31 October 2016

Upland Resources Ltd
("Upland" or the "Company")

Annual Report and Financial Statements for the period ended 30th June 2016

Upland is pleased to announce the publication of its audited annual report and financial statements for the period ended 30th June 2016 ("2016 Report"), extracts of which are set out below.

The Company's 2016 Report will be posted to shareholders shortly and it will also be made available on the Company's website at: http://uplandres.com/

In addition, a copy of the 2016 Report will be uploaded to the National Storage Mechanism and will be available for viewing shortly at http://www.morningstar.co.uk/uk/NSM

The auditors, Wilkins Kennedy LLP, have reported on the 2016 accounts. Their report was unqualified and did not include a reference to any matters to which the auditors draw attention by way of emphasis without qualifying their report.

For further information, please visit www.uplandres.com or contact:

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Chairman's Statement

On behalf of the Board of Directors it gives me great pleasure to present the consolidated financial statements of Upland Resources Limited (the "Group", the "Company" or "Upland") for the year ended 30 June 2016.

Upland is a relatively new oil & gas exploration and production company that is building a portfolio of attractive upstream assets.

The year under review has been a highly successful one on a number of fronts.

Firstly, we achieved our stated goal of achieving a public listing. On the 26 October 2015 our shares were admitted to the Official List of the UK Listing Authority (”UKLA”) by way of a standard listing under Chapter 14 of the UKLA’s Listing Rules and to trading on the London Stock Exchange’s main market.

At listing, the Company issued 130,000,000 new ordinary shares at a price of 1 pence per share, raising £1.3 million before expenses. Market conditions were difficult but, despite this environment, we raised our target amount at the target price. As a result of this successful fundraising, Upland is in a strong financial position: able to fund its obligations in PEDL 299 (see below) and simultaneously assess new opportunities. We would like to thank our supportive shareholders for their confidence in the management team and our strategy.

Secondly, on 17 December 2015, the Upland consortium was offered for award Petroleum Exploration and Development Licence 299 (“PEDL 299") in the East Midlands. During the assessment of the bids by the UK Oil and Gas Authority ("OGA"), the Upland consortium was combined with Ineos Upstream, part of the multinational Ineos conglomerate. As detailed below, of specific interest to Upland is the historically producing Hardstoft Oil Field (“Hardstoft”) that the development consortium plans to rejuvenate using modern technology.

Thirdly the Company has been busy assessing new opportunities in the UK, Malaysia and Morocco, accessed through its wide range of contacts both in-country and in the international oil industry.

Fourthly, since the year end, OGA has announced the execution by the Department of Energy and Climate Change ("DECC") of PEDL 299 and Upland has been able to secure an increased interest of 25% in this license, subject to regulatory approval, following assignment of a partner’s interest.

Lastly, we have seen our share price make good upward progress against the background of a sector that continues to struggle with the ramifications of a low oil price environment. We operate with a lean corporate structure yet with the benefit of an enviable pool of technical, commercial and political experience.

Operating environment creating attractive opportunities

The year ending 30 June 2016 has been a difficult one for the oil and gas industry. Oil prices remain well below the levels seen two years ago; though at the time of writing prices appear to be holding firm.

However, following the successful fund-raising last year, Upland is well-funded for its work obligations and has relatively low overheads. Its recent listing gives it access to additional sources of funds that should enable it to take advantage of the market and to add further attractive assets to its portfolio.

As such there are a number of interesting opportunities (ranging in maturity from producing to exploration) that the Company has assessed during the year and some of which it continues to assess. We will update shareholders as these opportunities are matured.

PEDL 299 - Hardstoft Field

This is our first asset and is the result of a new interpretation of the existing data by Upland, following which we brought in Europa Oil & Gas and Shale Petroleum (UK) Limited as partners.

