BEACON ENERGY

ANNUAL REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

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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 year ended 31 December 2024.

It has been an extremely challenging year for your Company. During the year and subsequent period, the Board has worked tirelessly to stabilise the Company’s financial position and deliver on its strategy which is to pursue the acquisition of value enhancing opportunities to develop and grow a self-funding upstream oil & gas company.

Following the acquisition of Rhein Petroleum GmbH (“Rhein Petroleum”) in April 2023, the Company immediately secured a drilling rig to drill the Schwarzbach-2 development (“SCHB-2”) well on the Erfelden field. While significant operational challenges were encountered while drilling, the wireline logs obtained confirmed that the SCHB-2 well encountered a 34-metre gross interval containing 28 metres of oil-bearing net reservoirs in the Pechelbronner-Schichten ("PBS") sandstones within the Stockstadt Mitte segment of the Erfelden field. As a result of the encouraging electronic log results, in November 2023, the Company updated its assessment of potential reserves in the central part of the Erfelden field to 7.2 mmbbls (Best Estimate Case), with range of 4.7 to 10.2 mmbbls (Low Case to High Case).

Following installation of a rod pump, production from the well stabilised at a disappointing 40 barrels of oil per day - materially below expectations given the results of the electronic logs. Various operations were undertaken during H1 2024 to improve production rates including the drilling of a side track, although production rates remained disappointing. Following extensive analysis by our technical team, the most likely explanation for the continued poor performance is a combination of residual reservoir damage in the upper section of the Upper PBS reservoir (where the sidetrack remains close to the original well bore which was invaded with drilling fluids) and poor permeability in this particular area of the Erfelden field in the Lower PBS reservoir.

As a result of the poor production performance, the Company took the difficult decision to place Rhein Petroleum into a formal process with its creditors (akin to US Chapter 11 bankruptcy protection), as announced on 28 June 2024. As part of the creditor process, the Company put forward a robust and fully financed restructuring plan aimed at maximising cash generation from the Rhein Petroleum business and delivering value for creditors. Given the poor (and declining) production rates seen at the SCHB-2 well, the Company was unable to put forward a restructuring offer which was agreeable to the Rhein Petroleum creditors. In January 2025, the Company was informed that Rhein Petroleum’s creditor representative had completed a transaction to sell certain assets of Rhein Petroleum to a third party and that the process to liquidate Rhein Petroleum (the “Proposed Liquidation”) would commence.

As a consequence of the Proposed Liquidation of Rhein Petroleum, Beacon Energy was reclassified as an AIM Rule 15 cash shell effective 6 January 2025.

In order to preserve optionality, the Board have undertaken an extensive cost reduction program to minimise expenditure prior to securing the Company’s next growth opportunity. As part of the Company's broader cost reduction measures, the directors continue to defer or receive a significant proportion of their fees in shares. In addition, Larry Bottomley and Stephen Whyte agreed to leave the Company's board, effective 1 July 2024. I take this opportunity to thank Larry and Steve for their valuable contributions to Board deliberations. Our thanks go especially to Larry for stepping into the CEO role in early 2022 and leading the Company through the reverse takeover and subsequent re-listing of the Company in 2023. As a result, the board now comprises Mark Rollins (Non-executive Chairman), Stewart MacDonald (CEO), Ross Warner (Independent Non-executive Director) and Leo Koot (Non-executive Director).

The Company's strategy continues to be the creation a self-funding upstream oil & gas company taking advantage of growth opportunities resulting from industry players as they reshape their portfolios.

The Board is presently in discussions on a range of opportunities that will enable realisation of this strategy. Of these, the Company has signed a non-binding Heads of Terms and has entered into a period of exclusivity with a third party in relation to the potential acquisition of an interest in an onshore gas development asset located in Europe (the "Transaction"). It is anticipated that binding documentation related to the Transaction will be agreed and an Admission Document published by the end September 2025. While there can be no guarantee that agreement on such a Transaction will be reached, we believe that we have identified a compelling, value accretive opportunity and will continue our efforts to deliver on behalf of our shareholders.

As the Transaction would be considered a reverse transaction under Rule 14 of the AIM Rules for Companies, the Company has requested and been granted the immediate suspension of trading of its shares pending publication of an Admission Document.

We thank shareholders for their continuing support and patience and look forward to providing updates on our progress as we move through the rest of the year.

Mark Rollins

Non-Executive Chairman

26 June 2025

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the period ended 31 December 2024.

