disclosure

Issue	Action
	has been made in the annual report on page 59 Note 2.4.
<ul style="list-style-type: none"> Review of audit and non-audit services and fees 	<p>The external auditor is not engaged by the Group to carry out any non-audit work in respect of which it might, in the future, be required to express an audit opinion.</p> <p>The Committee reviewed the fees charged for the provision of audit and non-audit services and determined that they were in line with fees charged to companies of similar size and stage of development.</p> <p>The Committee considered and was satisfied the external auditor's assessment of its own independence.</p>

Risk Committee

The Company has established a Risk Committee that reviews the company's assessment of risks and makes recommendations to the Board on actions to minimise or mitigate risk. The Risk Committee meets at least once each year and has full access to the company's risk assessment.

The members of the Risk Committee are Joseph Darby who acts as chairman of the committee and Timothy Feather.

Remuneration Committee

The remuneration committee reviews the performance of the executive directors and makes recommendations to the Board on matters relating to their remuneration and terms of employment.

The committee also makes recommendations to the Board on proposals for the granting of share awards and other equity incentives pursuant to any share award scheme or equity incentive scheme in operation from time to time. The Remuneration Committee meets at least twice a year.

The members of the Remuneration Committee are Joseph Darby who acts as chairman of the committee and Timothy Feather.

Leadership

The Company is headed by an effective Board which is collectively responsible for the long-term success of the Company.

Governance Report (continued)

The role of the Board - The Board sets the Company's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value.

To achieve this, the Board directs and monitors the Company's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Company's core values and standards of business conduct and for ensuring that these, together with the Company's obligations to its stakeholders, are widely understood throughout the Company. The Board has a formal schedule of matters reserved which is provided later in this report.

Board Meetings - The core activities of the Board are carried out in scheduled meetings of the Board. These meetings are timed to link to key events in the Company's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. During the year, the Board met on eleven occasions.

Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Company or their areas of responsibility, and to keep them fully briefed on the Company's operations.

Matters reserved specifically for the Board - The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of:

- The Company's overall strategy;
- Financial statements and dividend policy;
- Management structure including succession planning, appointments and remuneration; material acquisitions and disposal, material contracts, major capital expenditure projects and budgets;
- Capital structure, debt and equity financing and other matters;
- Risk management and internal controls;
- The Company's corporate governance and compliance arrangements; and
- Corporate policies.

Summary of the Board's work in the year – During the year, the Board considered all relevant matters within its remit, but focused in particular on the establishment of the Company and the identification of a suitable investment opportunity for the Company to pursue.

Governance Report (continued)

Attendance at meetings (Company and subsidiary level):

	Number held and entitled to attend	Number attended
Joseph Darby	7	7
Stephen Brown	7	7
Alan Hume	7	7
Timothy Feather	7	7

The Board is pleased with the high level of attendance and participation of Directors at Board and committee meetings.

The Chairman sets the Board Agenda and ensures adequate time for discussion.

Non-executive Directors - The non-executive Directors bring a broad range of business and commercial experience to the Company and have a particular responsibility to challenge independently and constructively the performance of the Executive management (where appointed) and to monitor the performance of the management team in the delivery of the agreed objectives and targets.

Non-executive directors have a notice period of one month. The CEO has a notice period of 24 months and the CFO has a notice period of 12 months. All Directors' appointments may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement.

Other governance matters - All of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director. In addition, each Director and Board committee has access to the advice of the Company Secretary. The Company Secretary is Ben Harber. He is responsible for the Board complying with UK procedures.

Effectiveness

For the period under review the Board comprised of a Chief Executive Officer, a Non-Executive Chairman, a Chief Financial Officer and one independent non-executive Director. Biographical details of the Board members are set out on page 5 of this report.

The Directors are of the view that the Board and its committees consist of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively.

Independence - The non-executive Directors bring a broad range of business and commercial experience to the Company. The Board considers the two non-executive Directors to be independent in character and judgement.

Appointments – the Board is responsible for reviewing and the structure, size and composition of the Board and making recommendations to the board with regards to any required changes.

Governance Report (continued)

Commitments – All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction - All new Directors received an induction as soon as practical on joining the Board.

Conflict of interest - A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company. The Board had satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Company. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

Board performance and evaluation – Orcadian Energy Plc has a policy of appraising Board performance annually. Having reviewed various approaches to Board appraisal, it has concluded that for a Company of its current scale, an internal process in which all Board members submit answers to a questionnaire that considers the functionality of the Board and its committees is most appropriate at this stage.

Accountability

The Board is committed to providing shareholders with a clear assessment of the Company's position and prospects. This is achieved through this report and as required other periodic financial and trading statements.

Internal controls

The Board of Directors reviews the effectiveness of the Company's system of internal controls in line with the requirement of the Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliances and risk management. The Company has necessary procedures in place for the year under review and up to the date of approval of the Annual Report and financial statements. The Directors acknowledge their responsibility for the Company's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Company. The Directors carry out a risk assessment before signing up to any commitments.

Joseph Darby
Chairman and Non-Executive Director


30 December 2025

DIRECTORS' REMUNERATION REPORT

The Company has an established remuneration committee. The Committee reviews the scale and structure of the Directors' fees, taking into account the interests of shareholders and the performance of the Company and directors.

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

Statement of Orcadian Energy PLC's Policy on Directors' Remuneration by the Chairman of the Remuneration Committee

As Chairman of the Remuneration Committee, I am pleased to introduce our Directors' Remuneration Report. One of the Remuneration Committee's aims is to provide clear, transparent remuneration reporting for our shareholders which adheres to the best practice corporate governance principles that are required for listed organisations.

A key focus of the Directors' Remuneration Policy is to align the interests of the Directors to the long-term interests of the shareholders and aims to support a high-performance culture with appropriate reward for superior performance, without creating incentives that will encourage excessive risk taking or unsustainable company performance. This is underpinned through the implementation and operation of incentive plans.

Key Activities of the Remuneration Committee

The key activities of the Remuneration Committee are:

- to determine and agree with the Board the framework or broad policy for the remuneration of the Company's chairman, chief executive, the executive directors, the company secretary and such other members of the executive management as it is designated to consider;
- in determining such policy, take into account all factors which it deems necessary including relevant legal and regulatory requirements, the provisions and recommendations of the QCA Code (the "Code") and associated guidance. The objective of such policy shall be to ensure that members of the executive management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company;
- recommend and monitor the level and structure of remuneration for senior management;
- when setting remuneration policy for directors, review and have regard to the remuneration trends across the Company, and review the on-going appropriateness and relevance of the remuneration policy;
- obtain reliable, up-to-date information about remuneration in other companies. To help it fulfil its obligations the Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary, within any budgetary restraints imposed by the Board;
- be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee;

- approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- review the design of all share incentive plans for approval by the Board and shareholders. For any such plans, determine each year whether awards will be made, and if so, the overall amount of such awards, the individual awards to executive directors, company secretary and other designated senior executives and the performance targets to be used;
- ensure that contractual terms on termination, and any payments made, are fair to the individual, and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised; and
- oversee any major changes in employee benefits structures throughout the Company.

Members

The Remuneration Committee comprises the following independent Non-Executive Directors:

Name	Position	Date of appointment
Joseph Darby	Chairman	15 July 21
Timothy Feather	Member	15 July 21

Remuneration Components

The Company remunerates directors in line with best market practice in the industry in which it operates. The components of Director remuneration that are considered by the Board for the remuneration of directors in future years are likely to consist of:

- Base salaries
- Pension and other benefits
- Annual bonus
- Share incentive arrangements

The Executive Directors have entered into service agreements with the Company and the Non-Executive Directors have entered into letters of appointment with the Company.

All such contracts impose certain restrictions as regards the use of confidential information and intellectual property and the Executive Director's service contract imposes restrictive covenants which apply following the termination of the agreement.

