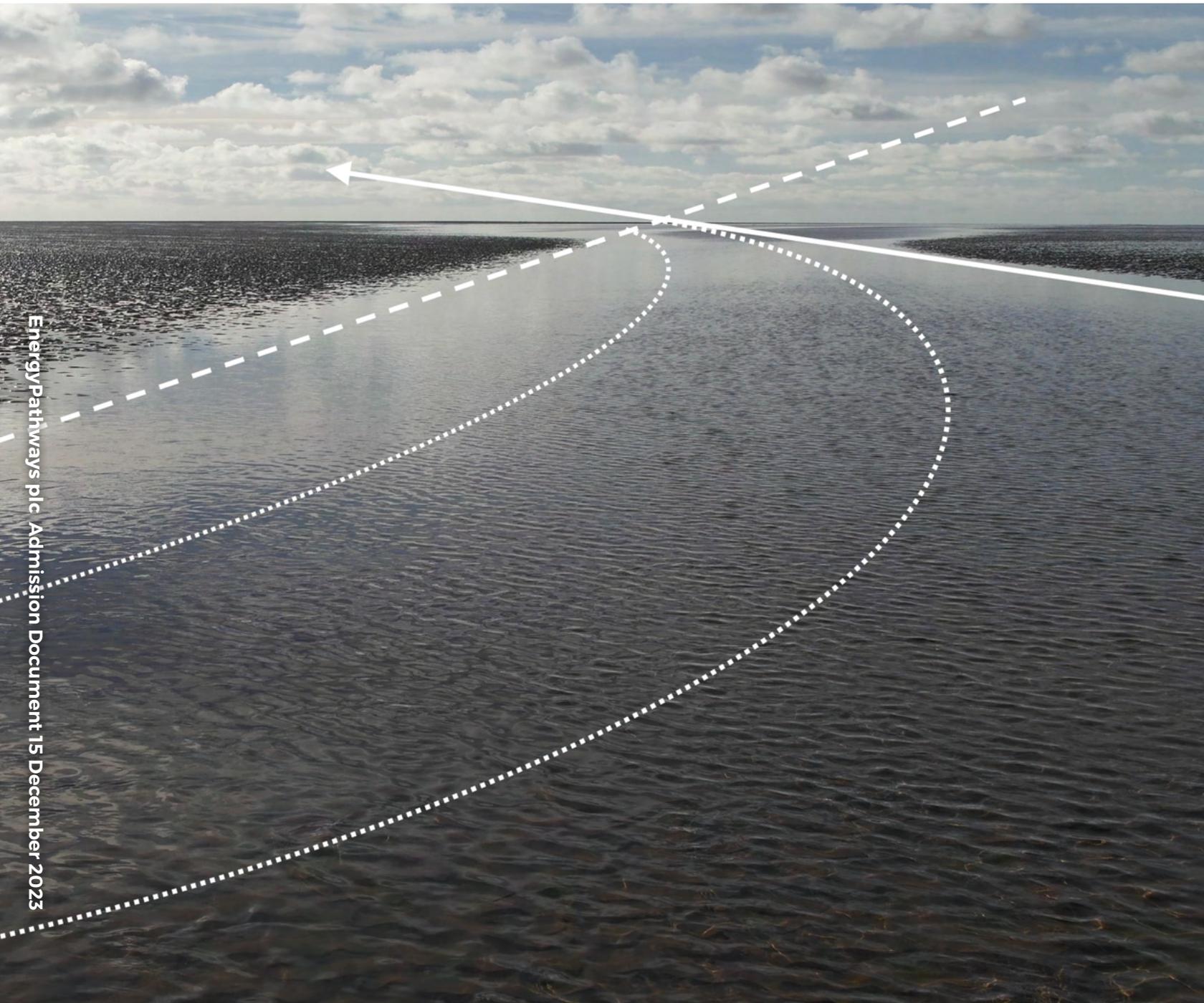




Delivering Clean, Home-Grown Energy for Britain



EnergyPathways plc Admission Document 15 December 2023

Admission Document

15 December 2023

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom or, if not, you should immediately consult another appropriately authorised independent professional adviser.

The Company, the Directors and the Proposed Directors, whose names appear on page 19, accept responsibility for the information contained in this document. To the best of the knowledge of the Company, the Directors and the Proposed Directors, the information contained in this document is in accordance with the facts and makes no omission likely to affect its import.

This document, which comprises an AIM admission document, has been drawn up in accordance with the AIM Rules for Companies ("AIM Rules"). This document does not contain an offer of transferable securities to the public within the meaning of section 85 and 102B of FSMA and is not a prospectus for the purposes of the Prospectus Regulation Rules. Accordingly, this document has not been prepared in accordance with the Prospectus Regulation Rules, nor has it been approved by the Financial Conduct Authority ("FCA") pursuant to section 85 of FSMA and a copy has not been delivered to the FCA under regulation 3.2 of the Prospectus Regulation Rules. Application will be made for the Enlarged Issued Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective, and that dealings in the Enlarged Issued Share Capital on AIM will commence on 20 December 2023.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the FCA. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange Group plc ("London Stock Exchange") has not itself examined or approved the contents of this document.

The AIM Rules are less demanding than those which apply to companies whose shares are listed on the Official List. It is emphasised that no application is being made for admission of the Enlarged Issued Share Capital to the Official List or any other recognised investment exchange.

Your attention is drawn to the discussion of risks and other factors which should be considered in connection with an investment in the Placing Shares set out in Part II "Risk Factors" of this document. All statements regarding the Company and the Enlarged Group's future business should be viewed in light of these risk factors. Notwithstanding this, prospective investors in the Company should read the whole text of this document.

Dial Square Investments plc

(to be renamed EnergyPathways plc)

(incorporated in England & Wales under the Companies Act 2006 with registered number 13201653)

ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF ENERGYPATHWAYS LIMITED

PLACING OF 50,000,000 ORDINARY SHARES AT 4 PENCE PER ORDINARY SHARE

ADMISSION OF THE ENLARGED ISSUED SHARE CAPITAL TO TRADING ON AIM

Nominated Adviser



Cairn Financial Advisers LLP

Joint Brokers



Optiva Securities Limited



**Global Investment Strategy
UK Limited**

Cairn Financial Advisers LLP ("Cairn"), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser to the Company in connection with the Placing and the proposed admission of the Enlarged Issued Share Capital to trading on AIM. Its responsibility as the Company's nominated adviser under the AIM Rules for Nominated Advisers is owed solely to the London Stock Exchange and is not owed to the Company, to any Director or Proposed Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document. Cairn is acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or the Placing or the proposed admission of the Enlarged Issued Share Capital to trading on AIM.

Optiva Securities Limited ("Optiva") and Global Investment Strategy UK Limited ("GIS"), which are each authorised and regulated in the United Kingdom by the FCA, are acting as joint brokers to the Company in connection with the Placing and the proposed admission

of the Enlarged Issued Share Capital to trading on AIM. Optiva and GIS are acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or the Placing or the proposed admission of the Enlarged Issued Share Capital to trading on AIM.

An investment in the Company carries risk. Prospective investors should read the whole of this document and should carefully consider whether an investment in Ordinary Shares is suitable for them in light of their circumstances and financial resources. The whole of this document should be read. Your attention is drawn, in particular, to Part I: “Information on the Enlarged Group” and Part II: “Risk Factors” for a more complete discussion of the factors that could affect the Enlarged Group’s future performance and the industry in which it operates.

This document does not constitute an offer to issue or sell, or the solicitation of any offer to subscribe for or buy, any of the Ordinary Shares in any jurisdiction where it may be unlawful to make such offer or solicitation. The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe such restrictions. Any such distribution could result in a violation of the laws of such jurisdictions. In particular, this document is not for distribution in or into the United States, Canada, Australia, Japan or the Republic of South Africa and is not for distribution directly or indirectly to any US Person. The Ordinary Shares have not been and will not be registered under the US Securities Act, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of any province or territory of Canada or under the securities laws of Australia, Japan or the Republic of South Africa.

Copies of this document will be available free of charge during normal business hours on any day (except Saturdays, Sundays and public holidays) from the registered office of the Company from the date of this document and for at least one month from Admission and from the Company’s website: www.energypathways.uk

IMPORTANT NOTICE

This document should be read in its entirety before making any decision to subscribe for Ordinary Shares. Prospective investors should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, Optiva or GIS, or any of their respective affiliates, officers, directors, partners, employees or agents. Without prejudice to the Company's obligations under the AIM Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Prospective investors in the Company must not treat the contents of this document or any subsequent communications from the Company, Cairn, Optiva or GIS or any of their respective affiliates, officers, directors, partners, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

If you are in any doubt about the contents of this document or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent adviser who is authorised under the FSMA if you are in the United Kingdom, or, if outside the United Kingdom, from another appropriately authorised independent adviser. The Company does not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media or any other person regarding the Placing, the Admission, the Company and/or the Group. The Company makes no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

As required by the AIM Rules, the Company will update the information provided in this document by means of a supplement to it if a significant new factor that may affect the evaluation of the Placing by prospective investors occurs prior to Admission or if it is noted that this document contains any mistake or substantial inaccuracy. This document and any supplement thereto will be made public in accordance with the AIM Rules.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation, by the Company, Cairn, Optiva or GIS or any of their respective representatives, that any recipient of this document should subscribe for or purchase any of the Ordinary Shares. Prior to making any decision as to whether to subscribe for or purchase any Ordinary Shares, prospective investors should read the entirety of this document and, in particular, Part II (Risk Factors) of this document.

Investors should ensure that they read the whole of this document and not just rely on key information or information summarised within it. In making an investment decision, prospective investors must rely upon their own examination (or an examination by the prospective investor's FSMA-authorized or other appropriate advisers) of the Company and the terms of this document, including the risks involved. Any decision to purchase Ordinary Shares should be based solely on this document and the prospective investor's own (or such prospective investor's FSMA-authorized or other appropriate advisers') examination of the Company and the Group. Investors who subscribe for Placing Shares will be deemed to have acknowledged that: (i) they have not relied on the Directors, the Proposed Directors, the Company, Cairn, Optiva or GIS or any affiliated person in connection with any investigation of the accuracy of any information contained in this document for their investment decision; (ii) they have relied only on the information contained in this document; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation has not been relied upon as having been authorised by or on behalf of the Company, the Directors, the Proposed Directors, Cairn, Optiva or GIS or any of their respective representatives. None of the Directors, the Company, Cairn nor Optiva or any of their respective representatives makes any representation to any subscriber of Placing Shares regarding the legality of an investment by such subscriber.

General

No broker, dealer or other person has been authorised by the Company, its Directors, the Proposed Directors, Cairn, Optiva or GIS to issue any advertisement or to give any information or make any representation in connection with the offering or sale of any Ordinary Shares other than those contained in this document and if issued, given or made, that advertisement, information or representation must not be relied upon as having been authorised by the Company, its Directors, the Proposed Directors, Cairn, Optiva or GIS.

Prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, repurchase or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, repurchase or other disposal of Ordinary Shares which they might encounter; and (c) the income or other taxation consequences which may apply in their own countries as a result of the purchase, holding transfer, repurchase or other disposal of Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants as to legal, taxation, investment and other related matters concerning the Company and an investment therein.

Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to change therein.

Forward-looking statements

Certain statements in this document are “forward-looking statements” including, without limitation, statements containing the words “believes”, “anticipate”, “expect”, “target”, “estimate”, “will”, “may”, “should”, “would”, “plan”, “goal”, “could”, “intend” and similar expressions. These forward-looking statements are not based on historical facts but rather on the expectations of the Directors and the Proposed Directors regarding the Company’s future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), planned expansion and business prospects and opportunities. Such forward-looking statements reflect the Directors’ and Proposed Directors’ current beliefs and assumptions and are based on information currently available to the Directors and the Proposed Directors. Forward-looking statements involve significant known and unknown risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including risks associated with vulnerability to general economic market and business conditions, competition, environmental and other regulatory changes or actions by governmental authorities, the availability of capital, reliance on key personnel, uninsured and underinsured losses and other factors, many of which are beyond the control of the Company. Although the forward-looking statements contained in this document are based upon what the Directors and the Proposed Directors believe to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements.

These forward-looking statements speak only as at the date of this document. Subject to its legal and regulatory obligations (including under the AIM Rules), the Company expressly disclaims any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

United States securities law

The Ordinary Shares have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Ordinary Shares are only being offered and sold outside the United States in “offshore transactions” within the meaning of and pursuant to Regulation S. There will be no public offer of Ordinary Shares in the United States.

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission or by any US state securities commission or authority, nor has any such US authority reviewed,

approved or confirmed the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence.

Notice to prospective investors in the United Kingdom

This document is being distributed to, and is directed only at, persons in the United Kingdom who are qualified investors being persons falling within the meaning of Article 2(e) of the UK Prospectus Regulation and (i) who have professional experience in matters relating to investments falling within the definition “investment professionals” in Article 19(5) of the FPO; and/or (ii) high net worth entities, unincorporated associations and other bodies falling within Article 49 of the FPO; and (iii) other persons to whom it may otherwise be lawfully distributed without an obligation to issue a prospectus or other offering document approved by a regulatory authority (each a “relevant person”). Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with such persons. Persons who are not relevant persons should not rely on or act upon this document.

Notice to prospective investors in the EEA

In relation to each member state of the EEA which has implemented the Prospectus Regulation other than the United Kingdom (each, a “**Relevant Member State**”), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that offers of Ordinary Shares to the public may be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Relevant Member State:

- (1) to any legal entity which is a qualified investor as defined in Article 2 of the Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) in such Relevant Member State; or
- (3) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Regulation or any measure implementing the Prospectus Regulation in a Relevant Member State and each person who initially acquires any Ordinary Shares or to whom any offer is made under the Placing will be deemed to have represented, acknowledged and agreed that it is a “qualified investor” within the meaning of the law of the Relevant Member state implementing Article 2(e) of the Prospectus Regulation.

For the purposes of this provision, the expression “an offer to the public” in relation to any offer of Ordinary Shares in any Relevant Member State means a communication in any form and by any means presenting sufficient information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Regulation in that Relevant Member State and the expression the “Prospectus Regulation” means Directive 2017/1129/EC (as amended), to the extent implemented in the Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

Third party information

The data, statistics and information and other statements in this document regarding the markets in which the Company operates, or its market position therein, is based upon the Company’s records or are taken or derived from statistical data and information derived from the third-party sources described in this document.

In relation to these third-party sources, such information has been accurately reproduced from the identified information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of this information, no facts have been omitted which would render such information inaccurate or misleading.

Presentation of financial information

The financial information contained in this document, including that financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

Market, economic and industry data

The data, statistics and information and other statements in this document regarding the markets and industry in which the Company operates, or its market position therein, is based upon the Company's records or are taken or derived from statistical data and information derived from the sources described in this document. In relation to these sources, such information has been accurately reproduced from the published information, and, so far as the Directors are aware and are able to ascertain from the information provided by the suppliers of these sources, no facts have been omitted which would render such information inaccurate or misleading.

Time Zone

All times referred to in this document are, unless otherwise stated, references to London time.

Currencies

Unless otherwise indicated, all references in this document to: (a) "**GBP**", "**£**", "**pounds sterling**", "**pounds**", "**sterling**", "**pence**" or "**p**" are to the lawful currency of the United Kingdom and (b) "**US\$**", "**US Dollar**", are to the lawful currency of the United States of America.

No incorporation of website

The information on the Company's website (or any other website) does not form part of this document.

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KEY STATISTICS

Number of Existing Ordinary Shares	26,550,000
Number of Consideration Shares to be issued	68,013,885
Number of Conversion Shares to be issued	13,352,674
Number of new Ordinary Shares to be issued pursuant to the Placing	50,000,000
Issue Price per Placing Share	4p
Enlarged Issued Share Capital at Admission	157,916,559
Expected market capitalisation on Admission at the Issue Price	£6,316,662
Percentage of the Enlarged Issued Share Capital represented by the Placing Shares	31.66 per cent.
Options over Ordinary Shares outstanding at Admission	20,371,243
Warrants over Ordinary Shares at Admission	18,256,665
Fully Diluted Enlarged Issued Share Capital at Admission	196,544,467
Gross proceeds of the Placing before expenses	£2,000,000
Estimated net proceeds of the Placing receivable by the Company, after expenses	£1,800,000
TIDM	EPP
LEI Number	2138003CPOJCTT86BY54
ISIN	GB00BM9M0884
SEDOL	BM9M088

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	15 December 2023
Admission becomes effective and dealings in the Enlarged Issued Share Capital expected to commence on AIM	8.00 a.m on 20 December 2023
Expected date for CREST accounts to be credited where applicable) in relation to the New Ordinary Shares	20 December 2023
Definitive share certificates expected to be despatched in respect of the New Ordinary Shares (where applicable)	week commencing 1 January 2024

Each of the times and dates in the above timetable is subject to change without further notice. All references are to London time unless otherwise stated.

DEFINITIONS

The following definitions apply throughout this document, unless otherwise stated or the context requires otherwise:

“Acquisition”	the proposed acquisition by the Company of the entire issued share capital of EnergyPathways and the Existing EPL Warrants pursuant to the terms of the Acquisition Agreement;
“Acquisition Agreement”	the conditional acquisition agreement dated 15 December 2023 between (1) the Company and (2) the Sellers in relation to the sale and purchase of the entire issued ordinary share capital and other securities of EnergyPathways, further details of which are set out in paragraph 12.1 of Part VII of this document;
“Additional Lock-In Agreements”	the lock-in agreements entered into by certain of the Locked-In Shareholders who are not subject to Rule 7 of the AIM Rules, pursuant to which such shareholders are restricted from disposing of their interests in Ordinary Shares for a period of 12 months from the date of Admission and who are also subject to orderly market provisions for a further 12 month period, further details of which are set out in paragraph 12.9 of Part VII of this document;
“Admission” or “Proposed Admission”	admission of the Enlarged Issued Share Capital to trading on AIM and such admission becoming effective in accordance with Rule 6 of the AIM Rules for Companies;
“Adviser Warrants”	warrants granted to Optiva, GIS and Cairn in connection with the Placing and Admission, further details of which are set out in paragraphs 12.12 to 12.16 of Part VII of this document;
“AIM”	the market of that name operated by the London Stock Exchange;
“AIM Rules” or “AIM Rules for Companies”	the AIM Rules for Companies, including any accompanying notes to the AIM Rules, published by the London Stock Exchange from time to time;
“AIM Rule 7 Lock-In Agreements”	the lock-in agreements entered into by certain of the Locked-in Shareholders who are subject to Rule 7 of the AIM Rules, pursuant to which such shareholders are restricted from disposing of their interests in Ordinary Shares for a period of 12 months from the date of Admission and who are also subject to orderly market provisions for a further 12 month period, further details of which are set out in paragraph 12.8 of Part VII of this document;
“AIM Rules for Nominated Advisers”	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time;
“Articles” or “Articles of Association”	the articles of association of the Company as amended from time to time;
“Assigned Interest”	100 per cent. of the legal and beneficial working interest in Block 110/4a, a sub-area of the Licence, transferred by Burgate to EPIS, pursuant to a sale purchase agreement, further details of which are set out in paragraphs 12.31 and 12.32 of Part VII of this document;
“Audit Committee”	the audit committee of the Board as described in paragraph 20 of Part I of this document;
“Board”	the directors of the Company from time to time;

“Burgate”	Burgate Exploration & Production Limited;
“Cairn”	Cairn Financial Advisers LLP, registered in England and Wales with partnership number OC351689, the Company’s nominated adviser pursuant to the AIM Rules;
“Cairn Warrants”	the warrants granted to Cairn over 1,579,165 Ordinary Shares in connection with Admission, further details of which are set out in paragraph 12.16 of Part VII of this document;
“Code”	the City Code on Takeovers and Mergers issued by the Panel;
“Companies Act” or “Act”	the UK Companies Act 2006 (as amended from time to time);
“Company” or “Dial Square”	Dial Square Investments plc, a company incorporated in England and Wales with registered number 13201653 (to be renamed EnergyPathways plc following Admission);
“Company Debt Letters”	the letters from the Company dated 15 December 2023 to certain directors and management of EnergyPathways confirming the amount of debt owed to them in addition to the EP Accrual Shares, further details of which are set out in paragraphs 12.20 to 12.25 of Part VII of this document;
“Company Financial Information”	the audited historical financial information of the Company for the period from incorporation on 15 February 2021 to 28 February 2022 and for the year ended 28 February 2023, as set out in Part IV of this document;
“Company Interim Financial Information”	the unaudited interim financial information of the Company for the six-month period ended 31 August 2023, as set out in Section B of Part IV of this document;
“Competent Person”, “CP” or “RISC”	RISC Advisory Pty Ltd;
“Concert Party”	the concert party in relation to the Company under Rule 9 of the Code, further details of which are set out in paragraph 15.5 of Part VII of this document;
“Consideration Shares”	68,013,885 new Ordinary Shares to be issued to the Sellers on Admission in consideration for their securities held in EnergyPathways, pursuant to the terms of the Acquisition Agreement;
“Conversion Shares”	the DSI Accrual Shares and the EP Accrual Shares;
“CPR”	Competent Person’s Report;
“CREST”	the computerised settlement system (as defined in the CREST Regulations) operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) including any enactment or subordinate legislation which amends or supersedes those regulations and any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force;
“Crowe”	Crowe U.K. LLP;

“Deeds of Novation and Conversion”	the deeds of novation entered into by the Company and EnergyPathways dated 15 December 2023 with each person entitled to receive EP Accrual Shares pursuant to which the amounts due and owing to those persons by EnergyPathways shall, subject to Admission, be novated to the Company, further details of which are set out in paragraph 12.19 of Part VII of this document;
“Directors”	the directors of the Company immediately prior to Admission, and if the context requires, the directors on Admission (including the Proposed Directors), whose names are set out on page 19 of this document, or the board of directors of the Company from time to time of the Company as the context requires;
“DSI Accrual Shares”	the new Ordinary Shares to be issued to certain directors and advisers of the Company in satisfaction of fees incurred prior to Admission;
“DSI Accrual Letters”	the letters from the Company dated 15 December 2023 to each of Neil Cousins, Lincoln Moore and certain other advisers of the Company confirming the number of DSI Accrual Shares to be issued to them on Admission;
“East Irish Sea” or “UK Irish Sea”	the body of water that lies between the islands of Great Britain and Ireland, which is included in the NSTA’s remit to maximise economic recovery of UK gas and petroleum;
“EEA”	European Economic Area;
“EC”	the European Commission;
“EnergyPathways”	EnergyPathways Ltd, a company incorporated in England and Wales with company number 13514607 with its registered office at Highdown House, Yeoman Way, Worthing, West Sussex BN99 3HH, to be renamed EnergyPathways UK Holdings Ltd following Admission;
“EnergyPathways’ Shares”	the entire issued share capital of EnergyPathways;
“EnergyPathways’ Shareholders”	holders of the EnergyPathways Shares;
“Enlarged Group”	the Company, EnergyPathways and its subsidiary, EPIS, following Admission;
“Enlarged Issued Share Capital”	the total number of Ordinary Shares in issue on Admission, comprising the Existing Ordinary Shares, the Consideration Shares, the Conversion Shares and the Placing Shares;
“EP Accrual Shares”	the new Ordinary Shares to be issued to directors and management of EnergyPathways in satisfaction of fees incurred prior to Admission;
“EP Group”	EnergyPathways and its subsidiary, EPIS;
“EP Group Financial Information”	the audited historical financial information of the EP Group for the period from incorporation on 16 July 2021 to 31 December 2022 as set out in Part IV of this document;
“EP Group Interim Financial Information”	the unaudited interim financial information of the EP Group for the six-month period ended 30 June 2023 as set out in Section E of Part IV of this document;

“EPIS”	EnergyPathways Irish Sea Limited, the subsidiary of EnergyPathways;
“ESG Energy Transition Committee”	the ESG energy transition committee of the Board to be constituted following Admission;
“ESMA”	European Securities and Markets Authority;
“EU”	the European Union;
“Euroclear”	Euroclear UK & International Limited, a company incorporated in England & Wales with registration number 02878738, being the operator of CREST;
“EUWA”	European Union (Withdrawal) Act 2018;
“Existing DS Warrants”	the 8,512,500 existing warrants (including the Founder Warrants) to subscribe for new Ordinary Shares in the Company at an exercise price of 5p or 4p per share, further described in paragraph 4.9 of Part VII of this document;
“Existing EPL Warrants”	the 20,000,000 existing warrants to subscribe for new ordinary shares in EnergyPathways at an exercise price of 2p per share to be acquired by the Company pursuant to the Acquisition Agreement, further described in paragraph 12.36 of Part VII of this document;
“Existing Issued Share Capital”	the issued share capital of the Company as at the date of this document;
“Existing Ordinary Shares”	the 26,550,000 Ordinary Shares in issue at the date of this document;
“FCA”	the United Kingdom’s Financial Conduct Authority;
“FDP”	the EP Group’s field development plan for the Marram Field;
“Founders”	founders of the Company, including Sport Media Ventures Ltd, Jon Smith, Phil Smith, Keith Cousins, Neil Cousins, Peter Abbey, Sebastian Marr, Orana Corporate LLP, Lincoln Moore, Simon Jordan, Michelle Dewberry, James Sheehan, Rob Jones, Alan Mcleish and Daniel Wilson;
“Founder Warrants”	the 7,500,000 Warrants granted to the Founders, as more particularly set out at paragraph 12.30 of Part VII of this document;
“FPO”	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005;
“FSMA”	the Financial Services and Markets Act 2000 of the UK as amended;
“Fully Diluted Enlarged Issued Share Capital”	the Enlarged Issued Share Capital together with the maximum number of shares capable of being issued on exercise of the Options and the Warrants;
“GIS”	Global Investment Strategy UK Limited, the Company’s joint broker;
“GIS Performance Warrants”	the warrants granted to GIS over 625,000 Ordinary Shares in connection with Admission, further details of which are set out in paragraph 12.15 of Part VII of this document;

“GIS Placing Warrants”	the warrants granted to GIS over 390,000 Ordinary Shares in connection with Admission, further details of which are set out in paragraph 12.14 of Part VII of this document;
“Harbour Energy”	Harbour Energy plc;
“Historical Financial Information”	the historical financial information of the Company and of the EP Group as set out in Part IV of this document;
“HMRC”	HM Revenue & Customs;
“IFRS”	UK-adopted international accounting standards;
“IPO Admission”	admission of the Existing Ordinary Shares to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the Main Market on 30 November 2022;
“IPO Broker Performance Warrants”	the warrants granted to Optiva over 500,000 Ordinary Shares in connection with IPO Admission, further details of which are set out in paragraph 12.28 of Part VII of this document;
“IPO Broker Placing Warrants”	the warrants granted to Optiva over 75,000 Ordinary Shares in connection with IPO Admission, further details of which are set out in paragraph 12.27 of Part VII of this document;
“IPO Placing Agent Seed Warrants”	the warrants granted over 437,500 Ordinary Shares to Pello Capital Limited in connection with the Company’s seed fundraising prior to IPO Admission, further details of which are set out in paragraph 12.29 of Part VII of this document;
“ISIN”	International Securities Identification Number;
“Issue Price”	4 pence, being the price at which the New Ordinary Shares are to be issued;
“Listing Rules”	the listing rules made by the FCA under section 73A of FSMA;
“Lock-in Agreements”	the lock-in agreements, details of which are set out in paragraphs 12.8 to 12.10 of Part VII of this document;
“Locked-In Shareholders”	the Proposed Directors, Painkalac Holdings Pty Ltd, Davis Kerford Pty Ltd, Ormerod Family Investments Trust, Teggau Lake Pty Ltd, Cresthaven Investments Pty Ltd, Glenda Nicholls, certain other EPL shareholders and certain DSI shareholders who are party to the Lock-in Agreements, further details of which are set out in paragraphs 12.8 to 12.10 of Part VII of this document;
“London Stock Exchange”	London Stock Exchange Group plc;
“Main Market”	the London Stock Exchange’s main market for listed securities;
“MAR”	the Market Abuse Regulation (EU Regulation 596/2014), as applicable in the United Kingdom and as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019;
“MER”	the NSTA’s Maximising Economic Recovery strategy for the UK;
“Net Zero”	the NSTA’s net zero carbon dioxide emissions strategy for oil and gas development in the UK;

“New Ordinary Shares”	the Placing Shares, the Consideration Shares and the Conversion Shares;
“New Warrants”	the Adviser Warrants and the Transaction Warrants;
“Nominated Adviser Agreement”	the agreement between the Company and Cairn dated 13 December 2023, pursuant to which the Company has appointed Cairn to act as nominated adviser to the Company for the purposes of the AIM Rules for Companies as summarised in paragraph 12.4 of Part VII of this document;
“NSTA”	the North Sea Transition Authority ((formerly known as the OGA), the entity responsible for the functions in relation to licences for which the OGA was previously responsible);
“Official List”	the Official List of the FCA;
“OGA”	the Oil and Gas Authority of the United Kingdom (now known as the NSTA);
“Options”	the options to subscribe for Ordinary Shares pursuant to the SOS, details of which are set out in paragraph 11 of Part VII of this document;
“Optiva”	Optiva Securities Limited, the Company’s joint broker;
“Optiva Performance Warrants”	the warrants granted to Optiva over 625,000 Ordinary Shares in connection with Admission, further details of which are set out in paragraph 12.13 of Part VII of this document;
“Optiva Placing Warrants”	the warrants granted to Optiva over 525,000 Ordinary Shares in connection with Admission, further details of which are set out in paragraph 12.12 of Part VII of this document;
“Orderly Market Agreements”	the orderly market agreements entered into by the Orderly Market Shareholders for a period of either 6 or 12 months from Admission, further details of which are set out in paragraph 12.11 of Part VII of this document;
“Orderly Market Shareholders”	certain shareholders on Admission, including Zeta Petroleum plc, who are party to the Orderly Market Agreements, further details of which are set out in paragraph 12.11 of Part VII of this document;
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company;
“Panel”	the Panel on Takeovers and Mergers;
“Performance Shares”	the 15,100,000 performance shares, issued by EnergyPathways to certain of its shareholders, being securities convertible into ordinary shares in EnergyPathways subject to certain conditions being satisfied;
“Placees”	investors to whom the Placing Shares are issued pursuant to the Placing;
“Placing”	the conditional placing (at the Issue Price) of 34,750,000 Placing Shares by the Company (pursuant to the Subscription Letters or otherwise procured by the Company) and 15,250,000 Placing Shares by Optiva and GIS at the Issue Price (pursuant to the Placing Agreement);

“Placing Agreement”	the conditional agreement dated 13 December 2023 between (i) the Directors, (ii) the Company, (iii) Cairn, (iv) Optiva and (v) GIS relating to the Placing;
“Placing Shares”	the 50,000,000 new Ordinary Shares to be issued by the Company and subscribed for pursuant to the Placing;
“Premium Listing”	premium listing on the Official List under Chapter 6 of the listing rules of the FCA;
“Pro Forma Financial Information”	the unaudited pro forma Statement of Net Assets of the Company as at 31 August 2023, as set out in Section B of Part V of this document;
“Proposals”	together the Acquisition, the Placing, the issue of the New Ordinary Shares and Admission;
“Proposed Directors”	the proposed directors of the Company, whose names are set out on page 19 of this document;
“Prospectus Regulation”	the EU Prospectus Regulation (Regulation (EU) No. 2017/1129), as amended;
“Prospectus Regulation Rules”	the prospectus regulation rules made by the FCA pursuant to Part VI of FSMA (as set out in the FCA Handbook), as amended;
“QCA Code”	the corporate governance code for small and mid-size quoted companies published by the QCA in April 2018 and updated in November 2023;
“Register”	the register of members of the Company;
“Registrar”	Share Registrars Limited, the Company’s registrar;
“Regulation S”	Regulation S as promulgated under the Securities Act;
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
“Remuneration Committee”	the remuneration committee of the Board as described in paragraph 20 of Part I of this document;
“Securities Act”	the United States Securities Act of 1933, as amended;
“Sellers”	the shareholders of EnergyPathways and the holders of the Existing EPL Warrants as at the date of this document;
“Shareholders”	the holders of Ordinary Shares from time to time;
“Share Option Scheme” or “SOS”	the share option scheme proposed to be adopted by the Company on completion of the Acquisition, further details of which are set out in paragraph 11 of Part VII of this document;
“Short Lock-In Agreements”	the lock-in agreements entered into by certain of the Locked-in Shareholders who are not subject to Rule 7 of the AIM Rules, pursuant to which such shareholders are restricted from disposing of their interests in Ordinary Shares for a period of 6 months from the date of Admission and who are also subject to orderly market provisions for a further 6 month period, (save that, for certain of these Locked-In Shareholders, their 6 month lock-in period and their

6 month orderly market periods run concurrently and in respect only of a total of two-thirds of their shares (one-third of their total shares as at 15 December 2023 being subject to the lock-in and one-third of their total shares as at 15 December 2023 being subject to the orderly market arrangements), further details of which are set out in paragraph 12.11 of Part VII of this document;

“Spirit Energy”	Spirit Energy Limited, a subsidiary of Centrica plc;
“Standard Listing”	a Standard Listing as defined under Chapter 14 of the Listing Rules;
“Subscription Letters”	the subscription letters from various subscribers in respect of Placing Shares to be placed by the Company, as summarised in paragraph 12.6 of Part VII of this document;
“subsidiary” or “subsidiary undertaking”	have the meanings given to them in the Act;
“Transaction Warrants”	the warrants granted over 6,000,000 Ordinary Shares to Cresthaven Investments Pty Ltd, ATF Bellini Trust, Lincoln Moore and Neil Cousins on Admission, further details of which are set out in paragraph 12.17 of Part VII of this document;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies;
“UK Prospectus Regulation”	Regulation (EU) no. 2017/1129 as it forms part of retained direct EU legislation as defined in the EUWA;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and all other areas subject to its jurisdiction;
“US Persons”	bears the meaning ascribed to such term by Regulation S promulgated under the Securities Act;
“Warrants”	the Existing DS Warrants and the New Warrants;
“White Paper”	White Papers are policy documents produced by the UK Government that sets out their proposals for future legislation; and
“£” and “p”	United Kingdom pounds Sterling and pence, respectively.

GLOSSARY OF TECHNICAL AND COMMERCIAL TERMS

The following definitions apply throughout this document, unless otherwise stated or the context requires otherwise. A further glossary of technical terms relating to terms in the CPR is included with the CPR in Part III.

1P	Equivalent to Proved reserves or Proved in-place quantities, depending on the context
2D	Two dimensional
2P	The sum of Proved and Probable reserves or in-place quantities, depending on the context
3P	The sum of Proved, Probable and Possible reserves or in-place quantities, depending on the context
Bcf	Billion (10 ⁹) cubic feet
Bcm	Billion (10 ⁹) cubic metres
CCUS	Carbon capture, utilisation and storage
EHS	Environmental Health & Safety
Environmental Statement	an environmental statement is a document that is submitted to and considered by the NSTA before consent is given to certain projects
FDP	Field Development Plan
FEED	Front End Engineering and design
FID	Final Investment Decision
firming	energy firming is how operators maintain the output from variable and intermittent power sources, such as wind or solar, for a committed period of time
HyNet	HyNet North West – an industrial decarbonisation project intended to pursue a low carbon economy
LNG	Liquefied Natural Gas
MMscf(d)	Million standard cubic feet (per day)
NRU	Nitrogen Rejection Unit
OPRED	Offshore Petroleum Regulator for Environment and Decommissioning
OSPAR	OSPAR is the mechanism by which 15 Governments & the EU cooperate to protect the marine environment of the North-East Atlantic
reserves	quantities of oil and gas already discovered, recoverable and commercial
resources	quantities of oil and gas that are undiscovered, technically recoverable resources that are estimated to exist based on geologic knowledge and theory
TCF	Trillion (10 ¹²) cubic feet
TRR	Technically Recoverable Resources
ullage	capacity in a gas terminal, offshore facilities and pipeline
UKCS	United Kingdom Continental Shelf

DIRECTORS, SECRETARY AND ADVISERS

Directors	<u>Neil</u> Cousins – <i>Non-Executive Chairman</i> <u>Lincoln</u> Moore – <i>Non-Executive Director</i>
Proposed Directors of the Company following implementation of the Proposals	<u>Mark</u> David Crawford Steeves – <i>Independent Non-executive Chairman</i> Benedict (“ <u>Ben</u> ”) James Murray Clube – <i>Chief Executive Officer</i> Benjamin (“ <u>Ben</u> ”) James Hodges – <i>Chief Financial Officer</i> <u>Graeme</u> Paul Marks – <i>Asset Manager</i> <u>Stephen</u> Paul West – <i>Non-executive Director</i> <u>Horácio</u> Luis De Brito Carvalho – <i>Independent Non-executive Director</i>
Company Secretary	Lincoln Moore (to be changed to Ben Hodges following Admission)
Registered office	C/O RJF 10 th Floor 3 Hardman Street Manchester Greater Manchester M3 3HF England
Telephone number	+44 (0) 208 530 4213
Company’s website	www.dialsquareinvestments.com
Nominated Adviser	Cairn Financial Advisers LLP 9 th Floor 107 Cheapside London EC2V 6DN
Joint Brokers	Optiva Securities Limited C/O Azets Regis House 45 King William Street London EC4R 9AN Global Investment Strategy UK Limited 2 nd Floor, Solar House 915 High Road London N12 8QJ
Solicitors to the Company	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Solicitors to EnergyPathways	Reynolds Porter Chamberlain LLP Tower Bridge House St Katharine’s Way London E1W 1AA
Solicitors to the Nominated Adviser and Joint Brokers	DMH Stallard LLP 6 New Street Square New Fetter Lane London EC4A 3BF

Auditors to the Company	RPG Crouch Chapman LLP 5 th Floor 14-16 Dowgate Hill London EC2A 2EW
Auditors to EnergyPathways	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Reporting Accountants to the Company	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Competent Person	RISC Advisory Pty Ltd 2/1138 Hay Street West Perth WA 6005
Registrar	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX

PART I

INFORMATION ON THE ENLARGED GROUP

1. Introduction

The Enlarged Group will be formed following completion of the acquisition of EnergyPathways by the Company.

Dial Square's shares were admitted to trading as a Standard Listing on the Main Market on 30 November 2022. The Company was created as a cash shell for the purpose of undertaking one or more acquisitions.

On 10 March 2023, Dial Square announced that it had entered into heads of terms to acquire 100 per cent. of the issued and to be issued share capital of EnergyPathways. On 15 December 2023, the Company entered into the Acquisition Agreement, pursuant to which the Company agreed to purchase, and the Sellers agreed to sell, the entire issued share capital and other securities of EnergyPathways.

In conjunction with the heads of terms, the Company made available an unsecured term loan facility of £200,000 to EnergyPathways. The Acquisition and the loan constitute reverse takeovers for the purposes of Listing Rule 5.6.4 and, accordingly, the Standard Listing of the Ordinary Shares and trading in the Ordinary Shares on the Main Market was suspended on 10 March 2023. Following completion of the Acquisition the Company's shares will be admitted to trading on AIM.

EnergyPathways is an integrated energy transition company, initially targeting UK gas assets, with the aim of bringing into production, in the near-term, low emission energy solutions to assist with the UK's transition to Net Zero while also providing critical supply to ensure domestic energy security.

EnergyPathways holds, via its wholly-owned subsidiary EPIS, a 100 per cent. interest in block 110/4a in Seaward Licence P2490 that contains the Marram gas field (the "Marram Field"), located 30km west of mainland UK, close to the developed Morecambe gas complex in the UK waters of the UK Irish Sea Basin.

The aggregate consideration for the Acquisition is £2,720,555.40, to be satisfied by the issue of the Consideration Shares at the Issue Price, credited as fully paid. Further details of the Acquisition are set out in paragraph 15 of this Part I.

The Company has also conditionally raised £2,000,000 before expenses through the issue of 50,000,000 Placing Shares to institutional and other investors at the Issue Price pursuant to the Placing. Further details of the Placing are set out in paragraph 17 of this Part I.

On Admission, the Company's operations will thereafter constitute exclusively those of EnergyPathways. Details of the business and operations of EnergyPathways are set out in paragraph 3 of this Part I.

It is further intended that the Company change its name to "EnergyPathways plc", application for which is expected to be made immediately following Admission.

The Company is seeking Admission to trading on AIM and will use the proceeds of the Placing to finance the progress towards commercialisation of the Marram Field to FID and evaluate and capture other energy transition opportunities. Further details of the Placing and the Enlarged Group's intended use of proceeds are set out in paragraphs 17 and 10 of this Part I.

2. Information on EnergyPathways

EnergyPathways is an integrated energy transition company, initially targeting UK gas assets, with the aim of bringing into production, in the near-term, low emission energy solutions to assist with the UK's transition to Net Zero while also providing critical supply to ensure domestic energy security.

A 2020 UK government White Paper identified that natural gas will have an important role in the decarbonisation of the UK economy while the expansion of renewable energy capacity is implemented. The UK Government's latest energy security strategy paper – "Powering Up Britain" – also recognises that *'the*

UK's energy security remains hugely dependent on a reliable, resilient and affordable supply of gas and the Government needs to support maximising the production of UK gas and minimise our reliance on overseas imports'. Diminishing domestic gas production, however, means the UK is increasingly dependent on imported gas. Not only does this raise concerns of energy security and imported inflation, but it is also estimated by the NSTA that the use of imported LNG produces twice the carbon emission intensity of UK domestically produced gas.

EnergyPathways was incorporated in July 2021 to pursue energy transition solutions that offer near-term, cost effective, low emission, secure energy. Initially, it is EnergyPathways' intention to develop discovered gas assets, using existing infrastructure, to meet short term energy demand with a significantly lower carbon footprint and cost than LNG imports.

The Marram Field, which was discovered in 1993, is estimated to contain 35.3 Bcf of undeveloped 2P gas reserves and lies approximately 15km east of the offshore South Morecambe Gas Field Platform and 20km south of the North Morecambe trunkline. Currently, gas from the South Morecambe Field is produced at the South Morecambe platform and is transported along the existing South Morecambe trunkline to the onshore North Morecambe Terminal in Barrow-in-Furness. At the peak of its production, the Morecambe gas complex, including the North Morecambe Field, satisfied approximately 20 per cent. of the UK's gas demand.

In the Marram Field, EnergyPathways has identified what it considers to be a 'ready-to-go' gas development asset, in that it has been fully appraised and has low sub-surface technical risk. It is also able to be brought into production relatively quickly, due to the ability to tie-in to neighbouring existing infrastructure which has spare capacity.