Principal activities, business review and future developments

The principal activity of Beacon Energy plc is the acquisition of upstream oil & gas assets. Following the completion of the acquisition of Rhein Petroleum GmbH ("Rhein Petroleum") in April 2023, the Group held largely operating interests in a full cycle portfolio of upstream assets onshore Germany. As a result of disappointing production rates achieved at the SCHB-2 well, the Company took the decision to place Rhein Petroleum into a formal process with its creditors (akin to US Chapter 11 bankruptcy protection) in July 2024. In January 2025, the Company was informed by Rhein Petroleum's creditor representative that it had completed a transaction to sell certain assets of Rhein Petroleum to a third party and therefore the process to liquidate Rhein Petroleum would commence. Further details on the activities of the Group are provided in the Chairman's Letter.

Results and dividends

Loss on ordinary activities after taxation for the year ended 31 December 2024 amounted to US$18,584,000 (2023: US$3,456,000). The Directors do not recommend the payment of a dividend (2023: US$Nil).

Review of Operations and Business Activity

A full review of the operations and business activity during the year and subsequent period can be found in the Chairman's Letter.

Subsequent events

Please see Note 21 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 year, the principal focus of the Group was to undertake operational activity aimed at increasing production from the SCHB-2 well, as well as negotiate with the creditors of Rhein Petroleum. In addition, the Company continues to seek 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 Beacon Energy's business strategy are summarised below:

Strategic

- Insufficient capital available to complete further acquisitions in line with growth strategy
- Health, Safety, Environmental and Social risk
- Climate change and energy transition

Financial

- Commodity price risk which may impact investment decisions taken. The Group monitors price forecasts in Board meetings and reacts accordingly
- Liquidity risk for completion of planned work programmes and going concern
- 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

- 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

Operations
- Unable to achieve production targets / recover reserves which will impact on cash flow generation and reputation
- Stakeholder relations, including 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
- Misalignment of joint venture partners causing impact on work programmes and cash flow

Reputational
- Reputational damage
- Business conduct & bribery
- Political / regional risk

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 17 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.

As at 31 December 2024, the Company had available cash resources of US$0.87 million and no debt. Monies are owed (related to unpaid fees) to the Directors and a former Director and (related to the Earn Out associated with the Rhein Petroleum acquisition) the Company's largest shareholder, Tulip Oil Holdings Limited. Agreement has been reached to defer the payment of such monies until the Company has secured its next growth opportunity.

As a result of the poor production performance, the Company took the difficult decision to place Rhein Petroleum into a formal process with its creditors (akin to US Chapter 11 bankruptcy protection), as announced on 28 June 2024. As part of the creditor process, the Company put forward a robust and fully financed restructuring plan aimed at maximising cash generation from the Rhein Petroleum business and delivering value for creditors. Given the poor production rates seen at the SCHB-2 well, the Company was unable to put forward a restructuring offer which was agreeable to the Rhein Petroleum creditors. In January 2025, the Company was informed that Rhein Petroleum's creditor representative had completed a transaction to sell certain assets of Rhein Petroleum to a third party and that the process to liquidate Rhein Petroleum (the "Proposed Liquidation") would commence.

As a result of material cost reduction initiatives previously announced, and the deferral of monies owed to Directors, a former Director and Tulip Oil, Management's base case suggests that the Company has sufficient liquidity to progress, and complete, an acquisition and fund raise by end 2025.

Management have also considered a number of downside scenarios, including scenarios where a transaction cannot be agreed or where the costs of executing a transaction increase materially.

Potential mitigants include further deferral and/or reduction of expenditure and raising additional funding.

As a result, the Directors are of the opinion that the Group is likely 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
Stewart MacDonald
Leo Koot
Larry Bottomley (resigned 1 July 2024)
Stephen Whyte (resigned 1 July 2024)

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 Ordinary shares**	***Percentage of Share Capital (%)***
Mark Rollins	325,281,248	1.76
Ross Warner	205,287	0.00
Stewart MacDonald*	229,999,999	1.24
Leo Koot	159,090,909	0.86

*Stewart MacDonald's interest in shares increased compared with that disclosed in the April 2023 Admission Document and 2023 Annual Report (210,909,090) as a result of an agreement to defer a higher amount of his salary from 1 October 2023 onwards. Of his entitlement to 229,999,999 shares, 224,491,862 shares have been issued and 5,508,137 shares remain to be issued.