Other Matters

The Company does not currently have any annual or long-term incentive schemes or any other scheme interests in place for any of the Directors.

The Company has established a workplace pension scheme but it does not presently have any employees qualifying under the auto-enrolment pension rules who have not opted out of the scheme. It does not currently pay pension amounts in relation to Directors' remuneration. The Company has not paid out any excess retirement benefits to any Directors or past Directors. The Company has not paid any compensation to past Directors.

Recruitment Policy

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

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

Payment for Loss of Office

The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There is no agreement between the Company and its Executive Directors or employees, providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment.

Service Agreements and Letters of Appointment

The Executive Director's service agreement had an initial term of two years and may subsequently be terminated by the Company or the Executive Director as stated in the table below:

Name	Date of service agreement	Notice period by Company (months)	Notice period by Director (months)
Stephen Brown	1 July 2021	24	12
Alan Hume	1 July 2021	12	12

The Non-Executive Directors of the Company do not have service contracts but are appointed by letters of appointment. Each Non-Executive Director's term of office runs for an initial period of one year unless terminated earlier upon written notice or upon their resignations.

The terms of the Non-Executive Directors' appointments are subject to their re-election by the Company's shareholders at any Annual General Meeting at which the Non-Executive Directors stand for re-election.

The details of each Non-Executive Director's current term are set out below:

Name	Date of service agreement	Current term (years)	Notice period by Company (months)	Notice period by Director (months)	Date of resignation
Joseph Darby	1 April 2021	3	1	1	-
Timothy Feather	1 May 2021	3	1	1	-

Executive Directors' Remuneration

The table below sets out the remuneration received by each Executive Director for the years ended 30 June 2025 and 2024. Mr. Stephen Brown was the highest paid Director:

Executive Directors	Short term benefits – salary and fees paid	Short term benefits – salary and fees accrued	Total
	2025 £	2025 £	2025 £
Stephen Brown	57,292	217,708	275,000
Alan Hume	33,333	166,667	200,000
Total	90,625	384,375	475,000

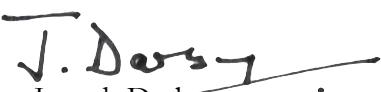
Executive Directors	Short term benefits – salary and fees paid	Short term benefits – salary and fees accrued	Total
	2024 £	2024 £	2024 £
Stephen Brown	160,417	114,583	275,000
Alan Hume	116,667	83,333	200,000
Total	277,084	197,916	475,000

Non-Executive Directors' Remuneration

The table below sets out the remuneration received by each Non-Executive Director during the years ended 30 June 2025 and 2024:

	Short term benefits – salary and fees paid	Short term benefits – salary and fees accrued	Total
	2025 £	2025 £	2025 £
Joseph Darby	7,500	37,500	45,000
Timothy Feather	5,000	25,000	30,000
Total	12,500	62,500	75,000

	Short term benefits – salary and fees paid	Short term benefits – salary and fees accrued	Total
	2024 £	2024 £	2024 £
Joseph Darby	26,250	18,750	45,000
Timothy Feather	17,500	12,500	30,000
Total	43,750	31,250	75,000



Joseph Darby
Director & Remuneration Committee Chairman

30 December 2025

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2025

The Directors present their report and the financial statements for Orcadian Energy PLC ("the Company") for the year ended 30 June 2025.

Principal activities

The Company evaluates and manages oil and gas assets and holds a 18.75% interest in UKCS Seaward Licence P2244, which contains the Pilot and Harbour heavy oil discoveries. Ping Petroleum is Licence Operator. Refer to note 12 for details of the farm-out which completed on 31 March 2024. The Company has a 100% interest in P2482 which contains the Elke and Narwhal discoveries. The Group has a 50% working interest in P2634, which contains the Fynn discoveries. P2634 is administered by Serica Energy and covers blocks 14/15a, 14/20d and 15/11a, which lie midway between the Piper and Claymore fields, 180 kms due East of Wick.

The Group has a 50% interest in Licence P2650 which covers nine blocks in Quad 29 and which has gas prospectivity. Finally, the Group currently has a 100% interest in Licence P2680 which contains the Earlham development project and the depleted Orwell field which has redevelopment potential.

Review of business and financial performance

A full review of the operations, financial position and outlook are set out in the Chairman's Statement.

Corporate Governance

Refer to the Corporate Governance statement which is presented in pages 12 – 23 of this report.

Subsequent Events

Refer to note 25 for details on events subsequent to balance date.

Results and dividend

The Group's loss for the year ended 30 June 2025 was £884,906 (2024: £938,471).

The directors do not recommend the payment of a dividend (2024: £nil).

Balance Sheet

At 30 June 2025 the Company had a cash balance of £77,244 (2024: £214,977) and total assets of £4,824,706 (2024: £4,648,378).

Financial Risk Management

The company has a limited cash balance, which is held at Barclays, a bank with an A rating. Financial risk management policies are set out in note 23.

Policy and practice on payment of creditors

It is the Company's policy to settle all amounts owing to creditors on a timely basis and in accordance with the terms of credit agreed with each supplier.

DIRECTORS' REPORT (CONTINUED)

Directors

The directors who have held office up to the date of the approval of these financial statements were:

	Date appointed
Joseph Darby	8 June 2021
Stephen Brown	29 March 2021
Alan Hume	29 March 2021
Timothy Feather	8 June 2021

The directors of the Company have a pre-existing connection with the business for the Group, with the majority of the Directors of the Company also having served as directors of the wholly owned subsidiary Orcadian Energy (CNS) Ltd. The directors of Orcadian Energy (CNS) Ltd as at reporting date are as follows:

	Date appointed
Joseph Darby	19 June 2018
Stephen Brown	24 March 2014
Alan Hume	19 June 2018
Julia Cane-Honeysett	1 May 2015
Timothy Feather	11 January 2023

Directors' share interests

The number of ordinary shares of the Company in which the Directors were beneficially interested at 30 June 2025 was:

	30 June 2025	30 June 2024
Joseph Darby	420,000	420,000
Stephen Brown*	29,173,933	29,173,933
Alan Hume	3,544,960	3,544,960

*14,739,495 shares are held by Julia Cane-Honeysett, the spouse of Mr. Brown.

Political donations

The Group made no political donations during the year (2024: £nil).

Charitable donations

There were no charitable donations made by the Group in the year under review (2024: £nil).

DIRECTORS' REPORT (CONTINUED)

Going concern

The financial statements have been prepared on a going concern basis. The Group is not yet revenue generating, has net current liabilities of £3,404,148 and an operating loss has been reported. The Group has historically been reliant on raising finance, both debt and equity, to enable it to meet its obligations as they fall due.

The Directors have prepared a detailed forecast for the 12 months following the date of signing this report based on the funds expected to be raised and forecasted expenditure, including all required spend to meet licence requirements. This forecast has been stress tested by management in reaching their going concern conclusion. Having made due and careful enquiry, the Directors acknowledge that funds will need to be raised within the next 12 months to enable the Group to meet its obligations as they fall due, however, the Directors are confident that the required funds will successfully be raised through the equity market to fund its operations over the next 12 months.

The Directors, therefore, have made an informed judgement, at the time of approving financial statements, that the Group is a going concern but they acknowledge that the dependence on raising further funds during the next 12 months represents a material uncertainty. The Auditors have made reference to this material uncertainty within their audit report.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

This report was approved and authorised for issue by the Board on 30 December 2025 and signed on its behalf by



Alan Hume
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, Directors' 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 financial statements in accordance with applicable law and UK-adopted International Accounting Standards (UK-IAS). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK-IAS have been followed 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 Group 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 Companies Act 2006. They are also responsible for safeguarding the assets of the company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that they meet their responsibilities under the AIM rules.