EnergyPathways' proposed development plan for the Marram Field comprises two sub-sea horizontal wells, tied back to the existing Morecambe Bay infrastructure, which the Company hopes will enable the project to generate high rates of return and a prompt recovery of investment. EnergyPathways is targeting first gas from the Marram Field in 2025.

The Directors and the Proposed Directors believe that natural gas is a bridging fuel with a key role to play in UK energy transition and it is their view that successful development of the Marram Field has the potential to make a favourable contribution towards reducing emissions and supporting the UK's transition to Net Zero and providing energy security. The volatility experienced in the UK energy market during 2022 and into 2023, resulting from years of under-investment in oil and gas projects and exacerbated by the ongoing war in Ukraine, has highlighted the necessity for development of domestic gas projects such as the Marram Field that have the potential to deliver cleaner, domestically produced energy that contributes to UK energy security.

The Directors and the Proposed Directors believe that the undeveloped potential gas resources identified by EnergyPathways in the UK Irish Sea, which may be up to 2 TCF, are ideally suited for integration with the clean energy technologies and assets in the region to develop reliable, affordable and low emission energy supply. The UK Irish Sea region contains major renewable wind generation capacity, reservoirs suited to natural gas and hydrogen energy storage and CCUS and existing energy infrastructure. The UK's leading hydrogen hub development is also nearby. The co-location of these energy assets offers the opportunity for cost-effective integration. Gas power generation is set to have a critical role in providing flexible energy supply as intermittent renewable wind energy generation increases. In this regard, available UK domestic gas, along with stored gas, will be critical in providing back up capacity. Further ahead, the Proposed Directors believe that the development of a hydrogen economy in the UK will be driven initially by using gas feedstock, gas reforming technologies and CCUS.

The Enlarged Group's initial focus will be the development of the Marram Field, however it also plans to generate shareholder value by playing a wider role in providing the UK with energy security and net zero energy solutions. In line with this, it has submitted applications to the NSTA for the award of additional licences with undeveloped gas resources in the UK Irish Sea. EnergyPathways intends to support UK energy security with new domestic gas production and, in doing so, displace high emission imported LNG, thereby reducing the UK's net carbon footprint. The Directors and the Proposed Directors anticipate that there may also be potential to integrate new production with the nearby wind renewable capacity to provide flexible power generation capacity for grid stability, CCUS and hydrogen storage reservoirs and feedstock for hydrogen production. It also intends to consider opportunities to participate in other selected discovered

gas fields and energy transition opportunities in the region and across the UK more broadly where integration opportunities exist.

The Investment Opportunity

The Directors and the Proposed Directors believe that EnergyPathways represents an attractive investment opportunity as a result of the previous evaluation work undertaken on the Marram Field, its proximity to established infrastructure and the anticipated time to first gas in 2025. The Directors and Proposed Directors consider EnergyPathways' key strengths to include:

- ***'Ready to go' gas development with near-term supply***

The Marram Field contains an estimated 35.3 Bcf of undeveloped gas 2P Reserves and circa 42 Bcf P50 of technically recoverable gas in a high quality reservoir in the UK Irish Sea. Being a fully appraised discovery, it is estimated that the Marram Field could complete FEED and pre-development activities required for FID within 6 to 12 months of Admission. Thereafter, the target execution phase is estimated to be 12-18 months with the aim of achieving first gas supply during 2025;

- ***Low-cost development and access to infrastructure***

A shallow water, subsea tieback development opportunity to nearby Morecambe gas infrastructure approximately 15.5km from the Marram Field. The infrastructure has available ullage (capacity in the gas terminal, offshore facilities and pipeline) for transporting gas from the Marram Field. The development will comprise two horizontal production wells;

- ***Low emission energy solution***

UK domestically produced gas displaces higher emission intensity LNG imports. The Marram Field has the potential to integrate with the regional hydrogen hub development and nearby CCUS. The UK's leading hydrogen hub, HyNet, located in the Liverpool-Manchester corridor, uses the depleted Liverpool Bay gas fields to store carbon emissions from industry and blue hydrogen production. Spirit Energy and Centrica also hope to develop a CCUS and blue hydrogen project centred on Barrow;

- ***Potential for reserves growth***

De-bottlenecking of gas processing at the North Morecambe Terminal may provide additional capacity for increased production from the Marram Field. EnergyPathways' internal estimates suggest that there may be up to 2 TCF gas potential (unrisked) in the UK Irish Sea region, which has the potential to be developed in relatively short time frames and provide the UK with increased energy security;

- ***Low technical risk***

The Marram Field has been fully appraised with two prior well penetrations into it and is also covered by reprocessed 2D seismic data. This data set provides good subsurface definition and a relatively narrow recoverable resource range estimate;

- ***Gas price outlook***

Gas accounts for 43 per cent. of UK primary energy needs. In 2021, imports accounted for 62 per cent. of the UK's gas demand and the UK's dependency on gas imports is expected to increase and will influence UK gas prices;

- ***Possibility of extension of production life***

The duration of availability of infrastructure capacity to transport gas from the Marram Field is currently expected to last until approximately 2030, however, this could potentially be extended into 2032. Extension depends on the economic and technical life of the infrastructure including the North Morecambe Terminal. Continuation of infrastructure operations will depend on a number of factors including gas price, flow through production from existing and new fields, costs to operate and maintain and technical considerations; and

- **Potential for energy transition opportunity**

The UK Irish Sea offers potential for long duration energy storage, hydrogen production and flexible power generation. Realisation of this potential would reduce the UK's carbon footprint and support the UK's pathway to Net Zero. EnergyPathways aims to benefit from its early mover advantage in the under-exploited area of the UK Irish Sea region, with licence requests progressing at the Knox, Lowry and Castletown undeveloped gas fields, all of which all have short cycle development potential.

Pathway to Net Zero

The Enlarged Group plans to generate shareholder value by assisting in providing the UK with energy security and Net Zero energy solutions through its role as a responsible energy operator.

Develop new near-term gas supply

New near-term UK domestic gas will be pivotal in providing the UK with additional energy security and reducing emissions. New near-term gas supply will provide a lower carbon footprint by displacing imported LNG, which is significantly more carbon intensive from a global perspective compared to UK produced gas, having on average double the emissions intensity.

Develop new flexible power generation

UK gas supply will play a critical role in the UK energy system. Flexible gas power generation will become increasingly important in providing grid stability as the UK's intermittent renewable sector expands. UK gas resources and gas storage remain a low-cost, scalable and long-term storage solution for providing back up generation capacity.

Develop hydrogen production and storage

The UK Irish Sea region contains HyNet, the UK's leading hydrogen hub and CCUS development. Spirit Energy has also announced that it is evaluating a potential hydrogen and carbon capture storage project centred on the UK Irish Sea. Both developments anticipate that hydrogen production will, at least initially, be based on natural gas feedstock combined with gas reforming technology and CCUS storage. The roadmap to further decarbonise UK gas supply anticipates 'blue' hydrogen production through natural gas reforming combined with CCUS, as this is considered one of the lowest cost technology solutions for producing low emission hydrogen. The Directors and the Proposed Directors have identified that the UK Irish Sea region contains a number of reservoirs that they consider well suited to hydrogen and or natural gas storage and these reservoirs have potential to be integrated with future hydrogen production in the region.

Expanding hydrogen production

Renewable energy curtailments are a major energy cost to the UK and the wind generation capacity of the UK Irish Sea experiences significant curtailments. EnergyPathways expects that long duration energy storage solutions will be required to capture value from the curtailment losses that are likely to increase as additional renewable capacity is developed in the region. The Enlarged Group will monitor and evaluate emerging energy storage and hydrogen technologies.

Post Admission and subject to available funds, the Proposed Directors plan to establish an ESG Energy Transition Committee to advise the Board on energy transition strategy and opportunities. The committee will comprise energy transition experts across clean energy technology, commercial, regulatory and capital market disciplines and will play a vital role in mapping out the long-term growth trajectory for the Enlarged Group.

3. Business Overview and EP Group History

In December 2020, a UK Government White Paper identified natural gas as having an important role in replacing higher emission fossil fuels as part of the UK energy transition to Net Zero. Imported LNG comes with a higher carbon footprint than domestically produced gas. It is estimated that production from a UK gas field has approximately half the emissions intensity of imported LNG and the UK is becoming increasingly reliant on imports to meet domestic demand. UK domestic gas will displace significantly higher emission LNG imports (on average domestic gas reduces emissions by 50 per cent.).

The Marram Field and similar simple shallow water tie-backs have the best quartile low emissions and will reduce emissions by 90 per cent., displacing imported LNG. UK domestic gas demand is currently approximately 77 Bcm a year, of which approximately 40 per cent. is supplied from the North Sea and the UK Irish Sea. This level of demand is expected to fluctuate only slightly over the next few decades whereas natural gas production in the United Kingdom is expected to fall from 33.9 million metric tons of oil equivalent in 2022 to 6.6 million metric tons by 2040.

More recently, geopolitical instability and sanctions, coupled with increased competition within Europe for gas supplies, drove the market price of natural gas to all-time highs and contributed towards upward pressure on inflation, highlighting the need for energy security and energy sufficiency solutions.

The Directors and the Proposed Directors recognise that natural gas will continue to be a critical source of energy supply. EnergyPathways was incorporated in July 2021 to pursue cost effective, low emission and secure energy solutions for the UK market.

To achieve its goals, EnergyPathways has identified five core areas of focus:

- developing discovered gas assets and making use of existing infrastructure to meet short-term energy demand at significantly lower cost and carbon footprint than imported LNG;
- supporting the transition to Net Zero by supplying integrated energy hubs using hydrogen and renewable low emission technologies;
- the opportunity to develop natural gas and hydrogen storage;
- gas commercialisation to enable flexible power generation; and
- in the longer term, as the decarbonisation economy matures, identifying and developing nearby reservoirs for commercial CCUS.

EnergyPathways' initial objective is the development of discovered gas fields in the UK to provide low-carbon near-term gas supply.

In August 2021, EnergyPathways incorporated EPIS, a wholly owned subsidiary. In September 2021, EPIS acquired a 100 per cent. beneficial and working interest in block 110/4a in Seaward Licence P2490, that includes the Marram Field, for nominal cash consideration and an overriding royalty for the vendor of up to 2.5 per cent. of future revenue after project cost payback. The Marram Field is the first asset to have been acquired by the EP Group.

The Marram Field sits in close proximity to the larger, well-established gas fields of the Morecambe Bay gas complex, linked by existing infrastructure to the North Morecambe Terminal. The Marram Field development is expected to have low carbon emission intensity attributes due to it being located in shallow water, requiring a straightforward development plan which will utilise existing infrastructure to process and transport the gas produced. In this respect it provides the Enlarged Group with a near-term production asset capable of generating material early cashflow with a rapid payback.

Although EnergyPathways (through EPIS) is the 100 per cent. licence owner of the Marram Field, host infrastructure and tie-backs will be required in order to operate the Marram Field. EnergyPathways is in discussions with host infrastructure providers with regard to tie-back options for the Marram Field.

Further details on the Marram Field are included in paragraph 5 below.

4. Business Strategy, Development and Commercialisation

The Enlarged Group's initial priority will be to progress development of the Marram Field and achieve production to contribute to providing the UK with near-term, low-emission energy security. Having prepared and submitted the FDP Concept Select Report, the next two stages of the project will see the Enlarged Group (a) deploy the net proceeds of the Placing to support EnergyPathways (through EPIS) through to the Marram Field project FID ("Phase 1"), and (b) execute the project, requiring capital expenditure of approximately £71 million ("Phase 2"). In this regard, EnergyPathways has already received indicative offers of development debt funding. First production is being targeted for 2025.

To date, substantial progress has been made towards the proposed development of the Marram Field:

- November 2021 – Marram Field development feasibility studies required under the licence work programme completed;
- March 2022 – 2D seismic data reprocessed;
- March 2022 – completion of subsurface studies and commissioning of the CPR;
- April 2022 – preparation and submission of FDP Concept Select Report;
- September 2022 – NSTA endorsed the project to enter the authorisation phase;
- September 2022 – commencement of authorisation phase;
- Environmental Statement submitted to Government Regulator during 2023;
- Updated CPR completed in November 2023; and
- December 2023 – Licencing Directorate NSTA confirmed that the Acquisition and the Admission process is not a change of control event for the purposes of Licence P2490.

Phase 1

Following Admission, the net proceeds of the Placing will enable the Enlarged Group to conclude Phase 1, including:

- FEED;
- undertaking engineering studies to evaluate and optimise development and tie-back options;
- commencing procurement activities;
- progressing the EP Group's Environmental Statement process;
- negotiating transportation and processing arrangements for the use of regional infrastructure;
- negotiating development project financing;
- securing gas sales agreements; and
- obtaining FID and regulatory approvals.

Phase 2

The development plan for the second development phase, following the declaration of FID, provides for the drilling of two wells and a subsea tie-back to existing infrastructure. The main components of Phase 2 are:

- ordering certain long-lead items;
- completion of two horizontal wells in a shallow water development at a water depth of approximately 15-20m;
- installation of subsea facilities including production equipment, pipelines, umbilicals and control systems; and
- tie-back modifications and upgrading of host infrastructure facilities.

5. The Marram Field

The Marram Field lies within Block 110/04a along the eastern edge of the UK Irish Sea Basin, approximately 15km east of the South Morecambe Gas Field Central Processing Platform (CPP1) Platform and 30km from the North Morecambe Terminal in Barrow-in-Furness.

Figure 1 shows the geographic location of Block 110/04a and key associated infrastructure:

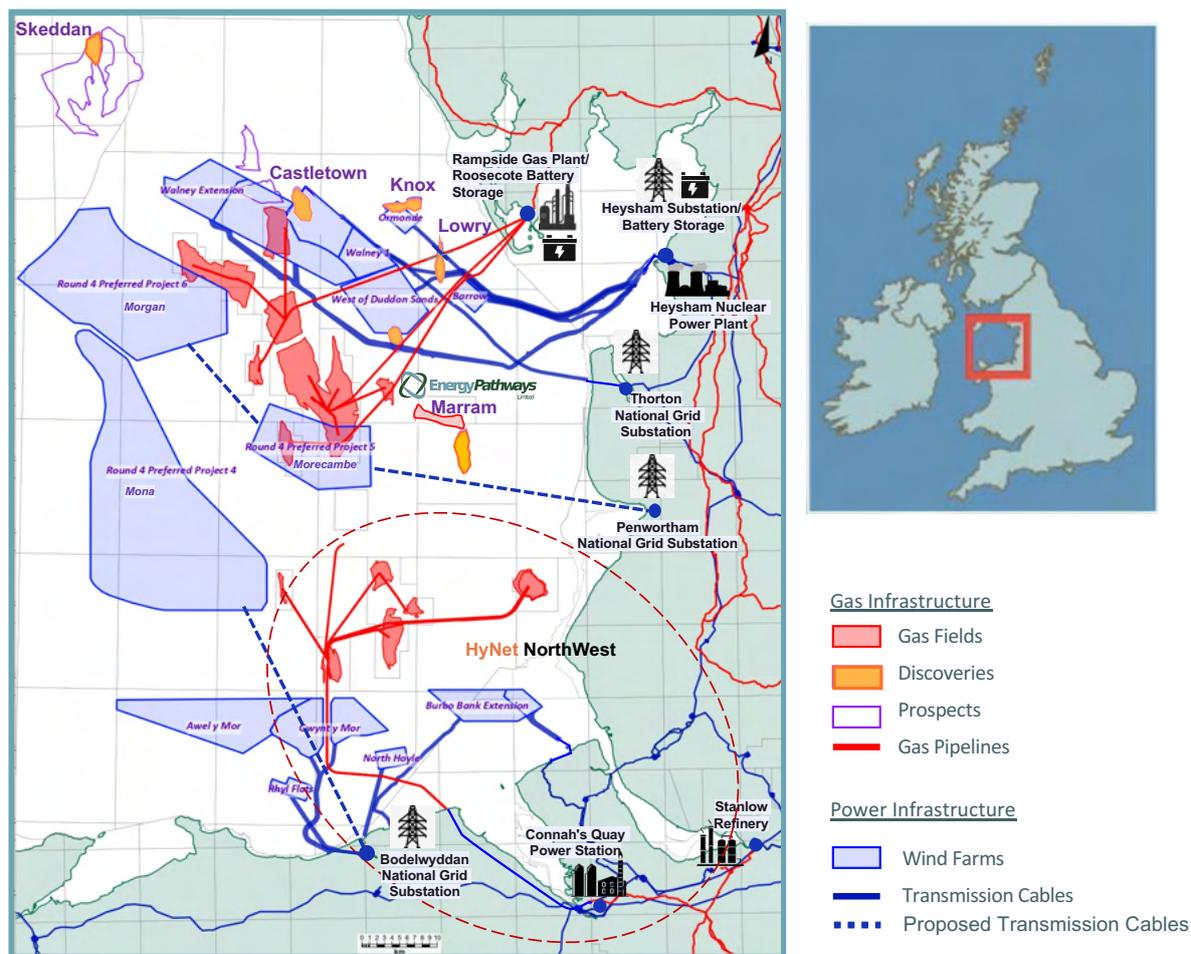


Figure 1: geographic location of the Maram Field

Source: RISC

History

The Morecambe Hub comprises three significant offshore UK natural gas producing fields, South Morecambe, North Morecambe and Rhyl, located approximately 30km west of Blackpool. The fields cross blocks 110/02a, 110/03a, 110/08a and 113/27b and, collectively, they comprise one of the largest gas fields in the UKCS. Gas from all the fields is processed at onshore terminals located near Barrow-in-Furness in Cumbria (Barrow Gas Terminals), before entry into the National Transmission System.

Production from the Calder Field, owned by Harbour Energy, is transported via a dedicated Rivers' pipeline and is processed at its onshore gas terminal adjacent to Spirit Energy's onshore terminal, before being integrated with Morecambe Hub production at Spirit Energy's onshore gas terminal.

The Morecambe Hub is currently operated by Spirit Energy and its offshore facilities and onshore terminal also provide gathering and processing services for third parties.

The Maram Field, approximately 15km east of the Morecambe gas fields, was discovered by Ranger Oil (UK) Limited in March 1993. It was not developed at the time of its discovery due to historically low gas prices and a lack of ullage in the existing infrastructure.

In July 2009, Venture Production plc appraised the field with a second well. Both wells encountered a high-quality reservoir but, compared to the nearby fields, a relatively small pool of gas. As a result of the continued limited spare capacity available in the existing infrastructure, the field was relinquished in 2010.

In July 2019, Burgate was awarded the licence covering Block 110/04a and in August 2021, agreed to sell 110/04a to the EP Group. The transaction completed in February 2022.

Energy Infrastructure

The UK Irish Sea region is a mature petroleum province and renewable energy area with existing natural gas and electricity infrastructure.

The Morecambe Bay and Rivers gas fields are late life production assets which are connected to the UK gas transmission system and gas markets via existing offshore infrastructure, including three offshore gas pipelines and the onshore North Morecambe and Rivers gas terminals located at Barrow. Based on current production levels and decline rates from the existing fields, end of existing field life is forecast to be in the late 2020s and there is available capacity within this gas infrastructure to transport and process third party gas. Spirit Energy, the owner of certain gas infrastructure assets in the region, remains open for third party business. New third party production has the potential to extend the life of existing fields.

Existing electricity transmission infrastructure connects the region's wind farms on the north Lancashire coastline at Heysham and Fleetwood to the National Grid network and UK electricity markets. Electricity transmission infrastructure has available capacity due to the intermittent nature of wind generation. Historical wind generation capacity factors are in the order of 20-30 per cent.

Under UK Government gas regulations, gas infrastructure owners must ensure that infrastructure is operated in a way that facilitates the recovery of the maximum value of economically recoverable gas from the region in which it is situated. In late asset life, infrastructure owners will need to satisfy the NSTA that all economic development opportunities have been pursued, both for the field and for any associated current or future developments, including alternative use, and that any infrastructure access considerations have been addressed. The UK Government's petroleum strategy for the UK Irish Sea region is to maximise the economic recovery of remaining hydrocarbons from current production and future developments by identifying late life operating synergies and energy integration opportunities.

Spirit Energy has stated its commitment to playing its part in the region's transition to low-carbon energy and is seeking to re-use existing gas infrastructure to develop an integrated carbon storage and blue hydrogen cluster centered on the carbon storage potential of the South Morecambe gas field and its existing onshore gas processing facilities at Barrow. Spirit Energy was awarded a carbon storage licence for the Morecambe Fields as part of the 1st Carbon Storage Licence Round in September 2023.

Subsurface

The Marram Field discovery is located at a depth of approximately 1,755 ft (c.530 m). The initial exploration well 110/04-1 encountered an 84 ft gas column in a good quality Ormskirk sandstone reservoir. The subsequent appraisal well encountered a 475ft gas column in the same reservoir. The Marram Field is located in shallow water (15-20 m) and can be developed via two wells, each with 300 m horizontal sections.

The structure is very well defined on multiple 2D seismic lines with a fault, potentially sealing, separating the accumulation into two pools requiring two separate wells. The overall technically recoverable resource is estimated at 51 Bcf (mid case). The wells do not require fracking due to the reservoir characteristics. It is estimated that there is a very tight range of raw gas initially in place of 93-112 Bcf, implying a very limited range of uncertainty.

The gas composition of samples taken from the 110/04-2 well show methane concentration at 55.49 per cent., with a very high concentration of nitrogen of approximately 43.62 per cent., a low level of carbon dioxide of 0.02 per cent. and no hydrogen sulphide. Initial pressure from the development wells is expected to be 40-70 bar.

Production

The Marram Field development is expected to be a relatively simple shallow water tieback to existing infrastructure. The proposed development concept includes two daisy-chained wells tied back subsea to existing infrastructure. Export tieback routing options will be evaluated and it is expected that the tieback distance will be between 15-20km. A tieback to the Morecambe South platform would feed gas to the offshore Central Processing Platform for dehydration and compression, before exporting it along the South Morecambe trunkline to the North Morecambe Terminal where it would be further processed before entering the National Transmission System. The Marram Field reservoir is high quality and well productivity is expected to exceed available host capacity for 2 to 4 years following first gas.

The end of the Marram Field life has been determined by estimating host infrastructure asset life. Based on EnergyPathways’ estimate of the Marram Field production profiles and anticipated future performance of the existing Morecambe fields, the Proposed Directors believe that there is upside potential for the Marram Field’s life to be extended.

Figure 2 illustrates the 1P, 2P and 3P production forecasts:

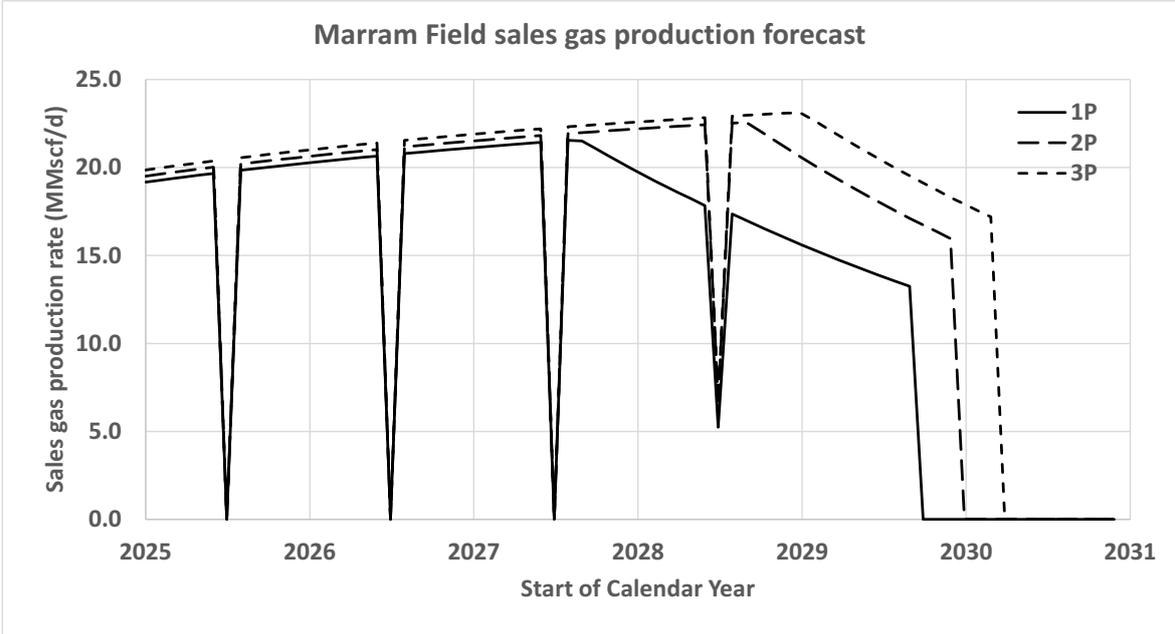


Figure 2: Marram Field sales gas production
 Source: RISC Advisory Pty Ltd

Development Opportunity

EnergyPathways’ proposed development plan for the Marram Field comprises two subsea horizontal wells, subsea pipeline and umbilical tie-back to the existing infrastructure, along with modifications to host infrastructure. Further details of the subsurface structure of the Marram Field and the resource estimate are included in the CPR in Part III of this document.

Total development capex required for the proposed two-well development is estimated at approximately £71 million, which includes drilling capex, subsea development costs and host facility modifications, project management and owners’ costs.

EnergyPathways estimates that the Marram Field has a Minimum Economic Field Size of approximately 15 Bcf, significantly below the low Reserves case estimate certified for the field. This Minimum Economic Field Size estimate indicates potential for the development to support debt financing. Economic models show robust returns at low historic gas price levels. The breakeven gas price is estimated by EnergyPathways to be approximately 35p/therm, which is significantly lower than current UK gas prices.

A component of the host infrastructure system includes onshore gas processing at Barrow gas terminals. Facilities include liquids processing, compression, hydrogen sulphide removal, CO2 removal and nitrogen rejection. Development of the Marram Field would potentially use available ullage of the NRU to reduce nitrogen composition. EnergyPathways’ independent technical analysis indicates potential to enhance NRU performance through de-bottlenecking modifications which could help increase the Marram Field’s throughput.

Potential to integrate with regional hydrogen projects

EnergyPathways will evaluate the potential to tie-back and integrate gas feedstock with the proposed hydrogen hub and carbon storage projects in the region (HyNet North-West and Morecambe Net Zero Project). Opportunities include:

- producing blue hydrogen from natural gas using gas reforming combined with nearby carbon sequestration. This is currently the lowest cost, low carbon hydrogen technology;
- the possibility of integrating under utilised renewable energy (curtailments in adjacent offshore wind farms) to generate low-cost green hydrogen; and
- the possible acquisition of licences in respect of a number of reservoirs in the region which are also well suited to hydrogen storage. The Marram Field (and other fields that the Enlarged Group may acquire) may accommodate valuable long-term hydrogen storage facilities once the methane resources have been depleted.

6. Summary of the CPR

A CPR has been prepared by RISC on the Marram Field. This is reproduced in full in Part III of this document.

RISC's classification of the Marram Field development is undeveloped reserve with a sub classification justified for development and is set out below.

Gas and Condensate	Unit	Gross Reserves			Net Attributable			Operator
		1P	2P	3P	1P	2P	3P	
Marram Field Sales Gas	Bcf	30.6	35.3	38.4	30.6	35.3	38.4	EnergyPathways Irish Sea Ltd ⁷
Marram Field Condensate	MMstb	0.0	0.0	0.0	0.0	0.0	0.0	EnergyPathways Irish Sea Ltd ⁷
Notes: <ol style="list-style-type: none"> 1. Sales Gas resources are stated at pipeline specification of 4.65% N₂. 2. Unplanned downtime is 28%, planned maintenance is 8.2%. 3. There are no deductions for fuel and flare as they are to be included in the tariff arrangement. 4. The reference point for gas is at the discharge to the Nitrogen Rejection Unit. 5. Deterministic evaluation methods have been used. 6. Bill Billingsley of RISC is the competent person. 7. "Operator" is the name of the company that operates the asset. 8. "Gross" are 100% of the reserves attributable to the license whilst "Net Attributable" are those attributable to EnergyPathways. 								

Figure 3: EnergyPathways' undeveloped reserves as at 1 July 2023

Source: RISC

*Host Operator: Spirit Energy

Recovery Factor	Unit	1P	2P	3P
Marram Field Raw Gas	Bcf	57.6	65.5	69.4
Gas Recovery Factor	%	62%	65%	62%

Figure 4: Marram Field raw gas and recovery factors

Source: RISC

There are additional contingent volumes available with sub classification unclarified as a result of the potential to process more gas through the North Morecambe Terminal following host modifications to, *inter alia*, the NRU. De-bottlenecking studies have yet to begin and RISC assesses there to be a reasonable chance that these studies will yield some benefits.

De-bottlenecking	Bcf	5.3	7.3	8.2	5.3	7.3	8.2	30%	EnergyPathways Irish Sea Ltd ⁸
1 year field extension	Bcf	3.5	3.7	4.1	3.5	3.7	4.1	10%	EnergyPathways Irish Sea Ltd ⁸
Total contingent Sales Gas	Bcf	8.8	11.0	12.4	8.8	11.0	12.4	-	EnergyPathways Irish Sea Ltd ⁸
Marram Field Condensate	MMstb	0.0	0.0	0.0	0.0	0.0	0.0	-	EnergyPathways Irish Sea Ltd ⁸
<p>Notes:</p> <ol style="list-style-type: none"> 1. Sales Gas resources are stated at pipeline specification of 4.65% N₂. 2. Unplanned downtime is 16%, planned maintenance is 8.2%. 3. There are no deductions for fuel and flare as they are to be included in the tariff arrangement. 4. The reference point for gas is at the discharge to the Nitrogen Rejection Unit. 5. Deterministic evaluation methods have been used. 6. Bill Billingsley of RISC is the competent person. 7. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted. 8. "Operator" is the name of the company that operates the asset. 9. "Gross" are 100% of the reserves attributable to the license whilst "Net Attributable" are those attributable to EnergyPathways. 									

Figure 5: Summary Marram Field contingent resources as at 1 July 2023

Source: RISC

*Host Operator: Spirit Energy

The low, mid and high Technically Recoverable Resources ("TRR") are sales gas volumes of 47 BCF, 53 BCF and 59 BCF respectively.

7. Future Strategy and Market Trends

Alongside the development of the Marram Field and other identified gas resources in the UK Irish Sea, the Enlarged Group intends to focus on energy solutions that integrate across gas to power, renewables, CCUS and blue hydrogen/blue ammonia. Natural gas, the cleanest-burning hydrocarbon, has a major role to play in the UK's energy future and will be vital to building a sustainable energy future, especially in power generation, where it produces around half the CO₂ and just ten per cent. of the air pollutants that coal does.

The Enlarged Group's intention is to contribute positively to the challenges of a lower-carbon future. With renewable energy sources such as solar and wind potentially providing up to 40 per cent. of energy globally by 2060, hydrocarbons will continue to play a vital transition role in the coming decades.

The Proposed Directors and management of the Enlarged Group plan to use their collective expertise and experience to deliver cleaner energy solutions to help the UK and other countries meet their growing energy needs. EnergyPathways intends to work with partners, communities, and government bodies to do this in environmentally and socially responsible ways.

The Enlarged Group considers its short, medium and long-term ambitions are as follows:

(i) Short-Term Opportunity

The short-term opportunities for the Enlarged Group are driven by its ability to commercialise gas from the Marram Field at higher volumes than initially anticipated.

A further opportunity exists in the event that existing infrastructure is integrated and re-used to support the development of blue hydrogen production in the region using future natural gas production from the UK Irish Sea.

(ii) Medium Term Opportunity

The UK Irish Sea Basin contains substantial potential stranded gas resources of up to 2 TCF. This represents potential for a new cycle of development activity in the basin as infrastructure becomes available as production declines. In addition to the Marram Field, EnergyPathways is targeting other discovered fields in the UK Irish Sea Basin which are currently available for licencing. A map of certain undeveloped fields in the basin is shown in Figure 6.

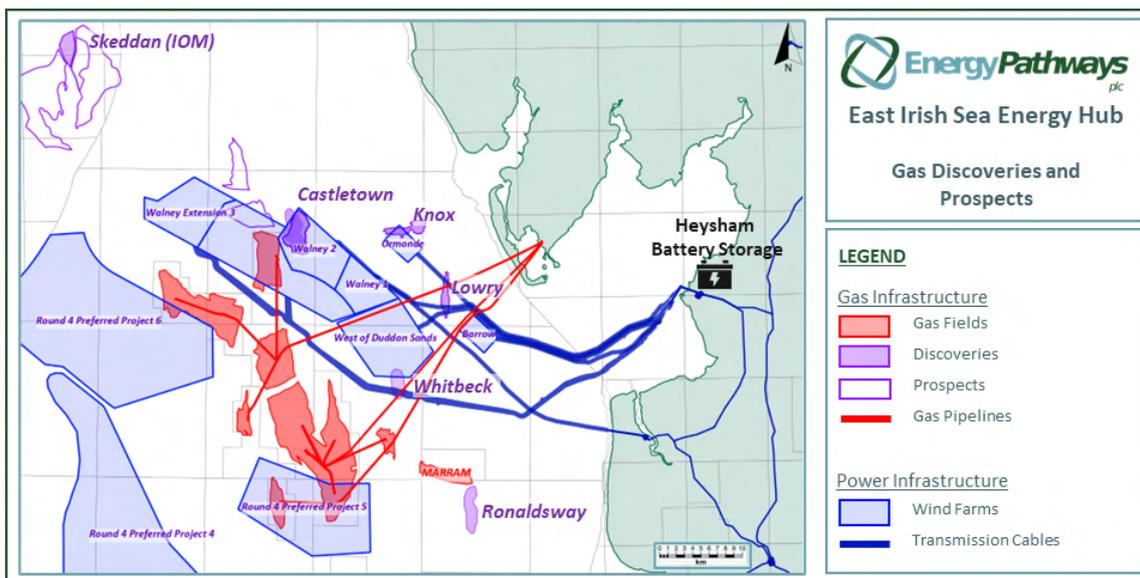


Figure 6: Map of the fields and energy infrastructure in the UK Irish Sea Basin

Knox and Lowry are fully appraised, discovered fields, similar to the Marram Field, with excellent reservoirs that have potential to be brought to market in short cycle times, enabling rapid development and commercial return. EnergyPathways is currently pursuing an out of round bid for these fields which potentially have the capacity to materially increase EnergyPathways’ proven resource base and value.

EnergyPathways also has a pending application from the 33rd bid round for a licence containing the Castletown field, as well as step out exploration potential.

EnergyPathways has also identified other prospects and potential additional prospective and contingent resources in the basin. It intends to pursue these growth opportunities and will form the basis for bids on acreage in future rounds.

Combined, these opportunities could potentially provide a steady flow of projects to generate a material domestic energy supply for the UK Irish Sea region, providing a continuous and growing income stream for the Enlarged Group.

(iii) Longer Term Opportunity

EnergyPathways is well placed to take advantage of regional infrastructure developments in the UK Irish Sea to build an energy business, initially with methane production for energy security, moving into UK based net zero energy supply.

EnergyPathways’ internal estimates suggest that there may be additional prospective and contingent gas resources of up to 2 TCF in the UK Irish Sea. This resource, together with the nearby renewable energy wind farms (Barrow, Ormonde and others), and the planned HyNet and Spirit Energy’s carbon storage projects, provides an opportunity for EnergyPathways within a major low carbon energy hub.

Gas from the discoveries and identified resources could be used to build an energy business moving in the long-term to green hydrogen, including storage and export to industry:

- power generation for firming power to supplement the intermittent renewable power from the wind farms;
- the gas could be mixed with hydrogen for lower emission power;
- technology options for methane power generation with CO₂ product stream (NetPower) for zero emission power generation;
- generate blue hydrogen from Steam Methane Reforming (SMR), or Methane Plasma (MP);
- power for hydrogen production supplied by regional wind power which is subject to low demand periods and curtailments;
- hydrogen for firming power in support of wind power;
- net zero carbon emissions using cost effective capture technology. MP produces solid carbon product, CO₂ exported to nearby HyNet/Spirit Energy carbon storage;
- hydrogen storage into depleted Marram Field, Knox or Lowry gas reservoirs; and
- export hydrogen to industry (HyNet Industrial Hub).

8. UK Oil and Gas Market

UK Government policy has identified gas as the transitional fuel of choice to decarbonise the UK economy. Expansion of the UK's renewable capacity is expected to take decades to complete, and the intermittent nature of available renewable capacity will likely increase the country's requirement for natural gas.

Under all Net Zero scenarios, gas will continue to be a major UK energy source. With diminishing domestic gas production, LNG imports and Norwegian gas are expected to increasingly make up a greater share of the UK energy supply, exposing the UK to greater risk of supply shortages and higher carbon emissions.

As LNG imports are estimated to produce on average almost four times the emissions intensity of UK domestic gas, domestic gas opportunities can contribute significantly to near-term lower emissions by displacing LNG imports and coal-based energy options.

The Government has signalled its intention to reach Net Zero by 2050 and, in 2021, the NSTA revised its strategy to put Net Zero at the heart of its work alongside the role of stewarding production. The North Sea Transition Deal between government and industry set out an ambitious programme for this path and the crucial role that the UK's oil and gas industry should play. The NSTA has an expanding role in energy transition, including carbon storage licencing and permitting, monitoring of emissions, assessing a net zero test for new developments and stewarding domestic production. In recent months the UK Government has raised the important role that the UKCS sector can play in delivering energy security to the UK.

Specific NSTA workstreams include:

- stewarding ongoing production from oil and gas fields;
- licencing and stewarding new oil and gas developments from licencing to production;
- monitoring industry greenhouse gas emissions in line with the North Sea Transition Deal;
- encouraging platform electrification projects in the Central North Sea and West of Shetland;
- as the licencing authority for carbon storage, stewarding projects through development and supporting the government's CCUS deployment pathway;
- providing a huge quantity of data required to assist in finding suitable locations for oil and gas exploration as well as carbon storage and other projects;
- working with industry to support improved environmental, social and governance reporting;
- leading studies to assess the potential for hydrogen power and carbon storage in hubs such as HyNet; and

- driving offshore energy integration to build closer links between oil and gas and renewables and reduce carbon emissions from oil and gas production.

It is expected that, as greener energy sources advance over future years, the role of oil and gas will reduce, but currently they remain an essential resource, providing around 75 per cent. of the UK's energy needs. At the same time, ongoing global and geopolitical events have thrown security of supply into sharper focus alongside the transition to Net Zero.

9. Environmental and Social Governance

EnergyPathways' stated aim is to be *"a responsible steward of the environment"*. It is committed to running a safe, efficient and socially responsible business. It endeavours to maintain best industry practice standards, processes and tools in order to manage safety, the environment and its engagement with communities and to identify and minimise adverse environmental and social impacts.

EnergyPathways seeks to contribute to the development of local economies by creating jobs, boosting skills, sourcing materials, equipment and services from local suppliers wherever possible, and helping to improve industry standards.

10. Reasons for Admission and Use of Proceeds

The Company is seeking Admission in order to take advantage of AIM's profile, broad investor base, liquidity and access to institutional and other investors and to further support the achievement of the Enlarged Group's strategic objectives.

The Company has conditionally raised gross proceeds of £2,000,000 through the Placing and has existing cash resources of approximately £12,000. In addition, the Company has provided the Enlarged Group with cash of approximately £465,000. Expenses in connection with the Acquisition, the Placing and Admission are expected to be approximately £681,000 (inclusive of VAT), of which approximately £641,000 is payable in cash. The Company will therefore have net proceeds available of approximately £1.8 million.

The indicative use of the cash available following Admission can be broken down approximately as follows:

- £1.2 million will be required to fund the initial field development through to a FID milestone and new business activities; and
- £0.6 million will provide the Enlarged Group with ongoing working capital to support its business operations.

11. Directors

The current Directors are Neil Cousins (Non-executive Chairman) and Lincoln Moore (Non-executive Director). On Admission, both of the current Directors will resign from the Board and the Proposed Directors will be appointed.

On Admission, the Board shall comprise three Executive Directors and three Non-Executive Directors. The biographical details of each of the Directors on Admission are set out below.

Mark Steeves, *Independent Non-executive Chairman (aged 70)*

Mr Steeves is an experienced board chair, company director, international businessman and entrepreneur with experience of start-ups, SMEs and multinationals, in oil & gas, mining and their service sectors and in financial services, including investment banking and insurance.

Much of Mr Steeves' early career was in oilfield services, first in the supply vessel industry then in procurement, turnkey engineering, single point tanker mooring operations and ship management. Subsequently he worked for HSBC Insurance Brokers, specialising in up and downstream oil and gas assets and operations.

Since 2010, Mr Steeves has provided consultancy services to a wide range of companies. He is Chair of the governing body of VSA Capital plc and he is a Friend of the Geological Society of London, sitting on both the Development Committee and the Geological Society Business Forum.

Benedict (Ben) Clube, *Chief Executive Officer (aged 58)*

Mr Clube qualified as a Chartered Accountant with PWC UK and went on to become an energy industry executive. He has over 25 years' experience in the sector and has taken a lead role in the growth of small-mid cap and major companies, adding significant shareholder value through the identification and development of new growth opportunities. He has also played a lead role in procuring project finance, successfully raising funds on equity and debt capital markets.

Previously, Mr Clube was lead executive director of FAR Limited, an ASX listed company, where he was responsible for building FAR's core African business. FAR successfully completed 11 deep water wells in frontier Senegal and The Gambia and made the discovery of approximately 350 million barrels of oil, which was the largest oil discovery in the world, in 2014. During his tenure, FAR's market capitalisation rose from approximately A\$100 million to approximately A\$800 million. Mr Clube successfully completed major farm out and partnership agreements between FAR and ConocoPhillips, Cairn Energy, CNOOC and PETRONAS. The PETRONAS-FAR deal was nominated by the Oil and Gas Council as "Deal of the Year" in 2018.

Mr Clube was also Senior Vice President of Finance at BHP Petroleum, where he had a lead role in a number of very large gas, LNG and oil development and commercialisation projects in Australia, North Sea, UK Irish Sea, Gulf of Mexico, South Asia, East Asia, Africa and South America.