The number of Options held by the directors is as set out below:

Director	*Total options and warrants At 31/12/2024*	*Total options and warrants 31/12/2023*
Mark Rollins	155,335,064	202,393,817
Ross Warner	74,863,520	74,863,520
Stewart MacDonald	269,622,711	269,622,711
Leo Koot	-	-

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

26 June 2025

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 UK adopted International Financial Reporting Standards (IFRSs). 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

QUALIFIED OPINION

We have audited the consolidated financial statements of Beacon Energy Plc (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2024, 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 UK adopted International Financial Reporting Standards (IFRSs). In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2024 and of the Group's loss for the period then ended; and
- the financial statements have been properly prepared in accordance with UK adopted IFRSs.

BASIS FOR QUALIFIED OPINION

The Company took the decision to place its subsidiary, Rhein Petroleum, into a formal process with its creditors, as announced on 28 June 2024. As a result of the loss of control of Rhein Petroleum, the entity was derecognised as a subsidiary at that point. Note 11 details the income generated and expenses incurred by this subsidiary until the point control was lost. As a result of the formal creditor process, we have been unable to obtain sufficient appropriate audit evidence to support these specific disclosures in Note 11, and therefore also the net assets at the date of derecognition. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

It is however noted that any differences in these amounts would have a corresponding opposite impact on the loss on disposal of a subsidiary and we have been able to satisfy ourselves on the total loss on discontinued operations of $16,004,000 which is shown within the Consolidated Statement of Comprehensive Income. Furthermore, following the point where the Group no longer controlled the subsidiary there is no further impact on the financial statements for these amounts.

For the avoidance of doubt, the basis for our qualified opinion arises solely from disclosures made in Note 11.

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 qualified opinion.

MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw your attention to Note 2(J) to the financial statements which explains that following the Group placing its subsidiary, Rhein Petroleum GmbH, into a formal process with its creditors the Company is progressing a number of new venture opportunities with the aim of completing an acquisition and fund raise by the end of 2025. If these events 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(J) 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.

In addition to the matter described in the basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our 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.
Loss of control of subsidiary During the year the Company lost control of its main operating subsidiary. In addition to the impact this had on the going concern status of the Company (see below), the accounting of this transaction is complex and has a significant impact on the financial statements.	We were unable to obtain information to fully support the financial activities of the subsidiary until the date control was lost and the impact of this is highlighted in the Basis for Qualified Opinion section of this report.
Completeness of Creditors Completeness of creditors aims to ensure all relevant costs relating to the financial period ended 31 December 2024 have been identified and accrued into the financial statements.	We reviewed a sample of 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 During the year the Company has recorded a loss of $18.5m (2023: group loss of $3.7m), seen a net liability position at year end of $300k (2023: group	We have discussed the going concern basis with management and reviewed the Group's forecasts. We have reviewed the inputs, assumptions,

net assets of $14.6m) and cash balances decrease to $866k (2023: $2,63k). The Company has historically been reliant on raising funds from share issues and some uncertainty may arise in respect of finding new income streams in the near future, following the insolvency of Rhein Petroleum.	sensitivities and integrities of the forecasts prepared. Due to the inherent uncertainties in the future activity of the Group 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 $929,100. This was based on 5% of net loss. We believe the net loss 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 activities 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 $511,000.

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.

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:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the year ended 31 December 2024 US$'000	For the year ended 31 December 2023 Restated US$'000
Income:			
Operating Income		-	-
Other income		-	-
Total Income		**-**	**-**
Cost of goods sold		-	-
Operating expenses		-	-
Operating loss		**-**	-
Other administrative expenses	6	(2,545)	(3,830)
Net loss before finance costs and taxation		**(2,545)**	**(3,830)**
Finance costs		-	-
Effects of exchange gain/loss		(35)	125
At acquisition negative goodwill	11	-	3,556
Loss before tax		**(2,580)**	**(149)**
Tax expense	10	-	(1)
Loss from continuing operations		**(2,580)**	**(150)**
Discontinued operations			
Loss from discontinued operations net of tax	11	**(16,004)**	(3,306)
Loss for the year		**(18,584)**	(3,456)
Other comprehensive income			
Exchange differences on translation of foreign operations		-	(276)
Total comprehensive loss for the year attributable to owners of the parent		**(18,584)**	**(3,732)**
Basic loss per share attributable to owners of the parent during the year (expressed in US cents per share)	7	**(0.11)**	(0.04)

