BEACON ENERGY

ANNUAL REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

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CHAIRMAN'S REPORT

Dear fellow shareholders,

On behalf of the Board of Directors, I hereby present the financial statements of Beacon Energy plc ("Beacon" or the "Company") for the 8-month period ended 31 December 2022.

During the period under review, the Board has worked tirelessly to stabilise the Company's financial position, refocus the strategy for the Company and, in line with that refocused strategy, pursue the acquisition of value enhancing opportunities to create a self-funding upstream oil & gas company.

To implement this strategy, on 26 July 2022 the Company successfully raised £425,000 from new and existing shareholders, including £80,000 from Directors of the Company, to enable the Company to select, negotiate and complete an acquisition. The Board appreciates the continued support shown by shareholders during this fund raise.

Subsequently, and in anticipation of a potential acquisition, the Company sought approval from shareholders to change the Company's name to Beacon Energy plc. The change of name was to reflect an exciting new chapter in the Company's story.

On 16 December 2022, the Company was delighted to announce that it had entered into a conditional Share Purchase Agreement ("SPA") with Tulip Oil Holding B.V. ("Tulip") and Deutsche Rohstoff A.G. ("DRAG") (collectively, the "Sellers") relating to the purchase of the entire issued and to be issued share capital of Rhein Petroleum GmbH ("Rhein Petroleum"), (the "Transaction").

The Board of Beacon Energy ("Board") believes that the Transaction represents a transformational, value enhancing transaction for shareholders, which is fully aligned with Beacon Energy's growth strategy:

- The Transaction provides Beacon with a beneficial interest in a proven and producing oil field with material existing resources and a platform with potential to achieve production of up to 4,000 bopd in the coming years.
- Beacon now has independently certified 2P net reserves of 3.85 mmbbl and a 2C net contingent resource base of 22.96 mmbbl, located across four core assets in Germany.
- Beacon has a full-cycle portfolio of largely operated production, development, appraisal and exploration assets in a proven, mature hydrocarbon basin.
- Onshore Germany presents compelling market dynamics with an advantageous fiscal and regulatory regime, predictable permitting processes and supportive regional authorities with a focus on domestic energy security.
- The Transaction provides Beacon with a near-term active work programme designed to enhance production and cash flow, and a well understood existing production base which will generate immediate revenue.

Notwithstanding challenging market conditions in the first quarter of 2023, the Company successfully completed a fundraise of £6 million with new and existing shareholders in March 2023, the proceeds of which are currently being used to fund the drilling of the SCHB-2 development well. Following receipt of shareholder approval, the Company completed the Transaction on 11 April 2023.

As part of the Transaction, the Board and management team have been strengthened. In December 2022, the Company was delighted to announce that Interim CEO Larry Bottomley had agreed to become CEO on a permanent basis. Larry's transition into the permanent role reflects the focused determination that he has delivered and his significant experience and expertise in leadership roles of this kind.

Following completion of the Transaction, Stewart MacDonald and Leo Koot joined the Board as CFO and NED respectively. Stewart has over 20 years of energy industry and investment banking experience including 8 years as CFO of AIM listed Rockhopper Exploration plc and prior to that, 12 years energy investment banking experience with Rothschild. Leo Koot has over 30 years of experience in the energy and power sectors. Leo's previous roles include Drilling Engineer at Shell plc, Managing Director UK then President Iraq for TAQA, Executive Chairman of Columbus Energy Resources plc, and Independent Non-Executive Director for Sterling Energy plc. Leo is currently Executive Chairman of Tulip Oil Holdings B.V. and partner at Concordia Capital Partners (MENA GULF).

Immediately upon completion of the Transaction, the Company announced that it had secured a drilling rig from RED Drilling & Services GmbH to drill the SCHB-2 development well on the Erfelden field. Drilling operations commenced on 19 June 2023 and are expected to take in the region of 25 days to reach the prognosed TD drilling depth of 2,255m (1,709m True Vertical Depth), with an additional 12 days scheduled for testing.

Assuming success, this well has the scope to deliver a step-change in the Company’s production and cash flow.

It only remains for me to thank our new and existing shareholders for their ongoing support for the Company, management team and our strategy. We are very excited about the year ahead with an active work programme designed to create long-term value for Beacon’s shareholders. We very much see the acquisition of Rhein Petroleum as a first step in our strategy to build a material international upstream oil and gas business with a focus on cash generative assets and those with the potential to add significant value in the short to medium term. We look forward to providing updates on our progress as we move through the rest of the year.

Mark Rollins

Non-Executive Chairman

28 June 2023

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the period ended 31 December 2022.

Principal activities, business review and future developments

The principal activity of Beacon Energy plc during the period was the acquisition of upstream oil & gas assets. Further details on the activities of the Group are provided in the Review of Operations.

Results and dividends

Loss on ordinary activities after taxation for the eight months period ended 31 December 2022 amounted to US$1,051,000 (30 April 2022: US$27,389,000). The Directors do not recommend the payment of a dividend (30 April 2022: US$Nil).

Review of Operations and Business Activity

On 27 May 2022, following the unsuccessful Buffalo well and subsequent lapsing of the TL-SO-T 19-14 Production Sharing Contract, the Company became an AIM Rule 15 cash shell.

On 9 September 2022, the Company's shares were suspended from trading on AIM following the announcement of a potential reverse takeover transaction.

On 17 November 2022, in anticipation of the proposed acquisition, Beacon Energy Plc changed its name to Beacon Energy Plc (formerly Advance Energy Plc).

On 16 December 2022, the Company announced that it had entered into a conditional share purchase agreement in respect of the proposed acquisition of Rhein Petroleum GmbH, an upstream oil and gas business operating in Germany.

On 11 April 2023, the Company announced that it had successfully completed the acquisition of Rhein Petroleum and Beacon Energy was re-admitted to trading on AIM.

Subsequent events

Please see Note 18 in the financial statements for a summary of subsequent events.

Key Performance Indicators ("KPIs")

The Board monitors the activities and performance of the Group on a regular basis, including as part of the regular Board updates and Board meetings. During the period, the principal focus of the Group was to acquire upstream E&P assets in line with the Company's strategy. The KPIs being monitored by the Group as at the date of this report were as follows:

- Cash management;
- Business development; and
- Project development.

Risks and uncertainties

The principal risks and uncertainties inherent in a Beacon Energy's business strategy are summarised below:

- Volatility of commodity prices which may impact investment decisions taken. The Group monitors price forecasts in Board meetings and reacts accordingly.
- Foreign currency volatility impacts the potential cost base of projects and the Group monitors and assesses, as far as practicable, the impact on budgets and cash flows.

- Operational risks relate to dealing with stakeholders on any potential project. The ability of partners to finance and support projects, customers or governments to approve projects can impact budgets and cash flows and the Group maintains and monitors its stakeholder relationships.
- Availability of finance and funding is key to ensuring that there are funds available for working capital and to allow the Group to make strategic investment decisions. The Board is responsible for monitoring the cash flows and cash forecasts of the business.

