

Jersey Company number: 129667

# UPLAND RESOURCES LIMITED

Interim Report and Accounts

For the Six-Month Period from 1 January 2024 to 30 June 2024

## **UPLAND RESOURCES LIMITED**

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**UPLAND RESOURCES LIMITED**  
**DIRECTORS REPORT FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024**

The Directors present their report for the six-month period ended 30 June 2024.

**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.

**SK334 Exploration: Progress**

- Drill crew & Project teams identified, contracts under review.
- Onshore drilling rig Inspection completed on 26th February 2024 at Sviadnov, Czech Republic, as part of SK334 drilling rig selection and operational preparation. The rig is concluded to be suitable for our plans.
- Pre-drill work programme developed for accelerated drilling programme.
- Signed a Rig Reservation agreement with Huisman Geo BV.
- Constructive meetings are in progress with key project stakeholders

**Joint Venture Agreement**

Negotiations/discussions are ongoing with a number of interested parties, including a Major Oil and Gas company.

**Financing**

During the interim period 19,333,332 shares have been issued on the exercise of 1.20 warrants for gross proceeds of £232,000.

On 26 April 2024 the Company announced a placement of 96,927,000 shares at 3.3p for gross proceeds of £3,198,591 and on 28 May 2024 announced a further placement of 16,090,060 shares at 3.3p for £530,973 to increase the size of the placement to 113,017,060 shares for gross proceeds of £ 3,729,564.

Upland Resources Ltd is debt free.

**Significant events since the balance sheet date**

- I. On 9 September 2024 the Company announced the placement of 42,857,142 shares at 1.4p for proceeds of £600,000 from a strategic Malaysian investor. K Meranun, a major shareholder and director in Tune Assets Limited, one of the Company's largest shareholders, has previously individually subscribed for 10,000,000 shares. K Meranun is highly regarded in Malaysia and his support is of great value to the Company.
- II. Brunei Operations. Results of the JTS have outlined several areas of specific interest with analogous geological configuration and reservoir/trap/seal combinations as Brunei's nearby Belait formation which is host to a number of proven oil and gas discoveries and oilfields. Areas of focus as outlined above have been discussed with key authorities in Brunei, workstreams are ongoing and Upland has now appointed an advisor and consultant to manage engagement in Brunei.

- III. John Forrest our CFO has announced his retirement. He has agreed to provide assistance to the CEO and COO as a Consultant for an indefinite period. With this support the Board does not consider it necessary in the immediate future to appoint a new CFO.

### **Principal risks and uncertainties**

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

#### **Sub-surface risks**

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

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

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

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

#### **Corporate risk**

Risk 1: 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.

#### **Going concern risk**

Risk: The Group at the date of approval of these accounts has insufficient financial resources to meet its non-discretionary expenses for the next 12 months nor the final capital expenditure amount for that period which is not yet known.

Mitigation: Despite challenging financial markets, the Group has a loyal shareholder base and raised £2,643,127 before expenses during 2023 and has raised approximately £3,800,000 during the 6 month period ended 30 June 2024 from the placement of shares and exercise of warrants and a further £600,000 subsequent to 30 June 2024.

Also, the Company has received interest from several potential joint venture partners interested in financial participation in our opportunities in Sarawak.

## Results for the period

The financial results for the six-month period ended 30 June 2024 are appended to this report. During 2023 the Company changed its yearend date to 31 December from 30 June. This is the first Interim Report since the report for the six month period ended 31 December 2022.

Upland incurred a loss of (£730,207) for the six months ended 30 June 2024, compared with a loss of (£385,971) for the six months ended 31 December 2022. The principal reason for the loss in the six-month period is increased administrative expenses resulting from increased commercial activity in Sarawak which commenced in September 2022.

## Going concern

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

The Group raises finance for its exploration and appraisal activities in discrete tranches to finance its activities for limited periods only and further funding will be required from time to time to finance those activities as well as ongoing administrative expenses. The Group holds current cash balances of approximately \$5,000,000

The Directors believe that the Group will be able to raise, as required, sufficient cash or reduce its commitments to enable it to continue its operations, including the pursuit of future exploration opportunities, and to continue to meet, as and when they fall due, its liabilities for at least the next twelve months from the date of approval of the interim Group financial statements. The interim Group financial statements have, therefore, been prepared on the going concern basis.

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

## Auditing

This interim report and accounts for the six-month period ended 30 June 2024 (the "**Interim Report and Accounts**") has not been audited or reviewed pursuant to the Financial Reporting Council guidance on 'Review of Interim Financial Information'.