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 2024 US$'000**	As at 31 December 2023 US$'000
Assets			
Non-current assets			
Property, plant & equipment	12	**-**	20,336
Intangible assets		**-**	29
Total non-current assets		**-**	20,365
Current assets			
Other receivables		**23**	875
Restricted cash	14	**-**	2,075
Cash and cash equivalents		**866**	2,754
Total current assets		**889**	5,704
Total assets		**889**	26,069
Liabilities			
Trade and other payables	15	**(1,189)**	(5,229)
Non-current liability	16	**-**	(6,231)
Total liabilities		**(1,189)**	(11,460)
Net (liabilities)/assets		**(300)**	14,609
Equity attributable to the owners of the parent			
Share premium	13	**68,344**	65,245
Share reserve		**3,101**	2,801
Foreign Currency Translation Reserve		**-**	(276)
Accumulated deficit		**(71,745)**	(53,161)
Total shareholder funds		**(300)**	14,609

The Financial Statements were approved and authorised for issue by the Board of Directors on 26 June 2025 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	Share reserve	Foreign Currency Translation reserve	Accumulated deficit	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2023	**48,128**	**2,036**	**-**	**(49,705)**	**459**
Loss for the year to 31 December 2023	-	-	-	(3,456)	(3,456)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	(276)	-	(276)
Total comprehensive income	**-**	**-**	**(276)**	**(3,456)**	**(3,732)**
Transactions with equity shareholders of the parent					
Proceeds from shares issued	17,713	-	-	-	17,713
Cost of shares issued	(596)	-	-	-	(596)
Share based payments	-	765	-	-	765
Balance at 31 December 2023	**65,245**	**2,801**	**(276)**	**(53,161)**	**14,609**
Loss for the year to 31 December 2024	-	-	-	(18,584)	(18,584)
Other comprehensive income					
Exchange differences on translation of foreign operations	-	-	276	-	276
Total comprehensive income	**-**	**-**	**276**	**(18,584)**	**(18,308)**
Transactions with equity shareholders of the parent					
Proceeds from shares issued	3,262	-	-	-	3,262
Cost of shares issued	(163)	-	-	-	(163)
Share based payments	-	300	-	-	300
Balance at 31 December 2024	**68,344**	**3,101**	**-**	**(71,745)**	**(300)**

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

CONSOLIDATED CASH FLOW STATEMENT

	For the year ended 31 December 2024 US$'000	For the year ended 31 December 2023 US$'000
Cash flows from operating activities:		
Net loss for the year	**(18,584)**	(3,456)
Adjustments for:		
Share based payments	**300**	765
Depreciation on property plant and equipment	**-**	-
Negative Goodwill	**-**	(3,556)
Tax expense	**-**	-
Interest paid	**-**	-
Change in working capital items:		
Decrease/(Increase) in other receivables	**538**	3
(Decrease)/Increase in trade and other payables	**662**	(41)
Net cash used in operations	**(17,084)**	(6,285)
Cash flows from investing activities		
Loss on discontinued operations	**16,004**	3,306
Adjustments cash transferred to Rhein	**(3,866)**	2,667
Purchase of property, plant & equipment discontinued operation	**-**	(9,673)
Net cash used in investing activities	**12,138**	(3,700)
Cash flows from financing activities		
Proceeds from issue of share capital	**3,262**	12,570
Share issue costs	**(163)**	(596)
Net cash generated by financing activities	**3,099**	11,974
Net (decrease)/increase in cash and cash equivalents	**(1,847)**	1,989
Cash and cash equivalents, at beginning of the year	**2,640**	306
Effect of foreign exchange rate changes	**73**	345
Cash and cash equivalents, at end of the year	**866**	2,640

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.

On 1 June 2024 Stewart MacDonald was appointed as the Chief Executive Officer. Effective 1 July 2024 Larry Bottomley and Stephen Whyte resigned as non-executive directors.

2 Basis of accounting

These consolidated financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards ("IFRS"). They were approved and authorised for issue by the Company's Board of directors on 26 June 2025.

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

Standards and amendments effective for periods beginning 1 January 2025 or later

A number of new standards are effective for annual periods beginning after 1 January 2025 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:

- Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures;
    - IFRS 1 First-time Adoption of International Financial Reporting Standards.
    - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7.
    - IFRS 9 Financial Instruments.
    - IFRS 10 Consolidated Financial Statements.
    - IAS 7 Statement of Cash flows.
- IFRS 18 Presentation and Disclosure in Financial Statements.