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

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTOR'S OF ORCADIAN ENERGY PLC

Opinion

We have audited the financial statements of Orcadian Energy plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and 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 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 Company's affairs as at 30 June 2025 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 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 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 2.4 in the financial statements, which indicates that the Group and Company are reliant on raising finance within the 12 months following the date of approval of these financial statements in order to meet obligations as they fall due and continue to fund further exploration expenditure over this period. As stated in note 2.4, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group and 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 director's 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 Group and Company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the accuracy of historical forecasts by comparison to the actual results in the year to assess the accuracy of management's forecasting process;
- Obtaining management's going concern assessment for the period to 31 December 2026. Corroborating and challenging the key inputs and assumptions in the underlying cashflow forecasts prepared by management;
- Verifying actual cash position as at 30 November 2025 to the forecast position; and
- Discussing strategies regarding future availability of funding and assessing the likelihood of the required funds being successfully raised by considering the funds required and the Group's and Company's ability to raise such funds. This has included obtaining and reviewing key terms of agreements entered into after the year end.

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

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In determining our overall audit strategy, we assessed the level of uncorrected misstatements that would be material for the financial statements as a whole.

Materiality for the consolidated financial statements was set at £42,700 (2024: £79,000) based upon 3% of net assets (2024: 3% net assets). Given the stage of development of the Group, at present the capitalised exploration costs and borrowings of the Group are considered to be the area of most interest to users of the financial statements. Performance materiality and the triviality threshold for the consolidated financial statements were set at £29,800 (2024: £55,300) and £2,135 (2024: £3,950), respectively, a level considered appropriate given our accumulated knowledge of the Group and the assessed level of risk.

Materiality for the Company was based on gross assets (2024: gross assets), capped to a level below Group materiality of £40,400 (2024: £78,000). Gross assets is considered to be an appropriate basis due to the fact that the most significant balance within the Company is the investment in the subsidiary, and the assets within this subsidiary will determine the future success of the Group. Performance materiality and the triviality threshold for the Company were set at £28,300 (2024: £54,600) and £2,100 (2024: £3,900), respectively, a level considered appropriate given our accumulated knowledge in respect of the Group and the assessed level of risk.

Component performance materiality applied to the subsidiary undertaking was set at £28,300 (2024: £54,600), being 95% of Group performance materiality on the basis of net asset contribution (2024: net assets). Triviality threshold was set at £2,100 (2024: £3,900).

We also agreed to report any other differences below that threshold that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, such as the recoverable value of the capitalised exploration expenditure within the Group and the recoverable value of the Company's investment in the subsidiary. 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.

A full scope audit was performed on the complete financial information of the Company and its 100% owned subsidiary by us as Group auditor.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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
Carrying value and recoverability of intangible assets (refer to Notes 3 and 12)	
<p>As at 30 June 2025 the carrying value of intangible assets totalled £4,622k. The intangible assets relate to capitalised exploration and evaluation costs.</p> <p>These capitalised costs fall within the scope of IFRS 6 <i>Exploration for and evaluation of mineral resources</i> and there is a risk that items have not been capitalised during the year in accordance with this Standard and with the Group's accounting policy.</p> <p>The carrying value and recoverability of these assets is considered to be a key audit matter due to the level of estimation and judgement required in assessing whether or not these material assets are recoverable.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Obtaining confirmation that the Group has good title to the relevant licences; • Reviewing management's assessment of impairment and considering whether there are any indicators of impairment as per IFRS 6; • Testing a sample of additions to ensure costs have been capitalised in accordance with IFRS 6; • Reviewing disclosures in the financial statements to ensure that they are in accordance with IFRS 6.

	<p>There are a number of judgements made by management in concluding on the recoverability of the remaining intangible assets of £4,292,376 relating to licence P2244 as at 30 June 2025. These judgements are disclosed in Note 3.</p>
Carrying value of investment in the subsidiary (refer to Note 16)	
<p>As at 30 June 2025 the carrying value of investment in the subsidiary totalled £6,109k within the Company Statement of Financial Position. The investment in the subsidiary relates to the initial cost of investment and subsequent amounts advanced to the subsidiary that have been capitalised.</p> <p>The carrying value of the investment is considered to be a key audit matter due to the material nature of the balance and the level of management estimation and judgement required in assessing whether the investment is impaired.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Verifying ownership of investment held; • Obtaining a list of additions in the year. Vouching all additions to bank and considering whether these advances are appropriate for capitalisation; • Obtaining and reviewing the impairment assessment prepared by management. Reviewing, corroborating, and providing challenge to key assumptions and inputs included therein; and • Considering whether there is evidence of impairment in accordance with IAS 36 Impairment of Assets, through reference to internal and external indicators. Considering the results of procedures performed in respect of the carrying value of exploration and evaluation assets as detailed above, given that these are the underlying assets from which the Company hopes to recover the value of its investment.

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 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 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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 Company financial statements, the directors are responsible for assessing the Group and the 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 Company 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:

- We obtained an understanding of the Company and the sector in which it operates 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, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from UK Company Law, the AIM Rules and UK-adopted international accounting standards.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included, but were not limited to:
 - Discussion with management regarding compliance with laws and regulations by the Company and its subsidiary;
 - Reviewing board minutes;
 - A review of legal expenses incurred in the year; and
 - Review of regulatory news announcements during the year.
- 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, that the recoverable value of the capitalised exploration expenditure and the investment in subsidiaries were areas susceptible to fraud and we addressed this by challenging the assumptions and judgements made by management when auditing these balances as disclosed in the Key Audit Matters section above.
- 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. 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.

Imogen Massey

Imogen Massey (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
30 December 2025

15 Westferry Circus
Canary Wharf
London E14 4HD

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS
 FOR THE YEAR ENDED 30 JUNE 2025

		2025	2024
	Note	£	£
Revenue		-	-
Administrative expenses	4	(694,190)	(610,940)
Pre-acquisition licence expenses		(67,839)	(40,071)
Exploration and evaluation expenses	4	(148,704)	-
Impairment of intangible assets	12	-	(186,158)
 Operating Loss		 (910,733)	 (837,169)
Net finance costs	8	(126,685)	(101,302)
Other income	6	167,662	-
Share of loss in joint venture	13	(15,150)	-
 Loss before tax		 (884,906)	 (938,471)
 Taxation	9	 -	 -
 Loss for the year		 (884,906)	 (938,471)
 Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Other comprehensive income		-	-
 Total comprehensive income		 (884,906)	 (938,471)
 Loss per share (basic and diluted) - pence	10	 (1.12)	 (1.26)

All operations are continuing.

The notes on pages 48 to 72 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025 (company number 13298968)

		2025	2024
	Note	£	£
Non-current assets			
Property, plant and equipment	11	670	1,718
Intangible assets	12	4,621,666	4,412,453
Investment in joint venture	13	-	-
		<u>4,622,336</u>	<u>4,414,171</u>
Current assets			
Trade and other receivables	14	125,126	19,230
Cash and cash equivalents	15	77,244	214,977
		<u>202,370</u>	<u>234,207</u>
Total assets		<u>4,824,706</u>	<u>4,648,378</u>
Current liabilities			
Trade and other payables	18	(2,228,525)	(1,247,235)
Borrowings	17	(1,175,623)	(1,095,679)
		<u>(3,404,148)</u>	<u>(2,342,914)</u>
Total liabilities		<u>(3,404,148)</u>	<u>(2,342,914)</u>
Net assets		<u>1,420,558</u>	<u>2,305,464</u>
Equity			
Ordinary share capital	19	79,000	79,000
Share premium reserve	19	6,080,544	6,080,544
Share warrants reserve	19	-	15,000
Other reserve	19	(38,848)	(38,848)
Retained earnings		<u>(4,700,138)</u>	<u>(3,830,232)</u>
Total equity		<u>1,420,558</u>	<u>2,305,464</u>

The consolidated Financial Statements of Orcadian Energy PLC were approved by the Board of Directors and authorised for issue on 30 December 2025.