During the assessment of the bids by OGA our consortium was combined with Ineos Upstream, part of the multinational Ineos conglomerate, as OGA is keen to see both the conventional and unconventional potential of the area developed. Ineos’ focus is on unconventional shale gas and oil whereas the Upland consortium’s focus is on the exploration, appraisal and development of the conventional potential. Principally this is the rejuvenation of Hardstoft Oil Field, Britain’s first oil field, using modern technology. Hardstoft was first drilled in 1919 and successfully produced oil for five years utilising a simple vertical well; little water was produced. It is likely that this well did not cross any of the expected semi-vertical, natural fractures in the limestone reservoir and that the oil production came from the matrix of the rock. The PEDL 299 holders are planning to directionally drill a new well to also access the natural, vertical fractures which should allow a much more efficient production of Hardstoft's resources. This particular PEDL is the only one of the 21 recently announced PEDLs awarded to Ineos in which they have partners.

Hardstoft is an excellent first asset for the Company and, following extensive technical work by Upland and its highly experienced bid partners, we have a high degree of confidence in the success of rejuvenating this field. With low work programme costs, a low risk of failure and economics which are robust even at depressed oil prices, Hardstoft aligns well with our strategy to ensure that our assets have an attractive risk/reward balance.

An independent Competent Person's Report ("CPR") prepared by Blackwatch Petroleum Services Limited ("Blackwatch") on behalf of Upland estimates remaining resources to be 3.10 million barrels of oil ("MMbbl") of contingent resource plus 3.65 MMbbl prospective resource (making a total of 6.75 MMbbl resource) in the broader Hardstoft structure alone, all sitting in Block SK46c and on a 'best' or central case basis. Total Hardstoft resource net to Upland, based on Blackwatch's CPR and our original interest of 16.67%, is estimated at 1.125 MMbbl. Blackwatch estimates the chance of success for the contingent resource at 80% and 64% for the prospective resource.

Following the acquisition by Europa Oil & Gas (Holdings) plc ("Europa plc") of Shale Petroleum (UK) Limited ("Shale Petroleum"), both of which were members of the Upland bid consortium referred to above, Europa plc has agreed, subject to regulatory approval, to assign Shale Petroleum's 16.665% interest in PEDL 299 - as to 8.33% to Upland Resources (UK Onshore) Limited, a wholly-owned subsidiary of Upland ("Upland UK") and as to 8.335% to Europa plc's wholly-owned subsidiary, Europa Oil & Gas Limited. OGA announced on 6 October 2016 that DECC had executed PEDL 299. Subject to the approval of the OGA, Upland UK's participating interest in INEOS-operated PEDL 299, which contains the Hardstoft Oil Field and Hardstoft East prospect, will therefore increase from 16.67% to 25%.

The consortium will now seek to embark upon the first steps toward Hardstoft Field development, beginning with seismic acquisition.

Director Appointment

We are very pleased to have secured the services of Bolhassan Di as a Non-executive Director of the Company in July this year. Bolhassan brings a wealth of knowledge and experience in both the oil & gas sector, and in Malaysia and the wider region.

Outlook

We believe that Upland has a bright future ahead of it. I look forward to reporting further progress towards our stated goals.

M N B Zakaria

Chairman

31 October 2016

Strategic Report for the Year Ended 30 June 2016

The directors present their strategic report for the year ended 30 June 2016.

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

Fair review of the business
The past year has been another exciting one for Upland Resources Limited. We undertook a successful fundraising, issuing 130,000,000 new ordinary shares at a price of 1 pence per share, raising £1.3 million before expenses. We remain in a strong financial position with significant cash in the bank, and with low corporate overheads.

The price of oil continued to fall for most of the year, though rallying somewhat toward the end of the reporting period. Many oil companies continue to feel the negative impact of this low price. This has led in turn to opportunities for Upland through reduced levels of competition for acreage, farm-in opportunities and produced an environment with markedly reduced service costs.

During the year, Upland continued to consider a large number of potential farm-ins, acquisitions and new permit applications over a range of geographies. These were principally in the UK, Malaysia and Morocco, and several of these are currently under assessment.

In October 2014, Upland made an application for a PEDL in the UK 14th Onshore Oil and Gas Licensing Round. During the assessment of the bids by OGA, the Upland bid consortium was combined, at OGA's request, with Ineos Upstream and on 17 December 2015 the expanded consortium was offered the area for licence as PEDL 299. Subsequently, the Upland consortium and Ineos have agreed an in-principal split of the acreage, essentially along the lines of unconventional hydrocarbon accumulations (solely Ineos) and conventional accumulations (all parties). Upland's wholly owned subsidiary, Upland Resources (UK Onshore) Limited holds a 16.67% interest in the "conventional" part. This area contains all the parts of Hardstoft Field that lie within PEDL 299; this was the primary objective of Upland's interest in the area.