**UPLAND RESOURCES LIMITED**  
**DIRECTORS' RESPONSIBILITY STATEMENT**

**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.

Approved by the Board on 30 September 2024:

Bolhassan Di

Chairman

**UPLAND RESOURCES LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2024**

	<b>6 months to 30 June 2024</b>	<b>6 months to 31 December 2022</b>
	<b>£</b>	<b>£</b>
Revenue	-	-
Exploration and evaluation expenditure	(69,041)	(19,500)
Administrative expenses excluding:	(540,592)	(366,433)
Broker fees	(22,471)	
Legal & professional fees	(29,180)	
Regulatory fees	(68,923)	
Operating loss	(730,207)	(385,933)
Share of profit or loss of joint venture	-	(38)
Loss before taxation	(730,207)	(385,971)
Taxation	-	-
<b>Loss and Total Comprehensive Income for the Period Attributable to Equity Owners of the Parent Company</b>	<b>(730,207)</b>	<b>(385,971)</b>
<b>Loss per share in pence – basic</b>	<b>(0.006)</b>	<b>(0.04)</b>

*The results above derive wholly from continuing operations.*

**UPLAND RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

		<b>6 month period ended 30 June 2024 £</b>	<b>18 month period ended 31 December 2023 £</b>
	<b>Note</b>		
<b>Non-Current assets</b>			
Investment in associate	2	66,432	66,432
Tangible fixed assets		3,433	3,433
Trade and other receivables	3	<u>2,879,899</u>	<u>579,899</u>
		<u>2,949,764</u>	<u>649,764</u>
<b>Current assets</b>			
Trade and other receivables	3	16,000	32,130
Cash and cash equivalents		1,162,843	654,721
		<u>1,178,843</u>	<u>686,851</u>
<b>Total assets</b>		<b><u>4,128,607</u></b>	<b><u>1,336,615</u></b>
<b>Equity</b>			
Stated Capital		14,852,821	10,976,259
Retained earnings		(11,566,016)	(10,835,809)
Share options reserve		522,675	522,675
<b>Total equity</b>		<u>3,809,480</u>	<u>663,125</u>
<b>Current liabilities</b>			
Trade and other payables	4	319,127	673,490
<b>Total equity and liabilities</b>		<b><u>4,128,607</u></b>	<b><u>1,336,615</u></b>



**UPLAND RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2024**

	<b>Stated capital</b>	<b>Share options reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 31 December 2023	10,976,259	522,675	(10,835,809)	663,125
Issue of shares, net of costs	3,876,562			3,876,562
Share-based payment transactions				
Loss for the period			(730,207)	(730,207)
At 30 June 2024	<u>14,852,821</u>	<u>522,675</u>	<u>(11,566,016)</u>	<u>3,809,480</u>

	<b>Stated capital</b>	<b>Share options reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 01 July 2022	8,427,732		(8,686,185)	(258,453)
Loss and total comprehensive income for the 18 months			(2,167,066)	(2,167,066)
Issue of Shares	2,253,900			2,253,900
Issue Costs	(94,600)			(94,600)
Grant of share options		540,117		540,117
Exercise of share options	40,000	(17,442)	17,442	40,000
Exercise of share warrants	349,227			349,227
At 31 December 2023	<u>10,976,259</u>	<u>522,675</u>	<u>(10,835,809)</u>	<u>663,125</u>

**UPLAND RESOURCES LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOW AS AT 30 JUNE 2024**

	<b>6 months to 30 June 2024 £</b>	<b>6 months to 31 December 2022 £</b>
<b>Cash Flows from Operating Activities</b>		
Loss from operations	(730,207)	(385,933)
Share-based payment expenses	-	147,000
Decrease/(increase) in trade and other receivables	16,130	(3,645)
(Decrease)/increase in trade and other payables	(354,363)	(256,196)
	<hr/>	<hr/>
Net cash used in operating activities	(1,068,440)	(498,774)
	<hr/>	<hr/>
<b>Cash Flows from Investing Activities(formatting)</b>		
Acquisition of shares in associate		
Advances to Associate		(38)
	(2,300,000)	-
	<hr/>	<hr/>
Net cash flow used in investing activities	(2,300,000)	(38)
	<hr/>	<hr/>
<b>Cash Flows from Financing Activities</b>		
Issue of ordinary shares, net of issue costs	3,876,564	291,400
	<hr/>	<hr/>
Net cash generated from financing activities	3,876,564	291,400
	<hr/>	<hr/>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>508,154</b>	<b>(207,412)</b>
Cash and cash equivalents at the beginning of the period/year	654,721	305,526
Exchange differences in respect of cash and cash equivalents	(32)	-
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period/year</b>	<b>1,162,843</b>	<b>98,114</b>
	<hr/>	<hr/>

**UPLAND RESOURCES LIMITED**  
**NOTES TO THE 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, except for:

**Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 June 2024.

Where the Group has control over an investee, the investee is classified as a subsidiary. The Group controls an investee if all three of the following measures of control are present: power over the investee; exposure to variable returns from the investee and the ability of the investor to use its power to affect those returns.