Signed on behalf of the Board of Directors by:



Alan Hume

Director

The notes on pages 48 to 72 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		2025	2024
	Note	£	£
Non-current assets			
Investment in subsidiary	16	6,109,394	5,968,544
Investment in joint venture	13	-	-
		<u>6,109,394</u>	<u>5,968,544</u>
Current assets			
Trade and other receivables	14	-	-
Cash and cash equivalents	15	<u>60,359</u>	<u>212,597</u>
		<u>60,359</u>	<u>212,597</u>
Total assets		<u>6,169,753</u>	<u>6,181,141</u>
Current liabilities			
Trade and other payables	18	-	-
		-	-
Total liabilities		-	-
Net assets		<u>6,169,753</u>	<u>6,181,141</u>
Equity			
Ordinary share capital	19	79,000	79,000
Share premium reserve	19	6,080,544	6,080,544
Share warrants reserve	19	-	15,000
Retained earnings		<u>10,209</u>	<u>6,597</u>
Total equity		<u>6,169,753</u>	<u>6,181,141</u>

Orcadian Energy PLC, company number 13298968, has used the exemption granted under s408 of the Companies Act 2006 that allows for the non-disclosure of the Income Statement of the parent company. The after-tax loss attributable to Orcadian Energy PLC for the year to 30 June 2025 was (£11,388) which is attributable to bank interest income and share of losses in joint venture (2024: profit £3,818), as all costs within the group are borne by the subsidiary.

The Financial Statements were approved by the Board of Directors and authorised for issue on 30 December 2025.

Signed on behalf of the Board of Directors by:



Alan Hume

Director

The notes on pages 48 to 72 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Ordinary Share capital	Share premium reserve	Share warrants reserve	Other reserve	Retained earnings	Total
Note	£	£	£	£	£	£
Balance as at 1 July 2023	72,512	5,316,532	15,000	(38,848)	(2,891,761)	2,473,435
Loss for the year and total comprehensive income	-	-	-	-	(938,471)	(938,471)
Issue of shares	19	6,488	843,512	-	-	850,000
Share issue costs	19	-	(79,500)	-	-	(79,500)
Total transactions with owners		6,488	764,012	-	-	770,500
Balance as at 30 June 2024	79,000	6,080,544	15,000	(38,848)	(3,830,232)	2,305,464
Loss for the year and total comprehensive income	-	-	-	-	(884,906)	(884,906)
Issue of shares	19	-	-	-	-	-
Share issue costs	19	-	-	-	-	-
Transfer between reserves	19	-	-	(15,000)	-	15,000
Total transactions with owners		-	-	(15,000)	-	15,000
Balance as at 30 June 2025	79,000	6,080,544	-	(38,848)	(4,700,138)	1,420,558

Refer to note 19 for a description of the nature and purpose of each reserve within equity.

The notes on pages 48 to 72 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Ordinary Share capital	Share premium reserve	Share warrants reserve	Retained earnings	Total
		£	£	£	£	£
Balance as at 1 July 2023		72,512	5,316,532	15,000	2,779	5,406,823
Profit for the year and total comprehensive income		-	-	-	3,818	3,818
Issue of shares	19	6,488	843,512	-	-	850,000
Share issue costs	19	-	(79,500)	-	-	(79,500)
Total transactions with owners		6,488	764,012	-	-	770,500
Balance as at 30 June 2024		79,000	6,080,544	15,000	6,597	6,181,141
Loss for the year and total comprehensive income		-	-	-	(11,388)	(11,388)
Issue of shares	19	-	-	-	-	-
Share issue costs	19	-	-	-	-	-
Transfer between reserves	19	-	-	(15,000)	15,000	-
Total transactions with owners		-	-	(15,000)	15,000	-
Balance as at 30 June 2025		79,000	6,080,544	-	10,209	6,169,753

Refer to note 19 for a description of the nature and purpose of each reserve within equity.
The notes on pages 48 to 72 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

		2025	2024
	Note	£	£
Cash flows from operating activities			
Loss before tax for the year		(884,906)	(938,471)
Adjustments for:			
Depreciation	11	1,048	1,754
Unrealised foreign exchange (gain)		(39,581)	(780)
Impairment of intangible assets	12	-	186,158
Interest received	8	(3,762)	(3,818)
Finance costs in the year	8	130,447	105,120
Share of losses in joint venture	13	15,150	-
(Increase) / decrease in trade and other receivables	14	(105,895)	29,598
Increase in trade and other payables	18	800,563	130,652
Cash used in operations		(86,936)	(489,787)
Income taxes received		-	-
Net cash flows from operating activities		(86,936)	(489,787)
Investing activities			
Interest received	8	3,762	3,818
Farm-out proceeds	12	-	332,349
Purchases of property, plant and equipment	11	-	(964)
Purchases of exploration and evaluation assets	12	(121,627)	(510,644)
Investment in joint venture	13	(15,150)	-
Net cash used in investing activities		(133,015)	(175,441)
Financing activities			
Proceeds from issue of ordinary share capital	19	-	850,000
Share issue costs paid	19	-	(79,500)
Proceeds from borrowings	17	155,128	-
Repayment of borrowings	17	(155,128)	-
Loans from joint ventures	17	82,218	-
Net cash generated from financing activities		82,218	770,500
Net (decrease) / increase in cash and cash equivalents		(137,733)	105,272
Cash and cash equivalents at beginning of period	15	214,977	109,705
Cash and cash equivalents and end of period	15	77,244	214,977

There were no significant non-cash transactions in the year to 30 June 2025.
The notes on pages 48 to 72 form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

		2025	2024
	Note	£	£
Cash flows from operating activities			
(Loss) / profit for the year		(11,388)	3,818
Adjustments for:			
Depreciation	11	-	-
Interest income		(3,762)	(3,818)
Share of losses in joint venture	13	15,150	-
Decrease in trade and other receivables	14	-	-
Increase in trade and other payables	18	-	-
Cash (used in) / generated from operations		-	-
Income taxes paid		-	-
Net cash flows from operating activities		-	-
Investing activities			
Interest received		3,762	3,818
Funds advanced to subsidiary	16	-	(564,500)
Purchases of exploration and evaluation assets	12	-	-
Investment in joint venture	13	(15,150)	-
Net cash used in investing activities		(11,388)	(560,682)
Financing activities			
Proceeds from issue of ordinary share capital	19	-	850,000
Share issue costs paid	19	-	(79,500)
Loans to related parties	16	(140,850)	-
Net cash (used in) / generated from financing activities		(140,850)	770,500
Net (decrease) / increase in cash and cash equivalents		(152,238)	209,818
Cash and cash equivalents at beginning of period	15	212,597	2,779
Cash and cash equivalents and end of period	15	60,359	212,597

There were no significant non-cash transactions in the year to 30 June 2025.

The notes on pages 48 to 72 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

Orcadian Energy PLC (the “Company”) is a public limited company which is domiciled and incorporated in England and Wales under the Companies Act 2006 with the registered number 13298968. The Company’s registered office is C/O Arch Law, Floor 2, 8 Bishopsgate, London, EC2N 4BQ, and its ordinary shares are admitted to trading on AIM, a market of the London Stock Exchange.

The Group’s strategy is to identify discovered resources, preferably well appraised and most likely on the UKCS; to secure access to those resources; and to create a profitable field development plan which attracts finance either from oil industry partners or financial investors. Since Orcadian Energy (CNS) Limited was founded in March 2014 the company currently holds a carried 18.75% interest in licence P2244, a 100% interest in licence P2482 and P2680, a 50% interest in licences P2634 and P2650. The P2244 licence contains a shallow viscous oil discovery known as the Pilot field which has audited 2P reserves of 79 MMbbl, this licence is now operated by Ping Petroleum UK plc who are progressing the preparation of a Field Development plan. The Group is discussing the terms of a farm-out of a 50% interest in licence P2680 which contains the Earlham gas discovery. The Group will also seek to mature its portfolio of prospective and contingent resources into reserves.