Significant events since the balance sheet date:

Following the acquisition by Europa Oil & Gas (Holdings) plc of Shale Petroleum (UK) Limited, both of which were members of the Upland bid consortium referred to above, Europa plc has agreed, subject to regulatory approval, to assign Shale Petroleum's 16.665% interest in PEDL 299 - as to 8.33% to Upland UK and as to 8.335% to Europa' s wholly-owned subsidiary, Europa Oil & Gas Limited. OGA announced on 6 October 2016 that DECC had executed PEDL 299. Subject to the approval of the OGA, Upland Resources (UK Onshore) Limited's participating interest in INEOS-operated PEDL 299, which contains the Hardstoft Oil Field and Hardstoft East prospect, will increase from 16.67% to 25%.

The group's key financial and other performance indicators during the year were as follows:

	2016	**2015**
Cash outflow from operating activities	£329,832	£216,712

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

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

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

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

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

Approved by the Board on 31 October 2016 and signed on its behalf by:

G H S Staley
Chief executive

Directors' Report for the Year Ended 30 June 2016

The directors present their report and the consolidated financial statements for the year ended 30 June 2016.

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

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

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

G H S Staley - Chief executive

J E S King

M N B Zakaria - Chairman

The following director was appointed after the year end:

B B H Di (appointed 7 July 2016)

Results and dividends
The Group's loss on ordinary activities after taxation amounted to £420,566 for the year (2015 - £221,069). The Directors are unable to recommend payment of a dividend.

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

Key events
On 26 October 2015, the Company was successfully admitted to Standard Listing on the Official List and to trading on the London Stock Exchange's main market for listed securities.

Capital structure
Details of the issued share capital, together with details of the movements in the Company's issued share capital during the period, are shown in note 14 to the financial statements. The company has one class of ordinary shares which carry no right to fixed income.

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

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the BVI Business Companies Act 2004 and related legislation. The Articles themselves may be amended by special resolution of the shareholders.

Directors' interests

As at 30 June 2016, the beneficial interests of the Directors and their connected persons in the ordinary share capital of the Company were as follows:

Director	Number of Ordinary Shares	% of Ordinary Share Capital
M N Zakaria	62,876,642	29.5%
G H S Staley	17,287,564	8.1%

Share option scheme

On 14 August 2014, the Company granted options to G H S Staley, a director of the Company, over a maximum of 9,000,000 ordinary shares; 3,000,000 at an exercise price of 1p per share, 3,000,000 at an exercise price of 1.5p per share and 3,000,000 at an exercise price of 2p per share.

The options may be exercised at any time within 7 years of the ordinary shares of the Company being admitted to trading on the LSE's main market for listed securities, which occurred on 26 October 2015. The options will therefore expire on 26 October 2022.

There are no performance conditions attached to the share options.

Substantial shareholders

The following had interests of 5 per cent or more in the Company's issued share capital as at 30 June 2016:

Party Name	Number of Ordinary Shares	% of Ordinary Share Capital
M N Zakaria - Director	62,876,642	29.5%
A A Nasharuddin	22,500,000	10.5%
Optiva Securities Limited	18,000,000	8.4%
G H S Staley - Director	17,287,564	8.1%

Warrants

On 14 October 2015, the Company granted to Optiva Securities Limited 6,500,000 warrants to subscribe for new ordinary shares (on the basis of 1 new ordinary share for each warrant) at a subscription price of 1p per ordinary share and exercisable at any time during the period of 3 years from the date that the ordinary shares of the Company were admitted to trading on the LSE's main market for listed securities. The warrants will therefore expire on 26 October 2018.

Capital and returns management

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

The Company expects that any returns for shareholders would derive primarily from capital appreciation of the ordinary shares and any dividends paid pursuant to the Company’s dividend policy.

Dividend policy

The Company intends to pay dividends on the ordinary shares following an acquisition at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion.

The Company’s current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with all applicable laws.