Financial Risk Management

The Group's operations expose it to a variety of financial risks that include the effect of changes in commodity prices, movements in foreign currency exchange rates, credit risk, debt market prices and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate or foreign exchange costs and, as such, no hedge accounting is applied. Details of the Group's financial risk management policies are set out in Note 14 to the Financial Statements.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. The Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented.

Going Concern

The financial statements have been prepared on a going concern basis.

The Group monitors its cash position, cash forecasts and liquidity on a regular basis and takes a conservative approach to cash management.

On 11 April 2023, the Group completed the acquisition of Rhein Petroleum GmbH including a fund raise the proceeds of which will be used to fund the drilling of the SCHB-2 development well. Drilling operations for the SCHB-2 well commenced on 19 June 2023. As at 21 June 2023, the Group had cash resources including 'restricted cash' of US$7.1 million.

Management's base case is that the SCHB-2 well will be drilled, tested and completed by the end of July, and that production flow rates from the well will be consistent with the "best estimate" outlined in the Competent Persons Report ("CPR") published in December 2022.

Management have also considered a number of downside scenarios, including scenarios where the well is delayed, the cost of the well increases or the production flow rate from the well is materially below the "best estimate" outlined in the CPR.

Under the base case forecast, the Group will have sufficient financial headroom to meet forecast cash requirements for the 12 months from the date of approval of these consolidated financial statements. However, in the downside scenarios, in the absence of any mitigating actions, the Group may have insufficient funds to meet its forecast cash requirements. Potential mitigants include deferral and/or reduction of expenditure and raising additional equity or debt funding.

Accordingly, after making enquiries and considering the risks described above, the Directors have assessed that the cash balance and forecast cash flows provide the Group with adequate headroom for the following 12 months – as a result, the Directors are of the opinion that the Group is able to operate as a going concern for at least the next twelve months from the date of approval of these financial statements.

Nonetheless, these conditions indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would be required if the Group were unable to continue as a going concern.

Directors

The following Directors held office during the period and to the date of this report:

Mark Rollins
Ross Warner
Stephen Whyte
Larry Bottomley
Stewart MacDonald (appointed 11 April 2023)
Leo Koot (appointed 11 April 2023)

Directors' interests

The beneficial and non-beneficial interests in the Company's shares of the Directors and their families, as at the date of approval of the financial statements are as follows:

Director	Number of Existing Ordinary shares	Director Subscription Shares	Number of Director Fee Share[1]	Number of Ordinary Shares on Admission	*Percentage of Enlarged Share Capital (%)*
Mark Rollins	76,461,976	159,090,909	89,728,363	325,281,248	3.10
Stephen Whyte[2]	391,266	22,727,272	29,610,360	52,728,898	0.50
Ross Warner	205,287	-	-	205,287	0.00
Larry Bottomley	47,058,823	68,181,818	246,753,000	361,993,641	3.45
Stewart MacDonald	-	18,181,818	192,727,272	210,909,090	2.01
Leo Koot[3]	-	159,090,909	-	159,090,909	1.51

[1] The majority of Director Fee Shares will be held in escrow in a subsidiary of the Company and will be released to the Directors as appropriate after two years.
[2] Stephen Whyte's interest is held in the name of Nicola Louise Whyte, his wife.
[3] 29,610,360 Director Fee Shares that were to be held for the benefit of Leo Koot will now be held for the benefit of Tulip Oil Holding B.V.

Further to the passing of the Proposals at the Company's General Meeting in April 2023, 770,542,318 Options over new Ordinary Shares have been granted to directors. The number of Options over new Ordinary Shares granted to each recipient is as set out below:

Director	*Existing Options and Warrants*	*New Options granted on Admission*	*Total Options and warrants on Admission*
Mark Rollins	71,898,823	117,768,476	189,667,229
Stephen Whyte	1,670,000	56,080,226	57,750,226
Ross Warner	5,180,000	56,080,226	61,260,226
Larry Bottomley	78,728,823	362,652,136	441,380,959
Stewart MacDonald	-	177,961,254	177,961,254

Provision of information to auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

Lubbock Fine LLP, who, being eligible, have expressed their willingness to continue in office in accordance with the Isle of Man Companies Act 2006.

This report was approved by the Board and signed on its behalf by:

Mark Rollins

28 June 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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

The Directors are responsible for keeping proper accounting records that are sufficient to show and currently explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and which allow financial statements to be prepared. They are also responsible for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. The Group is compliant with AIM Rule 26 regarding the Group's website.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BEACON ENERGY PLC

OPINION

We have audited the consolidated financial statements of Beacon Energy Plc (the "Company") and its subsidiaries (the "Group") for the 8 month period ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement, and the related notes, 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. In our opinion:

- the financial statements present fairly the state of the Group's affairs as at 31 December 2022 and of the Group's loss for the period then ended; and
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw your attention to Note 2(I) to the financial statements which explains that the Group has completed the acquisition of a subsidiary and will incur significant costs to supports its operations. If the operations are delayed or unexpected issues occur, there may be scenarios where the Group would be unable to meet its forecast cash requirements. The matters explained in Note 2(I) indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accuracy and completion of equity The Company has historically entered into a number of equity-based transactions such as share issues and share warrants. The valuation of share options and warrants requires significant management judgements and estimates which may result in a material misstatement of the financial statements.	We obtained an understanding of the nature of equity transactions entered into by the Company during the period through discussions with management a review of regulatory news service announcements and from the review of Board minutes and key agreements. Valuations prepared for share-based payments issued have been reviewed. In doing so, we have assessed the modelling approach taken and verified the key assumptions and inputs into these models.
Completeness of Creditors Completeness of creditors aims to ensure all relevant costs relating to the financial period ended 31 December 2022 have been identified and accrued into the financial statements.	We reviewed a sample of trade payables and accruals against appropriate supporting documentation and ensured reasonableness. We performed a review of post period end bank payments and invoices received for evidence of any unrecorded liabilities.
Going Concern We noted as per the management accounts provided the Company has recorded a loss of $1,051k (2022/04: loss of $27,389k), seen net assets increase to $459k (2022/04: $447k) and cash balances reduce to $306k (2022/04: $662k). The Company has historically been reliant on raising funds from share issues and some uncertainty may arise in respect of the growth in income streams from the newly acquired subsidiary.	We have discussed the going concern basis with management and reviewed the Group's forecasts. We have reviewed the inputs, assumptions, sensitivities and integrities of the forecasts prepared. Due to the inherent uncertainties in the future operations of the newly acquired subsidiary we have included a reference to this material uncertainty in our audit report.

Management Override of Control Management override of controls refers to the risk that management/those charged with governance may manually manipulate the financial statements by overriding controls that may otherwise appear to be working normally. This is a standard audit risk included in all audit engagements.	We updated our understanding of the internal controls of the business and performed walkthrough tests on key controls. We reviewed manual journals entered into the general ledger during the period against a range of criteria for evidence of management override. For identified key accounting estimates we reviewed these for evidence of management bias in their preparation.

OUR APPLICATION OF MATERIALITY

The scope and focus of our audit were influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the consolidated financial statements.

We define financial statements materiality as the magnitude by which misstatements, including omissions, could influence the economic decisions taken on the basis of the consolidated financial statements by reasonable users.