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.

**Associates**

Associates are entities over which the Group has significant influence but not control. Generally the Group has shareholding of 20-50%. Investments in associates are accounted for using the equity method. Under the equity method the investment is initially recognised at cost and the carrying value is increased or decreased to recognise the Group's share of the profit or loss of the associate since acquisition.

When the Group's ownership interest in an investment is increased and significant influence is obtained, the Group measures the fair value at the point of obtaining significant influence and compares that amount against the carrying value and any gain or loss is included in the statement of comprehensive income. The fair value of the investment plus the deemed fair value of any consideration paid is treated as the deemed cost and proceeds to be accounted for under the equity method.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income and its share of post-acquisition movements is classified as other comprehensive income.

The Group determines at each reporting date whether there is any objective evidence to indicate that the investment in associate is impaired.

If the Group disposes of part of its interest in an associate such that it no longer has significant influence over the associate, it recognises the difference between the value of consideration received and the residual carrying value of the interest retained and the carrying value at the date significant influence is lost and any gain or loss is recognised as other comprehensive income.

## Operating Segments

The Group operates in one business segment, the exploration and development of oil and gas assets. It currently operates in three jurisdictions: Jersey (Upland Resources Limited); Sarawak (Upland Resources (Sarawak) Sdn Bhd and Upland Big Oil Sdn Bhd) and the UK (Upland Resources (UK Onshore) Limited). The Group's operating focus is in Southeast Asia.

### **2 Investment in associate**

	<b>Investment in associate</b>
	<b>£</b>
Carrying amount as at 31 December 2023	66,432
Share of loss after tax	-
Carrying amount as at 30 June 2024	<u>66,432</u>

### **3 Trade and other receivables - current**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>£</b>	<b>£</b>
Other debtors	-	130
Prepayments	<u>16,000</u>	<u>32,000</u>
	<u>16,000</u>	<u>32,130</u>

### **4 Trade and other receivables – non current**

	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>£</b>	<b>£</b>
Amounts owed by related parties	<u>2,879,899</u>	<u>579,899</u>
Total non-current trade and other debtors	<u>2,879,899</u>	<u>579,899</u>

## 5 Trade and other payables

	30 June 2024	31 December 2023
	£	£
Trade payables	83,978	111,905
Other tax and social security		5,983
Other payables	76,854	188,295
Accrued expenses	158,295	347,307
Proceeds received for warrants to be issued		20,000
	<u>319,127</u>	<u>673,490</u>

## 6 Related party transactions

The directors are the key management personnel of the company. During the interim period, the company paid fees to directors, or their connected companies, amounting to £162,500 (interim period ended 31 December 2022 - £38,743). At 30 June 2024 £18,332 (31 December 2022 - £12,416) was outstanding payable to the directors, or their connected companies, and included in creditors.

During the interim period, the company did not make any share-based payments to key management personnel of the company (Share – based payments for six months ended 31 December 2022 valued at-£147,000).

During the interim period, the company was charged consultancy fees by corporate officers of £131,666 (interim period ended 31 December 2022 -£39,582). At the period end, consultancy fees of £22,265 was due to company officers.

## 7 Stated Capital

### (i) Shares

During the period, the Company issued 113,017,060 ordinary shares of no par value at 3.3p (interim period ended December 2022 – 124,000,000 at .25p) Net proceeds of £3,644,562 (December 2022 - £291,400) have been credited to share premium. At 30 June 2024, shares in issue amounted to 1,326,948,129 (31 December 2022 - 810,768,853 shares).

### (ii) Warrants

During the period 19,333,333 warrants were exercised at 1.20p for proceeds of £232,000 ( Interim period ended 31 December 2022 – 69,440,000 share purchase warrants were issued with the shares in (i) with an exercise price of .40p, all of which have been exercised or expired). At 30 June 2024 125,827,780 warrants were outstanding exercisable at 1.20p on or before 28 February 2025.

**(iii) Stock options**

During the interim period, Nil share options were granted to directors, officers and advisors. (Interim period ended 31 December 2022 – 42,000,000 exercisable at .40p for 5 years. At 30 June 2024 32,000,000 share options were outstanding exercisable at .40p and 110,000,000 exercisable at .60p.

**8 Subsequent events**

On 9 September 2024 the Company announced the placement of 42,857,142 shares at 1.4p for proceeds of £600,000.