Corporate governance

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

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

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

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

• Until an acquisition is made, the Company will not have separate audit and risk, nominations or remuneration committees. The Board as a whole will instead review audit and risk matters, as well as the Board’s size, structure and composition and the scale and structure of the Directors’ fees, taking into account the interests of shareholders and the performance of the Company, and will take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company’s financial statements and take responsibility for any formal announcements on the Company’s financial performance;

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

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

Internal control and risk management

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

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

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

Going concern

The Directors have acknowledged the latest guidance on going concern. The Directors regularly review the performance of the Group to ensure that they are able to react on a timely basis to opportunities and issues as they arise. After making suitable enquiries, the Directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of information to the auditors

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

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

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

Approved by the Board on 31 October 2016 and signed on its behalf by:

G H S Staley
Chief executive

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the group financial statements, and have elected to prepare the parent company financial statements, in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulation. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and group and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with all applicable legislation and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

This responsibility statement was approved by the Board on 31 October 2016 and signed on its behalf by:

G H S Staley
Chief executive

Independent Auditor's Report to the Members

We have audited the financial statements of Upland Resources Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2016, which comprise the consolidated statement of comprehensive income, the consolidated and parent company statement of financial position, the consolidated statement of changes in equity, the consolidated and parent company statement of cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

This report is made solely to the company's members, as a body, and in accordance with the provisions of the BVI Business Companies Act 2004. Our audit work has been undertaken so that we might state to the company's members those matters that 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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 12), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Going concern and the directors' assessment of the principal risks that would threaten the solvency or liquidity of the group

As required by the Listing Rules we have reviewed the directors' statement regarding the appropriateness of the going concern basis of accounting contained within the summary of significant accounting policies in the financial statements and in the Directors' Report.

We have nothing to report in respect of the following matters in relation to:

• the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

• the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our assessment of risk of material misstatement

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 overall 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.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality of the company to be £19,000, based on 2% of net assets. We considered net assets to be an appropriate metric to use in our materiality assessment as the group was loss making during the year.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion:

- the financial statements give a fair view of the state of the group's and of the parent company's affairs as at 30 June 2016 and of the group's loss for the year then ended; and
- the group and parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union.

Matters on which we are required to report by exception

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

• materially inconsistent with the information in the audited financial statements; or

• apparently materially incorrect, based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or

• otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and appropriately disclosed those matters that we communicated to the directors which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

D R Graves (Senior Statutory Auditor)
For and on behalf of Wilkins Kennedy LLP, Statutory Auditor

Bridge House
London Bridge
London
SE1 9QR

31 October 2016

The maintenance and integrity of the Upland Resources Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters, and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2016

	Note	2016 £	2015 £
Revenues		-	-
Administrative expenses		(420,566)	(221,069)
Operating loss	3	(420,566)	(221,069)
Loss before tax		(420,566)	(221,069)
Taxation	4	-	-
Loss for the financial year		(420,566)	(221,069)
Total comprehensive income for the financial year		(420,566)	(221,069)
Profit/(loss) attributable to:			
Owners of the company		(420,566)	(221,069)
Total comprehensive income attributable to:			
Owners of the company		(420,566)	(221,069)
Loss per share			
Basic and diluted (£ per share)	5	(0.002)	(0.003)

The above results were derived from continuing operations.

Consolidated Statement of Financial Position as at 30 June 2016

	Not e	2016 £	2015 £
Current assets			
Debtors	11	1,923	642
Cash and cash equivalents	12	1,039,352	134,184
Total assets		1,041,275	134,826
Equity and liabilities			
Share premium reserve	14	1,627,201	392,201
Retained earnings		(670,199)	(296,783)
Total equity		957,002	95,418
Current liabilities			
Other payables	13	84,273	39,408
Total equity and liabilities		1,041,275	134,826

These financial statements were approved and authorised for issue by the Board on 31 October 2016 and signed on its behalf by:

J E S King
Director

Statement of Financial Position as at 30 June 2016

	Not e	2016 £	2015 £
Non-Current Assets			
Investments	10	30	30
Current assets			
Debtors	11	1,923	642
Cash and cash equivalents	12	1,039,322	134,154
		1,041,245	134,796
Total assets		1,041,275	134,826
Equity			
Share premium reserve	14	1,627,201	392,201
Retained earnings		(670,199)	(296,783)
Total equity		957,002	95,418