A. Basis of consolidation

i. Subsidiaries

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.

ii. 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 Other Comprehensive Income (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.

<u>i. Current tax</u>

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.

<u>ii. Deferred tax</u>

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.

When proved reserves of oil and gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties.

Oil and gas properties and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost (if the asset was previously classified as assets in development), any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation and, for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

Oil and gas properties are depreciated on a unit-of-production basis over the total proved developed and undeveloped reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case, the straight-line method is applied.

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 Cash Generating Unit (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. Operating Income

Operating income represents revenue from contracts with customers and is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in all of its revenue arrangements since it controls the goods or services before transferring them to the customer.

J. 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.

As at 31 December 2024, the Company had available cash resources of US$0.86 million and no debt. Monies are owed (related to unpaid fees) to the Directors and a former Director and (related to the Earn Out associated with the Rhein Petroleum acquisition) the Company's largest shareholder, Tulip Oil Holdings Limited. Agreement has been reached to defer the payment of such monies until the Company has secured its next growth opportunity.

As a result of the poor production performance, the Company took the difficult decision to place Rhein Petroleum into a formal process with its creditors (akin to US Chapter 11 bankruptcy protection), as announced on 28 June 2024. As part of the creditor process, the Company put forward a robust and fully financed restructuring plan aimed at maximising cash generation from the Rhein Petroleum business and delivering value for creditors. Given the poor production rates seen at the SCHB-2 well, the Company was unable to put forward a restructuring offer which was agreeable to the Rhein Petroleum creditors. In January 2025, the Company was informed that Rhein Petroleum's creditor representative had completed a transaction to sell certain assets of Rhein Petroleum to a third party and that the process to liquidate Rhein Petroleum (the "Proposed Liquidation") would commence.

As a result of material cost reduction initiatives previously announced, and the deferral of monies owed to Directors, a former Director and Tulip Oil, Management's base case suggests that the Company has sufficient liquidity to progress, and complete, an acquisition and fund raise by end 2025.

Management have also considered a number of downside scenarios, including scenarios where a transaction cannot be agreed or where the costs of executing a transaction increase materially.

Potential mitigants include further deferral and/or reduction of expenditure and raising additional funding.

As a result, the Directors are of the opinion that the Group is likely 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 18 – consolidation: whether the Group has de facto control over an investee.

– Note 12 – impairment considerations in relation to property, plant and equipment.

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:

Share based payments (note 8)
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.

Decommissioning provision (note 16)
The Group has estimated the present value of the amounts that will be required in relation to the future decommissioning of its oil and gas operation. This is based on security amounts agreed with the mining authority in the jurisdiction, however, there are estimation uncertainties in respect of the inflation and discount rates used.

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. 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:

	2024 December US$'000	2023 December US$'000
Audit fees	61	47
Professional fees	324	418
Administration costs	129	816
Employee share-based payments (Note 9)	141	19
Director share-based payments (Note 9)	1,271	1,010
Directors' fees (Note 9)	595	661
Travel and entertainment	24	28
Acquisition amounts written off	-	831
Other administrative expenses	**2,545**	**3,830**

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.

	2024 December	2023 December
Loss attributable to owners of the Group (USD thousands)	**(18,584)**	(3,456)
Weighted average number of ordinary shares in issue (thousands)	**17,695,389**	8,863,248
Loss per share (US cents)	**(0.11)**	(0.04)

In accordance with International Accounting Standard 33 'Earnings per share', no diluted earnings per share is presented as the Group is loss making.

8 Share-based payment arrangements

The following is a summary of the share options and warrants outstanding and exercisable as at 31 December 2024, 31 December 2023 and 31 December 2022, and the changes during each year:

	Number of options and warrants	**Weighted average exercise price (pence)**
Outstanding and exercisable at 31 December 2022	**613,268,824**	**0.43**
Outstanding and exercisable at 31 December 2023	**3,295,965,536**	**0.15**
Outstanding and exercisable at 31 December 2024	**3,522,872,036**	**0.13**