We also determine a level of performance materiality, which we use to determine 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 consolidated financial statements as a whole.

- Overall materiality - We determine materiality for the consolidated financial statements as a whole to be $23,000. This was based on 5% of net assets. We believe the net assets to be the most appropriate benchmark as the Group has undergone significant upheaval in the period and prior year and this is the best financial indicator of the Group in this period.

- Performance materiality - On the basis of our risk assessment, together with our assessment of the Group’s control environment, our judgement is that performance materiality for the consolidated financial statements should be 55% of materiality, amounting to $12,700.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Group, its activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement. During the audit, we reassessed and re-valuated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and management of specific risk.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our Auditors' Report thereon. Our opinion on the consolidated 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.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in 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 there is a material misstatement in the consolidated financial statements or a material misstatement of the other information. 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.

RESPONSIBILITIES OF DIRECTORS

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group’s financial reporting process. The audit committee of the Company (the “Audit Committee”) assists the directors in discharging their responsibility in this regard.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE GROUP 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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 18 May 2023. 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 Auditors' 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.

Lubbock Fine LLP
Chartered Accountants & Statutory Auditors
3rd Floor Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Date: 28 June 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	**For the 8 month period ended 31 December 2022 US$'000**	For the year ended 30 April 2022 US$'000
Investment loss:			
Impairment	11	**-**	(23,885)
		-	(23,885)
Other income:		**-**	-
Other administrative expenses	6	**(1,004)**	(2,878)
Net loss before finance costs and taxation		**(1,004)**	(26,763)
Finance costs		**(47)**	(198)
Share of net losses of associate accounted for using the equity method		**-**	(428)
Loss before tax		**(1,051)**	(27,389)
Tax expense	10	**-**	-
Loss after tax attributable to owners of the parent		**(1,051)**	(27,389)
Total comprehensive loss for the year attributable to owners of the parent		**(1,051)**	(27,389)
Basic loss per share attributable to owners of the parent during the year (expressed in US cents per share)	7	**(0.08)**	(2.67)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing.

The accompanying notes form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2022 US$'000	As at 30 April 2022 US$'000
Assets			
Non-current assets			
Investments accounted for using the equity method	11	**-**	-
Total non-current assets		**-**	-
Current assets			
Other receivables		**564**	89
Cash and cash equivalents		**306**	662
Total current assets		**870**	751
Total assets		**870**	751
Liabilities			
Current liabilities			
Trade and other payables	13	**(411)**	(304)
Total liabilities		**(411)**	(304)
Net assets		**459**	447
Equity attributable to the owners of the parent			
Share premium	12	**48,128**	47,656
Share reserve		**2,036**	1,445
Accumulated deficit		**(49,705)**	(48,654)
Total shareholder funds		**459**	447

The Financial Statements were approved and authorised for issue by the Board of Directors on 27 June 2023 and were signed on its behalf by:

Director

The accompanying notes form an integral part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share premium US$'000	Share reserve US$'000	Accumulated deficit US$'000	Total equity US$'000
Balance at 1 May 2021	47,656	1,039	(21,265)	27,430
Loss for the year to 30 April 2022	-	-	(27,389)	(27,389)
Total comprehensive income	-	-	(27,389)	(27,389)
Transactions with equity shareholders of the parent				
Share based payments	-	406	-	406
Balance at 30 April 2022	47,656	1,445	(48,654)	447
Loss for the period to 31 December 2022	**-**	**-**	**(1,051)**	**(1,051)**
Total comprehensive income	**-**	**-**	**(1,051)**	**(1,051)**
Transactions with equity shareholders of the parent				
Proceeds from shares issues	**490**	**-**	**-**	**490**
Cost of share issues	**(18)**	**-**	**-**	**(18)**
Share based payments	**-**	**591**	**-**	**591**
Balance at 31 December 2022	**48,128**	**2,036**	**(49,705)**	**459**

The accompanying notes form an integral part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT

	For the 8 month period ended 31 December 2022 US$'000	For the year ended 30 April 2022 US$'000
Cash flows from operating activities:		
Net loss for the year	**(1,051)**	(27,389)
Adjustments for:		
Share of net loss of associate	**-**	428
Share based payments	**591**	406
Impairment of investment	**-**	23,885
Change in working capital items:		
Decrease/(Increase) in other receivables	**(475)**	114
(Decrease)/Increase in trade and other payables	**107**	(834)
Net cash used in operations	**(828)**	(3,390)
Cash flows from investing activities		
Investment in associate	**-**	(4,051)
Net cash used in investing activities	**-**	(4,051)
Cash flows from financing activities		
Proceeds from issue of share capital	**490**	-
Share issue costs	**(18)**	-
Net cash generated by financing activities	**472**	-
Net decrease in cash and cash equivalents	**(356)**	(7,441)
Cash and cash equivalents, at beginning of the year	**662**	8,103
Effect of foreign exchange rate changes	**-**	-
Cash and cash equivalents, at end of the year	**306**	662

The accompanying notes form an integral part of these Financial Statements.

NOTES TO FINANCIAL STATEMENTS

1 Reporting Entity

Beacon Energy plc (the "Company") is domiciled in the Isle of Man. The Company's registered office is at 55 Athol Street, Douglas, Isle of Man IM1 1LA. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the E&P business and on 16 December 2022 announced the proposed acquisition of Rhein Petroleum GmbH, an upstream oil and gas business operating in Germany. The Company's shares were suspended from trading on AIM on 9 September 2022. Please see Note 18 in the financial statements for further details regarding subsequent events.

2 Basis of accounting

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). They were approved and authorised for issue by the Company's Board of directors on 27 June 2023.

The comparatives are not entirely comparable and reflect the period from 1 May 2021 to 30 April 2022 whilst the current period figures represent the period from 1 May 2022 to 31 December 2022. The change in period length was to align the accounting period with the newly acquired subsidiary (see Note 18).

Details of the Group's accounting policies are included below:

<u>Standards and amendments effective for periods beginning 1 May 2022 or later</u>

A number of new standards are effective for annual periods beginning after 1 May 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

- IFRS 17 Insurance Contracts (effective on or after 1 January 2023)
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current (effective on or after 1 January 2023)
- Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction.

A. Basis of consolidation

<u>i. Subsidiaries</u>

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

<u>ii. Non-controlling interests ("NCI")</u>

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income ("OCI") of equity accounted investees, until the date on which significant influence ceases.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

ii. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into USD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the

Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

C. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees and other service providers is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

D. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

i.Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

E. Exploration expenditure

Costs incurred prior to acquiring the right to explore an area of interest are expensed as incurred. Exploration and evaluation assets are intangible assets.

Exploration and evaluation assets represent the costs incurred on the exploration and evaluation of potential hydrocarbon resources, and include costs such as seismic acquisition and processing, exploratory drilling, activities in relation to the evaluation of technical feasibility and commercial viability of extracting hydrocarbons, and general administrative costs directly relating to the support of exploration and evaluation activities.