Current liabilities			
Other payables	13	84,273	39,408
Total equity and liabilities		1,041,275	134,826

These financial statements were approved and authorised for issue by the Board on 31 October 2016 and signed on its behalf by:

J E S King

Director

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2016 Equity attributable to the parent company

	Share premium £	**Retained earnings £**	**Total equity £**
At 1 July 2015	392,201	(296,783)	95,418
Loss for the year	-	(420,566)	(420,566)
Total comprehensive income	-	(420,566)	(420,566)
Issue of shares	1,300,000	-	1,300,000
Share issue costs	(65,000)	-	(65,000)
Share based payment transactions	-	47,150	47,150
At 30 June 2016	1,627,201	(670,199)	957,002

	Share premium £	**Retained earnings £**	**Total equity £**
At 1 July 2014	392,201	(75,714)	316,487
Loss for the year	-	(221,069)	(221,069)
Total comprehensive income	-	(221,069)	(221,069)
At 30 June 2015	392,201	(296,783)	95,418

There is no difference between the changes in equity of the Group and those of the Company. Accordingly, no separate statement of the Company changes in equity is necessary in these financial statements.

Consolidated Statement of Cash Flows for the Year Ended 30 June 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Loss for the year		(420,566)	(221,069)
Share-based payment expenses		47,150	-
Operating cash flows before working capital movements		(373,416)	(221,069)
(Increase)/decrease in trade and other receivables		(1,281)	135
Increase in trade and other payables		44,865	4,222
Net cash flow from operating activities		(329,832)	(216,712)
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of issue costs		1,235,000	-
Net increase/(decrease) in cash and cash equivalents		905,168	(216,712)
Cash and cash equivalents at beginning of period	12	134,184	350,896
Cash and cash equivalents at end of period	12	1,039,352	134,184

Statement of Cash Flows for the Year Ended 30 June 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Loss for the year		(420,566)	(221,069)
Adjustments to cash flows from non-cash items			
Share based payment transactions		47,150	-
		(373,416)	(221,069)
Working capital adjustments			
(Increase)/decrease in trade and other receivables		(1,281)	135
Increase in other payables		44,865	4,222
Net cash flow from operating activities		(329,832)	(216,712)
Cash flows from investing activities			
Investment		-	(20)
Cash flows from financing activities			

Proceeds from issue of ordinary shares, net of issue costs		1,235,000	-
Net increase/(decrease) in cash and cash equivalents		905,168	(216,732)
Cash and cash equivalents at beginning of period	12	134,154	350,886
Cash and cash equivalents at end of period	12	1,039,322	134,154

Notes to the Financial Statements for the Year Ended 30 June 2016

1 General information

The Company was incorporated in the British Virgin Islands on 14 March 2012 as a private limited company with the name Ribes Resources Limited. On 3 September 2013 the company changed its name to Upland Resources Limited.

The Company has adopted a year end of 30 June.

2 Accounting policies

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

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use by the European Union and the International Financial Reporting Interpretation Committee (IFRIC) interpretations. The financial statements have been prepared under the historical cost convention.

The financial information is presented in Sterling (£).

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

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

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2016.

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

Going concern
These financial statements have been prepared on a going concern basis, which assumes that the Company will continue to be able to meet its liabilities as they fall due for the foreseeable future. The Company meets its day to day working capital requirements through existing cash reserves. The Directors have prepared projected cash flow information for a period of at least twelve months from the date of their approval of the financial statements. On the basis of this cash flow information, the

Directors consider that the company will continue to operate without the need for additional financing. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

Financial assets and liabilities

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

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

Financial assets and liabilities are accounted for as follows:

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

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

Cash and cash equivalents

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

Equity

Equity comprises the following:

• "Share premium" represents the premium paid on shares issued of no par value, net of share issue costs; and

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

Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Operating segments

Due to the current nature of the Group's operations, all costs are incurred within one segment.

Risk management

The Directors consider the key risk for the Group at the period end to be the maintenance of its cash reserves. With this in mind the Group has treasury controls in place which ensure that the Group's liquid reserves are kept as cash only and are only deposited at institutions with at least an A credit rating.