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**	**31 December 2022**	**Issued**	**Expired /Cancelled**	**31 December 2023**	**Exercise Price**
Warrants						
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		(35,151,395)	-	490,910	(34,660,485)	
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
11.04.23	11.04.28	-	1,325,753,299	-	1,325,753,299	0.11p
20.09.23	20.09.28	-	116,700,000	-	116,700,000	0.15p
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
19.12.22	19.12.27	-	188,803,430	-	188,803,430	0.00p
19.12.22	19.12.27	-	581,738,888	-	581,738,888	0.11p
20.12.23	20.12.28	-	266,972,202	-	266,972,202	0.15p
20.12.23	20.12.28	-	236,593,438	-	236,593,438	0.15p
		613,268,824	**2,716,561,257**	**(33,864,545)**	**3,295,965,536**	

Grant Date	Expiry Date	31 December 2023	Issued	Expired /Cancelled	31 December 2024	Exercise Price
Warrants						
31.03.21	31.03.26	38,511,644	-	-	38,511,644	0.00p
Consolidation		(34,660,485)	-	-	(34,660,485)	
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
11.04.23	11.04.28	1,325,753,299	-	-	1,325,753,299	0.11p
20.09.23	20.09.28	116,700,000	-	-	116,700,000	0.15p
28.02.24	28.02.29	-	248,400,000	-	248,400,000	0.05p
Options						
17.03.22	17.03.27	30,000,000	-	-	30,000,000	0.30p
19.12.22	19.12.27	188,803,430	-	-	188,803,430	0.00p
19.12.22	19.12.27	581,738,888	-	-	581,738,888	0.11p
20.12.23	20.12.28	266,972,202	-	-	266,972,202	0.15p
20.12.23	20.12.28	236,593,438	-	-	236,593,438	0.15p
		3,295,965,536	**248,400,000**	**(21,488,500)**	**3,522,877,036**	

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
19.12.22	0.175p	0.00p	237%	5 years	0%	3.503%	0.15p
19.12.22	0.175p	0.11p	237%	5 years	0%	3.503%	0.09p
20.12.23	0.95p	0.15p	98%	5 years	0%	3.525%	0.05p

The Group recognised US$300,000 (2023: US$765,000) relating to equity-settled share-based payment transactions during the year arising from Option or Warrant grants, which was charged US$Nil (2023: US$Nil) in respect of services performed in connection with the issue of new shares charged to share premium, US$Nil (2023: US$765,000) in respect of directors' fees and US$Nil reversed (2023: US$Nil) in respect of employee costs to the income statement.

The 21,488,500 options granted on 19 April 2021 vested on 19 April 2024. 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 2024, the weighted average remaining contractual life is 3 years (2023: 4 years).

9 Employee benefits (including directors)

The group employed an average of 4 individuals during the period, including the directors (2023: 14).

	2024 December US$'000	2023 December US$'000
Directors' remuneration (see below)	**595**	661
Wages cost	**-**	958
Share based payments – Directors (see below)	**1,271**	1,010
Share based payments - Employees	**141**	19
	2,007	2,648

Key management of the Group are considered to be the Directors.
The remuneration of the directors during the period ended 31 December 2024 was as follows:

	Short term employee benefits US$'000	**Social security payments US$'000**	**Pension contribution US$'000**	**Share based payments US$'000**	**Total 2024 US$'000**
Ross Warner	40	-	-	11	**51**
Mark Rollins	60	-	-	201	**261**
Stewart MacDonald	260	32	32	342	**666**
Steve Whyte (resigned 1/7/24)	33	2	-	59	**94**
Larry Bottomley (resigned 1/7/24)	88	8	-	599	**695**
Leo Koot	40	-	-	59	**99**
Total Key Management	**521**	**42**	**32**	**1,271**	**1,866**

The remuneration of the directors during the period ended 31 December 2023 was as follows:

	Short term employee benefits US$'000	**Social security payments US$'000**	**Pension contribution US$'000**	**Share based payments US$'000**	**Total 2023 US$'000**
Ross Warner	45	-	-	71	**116**
Mark Rollins	75	-	-	152	**227**
Stewart MacDonald (appointed 11/4/24)	196	22	23	201	**442**
Steve Whyte	45	4	-	71	**120**
Larry Bottomley	200	21	-	515	**736**
Leo Koot (appointed 11/4/24)	30	-	-	-	**30**
Total Key Management	**591**	**47**	**23**	**1,010**	**1,671**

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% (2023: 0%). During the period and in the prior year, no subsidiaries were subject to material corporation tax.