Ben Hodges, *Chief Financial Officer (aged 49)*

Mr Hodges is a Fellow of CPA Australia with 25 years' experience in both the accounting profession and in industry, including over fifteen years' experience in oil & gas and mining. He currently serves as Finance Director of First Development Resources plc and Chief Financial Officer at Arcotech Group plc, both on a part time basis, and he previously served as Chief Financial Officer of Thor Explorations Ltd, a company with dual listing on AIM and the TSXV. During this time Thor progressed from an exploration company to production from Nigeria's first gold mine. In addition, Mr Hodges previously held the position of Chief Financial Officer at Atlantic Coal, a formerly AIM listed coal mining company. He has extensive experience working with listed growth companies on AIM, the TSXV and the ASX, with a focus on financial and management reporting, corporate governance, IPOs and corporate finance.

Graeme Paul Marks, *Director and Asset Manager (aged 72)*

Mr Marks holds a MSc (Hons) degree in Geology from Waikato University, NZ, is a Fellow of the Geological Society of London, a past member of the Petroleum Exploration Society of Great Britain (PESGB) and the Association of International Petroleum Negotiators (AIPN). Mr Marks is an upstream oil and gas professional with global operational experience within major independent energy companies in the UKCS, North Sea and other basins worldwide including Norway, Russia, Kazakhstan, Iraq, Gulf Regions and Pakistan. He has over thirty years of broad experience gained mainly with Shell, initially as a petroleum geologist and has strong technical and commercial acumen, particularly in exploration and commercial/business development and M&A. His most recent experience focused on unconventional opportunities in Shell's global portfolio.

Stephen West, *Non-executive Director (aged 51)*

Mr West is an experienced Fellow Chartered Accountant (CA ANZ) and ACA (ICAEW), with 30 years' financial and corporate experience gained in public practice, oil and gas, mining, biotech and investment banking. Mr West has held several senior positions in mining and in oil and gas companies. These included PetroNor E&P Limited, where he was Executive Director and Chief Financial Officer and instrumental in the successful US\$100 million merger of African Petroleum Corporation Ltd and PetroNor E&P Limited in August 2019. Mr West was also a Non-Executive Director of ASX-listed Apollo Consolidated Limited, a company taken over for A\$181 million in 2021. He is the founder and executive chairman of Roquefort Therapeutics plc.

Horácio Luis De Brito Carvalho, *Independent Non-executive Director (aged 77)*

Mr Carvalho has more than 40 years' experience developing projects in energy, cleantech, renewables and other sustainable sectors. Mr Carvalho holds a number of board positions, including being the CEO of Climate Change Ventures Limited, which provides financial services to climate change related businesses, Hydrogen Ventures Limited, a UK based green hydrogen project developer and Resero Gas Ltd, a UK based developer and operator of LNG gas terminals.

Previously, Mr Carvalho founded and ran General des Eaux, a Portugal-based water processing and supply company serving 25,000 households as well as having experience in waste recycling, carbon credit and biodiesel trading.

Mr Carvalho studied mechanical engineering, business and economics in the UK.

12. Financial Information

The following financial information has been derived from selected financial information contained in Part IV and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information set out below.

Company

The table below presents a summary of the audited income statement of the Company for both the 13-month period from incorporation on 15 February 2021 to 28 February 2022 and the year ended 28 February 2023, together with a summary of the unaudited income statement of the Company for the six-month period ended 31 August 2023, being the latest accounting periods for the Company's accounts under IFRS:

	<i>Audited</i> 13 months ended 28 February 2022 £	<i>Audited</i> Year ended 28 February 2023 £	<i>Unaudited</i> 6 months ended 31 August 2023 £
Revenue	–	–	–
Gross loss	(611,775)	(153,870)	(275,342)
<i>Gross profit margin</i>	–	–	–
EBITDA	(611,775)	(153,870)	(275,342)
Loss before income tax expense	(611,775)	(153,870)	(267,342)

EP Group

The table below presents a summary of the audited income statement of the EP Group for the 18-month period from incorporation on 16 July 2021 to 31 December 2022, together with a summary of the unaudited income statement of the EP Group for the six-month period ended 30 June 2023, being the latest accounting period for the EP Group's accounts under IFRS:

	<i>Audited</i> 18 months ended 31 December 2022 £	<i>Unaudited</i> 6 months ended 30 June 2023 £
Revenue	–	–
Gross loss	–	–
<i>Gross profit margin</i>	–	–
EBITDA	(1,257,193)	(299,617)
Loss before income tax expense	(1,257,193)	(305,116)

13. Current Trading

EnergyPathways' technical activities after the end of financial year included (but were not limited to):

- studies, evaluations, interpretations and analyses relating to the Marram Field development concepts, geo-energy potential of assets and resources in the UK Irish Sea;
- reservoir studies and analyses in relation to tight reservoir development and production management relevant to the UK Irish Sea, including well completion and stimulation designs, reservoir studies and analyses in relation to natural gas storage development and production management;

- analyses of existing UK Irish Sea producing fields in the region and production costs and commercial and production management;
- technical analyses of existing gas processing plants and infrastructure;
- supply chain analysis relevant to UK Irish Sea energy development; and
- analyses of the UK NTS and National Grid and production and interrelation with North West of England regional area.

Business development activities included;

- opportunity identification, technical and commercial opportunity analysis;
- analysis of tidal energy technologies and their potential application in the UK Irish Sea;
- evaluation and analysis of energy transition regularity and policy frameworks in UK and elsewhere impacting on the UK jurisdiction; and
- evaluation and negotiation of various financing options in support of EnergyPathways' strategy.

There are no current production activities or related costs.

14. Legislative Framework and Regulatory Environment

The Petroleum Act 1998 ("Petroleum Act") is the principal legislation regulating the grant of rights to bore for and obtain petroleum in the United Kingdom. It was enacted on 11th June 1998 and repealed the Petroleum Production Act 1934. Reference is made in the Petroleum Act to the OGA. On 21st March 2022, the OGA changed its name to the North Sea Transition Authority ("NSTA") (although OGA remains the legal name of the NSTA) but the same legislation applies. The following is a summary of the provisions of the Petroleum Act.

The Petroleum Act provides that petroleum deposits (which includes shale gas) below land in Great Britain are the property of the Crown but permits the NSTA to grant licences to search and bore for, and get petroleum, to such persons as it thinks fit. The Petroleum Act is supplemented by various environmental and health and safety legislative provisions, details of which are summarised in this paragraph 14.

All regulatory powers for the oil and gas industry, apart from those concerned with the environment, have been transferred from the Secretary of State to the OGA.

There are two types of licence that can be obtained for exploration and production of oil and gas in the UK. There are the seaward (UKCS or offshore) licences and the landward (onshore) licences. Seaward licences can be further divided into exploration and production licences:

- (a) an exploration licence is a non-exclusive licence to search for petroleum in the strata in the islands and in the seabed and subsoil in any seaward area and in those parts of any landward area which are below the low-water line. This right does not extend or interfere with rights held under a production licence by another, unless both agree otherwise. The exploration licence runs for a period of three years renewable for a further period of three years. The exploration licence permits the holder to conduct non-intrusive surveys such as seismic data-gathering or other geological prospecting. The exploration licence does not allow for significant drilling (drilling is limited to a maximum depth of 350 metres below the seabed).
- (b) a production licence is the main form of licence in the UK. It confers exclusive rights to search and bore for or get petroleum in the seabed and the subsoil under the seaward area. Except in special circumstances, all seaward production licences run for three successive terms:
 - (i) Initial term: A licence will expire at the end of its initial term unless the licensee has completed an agreed work programme and surrendered a fixed amount of acreage (usually 50 per cent.). The initial term is four years for both traditional and promote licences; either six or nine years for frontier or a more flexible period in the case of innovate licences. Innovate, traditional and promote licences have a mandatory relinquishment of 50 per cent. of the licence area at the end of the initial term. Frontier licences have a special mandatory relinquishment of 75 per cent. after three or six years with a mandatory relinquishment at the end of the initial term of 50 per cent. of the remainder (making seven-eighths in total)

- (ii) Second term: There is no agreed work programme; instead the licence will expire at the end of its second term unless the NSTA has approved a development plan

The second term is four years for traditional and promote licences and six years for frontier licences

- (iii) Third term: The third term is intended for production and is for 18 years.

All licences are issued within licensing rounds. In special circumstances out of round applications are allowed. During a licensing round, applications are open from applicants for licences. Before the 29th Offshore Seaward Licensing Round, there were three types of offshore production licences awarded:

- (i) the traditional licence;
- (ii) the promote licence; and
- (iii) the frontier licence.

From the 29th Offshore Licensing Round, which closed for application on 26th October 2016 and for which the offer of awards was made on 23rd March 2017, all new offshore production licences will now be 'innovate licences', offering greater flexibility for each applicant to design a work programme around particular circumstances.

The innovate licence will have a variable initial term (with a maximum of nine years), a variable second term of four years and a third term of 18 years. The initial term can be subdivided into up to three phases, with the work for each phase being addressed separately in the work programme:

- (i) Phase A is a period for carrying out geotechnical studies and geophysical data reprocessing;
- (ii) Phase B is a period for undertaking seismic surveys and acquiring other geophysical data; and
- (iii) Phase C is for drilling.

Seaward Licence P2490 (being the licence in connection with which the EP Group holds a 100 per cent. beneficial interest in block 110/4a) is held through EPIS, and is a UK Seaward Petroleum Production licence issued by the NSTA as an innovate licence. The licence was originally issued to Burgate in July 2019 under the Petroleum Act 1998, following which Burgate assigned a 100 per cent. beneficial interest in block 110/4a to EPIS on 8 March 2022.

The traditional licence was the original type of seaward production licence. It was by far the most common form of licence (in the 27th licencing round there were 192 applications for traditional licences out of 224 applications).

The promote licence was designed to grant small and start-up companies a production licence first and to attract the necessary operating and financial capacity later. The licence required financial, technical and environmental capacity to be in place, and a firm drilling (or agreed equivalent of an equally substantive activity) commitment to have been made by the end of the second year or the licence would expire at that time.

The frontier licence was designed to allow companies to evaluate larger areas with greater materiality for a period, so they could look for a wider range of prospects, or for the particularly harsh West of Scotland environment therefore the time allowed for exploration, appraisal and development was greater.

All petroleum exploration and production licences that are granted incorporate the model clauses (the "Model Clauses") which are contained in statutory instruments at the time of grant of each respective licence. Alternatively the NSTA may agree bespoke clauses that may apply to the exclusion of the Model Clauses. The Model Clauses give the NSTA the power to approve the appointment of an operator and to direct or restrict certain of the licensee's activities, including prohibiting a licensee from carrying out development or production activities other than with the consent of the NSTA, or in accordance with a government-approved development plan. A licence may be revoked by the NSTA for a number of reasons set out in the Model Clauses, which include if the licensee fails to comply with the requirements of the licence.

Licence assignments are prohibited unless they have the prior consent of the OGA. There are a number of issues that NSTA will take into account when deciding whether or not to give its approval including the technical and financial capacity of an assignee to discharge licence obligations.

On 26 October 2023 the Energy Act 2023 ("2023 Act"), a significant piece of primary energy legislation that aimed to secure a cleaner, more affordable, and more secure energy system, received royal assent. Prior to the 2023 Act, there was no requirement for approval of a change of control of a licensee, but the NSTA does have power, at its absolute discretion, to require a further change of control after the event, and failing that a power of revocation. The new 2023 Act provides the NSTA with the power to prevent a change of control by a licensee before it occurs by amending the model clauses of existing and future exploration and production licences.

Offshore operations on the UKCS are subject to numerous international, and national laws and regulations relating to environmental and/or health and safety (EHS) matters. These EHS laws and regulations apply at various stages, including before oil and gas production activities commence, during exploration and production activities and during and after decommissioning. They give rise to operational rules and regulations, generally through planning and permitting regimes. They also give rise to operational liabilities, and rules governing those liabilities, in the event of incidents, accidental spillages or discharges.

Before a UK licensing round begins, the NSTA will consult with various public bodies that have responsibility for the environment. Applicants for production licences must demonstrate adequate environmental competence and the application will generally include an environmental assessment of the licence block's environmental sensitivities. Where the applicant is not an established operator, the application must also include other environmental submission such as a statement of the general environmental policy of the operator in respect of the contemplated licence activities, a summary of the operator's management systems to implement the environmental policy and confirmation as to how those systems will be applied to the proposed work programme.

Additionally, the Offshore Petroleum Production and Pipelines (Assessment of Environmental Effects) Regulations 1999 (as amended) require the NSTA to exercise its licensing powers under the Petroleum Act in such a way to ensure that an environmental assessment is undertaken and an environmental statement is submitted to and considered by the NSTA before consent is given to certain projects.

The Department for Business Energy and Industrial Strategy (BEIS) (which in 2023 was transferred to the Department for Energy Security and Net Zero) is responsible for the approval of decommissioning programmes. The 2023 Act sets out new principles for decommissioning cost recovery for the offshore oil and gas sector. For instance, it introduces a new fee charging scheme for costs incurred by the Secretary of State in carrying out its regulatory functions to decommission offshore oil and gas infrastructure. The details of such charges will be laid out in secondary legislation in due course.

In March 2021, at the same time as announcing the North Sea Transition Deal, BEIS confirmed that it would be introducing a new climate compatibility checkpoint before each future oil and gas licensing round to ensure licences awarded are aligned with wider climate objectives, including net zero emissions by 2050 and the UK's diverse energy supply. The checkpoint will use the latest evidence, looking at domestic demand for oil and gas, the sector's projected production levels, the increasing prevalence of clean technologies such as offshore wind and carbon capture, and the sector's continued progress against its emissions reduction targets. The government has designed and implemented the checkpoint, published by the BEIS in September 2022, through extensive engagement with a wide range of stakeholders. This was applied to the 33rd licence round which was announced in October 2022. A first tranche of licences were awarded in October 2023 under this round. East Irish Sea licences will be awarded subject to additional environmental checks.

In March 2021, BEIS announced that the government had entered into a North Sea Transition Deal with the oil & gas industry. The deal is intended to support existing companies to decarbonise, exploit new and emerging technologies (such as hydrogen production, CCUS, offshore wind and decommissioning) and attract new industrial sectors to the UK, to support achieving the net zero target.

The Maximising Economic Recovery ("MER") UK Strategy came into effect in March 2016. It imposed a central obligation on all "relevant persons", including offshore licence holders and operators of offshore infrastructure, to take the steps necessary to secure the maximum value of economically recoverable petroleum that is recovered from the UK seabed. It set out key obligations and requirements for each stage of oil and gas projects (exploration to decommissioning).

On 6 May 2020, the OGA opened a consultation on proposals to revise the MER UK strategy to include a requirement for the UK's oil & gas industry to help the government achieve the net zero target. The consultation closed on 29 July 2020. On 16 December 2020, the OGA submitted the revised strategy (now called the OGA Strategy) for laying before the UK Parliament.

On 11th February 2021, the new OGA Strategy came into effect. The supporting obligations in the OGA Strategy (which clarify how the oil and gas industry must comply with the central MER obligation) have been amended to reflect the net zero target and related considerations.

15. The Acquisition

On 15 December 2023 the Company (as buyer), EnergyPathways and the Sellers entered into the Acquisition Agreement. Under its terms and subject to certain conditions, the Company has agreed to purchase the entire issued share capital of EnergyPathways (including the Existing EPL Warrants and the Performance Shares) for an aggregate purchase price of £2.72 million to be satisfied by the issue of the Consideration Shares at the Issue Price. The Consideration Shares will represent approximately 43 per cent. of the Enlarged Issued Share Capital immediately following Admission. The Acquisition is subject to certain conditions, *inter alia*, Admission occurring and there being no material adverse change in respect of EnergyPathways.

In addition, in connection with the Acquisition, Lincoln Moore and Neil Cousins are each entitled to a transaction fee of £20,000 payable upon Admission. Lincoln Moore and Neil Cousins have agreed that these fees shall be applied to subscribe for 500,000 Conversion Shares each at the Issue Price.

Further details of the Acquisition Agreement are set out in paragraph 12.1 of Part VII of this document.

16. Change of Name

Immediately following Admission, application will be made to change the name of the Company to EnergyPathways plc to better reflect the operations of the Enlarged Group and the Company's symbol will be EPP. Its website address will be changed to www.energypathways.uk

17. Details of the Placing

Optiva and GIS have conditionally agreed, pursuant to the Placing Agreement and as Joint Brokers for the Company, to use their reasonable endeavours to procure Placees at the Issue Price and the Company has placed some of the Placing Shares directly, pursuant to the Subscription Letters. The Placing will raise in aggregate, approximately £2 million (before expenses) for the Company. The Placing is not underwritten, and is conditional upon, *inter alia*, on Admission becoming effective by not later than 8.00 a.m. on 20 December 2023 (or such date as the Company, Cairn, Optiva and GIS may agree, being not later than 5.00 p.m. on 31 December 2023) and on the Placing Agreement not being terminated.

Following Admission, the Placing Shares will represent in aggregate, approximately 31.66 per cent. of the Enlarged Issued Share Capital. The Placing Shares will be issued as fully paid and will, upon issue, rank *pari passu* with the Existing Ordinary Shares including the right to receive all dividends and other distributions declared, made or paid on or in respect of such shares after their date of issue, being the date of Admission.

The Directors and certain of the Proposed Directors (and their related parties) are directly or indirectly participating in the Placing, investing £117,000 for 2,925,000 Ordinary Shares in aggregate representing 5.85 per cent. of the total number of Placing Shares. On Admission, the Directors will hold directly or indirectly, 4,200,000 Ordinary Shares in aggregate representing 2.66 per cent. of the issued share capital and the Proposed Directors will hold, directly or indirectly, 22,874,259 Ordinary Shares in aggregate representing 14.49 per cent of the issued share capital.

Further details of the Placing Agreement are set out in paragraph 12.3 of Part VII of this document.

18. Conversion Shares and sums due to personnel

On Admission, pursuant to the Deeds of Novation and Conversion, the Company Debt Letters and the DSI Accrual Letters, certain Directors, Proposed Directors, consultants and employees of EnergyPathways and

the Company will be issued 13,352,674 Conversion Shares to satisfy £534,107 of fees incurred prior to Admission. Following Admission, the Company has agreed to satisfy certain remaining sums due of £418,056 in aggregate to directors and consultants of EnergyPathways in cash at Admission and/or by the issue of further Ordinary Shares, subject to the Company having sufficient authorities in place to issue such Ordinary Shares and such issue of shares not requiring any persons deemed to be acting in concert to make an offer under Rule 9 of the Takeover Code. The Ordinary Shares are to be issued at the lower of the Issue Price and market value at the relevant time of issue. Details of the Deeds of Novation and Conversion, the Company Debt Letters and the DSI Accrual Letters are set out in paragraphs 12.19 to 12.26 (inclusive) of Part VII of this document.

Included in the 13,352,674 Conversion Shares above are 1,000,000 Conversion Shares that are to be issued to Lincoln Moore and Neil Cousins in aggregate in respect of £20,000 transaction fees that they are each owed by the Company in connection with the Acquisition and 1,800,000 DSI Accrual Shares in respect of £36,000 of directors' fees that they are each owed by the Company.

19. Lock-ins and orderly market arrangements

Certain of the Locked-In Shareholders, who are required to be locked-in in accordance with Rule 7 of the AIM Rules, who at Admission will hold in aggregate 29,182,135 Ordinary Shares (representing approximately 18.48 per cent. of the Enlarged Issued Share Capital), have undertaken pursuant to the AIM Rule 7 Lock-In Agreements not to (and to procure that their associates shall not), save in limited circumstances permitted by the AIM Rules, dispose of any of their interests in Ordinary Shares (including any Ordinary Shares that they may acquire prior to the first anniversary of Admission) at any time prior to the first anniversary of Admission.

A number of other Locked-In Shareholders, who are not subject to Rule 7 of the AIM Rules, will hold in aggregate 987,637 Ordinary Shares (representing approximately 0.63 per cent. of the Enlarged Issued Share Capital), have undertaken pursuant to Additional Lock-In Agreements not to (and to procure that their associates shall not), dispose of any of their interests in Ordinary Shares at any time prior to the first anniversary of Admission.

In addition, there are Locked-In Shareholders who at Admission will hold a minimum of 34,345,330 Ordinary Shares representing approximately 21.75 per cent. of the Enlarged Issued Share Capital, who have undertaken pursuant to Short Lock-In Agreements not to (and to procure that their associates shall not), dispose of any of their interests in Ordinary Shares at any time during the six months following Admission.

In addition, in order to ensure an orderly market in the Ordinary Shares, certain Locked-In Shareholders have further undertaken that they shall not (and that they will use their reasonable endeavours to procure that their associates shall not), for a further period of 12 months (in the case of those entering into AIM Lock-In Agreements and the Additional Lock-In Agreements), or 6 months (in the case of certain Locked-In Shareholders entering into Short Lock-In Agreements), deal or otherwise dispose of any such interests (a) without the prior written consent of Cairn, GIS and Optiva and (b) only through GIS or Optiva (or for certain shareholders, such other reputable broking service as such Locked-In Shareholders shall, from time to time, determine provided that, in all cases, any such broker or the respective shareholder consults with GIS or Optiva in order to maintain an orderly market in the Ordinary Shares).

In respect of certain Short Lock-In Agreements, for various Locked-In Shareholders, their 6 month lock-in period and their 6 month orderly market periods run concurrently and in respect only of a total of two-thirds of their shares (one-third of their total shares as at 15 December 2023 being subject to the lock-in and one-third of their total shares as at 15 December being subject to the orderly market arrangements).

Further, certain EPL shareholders, who on Admission will hold 8,974,868 Ordinary Shares representing approximately 5.68 per cent. of the Enlarged Issued Share Capital, have undertaken pursuant to Orderly Market Agreements that they shall not, for a period of 12 months following Admission (subject to certain limited exceptions), deal or otherwise dispose of any such interests (a) without the prior written consent of Cairn, GIS and Optiva and (b) only through GIS or Optiva.

Certain DSI and EPL shareholders, who on Admission will hold a minimum of 6,060,775 Ordinary Shares representing approximately 3.84 per cent. of the Enlarged Issued Share Capital, have also undertaken pursuant to Orderly Market Agreements that they shall not, for a period of 6 months following Admission

(subject to certain limited exceptions), deal or otherwise dispose of any such interests (a) without the prior written consent of Cairn, GIS and Optiva (or for certain of the Shareholders), only through GIS or Optiva (for certain persons, or such other reputable broking service as the Orderly Market Shareholders shall, from time to time, determine provided that, in all cases, any such broker consults with GIS or Optiva in order to maintain an orderly market in the Ordinary Shares).

Further details of the lock-in and orderly-market arrangements are set out in paragraphs 12.8 to 12.11 of Part VII of this document.

20. Corporate Governance

Corporate Governance

The Proposed Directors recognise their responsibility for the proper management of the Company and are committed to maintaining a high standard of corporate governance. The Proposed Directors also recognise the importance of sound corporate governance commensurate with the size and nature of the Company and the interests of its Shareholders. The Directors and Proposed Directors have agreed that conditional on Admission, the Company will, from Admission, continue to adopt the QCA Code.

The QCA Code recommends that the board of directors should include a balance of executive and non-executive directors, such that no individual or small company of individuals can dominate the board's decision taking. In the case of a smaller company, such as the Company, the QCA Code recommends that the board should include at least two non-executive directors who are deemed to be independent for the purposes of the QCA Code. The Proposed Board comprises three executive directors and three non-executive directors (including the Chairman), reflecting a blend of different skills, experiences and backgrounds. Mark Steeves and Horácio De Brito Carvalho are considered to be independent for the purposes of the QCA Code. Details as to how the Company complies with the QCA Code is set out in Part VI of this document.

The Company will hold regular board meetings and the Directors will be responsible for formulating, reviewing and approving the Company's strategy, budget and major items of capital expenditure. The Company has established the Remuneration Committee, and the Audit Committee and will establish the ESG Energy Transition Committee with formally delegated duties and responsibilities and has adopted a share dealing code and an anti-bribery and corruption policy.

Audit Committee

The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Enlarged Group's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Enlarged Group. Under its terms of reference, the Audit Committee is required to meet at least three times a year, and the executive directors may attend by invitation. It is responsible for keeping under review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditors and also has responsibility for matters of risk, for public reporting and internal controls and for arrangements whereby employees may raise matters of concern in confidence.

The Audit Committee is chaired by Stephen West and its other members are Mark Steeves and Horácio De Brito Carvalho, the majority of whom are independent and are deemed to have recent and relevant financial expertise.

Remuneration Committee

The Remuneration Committee will review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of employment. Under its terms of reference, it is required to meet at least twice a year and other directors may attend by invitation. It is responsible for ensuring that the executive directors, officers and other key employees are fairly rewarded (which extends to all aspects of remuneration) for their individual contribution to the overall performance of the Enlarged Group.

The Remuneration Committee is chaired by Horácio De Brito Carvalho and its other member is Mark Steeves.

ESG Energy Transition Committee

The Company intends to establish an ESG Energy Transition Committee in the future. The ESG Energy Transition Committee will have primary responsibility for monitoring the Enlarged Group's operations to ensure that sustainability, transition to net zero and its positive contribution to society is incorporated in all aspects of the Enlarged Group's development. Terms of reference for the ESG Energy Transition Committee shall be prepared, under which it is anticipated that the committee will be required to meet at least twice a year and other directors may attend by invitation. It will be responsible for ensuring that the Enlarged Group's internal controls demonstrate and record conformity with the Enlarged Group's stated sustainability goals, to keep abreast of external trends or regulatory changes that may be relevant, and to review at least annually the Enlarged Group's stated responsibilities with respect to sustainability, ESG policy and transition to net zero.

It is expected that the ESG Energy Committee will be chaired by Horácio De Brito Carvalho and its other members will be Mark Steeves and Ben Clube.

Share Dealing Code

The Proposed Directors will comply with, and seek to procure compliance by applicable employees with, the relevant provisions of the AIM Rules and MAR relating to dealings by Directors and applicable employees in the securities of the Company. The Company has adopted a share dealing code which sets out the requirements and procedures for dealings by the Board and applicable employees in the Company's securities in accordance with the provisions of MAR and the AIM Rules. The Company will continue to take all reasonable steps to ensure compliance by the Board and all applicable employees with the terms of the share dealing code.

21. Share Options/Incentives

At an annual general meeting of the Company held on 28 June 2023, the Company obtained approval from shareholders to implement the Share Option Scheme. The Share Option Scheme provides that options issued pursuant to it shall be subject to time and/or performance conditions, details of which are set out in paragraph 11 of Part VII of this document, for the purpose of encouraging the retention and performance of the Directors, employees and consultants.

On Admission, 20,371,243 Options over Ordinary Shares are to be granted to the Proposed Directors and certain key employees and consultants, as further detailed in paragraph 4.8 of Part VII of this document, pursuant to the terms of the Share Option Scheme.

22. Warrants

As at the date of this document, the Company has granted the following Existing DS Warrants over Ordinary Shares which remain unexercised and the key terms of such warrants are briefly summarised in the table below:

<i>Warrant Type</i>	<i>Number of Existing DS Warrants</i>	<i>Exercise price</i>	<i>Exercise period</i>
Founder Warrants	7,500,000	£0.05	5 years from IPO Admission
IPO Broker Placing Warrants	75,000	£0.05	3 years from IPO Admission
IPO Broker Performance Warrants	500,000	£0.05	3 years from IPO Admission (subject to vesting criteria being satisfied)
IPO Placing Agent Seed Warrants	437,500	£0.04	3 years from IPO Admission
TOTAL	8,512,500		

As at the date of this document, the Company has agreed to grant the following New Warrants, such grants being made subject to and conditional upon Admission:

<i>Warrant Type</i>	<i>Number of New Warrants</i>	<i>Exercise price</i>	<i>Exercise period</i>
Optiva Placing Warrants	525,000	Issue Price	3 years from Admission
Optiva Performance Warrants	625,000	Issue Price	3 years from Admission (subject to vesting criteria being satisfied)
GIS Placing Warrants	390,000	Issue Price	3 years from Admission
GIS Performance Warrants	625,000	Issue Price	3 years from Admission (subject to vesting criteria being satisfied)
Cairn Warrants	1,579,165	Issue Price	5 years from Admission
Transaction Warrants	6,000,000	Issue Price	7 years from Admission
TOTAL	<u>9,744,165</u>		

23. Dividend Policy

The EP Group's focus is on bringing the Marram Field to commercial production. Until that happens and the Enlarged Group becomes a revenue-generating business with distributable reserves, the Proposed Directors do not expect to be in a position to declare and pay dividends to Shareholders. Thereafter, a dividend policy will be adopted which takes into account the capital requirements of the Company, the Enlarged Group's future acquisition strategy and available cash resources. Accordingly, the potential to pay dividends will be kept under review and consideration by the Board as the Marram Field progresses towards commercial production.

24. Taxation

Information regarding certain taxation considerations for corporate, individual and trustee Shareholders in the United Kingdom with regard to Admission is set out in paragraph 16 of Part VII of this document.

25. Takeover Code

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which that person or any person acting in concert with that person is interested carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining Shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with that person, is interested in shares which, in the aggregate, carry not less than 30 per cent. of the voting rights of such company, but does not hold shares carrying more than 50 per cent. of the voting rights of the company, an offer will normally be required if such person or any person acting in concert with that person acquires a further interest in shares which increases the percentage of shares carrying voting rights in which that person is interested.

An offer under Rule 9 must be in cash at the highest price paid by the person required to make the offer, or any person acting in concert with such person, for any interest in shares of the company during the 12 months prior to the announcement of the offer.

The Company has agreed with the Panel that the following persons will be presumed to be acting in concert in relation to the Company: (1) Zeta Petroleum plc, (2) Ben Clube (via Painkalac Holdings Pty Ltd ATF Lighthouse Trust), (3) Peter Nicholls (via Davis Kerford Pty Ltd and Mimosa Grand Pty Ltd), (4) Graeme Marks, (5) David Ormerod (via Ormerod Family Investments Trust), (6) Rohan Irvin (via Teggau Lake Pty Ltd), (7) Lee Reborse (via ROHI Nominees PTY Ltd), (8) Stephen West (via Cresthaven Investments Pty Ltd ATF Bellini Trust) and (9) Glenda Nicholls.

Following Admission, the members of the Concert Party will be interested in 47,010,076 Ordinary Shares, representing 29.77 per cent. of the voting rights of the Company excluding all interests held in Options or Warrants that certain members of the Concert Party will hold on Admission. It is a condition of the agreements in relation to these Options and Warrants that they cannot be exercised if the result would be that the aggregate holding of the Concert Party would be over 29.9 per cent. of the enlarged voting rights of the Company. Assuming exercise by the members of the Concert Party of the Options and Warrants to the maximum extent allowed under the terms of the Options and Warrants, the members of the Concert Party would be interested in Ordinary Shares representing 29.9 per cent. or more of the enlarged voting rights of the Company. A table showing the respective individual interests in Ordinary Shares of the members of the Concert Party on Admission is set out in paragraph 15 of Part VII of this document.

Further information on the provisions of the Takeover Code and the holdings of the Concert Party is set out in paragraph 15.5 of Part VII of this document.

26. Admission, Settlement and Dealings

Application will be made to the London Stock Exchange for the Enlarged Issued Share Capital to be admitted to trading on AIM and it is expected that Admission will become effective and dealings will commence in the Enlarged Issued Share Capital at 8.00 a.m. on 20 December 2023. No application has or will be made for the Ordinary Shares to be admitted to trading or to be listed on any other stock exchange.

No temporary documents of title will be issued. All documents sent by or to a placee will be sent through the post at the placee's own risk. Pending the dispatch of definitive share certificates, instruments of transfer will be certified against the register of members of the Company.

The above-mentioned dates and times may be changed without further notice.

The New Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CREST).

Cairn has been appointed as the Company's nominated adviser in relation to Admission and Optiva and GIS have been appointed as the Company's joint Brokers in relation to the Placing and Admission.

27. CREST

CREST is a paperless settlement system, enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument, in accordance with the CREST Regulations.

The New Ordinary Shares will be eligible for CREST settlement. Accordingly, following Admission settlement of transactions in the Ordinary Shares may take place within the CREST system if a Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates are able to do so.

For more information concerning CREST, Shareholders should contact their stockbroker or Euroclear UK & International Limited at 33 Cannon Street, London EC4M 5SB or by telephone on +44 (0) 20 7849 0000.

28. Risk Factors and Additional Information

Your attention is drawn to the additional information set out in Parts II to VII (inclusive) of this document. You are recommended to read all the information contained in this document and not just rely on the key or summarised information. In particular, prospective investors should read in full the Risk Factors set out in Part II of this document.

The technical information contained in this document has been reviewed and approved by the Competent Person insofar as it relates to the contents of their CPR. The Competent Person has consented to the inclusion of the technical information in this document relating to its CPR in the form and context in which it appears.

29. Extraction of information from the CPR

This Part I contains cross-references to information contained in the CPR set out in Part III of this document. The Company and RISC confirm that such information has been accurately reproduced and that so far as the Company is aware and is able to ascertain from the CPR, no facts have been omitted which would render such extracts inaccurate or misleading. The Competent Person has reviewed the information contained in this document which relates to information contained in their CPR and has confirmed in writing to the EP Group and Cairn that the information presented is accurate, balanced and complete and not inconsistent with the CPR from which such information has been extracted.

PART II

RISK FACTORS

An investment in the Ordinary Shares may not be suitable for all prospective investors and is subject to a number of risks. Before making an investment decision, prospective investors are advised to consider carefully the risks and uncertainties associated with an investment in the Ordinary Shares, the Enlarged Group's business and the industry in which it operates and to consult a professional adviser authorised under FSMA who specialises in advising on investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

In addition to the other relevant information set out in this document, the Directors and the Proposed Directors consider that the following risk factors, which are not set out in any particular order of priority, magnitude or probability, are of particular relevance to the Enlarged Group's activities and to any investment in the Enlarged Group. It should be noted that additional risks and uncertainties not presently known to the Directors and Proposed Directors, or which they currently believe to be immaterial, may, individually or cumulatively, also have a material adverse effect on the Enlarged Group's operating results, financial condition and prospects. Any one or more of these risk factors could have a materially adverse impact on the value of the Ordinary Shares and/or the Enlarged Group's business, financial condition, results of operations or prospects and should be taken into consideration when assessing the Enlarged Group.

There can be no certainty that the Enlarged Group will be able to implement successfully the strategy set out in this document. No representation is or can be made as to the future performance of the Enlarged Group and there can be no assurance that the Enlarged Group will achieve its objectives.

It should be noted that the factors listed below are not intended to be exhaustive and do not necessarily comprise all of the risks to which the Enlarged Group may be exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in market and/or economic conditions, political, judicial and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it operates. There may be additional risks and uncertainties that the Directors and the Proposed Directors do not currently consider to be material, or of which they are currently unaware, which may also have an adverse effect upon the Enlarged Group.

If any of the risks referred to in this Part II occur, the Enlarged Group's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of the Ordinary Shares could decline and investors may lose all or part of their investment.

1. Risks relating to the Enlarged Group's business

Changes to and implementation of Government Policy, Legislation and Regulation, and Government Approvals

EnergyPathways' assets, licences and operations are principally subject to the laws and regulations of England, including those regulations, laws and policies relating to the UK's energy and petroleum industries, health and safety, the environment and the development, production, pricing and marketing of natural gas, hydrogen, energy storage, energy infrastructure, carbon capture and storage and carbon emissions. In addition, the Enlarged Group will be subject to the UK's laws affecting the taxation, royalties, duties, government grants and concessions, that are relevant to or applied to the petroleum and energy industries' carbon emissions.

The laws and regulations governing the UK energy sector are subject to the interpretation and implementation by relevant Government regulatory bodies and the continuity of UK Government energy and emissions policy, strategy, laws and regulations, and their interpretation and implementation by relevant Government regulators cannot be assured. Changes to UK Government energy and emissions policy, strategy or legislation including those relating to fiscal arrangements, taxes and levies and investment

approvals relating to domestically sourced energy supply and generation as well as imported energy supply may have a material direct or indirect impact on the viability or commerciality of the Enlarged Group's investment in assets and licences.

In order to conduct its operations in compliance with these laws and regulations, the Enlarged Group must obtain licences, permits and approvals from various government authorities. The grant, continuity and renewal of the necessary approvals, permits, licences and contracts, including the timing of obtaining such licences and the terms on which they are granted, are subject to the discretion of the relevant governmental and local authorities in the UK and cannot be assured. In addition, the Enlarged Group may incur substantial costs, including taxes and levies, in order to comply with existing laws and regulations and additional costs if these laws are revised or if new laws affecting the Enlarged Group's operations are passed.

EnergyPathways' strategy of developing the Marram Field is dependent on raising the necessary funds

The EP Group's business plan requires substantial capital expenditure to complete Phase 2 of its development plan and the future expansion and development of the Enlarged Group's business may also require additional capital. The EP Group currently has no cashflow producing assets and whilst the EP Group has already received indicative debt funding offers for Phase 2 and expressions of interest in relation to Phase 2 equity funding, this funding is not yet contractually committed and there can be no guarantee that this funding will be available to the Group when it is needed.

The time to develop the Marram Field may be materially longer than foreseen and the resulting costs greater than anticipated. There is no assurance that the Enlarged Group will be able to generate sufficient internal cash flow, or that the necessary debt or equity financing will be available, or will be sufficient, to meet the Enlarged Group's funding requirements in the longer term to pursue its future strategic decisions, or that, if additional debt or equity financing is available, it will be on terms acceptable to the Enlarged Group. The Enlarged Group may not be able to generate sufficient and sustainable cash flows or finance its activities in the longer term if it is unable to raise additional capital. The Enlarged Group's inability to access sufficient capital for its operations may have a material adverse effect on its business, financial condition, results of operations and prospects.

Exposure to commodity price volatility and economic factors

Once in production, the Enlarged Group's only source of revenue will be from the production and sale of natural gas. Accordingly, the Enlarged Group will be exposed to commodity price volatility that may positively or negatively impact the Enlarged Group.

Fluctuations in commodity prices are unlikely to have any material effect on the Enlarged Group's day-to-day operating costs but they will affect the Enlarged Group's future revenue from the sale of any gas produced. In the event of an extreme downward variation in gas prices, the Marram Field operations may become uneconomic to maintain and it could lead to the host infrastructure, upon which the Marram Field is dependent for its production, to be decommissioned earlier than currently planned. Other significant changes in the oil and natural gas industry, including economic conditions, environmental regulations, government policy and other geopolitical factors, could adversely affect the Enlarged Group's ability to derive full value from its assets.

Inflationary pressures and use of estimates

The Enlarged Group's development plans require significant capital expenditure prior to it being able to monetise the Marram Field, including the drilling of two wells, the procurement of goods and services and engineering modifications to existing host infrastructure. In its financial forecasts, the EP Group has made assumptions about the costs and availability of the components and services required to complete Phase 2 development. In the event of significant inflationary pressure or as a result of a shortage of supply that may lead to above inflationary cost increases, the Enlarged Group may not be able to complete Phase 2 development as early as forecast, or may need additional capital to meet the costs of development.

Supply chain

The delivery of the EP Group's plans is dependent on supply chain performance. External factors can have a material impact on the supply chain that can materially impact the availability and timing of equipment and resources required for development of the Marram Field.

Infrastructure Access

Natural gas production and energy supply from the Marram Field and other undeveloped gas resources in the UK Irish Sea region is potentially reliant on arranging access to existing infrastructure facilities to transport and/or process natural gas and provide energy supply to UK markets. Some of the region's existing gas infrastructure are late-life assets and their continuing operation and availability may be required in order to transport and process natural gas production from the Marram Field and other new developments planned by the Enlarged Group. Under UK regulations, owners and operators of infrastructure must ensure that it is operated in a way that facilitates the recovery of the maximum value of economically recoverable petroleum from the region in which it is situated. Compliance and enforcement of UK regulations cannot be assured and there is no certainty that certain or all elements of the infrastructure will continue in operation and be available for development of the Marram Field and other undeveloped gas resources in the UK Irish Sea region.

Spirit Energy, a host infrastructure operator in the region, has confirmed that the infrastructure is open for third party business use. In its interim results published in July 2023, the firm announced it would be extending the lifespan of Spirit Energy's Morecambe Bay gas fields, ensuring that the area will produce to the end of the decade.

Future plans for continued use or re-use of elements of existing infrastructure in the region include use in developing carbon capture storage and hydrogen projects, which envisage future natural gas production in the region potentially being used as feedstock for blue hydrogen production. There is no certainty that future plans for continued use or re-use of elements of existing infrastructure will progress into development or production.

The Enlarged Group will evaluate various infrastructure tie-back options for the development of the Marram Field and other undeveloped gas resources in the region that it plans to develop. EnergyPathways plans to evaluate various tie-back options and identify an optimal tie-back plan which may differ from the existing concept identified by the Enlarged Group. This evaluation is also expected to require an assessment of the continuation of production from various existing fields in the region as well as possible plans of infrastructure operators in relation to the infrastructure. The timing of cessation of production of various fields and the decommissioning timing of elements of infrastructure may have an impact on determining an optimal tie-back development concept.

Tie-back options may require certain modifications or adaptation of the existing infrastructure depending on the infrastructure and tie-back development concept in question. The Enlarged Group will evaluate various infrastructure tie-back options for the development of the Marram Field and other undeveloped gas resources in the region to determine the modifications or adaptations of the existing infrastructure required. There is no certainty that the modifications or adaptations will be commercially or technically viable or can be undertaken in a cost effective or timely fashion.

Project execution risk

The delivery of EnergyPathways' plans depends on the successful completion of the remainder of Phase 1 and of Phase 2. This involves risks normally incidental to such activities, including blowouts, oil spills, explosions, fires, equipment damage or failure, natural disasters, geological uncertainties, unusual or unexpected rock formations, abnormal pressures, seismic events, availability of technology and engineering capacity, availability of skilled resources, maintaining project schedules and managing costs, as well as technical, fiscal, regulatory, political and other conditions. Such potential obstacles may impair the Enlarged Group's ability to put the Marram Field into production or, in future, the continued production from the field and in turn, the Enlarged Group's operational performance and financial position (including the financial impact from failure to fulfil contractual commitments related to project delivery).

Project development risks

There can be no assurance that the Enlarged Group will be able to manage effectively the expansion of its operations or that the Enlarged Group's personnel, systems, procedures and controls will be adequate to support the Enlarged Group's operations. Any failure of the Board to manage effectively the Enlarged Group's growth and development could have a material adverse effect on its business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Board's strategy will develop as anticipated. The Enlarged Group's ability to realise profit will depend, in part, on the actual economic returns and the actual costs of developing the Marram Field, which may differ significantly from the Enlarged Group's current estimates. The development of the Marram Field may be subject to unexpected problems and/or delays.