The Group also owns a 50% interest in HALO Offshore UK Ltd which is intended to pursue a strategy of acquiring producing, non-operated, gas fields on the UKCS.

The financial statements presented for the Group are for the year ended 30 June 2025 and these are shown alongside figures for the year ended 30 June 2024 for comparative purposes.

2. Summary of significant accounting policies

The principal accounting principles applied in the preparation of these financial statements are set out below. These principles have been consistently applied to all years presented, unless otherwise stated.

2.1. Basis of preparation

The financial statements have been prepared on a going concern basis using the historical cost convention and in accordance with the UK-Adopted International Accounting Standards, and in accordance with the provisions of the Companies Act 2006.

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

2.2. Consolidation and acquisitions

The financial statements consolidate the financial information of the Group and companies controlled by the Group (its subsidiaries) at each reporting date. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity, has the rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The results of subsidiaries acquired or sold are included in the financial information from the effective date of acquisition or up to the effective date of disposal, as

appropriate. Where necessary, adjustments are made to the results of acquired subsidiaries to bring their accounting policies into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. The financial statements of all Group companies are adjusted, where necessary, to ensure the use of consistent accounting policies.

The Company's shares were admitted to trading on AIM, a market operated by the London Stock Exchange, on 15 July 2021. In connection with the admission to AIM, in the financial year to 30 June 2021, the Group undertook a Group reorganisation of its corporate structure which resulted in the Company becoming the ultimate holding company of the Group. Prior to the reorganisation there was no ultimate holding company as Orcadian Energy (CNS) Ltd ("CNS") was a standalone entity. The transaction was accounted for as a capital reorganisation rather than a reverse acquisition since it did not meet the definition of a business combination under IFRS 3. In a capital reorganisation, the consolidated financial statements of the Group reflect the predecessor carrying amounts of CNS with comparative information of CNS presented for all periods since no substantive economic changes have occurred. The difference arising on acquisition has been accounted for with the recognition of a merger reserve on the balance sheet following the reorganisation of the share capital of the Group at the point of completion of the transaction.

2.3. Investment in joint ventures

A joint venture is an undertaking in which the Group holds an equity investment and where the Group exercises joint control over the operational and financial management of the undertaking, but not control. Joint ventures are included in the financial statements and accounted for using the equity method. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

2.4. Going concern

The financial statements have been prepared on a going concern basis. The Group is not yet revenue generating, has net current liabilities of £3,404,148 and an operating loss has been reported. The Group has historically been reliant on raising finance, both debt and equity, to enable it to meet its obligations as they fall due.

The Directors have reviewed a detailed forecast based on the funds expected to be raised and forecasted expenditure, including all required spend to meet licence requirements. This forecast has been stress tested by management in reaching their going concern conclusion. Having made due and careful enquiry, the Directors acknowledge that funds will need to be raised within the next 12 months to enable the Group to meet its obligations as they fall due, however, the Directors are confident that the required funds will successfully be raised through the equity market to fund its operations over the next 12 months.

The Directors, therefore, have made an informed judgement, at the time of approving financial statements, that the Group is a going concern but they acknowledge that the dependence on raising further funds during the next 12 months represents a material uncertainty.

2.5. Changes in accounting policies

2.5.1. New standards, amendments to standards and interpretations

i) New and amended standards adopted by the Group

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. A number of amendments and revisions were applicable for the year ended 30 June 2025 but did not result in any material changes to the financial statements of the Group.

Of the other IFRS and IFRIC amendments, none are expected to have a material effect on the future Group Financial Statements.

ii) New and amended standards not yet adopted by the Group

Standards/interpretations	Effective Date
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rate: Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS standards - Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027*

*not yet endorsed in the UK

The Directors do not believe that the implementation of new standards, amended standards and interpretations issued but not yet effective will have a material impact once implemented in future periods.

2.6. Foreign currency

2.6.1. Functional and presentation currency

Items in the company's financial statements are measured in the currency of the primary economic environment in which the entity operates (functional currency). The functional currency of the Group and Company is Pounds sterling (£), which is also the presentation currency for these financial statements.

Monetary amounts in these financial statements are rounded to the nearest £.

2.6.2. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign

currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs.' All other foreign exchange gains and losses are presented in the income statement within 'Other (losses)/gains.'

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets measured at fair value are included in other comprehensive income.

2.7. Other income

Recharges for exploration and evaluation activities ("recharges") and government grants are accounted for under the accruals model. Recharges and grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure, in accordance with the attached conditions.

2.8. Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.9. Leases

The Group assesses whether a contract is or contains a lease at the inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less), or leases entered into on a rolling monthly basis, akin to a service agreement, and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an administrative expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2.10. Intangible assets

Exploration and evaluation expenditures (E&E)

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

All licence acquisitions, exploration and evaluation costs are capitalised, a share of administration costs is capitalised insofar as they relate to exploration, evaluation and development activities. These costs are written off to the Consolidated Statement of Comprehensive Loss unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment. If a project is deemed commercial all of the attributable costs are transferred into Property, Plant and Equipment. These costs will then be depreciated from the commencement of production on a unit of production basis.

2.11. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. This includes consideration of the IFRS 6 impairment indicators for any intangible exploration and evaluation assets capitalised as intangible costs, and investment in the subsidiary. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets, and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, it is considered impaired and is written down to its recoverable amount.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset, unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease). An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Comprehensive Income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.12 Farm-out transactions

Determining the value of the consideration received for a farm-out disposal of assets with proven resources can be challenging. This is even more the case for assets which are farmed out in the pre proven resources phase. A judgement has been made that for such farm-outs only cash payments received will be recognised and no recognition will be made of any contingent consideration which is dependent on the outcome of future works to be performed by the farminee and therefore outside the control of the Group. Rather, the Group will carry the remaining interest at the previous full interest cost reduced by the amount of any cash consideration received from entering into the agreement. The effect will be that there is no gain recognised on the farm-out unless the cash consideration received exceeds the carrying value of the entire asset held. Upon Field Development Plan (FDP) approval, the Group will start recognising both cash payments received, and the value of future carried assets to be received, and will recognise a future asset receivable with an accompanying gain in the income statement for the equity share of the asset disposed of.

2.13 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all property, plant and equipment to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

- Property, plant and equipment – 3 years straight line.

All assets are subject to annual impairment reviews.

2.14 Financial Instruments

2.14.1 Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Group when it arises or when the Group becomes part of the contractual terms of the financial instrument.

2.14.2 Classification

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- (1) the asset is held within a business model whose objective is to collect contractual cash flows; and

- (2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

There were no financial assets measured at fair value as at 30 June 2025, or 30 June 2024.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income.

2.14.3. Derecognition

A financial asset is derecognised when:

- (1) the rights to receive cash flows from the asset have expired, or
- (2) the Group has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

2.14.4 Impairment of financial assets

The Group recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Group expects to receive. Regarding trade receivables, the Group applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been Grouped based on shared risk characteristics.

2.15 Trade and other receivables

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Share premium

Share premium account represents the excess of the issue price over the par value on shares issued. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Trade payables

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

2.20 Borrowings

Borrowings, classified as financial liabilities, are recognised initially at fair value net of transaction costs incurred. After initial recognition, loans are measured at the amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

2.21 Finance income and finance costs

Finance income comprises interest income on bank funds. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings. Borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.22 Earnings per share

Basic Earnings per share is calculated as profit attributable to equity holders of the parent for the period, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

2.23 Operating segments

The Chief Operating Decision Maker (CODM) is considered to be the Board of Directors. They consider that the Group operates in a single segment, that of oil and gas exploration, appraisal and development, in a single geographical location, the North Sea of the United Kingdom. As a result, the financial information of the single segment is the same as set out in the statement of comprehensive income, statement of financial position, statement of Changes in Equity and Statement of Cashflows.