The Group assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. Assets are allocated to cash generating units not larger than operating segments for impairment testing. Purchased exploration and evaluation assets are recognised as assets at their cost of acquisition or at fair value if purchased as part of a business combination. They are subsequently stated at cost less accumulated impairment. Exploration and evaluation assets are not amortised.

F. Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

G. Impairment

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

H. Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

I. Going concern

The financial statements have been prepared on a going concern basis.

The Group monitors its cash position, cash forecasts and liquidity on a regular basis and takes a conservative approach to cash management.

On 11 April 2023, the Group completed the acquisition of Rhein Petroleum GmbH including a fund raise the proceeds of which will be used to fund the drilling of the SCHB-2 development well. Drilling operations for the SCHB-2 well commenced on 19 June 2023. As at 21 June 2023, the Group had cash resources including 'restricted cash' of US$7.1 million.

Management's base case is that the SCHB-2 well will be drilled, tested and completed by the end of July and that production flow rates from the well will be consistent with the "best estimate" outlined in the Competent Persons Report ("CPR") published in December 2022.

Management have also considered a number of downside scenarios, including scenarios where the well is delayed, the cost of the well increases or the production flow rate from the well is materially below the "best estimate" outlined in the CPR.

Under the base case forecast, the Group will have sufficient financial headroom to meet forecast cash requirements for the 12 months from the date of approval of these consolidated financial statements. However, in the downside scenarios, in the absence of any mitigating actions, the Group may have insufficient funds to meet its forecast cash requirements. Potential mitigants include deferral and/or reduction of expenditure and raising additional equity or debt funding.

Accordingly, after making enquiries and considering the risks described above, the Directors have assessed that the cash balance and forecast cash flows provide the Group with adequate headroom for the following 12 months – as a result, the Directors are of the opinion that the Group is able to operate as a going concern for at least the next twelve months from the date of approval of these financial statements.

Nonetheless, these conditions indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would be required if the Group were unable to continue as a going concern.

3 Functional and presentation currency

These consolidated financial statements are presented in US Dollars ("USD" or "US$"), which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

– Note 11 – equity-accounted investees: whether the Group has significant influence over an investee;
– Note 15 – consolidation: whether the Group has de facto control over an investee.

B. Assumptions and estimation uncertainties

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed below:

<u>Share based payments (note 8)</u>
The Group has made awards of options and warrants over its unissued capital. The valuation of these options and warrants involve making a number of estimates relating to price volatility, future dividend yields, expected life and forfeiture rates.

i) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments and make strategic decisions, has been identified as the Directors of the Group. In the opinion of the Directors, the operations of the Group comprise one operating segment comprising oil and gas exploration and production operations in Germany. As a result, the Group considers that it only has one reportable segment, and the Directors consider that the primary financial statements presented substantially reflect all the activities of the Company.

6 Administrative expenses

Administration fees and expenses consist of the following:

	2022 December US$'000	2022 April US$'000
Audit fees	20	45
Professional fees	103	1,178
Administration costs	63	164
Employee costs	-	95
Share based payments – warrants issued with July 2022 fund raise	425	-
Directors' fees (Note 9)	393	1,396
Other administrative expenses	**1,004**	**2,878**

7 Earnings per share

Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

	2022 December	2022 April
Loss attributable to owners of the Group (USD thousands)	**(1,051)**	(27,389)
Weighted average number of ordinary shares in issue (thousands)	**1,350,063**	1,027,614
Loss per share (US cents)	**(0.08)**	(2.67)

In accordance with International Accounting Standard 33 'Earnings per share', no diluted earnings per share is presented as the Group is loss making. Details of potentially dilutive share instruments are detailed in notes 8.

8 Share-based payment arrangements

The following is a summary of the share options and warrants outstanding and exercisable as at 31 December 2022 and 30 April 2022, and the changes during each year:

	Number of options and warrants	Weighted average exercise price (Pence)
Outstanding and exercisable at 1 May 2021	**161,259,504**	**3.41**
Outstanding and exercisable at 30 April 2022	**118,259,511**	**2.68**
Outstanding and exercisable at 31 December 2022	**613,268,824**	**0.43**

The above weighted average exercise prices have been expressed in pence and not cents due to the terms of the options and warrants. The following share options or warrants were outstanding and exercisable in respect of the ordinary shares:

Grant Date	Expiry Date	1 May 2021	Issued	Expired	30 April 2022	Exercise Price
Warrants						
13.05.16	13.05.21	42,000,000	-	(42,000,000)	-	0.20p
31.01.17	31.01.22	10,000,000	-	(10,000,000)	-	0.20p
31.01.17	31.01.22	8,000,000	-	(8,000,000)	-	0.25p
31.01.17	31.01.22	6,666,666	-	(6,666,666)	-	0.30p
22.05.17	22.05.22	15,000,000	-	-	15,000,000	0.10p
22.05.17	22.05.22	35,000,000	-	-	35,000,000	0.10p
19.08.17	19.08.22	90,769,231	-	-	90,769,231	0.06p
01.09.17	01.09.22	70,769,231	-	-	70,769,231	0.06p
06.12.17	06.12.22	638,569,604	-	-	638,569,604	0.05p
03.08.18	02.08.21	300,000,000	-	(300,000,000)	-	0.02p
Consolidation		(1,192,439,239)	-	359,333,333	(833,105,906)	
20.09.18	20.09.21	5,217,391	-	(5,217,391)	-	1.15p
20.09.18	20.09.21	34,782,608	-	(34,782,608)	-	2.00p
15.03.19	14.03.22	16,666,666	-	(16,666,666)	-	0.45p
21.06.19	20.06.22	18,059,856	-	-	18,059,856	0.155p
21.06.19	20.06.22	10,833,334	-	-	10,833,334	0.155p
02.07.19	01.07.22	3,178,235	-	-	3,178,235	0.157p
03.07.19	02.07.22	833,334	-	-	833,334	0.157p
10.12.20	09.12.23	545,455	-	-	545,455	0.22p
31.03.21	31.03.26	38,511,644	-	-	38,511,644	0.00p
Consolidation		(137,667,632)	-	57,600,005	(80,067,627)	
19.04.21	19.04.24	21,488,500	-	-	21,488,500	2.60p
19.04.21	19.04.26	24,064,620	-	-	24,064,620	2.60p
Options						
01.10.18	01.10.23	4,500,000	-	-	4,500,000	2.00p
01.02.20	01.02.25	68,750,000	-	(37,500,000)	31,250,000	0.30p
01.02.20	01.02.25	68,750,000	-	(37,500,000)	31,250,000	0.30p
08.07.20	08.07.25	25,000,000	-	(25,000,000)	-	0.30p
Consolidation		(150,300,000)	-	90,000,000	(60,300,000)	
19.04.21	19.01.26	83,710,000	-	(56,600,000)	27,110,000	2.60p
17.03.22	17.03.27	-	30,000,000	-	30,000,000	0.03p
		161,259,504	**30,000,000**	**(72,999,993)**	**118,259,511**	

Grant Date	Expiry Date	1 May 2022	Issued	Expired	31 December 2022	Exercise Price
Warrants						
22.05.17	22.05.22	15,000,000	-	(15,000,000)	-	0.10p
22.05.17	22.05.22	35,000,000	-	(35,000,000)	-	0.10p