Limited operating history

The EP Group has a limited operating history and has not yet achieved commercial production from the Marram Field. The Enlarged Group's success will depend upon its ability to develop the Marram Field reserves and contingent resources, which will be affected by the costs involved in recovering the resources, the price of gas at the time, the availability of the Enlarged Group's operational resources and other development plans that the Enlarged Group may have, any or all of which may render development of the Marram Field reserves economically unviable. If the Enlarged Group is not successful in achieving commercial production from the Marram Field, or fails to meet its targeted production timelines, the Enlarged Group's business, financial condition, results of operations and prospects would be materially adversely affected.

The EP Group's development plan schedule has some elements that are not within the Enlarged Group's control and may lead to schedule slippage

As with most project developments there will be elements that are not within the control of the Enlarged Group that may affect the project schedule. In the case of the Marram Field development, these elements include weather events, global or local market events, political events, civil disruption, government and regulatory policy change, engagement and approvals, planned counter party arrangements, supply chain disruptions and activist or social intervention or disruption.

The Enlarged Group's operations are dependent on the availability of drilling and other equipment and independent contractors

The EP Group's operations are dependent on the availability of rigs, other drilling equipment and offshore services, including third-party services in the UKCS. The Enlarged Group will contract or lease services and equipment from third party providers and suppliers. Such equipment and services may be scarce and may not be readily available at the times and places required and/or the specific service providers with which the Enlarged Group wishes to engage may not be available at the relevant times. Whilst the EP Group has based its funding requirements on market information received from supply and services firms, a risk remains that the actual cost of these services may be materially higher than quoted or expected with a consequent adverse effect on the Enlarged Group's financial performance and liquidity.

Operating environment

The Marram Field is located in an area subject to variable weather conditions which may restrict the periods in which the Enlarged Group can undertake operations at the Marram Field and this may have a material adverse effect on its business, financial condition, results of operations and prospects.

The Enlarged Group may be unable to acquire, retain, convert or renew the licences, permits and other regulatory approvals necessary for its operations

The ability of the EP Group to develop and exploit gas resources depends on its continued compliance with the obligations of its current licences and its ability to move into the production phase of each licence.

The EP Group depends on licences, the grant and renewal of which are subject to the discretion of the relevant governmental authorities and cannot be assured. There can also be no assurance that the Enlarged Group will be able to identify suitable licensing acquisition opportunities or that the Enlarged Group will be able to make such acquisitions on appropriate terms. It is also possible that the Enlarged Group may be unable or unwilling to comply with the terms or requirements of the licences it holds, including the meeting

of specified deadlines for prescribed tasks and other obligations set out in the work programmes attached to the licences. Non-compliance with these obligations may lead to revocation of the licence.

Whilst in certain circumstances the relevant authority may agree to an extension of time to enable the licensee to agree to the obligation in question there is no guarantee that an extension will be given. The Enlarged Group, therefore, risks losing licences if it is delayed in obtaining, or fails to obtain, rigs and thus fails to meet its drilling commitments.

The Enlarged Group's success is dependent upon its ability to attract and retain key personnel

The EP Group's success depends, to a large extent, on certain of its key personnel having expertise in the areas of exploration and development, operations, engineering, business development, gas marketing, finance and accounting. The EP Group was founded by members of the management team. A number of key people have been retained by the EP Group and these people play a significant role in the development and continued operation of the EP Group's business. The loss of the services of any key personnel (in particular any members of the management team) could have a material adverse effect on the Enlarged Group. In addition, the competition for qualified personnel in the oil and gas industry is intense. There can be no assurance that the Enlarged Group will be able to continue to attract and retain all personnel necessary for the development and operation of its business.

The Enlarged Group may be unable to manage the growth in its operations

The EP Group has experienced significant growth and development in a relatively short period of time. Management of that growth requires, among other things: implementation and continued development of financial, management and other controls, including financial and reporting procedures, and information technology systems; and hiring, training, motivating and retaining quality personnel. Failure to successfully manage the Enlarged Group's business and expected growth and development could have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects. Further, no assurance can be given that the EP Group's investment strategies can be implemented in the future.

Future litigation could adversely affect the Enlarged Group's business, results of operations or financial condition

Damages and/or other remedies claimed under any litigation are difficult to predict and may be material. The outcome of such litigation may materially impact the Enlarged Group's business, financial condition, results of operations and prospects. While the Enlarged Group will assess the merits of each lawsuit and defend itself accordingly, it may be required to incur significant expenses or devote significant resources to defending itself against such litigation. In addition, adverse publicity surrounding such claims may have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects.

The EP Group cannot accurately predict its future decommissioning liabilities

The EP Group, through its licence interests, expects to assume certain obligations in respect of the decommissioning of its wells, fields and related infrastructure. These liabilities are derived from legislative and regulatory requirements concerning the decommissioning of wells and production facilities and require the EP Group to make provisions for and/or underwrite the liabilities relating to such decommissioning. It is difficult to accurately forecast the costs that the EP Group will incur in satisfying its decommissioning obligations. When decommissioning liabilities crystallise, the Enlarged Group will be liable for them either solely or jointly and severally with former or current partners in the field. In the event that it is jointly and severally liable with partners and such partners default on their obligations, the Enlarged Group will remain liable and its decommissioning liabilities could be magnified significantly through such default. Any significant increase in the actual or estimated decommissioning costs that the Enlarged Group incurs may also adversely affect its financial condition.

Market perception

Market perception of junior exploration and extraction companies, as well as oil and gas companies in general, may change, which could impact on the value of the investors' holdings and the ability of the Enlarged Group to raise further funds through debt financing or through the issue of further Ordinary Shares or otherwise.

2. Risks related to the oil & gas industry

Exposure to gas prices

A material decline in gas prices may adversely affect the Enlarged Group's results of operations and financial condition. Gas prices can be volatile and subject to fluctuation in response to relatively minor changes in the supply of and demand for gas, market uncertainty and a variety of additional factors that are beyond the control of the Enlarged Group. Historically, gas prices have fluctuated widely for many reasons, including global and regional supply and demand, political, economic and military developments in oil and gas producing regions (particularly the Middle East), domestic and foreign governmental regulations and actions, global and regional economic conditions, weather conditions and natural disasters. It is impossible to predict accurately future gas price movements, the EP Group does not yet have a gas sales contract in place and gas prices may not remain at their current levels. Although the EP Group is not yet an active producer of gas, declines in gas prices may adversely affect market sentiment and, as a consequence, the market price of the Ordinary Shares, and furthermore they may affect the Enlarged Group's cash flow, liquidity and profitability and limit the amount of gas that the Enlarged Group could potentially market in the future.

Reliance on estimates

The gas resource data in this document are only estimates, and the EP Group's production, revenue and expenditure with respect to its resources may be materially different from such estimates. There are numerous uncertainties inherent in estimating quantities of proved, probable and possible reserves and contingent and prospective resources and associated future production and cash flows, including many factors beyond the control of the EP Group. The resources and associated production and operational expenditure, capital expenditure and abandonment profiles set forth in the CPR and this document represent estimates only. In general, any estimate of the quantity of economically recoverable gas resources and associated production, opex, capex and abandonment profiles will be based upon a number of variable factors and assumptions made as at the date on which the resources estimates were determined, such as historic production rates, ultimate reserves recovery, interpretation of geological and geophysical data, timing and amount of capital expenditures, marketability of gas, royalty rates, continuity of current fiscal policies and regulatory regimes, future gas prices, operating costs, development and production costs and workover and remedial costs, all of which may vary from actual results. Estimates are also to some degree speculative, and classifications of resources are only attempts to define the degree of speculation involved. For these reasons, estimates of the economically recoverable gas resources attributable to a particular asset, the classification of such resources based on risk of recovery and estimates of expected future net revenues prepared by different engineers, or by the same engineers at different times, may vary. As a result, the estimates of the EP Group's resources may require substantial upward or downward revisions if subsequent drilling and testing reveal differences. Any downward adjustment could indicate lower than expected future production and thus adversely affect the Enlarged Group's business, financial condition, results of operations and prospects. Furthermore, a decline in the Enlarged Group's resources may affect its ability to raise or access sufficient capital in the longer term for its future operations. Estimates of proved, probable and possible reserves and resources that may be developed and produced in the future are often not based on actual production history but on volumetric calculations and analogies to similar types of reserves and resources. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves and resources based on production history and production practices may result in variations in the estimated reserves and resources and these variations could be material. The resource data set forth in the CPR and this document has been prepared in accordance with the standards set out in the Society of Petroleum Engineers' internationally recognised Petroleum Resource Management System. Prospective investors are cautioned not to assume that all or any part of "contingent" or "prospective" resources will ever be converted into "proved, probable" or "possible" reserves.

Appraisal projects do not necessarily result in a profit on the investment or the recovery of costs

Project appraisal activities can be capital intensive and are inherently uncertain in their outcome. Any gas project appraisals the Enlarged Group might undertake in future may involve unprofitable efforts, either from dry wells or from wells that are productive but do not produce sufficient net revenues to return a profit after development, operating and other costs. Completion of a well does not guarantee a profit on the investment or recovery of the costs associated with that well. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or

transportation capacity, adverse geological conditions and technical and operational difficulties as a result of the water depth and strata depth of the drilling environment (including operational difficulties in avoiding drilling fluid losses and preventing substantial formation damage during drilling) and other factors. While diligent well supervision and effective maintenance operations can contribute to maximising production rates over time, the possibility of production delays and declines from normal field operating conditions cannot be eliminated and may adversely affect the Enlarged Group's business, financial condition, results of operations and prospects.

The EP Group's operations are subject to a number of risks and hazards that may result in material losses in excess of insurance proceeds

Gas development and production operations are inherently risky and hazardous. Risks typically associated with these operations include unexpected formations or pressures, premature decline of reservoirs, drilling damage (which can lead to reduced productivity), early water encroachment and the intrusion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on the Enlarged Group's business, financial position, results of operations and prospects. Hazards typically associated with offshore gas exploration, development and production operations include fires, explosions, blowouts, marine perils (including severe storms and other adverse weather conditions which may restrict the periods in which the EP Group can implement its drilling programme), vessel collisions, gas leaks and oil spills, each of which could result in substantial damage to gas wells, production facilities, other property and the environment or in personal injury, or could result in government intervention which could in turn negatively impact on the Enlarged Group's operations. Gas installations are also known to be likely objects, and even targets, of military operations and terrorism. Although the Enlarged Group will exercise due care in the conduct of its business and obtain insurance prior to drilling in accordance with industry standards to cover certain of these risks and hazards, insurance is subject to limitations on liability and, as a result, may not be sufficient to cover all of the Enlarged Group's losses. Payment by the Enlarged Group's insurers of any insurance claims may result in increases in premiums payable by the Enlarged Group for its insurance cover and this may adversely affect the Enlarged Group's financial performance. In the future, some or all of the Enlarged Group's insurance coverage may become unavailable or prohibitively expensive. Due to the high premiums associated with such insurance or for other reasons, the EP Group may elect not to obtain insurance to deal with specific events, risks or hazards associated with its operations. The occurrence of a significant event against which the Enlarged Group has no insurance may affect the Enlarged Group's business, financial condition, results of operations and prospects.

Force Majeure

The Enlarged Group's operations, now or in the future, may be adversely affected by risks outside the control of the Enlarged Group, including but not limited to: labour unrest, civil disorder, war, subversive activities or sabotage, fire, floods, explosions or other catastrophes, epidemic or quarantine restrictions.

The EP Group's business is subject to government regulation with which it may be difficult to comply and which may change

The EP Group's operations are principally subject to the laws and regulations of England, including those relating to health and safety, the environment and the production, pricing and marketing of gas. In addition, it will be subject to laws affecting taxation, royalties and duties. In order to conduct its operations in compliance with these laws and regulations, the EP Group must obtain licences and permits from various government authorities. The grant, continuity and renewal of the necessary approvals, permits, licences and contracts, including the timing of obtaining such licences and the terms on which they are granted, are subject to the discretion of the relevant governmental and local authorities in the United Kingdom and cannot be assured. In addition, the Enlarged Group may incur substantial costs in order to maintain compliance with these existing laws and regulations and additional costs if these laws are revised or if new laws affecting the Enlarged Group's operations are passed.

The EP Group's operations expose it to significant compliance costs and liabilities in respect of EHS matters

The EP Group's operations and assets are affected by numerous laws and regulations concerning EHS matters including, but not limited to, those relating to discharges of hazardous substances into the environment, the handling and disposal of waste and the health and safety of employees. The technical requirements of these laws and regulations are becoming increasingly complex, stringently enforced and

expensive to comply with and this trend is likely to continue. Any failure to comply with EHS laws and regulations may result in regulatory action (which can include statutory orders requiring steps to be taken or prohibiting certain operations), the imposition of fines or the payment of compensation to third parties. All of these liabilities and any other regulatory actions could have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects. Certain EHS laws provide for strict joint and several liability, without regard to negligence or fault, for natural resource damages, health and safety, remediation and clean-up costs of spills and other releases of hazardous substances, and such laws may impose liability for personal injury or property damage as a result of exposure to hazardous substances. Further, such EHS laws and regulations may expose the Enlarged Group to liability for the conduct of others or for acts that complied with all applicable EHS laws when they were performed. In addition, the enactment of new EHS laws or regulations or stricter enforcement or new interpretations of existing EHS laws or regulations could have a significant impact on the Enlarged Group's operating or capital costs and require further expenditure to modify operations, upgrade employee and contractor accommodation and other infrastructure, install pollution control equipment, perform clean-up operations, curtail or cease certain operations, or pay fines or make other payments for pollution, discharges or other breaches of EHS requirements. There can be no assurances that the Enlarged Group will be able to comply with such EHS laws in the future. The failure to comply with such EHS laws or regulations could result in substantial costs and/or liabilities to third parties or government entities which could have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects.

A violation of EHS requirements and the occurrence of any accidents could disrupt the Enlarged Group's operations and increase operating costs

EHS authorities such as the Health and Safety Executive have extensive enforcement powers under EHS laws. These powers extend to statutory notices to require operational steps and to prohibit certain activities or operations until compliance is achieved. A violation of EHS laws or failure to comply with the instructions of the relevant EHS authorities could therefore lead to, among other things, a temporary shutdown of all, or a portion of, the Enlarged Group's facilities and the imposition of costly compliance procedures. If EHS authorities shut down all, or a portion of, the Enlarged Group's facilities or impose costly compliance measures, the Enlarged Group's business, financial condition, results of operations and prospects would be materially and adversely affected. The nature of the EP Group's operations creates a risk of accidents and fatalities among its workforce, and the Enlarged Group may be required to pay compensation or suspend operations as a result of such accidents or fatalities, which could have a material adverse effect on the Enlarged Group's business, financial condition, results of operations and prospects.

The EP Group operates in a competitive industry

The EP Group competes with numerous other participants, including major international oil and gas companies, in the search for and the acquisition of gas assets, and in the marketing of gas. The Enlarged Group's ability to increase resources and create reserves in the future will depend not only on its ability to exploit and develop its present asset but also on its ability to select and acquire suitable assets in the future. A number of the EP Group's competitors have substantially greater financial and personnel resources. Larger and better capitalised competitors may be in a position to outbid the Enlarged Group for particular licences and such competitors may be able to secure rigs for drilling operations preferentially to the Enlarged Group. Larger competitors may be able to absorb the burden of any changes in law and regulations more easily than the Enlarged Group, which would adversely affect its competitive position. In addition, many of the EP Group's competitors have been operating for a much longer time and have demonstrated the ability to operate through industry cycles. The EP Group's competitors have strong market power as a result of several factors, including the diversification and reduction of risk, including geological, price and currency risks; greater financial strength facilitating major capital expenditures; greater integration and the exploitation of economies of scale in technology and organisation; strong technical experience; increased infrastructure and reserves and strong brand recognition. In addition, there is an increased risk of competition should these companies decide to expand their operations. Due to this competitive environment, the Enlarged Group may be unable to acquire attractive, suitable assets, licences or prospects on terms that it considers acceptable. As a result, the Enlarged Group's revenues may be adversely affected, thereby materially and adversely affecting its business, financial condition, results of operations and prospects.

The Enlarged Group's tax liability could increase substantially as a result of changes in, or new interpretations of, tax laws in the United Kingdom

The EP Group is subject to taxation in the United Kingdom where it is faced with increasingly complex tax laws. The amount of tax the Enlarged Group pays could increase substantially as a result of changes in, or new interpretations of, these laws, which could have a material adverse effect on its liquidity and results of operations. During periods of high profitability in the oil and gas industry, there are often calls for increased or windfall taxes on oil and gas revenue. Taxes have increased or been imposed in the past and may increase or be imposed again in the future. For example, during 2022, the Energy Profits Levy was introduced in the UK which comprises, at the current time, a new 35 per cent. surcharge on profits made by companies in the oil and gas sector as a result of rises in commodity prices, in addition to the existing 30 per cent. Ring Fence Corporation Tax and 10 per cent. Supplementary Charge. The legislation includes a sunset clause which provides that the Energy Profits Levy will expire on 31 December 2028; however, there is no assurance that the UK Government will not review, change or amend the regulations, rules or policies enacted under the Energy Profits Levy to extend the direction of the levy (including to increase the surcharge, extend the sunset clause or to eliminate or narrow the scope or availability of any investment allowances).

Levels of taxation relief may also decrease or be no longer available to the Enlarged Group due to changes in, or new interpretations of, tax laws. In addition, tax authorities could review and question the Enlarged Group's tax returns leading to additional taxes and penalties which could be material. The tax treatment of decommissioning expenditure (where relevant) could also have a material impact on the economics of the Enlarged Group's assets.

Macroeconomic risks could result in an adverse impact on the Enlarged Group's financial condition

The extent to which the global economic slowdown currently being experienced may adversely affect the Enlarged Group's major operations and the timing of that impact is uncertain. The links between economic activities in different markets and sectors are complex and depend not only on direct drivers such as the balance of trade and investment between countries, but also on domestic monetary, fiscal and other policy responses to address macroeconomic conditions.

Speculative nature of gas exploration and appraisal

Gas appraisal operations are inherently speculative with no assurance that any exploration operations will result in any kind of commercial production. The techniques presently available to engineers and geologists to identify the existence and location of hydrocarbons are not infallible. Personal subjective judgment of engineers and/or geologists is involved in the selection of any prospect for drilling. In addition, even when drilling successfully identifies commercial volumes of hydrocarbons, unforeseeable operating problems may render it uneconomic for the Enlarged Group to produce gas from a particular well.

Risk of crime and corruption

Oil and gas companies have been known to experience high levels of criminal activity and governmental and business corruption. They may be particular targets of criminal or terrorist actions. Criminal, corrupt or terrorist action against the Enlarged Group and its directly or indirectly held assets or facilities could have a material adverse impact on the Enlarged Group's business, results of operations or financial condition. In addition, the fear of criminal or terrorist actions against the Enlarged Group could have an adverse effect on the ability of the Enlarged Group to adequately staff and/or manage its operations or could substantially increase the costs of doing so. The EP Group is not aware of any current or threatened investigations relating to or any adverse findings against the EP Group or any of its directors, employees, officers or joint venture partners. If any such investigations are made and substantiated in future against the Enlarged Group, its directors, officers, employees or potentially its joint venture partners, or such persons are found to be involved in corruption or other illegal activity, this could result in criminal or civil penalties, including substantial monetary fines, against the Group, its directors, officers or employees. Any such findings in the future could damage the Enlarged Group's reputation and its ability to do business and could adversely affect its financial condition and results of operations. Furthermore, alleged or actual involvement in corrupt practises or other illegal activities by any joint venture partners of the Enlarged Group, or others with whom the Enlarged Group directly or indirectly conducts business, could also damage the Enlarged Group's reputation and business and adversely affect the Enlarged Group's financial condition, results of operations and prospects.

3. General Risks Relating to Ordinary Shares

Suitability

Investment in the Ordinary Shares may not be suitable for all readers of this document. Readers are accordingly advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

Investment in shares of companies traded on AIM

Investment in the shares of companies traded on AIM involves a higher degree of risk than investments in the shares of companies with a Premium Listing on the Official List, and such shareholdings may be illiquid. The AIM Rules are different and may be less demanding than those rules that govern companies with a Premium Listing on the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Share price volatility and liquidity

The share price of AIM-traded companies can be highly volatile and shareholdings can be illiquid. There can be no assurance that an active or liquid trading market for the Ordinary Shares will develop or, if developed, that it will be maintained. The Issue Price may not be indicative of prices that will prevail in the trading market, and investors may not be able to sell the Ordinary Shares at or above the price they paid for them. The price of the Ordinary Shares may fall in response to market appraisal of the Enlarged Group's business, financial condition, operating results and prospects, or in response to regulatory changes affecting its operations. The price at which the Ordinary Shares are quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Enlarged Group and its operations and others which may affect quoted companies generally. These factors could include the performance of the Enlarged Group, large purchases or sales of the Ordinary Shares, currency fluctuations, legislative changes and general economic, political, regulatory or social conditions. Shareholders should therefore be aware that the value of the Ordinary Shares can go down as well as up. The market value of the Ordinary Shares can fluctuate and may not always reflect the underlying net asset value or the prospects of the Enlarged Group.

The market price of the Ordinary Shares could be negatively affected by sales of substantial amounts of such shares in the public markets, including following the expiry of the lock-in period in respect of the Locked-in Shareholders, or the perception that these sales could occur.

Following Admission, the Locked-in Shareholders will own, in aggregate, a minimum of approximately 41 per cent. of the Enlarged Issued Share Capital. The Locked-in Shareholders are subject to restrictions on the sale and transfer of their respective holdings in the Company's issued share capital as described in paragraphs 12.8 to 12.10 of Part VII of this document. The sale of a substantial number of Ordinary Shares by the Locked-in Shareholders in the public market after the lock-in restrictions expire (or are waived), or the perception that these sales may occur, may depress the market price of the Ordinary Shares and could impair the Company's ability to raise capital through the sale of additional equity securities.

Dilution

The Company will need to raise further capital in the future to be able to achieve its stated goals which could potentially be through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it will be likely to cause dilution for the Company's existing Shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or issue Options under the Company's share option scheme (as further set out in paragraph 11 of Part VII of this document) or any other scheme put in place by the Company, as part of its employee remuneration policy, or issue further Ordinary Shares or warrants over Ordinary Shares to third parties in respect of services provided to the Enlarged Group, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

Dividends

There can be no assurance as to the level of future dividends, if any. In the near to medium term, the Proposed Directors do not intend to pay dividends as the focus will be on investing in the development of the Enlarged Group's assets. Subject to compliance with the Companies Act and the Articles, the declaration, payment and amount of any future dividends are subject to the discretion of the Directors, and will depend on, *inter alia*, the Enlarged Group's earnings, financial position, cash requirements, availability of profits and the Enlarged Group's ability to access, and repatriate within the Enlarged Group, cash flow and profits generated outside the UK. A dividend may never be paid and, at present, there is no intention to pay a dividend in the short to medium term. In forming their dividend policy, the Proposed Directors have taken into account, *inter alia*, the trading outlook for the foreseeable future, recent operating results, budgets for the following financial year and current capital requirements of the Enlarged Group. Any material change or combination of changes to these factors may require a revision of this policy.

Shareholders outside the United Kingdom may not be able to participate in future equity offerings

The Companies Act provides for pre-emptive rights to be granted to Shareholders unless such rights are disapplied by a special resolution in accordance with the Articles. However, securities laws of certain jurisdictions may restrict the Company's ability to allow the participation of Shareholders in future offerings. In particular, Shareholders in the United States may not be entitled to exercise these rights unless either the rights and Ordinary Shares are registered under the Securities Act or the rights and Ordinary Shares are offered pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Any Shareholder who is unable to participate in future equity offerings may suffer dilution.

Overseas Shareholders may be subject to exchange rate risks

The Ordinary Shares are, and any dividends to be paid on them will be, denominated in pounds sterling. An investment in Ordinary Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk. Any depreciation in the value of pounds sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in relation to such foreign currency.

PART III
COMPETENT PERSON'S REPORT



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20 November 2023

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EnergyPathways Limited
Highdown House
Yeoman Way
Worthing
West Sussex, BN99 3HH.

Dear Sirs

Marram Field Competent Persons Report

At the request of EnergyPathways Irish Sea Ltd, by way of a signed agreement, RISC has evaluated the resources relating to the Marram gas field. The results are presented in the attached Competent persons Report (CPR), titled "Reserves and Resources Report – Marram Field, 20 November 2023", for inclusion in an Admission Document to be issued on the Alternative Investment Market (AIM) of the London Stock Exchange. The evaluation was prepared in accordance with the AIM Note for Mining, Oil and Gas Companies, which forms part of the AIM Rules for Companies, as published by the London Stock Exchange. The resource volume assessments are reported in compliance with the definition and guidelines set out in the 2018 Petroleum Resource Management System (PRMS). The evaluation was carried out during the second quarter of 2023 and is effective 1 July 2023.

The final compilation date of this report is 20 November, 2023. This date is subsequent to the effective date of 1 July 2023 which is the last date that information was received and considered in the preparation of the report. Since the effective date of the report we have been made aware of delays in the project execution. We commented on this possibility in the report which estimated 6 Bcf of reserve was at risk if a 12-month delay occurred. The project is currently 6 months behind schedule due to a slower than anticipated funding cycle for studies. We have added a subsequent event statement to the executive summary.

Yours sincerely

A handwritten signature in black ink, appearing to read "Bill Billingsley", written in a cursive style.

Bill Billingsley
RISC Principal Advisor



decisions with confidence

Reserves and Resource Report - Marram Field

For EnergyPathways Irish Sea Ltd

20 November 2023

Private and Confidential



1. Executive Summary

EnergyPathways Irish Sea Ltd (EnergyPathways) has retained RISC Advisory Pty Ltd (RISC) to carry out an independent assessment of reserves and contingent resources within the Marram Field in Block 110/04a in the East Irish Sea. EnergyPathways holds a 100% working interest in the Marram Field.

RISC has reviewed the reserves/resources in accordance with the Society of Petroleum Engineers' internationally recognised Petroleum Resources Management System (SPE-PRMS)¹. The effective date of the report is 1 July 2023.

The Marram Field development provides access to a favourable gas market and a development schedule that could deliver 1st gas in Q1 2025. The plan is to tie into, and use, the existing South Morecambe Gas field infrastructure owned and operated by Spirit Energy. The majority of the required infrastructure is already in place with minor modifications planned. The two horizontal wells will have sub-sea trees tied back to the existing DP-1, bridge linked to CPP-1² for processing and compression, prior to export via a pipeline to the Barrow Gas Terminal in Cumbria. The Marram reservoir is high quality and well productivity is expected to exceed available host capacity for 2 to 4 years following 1st gas. De-bottlenecking of the host facilities is an opportunity being evaluated by EnergyPathways. The development schedule is, in RISC's opinion, a stretch target; a 12 month delay to 1st gas would place approximately 6 Bcf at risk.

Principal opportunities

- 35.3 Bcf of undeveloped gas reserve held in a high-quality reservoir in the East Irish Sea.
- High-capacity wells which can take advantage of opportunistic ullage at the host facility.
- Proximity of host facilities, 12 km, which are not only nearby but fit for purpose with a nitrogen rejection unit.
- De-bottlenecking can provide a route to reserves growth.

Principal risks

- The development plan schedule has some elements that are not within EnergyPathways control and may lead to schedule slippage. Specifically:
 - Design and implementation of 3rd party host facilities modifications.
 - Negotiation of access agreements with the Operator/JV of the Morecambe facilities.
 - Negotiation of Gas Sales and Processing agreements (GSA/GPA's).
 - Long lead items that are on the critical or subcritical path.
 - Project funding which is on the critical path.
- The host facilities are approaching 40 years old and may require additional maintenance in future years as decommissioning approaches. (This is estimated to be in approximately 2029 based on no other third-party gas being processed).
- Available ullage at the host facilities is subject to host operator studies which may differ from the current estimates.
- The valuation is dependent upon gas price and EnergyPathways have yet to finalise a gas sales contract.

¹ SPE/WPC/AAPG/SPEE/SEG/SPWLA 2018 Petroleum Resources Management System.

² Central Processing Platform -1



Table 1-1 and Table 1-2 provide the details of the reserve and resources of the Marram Field. RISC classifies 35.3 Bcf of 2P as undeveloped reserves, justified for development. There are 11.0 Bcf of resources associated with Marram which are classified as unclarified contingent resources.

The reserve classification is based on RISC's understanding that this is a technically mature development plan which is commercially viable and will be implemented in a reasonable timeframe; Energy Pathways have demonstrated favourable economics and have a firm intention to proceed with development; financial appropriations are likely to be secured; there is a reasonable expectation that there is an available market for the gas; evidence that production and transportation facilities can be made available; and evidence that the necessary contracts and approvals will be forthcoming.

The final compilation date of this report is 20 November, 2023. This date is subsequent to the effective date of 1 July 2023 which is the last date that information was received and considered in the preparation of the report. Since the effective date of the report we have been made aware of delays in the project execution. We commented on this possibility in the report which estimated 6 Bcf of reserve was at risk if a 12-month delay occurred. The project is currently 6 months behind the schedule discussed in Section 6.5.

Table 1-1: Marram Field undeveloped reserves as at 1 July 2023

Gas and Condensate	Unit	Gross Reserves			Net Attributable			Operator
		1P	2P	3P	1P	2P	3P	
Marram Field Sales Gas	Bcf	30.6	35.3	38.4	30.6	35.3	38.4	EnergyPathways Irish Sea Ltd ³
Marram Field Condensate	MMstb	0.0	0.0	0.0	0.0	0.0	0.0	EnergyPathways Irish Sea Ltd ³

Notes:

1. Sales Gas resources are stated at pipeline specification of 4.65% N₂.
2. Unplanned downtime is 28%, planned maintenance is 8.2%.
3. There are no deductions for fuel and flare as they are to be included in the tariff arrangement.
4. The reference point for gas is at the discharge to the Nitrogen Rejection Unit.
5. Deterministic evaluation methods have been used.
6. Bill Billingsley of RISC is the competent person
7. "Operator" is the name of the company that operates the asset
8. "Gross" are 100% of the reserves attributable to the license whilst "Net Attributable" are those attributable to EnergyPathways

³ Host facility operator Spirit Energy

Table 1-2: Summary Marram Field contingent resources as at 1 July 2023

Gas and Condensate	Unit	Gross Resources			Net Attributable			Risk Factor	Operator
		1C	2C	3C	1C	2C	3C		
De-bottlenecking	Bcf	5.3	7.3	8.2	5.3	7.3	8.2	30%	EnergyPathways Irish Sea Ltd ⁴
1 year field extension	Bcf	3.5	3.7	4.1	3.5	3.7	4.1	10%	EnergyPathways Irish Sea Ltd ⁴
Total contingent Sales Gas	Bcf	8.8	11.0	12.4	8.8	11.0	12.4		EnergyPathways Irish Sea Ltd ⁴
Marram Field Condensate	MMstb	0.0	0.0	0.0	0.0	0.0	0.0		EnergyPathways Irish Sea Ltd ⁴

Notes:

1. Sales Gas resources are stated at pipeline specification of 4.65% N₂.
2. Unplanned downtime is 16%, planned maintenance is 8.2%.
3. There are no deductions for fuel and flare as they are to be included in the tariff arrangement.
4. The reference point for gas is at the discharge to the Nitrogen Rejection Unit.
5. Deterministic evaluation methods have been used.
6. Bill Billingsley of RISC is the competent person
7. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted
8. "Operator" is the name of the company that operates the asset
9. "Gross" are 100% of the reserves attributable to the license whilst "Net Attributable" are those attributable to EnergyPathways.

⁴ Host operator Spirit Energy

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2. Introduction

The Marram gas accumulation was discovered by Ranger Oil in March 1993. Venture Production appraised the field in July 2009 with a second well. Ownership has been transferred several times since 2009 with EnergyPathways (East Irish Sea) acquiring 100% in February 2022. EnergyPathways does not have any other petroleum permits or assets other than the Marram field. The Marram field has a number of approvals yet to be secured which include the Field Development Plan and Environmental Statement. The development site is offshore which is not subject to land access restrictions but will require approvals from marine authorities and owners of existing infrastructure. Decommissioning costs are detailed in Section 6.4.

2.1. Marram description

The Marram gas field lies within Block 110/04a along the eastern edge of the of the East Irish Sea Basin, approximately 12km East of the South Morecambe Gas Field Central Processing Platform (DP1) Platform and 30 Km from the Barrow Terminal, Figure 2-1.

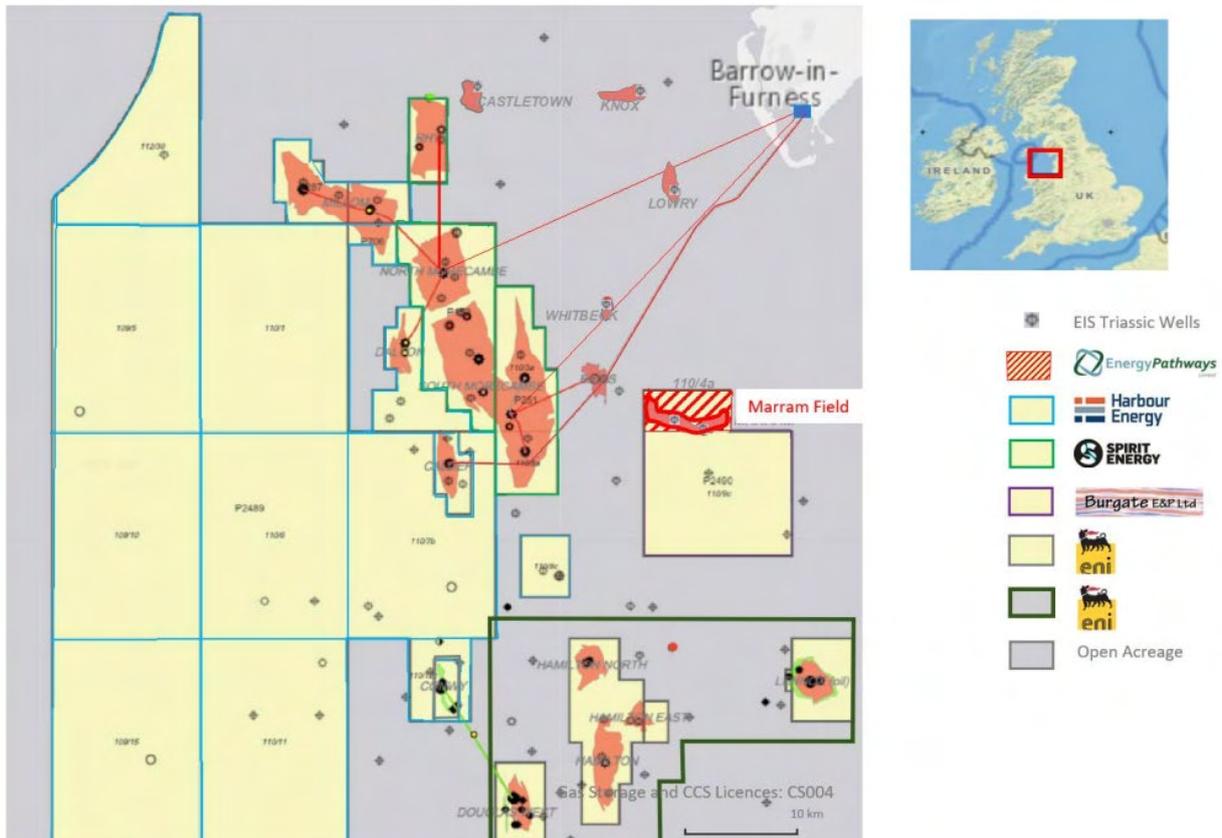


Figure 2-1: Block 110/4a license area

Marram is in a pre-development phase, an assess FDP has been published which documents the development will be produced through two horizontal wells tied back to South Morecambe. RISC anticipates first gas in 1H 2024 with cessation of production being set by the North Morecambe Terminal (NMT) closure.

EnergyPathways is currently progressing through the required approvals and securing funding. It is expected the project will be well supported by senior debt if sought.

Although EnergyPathways is the 100% license holder Spirit Energy will be the operator of the field and responsible for the daily physical management of the field.

Table 2-1: Marram licence summary

Asset		Operator	Working Interest	Status	License expiry date	Licence area (km ²)	Comments
Country	Block						
United Kingdom	110/04a	EnergyPathways Irish Sea Ltd ⁵	100%	Pre-development	July 2024	30	The second term of four years will begin with the authorisation of the FDP. The third term of 18 years will begin as part of FID.

Table 2-2 and Table 2-3 provide the details of the reserve and resources of the Marram Field. RISC classifies 35.3 Bcf of 2P as undeveloped reserves, justified for development. There are an additional 11.0 Bcf of resources associated with Marram which are classified as unclarified contingent resources.

⁵ Host operator Spirit Energy

Table 2-2: Marram Field undeveloped reserves as at 1 July 2023

Gas and Condensate	Unit	Gross Reserves			Net Attributable			Operator
		1P	2P	3P	1P	2P	3P	
Marram Field Sales Gas	Bcf	30.6	35.3	38.4	30.6	35.3	38.4	EnergyPathways Irish Sea Ltd ⁶
Marram Field Condensate	MMstb	0.0	0.0	0.0	0.0	0.0	0.0	EnergyPathways Irish Sea Ltd ⁶

Notes:

1. Sales Gas resources are stated at pipeline specification of 4.65% N₂.
2. Unplanned downtime is 28%, planned maintenance is 8.2%.
3. There are no deductions for fuel and flare as they are to be included in the tariff arrangement.
4. The reference point for gas is at the discharge to the Nitrogen Rejection Unit.
5. Deterministic evaluation methods have been used.
6. Bill Billingsley of RISC is the competent person
7. "Operator" is the name of the company that operates the asset
8. "Gross" are 100% of the reserves attributable to the license whilst "Net Attributable" are those attributable to EnergyPathways.

Table 2-3: Summary Marram Field contingent resources as at 1 July 2023

Gas and Condensate	Unit	Gross Resources			Net Attributable			Risk Factor	Operator
		1C	2C	3C	1C	2C	3C		
De-bottlenecking	Bcf	5.3	7.3	8.2	5.3	7.3	8.2	30%	EnergyPathways Irish Sea Ltd ⁶
1 year field extension	Bcf	3.5	3.7	4.1	3.5	3.7	4.1	10%	EnergyPathways Irish Sea Ltd ⁶
Total contingent Sales Gas	Bcf	8.8	11.0	12.4	8.8	11.0	12.4		EnergyPathways Irish Sea Ltd ⁶
Marram Field Condensate	MMstb	0.0	0.0	0.0	0.0	0.0	0.0		EnergyPathways Irish Sea Ltd ⁶

Notes:

1. Sales Gas resources are stated at pipeline specification of 4.65% N₂.
2. Unplanned downtime is 16%, planned maintenance is 8.2%.
3. There are no deductions for fuel and flare as they are to be included in the tariff arrangement.
4. The reference point for gas is at the discharge to the Nitrogen Rejection Unit.
5. Deterministic evaluation methods have been used.
6. Bill Billingsley of RISC is the competent person
7. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted
8. "Operator" is the name of the company that operates the asset
9. "Gross" are 100% of the reserves attributable to the license whilst "Net Attributable" are those attributable to EnergyPathways.

⁶ Host facility operator Spirit Energy

2.2. Terms of reference

RISC was commissioned by EnergyPathways East Irish Sea (“EnergyPathways”) to conduct an independent review of the hydrocarbon reserves and resources in the Marram Field, Block 110/04a, in the UKCS in the East Irish Sea, as shown in Figure 2-1. The report, commonly known as a certified reserve and resource report, is to meet the requirements of potential investors and UK stakeholders.

2.3. Basis of assessment

The data and information used in the preparation of this report were provided by EnergyPathways supplemented by RISC’s original work and public domain information. RISC has relied upon the information provided and has undertaken the evaluation on the basis of:

1. a review and audit of existing interpretations and assessments as supplied making adjustments that in our judgment were necessary.
2. RISC constructed the static and dynamic models that have been used in the assessment.

In the last 12 months no other Competent Person’s Report (CPR) has been prepared for the Marram field.

RISC has reviewed the reserves/resources in accordance with the Society of Petroleum Engineers internationally recognised 2018 Petroleum Resources Management System (PRMS).

RISC’s methodology was to review the low, best and high seismic interpretations and depth conversions then construct three deterministic static models each of which were used to construct three deterministic dynamic models. The dynamic models have been used as the basis for the low, best and high resource estimates. Production profiles have been modified to accommodate our view of host facility availability, ullage and development schedule. Details of the findings of the resource estimation process are presented in this report.

We have reviewed development plans and costs prepared by EnergyPathways. The reserves and resources presented in this report are based on gas price projections of 115 pence/UK Therm real terms.

Unless otherwise stated, all resources presented in this report are gross (100%) quantities with an effective date of 1 July 2023. All costs are in British pounds sterling (GBP) real terms with a reference date of 1 January 2023 (RT2023).

We have not conducted a site visit of the planned host facilities but do not consider it necessary for our determination of reserves and resources.

3. Regional information

Marram is in the Triassic section of the East Irish Sea Basin.

3.1. Regional Geology

The East Irish Sea Basin was formed during a Permo-Triassic rifting and subsidence event and subsequent rapid deposition of a thick (approximately 4800ft) continental (fluvio-aeolian) red bed sequence in a semi-arid environment. Northward propagation of major faults such as Crosh Vusta, Keys and Deemster Faults occurred during the rifting and created accommodation space for the Permo-Triassic sedimentation. An extension of the Crosh Vusta Fault Zone in the west and the Deemster Faults Zones in the east/south formed the bounding faults controlling deposition in Marram field. The Permo-Triassic sequence was inverted in Late Cretaceous-Early Tertiary during an episode of thermal uplift, leading to removal of much of Jurassic sediments in the basin, Figure 3-1.