Critical accounting estimates and judgements

The preparation of the financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. This is of particular relevance to share-based payment expenses recognised in profit and loss. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about certain amounts recognised in the financial statements. Actual results may differ from these estimates.

The Company and Group had no significant assets or liabilities as at 30 June 2016 or 30 June 2015 which were measured using significant accounting estimates or judgements.

Share based payments

The group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the counterparty renders the service.

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

3 Operating loss

Arrived at after charging/(crediting):

	2016 £	2015 £
Directors' remuneration and fees (note 7)	162,092	84,000
Exceptional item - costs associated with listing	98,291	48,695
Fees payable to the Company's auditor and its associates - audit of the financial statements	16,000	6,000
Fees payable to the Company's auditor and its associates - other services	8,250	7,600

4 Taxation

The Company is incorporated in the British Virgin Islands and as such, no tax losses have arisen in the period on its losses.

The Company's trading subsidiary, incorporated in the Unitied Kingdom, has tax losses carried forward of £31,000.

5 Loss per share

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

	2016 £	2015 £
Loss for the period from continuing operations	(420,566)	(221,069)

Weighted average shares in issue	171,766,628	83,437,861
Basic loss per share	(0.002)	(0.003)

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

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

6 Staff costs

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

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

7 Directors' emoluments

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

		2016	2015
Name of Director	**Remuneration detail**	**£**	**£**
M N B Zakaria	Fee	16,667	-
G H S Staley	Fee	104,381	60,000
G H S Staley	Share-based payment	23,711	-
J E S King	Fee	17,333	12,000
C G St J Dennis - resigned 30 May 2015	Fee	-	12,000
		162,092	84,000

The Upland Long Term Incentive Plan ("LTIP")

On 5 July 2016, the Company established the LTIP as part of the general remuneration plan of the Company. All executive directors and senior managers are eligible to participate in the LTIP. Awards under the LTIP are determined by the non-executive directors of the Company following full consultation with the executive directors. Awards are to be made every year, measuring performance against goals in each year ending 25 October. No awards have been made to date.

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

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

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

8 Share-based payments

Share option scheme

On 14 August 2014, the Company granted options to G H S Staley, a director of the Company, over a maximum of 9,000,000 ordinary shares; 3,000,000 at an exercise price of 1p per share, 3,000,000 at an exercise price of 1.5p per share and 3,000,000 at an exercise price of 2p per share.

The options may be exercised at any time within 7 years of the ordinary shares of the Company being admitted to trading on the LSE's main market for listed securities, which occurred on 26 October 2015. The options will therefore expire on 26 October 2022.

There are no performance conditions attached to the share options.

The Company is unable to directly measure the fair value of employee services received. Instead, the fair value of the share options is determined using the Black-Scholes model.

	Number of options	Weighted average exercise price (pence per share)
Outstanding at beginning and end of year	9,000,000	1.5

At the end of the year, 9,000,000 share options were exercisable (2015 - nil).

The total charge for the year was £23,711 (2015 - £nil).

Warrants

On 14 October 2015, the Company granted to Optiva Securities Limited 6,500,000 warrants to subscribe for new ordinary shares (on the basis of 1 new ordinary share for each warrant) at a subscription price of 1p per ordinary share and exercisable at any time during the period of 3 years from the date that the ordinary shares of the Company were admitted to trading on the LSE's main market for listed securities. The warrants will therefore expire on 26 October 2018.

The Company is unable to directly measure the fair value of the services received as consideration for the warrants. Instead, the fair value of the warrants has been determined using the Black-Scholes model.

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

	Number of warrants	Weighted average subscripti on price (pence per share)
Outstanding at beginning of year	-	-
Issued in year	6,500,000	1
Outstanding at end of year	6,500,000	1

At the end of the year, 6,500,000 warrants were exercisable (2015 - nil).

The total charge for the year was £23,439 (2015 - £nil).

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

9 Financial risk management

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

Risk management is carried out by the Board.

Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risk arising from currency exposure, primarily with respect to the US Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

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

Credit risk

Credit risk arises from cash and cash equivalents.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Group will only keep its holdings of cash and cash equivalents with institutions which have a minimum credit rating of 'A'.