19.08.17	19.08.22	90,769,231	-	(90,769,231)	-	0.06p
01.09.17	01.09.22	70,769,231	-	(70,769,231)	-	0.06p
06.12.17	06.12.22	638,569,604	-	(638,569,604)	-	0.05p
Consolidation		(833,105,906)	-	833,105,906	-	
21.06.19	20.06.22	18,059,856	-	(18,059,856)	-	0.155p
21.06.19	20.06.22	10,833,334	-	(10,833,334)	-	0.155p
02.07.19	01.07.22	3,178,235	-	(3,178,235)	-	0.157p
03.07.19	02.07.22	833,334	-	(833,334)	-	0.157p
10.12.20	09.12.23	545,455	-	-	545,455	0.22p
31.03.21	31.03.26	38,511,644	-	-	38,511,644	0.00p
Consolidation		(80,067,627)	-	44,916,232	(35,151,395)	
19.04.21	19.04.24	21,488,500	-	-	21,488,500	2.60p
19.04.21	19.04.26	24,064,620	-	-	24,064,620	2.60p
26.07.22	27.07.25	-	500,000,000	-	500,000,000	0.13p
Options						
01.10.18	01.10.23	4,500,000	-	-	4,500,000	2.00p
01.02.20	01.02.25	31,250,000	-	-	31,250,000	0.30p
01.02.20	01.02.25	31,250,000	-	-	31,250,000	0.30p
Consolidation		(60,300,000)	-	-	(60,300,000)	
19.04.21	19.01.26	27,110,000	-	-	27,110,000	2.60p
17.03.22	17.03.27	30,000,000	-	-	30,000,000	0.30p
		118,259,511	**500,000,000**	**(4,990,687)**	**613,268,824**	

The options and warrants issued during the period were valued using the Black-Scholes valuation method and the assumptions used are detailed below. The expected future volatility has been determined by reference to the historical volatility:

Grant date	Share price at grant	Exercise price	Volatility	Option life	Dividend yield	Risk-free investment rate	Fair value per option
01.02.20	1.15p	3.00p	40%	5 years	0%	3%	0.13p
08.07.21	1.85p	3.00p	95%	5 years	0%	0.7%	1.19p
19.04.21	2.40p	2.60p	70%	5 years	0%	0.7%	1.33p
17.03.22	0.03p	0.03p	231%	5 years	0%	1.5%	0.025p

The Group recognised US$591,000 (30 April 2022: US$552,000) relating to equity-settled share-based payment transactions during the year arising from Option or Warrant grants, which was charged US$Nil (2022: US$Nil) in respect of services performed in connection with the issue of new shares charged to share premium, US$472,000 (2022: US$559,000) in respect of directors' fees and US$7,000 reversed (2022: US$7,000) in respect of employee costs to the income statement.

The 83,710,000 options granted on 19 April 2021 will vest on 1 January 2022 and 1 January 2023 in equal amounts. Vesting of the options is subject to the option holder providing continuous service during the vesting period and there are no other performance conditions attached to the options.

There were 68,750,000 of unvested options at the 30 April 2020 held by current Directors and consultants, which vested on 1 February 2021.

The 30,000,000 options granted on 17 March 2022 will vest on 17 September 2022 and 17 March 2023 in equal amounts. Vesting of the options is subject to the option holder providing continuous service during the vesting period and there are no other performance conditions attached to the options.

For the share options and warrants outstanding as at 31 December 2022, the weighted average remaining contractual life is 4 years (30 April 2022: 4.64 years).

9 Employee benefits (including directors)

The group employed an average of 4 individuals during the period, including the directors (2021: 5).

	2022 December US$'000	2022 April US$'000
Directors' remuneration (see below)	**227**	1,133
Share based payments – Directors (see below)	**166**	406
Directors' health insurance	**-**	16
Employees	**-**	84
Amount due to former consultant	**-**	(160)
	393	1,479

Key management of the Group are considered to be the Directors.

The remuneration of the directors during the period ended 31 December 2022 was as follows:

	Short term employee benefits US$'000	**Social security payments US$'000**	**Pension contribution US$'000**	**Share based payments US$'000**	**Total 2022 US$'000**
Ross Warner	33	-	-	14	**47**
Mark Rollins	67	-	-	70	**137**
Stephen West	-	(2)	-	-	**(2)**
Steve Whyte	33	4	-	6	**43**
Larry Bottomley	88	4	-	76	**168**
Total Key Management	**221**	**6**	**-**	**166**	**393**

The remuneration of the directors during the year ended 30 April 2022 was as follows:

	Short term employee benefits US$'000	**Social security payments US$'000**	**Pension contribution US$'000**	**Share based payments US$'000**	**Total 2022 US$'000**
Ross Warner	53	-	-	56	**109**
Mark Rollins	158	-	-	284	**442**
Leslie Peterkin	484	-	28	-	**535**
Stephen West	233	30	27	-	**333**
Steve Whyte	54	6	-	23	**60**
Larry Bottomley	54	6	-	43	**60**
Total Key Management	**1,036**	**42**	**55**	**406**	**1,539**

10 Income tax expense

The Parent Company is resident for tax purposes in the Isle of Man and is subject to Isle of Man tax at the current rate of 0% (2021: 0%). During the period and in the prior year, no subsidiaries were subject to corporation tax.

Taxation reconciliation

The charge for the year can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

	2022 December US$'000	2022 April US$'000
Loss before income tax	**(1,051)**	(27,389)
Tax on loss at the weighted average corporate tax rate of 0% (2022: 0%)	-	-
Total income tax expense	-	-

The deferred tax asset has not been recognised for in accordance with IAS 12. The Group does not have a material deferred tax liability at the year end.

11 Business combination

On 19 April 2021, Beacon Energy plc, via its wholly owned subsidiary Advance Energy TL Limited, acquired a 50% equity interest in Carnarvon Petroleum Timor Unipessoal Lda which in turn is the holder of a 100% working interest in, and the contractor of, the Buffalo Production Sharing Contract ("PSC").
Details of the purchase consideration and the net assets acquired are as follows:

Purchase consideration

	2021 US$'000
Cash paid	20,000
Purchase costs	274
Total	20,274

On 24 January 2022 the company announced that the Buffalo project had not been successful. The Operator, Carnarvon Petroleum Timor, Lda, had advised the company that the wireline logging operations have been completed with only residual oil being encountered. The Company announced that the well will therefore be plugged and abandoned, and the rig demobilised. As a result of this, the carrying amount of the investment in the associate of US$19,834,000 will be written off and a share of the losses for 2022 will be recognised in the consolidated statement of comprehensive income US$428,000 (2021: loss US$12,000). The investment in associate has been fully impaired at 30 April 2022.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value 2021 US$'000
Rights *	21,149
Buffalo exploration & appraisal	1,685
Property, plant and equipment	1
Cash	20,023
Creditors	(31)
Loan payable to Carnarvon	(2,278)
Net identifiable assets at acquisition	40,549
Less: Other interests	(20,274)

Goodwill	-
Net assets acquired	20,275

* Carnarvon Petroleum Timor Unipessoal Lda owns the Buffalo Oil Field re-development project located in the Buffalo PSC Contract Area (the "Buffalo Project") and is the Contractor and Operator of the Buffalo PSC. The rights attached to this have been fair valued by Beacon Energy in determining the purchase price apportionment.