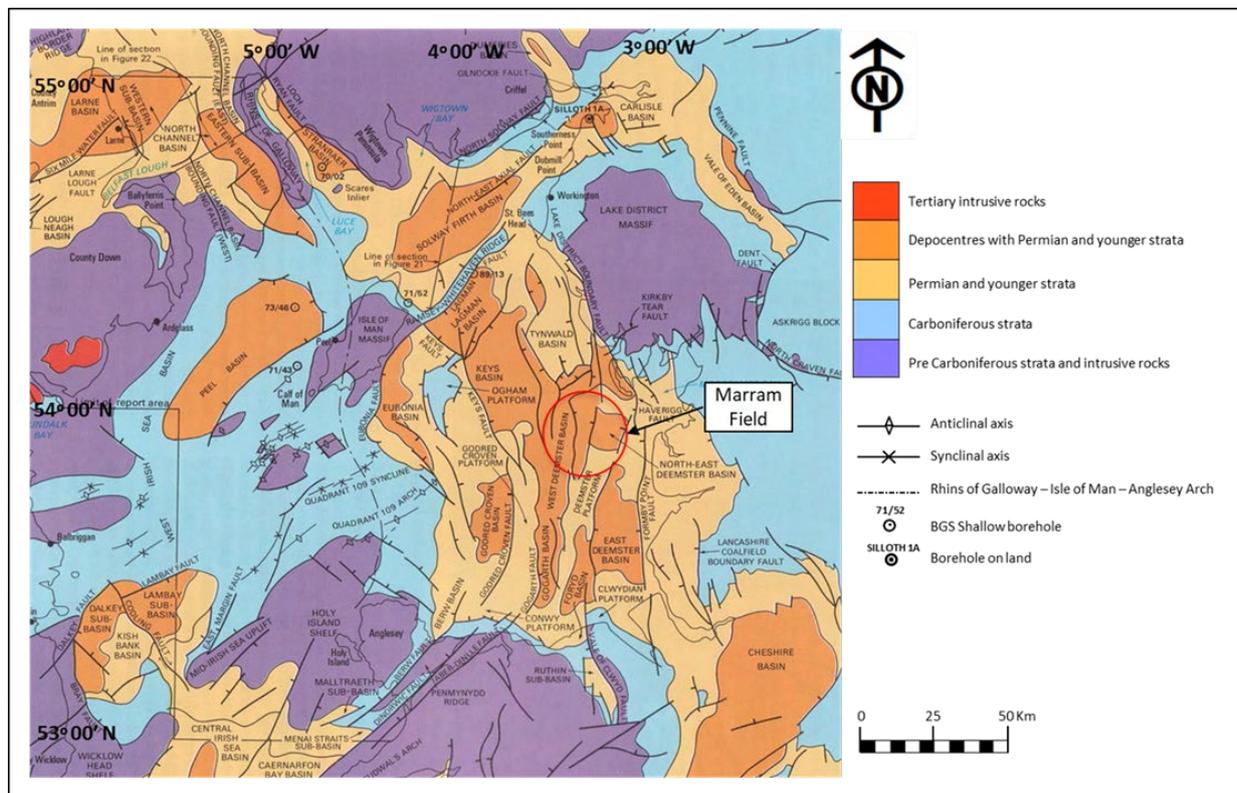


Figure 3-1: Major structural trends of the East Irish Sea basin

The reservoir is in the Ormskirk sandstone formation which is a Permo-Triassic rift continental sedimentation which unconformably overlies a previously uplifted and eroded Carboniferous marine sequence in the basin. The Permo-Triassic sedimentation formed a thick (approximately 4800ft) and complex fluvio-aeolian Sherwood Group (Ormskirk and St. Bees fm) reservoir sequence in a semi-arid environment. The Triassic provenance model shows that the fluvial paleoflow direction is mainly from the south but influenced by deposition from the east. Aeolian dune paleocurrent direction is from the east to the west, Figure 3-2.

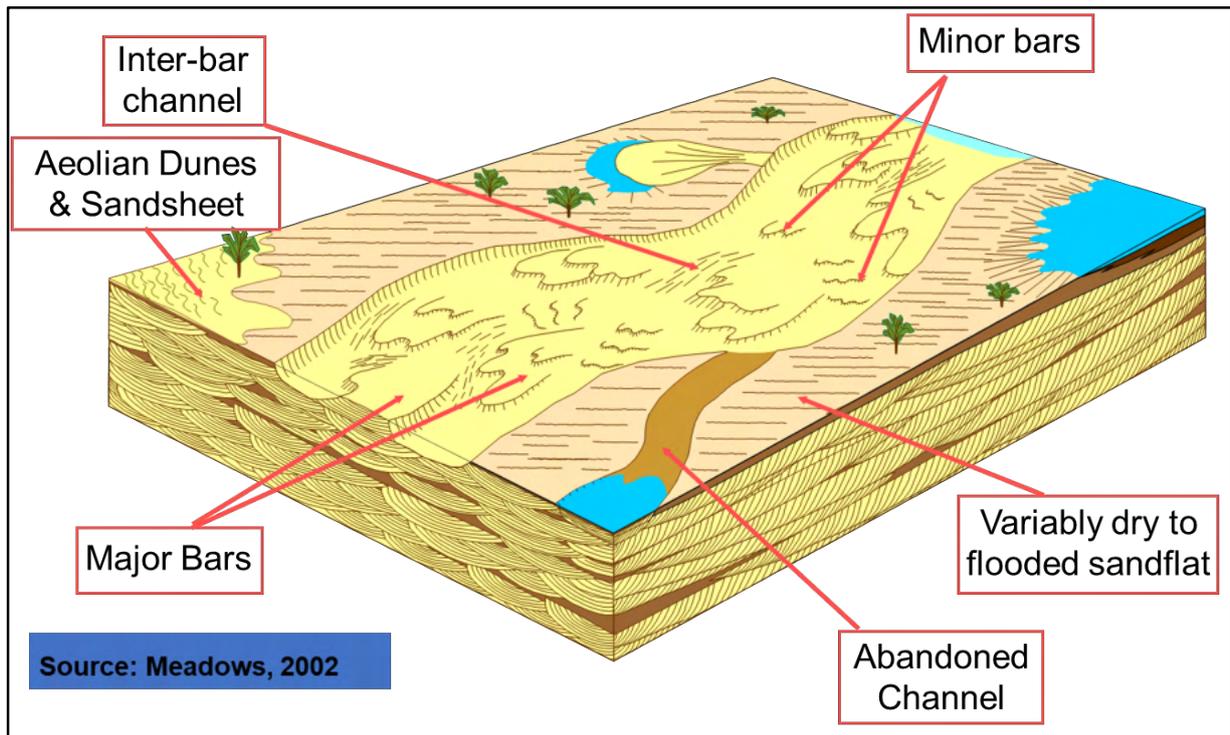


Figure 3-2: Schematic of Ormskirk reservoir depositional model

In the northern part of the basin, the reservoir facies (the Ormskirk Sandstone of Sherwood Sandstone Group) is directly overlain by the Fylde Halite Member at the base of the Mercia Mudstone Group. The Halite Group provides an excellent hydrocarbon seal, Figure 3-3.

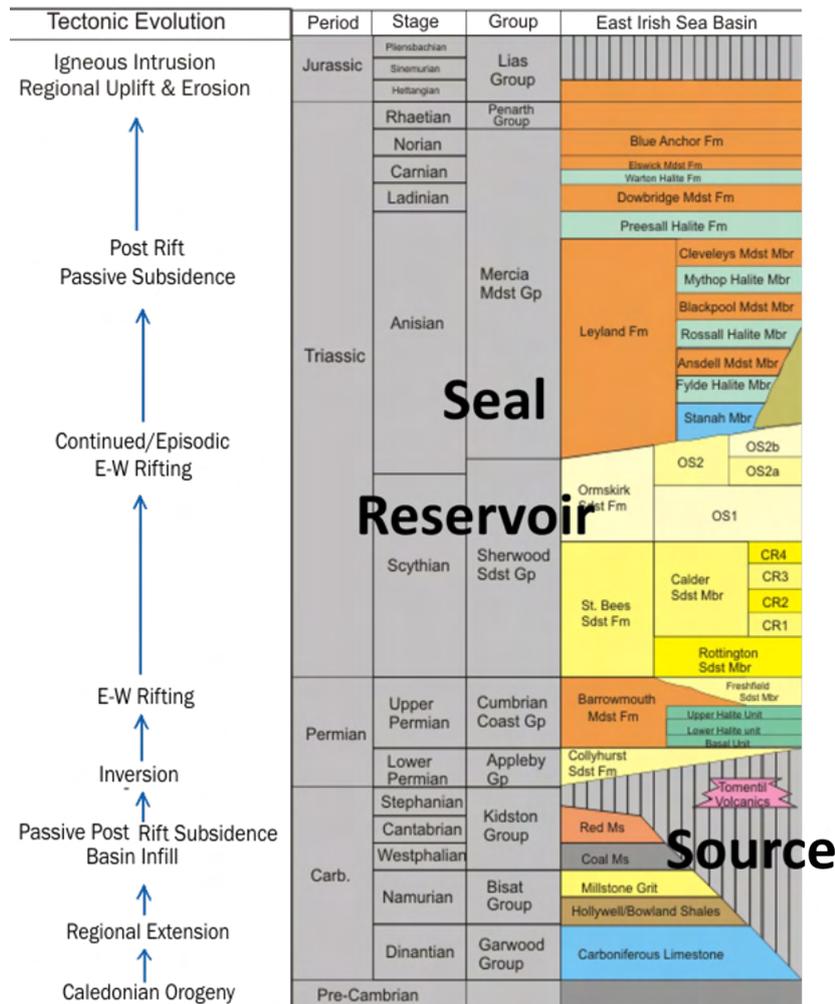


Figure 3-3: Generalised stratigraphic column for Block 113/27 based on Jackson et al (1997)

3.2. Regional RE data

Local analogues include Bains which is estimated to have a gas recovery factor of approximately 85%.

4. Marram Field

The Marram field structure is a north-dipping fault block bounded to the south by an E-W trending normal fault formed during the Permo-Triassic rifting of the East Irish Sea Basin. Gas is reservoired in the Upper and middle Ormskirk formation which is high quality and demonstrated as highly productive in analogues. The reservoir pressure is 812 psig, temperature 30 °C and depth is 1250 ft TVDs.

The field will be developed with two subsea horizontal wells that are tied back to South Morecambe via a 15.5km pipeline then, along with the South Morecambe gas stream, exported to the North Morecambe Terminal (NMT). The field will be fully developed on completion of the two well programme.

4.1. Subsurface interpretation

4.1.1. Seismic interpretation

Marram is covered by a selection of 2D seismic lines which were interpreted by EnergyPathways and reviewed by RISC. Although the current 2D lines would benefit from reprocessing, amplitude balancing and re-interpretation RISC does not consider this critical in defining the likely GRV range for the Marram field. RISC supports the seismic interpretations provided by EnergyPathways, Figure 4-1.

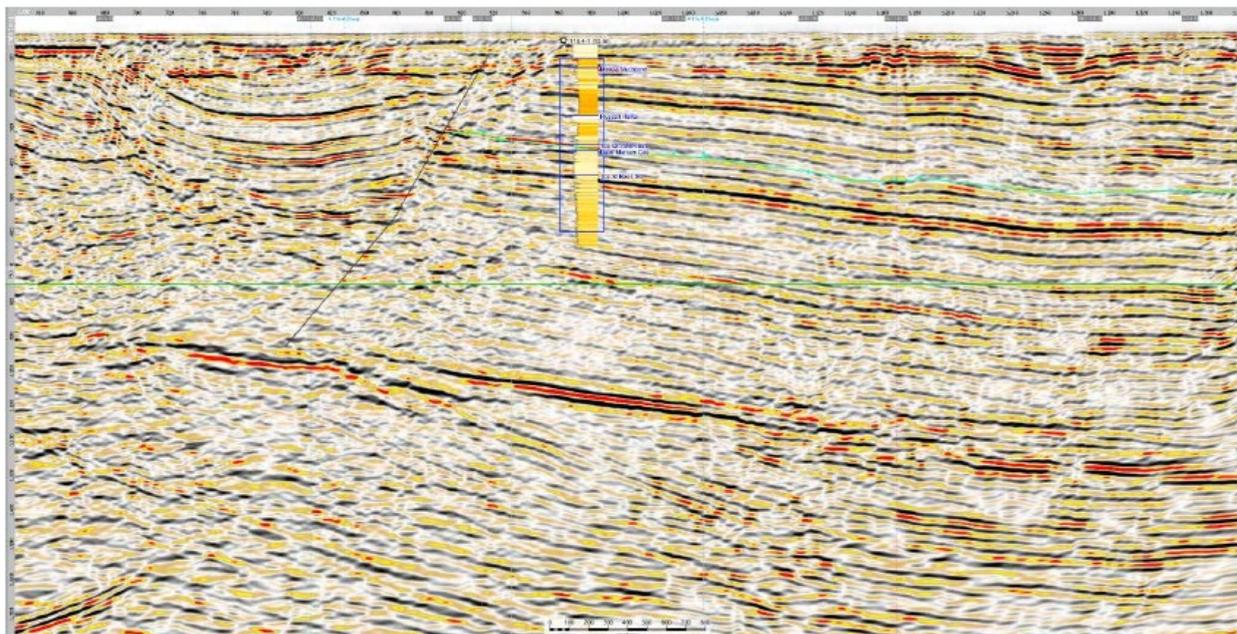


Figure 4-1: Top Ormskirk well tie at 110 4-1 (pick is in light green) on seismic dip line R91-110-6

The Marram field structure is a north-dipping fault block bounded to the south by an E-W trending normal fault formed during the Permo-Triassic rifting of the East Irish Sea Basin. The hydrocarbon-bearing Ormskirk sandstone is truncated to the east by an extension of the Deemster Fault Zone and likely bounded to the west by approximately N-S trending extension of the Crosh Vusta Fault Zone. The structure is divided into three potential segments: Main, East and West. The delineation between the Main and West segments is

not clear but a review of the 2D seismic line indicated possible faulting, hence a saddle-like separation between the potential segments, Figure 4-2.

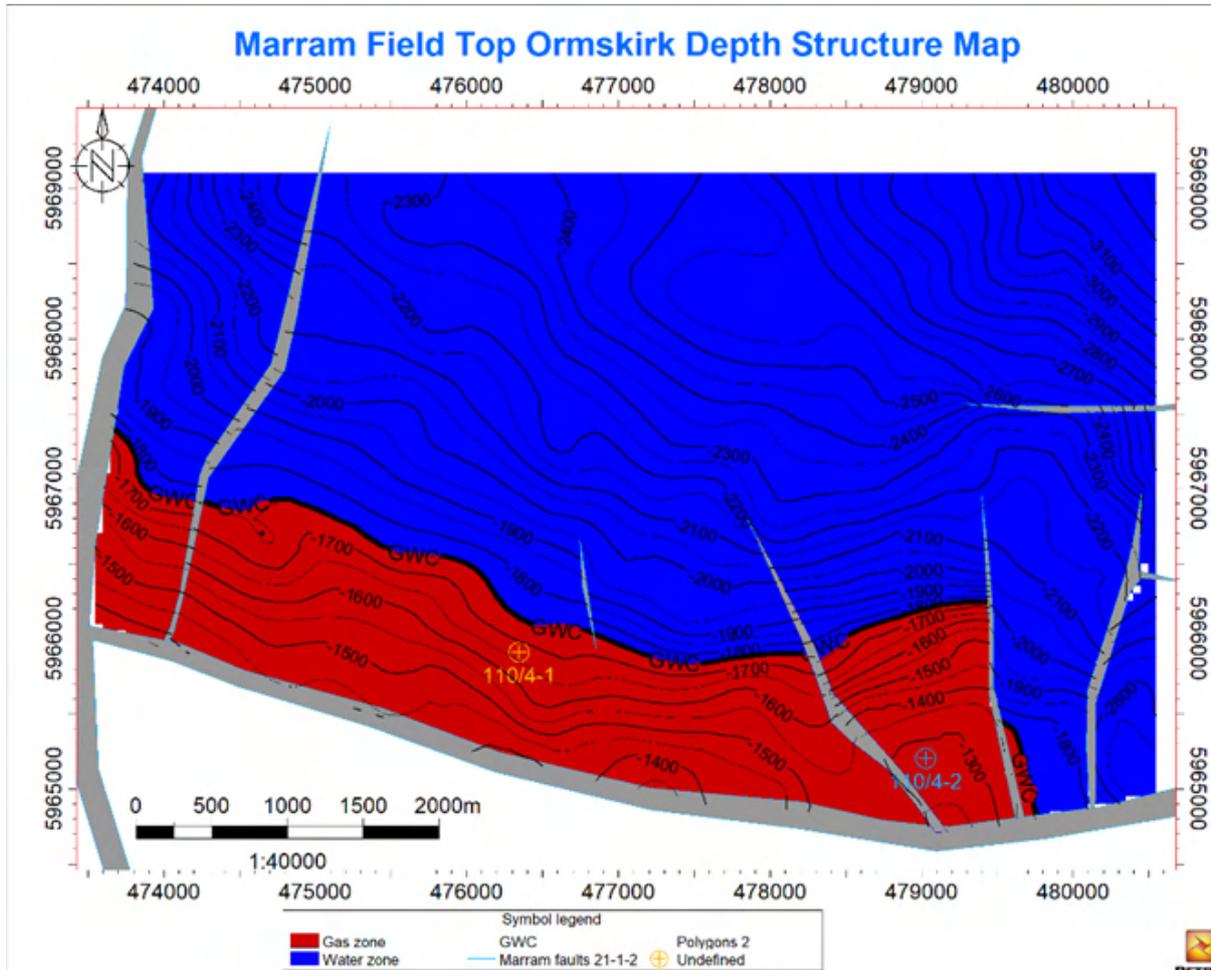


Figure 4-2: Top Ormskirk structure map

Top Ormskirk depth surfaces (P90, P50 and P10 grids) were converted back to time and matched to the interpreted TWT surface using the checkshot data from 110/4-1 wells. Uncertainties associated with GRV due to seismic data quality, and resolution were accounted for by using different velocity functions to generate the P90, P50 and P10 depth surfaces.

The top Ormskirk reservoir surfaces (P90, P50 and P10) appear consistent with minimal cross-over, Figure 4-3. RISC support the range of structural interpretations.

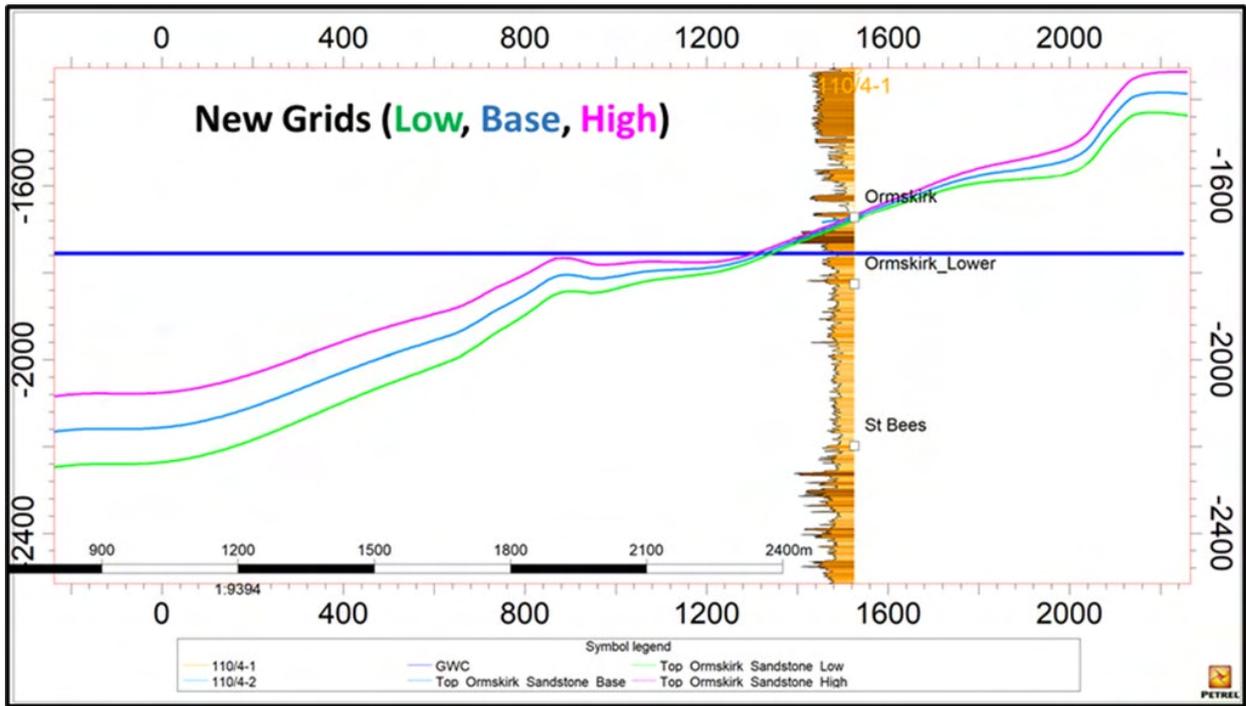


Figure 4-3: Marram field structural cross section comparing low, mid and high surfaces (N-S)

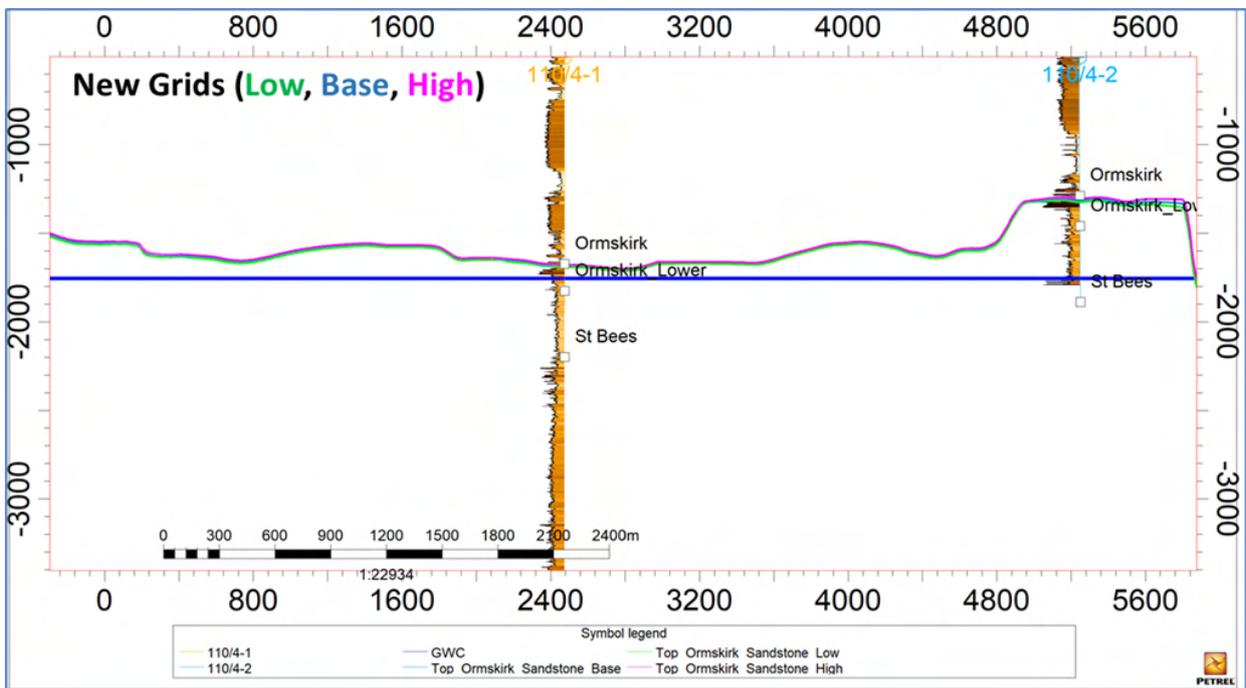


Figure 4-4: Marram field structural cross section comparing low, mid and high surfaces (E-W)

4.1.2. Reservoir description

The Ormskirk Sandstone in Marram field is divided into four stratigraphically defined, relatively isochronous and correlatable zones:

- Upper Ormskirk (UO) with excellent to good reservoir quality
- Playa Shale (PS) non-reservoir
- Middle Ormskirk (MO) good reservoir quality and
- Lower Ormskirk (LO) good reservoir quality.

A schematic of the depositional model is provided in Figure 3-2 and consists of approximately 35 ft of mixed fluvial, wet and dry sandflat and occasional aeolian dune sequences in the Upper Ormskirk. The Middle Ormskirk consists of approximately 100ft of predominantly fluvial channel sandstone sequence which is interrupted by several discrete, correlatable aeolian sandstone and dunes. The Lower Ormskirk is a predominantly aeolian sandflat (wet and dry) facies with occasional ephemeral channel sandstone. The reservoir has good quality reservoir properties throughout. However, when associated with ephemeral channels, the permeability in the wet sandflat intervals can be low.

Approximately 45 ft of both the Upper Ormskirk (UO) and Playa Shale (PS) zones were cored and described in the 110/04-1 well, Figure 4-5. The well correlation for the Marram discovery and appraisal wells is shown in, Figure 4-6.

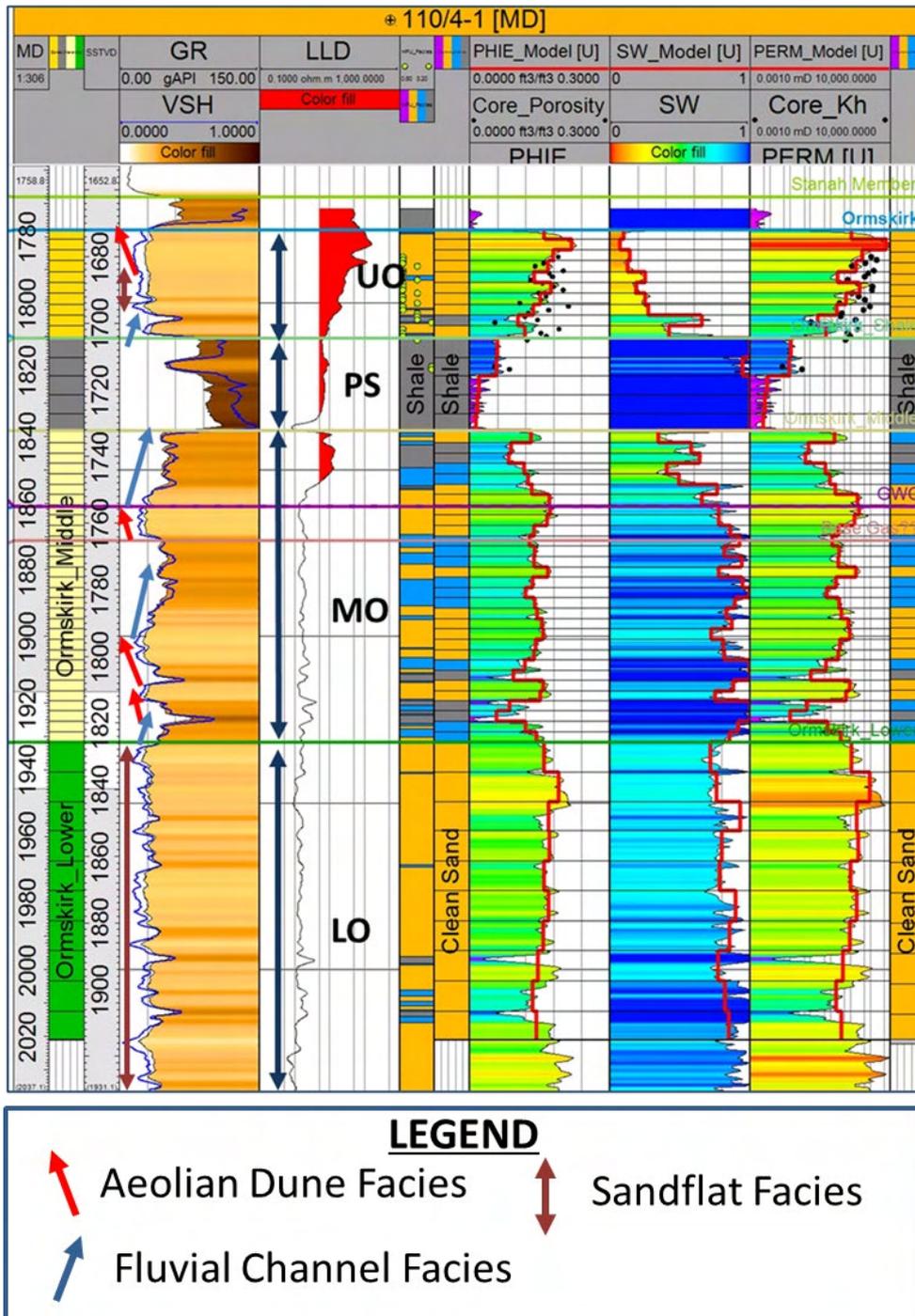


Figure 4-5: Well 110/4-1 log showing depositional environment

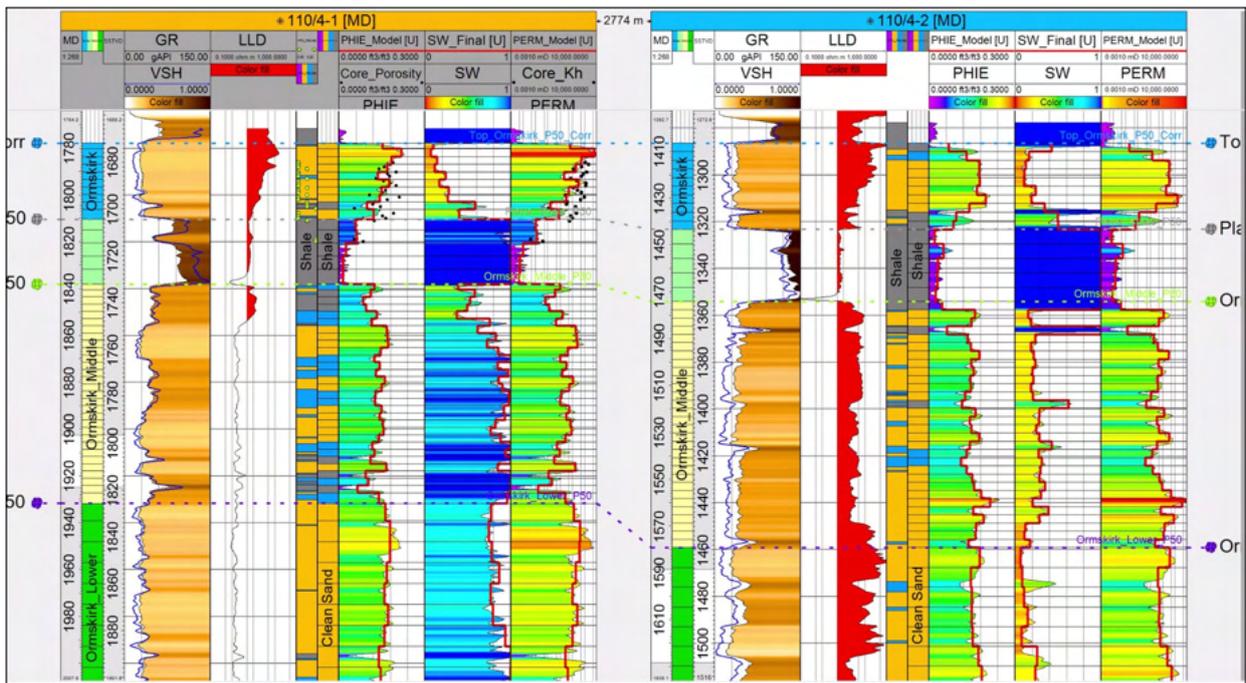


Figure 4-6: Marram field well correlation

4.1.3. Petrophysical interpretation

Well logs, both raw and interpreted, were provided for both 110/04-1 and 110/04-2. Core data and core analysis was also provided for well 110/04-1. Additional raw data logs were provided for the 110/09-1 and 110/03-2 wells. The quality of the logs was good and there were no particularly challenging components of the EnergyPathways interpretation which is accepted and supported by RISC.

RISC used the existing petrophysical interpretation to perform flow zone analysis and divided the reservoir into three facies, Table 4-1. These were calibrated to core measurements and then used to generate Hydraulic Flow Unit (HFU) facies dependent saturation height functions to model water saturation (sw) in the Marram field.

Table 4-1: Hydraulic flow unit ranges

Hydraulic Flow Unit Facies	Effective porosity range	VSH Range
Clean sand	>15%	<30%
Silty sand	7%-15%	30% - 50%
Shale	<7%	>50%

The conclusions of the EnergyPathways and RISC petrophysical interpretations were used to model and distribute reservoir properties in the static mode, Figure 4-7.

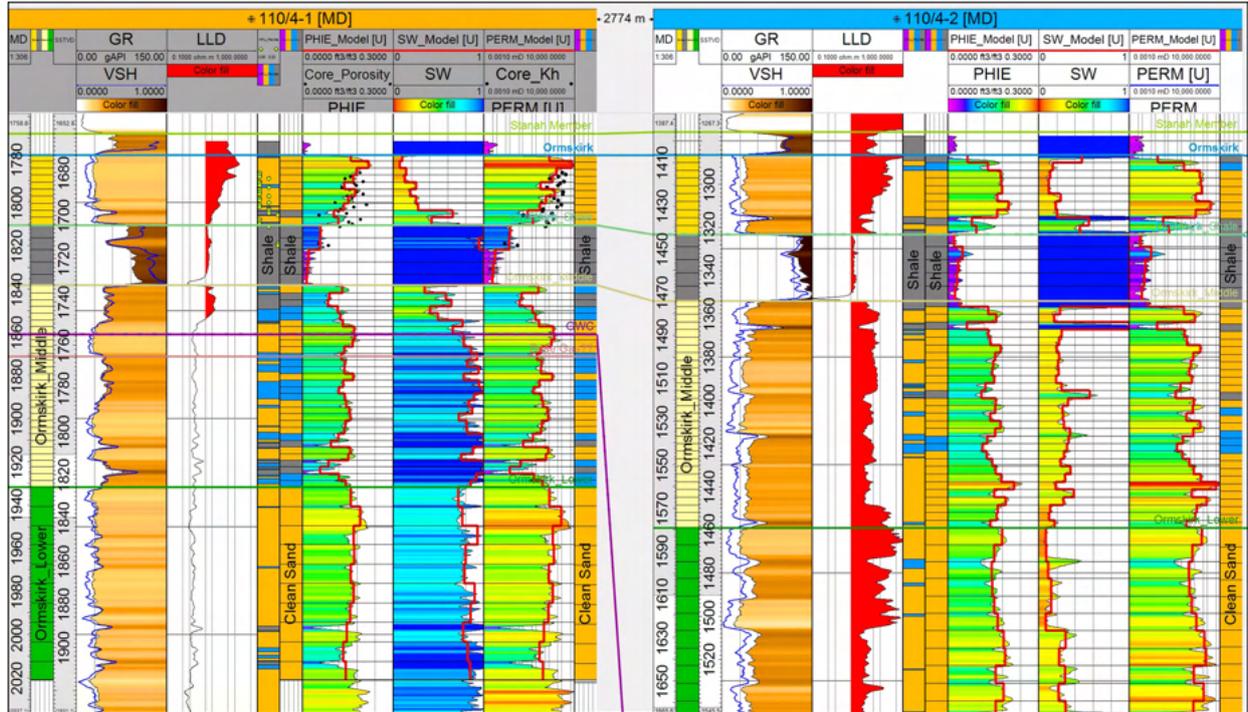


Figure 4-7: Modelled petrophysical properties distribution and averages matched to the original well logs in Marram field

Figure 4-8, shows the Height Above Free Water Level (HAFWL) vs Sw. When viewed throughout the model the clean sand facies has an almost vertical SwH function. This comprises the majority of the reservoir in the Marram field and is indicative of very high-quality, fairly homogeneous reservoir with very little or no transition between FWL and GWC. The silty sand facies quality is not as good as the clean sand facies but is still good for a gas reservoir. Hence a slightly different transition interval between the FWL and GWC. The shale facies is either intra-formational shales above the contact mostly in the fluvial-dominated Ormskirk Middle zone or the Playa Shale layer that separates the upper Ormskirk from the Middle and Lower Ormskirk.

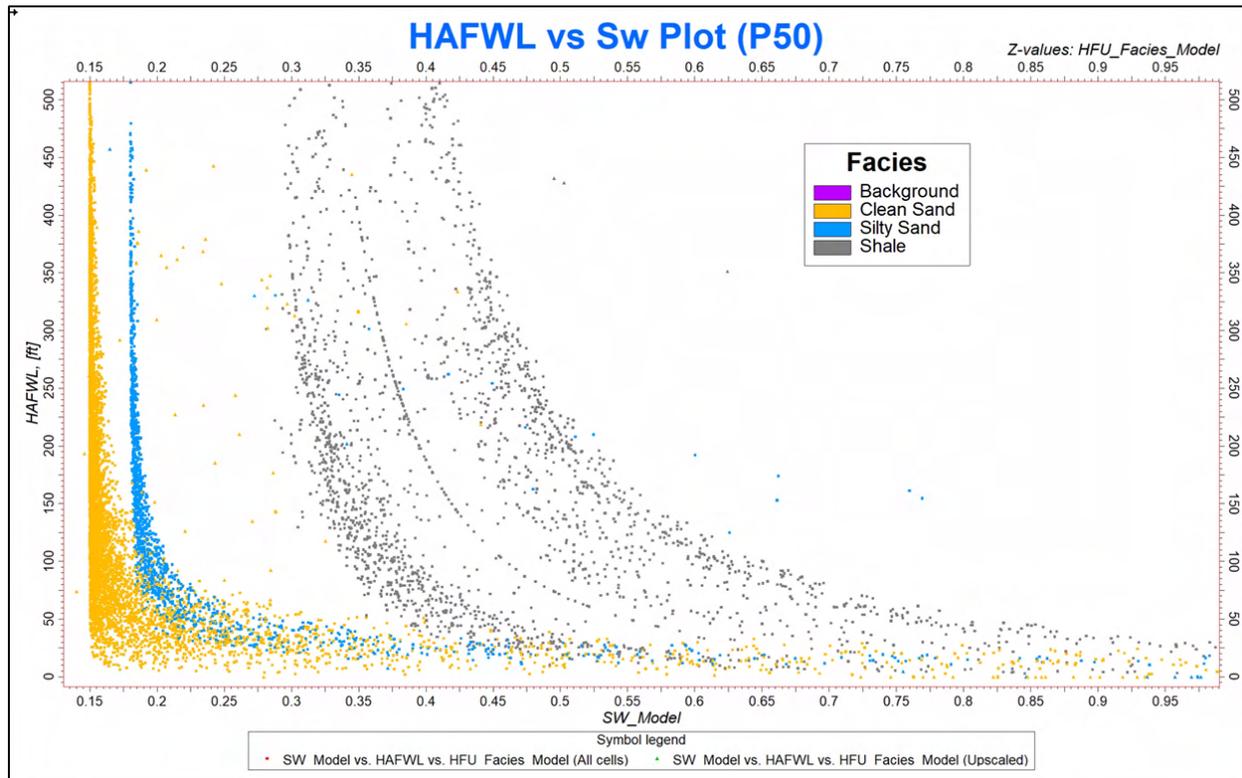


Figure 4-8: Height above free water level vs Sw (static model)

4.1.4. Fluid contacts

Formation pressures were acquired in both 110/04-1 and 110/04-2. The discovery well used older RFT gauges which require additional calibrations while the later appraisal well used the more accurate MDT gauges. After the 110/04-1 RFT data was corrected, the two wells show a good agreement with a FWL of 1755.7 ft TVDSS. The interpretation was performed by EnergyPathways which RISC supports, Figure 4-9.

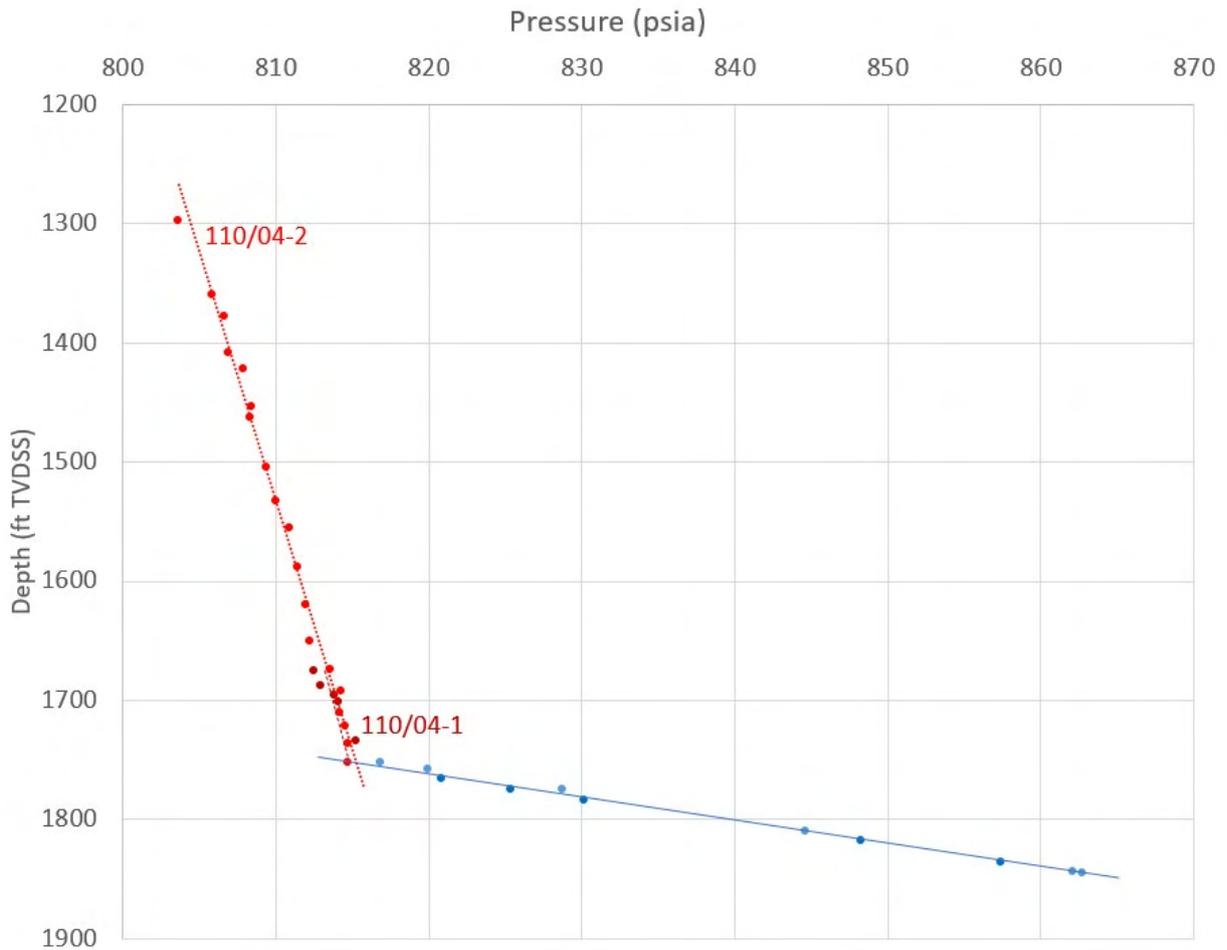


Figure 4-9: FWL estimation from formation pressure measurements in wells 110/04-1 and 110/04-2

4.1.5. Fluid properties

The MDT gas samples taken in the 110/04-2 well are the most reliable and representative samples available. A general description of the gas properties is illustrated in Table 4-2. The gas composition contains a high nitrogen concentration which requires removal prior to sale. Sales specifications will typically allow 4.65% of nitrogen in the sales stream. There is no condensate related with the Marram gas. Fuel and flare will be included in the tariff arrangement. Raw gas to sales gas conversion is therefore predominantly dependent upon nitrogen removal.