2.24 Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements. Advances that are made to the subsidiary that are not expected to be repaid in the short term are capitalised by the Company. All advances made for the year have been capitalised.

2.25 Share-based payments

The fair value of services received in exchange for the grant of share warrants is recognised as an expense in share premium or profit or loss, in accordance with the nature of the service provided. A corresponding increase is recognised in equity.

3 Significant accounting estimates and judgements, estimates and assumptions

The preparation of financial statements using accounting policies consistent with IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of income and expenses. The preparation of financial statements also requires the Directors to exercise judgement in the process of applying the accounting policies. Changes in estimates, assumptions and judgements can have a significant impact on the financial statements.

Recoverable value of intangible assets (refer to note 12)

As at 30 June 2025, the Group held oil and gas exploration and evaluation intangible assets of £4,621,666 (2024: £4,412,453). The carrying values of intangible assets are assessed for indications of impairment, as set out in IFRS 6, on an annual basis. As part of this impairment assessment, the recoverable value of the intangible assets is required to be estimated.

When estimating the recoverable value of the intangibles Management consider the proved, probable and potential resources per the latest CPR (<https://orcadian.energy/wp-content/uploads/2021/07/110650.Orcadian.FinalReport.pdf>), likely production costs and the forecasted oil prices.

Investment In HALO Offshore UK Limited

On 2nd December 2024 the Company completed the acquisition of Halo Offshore UK Limited (“HALO”) through the purchase of 100% of the issued capital of HALO. On 13th December 2024 the Company announced that it had agreed to sell 50% of the shares in HALO to IPC Plc (“IPC”). The sale was formally completed on 28th February 2025. The intention of both Orcadian and IPC from the outset was to form a Joint Venture arrangement, and as such HALO was not considered to be a subsidiary at any point, and has been accounted for using the equity accounting method in accordance with IAS 28 Investments in Associates for the period under review. The key judgement made by the Company in reaching the decision to account for HALO in accordance with IAS 28 was the issue of control. Under the terms of the Heads of Agreement both the Company and IPC have equal representation on the HALO’s Board of Directors. In order for an act of business to be entered into the decision made by HALO’s Board of Directors must be unanimous and in the event of a deadlock the matter that is the topic of the deadlock can not proceed until the deadlock is broken. Thus the arrangement constitutes joint control in the context of IFRS 11 and the use of the equity accounting method has been judged to be appropriate in the circumstances.

Accounting treatment and presentation of IPC loans (refer to note 17)

As at 30 June 2025, the Group held a loan assigned from STASCO to IPC on 3 December 2024. No loan agreement was formalised at the time and the contractual terms relating to interest and repayment remain under negotiation. The loan is due on demand and therefore currently disclosed as current whilst the terms are effectively suspended with no interest accruing until a formal agreement is concluded. On this basis, and in accordance with IFRS 9, management has assessed that the reassignment of the loan to IPC therefore does not constitute a substantial modification of the original financial liability at this stage as terms are still under negotiation. Consequently, the carrying amount of the loan continues to approximate its previous measurement basis whilst the terms are being negotiated. Once revised terms are agreed, the Group will reassess the loan classification and measurement under IFRS 9, which may result in recognition of a modification gain or loss.

General Impairment

The Group held 50% interest in UKCS Seaward Licence P2516 (“the Licence”), which contains a portion of the Fynn Beauly discovery and the whole of the Fynn Andrew discovery. If the partnership had committed to drill a well on the licence the licence could have continued into Phase C on 30 November 2023. The partnership elected to allow the licence to determine. In the comparative year to 30 June 2024, the Group impaired the full value of the Licence recognised as an Intangible Asset on the Consolidated Statement of Financial Position with an impairment charge of £186,158 being charged to the Consolidated Statement of Comprehensive Loss.

Management do not consider that any impairment of intangible assets is required for the year to 30 June 2025.

These estimates and assumptions are subject to risk and uncertainty and therefore a possibility that changes in circumstances will impact the assessment of impairment indicators.

4 Expenses

4a Administrative expenses

	2025	2024
	£	£
Office costs, rates and services	19,702	21,111
Wages and salaries*	388,474	324,738
Consultants and advisers	136,051	113,684
Audit and accounting fees (note 5)	51,373	28,718
Legal fees	-	4,600
Insurance	9,248	26,919
Other expenses	25,621	33,594
National Insurance	139,560	40,091
Foreign Exchange	(76,887)	15,731
Depreciation	1,048	1,754
	<hr/>	<hr/>
	694,190	610,940

*refer to note 12 for details on wages and salaries capitalised to intangible assets.

4b Exploration and evaluation expenses (“E&E”)

E&E expenses are costs incurred by Orcadian, both internal timekeeping and external consultants that are in relation to licences in which Orcadian has partners. Some or all of these costs are recharged to licence partners.

5 Auditor’s Remuneration

During the year, the Company obtained the following services from the Company’s auditors and its associates. The audit fee will be settled by a subsidiary of the Company:

	2025	2024
	£	£
Audit of the financial statements	39,900	33,318
	<hr/>	<hr/>
	39,900	33,318

6 Other Income

	2025	2024
	£	£
Exploration and evaluation recharges	167,662	-
	<hr/>	<hr/>
Other Income	167,662	-

Under the terms of the operating agreements signed between Orcadian and IPC and Orcadian and Triangle, Orcadian recharges certain costs incurred on exploration and evaluation activities to the HALO joint arrangement and to Triangle. Recharges for the year to 30 June 2025 totalled £167,662 (2024: n/a). Refer to note 13 for further details on the HALO joint venture arrangement.

7 Staff numbers and costs

	Group 2025	Group 2024
	£	£
Staff costs (including directors)		
Wages and salaries	550,000	550,000
Social security costs	139,560	40,091
	689,560	590,091

Refer to the Directors Remuneration Report for further information on Director wages and salaries.

Wages and salaries includes £78,417 that was capitalised to the value of the intangible asset (2024: £264,648) (refer to note 12).

No pension benefits are provided for any Directors (2024: £nil).

The average number of persons (including directors) employed by the Company during the year was:

Group and Company	2025	2024
Management and Administration	4	4
	4	4

8 Net finance costs

	2025	2024
	£	£
Interest income	(3,762)	(3,818)
Interest expense	130,447	105,120
	126,685	101,302

Interest expense up until 30th June 2024 is on the loans (refer to note 17) with the interest expense until 30th June 2025 on the loans and overdue accounts payable.

9 Taxation

Analysis of charge for the year:

	2025 £	2024 £
Current income tax charge	—	—
R&D tax credits	—	—
Deferred tax charge	—	—
Total taxation credit/(charge)	<hr/> <hr/> —	<hr/> <hr/> —

Taxation reconciliation

The below table reconciles the tax charge for the year to the theoretical charge based on the result for the year and the corporation tax rate.

	2025 £	2024 £
Loss before income tax	(884,906)	(938,471)
Tax at the applicable rate of 19% (2024: 19%)	(168,132)	(178,309)
Effects of:		
R&D tax credits	-	-
Expenses not deducted for tax purposes	199	35,703
Unutilised tax losses	<hr/> 167,933	<hr/> 142,606
Total income tax credit / (expense)	<hr/> -	<hr/> -

As at 30 June 2025, the Group had potential deferred tax assets not recognised in respect of unused tax losses of £871,281 (2024: £703,262) which is due to uncertainty over the availability of future taxable profits to offset these losses against.

10 Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the loss for the year for continuing operations for the Company by the weighted average number of ordinary shares in issue during the year.

There is no difference between the basic and diluted earnings per share as the Group recorded a loss for the year, and where a loss is recorded the basic and diluted loss is the same. Refer to note 19 for details on details of warrants on issue as at 30 June 2025 that would have a dilutive effect on earnings per share.