Equity investment in associate

	2022 December US$'000	2022 April US$'000
Carrying value at beginning of year	**-**	**20,262**
Cash call	-	4,051
Share of losses post acquisition	-	(428)
Impairment	-	(23,885)
Carrying value at year end	-	-

Summarised financial information for associate

The table below provide summarised financial information for those associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not Beacon Energy's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of comprehensive income for the 12 months to 30 April 2022

	2022 December US$'000	2022 April US$'000
Revenue	-	-
Cost of sales	-	-
Gross profit	-	-
Administrative expenses	-	(802)
Operating loss	-	(802)
Finance costs	-	(53)
Loss on ordinary activities before taxation	-	(855)
Taxation	-	-
Loss from continuing operations	-	(855)
Group share of post-acquisition losses	-	(428)

12 Capital and reserves

All shares are Nil Coupon fully paid and each ordinary share carries one vote. No warrants have been exercised at the reporting date.

Allotted, called-up and fully paid:	**Number**	**Pence per share**	**Share premium US$'000**

Balance at 30 April 2021	1,027,614,008		47,656
Equity Placing	-	-	-
Cost of issue	-	-	-
Balance at 30 April 2022	**1,027,614,008**		**47,656**
26 July 2022-Equity placing	**500,000,000**	**0.13**	**490**
Cost of issue	**-**	**-**	**(18)**
Balance at 31 December 2022	**1,527,614,008**		**48,128**

13 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

	2022 December US$'000	2022 April US$'000
Trade payables	**230**	51
Accruals and other payables	**181**	253
	411	304

14 Risk Management

Financial Risks

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency exchange risk and interest rate risk), credit risk and liquidity risk. The Board of Directors seek to identify and evaluate financial risks.

Market risk

A. Foreign currency exchange risk

Foreign exchange risk arises because the Group entities enter into transactions in currencies that are not the same as their functional currencies, resulting in gains and losses on retranslation into US Dollars. It is the Group's policy to ensure that individual Group entities enter into local transactions in their functional currency wherever possible and that only surplus funds over and above working capital requirements should be transferred to the treasury of the Parent Company. The Group and Company considers this policy minimises any unnecessary foreign exchange exposure. Despite this policy, the Group cannot avoid being exposed to gains or losses resulting from foreign exchange movements, at the reporting date a 5% decrease in the strength of the US Dollar would result in a corresponding reduction of US$6,000 (2021: US$373,000) in the net assets of the Group.

B. Cash flow interest rate risk

The Group's cash and cash equivalents are invested at short term market interest rates. As market rates are low, the Group is not subject to significant cash flow interest rate risk and no sensitivity analysis is provided. The Group is also not subject to significant fair value interest rate risk.

	2022 December US$'000	2022 April US$'000

Cash & Cash Equivalents		
USD	**294**	511
GBP	**12**	151
Total Financial Assets	**306**	662
Trade & other payables		
USD	**181**	253
GBP	**184**	51
EUR	**46**	-
Total Financial Liabilities	**411**	304

Credit risk

Credit risk arises on investments, cash balances and receivable balances. The amount of credit risk is equal to the amounts stated in the Statement of Financial Position for each of these assets. Cash balances and transactions are limited to high-credit-quality financial institutions. There are no impairment provisions as at 31 December 2022 (30 April 2022: nil).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group has adopted a policy of maintaining surplus funds with approved financial institutions.

Management of liquidity risk is achieved by monitoring budgets and forecasts against actual cash flows. Should the Group enter into borrowings during the year, management monitor the repayment and servicing of these arrangements against the contractual terms and reviewed cash flows to ensure that sufficient cash reserves were maintained.

Capital Risks

The Directors determine the appropriate capital structure of the Group, specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt), in order to finance the Group's business strategy. The Group's policy in the long term is to seek to maintain the level of equity capital and reserves to maintain an optimal financial position and gearing ratio which provides financial flexibility to continue as a going concern and to maximise shareholder value. The capital structure of the Group consists of shareholders' equity together with net debt (where relevant). The Group's funding requirements are met through a combination of debt, equity and operational cash flow.

15 List of subsidiaries and associates

The parent of the Group has shareholdings in the following entities:

Name	Interest 2022	Interest 2021	Country of incorporation	Nature of business
Advance Energy TL Limited	100%	100%	UK	Intermediate Hold Co
Carnarvon Petroleum Timor Unipessoal Lda	0%	50%	Timor-Leste	Oil exploration
Eagle Gas Limited	25%	25%	UK	Oil and gas Exploration
Beacon Energy RP Limited	100%	N/A	Isle of Man	Dormant

16 Commitments

There were no capital commitments authorised by the Directors or contracted other than those provided for in these financial statements as at 31 December 2022 (30 April 2022: None).

17 Related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence.

Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

Details of Directors remuneration are disclosed in Note 9 Directors Remuneration. For details of any related party transactions entered into after the year-end please refer to Note 18 Subsequent Events.

18 Subsequent events

On 3 January 2023, the Company announced the approval of the proposed acquisition of Rhein Petroleum announced on 16 December 2022. On the same day, there was also a proposal to appoint Stewart MacDonald as an Executive director and Chief financial officer subject to the completion of the proposed acquisition transaction. Tulip Oil also nominated Leo Koot as its representative non-executive director, subject to completion of the proposed transaction in accordance with the share purchase agreement announced on 16 December 2022.

On 7 March 2023, Beacon Energy Plc announced that, subject to the completion of the acquisition of Rhein Petroleum GmbH, it changed its accounting reference from 30 April to 31 December so that it aligns with the report periods for Rhein Petroleum GmbH. On the same date the board agreed on and subject to the completion of the acquisition of Rhein Petroleum, the company will issue options, exercisable at nil cost, to the existing Company Directors in lieu of accrued and unpaid fees of £212,185. The publication of the pathfinder admission document was done on the same date.

On 21 March 2023, the Company announced that it had issued 5,491,516,026 new ordinary shares by way of placing and a Primary Bid Offer at a fundraise price of 0.11 pence to raise £6.04 million (the "Fundraise"). The net proceeds of the Fundraise together with the Company's existing cash resources will be used to fund the drilling of the SCHB-2 development well (onshore South West Germany) and for general working capital requirements. The Company's existing and proposed (now current) Directors (excluding Ross Warner) subscribed for, in aggregate, £0.47 million of new ordinary shares pursuant to the Fundraise.

On 5 April 2023, the Company held an extraordinary general meeting to announce that the existing ordinary shares were to be cancelled from trading on AIM and the new ordinary shares would be admitted to trading on 11 April 2023. Following admission, the company had 10,507,679,620 ordinary shares in issue.