Table 4-2: Gas properties

Property	Unit	Value
Initial reservoir pressure	psig	812
Reservoir temperature	°C	30
Expansion factor 1/Bg	scf/cf	55.7
Inerts N ₂ (CO ₂ <0.02)	mole%	42.6% / 43.6% / 44.6%
Heating value	UK Therm/scf sales gas	0.01

The average gas composition from the samples taken from the 110/04-2 well are shown in Table 4-3.

Table 4-3: Average gas composition from well 110/04-2

Component	mol%
N ₂	43.62%
CO ₂	0.02%
H ₂ S	0.0%
CH ₄	55.49%
C ₂ H ₆	0.0%
C ₃ H ₈	0.9%
Total	100.0%

4.1.6. Well testing

Well tests were not performed in wells 110/04-1 and 110/04-2. A combination of the well logs, core samples and analogues provide adequate evidence of a highly producible reservoir which will sustain high deliverability wells. Figure 4-10 illustrates the highly productive nature of the clean sand and silty sand described in Section 4.1.3.

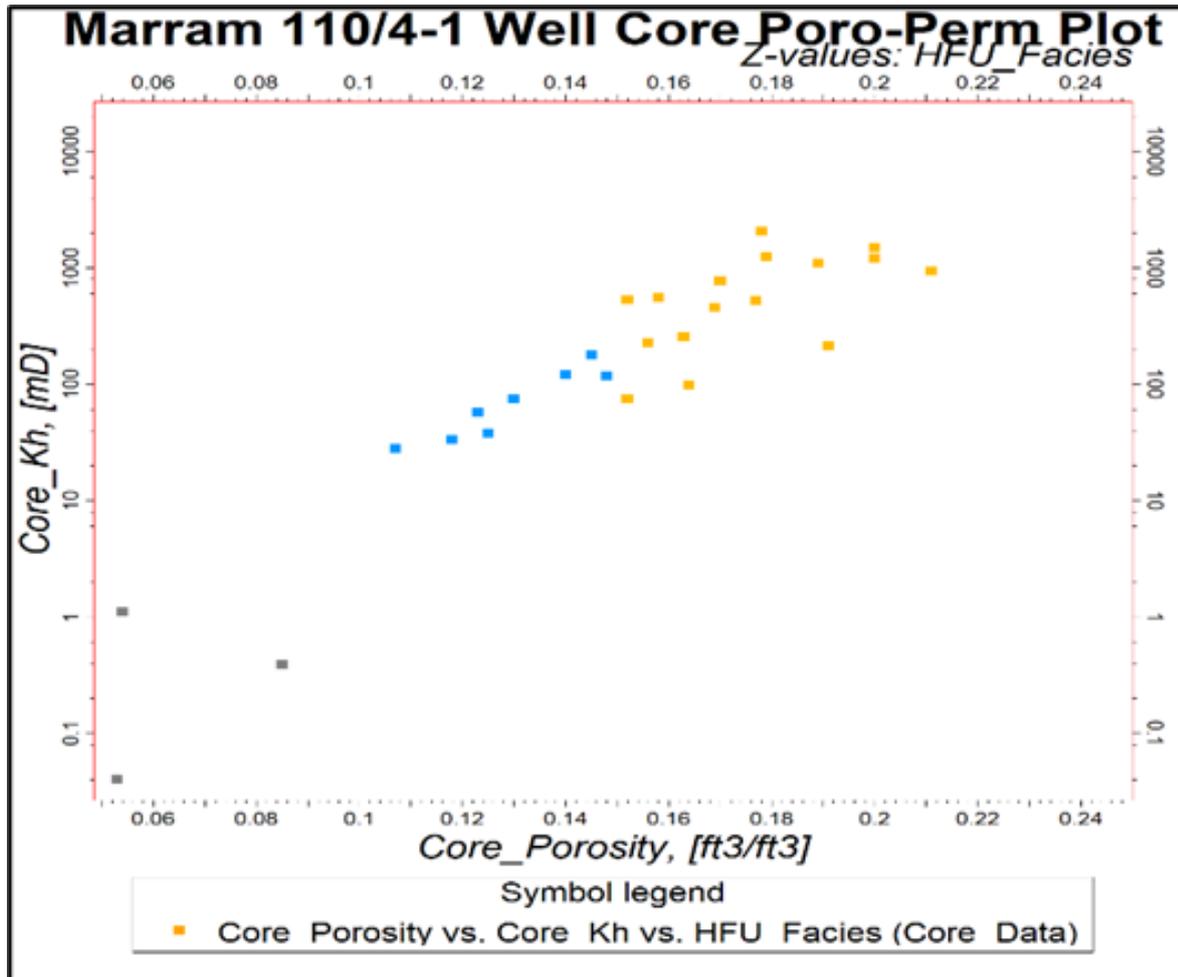


Figure 4-10: Marram 110/04-1 well core poro-perm plot

5. Resources

5.1. In-place resource volumes

RISC's in place estimates based on the low, mid and high static model construction are shown in Table 5-1.

Table 5-1: Marram field selected low, mid and high model reservoir average properties

Factor	Marram Field		
	Low	Best	High
NRV (acreft)	337,700	359,100	383,980
Porosity	13.85%	13.85%	14.06%
PV (*10 ⁶ RB)	363	386	419
Sw	13.2%	14.2%	12.2%
HCPV 9*10 ⁶ RB)	315	331	368
Raw GIIP (Bcf)	97.27	102.14	113.44

RISC converted the static models to dynamic models and the in place comparison is provided in Table 5-2.

Table 5-2: Comparison of in place estimate from the static and dynamic models

	Units	Static model	Dynamic model
Low	Bcf	97.27	93.0
Best	Bcf	102.14	100.7
High	Bcf	113.44	112.0

These volumes compare with probabilistic estimates from EnergyPathways, which RISC has reviewed and supports, of P90 = 94 Bcf, P50 = 102 Bcf and P10 = 111 Bcf.

5.2. Reservoir Development Plan

Energy Pathways prepared a field development plan for the Marram field. Two horizontal wells are planned to develop the field. Both wells are to be completed with 7" casing and 5.5" tubing and perforated across the entire intersected reservoir. A 15.5 km pipeline with ID of 10" is to deliver gas to shore via the South Morecambe platform at arrival pressure of 2.8 barg. Well head gas from Marram field will be processed through an NRU (Nitrogen Rejection Unit) with capacity of 54 MMscfd of raw gas from Marram field.

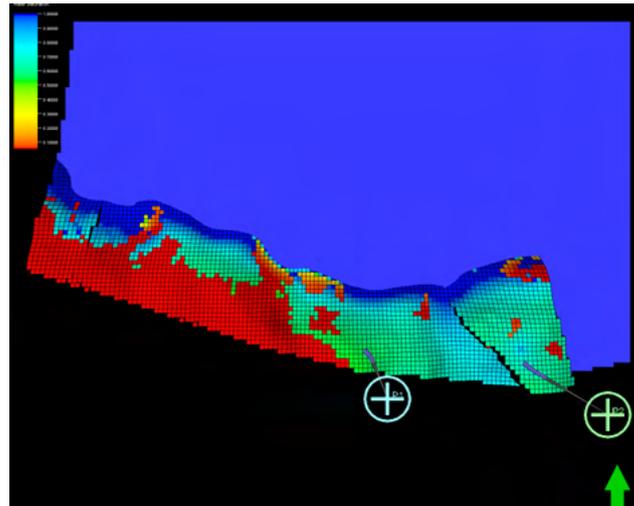


Figure 5-1: Two development well locations

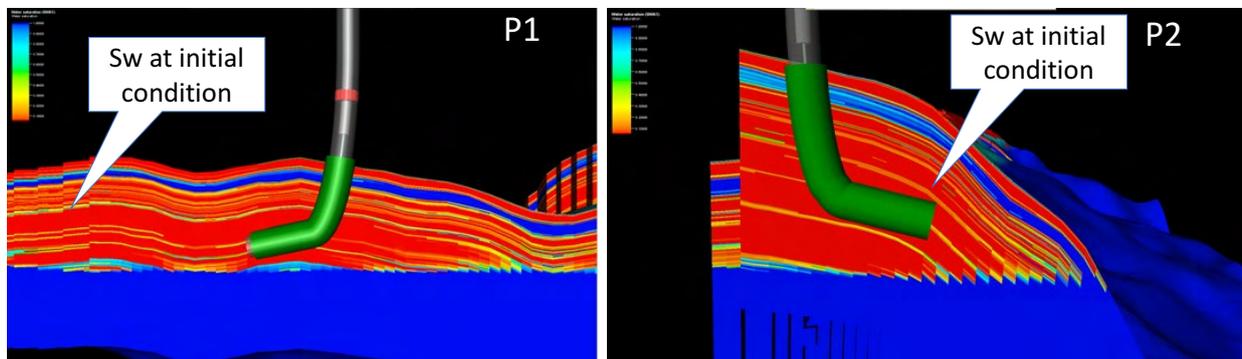


Figure 5-2: Well depth relative to the GWC

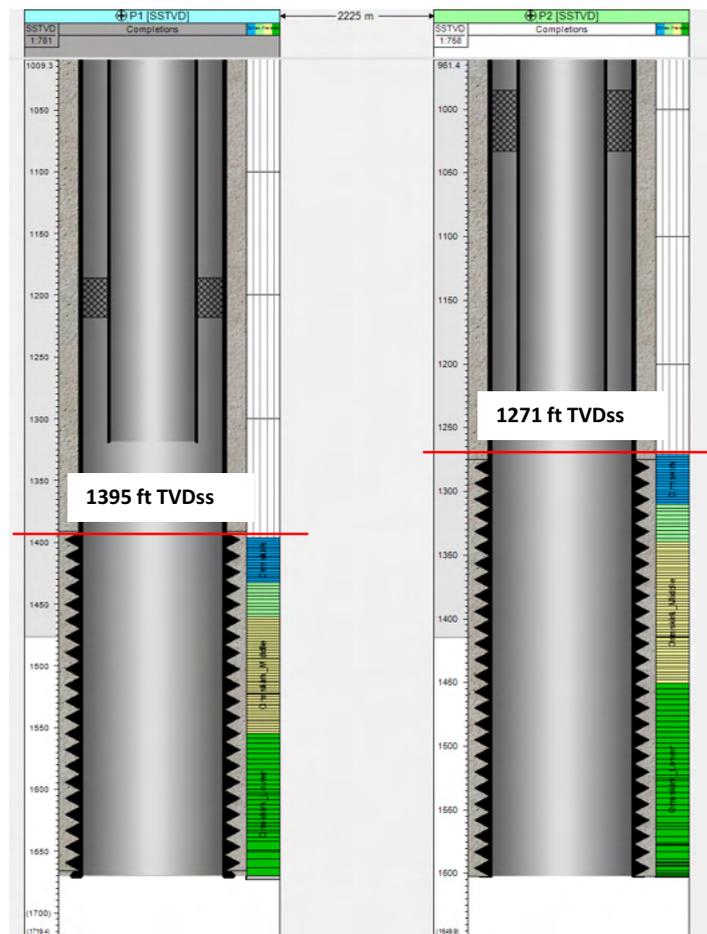


Figure 5-3: Well depth at reservoir entry

5.3. Production Forecasts

RISC has prepared low, best and high production forecasts from low, best and high dynamic models generated with Petrel-RE and Eclipse. The low, best and high dynamic models were created from the low, best and high static models. The models were initialised with initial pressure of 812 psi at the GWC of 1755 ft TVD ss. The low, best and high initialised GIIP volumes from the dynamic models, agree well with the GIIP derived from the static models.

5.3.1. Saturation curves

RISC estimated J-functions for each facies using Figure 5-4. The Corey exponents and relative permeability endpoints used in each facies is demonstrated in Table 5-3. To ensure the reasonableness of the saturation curves, RISC compared the initialised gas in-place in each facies to the volumetric estimates and they agree well, with total volume difference within 1%.

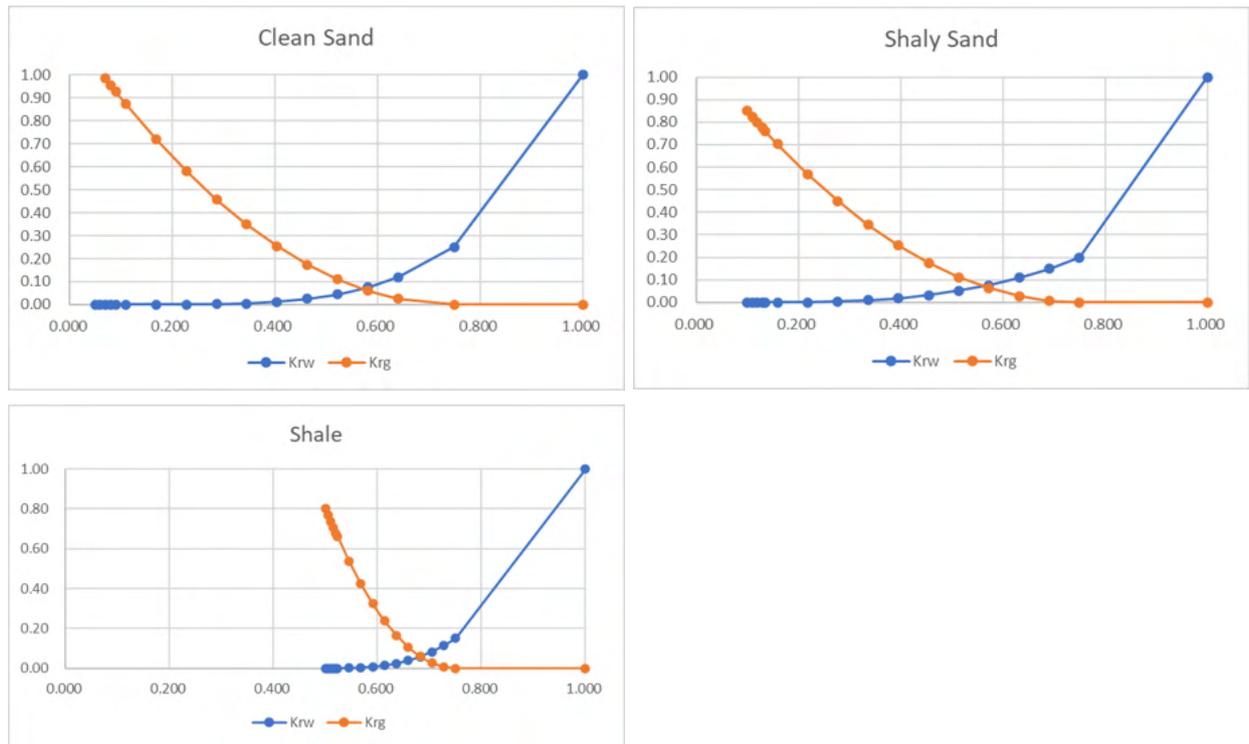


Figure 5-4: Saturation curves for clean sand, shaly sand and shale - RISC

Table 5-3: Saturation curve end points for clean sand, shaly sand and shale – RISC

Facies	Ng	Nw	Swi	Sgrw	Krw' @ Sgcr	Krg' @ Swi
Sand	2	4	0.05	0.25	0.25	0.9
Shaly Sand	2	3	0.1	0.25	0.20	0.85
Shale	2	3	0.5	0.25	0.15	0.8

5.3.2. Pipeline pressure drop

A 15.5km pipeline with ID of 10" is planned to deliver gas to shore in the low, best and high cases. The effect of the pipeline pressure drop on the minimum required THP to deliver gas, at arrival pressure of 2.8 barg, is considered in the model. RISC estimated the pipeline pressure drop for gas rates <54MMscfd (driven by NRU capacity) using:

- Panhandle B pressure drop in the best and high cases.
- Weymouth pressure drop in the low case.

Figure 5-5 illustrates the minimum required THP to deliver gas through the pipeline for the best case.

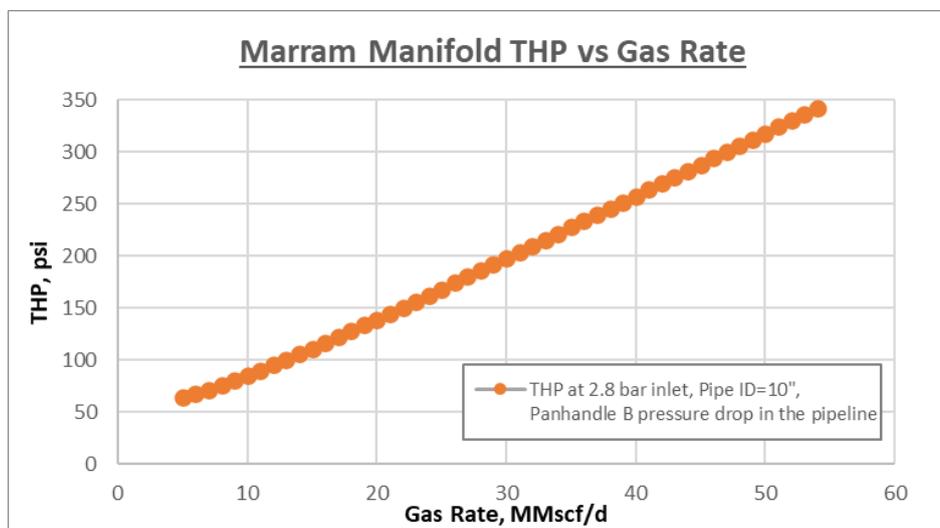


Figure 5-5: THP required to deliver gas as function of gas rate

5.3.3. Sensitivity analysis

RISC performed nine sensitivity cases around the base case using arrival pressure of 3.7 barg to test the effect of:

- Well Length
- Well location (distance from GWC)
- Aquifer
- Faults
- Pipeline pressure drop correlation (Weymouth and Panhandle)
- Pipe ID

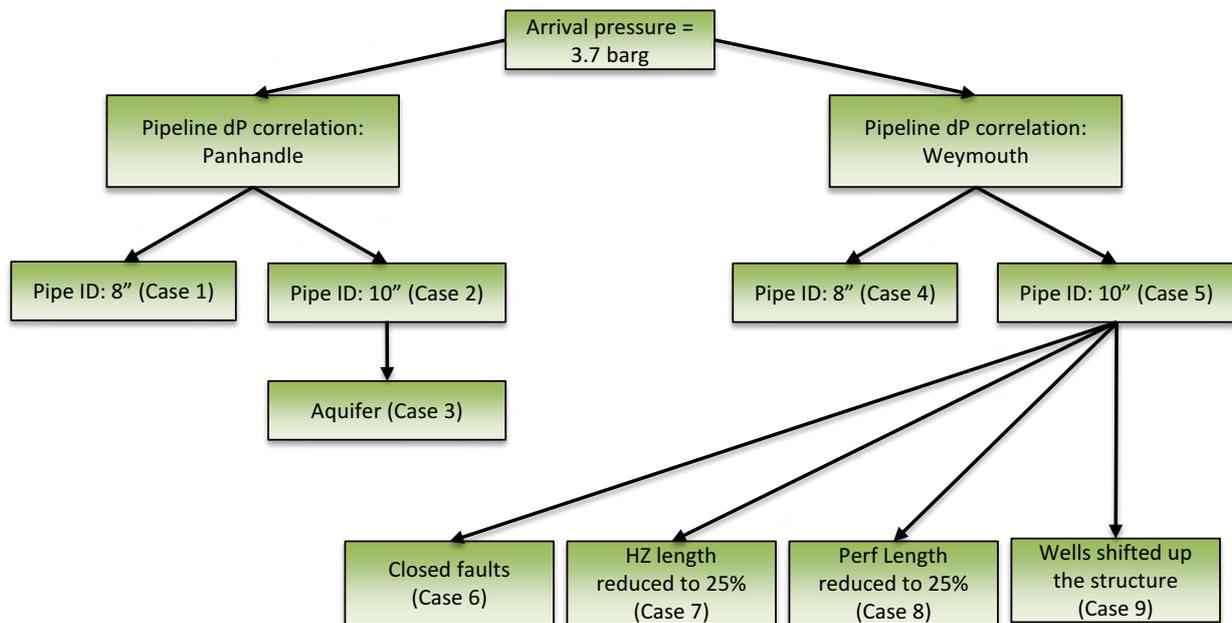


Figure 5-6: RISC sensitivity cases on the base case GIIP – arrival pressure 3.7 barg

From the above sensitivity cases, the following conclusions were made:

Pipeline pressure drop

Figure 5-7 illustrates the field gas rate and total production over 10 years, when using Weymouth (Case 5) and Panhandle (Case 2) to estimate the pipeline pressure drop.

- In both cases 10” pipeline is used.
- Weymouth results in higher pressure drop in the pipeline and therefore results in shorter plateau period (by months).
- In both cases the same amount of gas is recovered from the field over 10 years.

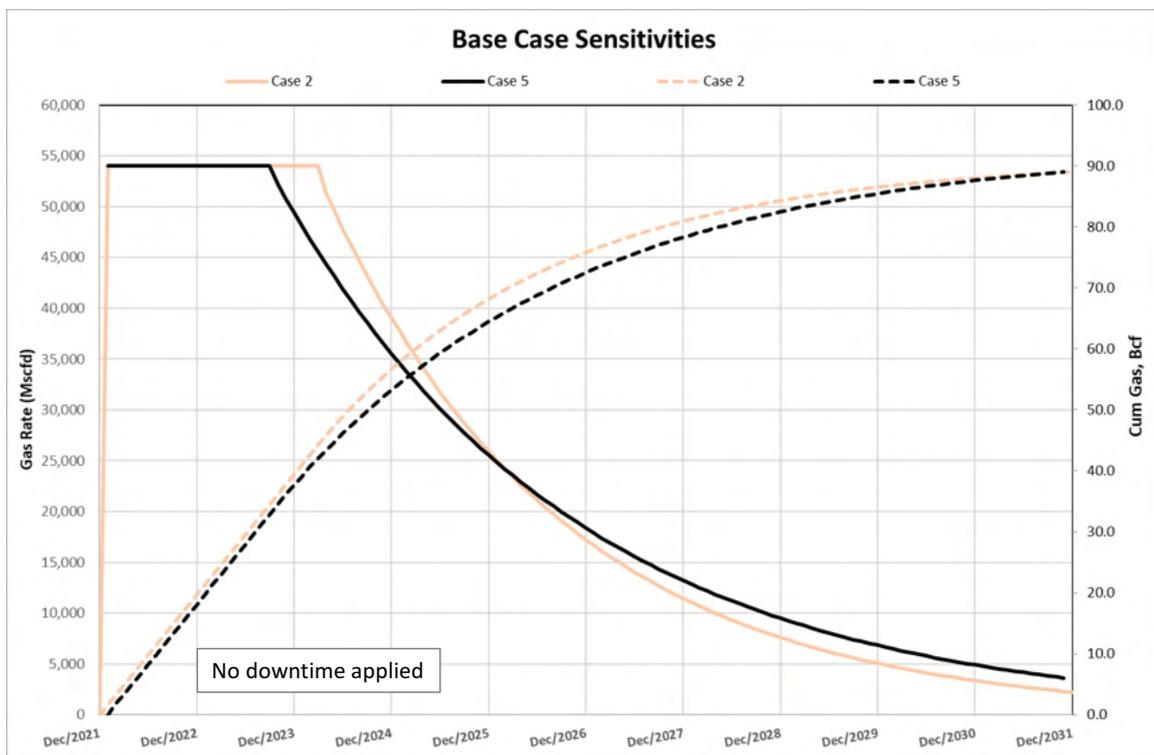


Figure 5-7: Effect of pipeline pressure drop on total raw gas recovery

Pipeline diameter

Figure 5-8 demonstrates the field gas rate and total production over 10 years, for 10” (Case 2) and 8” (Case 1) pipelines.

- In both cases Panhandle equation is used to calculate the pressure drop
- 10” pipeline will extend the plateau period by 9 months, however only slightly (<2%) recovers more gas

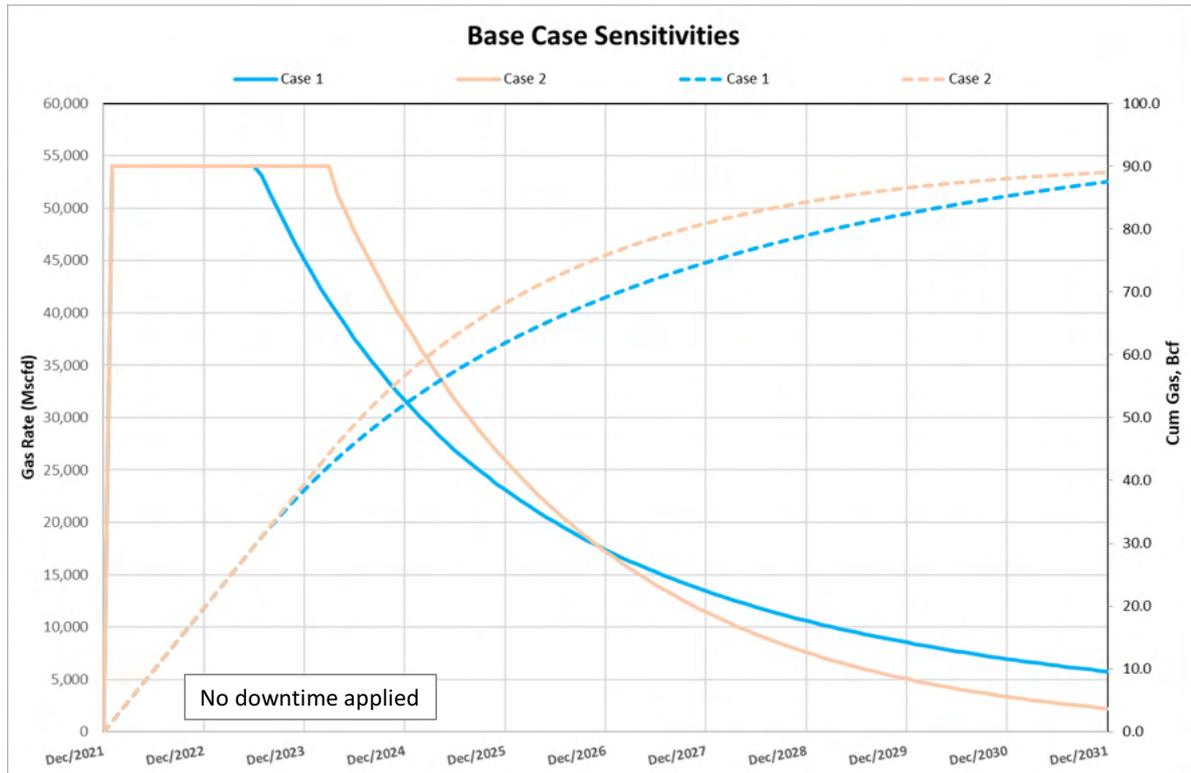


Figure 5-8: Effect of pipeline diameter on total raw gas recovery

Aquifer

Figure 5-9 illustrates the field gas rate and total production over 10 years, when using an aquifer with 40X the gas pore volume (Case 3) and without an aquifer (Case 2).

- In both cases Panhandle is used for a 10" pipeline pressure drop calculation.
- In both cases same amount of gas is recovered from the field after 10 years.
- The case with aquifer extends the plateau period by only a couple of months.

The reservoir model is insensitive to aquifer size.

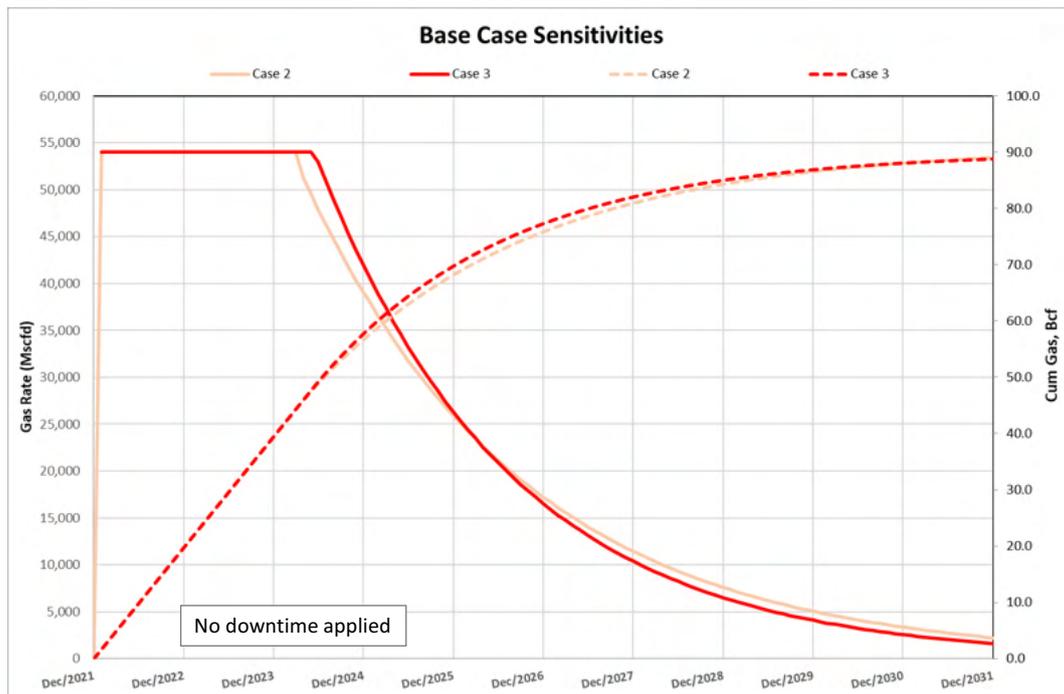


Figure 5-9: Effect of aquifer on total raw gas recovery

Well length and distance from GWC

Reservoir performance is insensitive to well length but decreases slightly as wells are moved higher in the structure away from the GWC. The insensitivity is due to the high-quality reservoir which essentially behaves as a material balance tank, Figure 5-10 and Figure 5-11.

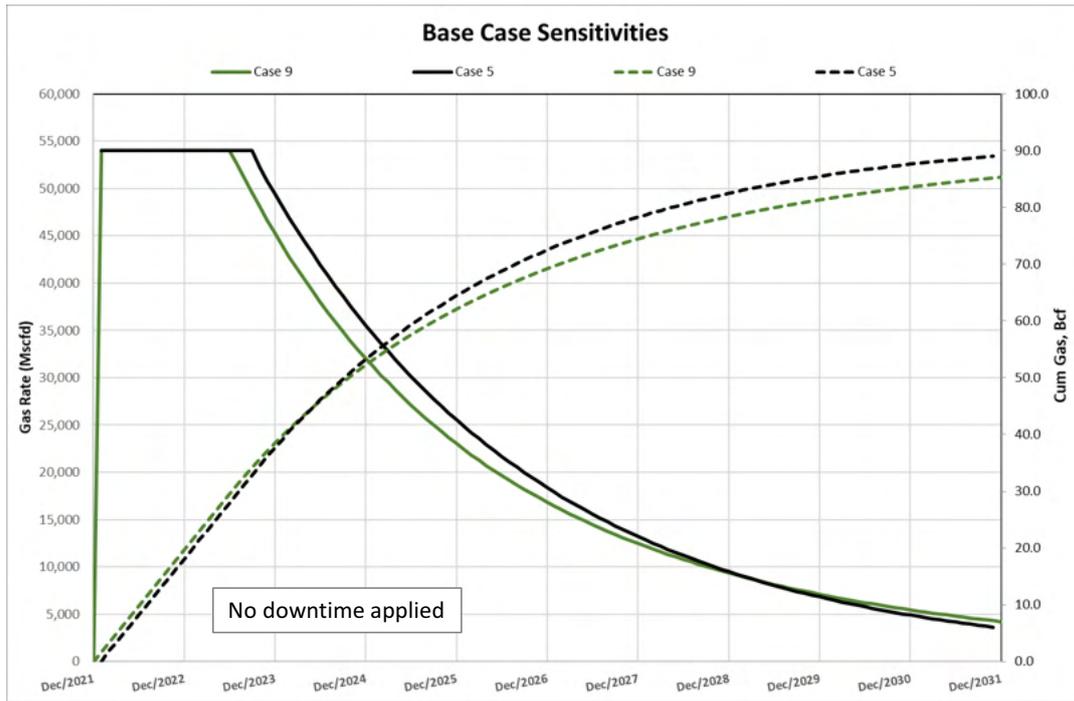


Figure 5-10: Effect of well proximity to GWC on raw gas recovery

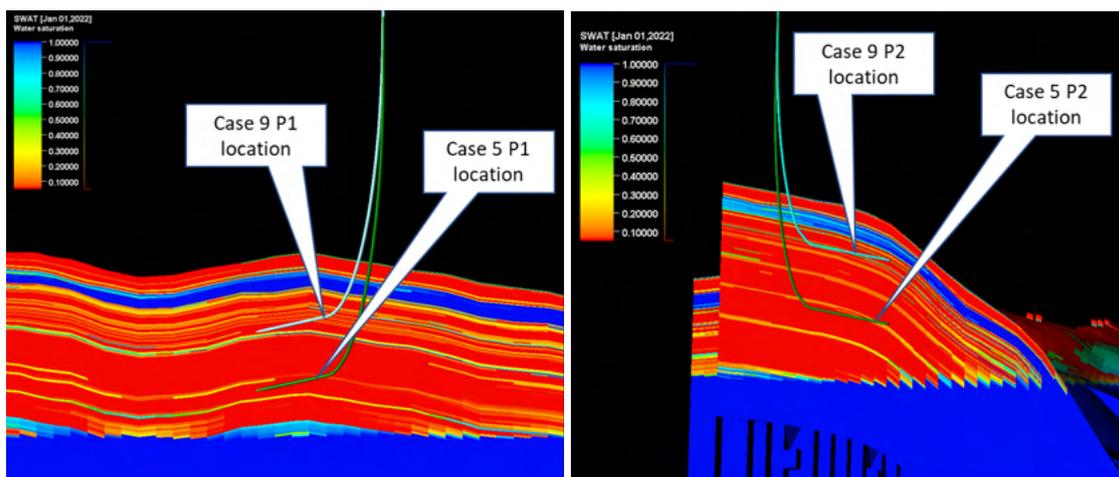


Figure 5-11: Case 9 vs Case 5 well location

Fault transmissibility

Figure 5-12 shows the field gas rate and total production over 10 years, when all the faults are completely sealed (Case 6) and fully open (Case 5).

- Same pipeline ID and pressure drop equation is used in all three cases.
- If all the faults are sealed, ~8% less recovery from the field is estimated in the base case, however the likelihood of completely sealing faults is considered low based on analogue fields.

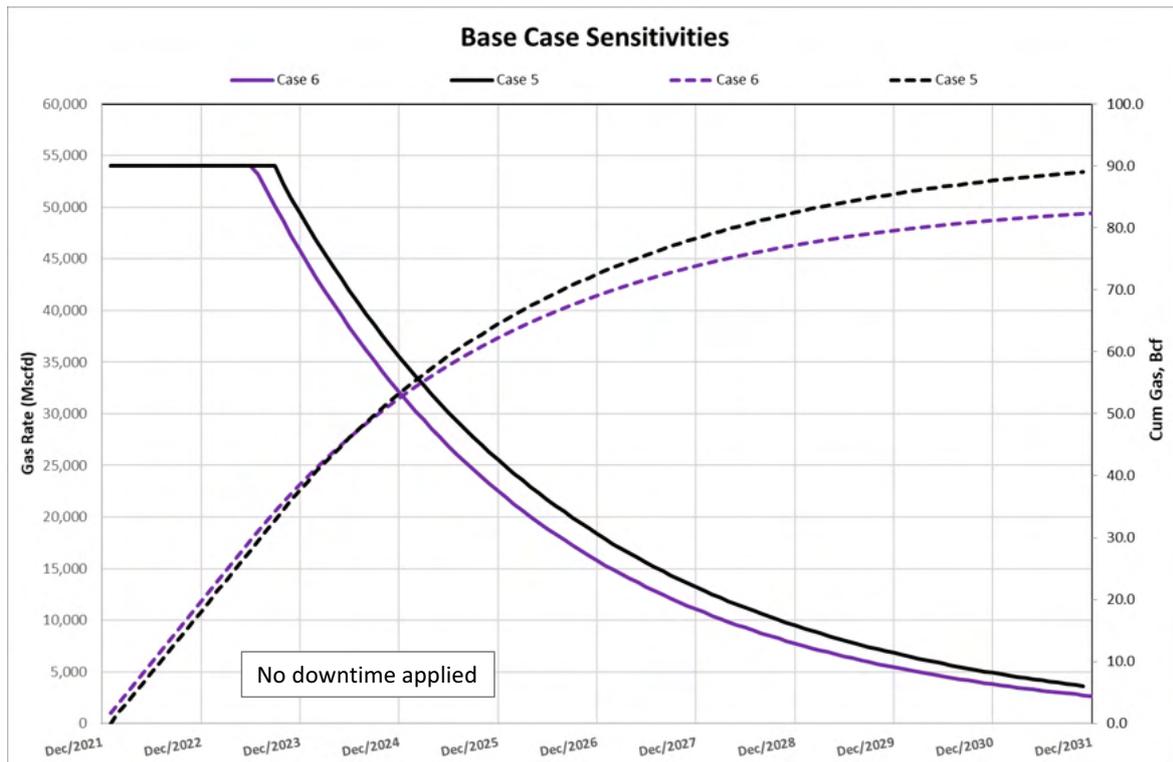


Figure 5-12: Effect of fault transmissibility on total raw gas recovery

In addition to above sensitivity cases, RISC conducted a sensitivity on using two vertical wells instead of two horizontal wells (Base Case_10in) to develop the field. In both cases gas is sent through a 10” pipeline at arrival pressure of 2.8 barg. The two vertical wells entered the reservoir at a similar location as the horizontal wells with total depth (TD) of 150ft above the GWC. This analysis demonstrated that vertical wells would recover slightly less (about 1%) compared to horizontal wells.

5.3.4. Production forecasts

From the result of sensitivity analysis around the base case following criteria was selected for the low, best, and high production profiles:

- 15.5km pipeline with ID of 10” and arrival pressure of 2.8 barg
- Use of Weymouth equation for pressure drop in the pipeline for the low case,
- Use of Panhandle B equation for pipeline pressure drop in the best and high cases.
- No aquifer attached to the reservoir.
- Facility limit of 54MMscfd is used in generating low, best and high production forecasts. This is driven by the capacity of the Nitrogen Rejection Unit (NRU).

Figure 5-13 illustrates water saturation and reservoir pressure before and after 10 years of production for the best case. As the figure shows, reservoir depletion occurs uniformly across the field. The initial reservoir pressure of 812 psia goes down to about 200 psia after 10 years of production. As there is no aquifer attached to the reservoir, no change in water saturation is observed across the field.

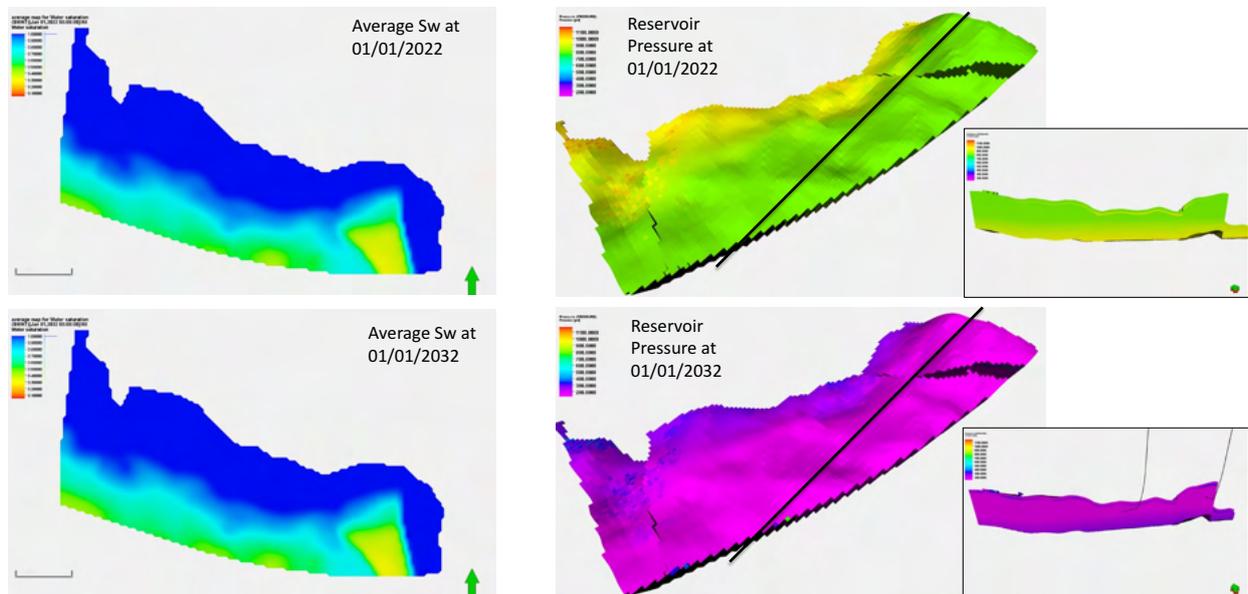


Figure 5-13: changes in reservoir pressure and water saturation before and after production

A critical component of the production system is the Nitrogen Rejection Unit at Barrow Terminal which effectively sets the gas rate constraint for the Marram field. Estimates of available ullage within the NRU have been developed by EnergyPathways, for a nitrogen rejection rate of 25 MMscf/d at the NRU, using a combination of the historical performance of fields currently being processed, known operating conditions and the future configuration of the NRU. In April 2023, EnergyPathways revised the Nitrogen rejection rate to 24 mmscfd, based on reduced efficiency of the NRU. RISC updated the ullage estimation for the revised performance. RISC recognises these are preliminary and subject to host operator studies yet to be completed and ultimately contractual details yet to be agreed. These models suggest that as existing fields decline additional ullage is available for Marram, RISC has used this as the production constraint until the field potential falls below the available ullage with remaining production being based on field potential. EnergyPathways have identified a scope of work that would lead to increasing the performance of the NRU

through de-bottlenecking and other process improvements. These are not represented in the reserve case and are contingent upon studies and approvals.