Taxation reconciliation

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

	2024 December US$'000	2023 December US$'000
Loss before income tax	**(18,584)**	**(3,456)**
Tax on loss at the weighted average corporate tax rate of 0% (2023: 0%)	-	-
Tax – German authorities	-	1
Total income tax expense	-	1

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

11 Discontinued Operations

On 11 April 2023, the Company acquired the entire issued share capital of Rhein Petroleum GmbH, an upstream oil and gas business operating in Germany. This transaction can be best described as a business combination under IFRS3.

As a result of the poor production performance, the Company took the difficult decision to place Rhein Petroleum into a formal process with its creditors (akin to US Chapter 11 bankruptcy protection), as announced on 28 June 2024. For the purposes of the financial statements, the Company has considered this date to be the date of loss of control of its subsidiary as from this point the Company was unable to direct the actions of the entity.

As part of the creditor process, the Company put forward a robust and fully financed restructuring plan aimed at maximising cash generation from the Rhein Petroleum business and delivering value for creditors. Given the poor production rates seen at the SCHB-2 well, the Company was unable to put forward a restructuring offer which was agreeable to the Rhein Petroleum creditors. In January 2025, the Company was informed that Rhein Petroleum's creditor representative had completed a transaction to sell certain assets of Rhein Petroleum to a third party and that the process to liquidate Rhein Petroleum (the "Proposed Liquidation") would commence.

From the date of loss of control, the investment in this entity was treated as an unconsolidated investment. However, as no further amounts were receivable back from this entity, this investment is held at nil value and when the creditor processes are concluded after the year-end, this entity will be treated as fully disposed of.

As a result of this Rhein has been accounted for as a discontinued operation. And the loss on the discontinued operation is as per below:

		2024	2023
Loss on Discontinued operations		**$'000**	$'000
Other Income in relation to discontinued operations	702		971
Expenses in relation to discontinued operations	(1,591)		(4,277)
Unaudited losses generated by discontinued operations*		(889)	-
Loss on disposal of subsidiary**		(15,115)	-
Total loss on discontinued operations		**(16,004)**	(3,306)

*No tax was payable in relation to this operation so this represents both the pre- and post-tax loss.

** The audited net assets of the discontinued operations at 31 December 2023 was $11,850,000. Due to the loss of control of the subsidiary in the period, it is not possible to prepare an audited financial position for the discontinued operations at the date the Group lost control, however, the total loss on disposal is known as this is the net assets held by the Group at the previous period end plus the additional amounts provided to this entity which are no longer recoverable.

At acquisition negative goodwill 2023

Goodwill

	$'000
Consideration transferred at Fair value	5,143
Less: Net identifiable liabilities at acquisition	18,769
Goodwill at acquisition	23,912
Less: adjustments of loan balance acquired	(27,468)
Negative goodwill at reporting date	**(3,556)**

12 Property, plant and equipment

	Oil and gas properties and equipment 2024 US$'000	**Oil and gas properties and equipment 2023 US$'000**
Cost	**20,762**	**-**
Acquired in year	**-**	**20,762**
Disposal in the year	**(20,762)**	**-**
Cost at 31 December	**-**	**20,762**
Depreciation		
Depreciation at 1 January	**(426)**	**-**
Depreciation charge	**-**	**(426)**
Depreciation write off	**426**	
Depreciation at 31 December 2023	**-**	**(426)**
Net book value – 1 January	**20,336**	**-**
Net book value – 31 December	**-**	**20,336**

13 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 1 January 2023	**1,527,614,008**		**48,128**
Cancelled shares	(1,527,614,008)		
11 April 2023-Equity placing	10,507,679,620	0.11	12,639
15 September 2023-Equity placing	2,867,000,000	0.15	5,074
Cost of issue			(596)
Balance at 31 December 2023	**13,374,679,620**		**65,245**
Cancelled shares			
28 February 2024-Equity placing	**5,137,000,000**	0.14	3,262
Cost of issue			(163)
Balance at 31 December 2024	**18,511,679,620**		**68,344**

14 Restricted cash

As a result of Rhein Petroleum liquidation commencement, the Group has no restricted cash. At reporting date, the Group had US$Nil (2023: US$2,075,000) restricted cash, which is backing guarantees to the mining authority related to future decommissioning.

15 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. The majority of current liabilities and accruals balance relates to monies owed (related to unpaid fees) to directors, a former director and (related to the Earn Out associated with Rhein Petroleum) the Company's largest shareholder, Tulip Oil Holdings.