The director shareholding was also announced and set out as below:

Director	Number of Existing Ordinary shares	Director Subscription Shares	Number of Director Fee Share[1]	Number of Ordinary Shares on Admission	*Percentage of Enlarged Share Capital (%)*
Mark Rollins	76,461,976	159,090,909	89,728,363	325,281,248	3.10
Stephen Whyte[2]	391,266	22,727,272	29,610,360	52,728,898	0.50
Ross Warner	205,287	-	-	205,287	0.00

Larry Bottomley	47,058,823	68,181,818	246,753,000	361,993,641	3.45
Stewart MacDonald	-	18,181,818	192,727,272	210,909,090	2.01
Leo Koot[3]	-	159,090,909	-	159,090,909	1.51

[1] The majority of Director Fee Shares will be held in escrow in a subsidiary of the Company and will be released to the Directors as appropriate after two years.
[2] Stephen Whyte's interest is held in the name of Nicola Louise Whyte, his wife.
[3] 29,610,360 Director Fee Shares that were to be held for the benefit of Leo Koot will now be held for the benefit of Tulip Oil Holding B.V. on Admission and as such are included in its holding as set out below.

On 11 April 2023, the Company announced that it had successfully completed the acquisition of Rhein Petroleum, Beacon Energy was re-admitted to trading on AIM. On the same date Stewart MacDonald and Leo Koot were appointed as directors.

On 19 June 2023, the Company announced that drilling had started at the Schwarzbach-2 ("SCHB-2") development well within the Erfelden Field, onshore South West Germany.

Statement of Compliance with the QCA Corporate Governance Code

(The information contained in this document was last reviewed on 23 June 2023)

Introduction

The Board of Beacon Energy plc fully endorses the importance of good corporate governance and applies the QCA Corporate Governance Code, published in April 2018 by the Quoted Companies Alliance (the "QCA Code"), which the Board believes to be the most appropriate recognised governance code for a company of the Company's size with shares admitted to trading on the AIM market of the London Stock Exchange.

The Chairman is responsible for leading an effective board, fostering a good corporate governance culture, maintaining open communications with the major shareholders and ensuring appropriate strategic focus and direction for the Company.

Notwithstanding the Board's commitment to applying the QCA Code, we will not seek to comply with the QCA Code where strict compliance in the future would be contrary to the primary objective of delivering long-term value for the Company's shareholders and stakeholders. However, we do consider that following the QCA Code, and a framework of sound corporate governance and an ethical culture, is conducive to long-term value creation for the Company's shareholders.

All members of the Board believe strongly in the importance of good corporate governance to assist in achieving objectives and in accountability to the Company's stakeholders. In the statements that follow, the Company explains its approach to governance in more detail.

Principle One

Establish a strategy and business model which promote long-term value for shareholders

The Company's strategy is to seek growth through acquisition or farm-in to interests in discovered upstream projects.

In anticipation of a proposed material acquisition, the Company announced on 17 November 2022 that it had changed its name to Beacon Energy Plc. On 16 December 2022, the Company announced that it had entered into a conditional Share Purchase Agreement ("SPA") with Tulip Oil Holding B.V ("Tulip") and Deutsche Rohstoff A.G ("DRAG"), collectively the ("Sellers"), for the purchase of the entire issued and to be issued share capital of Rhein Petroleum GmbH ("Rhein") the ("Proposed Transaction"). The Proposed Transaction was classified as an Reverse Takeover and as such required shareholder's approval to proceed. A general meeting was held on 5 April 2023 and all proposed resolutions were duly passed and announced on that date.

Admission of the new shares, and appointments of Stewart MacDonald and Leo Koot to the Board as an executive director and non-executive director respectively, amongst other matters outlined in the Admission Document, was effective from 11 April 2023. The Admission Document is available to view on the Company's website: https://beaconenergyplc.com/investor-relations/corporate-documents/

Principle Two

Seek to understand and meet shareholder needs and expectations

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company. The Company is required to hold an Annual General Meeting ("AGM") each year, which gives investors the opportunity to enter into dialogue with the Board and for the Board to receive feedback and take action if and when necessary. Where voting decisions are not in line with the

Company's expectations, the Board intends to engage with those shareholders to understand and address any issues as appropriate. Investors also have access to current information on the Company though its website.

Shareholders can engage with the Company through its Investor Relations Adviser, Buchanan. Investors also have access to current information on the Company through its website, https://beaconenergyplc.com/ .

Principle Three

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board is aware that engaging with its stakeholders strengthens relationships and assists it to make better business decisions to deliver its commitments. The Company's stakeholders include shareholders, members of staff, suppliers, contractors, regulators, and the surrounding communities where its projects are located.

The Board is regularly updated on wider stakeholder views and issues concerning its projects both formally at Board meetings and informally through conversations. Engagement in this manner enables the Board to receive feedback and equips them to make decisions affecting the business.

The Board recognises the importance of its social responsibilities concerning its investment decisions, and the Company will develop projects that seek to make a contribution to the development of communities in which they are located. In planning its activities, the Company will give consideration to evaluating the social impact of proposed developments with a view to promoting where possible local employment and the delivery of other local benefits and mitigating negative impacts to the extent possible.

Principle Four

Embed effective risk management, considering both opportunities and threats, throughout the organisation

In addition to its other roles and responsibilities, the Board is responsible for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Company and to ensure that risk management is reflected in Board remuneration.

The Company's focus on near term value creation means it is easier to control risks, limiting exposure to long term commodity price trends, as well as the potential for value to be stranded as the result of a future changing world energy mix or climate change initiatives.

The Group's operations expose it to a variety of risks that include volatility of commodity prices, foreign currency volatility, operational risks, availability of finance and funding.

The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs.

Risk is monitored, assessed and managed by the Board as a whole who are responsible for ensuring that the financial performance of the Company is properly monitored and reported. This process includes reviews of annual and interim accounts, results announcements, internal control systems, procedures and accounting policies.

The Board identifies and evaluates financial risks in close co-operation with the managers who are a highly experienced team who can focus on the key issues to maximise value and de-risk Company projects.

The key risk factors for the Company are contained in pages [30-31] of the Company's 2022 Annual Report and Accounts ("2022 Accounts").

Principle Five

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

The Board comprises: Mark Rollins (Non-Executive Chairman), Larry Bottomley (CEO), Stewart MacDonald (CFO), Ross Warner, Stephen Whyte and Leo Koot (Non-Executive directors).

Executive and Non-Executive Directors are subject to re-election at the Company's AGM in accordance with the Company's Articles of Association. The letters of appointment of all Directors are available for inspection at the Company's registered office during normal business hours. The Directors are expected to provide as much time to the Company as is required. The Board elects a Non-Executive Chairman to chair every meeting.

All the Directors biographies are published on the Company's website and outlined below: https://beaconenergyplc.com/about-us/board-management/

The Company has established subcommittees of the Board, comprising an Audit Committee, a Remuneration Committee, a Nomination Committee and a Market Disclosures Committee.

Principle Six

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board currently consists of six Directors.

The Board believes that the current balance of skills of the Directors reflects a very broad range of commercial and professional skills across geographies and industries that is necessary to ensure the Company is equipped to deliver is strategy and notes that each of the Directors has experience in public markets.