EnergyPathways has estimated plant availability using production data from the current fields being processed. Aggregate availability is expected to be 73% improving to 84% if de-bottlenecking and process improvements can be achieved. A planned annual 30-day maintenance program is included. RISC supports these estimates and observes that, since some of the fields producing through the NRU are on decline, Marram may be able to exceed 66% in some circumstances whilst field potential exceeds gas sales nominations.

End of field life is determined by RISC estimating host life extension based upon the Marram production profiles and anticipated performance of the existing fields.

Figure 5-14 contains the 1P, 2P and 3P production forecasts.

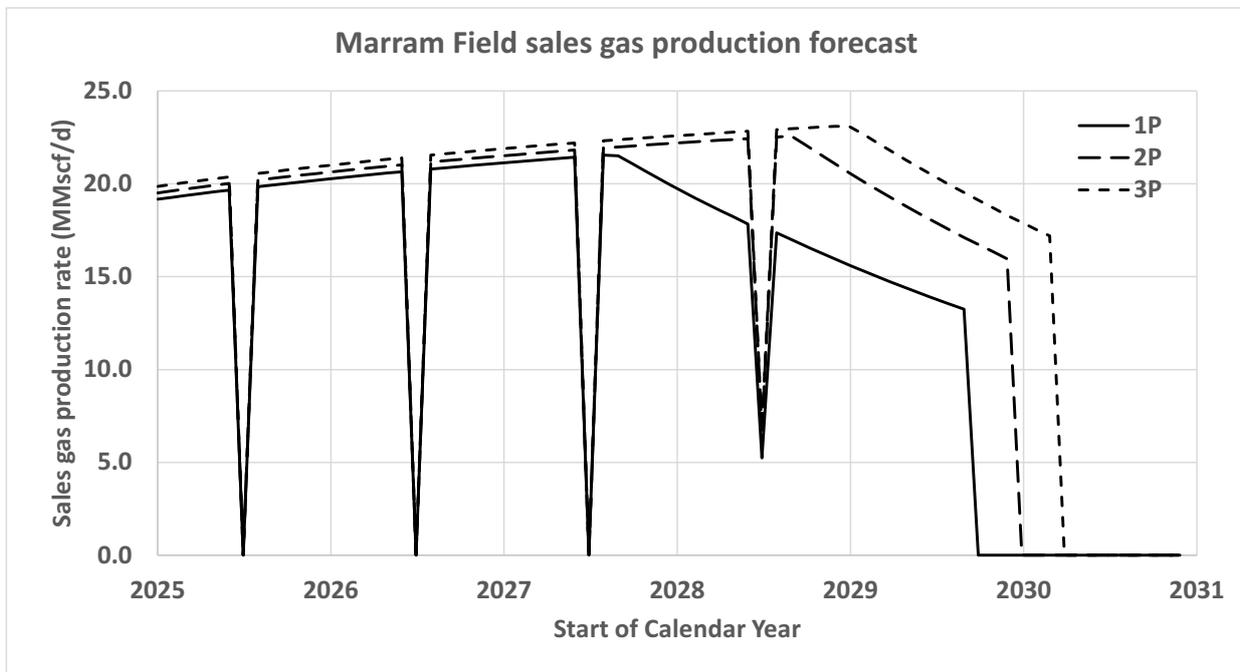


Figure 5-14: Marram Field sales gas production forecast

5.4. Basis of commerciality

RISC reviewed EnergyPathway's inputs to the economic model and considers them a reasonable basis to estimate the NPV. Using the EnergyPathways economic model with the RISC production profiles results in a positive NPV10 which is one of the criteria to establish an undeveloped reserve classification. The assessment has been performed on the estimated entitlement forecast (100%) quantities and associated cash flow on which the investment decision will be made.

5.5. Reserves and resource summary

RISC’s classification of the Marram development is undeveloped reserve, sub classification justified for development, Table 5-4. The reserve classification is based on a technically mature development plan to be implemented in a reasonable timeframe; financial appropriations are likely to be secured; favourable economics; an available market for the gas; evidence that production and transportation facilities can be made available; and evidence that the necessary approvals will be forthcoming.

Table 5-4: EnergyPathway undeveloped reserves as at 1 July 2023

Gas and Condensate	Unit	Gross Reserves			Net Attributable			Operator
		1P	2P	3P	1P	2P	3P	
Marram Field Sales Gas	Bcf	30.6	35.3	38.4	30.6	35.3	38.4	EnergyPathways Irish Sea Ltd ⁷
Marram Field Condensate	MMstb	0.0	0.0	0.0	0.0	0.0	0.0	EnergyPathways Irish Sea Ltd ⁷

Notes:

1. Sales Gas resources are stated at pipeline specification of 4.65% N₂.
2. Unplanned downtime is 28%, planned maintenance is 8.2%.
3. There are no deductions for fuel and flare as they are to be included in the tariff arrangement.
4. The reference point for gas is at the discharge to the Nitrogen Rejection Unit.
5. Deterministic evaluation methods have been used.
6. Bill Billingsley of RISC is the competent person
7. “Operator” is the name of the company that operates the asset
8. “Gross” are 100% of the reserves attributable to the license whilst “Net Attributable” are those attributable to EnergyPathways.

Table 5-5: Marram Field raw gas and recovery factors

Recovery Factor	Unit	1P	2P	3P
Marram Field Raw Gas	Bcf	57.6	65.5	69.4
Gas Recovery Factor	%	62%	65%	62%

There are additional contingent volumes available with sub classification unclarified, Table 5-6.

⁷ Host operator Spirit Energy

De-bottlenecking studies have yet to begin and there is a reasonable chance that these studies will yield some benefits. RISC considers the risk factor is 30% and the contingency is the conclusion of appropriate studies and implementation of the works.

A one-year extension to production could occur due to reductions in opex, further third-party business or improved commodity prices. RISC considers the risk factor is 10% and the contingency is demonstration of alternative approved decommissioning plans.

Table 5-6: Summary Marram Field contingent resources as at 1 July 2023

Gas and Condensate	Unit	Gross Resources			Net Attributable			Risk Factor	Operator
		1C	2C	3C	1C	2C	3C		
De-bottlenecking	Bcf	5.3	7.3	8.2	5.3	7.3	8.2	30%	EnergyPathways Irish Sea Ltd ⁸
1 year field extension	Bcf	3.5	3.7	4.1	3.5	3.7	4.1	10%	EnergyPathways Irish Sea Ltd ⁸
Total contingent Sales Gas	Bcf	8.8	11.0	12.4	8.8	11.0	12.4	-	EnergyPathways Irish Sea Ltd ⁸
Marram Field Condensate	MMstb	0.0	0.0	0.0	0.0	0.0	0.0	-	EnergyPathways Irish Sea Ltd ⁸

Notes:

1. Sales Gas resources are stated at pipeline specification of 4.65% N₂.
2. Unplanned downtime is 16%, planned maintenance is 8.2%.
3. There are no deductions for fuel and flare as they are to be included in the tariff arrangement.
4. The reference point for gas is at the discharge to the Nitrogen Rejection Unit.
5. Deterministic evaluation methods have been used.
6. Bill Billingsley of RISC is the competent person
7. "Risk Factor" for Contingent Resources means the estimated chance, or probability, that the volumes will be commercially extracted
8. "Operator" is the name of the company that operates the asset
9. "Gross" are 100% of the reserves attributable to the license whilst "Net Attributable" are those attributable to EnergyPathways.

The low, mid and high Technically Recoverable Resources (TRR) are sales gas volumes of 47 Bcf, 53 Bcf and 59 Bcf respectively.

⁸ Host facility operator Spirit Energy

6. Field Development Plan

The Marram field development is planned to be a relatively simple tie back to an existing platform and processing equipment. The selected concept includes two daisy-chained wells tied into the Morecambe South Complex via a 15.5km export pipeline. RISC has reviewed the development concept and associated capex and opex and consider them reasonable. RISC also reviewed the project schedule and determined the updated timeline could be optimistic. Our analysis is expanded further in the following sections.

6.1. Drilling and completions

The Marram field is planned to be developed with two production wells, Stanley 1 and 2. The well trajectories and completion designs have not been finalized at this stage, but RISC notes that horizontal wells have been considered in the EnergyPathways base case. Furthermore, costs associated with a pre-drilled liner completion have been included in the economic model provided. Therefore, RISC has accepted the concept presented in the economic model and reviewed those associated costs.

Stanley 1 and 2 are planned to be drilled as subsea wells at two separate locations approximately 1.7 km apart. The wells will be drilled to total depths of approximately 1,700 ft and will incorporate horizontal sections of approximately 1,000 ft. The completion designs will be finalized in the next project phase and are subject to the likelihood of sand failure. The designs considered are shown in Figure 6-1, and if there is a risk of sand failure the stand-alone sand screens are recommended. At this stage of the project the pre-drilled liner has been selected for planning purposes.

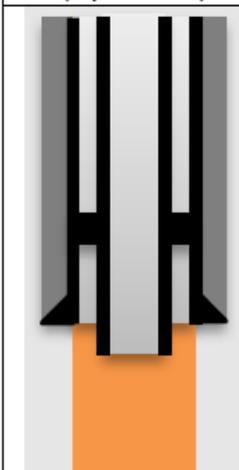
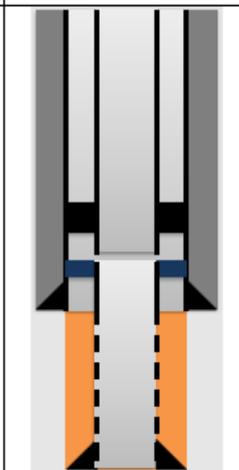
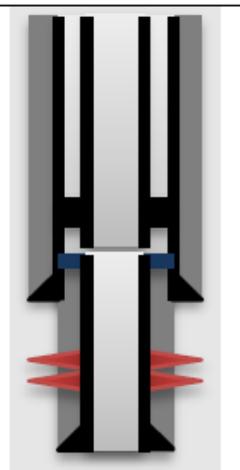
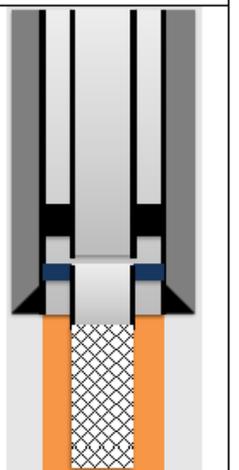
	Barefoot (Open hole)	Pre-Drilled Liner	Cemented & Perforated Liner	Stand Alone Sand Screens
Selection Criteria				
Cost	Low Cost	Moderate	High Cost	Moderate
Simplicity	Simple	Simple	Complex	Moderate
Sand Control & Wellbore Stability	Poor	Poor	Fair	Good

Figure 6-1: Completion designs considered for the Marram development wells

6.2. Facilities

The selected development concept in the November 2022 FDP consists of the two production wells daisy-chained and tied back via a rigid 15.5 km 10" pipeline to the Drilling Platform (DP1) at the Morecambe South Complex. The gas will then be passed to the Central Processing Platform (CPP1) for dehydration, compression, and export to the North Morecambe Terminal (NMT) for further processing before entering the National Transmission System (NTS). The development concept is shown in Figure 6-2.

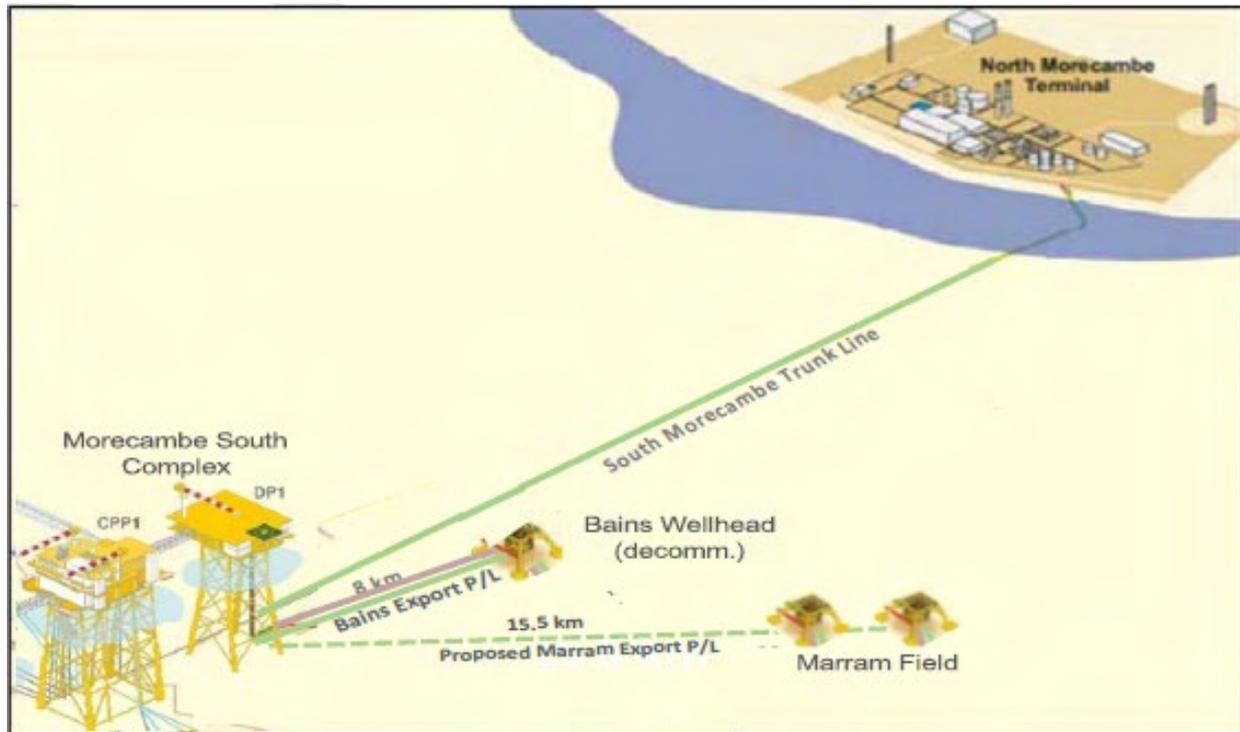


Figure 6-2: Marram field development concept

This development was selected due to the following factors:

- Simple subsea scope with minimal components.
- Reduced brownfield topside scope compared to other options.
- Lowest capex.

No subsea manifold is required in the development, with the two wells connected in series and consisting of subsea trees with protection frames. Valve isolation is achieved using valve spools installed within the tree protection structure. This is a similar arrangement to existing tiebacks in the East Irish Sea consisting of one or two wells and is accepted by RISC. A 10" pipeline is necessary to achieve the modelled production profiles and a rigid structure is selected due to the much higher capex associated with a flexible flowline.

Four detailed engineering studies are ongoing to determine the optimal host modifications for handling Maram gas. The current host facilities scope includes:

- Tie-in of the Marram riser to the DP1 well manifold,

- Potential modifications to the offshore fuel gas compressor on the CPP1,
- Retrofit of NOx reduction system to the Rushdon gas turbines (RGTs) used for power generation on the CPP1,
- Modifications to the nitrogen rejection unit (NRU) at the NMT to enable higher concentrations of nitrogen to be processed. The system design limits the inlet concentration to 16.3mol% N₂, although RISC understands that actual limits are lower at 14 mol%, beyond which the NRU columns operation becomes unstable. A preliminary study identified the NRU process as a key risk to being able to process gas from Marram.

6.3. Capital and Operating Costs

EnergyPathways has provided capital and operating cost forecasts for the base case development scenario. RISC consider these costs to be reasonable, and we have used them in the resource estimation process.

6.3.1. Capital costs

EnergyPathways estimates total project capex of £72 million, with the breakdown of costs shown in Table 6-1. These costs are scheduled to occur across 2024 as per the updated EnergyPathways schedule, with some minor pre-FID costs in 2023.

Table 6-1: Breakdown of EnergyPathways capex estimate

Capex component	£ million
Drilling and completions	22
SURF	36
Host facilities modifications	10
Project Management	3
Owner's costs	2
Total	72

Drilling and completion (D&C) costs for the two production wells are estimated to be £22 million. This estimate includes mob and demob costs and is based on a D&C time of approximately 44 days per well from a Jack Up rig. The cost and time estimates include a 30% allowance for non-productive time/weather downtime. RISC considers the cost and time estimates to be reasonable for the planned well design in relatively shallow water. As previously mentioned, these costs are based on horizontal wells with pre-drilled liner completions. The range in D&C costs for the simplest well design to the most complex is £20 to £29 million, and we note that this is a reasonable range of uncertainty for this stage of the development process.

Subsea development costs are estimated to be £36 million and include expenditure associated with the pipeline, well controls, umbilicals, platform tie-in and well trees. Estimates are based on the Genesis cost

database which uses cost curves developed from vendor quotations from the previous five years. Un-allocated provisions (UAP) of 15% of the base cost have been included. RISC consider the costs presented to be reasonable, noting the relatively simple development concept and short pipeline length.

£10 million has been estimated for host facility modifications. Most of the expenditure is associated with upgrades to the power generation and fuel gas compressors. There are also minor costs for tie-in of the Marram riser and modifications to the NRU. Typically, the operator of the host facilities, in this case Spirit, would pay for the required modifications and pass the costs on to EnergyPathways in the form of a tariff. Therefore, we question whether these costs should be included in the capex estimate.

Minor costs pre-FID work, project management and owner’s costs are also included.

6.3.2. Operating costs

EnergyPathways has estimated total opex of £27 million from 2025 to 2030 in the base production case. The opex profile is shown in Figure 6-3.

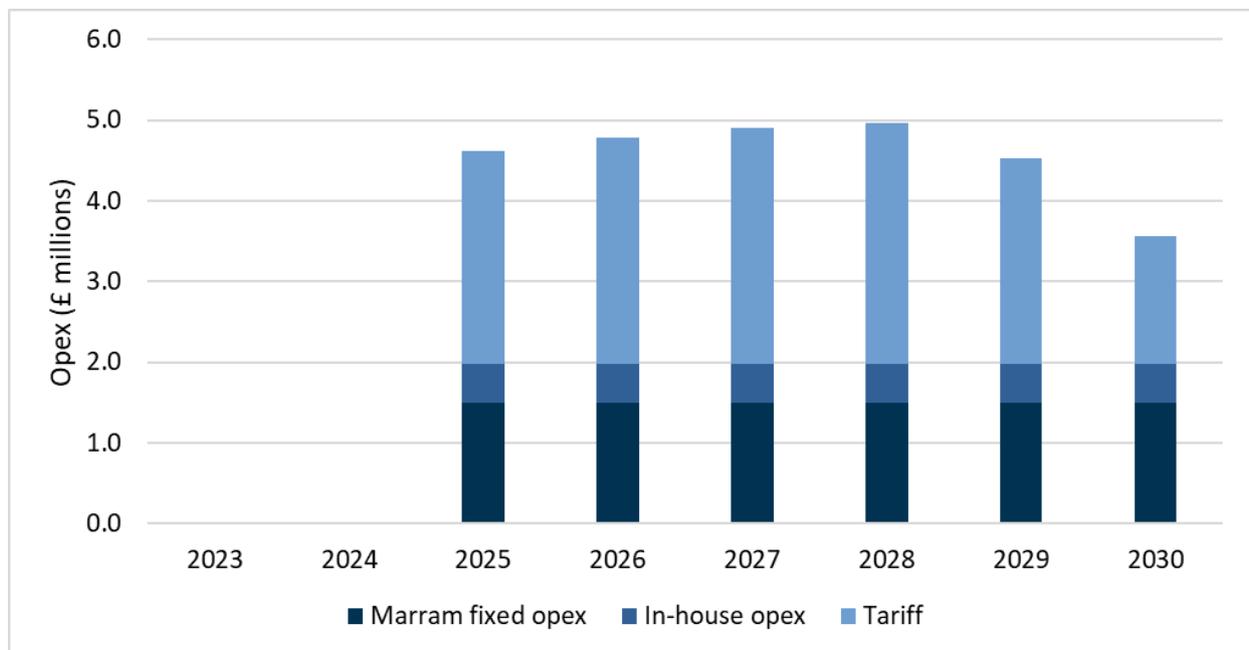


Figure 6-3: Marram base production opex forecast

There are several opex structures included in the economic model provided. The same fixed costs are included in each structure and consist of £1.5 million for Marram fixed opex and £0.5 million for in-house costs. For a small two well development RISC consider these costs to be reasonable. The tariff or variable opex is different in each structure, and the one selected for the base case model applies a tariff of 4 pence/UK Therm. This model was selected to account for some uncertainty in the opex forecast. The benchmark tariff rate seen for similar development scenarios in the North and Irish Seas is 3 pence/UK Therm. Therefore, the case selected by EnergyPathways is higher than they expect to pay but allows for some uncertainty in the cost estimates. The opex forecast is accepted by RISC.

6.4. Decommissioning costs

Total decommissioning costs of £7 million have been included in the economic modelling, which is simply 10.5% of the project capex. RISC notes that well P&A costs of £6.5 million have previously been quoted. This involves both production wells being decommissioned as part of a single campaign from a Jack Up rig. Similar assumptions to the drilling campaign were also applied. RISC considers the well P&A costs to be reasonable but acknowledge that this leaves only approximately £1 million for pipeline decommissioning and other activities. This remaining budget would be suitable if the pipeline is planned to be decommissioned in-situ, which is common practise for longer pipelines in the North and Irish Sea areas. If, however, the pipeline is required to be cut and removed then additional expenditure will need to be included.

6.5. Development schedule

The current field development plan indicates that EnergyPathways consider first gas early in 2025 is feasible, but recognises that there are several assumptions regarding critical path activities that remain uncertain:

- Feasibility studies for the host facilities remain on-hold subject to funding.
- There is a 5-month Front End Engineering and Design (FEED) process, starting in July 2023 and finishing in December, with a final investment decision also planned for December.
- Execution timeframe has been reduced from 15 to 12 months.

RISC considers the current plan optimistic and we note the following issues:

- Host facilities studies have been suspended, and requirements for modifications and or constraints on Marram remain unclear. We understand that these studies will take 2-3 months to complete once re-started.
- Aside from the above-mentioned studies there are no agreements in place with the host organisation to use the existing facilities. Given the nature of progress to date, and the organisation (Spirit Energy is a subsidiary of Centrica) we anticipate that any access arrangements are likely to take some time to negotiate.
- An MOU signed with Safeen Survey and Subsea Service L.L.C. (“Safeen”) indicates a 6-month FEED duration followed by a 12-month execution period.
- Safeen are a UAE based company and this will be Safeen’s first project in the UK.
- The Gov’t advice received in April 2023 “Scoping Opinion in relation to the Marram Field Development” indicates that “As environmental surveys in support of the intended ES submission are still to be collected it is difficult to provide targeted advice on the scope of the ES at this stage.” The impact of this recent advice, and timeline for collection of these environmental surveys is not clear.

Based on our experience with other similar projects we consider a 6-month delay to start-up (July 2025) is likely a 12+ month delay is also possible (January 2026 or later). A 12-month delay could put 6 Bcf of sales gas at risk due to decommissioning being related to the host facility production rate which includes fields other than Marram.

7. Economics

The production forecasts and cost parameters described in this report were used as inputs for economic analysis. The economic model used was provided by EnergyPathways and confirmed by RISC to be suitable for project evaluation purposes.

7.1. Petroleum Fiscal Terms

The UK ring fence corporate tax rate of 30% was used, along with a supplementary corporation tax charge (SCT) of 10%. A 62.5% uplift on capex is allowed for SCT purposes. In May 2022, the Energy Profits Levy (EPL) was introduced. The EPL consists of a new additional surcharge of 35% and an associated Investment Allowance of 29% until the end of March 2028. The EPL has been applied in the economic analysis.

EnergyPathways obtained the licence covering Marram from Burgate Exploration & Production Ltd in February 2022. In return EnergyPathways pays a 2.5% overring royalty after project cost payback if the gas price is above 50 p/therm, and 2.2% if the gas price is under. There is a minor ongoing royalty of 0.25% until project payback. This royalty has been applied in the economic analysis.

7.2. Commodity pricing

The EnergyPathways gas price forecast of 115 p/therm flat was used in the evaluation. This is lower than the UK Treasury forecast⁹ used in previous evaluations but reflects the decrease in price seen in 2023. RISC considers this price forecast to be suitable for project evaluation purposes.

7.3. Economic analysis and results

The NPV₁₀ of the Marram development was calculated using the economic model provided and the production, cost and fiscal inputs described in this report. Reserves are attributed to the firm development while contingent resources were estimated for a future debottlenecking project and field extension of one year. The NPV₁₀ of the reserves and resource projects is shown in Table 7-1. A risk factor was applied to the contingent resources.

Table 7-1: NPV₁₀ of the Marram 2P reserves and 2C contingent resources

Resource case	Risk factor (%)	NPV ₁₀ (£ millions)
2P reserves	-	79
2C resources - debottlenecking	30%	4
2C resources – one year extension	10%	1

⁹<https://obr.uk/efo/economic-and-fiscal-outlook-march-2022/>

RISC performed sensitivity analysis on several parameters to quantify the impact on value. The NPV₁₀ range for a 1P to 3P production outcome was £63 to £90 million. RISC also reviewed the impact of a 20% increase in capex and found it to be minimal, with NPV₁₀ of the 2P case reduced by £3 million to £76 million.

The impact of a six-month delay in first gas, as discussed in section 6.5, was also evaluated. RISC revised the production forecast to begin 1 July 2025 and estimated an associated increase in capex. The capex included continued project management, owner’s, and facilities costs until June 2025 equating to a total increase of approximately 20%. The NPV₁₀ of the 2P case decreased to £68 million. While this is a 15% decrease, it also shows that the project economics are robust and can absorb a six-month delay.

The project economics were most sensitive to increases and decreases in gas price. Several gas price forecasts were included in the economic model and RISC calculated the 2P NPV₁₀ for each scenario. The results are summarised in Table 7-2.

Table 7-2: Project 2P NPV₁₀ for different gas price scenarios (p/therm)

Pence/therm	Spot (114.8 flat)	UK Futures (Mar-22)	UK Treasury (Mar-22)	100 flat	80 flat	60 flat	40 flat
NPV ₁₀ (£ millions)	79	72	83	66	48	29	3

8. Conclusion

The Marram Field development provides access to a favourable gas market and a development schedule that could deliver 1st gas in Q1 2025. The majority of the required infrastructure is already in place with minimal changes being planned. Two horizontal wells will have sub-sea trees tied back to the existing DP-1 NUI, bridge linked to CPP-1 for processing and compression, prior to pipeline transport to Morecambe Terminal. The Marram reservoir is high quality and well productivity is expected to exceed available host capacity for 2 to 4 years following 1st gas. Subsequently de-bottlenecking is an opportunity being evaluated by EnergyPathways. The development schedule is, in RISC's opinion, a stretch target; a 12 month delay to 1st gas would place approximately 6 Bcf at risk.

Principal opportunities

- 35.3 Bcf of undeveloped gas reserve held in a high-quality reservoir in the East Irish Sea.
- High-capacity wells which can take advantage of opportunistic ullage at the host facility.
- Proximity of host facilities, 12 km, which are not only nearby but fit for purpose with a nitrogen rejection unit.
- De-bottlenecking can provide a route to reserves growth.

Principal risks

- The development plan schedule has some elements that are not within EnergyPathways control and may lead to schedule slippage. Specifically:
 - Design and implementation of 3rd party host facilities modifications.
 - Negotiation of access agreements with the Operator/JV of the Morecambe facilities.
 - Negotiation of Gas Sales and Processing agreements (GSA/GPA's).
 - Long lead items that are on the critical or subcritical path.
 - Project funding which is on the critical path.
- The host facilities are approaching 40 years old and may require additional maintenance in future years as decommissioning approaches. (This is estimated to be in approximately 2029 based on no other third party gas being processed).
- Available ullage at the host facilities is subject to host operator studies which may differ from the current estimates.
- The valuation is dependent upon gas price and EnergyPathways have yet to finalise a gas sales contract.

The reserve classification is based on RISC's understanding that this is a technically mature development plan which is commercially viable and will be implemented in a reasonable timeframe; Energy Pathways have demonstrated favourable economics and have a firm intention to proceed with development; financial appropriations are likely to be secured; there is a reasonable expectation that there is an available market for the gas; evidence that production and transportation facilities can be made available; and evidence that the necessary contracts and approvals will be forthcoming.

9. Declarations

9.1. Terms of Engagement

This report, any advice, opinions or other deliverables are provided pursuant to the Engagement Contract agreed to and executed by the Client and RISC.

9.2. Qualifications

RISC is an independent oil and gas advisory firm. All the RISC staff engaged in this assignment are professionally qualified engineers, geoscientists or analysts, each with many years of relevant experience and most have in excess of 20 years.

RISC was founded in 1994 to provide independent advice to companies associated with the oil and gas industry. Today the company has approximately 30 highly experienced professional staff at offices in Perth, Brisbane, Jakarta and London. We have completed over 2,000 assignments in 70+ countries for nearly 500 clients. Our services cover the entire range of the oil and gas business lifecycle and include:

- Oil and gas asset valuations, expert advice to banks for debt or equity finance;
- Exploration/portfolio management;
- Field development studies and operations planning;
- Reserves assessment and certification, peer reviews;
- Gas market advice;
- Independent Expert/Expert Witness;
- Strategy and corporate planning.

The preparation of this report has been managed by Mr Bill Billingsley who is an employee of RISC. Mr Billingsley is a member of the Society of Petroleum Engineers and the Society of Petroleum Evaluation Engineers. He holds a BSc (Chemistry), Bristol University, 1994 and an MSc (Petroleum Engineering), Imperial College, 1995. Mr Billingsley has over 25 years' experience in the sector and is a qualified petroleum reserves and resources evaluator (QPRRE) and Competent Person (CP) as defined by AIM Rules for Companies.

This report has been internally reviewed by Mr Peter Stephenson who is a partner at RISC. Mr Stephenson is a member of SPE, SPEE (Chairman Asia-Pacific) and IChemE. He holds a B.Sc (Chemical Engineering), Nottingham, 1982 and an M.Eng (Petroleum Engineering), Heriot Watt, 1984. Mr Stephenson has over 35 years' experience with BP, Shell and RISC in the sector and is a qualified reserves and resource auditor.

9.3. Standard

Reserves and resources are reported in accordance with the definitions of reserves, contingent resources and prospective resources and guidelines set out in the Petroleum Resources Management System (PRMS) prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.

9.4. Limitations

The assessment of petroleum assets is subject to uncertainty because it involves judgments on many variables that cannot be precisely assessed, including reserves/resources, future oil and gas production rates, the costs associated with producing these volumes, access to product markets, product prices and the potential impact of fiscal/regulatory changes.

The statements and opinions attributable to RISC are given in good faith and in the belief that such statements are neither false nor misleading. While every effort has been made to verify data and resolve apparent inconsistencies, neither RISC nor its servants accept any liability, except any liability which cannot be excluded by law, for its accuracy, nor do we warrant that our enquiries have revealed all of the matters, which an extensive examination may disclose. In particular, we have not independently verified property title, encumbrances or regulations that apply to these assets.

RISC has also not audited the opening balances at the valuation date of past recovered and unrecovered development and exploration costs, undepreciated past development costs and tax losses.

We believe our review and conclusions are sound but no warranty of accuracy or reliability is given to our conclusions.

Our review was carried out only for the purpose referred to above and may not have relevance in other contexts.

9.5. Use of advice or opinion and reliance

The CPR is for the sole benefit of the directors of the client EnergyPathways Irish Sea Ltd and its Nominated Adviser. ***It may not be relied upon by any 3rd party.***

RISC grants permission for this CPR to be disclosed in the Company's Admission Document.

9.6. Independence

RISC makes the following disclosures:

- RISC is independent with respect to EnergyPathways and confirms that there is no conflict of interest with any party involved in the assignment.
- Under the terms of engagement between RISC and EnergyPathways, RISC will receive a time-based fee, with no part of the fee contingent on the conclusions reached, or the content or future use of this report. Except for these fees, RISC has not received and will not receive any pecuniary or other benefit whether direct or indirect for or in connection with the preparation of this report.
- Neither RISC Directors nor any staff involved in the preparation of this report have any interest in EnergyPathways, its directors or promoters or the properties described herein.

9.7. Copyright

This document is protected by copyright laws. Any unauthorised reproduction or distribution of the document or any portion of it may entitle a claim for damages. Neither the whole nor any part of this report nor any reference to it may be included in or attached to any prospectus, document, circular, resolution, letter or statement without the prior consent of RISC.

9.8. Authorisation for release

This report is authorised for release by Mr. Bill Billingsley, RISC Principal Advisor, and Adam Craig, RISC Principal Advisor, dated 20 November 2023.

A handwritten signature in black ink, reading "Bill Billingsley" in a cursive script.

Bill Billingsley

Principal Advisor



Bill Billingsley
Principal Advisor – Reservoir Engineer

Bill has over 25 years of international experience covering SE Asia and Northern Europe. He has a deep understanding of private and listed businesses which combines with an extensive M&A history delivering effective upstream insights. Bill has a background in petroleum engineering including reservoir engineering, implementation, production operations, due diligence for M&A and financing (including debt financing), reserves assessment and technical process development. He is a Past Chairman of the SPE NSW & ACT Section, Past SPE Australia Council Member and has become known for his ability to naturally communicate complex issues in demanding environments.

Bill’s most recent experience relates to a start-up, Questus Energy, which developed and implemented an energy strategy for an upstream energy fund manager. Whilst the industry was generally slowing Questus placed in aggregate AUD 2 Billion in binding offers in under 2 years.

Qualifications

- M.Sc. Petroleum Engineering, Diploma of Imperial College under full Texaco Scholarship. T.H. Huxley School of Environment, Earth Sciences and Engineering, Imperial College of Science, Technology and Medicine, Royal School of Mines, UK, 1995
- B.Sc. Hons (2.1) Chemistry with Industrial Experience. Bristol University, UK, 1994

Professional memberships

- Member of Society of Petroleum Engineers
- Member of the Society of Petroleum Evaluation Engineers
- Past Chairperson for NSW/ACT section of SPE (2011)

Career background

Principal Advisor, Reservoir Engineer
RISC Advisory, Perth

2018–Present

Bill joined RISC in 2018 as a Principal Advisor in the Reservoir Engineering Team, providing independent Oil and Gas advice to evaluate and enhance developments including technical and economic appraisal, field development planning, reserve estimates, project and peer reviews, acquisition due diligence, Competent Persons Reports and Independent Technical Specialist Reports.

Notable projects:

- RISC was engaged to update well performance, material balance models and build

an Integrated Production Model (IPM) of the Mereenie field for Central Petroleum. This was used to generate Low, Best and High no further action (NFA) production forecasts under a Gas Cap blowdown scenario.

- Independent Technical Consultant, providing a technical review and opinion of independent Oil and Gas and their proposed gas field appraisal & developments in the North Sea
- RISC was engaged by Udenna Corporation (Udenna) as the Independent Technical Advisor to carry out technical due diligence on Chevron's interests in the Malampaya gas field. On 25 October 2019 Udenna announced the successful acquisition of Chevron's 45% stake in Malampaya, offshore Palawan, Philippines. RISC provided advice in the form of technical due diligence and independent reserve assessment. The value of the transaction has not been disclosed
- Independent audit of the reserves and resources of selected Australian assets Santos jointly owned with Quadrant Energy Australia Limited prior to the acquisition by Santos. RISC conducted the audit of Santos' reserve and contingent resource estimates for oil and gas fields located in state and federal waters offshore Australia in the Carnarvon, Canning and Bonaparte basins.

Chief Reservoir Engineer

Questus Energy Pty Ltd

2016–2018

Bill was one of the four founding members, and principal technical contributor of Questus Energy, which developed and implemented an energy strategy for an upstream energy fund manager. This was a start-up that entered the market with substantial financial backing and within 2 years managed to place binding offers on a number of acquisitions some of which were purchased by competitors for > AUD 1.5 billion.

Chief Reservoir Engineer

Roc Oil Pty Ltd

2011–2016

Bill was the technical lead for the global Petroleum Engineering staff and responsible for all due diligence activity, corporate and ASX reserve reporting responsibilities for Roc Oil. He was also the BMG JV Operating Committee Chair and Principal for the technical business development. Bill previously held the position of Section Director and Australia Council Member in 2012.

Subsurface Manager

Roc Oil Pty Ltd

2008–2011

Basker-Manta-Gummy team of professionals tasked with implementing a significant offshore development program and managing production of 11,000bopd from an FPSO and subsequent entry into a non-producing phase. JV Technical Committee Chair.

Senior Petroleum Engineer

Roc Oil Pty Ltd

2005–2008 CLIFFHEAD reservoir modelling and implementation of full field development plan including well placement, reserve accounting and ESP management. Bill established multiple key processes to ensure efficient operation and monitoring. Several corporate processes and procedures had to be established for this asset, to which Bill performed a handover to a junior engineer within 18 months. ZHAO DONG reservoir modelling and characterization, training and support to Beijing office.

Senior Reservoir Engineer

Marathon Oil U.K. Ltd

2004–2005 FOINAVEN non-operated support to leverage complex ownership of >1.4 Billion-barrel black oil field West of Shetland (4% of Marathons world wide annual production).

Advanced Reservoir Engineer

Marathon Oil U.K. Ltd

2002–2004 SOUTH BRAE reservoir modelling, construction, history matching and prediction using state of the art Enable® technology for a WAG EOR project. Non – operated gas reservoir experience in CORRIB (Ireland) and condensate experience in SKIRNE (Norway). Including 15 months at Marathons technology centre, Houston.

Production Engineer & Reservoir Engineer

Marathon Oil U.K. Ltd

1995–1998

Key Capabilities:

Reserve & Resource Management

- Reporting to the CEO, technical lead to financial institutions and complex due diligence activity. Reserve and Resource reporting under Chapter 5 for an ASX 300 company. Portfolio & asset management. Fully conversant with SPE PRMS, familiar with US SEC, China PRO and U.K. SORP requirements.
- Accountable for delivering reserve growth through exploration, existing assets, acquisitions and mergers. Responsible for portfolio reserve and management of news flow to all stake holders.

Leadership

- Adaptive leadership style inspired by motivating project teams to succeed recognising individual performance and clearly articulated common goals. Known for securing talented technical resources and effectively leading scalable teams.
- Responsible for leading JVP's collaboratively through challenging, high impact, decisions including regulator, investment committee and board interfaces for operated assets at TCM, OCM and board level.

Relationship Management

- Extensive experience in establishing and preserving key relationships in challenging conditions where conflict management, litigation and material changes to perceptions are present. Experience covers board through to junior staff, regulators, financial institutions and owners.
- Capable of rapidly finding common ground through a combination of personal and professional dialog whilst promoting extended network.

Risk Management

- Experienced advocate of business and project risk measurement to eliminate, reduce or manage unique risks. Responsible for co-ordinating portfolio, deal and asset risk management.
- Well known for being calm under pressure allowing teams to perform in challenging conditions. History of supervising and managing M&A transition whilst improving processes and optimizing resources

Process Management

- Innovative solutions routinely used to retain agility delivered by flat organizational structures decreasing time to clear decision points. Capable of driving best practice in production allocation, reporting, reserve classification, saturation, subsurface modelling and appraisal.

Technical Experience

- Well known for a pragmatic, logical approach supported by experimentation and deductive reasoning to deliver clear insights to problems and solutions. Creativity and imagination frequently adopted to expose opportunities combined with an awareness of changing conditions and key drivers.
- 23yrs of technical experience built on a foundation of 7yrs scientific education provide depth and breadth in the areas of reservoir management, production optimization, project execution and reserve estimation.
- Operating experience covers subsea, platform, FPSO, large gathering networks, volatile oil, viscous oil, waxy crudes, retrograde condensate, gas, ESPs, gas lift, well intervention, infill wells, work overs, well integrity, cased hole logging.

10. List of terms

The following lists, along with a brief definition, abbreviated terms that are commonly used in the oil and gas industry and which may be used in this report.