	2024 December US$'000	**2023 December US$'000**
Trade payables	**80**	**4,858**
Current liability	**157**	**-**
Accruals and other payables	**952**	**371**
	1,189	**5,229**

16 Non-current liabilities

Non-current liabilities are US$Nil in the current year. This is due to the loss of control of Rhein Petroleum. The non-current liabilities as at 31 December 2023 consist of a loan with Tulip Oil Holding B.V and provisions in relation to future abandonment and decommissioning costs.

	Audited Outstanding at 31 Dec 2024 US$'000	Audited Outstanding at 31 Dec 2023 US$'000
Tulip Oil Holding loan payable	-	3,724
Provision for decommissioning	-	2,412
Other non-current liabilities	-	95
	-	**6,231**

17 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$1,650 (2023: US$559,000) 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.

	2024 December US$'000	2023 December US$'000
Cash & Cash Equivalents		
USD	21	3
GBP	845	2,640
EUR	-	2,186
Total Financial Assets	**866**	**4,829**
Trade & other payables		
USD	952	249
GBP	80	128
EUR	157	4,852
Total Financial Liabilities	**1,189**	**5,229**

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 2024 (31 December 2023: 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.

18 List of subsidiaries and associates

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

Name	Interest 2024	Interest 2023	Country of incorporation	Nature of business
Advance Energy TL Limited	100%	100%	UK	Dormant
Eagle Gas Limited	25%	25%	UK	Oil and gas exploration
Beacon Energy RP Limited	100%	100%	Isle of Man	Dormant
Rhein Petroleum GmbH*	100%	100%	Germany	Oil and gas (insolvent)

* For the purposes of these financial statements, the Company has considered the date of 28 June 2025 as the date of loss of control of its subsidiary.

19 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 2024 (31 December 2023: None).

20 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 21 Subsequent Events.

21 Subsequent events

On 6 January 2025, the Company announced that as a consequence of the proposed liquidation of Rhein Petroleum, it has become an AIM Rule 15 cash shell with effect from that day.

BEACON ENERGY PLC

Statement of Compliance with the QCA Corporate Governance Code

(The information contained in this document was last reviewed on18 February 2025)

Introduction

The Board of Beacon Energy plc ("the company") 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 continues to be the creation a self-funding oil & gas production company taking advantage of growth opportunities resulting from industry players as they reshape their portfolios.

The Board is presently in discussions on a range of opportunities that will enable realisation of this strategy. Of these, the Company has signed a non-binding Heads of Terms and has entered into a period of exclusivity with a third party in relation to the potential acquisition of an interest in an onshore gas development asset located in Europe (the "Transaction"). It is anticipated that binding documentation related to the Transaction will be agreed during the summer, with an Admission Document published in September 2025. While there can be no guarantee that agreement on such a Transaction will be reached, we believe that we have identified a compelling, value accretive opportunity and will continue our efforts to deliver on behalf of our shareholders.

Beacon Energy became an AIM Rule 15 cash shell effective 6 January 2025, details of which are in the RNS announcement of this date.

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") in 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 the Company's Annual Report and Accounts.

Principle Five

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

The Board comprises, Mark Rollins non-executive Chairman and director, Stewart MacDonald as CEO and executive director and, Ross Warner and Leo Koot as 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.

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.

The Board aims to hold informal meetings monthly and formal meetings quarterly (or more frequently as appropriate). A schedule of attendance at formal Board meeting is outlined as follows:

Board Meetings Attendance – from 01 January 2024 – 31 December 2024

Directors	**Board Meetings**	
	Attended	**Eligible**
Stewart MacDonald	**7**	**7**
Mark Rollins	**7**	**7**
Ross Warner	**7**	**7**
Leo Koot	**7**	**7**
Larry Bottomley*	**4**	**4**
Stephen Whyte*	**4**	**4**

*Larry Bottomley and Stephen Whyte retired from the Board effective 1 July 2024

Given the reduced size of the Board it is intended that the number of Board committees will be reduced with the work of the Audit Committee and Market Disclosure Committee combined and the work of the Remuneration Committee and Nomination Committee combined.

Principle Six

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

The Board currently consists of four 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 Director's 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 Ross Warner (Chair) and Mark Rollins.

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 Market Disclosures Committee: **The members are Ross Warner (Chair) and Mark Rollins.**

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.

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 executive directors(s) 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 Ross Warner.

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.

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 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
Brokers	Tennyson Securities Limited 65 Petty France London SW1H 9EU