Liquidity risk

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

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure.

The Company monitors capital on the basis of the equity held by the Company, which at 30 June 2016 was £957,002 (2015 - £95,418).

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

10 Investments

Company

	2016 £	2015 £
Investments in subsidiaries	30	30

Subsidiaries	**£**
Cost or valuation	
At 1 July 2015 and 30 June 2016	30
Carrying amount	
At 30 June 2016	30
At 30 June 2015	30

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	**2015**
Subsidiary undertakings				
Upland Resources (UK Onshore) Limited*	UK	Ordinary	100%	100%
Upland (N Tunisia) Limited*	UK	Ordinary	100%	100%
Upland (El Fahs) Limited	UK	Ordinary	100%	100%

Upland (S Tunisia) UK Limited*	Ordinary	100%	100%
Upland (Ksar Hadada) UK Limited	Ordinary	100%	100%

* indicates direct investment of the company

Activity

The principal activity of Upland Resources (UK Onshore) Limited is petroleum exploration and development.

The other subsidiary undertakings have been dormant since their incorporation.

Notes to the Financial Statements for the Year Ended 30 June 2016 (continued)

11 Debtors

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Prepayments	1,923	642	1,923	642
Total current trade and other debtors	1,923	642	1,923	642

There are no differences between the Company and Group figures as the Company has provided in full against intercompany receivable balances.

12 Cash and cash equivalents

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Cash at bank	1,039,352	134,184	1,039,322	134,154

13 Creditors

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Due within one year				
Accrued expenses	84,273	39,408	84,273	39,408

14 Share capital

Allotted and called up	2016 £	2015 £
Share premium on 213,437,861 shares of no par value	1,627,201	392,201

On incorporation, 100 ordinary shares were issued and sub-divided into 15,000,000 shares of no par value on 19 July 2013. The company subsequently issued a further 68,437,861 shares of no par value. A further 130,000,000 shares of no par value were issued upon listing on the London Stock Exchange on 26 October 2015.

15 Related party transactions

The Directors are considered to be the key management personnel of the Company. The fees paid to the Directors, or their connected companies, during the year are disclosed in note 7. Of the total fees incurred during the year, £54,833 (2015 - £5,000) was outstanding payable to the Directors, or their connected companies, at the year end and included in accruals. Share-based payments made in connection with Directors are disclosed in note 8.

During the year, the Group was charged fees and commission of £84,534 (2015 - £nil) by Optiva Securities Limited, of which J E S King is also a director and shareholder. Of this balance, £65,000 (2015 - £nil) has been charged to the share premium reserve. At the balance sheet date a balance of £nil (2015 - £nil) was payable to Optiva Securities Limited. Share-based payments made in connection with Optiva Securities Limited are disclosed in note 8.

16 Ultimate controlling party

The Directors believe there to be no ultimate controlling party.

17 Non adjusting events after the financial period

Following the acquisition by Europa Oil & Gas (Holdings) plc ("Europa plc") of Shale Petroleum (UK) Limited, both of which were members of the Upland bid consortium referred to in the Strategic Report, the former has agreed, subject to regulatory approval, to assign the latter's 16.665% interest in Petroleum Exploration and Development Licence 299 ("PEDL 299") - as to 8.33% to Upland Resources (UK Onshore) Limited and as to 8.335% to Europa plc's wholly-owned subsidiary, Europa Oil & Gas Limited.

The UK Oil and Gas Authority ("OGA") announced on 6 October 2016 that the Department of Energy and Climate Change ("DECC") had executed PEDL 299. Subject to the approval of OGA, Upland Resources (UK Onshore) Limited's participating interest in INEOS-operated PEDL 299, which contains the Hardstoft Oil Field and Hardstoft East prospect, will increase from 16.67% to 25%.

Whilst total expenditure over the 5 year period from grant of licence cannot be reliably estimated at this stage, cash outflow in the year ended 30 June 2017 is estimated to not exceed £70,000. A cost-sharing arrangement will be put in place under the Joint Operating Agreement between the co-licencees and this agreement is currently at an advanced stage of negotiation.

Details of the Long Term Incentive Plan established by the Company since the balance sheet date are included in note 7.