	2025	2024
	£	£
Loss for the purposes of basic earnings per share being net loss attributable to the owners	(884,906)	(938,471)
Weighted average number of Ordinary Shares	79,000,412	74,655,987
Basic and diluted loss per share – pence	(1.12p)	(1.26p)

11 Property, plant and equipment

	IT hardware & software £	Office equipment £	Total £
Cost			
As at 30 June 2023	7,956	202	8,158
Additions	964	-	964
As at 30 June 2024	8,920	202	9,122
Additions	-	-	-
As at 30 June 2025	8,920	202	9,122
Depreciation			
As at 30 June 2023	5,448	202	5,650
Charged in the year	1,754	-	1,754
As at 30 June 2024	7,202	202	7,404
Charged in the year	1,048	-	1,048
As at 30 June 2025	8,250	202	8,452
Net book value as at 30 June 2025	670	-	670
Net book value as at 30 June 2024	1,718	-	1,718

The depreciation expense is recognised in administrative expenses as set out in note 4.

12 Intangible assets

	Oil and gas exploration assets
	£
Cost	
As at 30 June 2023	3,871,362
Additions	1,059,598
Farm-out	(332,349)
Impairment	(186,158)
As at 30 June 2024	4,412,453
Additions	209,213
Impairment	-
As at 30 June 2025	<u>4,621,666</u>

Wages and salaries totalling £78,417 (2024: £264,648) were capitalised during the year (refer to note 7).

The carrying value of the prospecting and exploration rights is supported by the estimated resource and current market values as contained in the Competent Person's Report date 1 April 2021 which was prepared by Sproule B.V.

<https://orcadian.energy/wp-content/uploads/2021/07/110650.Orcadian.FinalReport.pdf>

At the start of the 24/25 reporting period the Company owned an 18.75% interest in licence P2244, containing the Pilot discovery; and a 100% interest in licence P2482, containing the Elke and Narwhal fields; the Company had also recently received a 50% interest in licence P2634 with The Parkmead Group, who during the year sold their North Sea interests to Serica Energy; and a 50% interest in licence P2650 with Triangle Energy Pty Ltd. On 13 August 2024, the NSTA executed the licence agreement for P2680 containing the Earlham discovery in which Orcadian Energy (CNS) Ltd has a 100% interest.

The Company also had a carried interest of 18.75% in P2244.

The net costs incurred in advancing the licences held at the reporting date to their current state was £4,621,666 (2024: £4,412,453).

Refer to Note 3 for details of impairment charge.

13 Investment in joint venture

On 28th February 2025 the Company completed its joint venture acquisition of HALO Offshore UK Limited whose registered office is at c/o Shakespeare Martineau LLP, 15 Queen Street, Edinburgh, Scotland, EH2 1JE (“HALO”) with Independent Power Corporation Plc (IPC). Both Orcadian and IPC have a 50% working interest in HALO and as such HALO is considered to be a joint venture arrangement which accounted for under IAS 28 (refer to note 2.3 and note 3 for further detail on the accounting treatment of accounting for joint ventures).

Group and Company

	2025	2024
	£	£
Interest in joint venture at the beginning of the year	-	-
Investment in joint venture during the year	15,150	-
Share of loss in joint venture	(15,150)	-
	<hr/>	<hr/>
	-	-

14 Trade and other receivables

Note	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
VAT receivable	36,819	17,184	-	-
Amounts owing by joint venture	88,307	-	-	-
Other receivables	-	2,046	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	125,126	19,230	-	-

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

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

15 Cash and cash equivalents

	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
Cash at bank and in hand	77,244	214,977	60,359	212,597

There is no material difference between the fair value of cash and cash equivalents and their book value.

16 Investment in subsidiary

Name	Address of the registered office	Nature of business	Proportion of ordinary shares held directly by parent (%)
Orcadian Energy (CNS) Ltd	C/O Arch Law ^{2nd} Floor 8 Bishopsgate, London, EC2N 4BQ	Managing oil and gas assets	100

The acquisition of Orcadian Energy (CNS) Ltd took place on 11 May 2021.

	£
As at 30 June 2024	5,968,544
Additions	140,850
As at 30 June 2025	<u>6,109,394</u>

The additions during the year were advances to enable the subsidiary to continue work on the oil and gas exploration assets owned directly by the subsidiary. These costs have been capitalised rather than treated as an intercompany loan as they represent capital contributions and hence increase in value of the parent's investment.

During the year the Company completed the acquisition of HALO Offshore UK Limited ("HALO"). That acquisition of HALO was a joint venture arrangement and as such was not considered to be a subsidiary. It has been accounted for using the equity accounting method in accordance with IAS 28 Investments in Associates for the remainder of the period under review (refer to note 13 for further detail).

17 Borrowings

	2025				
	Shell Loan	IPC (ex Shell) Loan	IPC Loan	Loan from Joint Venture	Total
As at 30 June 2024	1,095,679	-	-	-	1,095,679
Drawdowns	-	-	155,128	82,218	237,346
Interest accrued	37,307	-	-	-	37,307
Repayments	(155,128)	-	-	-	(155,128)
Reassignment of loan ⁽¹⁾	(977,858)	977,858	-	-	-
Effect of foreign exchange	-	(39,581)	-	-	(39,581)
As at 30 June 2025	-	938,277	155,128	82,218	1,175,623

(t) As at the reporting date and the date of signing these financial statements, the terms of the loan reassignment are being negotiated

Reconciliation of borrowings

	Operating cashflow £	Financing cashflow £	Non-cash £	Total £
As at 1 July 2024				1,095,679
Cash flows:				
Proceeds from borrowings	-	155,128	-	155,128
Repayment of borrowings	-	(155,128)	-	(155,128)
Loans from joint ventures	-	82,218	-	82,218
Non-cash charges:				
Interest accrued	-	-	37,307	37,307
Effect of foreign exchange	-	-	(39,581)	(39,581)
As at 30 June 2025	-	82,218	(2,274)	1,175,623

During the period under review:

- On 1st August 2024, £78,928 was received from IPC New World Energy Limited (IPCNWE) which was paid to Shell International Trading and Shipping Company Limited (“Shell”) in part settlement of the Shell loan. Shell hold security over Orcadian’s interest in Licence P2244 on behalf of IPC. IPC is a joint venture partner with Richmond Offshore Energy Ltd in their ownership of The Marine Low Carbon Power Company Ltd (“MLCP”);
- On 3rd September 2024, £77,435 was received from IPC which was paid to Shell in part settlement of the Shell loan;
- On 3rd December 2024 the Company announced that it had acquired all of the ordinary shares of HALO Offshore UK Ltd. (“HALO”). On 12th December 2024, the Company agreed to sell a 50% interest in a sub-area of Licence P2680 to MLCP. As part of the overall arrangements IPC acquired the Shell loan. The acquisition and part disposal was in substance an acquisition of a joint venture, as disclosed in Note 3. The amount owed to IPC and IPCNWE is US\$1.5 million (£1.1 million). IPC has agreed to convert US\$1.4 million (£1.0 million) of this into funding part of the consideration for MLCP to acquire its 50 per cent stake in the Earlham and Orwell licences. The balance of US\$100,000 (£78,928) will be exchanged for an Orcadian loan note, dated 30 June 2026, and convertible into approximately 312,500 Ordinary shares in Orcadian at a conversion price of 25 pence per share. Orcadian may require conversion of the loan note into Ordinary shares if Orcadian’s volume weighted average share price (“VWAP”) in each of five consecutive trading days is 35p or above. The conditions and terms of reassignment are still in negotiation and need to be formally finalised at date of this report, and once signed the accounting treatment in accordance with IFRS 9 for modification will need to be assessed. It is expected to be ratified and signed off after the signing of this report.