The Directors keep their knowledge and expertise current through their intensive involvement in industry affairs. Additionally, the Directors receive ad hoc guidance on certain matters concerning the AIM Rules for Companies from the Company's Nomad as well as receiving updates on the regulatory environment from FIM Capital Limited ("FIM"). FIM provides Company secretarial, specialist administration and accounting services to the Company.

Full Biographies of the Board are available on the Company's website https://beaconenergyplc.com/about-us/board-management/

Principle Seven

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

There is no formal Board or director evaluation system in place, however, there is an internal evaluation of the Board and individual directors undertaken on an ad hoc basis in the form of peer appraisal and discussions to determine the effectiveness and performance as well as the directors' continued independence. This process can be regular as part of the board meeting process or ad hoc when the director or Board deem it necessary.

The results and recommendations that come out of the appraisals for the directors shall identify the key corporate and financial targets that are relevant to each director and their personal targets in terms of career development and training. Progress against previous targets shall also be assessed where relevant.

Principle Eight

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

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Company as a whole and the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

The Company maintains an open and respectful dialogue with employees, partners 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. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The Directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge.

The Company has put policies in place that communicate disciplinary policies clearly; ensures every employee knows the consequences of unethical behaviour; ensures its employees can report misconduct anonymously and has a confidential complaint process in place.

The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for Directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation.

Principle Nine

Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

Ultimate authority for all aspects of the Company's activities rests with the Board and the respective responsibilities of the Non-Executive Chairman. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board.

The Non-Executive Chairman is responsible for the effectiveness of the Board together with the responsibility to oversee the Company’s corporate governance practices.

The Board is supported by an audit committee, remuneration committee, a nomination committee and a market disclosure committee (previously called the AIM Rules and UK MAR compliance committee). Details of the responsibilities of each such committee are detailed below.

Role of the Audit Committee: The members are Stephen Whyte - Chair, and Ross Warner.
The Audit Committee aims to meet at least three times each year. The Audit Committee is responsible for assisting the Board’s oversight of the integrity of the financial statements and other financial reporting, the independence and performance of Lubbock Fine LLP, the regulation and risk profile of the Group and the review and approval of any related party transactions. The Audit Committee may hold private sessions with management and Lubbock Fine without management present. Further, the Audit Committee is responsible for making recommendations to the Board on the appointment of Lubbock Fine and the audit fee and reviews reports from management and Lubbock Fine on the financial accounts and internal control systems used throughout the Company and the Group.

The Audit Committee also reviews arrangements by which the staff of the Company and the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the proportionate and independent investigation of such matters with appropriate follow-up action. Where necessary, the Audit Committee will obtain specialist external advice from appropriate advisers.

Role of the Remuneration Committee: The members are Mark Rollins-Chair, and Ross Warner.
The Remuneration Committee meets up to twice a year. The Remuneration Committee is responsible for considering all material elements of remuneration policy, the remuneration and incentivisation of Executive Directors and senior management (as appropriate) and to make recommendations to the Board on the framework for executive remuneration and its cost. The role of the Remuneration Committee is to keep under review the Company's remuneration policies to ensure that the Company attracts, retains and motivates the most qualified talent who will contribute to the long-term success of the Company. The Remuneration Committee also reviews the performance of the CEO and CFO and sets the scale and structure of their remuneration, including the implementation of any bonus arrangements, with due regard to the interests of shareholders. The Remuneration Committee is also responsible for granting options under the Company's share option plan and, in particular, the price per share and the application of the performance standards which may apply to any grant, ensuring in determining such remuneration packages and arrangements, due regard is given to any relevant legal requirements, the provisions and recommendations in the AIM Rules and the QCA Code.

Role of the Nomination Committee: The members are Mark Rollins-Chair, and Stephen Whyte.
The Nomination Committee meets at least three times a year at appropriate intervals. The Nominations Committee is responsible for reviewing and making proposals to the Board on the appointment of directors, reviewing succession plans and ensuring that the performance of directors is assessed on an ongoing basis.

Role of the Market Disclosures Committee: **The members are Ross Warner – Chair, and Stephen Whyte.**
The Committee monitors the Company's compliance with the AIM Rules and UK MAR and seek to ensure that the Company's Nominated Adviser is maintaining contact with the Company on a regular basis and vice versa. The committee will ensure that procedures, resources and controls are in place with a view to ensuring the Company's compliance with the AIM Rules and UK MAR. The committee also ensures that each meeting of the Board includes a discussion of AIM matters and assesses (with the assistance of the Company's Nominated Adviser and other advisers, as appropriate) whether the Directors are aware of their AIM responsibilities from time to time and, if not, ensures that they are appropriately updated on their AIM responsibilities and obligations.

The services of each of the Board members as directors are provided under the terms of their letters of appointment. The responsibilities of the board members are outlined in the Accounts and summarised below. The directors are responsible for maintaining proper 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 Isle of Man Companies Act 2006. They are also responsible for the system of internal control, for safeguarding the assets of 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 Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Whilst there are no formal adoption of matters reserved for the Board, the Directors review and approve the following:

- Strategy and management
- Policies and procedures
- Financial reporting and controls
- Capital structure
- Contracts
- Shareholder documents / Press announcements
- Adherence to Corporate Governance and best practice procedures

The structures and risk appetite disclosures on the website and the Accounts are deemed sufficient in relation to the size and strategy of the Company.

Non-Executive Directors

The Board has adopted guidelines for the appointment of Non-Executive Directors. These provide for the orderly and constructive succession and rotation of the Non-Executive Chairman and non-executive directors insofar as both the Non-Executive Chairman and non-executive directors will be appointed for an initial term of three years and may, at the Board's discretion, believing it to be in the best interests of the Company, be appointed for subsequent terms.

Principle 10

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company provides updates and Company news to shareholders via regulatory announcements, such announcements relate to the Accounts, full-year (hard copies are also posted to shareholders), and half-year announcements. Shareholders and investors can email the directors and Company Secretary with any queries they may have.

All historical information is maintained on the website along with shareholder updates. The Company's financial reports and notices of General Meetings of the Company for the last five years can be found here https://beaconenergyplc.com/investor-relations/corporate-documents/.

The outcome of all resolutions tabled at general meetings are to be posted on the Company's website and also announced via RNS. If a significant proportion of independent votes were to be cast against a resolution at any general meeting, the Board's policy would be to engage with the shareholders concerned in order to understand the reasons behind the voting results.

CORPORATE INFORMATION

Directors	Mark Rollins Ross Warner Larry Bottomley Stephen Whyte Stewart MacDonald Leo Koot
Company Number	010493V
Registered Office	55 Athol Street Douglas Isle of Man IM1 1LA
Independent Auditors	Lubbock Fine LLP Paternoster House 65 St Paul's Churchyard London EC4M 8AB
Company Secretary	FIM Capital Limited 55 Athol Street Douglas Isle of Man IM1 1LA
Stock Exchange Listing	AIM, London Stock Exchange Ticker code: BCE
Financial & Nominated Adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ
Joint Brokers	Optiva Securities Limited 118 Piccadilly London W1J 7NW Tennyson Securities Limited 65 Petty France London SW1H 9EU