Jersey Company number: 129667

UPLAND RESOURCES LIMITED

Interim Report and Accounts

for the Six-Month Period from 1 July 2019 to 31 December 2019

UPLAND RESOURCES LIMITED

CONTENTS

UPLAND RESOURCES LIMITED

REPORT OF THE DIRECTORS
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2019

Upland Resources ("Upland" or the "Company") has made steady progress on licence activities in the second half of 2019.

On the 15 August 2019, the Company changed its domicile from the British Virgin Islands to Jersey to enhance corporate governance. This migration to Jersey means that the Company has now become subject to the City code on Takeovers and Mergers.

On 3 September 2019, two additional non-executive directors, Mr Dixon Wong and Mr Christopher Pitman, were appointed to the Board.

The Company announced on the 20 September 2019 that its wholly owned subsidiary, Upland Resources (UK Onshore) Limited, and its partners had been awarded the P2478 and P2470 'Innovate' licences by the UK Oil and Gas Authority as a result of the competitive UK 31st Offshore Licensing Round. Both licences are located within the northern (P2470) and southern (P2478) areas of the Inner Moray Firth basin. The licences are held by Upland Resources (UK Onshore) Limited (40%), Corallian Energy Limited (45%) and Baron Oil (15%).

On the 7 October 2019, Dr Steve Staley, resigned as CEO and a director with immediate effect for personal reasons and was succeeded by Mr Christopher Pitman as the Interim CEO.

Optiva Securities Limited issued an exercise notice on the 8 November in respect of warrants related to a warrant agreement with the Company dated 25 November 2016. This warrant exercise raised £82,370 through the subscription for 6,336,154 new shares at 1.3p per share. The New Ordinary Shares were admitted to the Official List of the FCA on 15 November 2019.

On 24 December 2019, the Decree of the Minister of Industry and Small and Middle Enterprises dated 14 November 2019 in respect of the Prospecting Licence in the Saouaf permit area Tunisia was published in the Official Gazette of the Tunisian Republic. This publication marked the commencement of the initial two year licence term.

The Company continues to progress an award of a new licence in Sarawak and has identified other exciting opportunities in Malaysia, elsewhere in South-East Asia and also Tunisia.

Events since the end of the reporting period

On the 6 January 2020, the Board of Directors appointed Mr Christopher Pitman as the CEO on a permanent basis together with Mr Aimi Aizal Bin Nasharuddin as a Non-Executive Director.

The Company also announced that it had successfully raised £250,000 via a subscription managed by Optiva Securities Limited. These funds will be employed to further progress the Company's projects in Tunisia and for general working capital purposes.

Results for the period

The financial results for the six month period ended 31 December 2019 are appended to this report.

Upland made a pre-tax loss of £516,552 for the six months to 31 December 2019, compared to a £414,407 loss for the comparable six months to 31 December 2018. The principal reasons for the increased costs in the six month period are the costs associated with supporting the Company's activities and one-off costs in connection with the appointment of new directors to the Board.

The Company has no debt and plans to grow through the identification and closure of significant new business opportunities which should facilitate access to additional finance.

The Board of Directors acknowledge that 2020 will be difficult with extremely challenging conditions caused through the collapse in the oil price and the uncertainty with regard to the impact of the Coronavirus pandemic. The current inability to travel freely to our permit areas and to regions identified as new opportunities will, without doubt, cause some delays to our 2020 work programme. However, in the current environment, the costs of undertaking such work programmes* will undoubtably fall substantially, which will be to the advantage of the Company.

* Note that as per RNS of 24 December 2018, Upland had deposited a US$1 million bank guarantee lodged in favour of the Tunisian Government against these first phase work commitments. This is in place and will be released in a phased manner, as the work programme progresses.

Risks and uncertainties

The Group has identified the following as key risks in the second six months of this financial year:

Subsurface risks

Risk (1): The success of the business relies on accurate and detailed analysis of the subsurface. This can be impacted by poor quality data, either historical or recently gathered, and limited 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 is considered and adequate programmes implemented, but historical data can be reviewed and reprocessed to improve the overall knowledge base.

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

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

Corporate risks

Risk: The Group's success depends upon skilled management as well as technical and administrative staff. The loss of service 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 they are competitive.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they adopt the going concern basis in preparing the Company's financial statements.

Auditing

This interim report and accounts for the six month period ended 31 December 2019 (the "**Interim Report and Accounts**") has not been audited or reviewed pursuant to the Financial Reporting Council guidance on 'Review of Interim Financial Information''.

Statement of Directors' Responsibilities

The Interim Report and Accounts is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report and Accounts in accordance with the Disclosure and Transparency Rules (the "**DTRs**") of the United Kingdom's Financial Conduct Authority (the "**FCA**"). The DTRs require that the accounting policies and presentation applied to the half yearly figures must be consistent with those applied in the latest published annual accounts.

The Directors confirm that, to the best of their knowledge, the set of financial statements contained in the Interim Report and Accounts, which have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group, as required by DTR 4.2.2 and in particular include a fair review of:-

- the important events that have occurred during the half of the financial year and their impact on the set of financial statements contained in the Interim Report and Accounts, as required by DTR 4.2.7R;
- the principal risks and uncertainties for the remaining half of the year as required by DTR 4.2.7R; and
- related party transactions that have taken place in the first half of the current financial year.

The Directors of Upland Resources Limited are Bolhassan Di (*Non-Executive Chairman*), Christopher Pitman (*Chief Executive Officer*), Dixon Kit Seng Wong (*Non-Executive*), Aimi Nasharuddin (*Non-Executive*) and Jeremy King (*Non-Executive*).