2024

As at 30 June 2023	Shell Loan £	991,339
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Interest accrued	105,120
Effect of foreign exchange	(780)
As at 30 June 2024	1,095,679

18 Trade and other payables – due within one year

	Group 2025	Group 2024	Company 2025	Company 2024
	£	£	£	£
Trade payables	811,311	545,604	-	-
Accruals	1,417,214	701,631	-	-
	2,228,525	1,247,235	-	-

The carrying values of trade and other payables are considered to be a reasonable approximation of the fair value and are considered by the Directors as payable within one year.

19 Ordinary share capital and share premium

Group & Company

	Number of shares	Ordinary share capital	Share premium	Total share capital
	£	£	£	£
Issued				
As at 30 June 2023	72,512,317	72,512	5,316,532	5,389,044
Issue of shares	6,488,095	6,488	843,512	850,000
Share issue costs	-	-	(79,500)	(79,500)
As at 30 June 2024	79,000,412	79,000	6,080,544	6,159,544
As at 30 June 2025	79,000,412	79,000	6,080,544	6,159,544

The ordinary shares have a nominal value of 0.01 pence per share and confer the right to vote at general meetings of the Company, to a repayment of capital in the event of liquidation or winding up and certain other rights as set out in the Company's articles of association.

Share warrants

2025	Warrants number	Weighted average exercise price - pence
Warrants as at 30 June 2024	3,646,429	25.3
Granted during the year	-	-
Exercise during the year	-	-
Lapsed during the year	(75,000)	40.0
Warrants as at 30 June 2025	3,571,429	25.0
Exercisable at year end	3,571,429	25.0

As at 30 June 2025 the weighted average remaining contractual life of the warrants outstanding was 3.53 years.

2024

	Warrants number	Weighted average exercise price - pence
Warrants as at 30 June 2023	75,000	40.0
Granted during the year	3,571,429	25.0
Exercise during the year	-	-
Lapsed during the year	-	-
Warrants as at 30 June 2024	3,646,429	25.3
Exercisable at year end	3,646,429	25.3

As at 30 June 2024 the weighted average remaining contractual life of the warrants outstanding was 4.44 years.

On 8 January 2024 the Company issued 3,571,429 placement warrants in connection with the Raise. These warrants are fully vested, have an exercise price of 25p and are exercisable for a period of five years.

Nature and purpose of equity and reserves

Equity and Reserve	Description and purpose
Ordinary share capital	Represents the nominal value of shares issued
Share premium reserve	Amount subscribed for share capital in excess of nominal value
Share warrants reserve	Value of warrants issued
Other reserve	Reserve created in accordance with the acquisition of Orcadian Energy (CNS) Ltd on 11 May 2021
Retained earnings	Cumulative net gains and losses recognised in the Consolidated Statement of Comprehensive Income

20 Related parties

20.1 Transactions with related parties

The Company had the following related party transactions:

- (1) The Company makes use of an office at 70 Claremont Road which is currently provided to the Company by Mrs Julia Cane-Honeysett and Mr Stephen Brown, who are considered to be ultimate controlling parties (refer to note 20), at a rental of £1,000 per calendar month. The company pays for the services and business rates associated with the property. The lease is for a period of 1 year and is reviewed annually.

20.2. Key management personnel

Directors of the Company are considered to be key management personnel. The remuneration of the Directors has been set out in note 7.

20.3. Joint Venture arrangement with Halo Offshore UK Limited

During the year the Company entered into a joint venture arrangement for Halo Offshore UK Limited. Details of the joint venture are set out in note 13 and loans from the joint venture in note 17.

21 Ultimate controlling party

The Directors consider that there is no controlling party.

22 Financial instruments

The Company holds the following financial instruments:

Financial assets

	Group 2025	Group 2024	Company 2025	Company 2024
Financial assets at amortised cost:	£	£	£	£
Amounts owing by joint arrangement	88,307	-	-	-
Other receivables	-	2,157	-	-
Cash and cash equivalents	77,244	214,977	60,359	212,597
	165,551	217,134	60,359	212,597

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Financial liabilities

	Group 2025	Group 2024	Company 2025	Company 2024
Financial liabilities at amortised cost:				
Trade payables	£ 811,311	£ 545,604	-	-
Borrowings – current	£ 1,175,623	£ 1,095,679	-	-
	£ 1,986,934	£ 1,641,283	-	-

23 Financial risk management

23.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the executive management team.

a) Market risk

The Group is exposed to market risk, primarily relating to interest rate, foreign exchange and commodity prices. The Group does not hedge against market risks as the exposure is not deemed sufficient to enter into forward contracts. The Group has not sensitised the figures for fluctuations in interest rates, foreign exchange or commodity prices as the Directors are of the opinion that these fluctuations would not have a significant impact on the Financial Statements at the present time. The Directors will continue to assess the effect of movements in market risks on the Group's financial operations and initiate suitable risk management measures where necessary.

b) Credit risk

Credit risk arises from cash and cash equivalents as well as outstanding receivables. To manage this risk, the Group periodically assesses the financial reliability of customers and counterparties.

The amount of exposure to any individual counter party is subject to a limit, which is assessed by the Board.

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 with institutions which have a minimum credit rating of 'A'.

c) Liquidity risk

The Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The Directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

The following table summarizes the Group's significant remaining contractual maturities for financial liabilities at 30 June 2025, and 30 June 2024.

Contractual maturity analysis as at 30 June 2025

	Less than 12 months £	1 - 5 years £	Total £
Accounts payable	811,311	-	811,311
Accrued liabilities	1,417,214	-	1,417,214
Borrowings	1,175,623	-	1,175,623
	3,404,148	-	3,404,148

There were no contractual liabilities with maturity of greater than 5 years as at 30 June 2025.

Contractual maturity analysis as at 30 June 2024

	Less than 12 months £	1 - 5 years £	Total £
Accounts payable	545,604	-	545,604
Accrued liabilities	701,631	-	701,631
Borrowings	1,095,679	-	1,095,679
	2,342,914	-	2,342,914

There were no contractual liabilities with maturity of greater than 5 years as at 30 June 2024.

d) Foreign exchange risk

Foreign exchange risk arises where the Group has financial assets and liabilities in a different currency to the functional currency of the Group. Where this arises the Group will be exposed to gains and losses that arise on movements in the base currency of the financial asset/liability and the functional currency of the Group. For the year ended 30 June 2025, some of the Group's borrowings were denominated in US Dollars and thus is exposed to gains and losses arising on the value of the US Dollar relative to Pound Sterling (Refer to note 17).

a. 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 enable the Group to continue its exploration and development of oil and gas resources. In order to maintain or adjust the capital structure, the Group may adjust the issue of shares or sell assets to reduce debts.

The Group defines capital based on the total equity and reserves of the Group. The Group monitors its level of cash resources available against future planned operational activities and may issue new shares in order to raise further funds from time to time.

24 Commitments

The Group has the following non-cancellable ongoing commitments required in order to maintain the Group's licences in good standing:

	2025	2024
	£	£
Due within one year	26,114	33,962
Later than one year but not later than five years	286,705	498,053
Total commitments	312,819	532,015

25 Events after the reporting period

On the 24 November 2025 the Company announced that Ping Petroleum UK Ltd, the operator of licence P2244, had been awarded a three year extension to that licence, which contains the Pilot project. The licence now expires on 30 November 2028.

On the 17 October 2025 the company incorporated a new subsidiary named Orcadian Energy (SNS) Ltd

On 17 December 2025, the Board approved a £500,000 Convertible Loan Note carrying a 10% annual coupon and a repayment date of 31 January 2028. The purpose of this loan note is to strengthen the Company's working capital position and support its strategy. As at the date of publication of these financial statements, the Company has received commitments totalling £500,000, of which £322,500 has been funded. The remaining committed funds are expected to be received in January 2026.