Bolhassan Di **Chairman**	**Christopher Pitman** **Chief Executive Officer**

25 March 2020

UPLAND RESOURCES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE INTERIM SIX MONTH PERIOD ENDED 31 DECEMBER 2019

	6 months to 31 December 2019 £	6 months to 31 December 2018 £
Revenue	-	-
Exploration and evaluation expenditure	(3,922)	-
Administrative expenses	(512,630)	(342,777)
Operating loss	(516,552)	(342,777)
Finance costs	-	(71,630)
Loss before taxation	(516,552)	(414,407)
Taxation	-	-
Loss and Total Comprehensive Income for the Period Attributable to Equity Owners of the Parent Company	(516,552)	(414,407)
Loss per share in pence – basic and diluted	(0.09)	(0.07)

The results above derive wholly from continuing operations.

UPLAND RESOURCES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	31 December 2019 £	30 June 2019 £
Current assets			
Trade and other receivables	2	6,593	104,082
Cash and cash equivalents		792,587	1,064,601
		799,180	1,168,683
Total assets		**799,180**	**1,168,683**
Equity			
Share capital		-	-
Share premium		7,767,332	7,684,962
Retained earnings		(7,248,018)	(6,731,466)
Total equity		519,314	953,496
Current liabilities			
Trade and other payables	3	279,866	215,187
Total equity and liabilities		**799,180**	**1,168,683**

UPLAND RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE INTERIM SIX MONTH PERIOD ENDED 31 DECEMBER 2019

	Premium on shares £	Retained earnings £	Total equity £
At 1 July 2019	7,684,962	(6,731,466)	953,496
Issue of shares	82,370	-	82,370
Loss for the period	-	(516,552)	(516,552)
At 31 December 2019	7,767,332	(7,248,018)	519,314

	Premium on shares £	Retained earnings £	Total equity £
At 1 July 2018	7,619,962	(2,336,961)	5,283,001
Issue of shares	65,000	-	65,000
Loss for the period	-	(414,407)	(414,407)
At 31 December 2018	7,684,962	(2,751,368)	4,933,594

UPLAND RESOURCES LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE INTERIM SIX MONTH PERIOD ENDED 31 DECEMBER 2019

	6 months to 31 December 2019 £	6 months to 31 December 2018 £
Cash Flows from Operating Activities		
Loss from operations	(516,552)	(342,777)
Decrease/(increase) in trade and other receivables	97,489	(382,097)
Increase/(decrease) in trade and other payables	64,679	(53,341)
Net cash flow from operating activities	(354,384)	(778,215)
Cash Flows from Investing Activities		
Expenditures incurred on exploration and evaluation assets	-	(2,657,087)
Net cash flow from investing activities	-	(2,657,087)
Cash Flows from Financing Activities		
Proceeds from issue of ordinary shares, net of issue costs	82,370	2,928,131
Net cash generated from financing activities	82,370	2,928,131
Net (decrease) in cash and cash equivalents	**(272,014)**	**(507,171)**
Cash and cash equivalents at the beginning of the period	1,064,601	2,173,720
Cash and cash equivalents at the end of the period	**792,587**	**1,666,549**

NOTES TO THE INTERIM ACCOUNTS

1 Accounting policies

The same accounting policies and methods of computation are followed in these interim accounts as compared with the most recent annual financial statements.

2 Trade and other receivables

	31 December 2019 £	30 June 2019 £
Other debtors	-	2,663
Prepayments	6,593	101,419
	6,593	104,082

3 Trade and other payables

	31 December 2019 £	30 June 2019 £
Trade payables	160,681	59,206
Other payables	26,905	18,571
Accrued expenses	92,280	137,410
	279,866	215,187

4 Related party transactions

The directors are considered to be the key management personnel of the company. During the interim period, the company paid fees to directors amounting to £76,713 (year ended 30 June 2019 - £298,717).

During the interim period, the company was charged fees and commission of £10,000 (year ended 30 June 2019 - £20,000) by a company of which a director of the company is also a director and shareholder.

During the interim period, the company was charged consultancy fees of £18,000 (year ended 30 June 2019 - £56,000) by a director of the company.

5 Commitments and post balance sheet events

Upland's wholly-owned subsidiary, Upland (Saouaf) Limited ("Upland Saouaf"), has signed permit documents, with its partner ETAP (the Tunisian state oil company), for the exclusive Saouaf hydrocarbon exploration and appraisal licence ("the Licence"). The Licence is to be operated by Upland Saouaf and is held 50/50 in the joint names of Upland Saouaf and ETAP. The terms of the Licence commit Upland Saouaf to carry out a minimum work programme including the acquisition of 300 km of new 2D seismic data. A $1 million bank guarantee has been put in place by Upland, which will be reimbursed as elements of the work programme are completed. The Licence is for an initial term of two years, and may be converted and thereby extended in term at Upland Saouaf's option, providing the work commitments of the initial term have been fulfilled within the two years.

In addition, at the balance sheet date, Upland's wholly-owned subsidiary, Upland Resources (UK Onshore) Limited ("Upland UK"), held a 25% interest in PEDL 299. A cost-sharing arrangement has been put in place under the Joint Operating Agreement between the co-licencees (INEOS Upstream and Europa Oil & Gas). Under that arrangement, it is estimated that Upland UK's share of the costs over the remaining 2 years of the licence will be £700,000. However, such work is subject to its progression by the co-licencees and the granting of relevant permissions.

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