Term	Definition
1P	Equivalent to Proved reserves or Proved in-place quantities, depending on the context.
1Q	1st Quarter
2P	The sum of Proved and Probable reserves or in-place quantities, depending on the context.
2Q	2nd Quarter
2D	Two Dimensional
3D	Three Dimensional
4D	Four Dimensional – time lapsed 3D in relation to seismic
3P	The sum of Proved, Probable and Possible Reserves or in-place quantities, depending on the context.
3Q	3rd Quarter
4Q	4th Quarter
AFE	Authority for Expenditure
Bbl	US Barrel
BBL/D	US Barrels per day
BCF	Billion (10 ⁹) cubic feet
BCM	Billion (10 ⁹) cubic metres
BFPD	Barrels of fluid per day
BOPD	Barrels of oil per day
BTU	British Thermal Units
BOEPD	US barrels of oil equivalent per day
BWPD	Barrels of water per day
°C	Degrees Celsius
Capex	Capital expenditure
CAPM	Capital asset pricing model
CGR	Condensate Gas Ratio – usually expressed as bbl/MMscf
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent Resources are a class of discovered recoverable resources as defined in the SPE-PRMS.
CO ₂	Carbon dioxide
CP	Centipoise (measure of viscosity)
CPI	Consumer Price Index
CPP	Central Processing Platform
DEG	Degrees
DHI	Direct hydrocarbon indicator
Discount Rate	The interest rate used to discount future cash flows into a dollars of a reference date
DST	Drill stem test
E&P	Exploration and Production
EG	Gas expansion factor. Gas volume at standard (surface) conditions/gas volume at reservoir conditions (pressure and temperature)

Term	Definition
EIA	US Energy Information Administration
EMV	Expected Monetary Value
EOR	Enhanced Oil Recovery
ESMA	European Securities and Markets Authority
ESP	Electric submersible pump
EUR	Economic ultimate recovery
Expectation	The mean of a probability distribution
F	Degrees Fahrenheit
FDP	Field Development Plan
FEED	Front End Engineering and design
FID	Final investment decision
FM	Formation
FPSO	Floating Production Storage and offtake unit
FWL	Free Water Level
FVF	Formation volume factor
GIIP	Gas Initially In Place
GJ	Giga (10 ⁹) joules
GOC	Gas-oil contact
GOR	Gas oil ratio
GRV	Gross rock volume
GSA	Gas sales agreement
GTL	Gas To Liquid(s)
GWC	Gas water contact
H ₂ S	Hydrogen sulphide
HHV	Higher heating value
ID	Internal diameter
IRR	Internal Rate of Return is the discount rate that results in the NPV being equal to zero.
JV(P)	Joint Venture (Partners)
Kh	Horizontal permeability
km ²	Square kilometres
K _{rw}	Relative permeability to water
K _v	Vertical permeability
kPa	Kilo (thousand) Pascals (measurement of pressure)
Mstb/d	Thousand Stock tank barrels per day
LIBOR	London inter-bank offered rate
LNG	Liquefied Natural Gas
LTBR	Long-Term Bond Rate
m	Metres
MDT	Modular dynamic (formation) tester
mD	Millidarcies (permeability)
MJ	Mega (10 ⁶) Joules
MMbbl	Million US barrels

Term	Definition
MMscf(d)	Million standard cubic feet (per day)
MMstb	Million US stock tank barrels
MOD	Money of the Day (nominal dollars) as opposed to money in real terms
MOU	Memorandum of Understanding
Mscf	Thousand standard cubic feet
Mstb	Thousand US stock tank barrels
MPa	Mega (10^6) pascal (measurement of pressure)
mss	Metres subsea
MSV	Mean Success Volume
mTVDss	Metres true vertical depth subsea
MW	Megawatt
NMT	North Morecambe Terminal
NPV	Net Present Value (of a series of cash flows)
NRU	Nitrogen Rejection Unit
NTG	Net to Gross (ratio)
NUI	Normally Unmanned Installation
ODT	Oil down to
OGIP	Original Gas In Place
OOIP	Original Oil in Place
Opex	Operating expenditure
OWC	Oil-water contact
P90, P50, P10	90%, 50% & 10% probabilities respectively that the stated quantities will be equalled or exceeded. The P90, P50 and P10 quantities correspond to the Proved (1P), Proved + Probable (2P) and Proved + Probable + Possible (3P) confidence levels respectively.
PBU	Pressure build-up
PJ	Peta (10^{15}) Joules
POS	Probability of Success
Possible Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Possible Reserves are those additional reserves which analysis of geoscience and engineering data suggest are less likely to be recoverable than Probable Reserves. The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P) which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate.
Probable Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Probable Reserves are those additional Reserves that are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves. It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.
Prospective Resources	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations as defined in the SPE-PRMS.
Proved Reserves	As defined in the SPE-PRMS, an incremental category of estimated recoverable volumes associated with a defined degree of uncertainty Proved Reserves are those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If deterministic methods are used, the term reasonable certainty is intended to express a high degree of confidence that the quantities will be recovered. If

Term	Definition
	probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. Often referred to as 1P, also as “Proven”.
PSC	Production Sharing Contract
PSDM	Pre-stack depth migration
PSTM	Pre-stack time migration
psia	Pounds per square inch pressure absolute
p.u.	Porosity unit e.g. porosity of 20% +/- 2 p.u. equals a porosity range of 18% to 22%
PVT	Pressure, volume & temperature
QA/QC	Quality Assurance/ Control
rb/stb	Reservoir barrels per stock tank barrel under standard conditions
RFT	Repeat Formation Test
Real Terms (RT)	Real Terms (in the reference date dollars) as opposed to Nominal Terms of Money of the Day
Reserves	RESERVES are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status.
RT	Measured from Rotary Table or Real Terms, depending on context
SC	Service Contract
scf	Standard cubic feet (measured at 60 degrees F and 14.7 psia)
Sg	Gas saturation
Sgr	Residual gas saturation
SRD	Seismic reference datum lake level
SPE	Society of Petroleum Engineers
SPE-PRMS	Petroleum Resources Management System, prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the American Association of Petroleum Geologists (AAPG), World Petroleum Council (WPC), Society of Petroleum Evaluation Engineers (SPEE), Society of Exploration Geophysicists (SEG), Society of Petrophysicists and Well Log Analysts (SPWLA) and European Association of Geoscientists and Engineers (EAGE), revised June 2018.
s.u.	Fluid saturation unit. e.g. saturation of 80% +/- 10 s.u. equals a saturation range of 70% to 90%
SURF	Subsea, Umbilicals, Risers and Flowlines
stb	Stock tank barrels
STOIIP	Stock Tank Oil Initially In Place
Sw	Water saturation
TCM	Technical committee meeting
Tcf	Trillion (10 ¹²) cubic feet
TJ	Tera (10 ¹²) Joules
TLP	Tension Leg Platform
TRSSV	Tubing retrievable subsurface safety valve
TRR	Those quantities of petroleum producible using current available technology and industry practices, regardless of commercial or accessibility considerations.
TVD	True vertical depth
TWT	Two Way Time
US\$	United States dollar

Term	Definition
US\$ million	Million United States dollars
WACC	Weighted average cost of capital
WHFP	Well Head Flowing Pressure
Working interest	A company's equity interest in a project before reduction for royalties or production share owed to others under the applicable fiscal terms.
WPC	World Petroleum Council
WTI	West Texas Intermediate Crude Oil

PART IV

HISTORICAL FINANCIAL INFORMATION

SECTION A – HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

DIAL SQUARE INVESTMENTS PLC

COMPANY NUMBER - 13201653

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

Directors
Mr Neil Cousins
Mr Lincoln Moore
Mr Daniel Wilson (resigned 4 April 2023)

Company Secretary
Mr Lincoln Moore

Company number
13201653

Registered office
C/O RJF
10th Floor, 3 Hardman St
Manchester
M3 3HF

Independent Auditors
RPG Crouch Chapman LLP
5th Floor, 14-16 Dowgate Hill
London
EC4R 2SU

Bankers
Metro Bank plc
One Southampton Row
London
WC1B 5HA

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CHAIRMAN'S STATEMENT

I am pleased to present the financial statements for Dial Square Investments plc (the "Company" or "Dial Square") for the year ended 28 February 2023.

2023 was a pivotal year for Dial Square, culminating in a successful listing on the London Stock Exchange ("LSE") on 30 November 2022 in combination with a gross capital raise of £515,000. Immediately upon listing, the Company commenced work on its strategy to undertake one or more acquisitions (which may be in the form of a merger, capital stock exchange, asset acquisition, share purchase, scheme of arrangement, reorganisation or similar business combination) of a minority or majority interest in a company, business or asset with a specific focus on the sports management sector.

The Directors considered a number of acquisition opportunities in this sector, but did not identify an acquisition target that we considered would be appropriate for the Company or in the best interests of its shareholders. As this search continued, the Board was made aware of an opportunity to acquire EnergyPathways Ltd, a transaction which we believed represented an opportunity for the Company to invest in a business that has the potential to deliver excellent value for shareholders. As such, the Directors, in consultation with major shareholders of Dial Square, considered it appropriate to pursue this transaction rather than continue to spend time and resources seeking an opportunity in the sports management sector that may not come to fruition.

Post year end on 10 March 2023, Dial Square entered into Heads of Terms ("Term Sheet") to acquire 100% of the issued and to be issued share capital by way of a reverse takeover ("the Transaction") of EnergyPathways Ltd ("EnergyPathways"), an English private company. EnergyPathways is an energy transition company, targeting UK gas assets, with the aim of bringing into production, in the near-term, low emission energy solutions to assist with the UK's transition to Net Zero while also providing critical supply to ensure domestic energy security.

EnergyPathways holds, indirectly through its subsidiary, a 100 per cent. interest in block 110/4a in Seaward Licence P2490 that contains the Marram gas field ("Marram Field"), located 30km west of mainland UK, close to the developed Morecambe gas complex in the UK waters of the East Irish Sea Basin. The Marram Field, which was discovered in 1993, contains 35.5 Bcf of undeveloped gas 2P Reserves and lies approximately 15km east of the offshore South Morecambe Gas Field Platform. Gas produced from the South Morecambe Platform is transported along the existing South Morecambe trunkline to the onshore North Morecambe Terminal in Barrow. At the peak of its production, the Morecambe complex satisfied approximately 20 per cent. of the UK's gas demand. In the Marram Field, EnergyPathways has identified a 'ready-to-go' gas development asset, that is, Marram has low sub-surface technical risk, with no further appraisal drilling required. It also has near-term production potential due to the ability to tie-in to neighbouring existing infrastructure that has spare capacity. EnergyPathways is targeting first gas in 2025.

The directors of the Company and EnergyPathways believe that natural gas is a bridging fuel with a key role in the global energy transition and that a successful development of the Marram Field has the potential to make a favourable contribution towards reducing emissions and supporting the UK's transition to Net Zero. The extreme volatility experienced in the UK energy market through 2022, resulting from years of under-investment in oil and gas projects, and exacerbated by the supply crunch caused by the ongoing war in Ukraine, has highlighted the necessity for development of gas projects like Marram that have the potential to deliver cleaner, domestically produced energy that contributes to UK energy security.

EnergyPathways' initial focus will be the development of the Marram Field, however, in line with its aims to develop low emission energy solutions, EnergyPathways has identified potential future opportunities to rejuvenate production from the UK East Irish Sea. It has submitted applications to the UK Government regulator for the award of additional licences with undeveloped gas resources in the region. EnergyPathways anticipates that there may also be potential to integrate new production with the nearby wind renewable capacity to provide flexible power generation for grid stability, CCUS and hydrogen storage reservoirs and feedstock for hydrogen production. It also intends to consider opportunities to participate in other selected discovered fields in the region and across the UK more broadly.

EnergyPathways has a strong management team with an established track record for value creation, operational excellence and a commitment to a progressive ESG agenda that prioritises environmental impact alongside the positive socioeconomic impact of its activities.

The Transaction remains subject to various conditions, including full due diligence to the Company's satisfaction and Re-admission (defined below). As the market capitalisation of the enlarged group following completion of the Transaction is expected to be less than £30 million (being the minimum market capitalisation for new applications for admission to Standard Segment and to trading on the Main Market), the Company will not be seeking readmission of its shares to the Standard Segment and to trading on the Main Market for listed securities of the London Stock Exchange. Instead, the Company intends to make an application for its ordinary shares to be admitted to trading on the AIM market operated by the London Stock Exchange ("Re-admission") and will, in due course, publish an admission document.

Financial Overview

Funding

The Company is funded through investment from its shareholders, having successfully raised gross proceeds of £515,000 as part of the initial listing on the London Stock Exchange ("LSE") on 30 November 2022.

Revenue

Given Dial Square is a non-trading entity, it generated no revenue during the year, but is focusing on the EnergyPathways acquisition that we believe will generate revenue for the Company in the future.

Expenditure

During the year, the Company completed its initial public listing on the LSE and announced binding heads of terms for the acquisition of EnergyPathways post year end. Expenditure during the year was focused on the admission process and, following admission, the review of acquisition opportunities, before being ringfenced for the acquisition of EnergyPathways and Re-admission to AIM. EnergyPathways was identified as an investment as it has the capability to generate revenue and positive cashflows within 2 years of its acquisition.

Directors' remuneration including any decisions and changes are included in the Directors' report.

Liquidity, cash and cash equivalents

At 28 February 2023, the Company held cash of £709,138, which is all denominated in pounds Sterling.

Dividend

The Directors do not intend to declare a dividend in respect of the year under review.

Neil Cousins -Chairman



25 May 2023

STRATEGIC REPORT

The Directors present their strategic report for the year ended 28 February 2023.

REVIEW OF BUSINESS STRATEGY AND BUSINESS MODEL

The Company was incorporated to undertake one or more acquisitions (which may be in the form of a merger, capital stock exchange, asset acquisition, share purchase, scheme of arrangement, reorganisation or similar business combination) of a minority or majority interest in a company, business or asset in the sports management sector.

To enable the Company to pursue its principal activities, it pursued an Initial Public Offering (“IPO”) of its securities onto the London Stock Exchange through a Standard Listing to raise the necessary funds required for the execution of the business strategy. The IPO was successfully completed during the year, and the Company’s shares were admitted to trading on 30 November 2022.

Following admission, the Company focused on its strategy of identifying acquisition opportunities within the sports management sector. The Company considered a number of acquisition opportunities in this sector, but did not identify an acquisition target that we considered would be appropriate for the Company or in the best interests of its shareholders. As this search continued post year end, the board was made aware of an opportunity to acquire EnergyPathways Ltd which culminated in the announcement on 10 March 2023 that the Company had entered into binding Heads of Terms to acquire 100% of the share capital by way of a reverse takeover of EnergyPathways Ltd.

Dial Square is now undertaking due diligence and document preparation in order to make an application for its ordinary shares to be admitted to trading on the AIM market operated by the London Stock Exchange (“Re-admission”) and will, in due course, publish an admission document.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company’s business activities expose it to a variety of risks, being foreign investment & exchange risks, finance risks and strategic risks.

Financing risks

Although the Company intends to finance any acquisition through the issue of Ordinary Shares where possible, it may be the case that any such acquisition may be only partially funded by ordinary shares or ordinary shares may not be an acceptable proposal to the selling party, and the Company may need to raise substantial additional capital in the future to fund any acquisition. Capital expenditure and operating expenses will all be factors which will have an impact on the amount of additional capital required.

Financing alternatives may include debt and additional equity financing, such as the issue of ordinary Shares, which may be dilutive to shareholders and in the event that the Company considered obtaining debt financing while widely available, this may involve restrictions on operating activities, future financing, acquisitions and disposals. If the Company is unable to obtain potential additional financing as and when needed, it could result in the Company requiring additional capital from Shareholders.

No operating history

The Company is a newly formed entity with no operating history.

Risk Inherent in an Acquisition

Although the Company and the Directors will evaluate the risks inherent in a particular target, they cannot offer any further assurance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors than a direct investment, if such an opportunity were available, in a target business.

Exploration and development risks

Although the Company is not currently exposed to exploration and development risk, the Company's target acquisition in the energy sector subsequent to the year end is likely to be subject to a high degree of risk as mineral exploration and development can be highly speculative. The economics of developing mineral properties are affected by many factors including the cost of operations, fluctuations in the price of energy, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

As a result of these uncertainties, there can be no guarantee that the development of the target Company's assets will result in profitable commercial operations.

Industry-specific risks

The target company intends to operate in the UK energy sector (but the Company shall not be limited to such sector). The energy sector is inherently tied to the performance of the global economy and, in particular, fluctuations in the price of global commodities. As a result, segments of the energy sector could be affected by changes in general economic activity levels and others changes which are beyond the Company's control. The revenues and earnings of the target acquisition will rely on commodities' prices, which may determine the value of that business at the time of intended divestment of an investment by the Company. The Company will be unable to control the prices for commodities, which may adversely affect the Company's business, results of operations, financial condition or prospects.

Section 172 Statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long-term. In this regard, the Company has prepared Financial Position and Prospects procedures and a set of policies of conduct which it is currently adhering to.

We aim to work responsibly with our stakeholders, including suppliers. The key Board decisions made during the year and post year end are set out below:

Significant events / decisions	Key s172 matter(s) affected	Actions and Steps
Admission of the Company's shares to the London Stock Exchange	Shareholders and business relationships	Completion of the listing led to a greater likely outcomes for shareholders in the future.

Entering into an agreement to acquire the enlarged share capital of EnergyPathways through a Reverse Takeover transaction ("RTO").	Shareholders and business relationships	Intended completion of the RTO and re-admission to the AIM market leading will to greater likely outcomes for shareholders in the future.
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Key performance indicators

Appropriate key performance indicators will be identified in due course as the business strategy is implemented.

Gender analysis

A split of our employees and directors by gender during the year is shown below:

	Male	Female
Directors	3	nil

As the Company is only in its infancy employee gender is skewed completely towards males. This does not reflect the attitudes of the Company in any way and the Directors will look to promote females in the workforce wherever possible.

Corporate social responsibility

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

Greenhouse Gas (GHG) Emissions

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the year, it has not been practical to measure its carbon footprint. In the future, the Company will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

The Company has not made separate disclosures relating to energy consumption & efficiency as the entity consumed less than 40,000 kWh of energy during the year.

Health and Safety

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company. We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

Interests of Employees

The Company's Corporate Governance Statement of this Annual Report sets out (under board responsibilities) the processes in place to safeguard the interests of employees.

Foster business relationships with suppliers, joint venture partners and others

Potential suppliers and joint venture partners are considered in the light of their suitability to comply with the Company's policies.

Impact of operations on the community and environment

The Company has no current operations that impact upon the community or environment, however upon a successful acquisition, will ensure it reviews its Health, Safety & Environment ('HSE') and other policies and work responsibly with suppliers, and that performance is monitored on an on-going basis.

Maintain a reputation for high standards of business conduct

The Corporate Governance section of this Annual Report sets out the Board and Committee structures and extensive Board and Committee meetings held during the year, together with the experience of executive management and the Board and the Company's policies and procedures.

Act fairly as between members of the Company

The Board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity to pro-actively engage with all shareholders (via regular news reporting-RNS) and engage with any specific shareholders in response to particular queries they may have from time to time. The Board considers that its key decisions during the year have impacted equally on all members of the Company

Lincoln Moore

A handwritten signature in black ink, appearing to read 'Lincoln Moore', enclosed within a thin black rectangular border.

Director

25 May 2023

KEY PERSONNEL

Neil Cousins (age 40) – Non-Executive Chairman

Mr Cousins has been involved in the business of sport for over 20 years having worked for ISL and FIFA Film Management as the manager of the FIFA archive. During this time he helped produce, licence and distribute FIFA World Cup footage worldwide. He has been an FA registered football agent working at Elite Sports Management between 2015 and 2019 and is now a director of Consulting Logistics Ltd and has recently been involved in a number of large transactions in the world of football and golf. In addition to these roles, Mr Cousins has worked as a practice manager at 12 Gray's Inn Square Chambers since 2012, a set of barristers' chambers with a focus on sport.

Daniel Wilson (age 62) – Non-Executive Director

Mr Wilson moved into elite football management after a successful 18 year playing career. Managing clubs in both the Premier League and League Two, he has built significant knowledge across the entire football industry value chain, from player recruitment, team building, organisational management, and the wider development of the football club's outward image. Fully qualified to coach in any FIFA registered country with UEFA A and B licence and the prestigious FA Coaching Diploma (UEFA Pro Licence), Mr Wilson has an in depth understanding of this important aspect of the football business. Following his career at player and management level, he moved into sports management where for the last three years he worked at First Artist, alongside Jon Smith, OBE. First Artist are one of the world's leading sports and football management agencies. Danny also plays a very active role within the League Managers Association, where he sits on the technical board. With an extensive network of contacts across the whole of the football industry, he will play a leading role in the commercial and business development of the Company.

Lincoln Moore (age 44) – Non-Executive Director

For the past 13 years Mr Moore has been actively involved in establishing and raising finance for agriculture and mining projects, predominantly in West Africa, and currently serves as an Executive Director of Ivory Coast based AIM-listed, Dekel Agri-Vision, with primary responsibilities for the corporate finance activities of the organisation (equity and debt capital raises), regulatory oversight, public and investor relations, and group strategy. Since being appointed to Dekel in 2013, he has led numerous debt and equity transactions with London, African and International government backed financial institutions. Mr Moore also previously served as a Non-Executive director of London Standard listed, Tirupati Graphite plc, a fully integrated graphite production and technology company. Lincoln was a co-founder of AIM-listed Firering Strategic Minerals plc, a private Ivory Coast based lithium and tantalum mining exploration company and the Royal Work Club Ltd, a private company operating high-end co-working, private office, and event space. Lincoln was a Senior Manager in the restructuring division of Deloitte Australia and London, with significant experience in operational and corporate restructuring.

The board composition will be reorganised to include those with experience within gas/energy sector if the acquisition of EnergyPathways goes ahead,.

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 28 February 2023.

General information and principal activities

Dial Square Investments plc ("the Company" or "Dial Square"), a public limited company, was incorporated on 15 February 2021 in England and Wales with Registered Number 13201653 under the Companies Act 2006. The address of its registered office is the 10th Floor, 3 Hardman Street, Manchester United Kingdom.

The principal activity of the Company is to seek suitable investment opportunities with the current focus being to complete the acquisition of EnergyPathways.

Results and Dividends

The Company recorded a loss for the year before taxation of £611,775 solely relating to administrative costs of the Company.

The Directors do not recommend the payment of a dividend. The nature of the Company's business means that it is unlikely that the Directors will recommend a dividend in the next few years. The Directors believe the Company should seek to generate capital growth for its shareholders. The Company may recommend distributions at some future date which it becomes commercially prudent to do so, having regard to the availability of the Company's distributable profits and the retention of funds required to finance future growth.

Future developments

Post year end on 10 March 2023, Dial Square entered into Heads of Terms ("Term Sheet") to acquire 100% of the issued and to be issued share capital by way of a reverse takeover ("the Transaction") of EnergyPathways Ltd ("EnergyPathways"), an English private company. EnergyPathways is an energy transition company, targeting UK gas assets, with the aim of bringing into production, in the near-term, low emission energy solutions to assist with the UK's transition to Net Zero while also providing critical supply to ensure domestic energy security.

Directors Remuneration

The following directors have held office during the year and to the date of these financial statements:

Neil Cousins (appointed 15 February 2021);

Lincoln Moore (appointed 15 February 2021); and

Daniel Wilson (appointed 16 March 2021 and resigned 4 April 2023).

The Directors each accrued salaries of £1,000 per month from 1 March 2021 and £3,000 per month from 30 November 2022. No payment of these directors fees accrued of £18,000 each were made in the year to 28 February 2023, as the Directors sought to preserve cash to support the target acquisition.

Report Remuneration Policies

The remuneration policy of the Company was that pre initial admission, remuneration of £1,000 per month was payable to each Director, and from the date of initial admission, each Director shall be entitled to a salary of £36,000 per annum until the completion of an acquisition.

Service contracts

The Directors entered into Service Agreements with the Company and continue to be employed until terminated by the Company. In the event of termination or loss of office the Director is entitled only to payment of his basic salary in respect of his notice year. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Particulars of Directors' Remuneration

Particulars of Directors' remuneration, including Directors' warrants which, under the Companies Act 2006 are required to be audited, are given in Note 7 and further referenced in the Directors' report.

Remuneration due to the Directors' during the year ended 28 February 2023 was:

	Base Salary	Pension	Total
	£	£	£
Neil Cousins	18,000	-	18,000
Lincoln Moore	18,000	-	18,000
Daniel Wilson	18,000	-	18,000
Total	54,000	-	54,000

There are no payments to past Directors.

There were no payments for loss of office.

There were no bonus and incentive plans in place during the year.

Political Donations

The Company did not make any donations to political parties in the year.

Percentage change in the remuneration of the Chief Executive

At year end the Company did not have a Chief Executive and as such, no CEO disclosure has been presented.

Directors' interests in shares

The Company has no Director shareholder requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 28 February 2023 were:

	Ordinary Shares	Percentage of issued share capital as at 28 February 2023
Neil Cousins	450,000	1.69
Lincoln Moore	450,000	1.69
Daniel Wilson	250,000	0.94
Total	1,150,000	4.33

The Directors held the following warrants at the end of the year:

Director	Granted during the year	As at 28 February 20223	Exercise Price	Earliest Date of Exercise	Latest date of Exercise
Neil Cousins	450,000	450,000	£0.05	30/11/22	30/11/25
Lincoln Moore	450,000	450,000	£0.05	30/11/22	30/11/25
Daniel Wilson	100,000	100,000	£0.05	30/11/22	30/11/25
	1,000,000	1,000,000			

The warrants vested on admission to the main market in November 2022. No other vesting requirements are attached to these warrants.

Share Capital

Details of the Company's issued share capital, together with details of the movements during the year, are shown in Note 11. The Company has one class of ordinary share and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

Substantial Shareholdings

The Company had been informed of the following substantial interests over 3% of the issued share capital of the Company as at 28 February 2023 and as at 24 May 2023:

	Number of Shares	%
Mr Alan McLeish	5,938,359	22.37
Star Racing Ltd	1,438,358	5.42
Mr Brett Lord	1,579,451	5.95
Optiva Securities Ltd	1,500,000	5.65
Mr Sebastian Marr	1,479,452	5.57
Mr James Sheehan	1,422,880	5.33
WMH Consulting Ltd	1,006,846	3.79
Ashwani Sudera	1,005,726	3.79
Sports Media Ventures Ltd	850,000	3.20

Corporate Governance Statement

As a company being admitted to the Standard Segment of the Official List, the Company is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors are committed to ensuring that appropriate standards of corporate governance are maintained, so far as is appropriate given the Enlarged Group's current stage of development, the size and composition of the Main Board and available resources. The Board will aim to comply with the QCA Guidelines on Corporate Governance ("QCA Guidelines").

The Company complies with the QCA guidelines in all areas apart from a slight deviation relating to Principle 7 (evaluate board performance based on clear objectives). Given the size and nature of the Company the Board does not consider it appropriate to have a formal performance evaluation procedure in place for Non-Executive Directors. The Board will closely monitor the need for formal performance evaluation, in light of Principle 7 of the QCA Code, as the Company develops.

The Board holds regular scheduled and other timely board meetings as needs arise which require the attention of the Directors. Since the Company's incorporation, the Board has been responsible for the management of the business of the Company, setting the strategic direction of the Company and establishing the policies of the Company. It is the Board's responsibility to oversee the financial position of the Company and monitor its business and affairs on behalf of the Shareholders to whom they are accountable.

The primary duty of the Board is to act in the best interests of the Company at all times. The Board will also address issues relating to internal control and the Enlarged Group's approach to risk management and has formally adopted an anti-corruption and bribery policy.

Board of Directors

During the year ending 28 February 2023 the Board consisted of a non-executive Chairman and two non-executive Directors. The Directors held meetings as required to review investment opportunities presented to the Company and monthly update calls to discuss key issues and to monitor the overall performance of the Company.

The Board has established an Audit Committee and a Remuneration Committee effective from admission, with such committees having formally delegated duties and responsibilities. Given the size and structure of the current Board, it has been determined that the Company it is not necessary to delegate the function of the nomination of Directors and senior managers to a separate nomination committee.

Audit Committee

No audit committee meetings were held during the year and all decisions were made by the board of directors. Members of the audit committee were Neil Cousins and Lincoln Moore.

Remuneration Committee

There were no remuneration committee meetings held during the year as there were no changes to director salaries or new employees. All Directors' salaries and advisor salaries were approved by the Board of Directors as part of the listing completed on 30 November 2022. Members were Neil Cousins and Lincoln Moore.

External Auditor

RPG Crouch Chapman LLP were appointed auditors to the Company for the 2023 financial year end and have expressed their willingness to remain in office. The Audit Committee will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor.

As part of the decision to recommend the appointment of the external auditor, the Board considers the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor. The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use.

Key financial controls include:

- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in day-to-day operational matters of the Company.

Shareholder Communications

The Company uses a regulatory news service and its corporate website (www.dialsquareinvestments.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The Annual General Meeting is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Financial Statements. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the company financial statements in accordance with UK-adopted International Accounting Standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit and loss of the company for that year.

In preparing the 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 UK-adopted International Accounting Standards ('IFRS') have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations.

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

The Directors confirm that to the best of their knowledge:

- the company financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and result of the Company;
- this annual report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in the Directors Report. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights. As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown in the Directors' Report. The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Statement as to disclosure of information to auditors

The directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Events after the reporting year

On 10 March 2023 the Company entered into Heads of Terms ("Term Sheet") to acquire 100% of the issued and to be issued share capital by way of a reverse takeover ("the Transaction") of EnergyPathways Ltd ("EnergyPathways"). See the Chairman's statement for full details.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2.3 to the financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

On behalf of the board



Lincoln Moore - Director

25 May 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DIAL SQUARE INVESTMENTS PLC

Opinion

We have audited the financial statements of Dial Square Investments Plc for the year ended 28 February 2023 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 28 February 2023 and of the company's loss for the year then ended;
- the company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our approach to the audit

The scope of our audit was the audit of the company for the year ended 28 February 2023. The audit was scoped by obtaining an understanding of the company and its environment, including the company's system of internal control and assessing the risks of material misstatement.

Audit work to respond to the assessed risks was planned and performed directly by the engagement team which performed full scope audit procedures.

Key Audit Matters How our scope addressed this matter

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

Key Audit matter	How our scope addressed this matter
Going concern	We discussed the plans for the Company with the directors and assessed the resources available to achieve these plans whilst considering recurring expenditure. We concluded that the Company has sufficient resources to maintain planned operations for at least a year of 12 months following approval of these financial statements.
Share based payments	We reviewed the valuation models prepared by management and considered the inputs with reference to the underlying agreements and the reasonableness of estimates. The fair value of the warrants calculated was considered to be reasonable.

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality.

We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Materiality for the financial statements as a whole was set at £15,000, determined with reference to the gross assets of the company. This was considered an appropriate level of materiality given the limited trading activity of the company and the gross assets are considered to be of the most interest to the users of the financial statements at this stage of operations. We report to the Board any corrected or uncorrected misstatements arising exceeding £750. Performance materiality was set at £11,000, being 75% of materiality.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Discussions with the directors regarding the company's plans and timelines
- Review of forecasts prepared by the directors; and
- Review of post year end activity.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a year of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company'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 company or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the 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 (UK) 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. Design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is available on the FRC's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>

This description forms part of our auditor's report

Use of our report

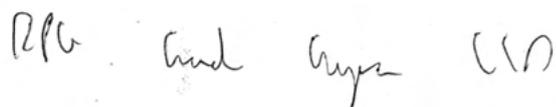
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other 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.

Other matters which we are required to address

We were appointed by the Board on 22 March 2023 to audit the financial statements for the year ending 28 February 2023. This is the first year of our engagement.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.



Paul Randall BA ACA (Senior Statutory Auditor)

for and on behalf of

RPG Crouch Chapman LLP

Chartered Accountants

Statutory Auditors

5th Floor

14-16 Dowgate Hill

London

EC4R 2SU

25 May 2023

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 28 February 2023	13 month period ended 28 February 2022
	Note	£	£
Continuing operations			
Administrative expenses	3	(611,775)	(153,870)
Operating loss		(611,775)	(153,870)
Finance income/(expense)		-	-
Loss before taxation		(611,775)	(153,870)
Income tax	8	-	-
Loss for the year and total comprehensive loss for the year	3	(611,775)	(153,870)
Basic and diluted loss per Ordinary Share (pence)	5	(3.26)	(1.09)

There was no other comprehensive income for the year (2022: £Nil)

The notes on page 24 to 34 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION – COMPANY NUMBER - 13201653

	Note	As at 28 February 2023 £	As at 28 February 2022 £
Assets			
Current assets			
Cash and cash equivalents	13	709,138	341,658
Trade and other receivables	9	20,198	3,380
Total assets		729,336	345,038
Liabilities			
Current liabilities			
Trade and other payables	10	231,809	90,833
Total liabilities		231,809	90,833
Net Assets		497,527	254,205
Equity			
Equity attributable to owners			
Ordinary share capital	11	265,500	162,500
Share premium	11	628,281	245,575
Accumulated losses		(396,254)	(153,870)
Total equity		497,527	254,205

The notes on page 24 to 34 form an integral part of the financial statements.

The financial statements were approved by the board on 25 May 2023 by:



Lincoln Moore – Director

STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
Comprehensive loss for the period				
Loss for the year	-	-	(153,870)	(153,870)
Total comprehensive loss for the period	-	-	(153,870)	(153,870)
Transactions with owners				
Ordinary shares issued on incorporation	50,000	-	-	50,000
Ordinary shares issued during period	112,500	262,500	-	375,000
Share issue costs	-	(16,925)	-	(16,925)
Total transactions with owners	162,500	245,575	-	408,075
As at 28 February 2022	162,500	245,575	(153,870)	254,205
Comprehensive loss for the year				
Loss for the year	-	-	(611,775)	(611,775)
Total comprehensive loss for the year	-	-	(611,775)	(611,775)
Transactions with owners				
Ordinary shares issued during year	103,000	412,000	-	515,000
Share issue costs	-	(29,294)	-	(29,294)
Total transactions with owners	103,000	382,706	-	485,706
Share based payments	-	-	369,391	369,391
As at 28 February 2023	265,500	628,281	(396,254)	497,527

The notes on page 24 to 34 form an integral part of the financial statements.

STATEMENT OF CASHFLOW

	Year ended 28 February 2023	13 month period ended 28 February 2022
	£	£
Cash flows from operating activities		
Loss for the year	(611,775)	(153,870)
Share based payment expense	369,391	-
<i>Adjustments for changes in working capital:</i>		
Increase in trade and other payables	142,874	90,833
Decrease/(Increase) in trade and other receivables	15,890	(3,380)
Net cash outflows from operating activities	(83,620)	(66,417)
Cash flows from financing activities		
Cash received from issue of Ordinary Shares	451,100	425,000
Share issue expenses	-	(16,925)
Net cash inflow from financing activities	451,100	408,075
Net increase in cash and cash equivalents	367,480	341,658
Cash and cash equivalents at beginning of year	341,658	-
Cash and cash equivalents at end of year	709,138	341,658

As the company has no debt, an analysis of changes in net debt is not considered to be required.

The notes on pages 24 to 34 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 General information

The Company was incorporated on 15 February 2021 as a public company in England and Wales with company number 13201653 under the Companies Act, 2006.

The address of its registered office is the 10th Floor, 3 Hardman St, Manchester, M3 3HF.

The principal activity of the Company is to seek suitable investment opportunities with the initial focus being to complete the acquisition of EnergyPathways.

2 Accounting policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of preparation

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to the year presented, unless otherwise stated.

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IFRS') and with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Pounds Sterling and rounded to the nearest pound unless otherwise stated.

2.2 New standards, amendments and interpretations adopted

The Company has adopted all of the new and amended standards and interpretations issued that are relevant to its operations and effective for accounting years commencing on or after 28 February 2022.

There are no new standards which have had a material impact in the annual financial statements for the year ended 28 February 2023.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual years beginning after 28 February 2023 which the Company has decided not to adopt early. None of these are expected to have a significant effect on the financial statements of the Company.

2.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company has based the going concern assumption considering two scenarios, one where any proposed transaction does not take place meaning the entity has the ability to meet its working capital requirements from existing cash. The directors have considered the existing cash and confirm it is sufficient to meet the working capital requirements of the Company going forward when outgoings are reduced to only committed costs. The second scenario considered that if the transaction goes ahead it will be funded by additional capital raised at the point of transaction and will not be funded out of existing cash. As a result of this the directors believe that the going concern assumption is appropriate.

Taking these matters into consideration, the directors consider that the continued adoption of the going concern basis is appropriate having reviewed the forecasts for the coming 12 months from the date of signing and the financial statements do not reflect any adjustments that would be required if they were to be prepared other than on a going concern basis.

2.4 Cash and cash equivalents

The directors consider any cash on short-term deposits and other short-term investments to be cash equivalents.

2.5 Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

The Company classifies its financial assets at amortised cost including trade and other receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Other receivables, which are generally received by the end of month following terms, are recognised and carried at the lower of their original invoiced value less provision for expected credit losses.

Trade and other receivables consist of prepayments and amounts due in relation to VAT.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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.

2.6 Earnings per Ordinary Share

The Company presents basic and diluted earnings per share data for its Ordinary Shares. Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the year. Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares. No diluted earnings per share has been presented, as the entity is loss making, the effect of additional equity instruments are anti-dilutive.

2.7 Equity and reserves

Share capital is determined using the nominal value of shares that have been issued.

The share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax benefits.

Retained losses includes all current results as disclosed in the income statement.

2.8 Share-based payments

The Company provides benefits to directors and shareholders in the form of share-based payment transactions. The fair value of the employee services rendered is determined by reference to the fair value of the shares awarded or warrants granted. Share warrants are valued using the Black Scholes pricing model, or the Monte Carlo model where performance-based market vesting conditions apply. This fair value is charged to the Statement of Comprehensive Income over the vesting period of the share-based payment scheme, with the corresponding increase in equity.

2.9 Taxation

Income tax for the year is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the year as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other years. Income tax for the year is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting years. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous years, and arises from 'temporary differences'. Deferred tax is recognised in respect of all temporary differences, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date that are expected to apply to the reversal of the temporary differences.

2.10 Critical accounting estimates and judgments
3 Expenses by nature

	Year ended 28 February 2023 £	13 month period ended 28 February 2022 £
Audit and accounting fees	33,798	21,790
Directors' fees (note 7)	54,000	36,000
Bad debt provision	28,356	-
Legal and professional fees	44,184	55,275
Share based payment expense	369,391	-
Operating expenses	82,046	40,805
	611,775	153,870

4 Auditors remuneration

Operating loss for the year is stated after:

	Year ended 28 February 2023 £	13 month period ended 28 February 2022 £
Fees payable for the audit of the financial statements	15,000	5,050
Other assurance services	-	10,000
	15,000	15,050

5 Earnings per share

	Year ended 28 February 2023			13 month period ended 28 February 2022		
	Earnings £	Weighted average number of Ordinary Shares	Per-share amount (pence)	Earnings £	Weighted average number of Ordinary Shares	Per-share amount (pence)
Basic loss per Ordinary Share						
Earnings attributable to Shareholders	(611,775)	18,789,726	(3.26)	(153,870)	14,107,143	(1.09)

Dilutive earnings per share is not shown as the Company is loss making and as a result, additional equity instruments are anti-dilutive.

6 Employee numbers

The average number of employees of the Company during the year was as follows.

	Year ended 28 Feb 2023	13 month period ended 28 Feb 2022
Directors	3	3
	3	3

7 Directors' remuneration

	Year ended 28 February 2023 £	13 month period ended 28 February 2022 £
Lincoln Moore	18,000	12,000
Neil Cousins	18,000	12,000
Danny Wilson	18,000	12,000
	54,000	36,000

At the year end £78,000 (2022: £36,000) was owed to the directors.

8 Income Tax

	Year ended 28 Feb 2023	13 month period ended 28 Feb 2022
	£	£
Current and deferred tax	-	-

The current tax for the year can be reconciled to the loss per the income statement as follows.

	As at 28 Feb 2023	As at 28 Feb 2022
	£	£
Loss before taxation	(611,775)	(153,870)
Expected tax credit based on a corporation tax rate of 19.0%	(116,237)	(29,235)
Expenses not deductible for tax purposes	80,486	
Unutilised tax losses carried forward	35,751	29,235
Current tax for the year	-	-

No deferred tax asset has been recognised due to uncertainty over future profits. Tax losses of circa £321,000 have been carried forward.

Changes in tax rates and factors affecting the future tax charges

The UK Budget on 3 March 2021 included an announcement that the corporation tax rate will increase to 25% from 1 April 2023 for certain companies and was substantively enacted on 24 May 2021.

9 Trade and other receivables

	As at 28 Feb 2023	As at 28 Feb 2022
	£	£
Other receivables	-	-
Prepayments	4,352	1,960
VAT recoverable	15,846	1,420
	20,198	3,380

All trade and other receivables are denominated in GBP.

During the year a provision of £28,356 was set against other receivables in relation to unpaid share capital reducing the balance to £nil. The expense is included within administrative expenses in the Statement of Comprehensive Income.

10 Trade and other payables

	As at 28 Feb 2023	As at 28 Feb 2022
	£	£
Trade payables	73,200	13,308
Accruals	158,609	77,525
	231,809	90,833

All trade and other payables are denominated in GBP.

11 Share capital and share premium

	Ordinary Shares	Share Capital	Share Premium	Total
	#	£	£	£
Issue of ordinary shares on incorporation ¹	5,000,000	50,000	-	50,000
Issue of ordinary shares ²	11,250,000	112,500	262,500	375,000
Share issue costs	-	-	(16,925)	(16,925)
At 28 February 2022	16,250,000	162,500	245,575	408,075
Issue of ordinary shares ³	10,300,000	103,000	412,000	515,000
Share issue costs	-	-	(29,294)	(29,294)
At 28 February 2023	26,550,000	265,500	628,281	893,781

¹On incorporation, the Company issued 5,000,000 Ordinary Shares of £0.01 each at £0.01 per Ordinary Share.

²On 28 April 2021, the Company issued 11,250,000 Ordinary Shares; 2,500,000 at a subscription price of £0.01 and 8,750,000 at a subscription price of £0.04, in connection with the seed round of fundraising.

³On admission to the Standard List of the LSE on 30 November 2022, 10,300,000 shares were issued at a placing price of £0.05. An amount of £28,356 remained unpaid at year end.

The Company has only one class of share. All ordinary shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

12 Share based payments

On admission to LSE, 8,512,500 warrants to subscribe for ordinary shares were issued representing approximately 24.28% of the fully diluted share capital of the Company comprising:

- 7,500,000 Founder Warrants that are exercisable for a year of 5 years from Admission at the Fundraise Price;
- 75,000 Broker Placing Warrants that are exercisable for a year of 3 years from Admission at the Fundraise Price;
- 500,000 Broker Performance Warrants that are exercisable for a year for a year of 3 years from Admission at the Fundraise Price, subject to the satisfaction of vesting criteria linked to the Company's share price performance; and
- 437,500 Placing Agent Seed Warrants exercisable for a year of 3 years from Admission at an exercise price of £0.04 per Ordinary Share.

	Number of Warrants	Exercise Price	Expiry date
Issue on 18 November 2022	7,500,000	£0.05	30 November 2027
Issue on 18 November 2022	437,500	£0.04	30 November 2025
Issue on 18 November 2022	75,000	£0.05	30 November 2025
Issue on 18 November 2022	500,000	£0.05	3 years after vesting
At 28 February 2023	8,512,500	£0.05	

The weighted average exercise price of the warrants exercisable at 28 February 2023 is £0.05. The weighted average time to expiry of the warrants as at 28 February is 3.25 years.

The weighted average fair value of the warrants issued in the year is £0.04.

An estimated fair value for the 7,500,000 Founder warrants, 75,000 Broker Placing Warrants and 437,500 Placing Agent Seed Warrants was calculated using the Black-Scholes option pricing model. The model inputs included the share price at the grant date, exercise price, expected volatility, expected life and a risk free rate.

For a newly listed company with a limited or no trading history it is common for management to make an estimate of expected volatility. The directors consider a volatility of 50% to be a reasonable estimate given the stage of development of the company and the lack of trading history as at the date of issue. The expected life of the warrants was considered to be the contractual term to expiry. The risk free rate of 3.17% was based on UK 3 year Gilts.

The estimated fair value of the 500,000 Broker Performance Warrants was calculated using a Monte Carlo model which considered the market condition vesting requirements. The model inputs included the share price at grant date, the exercise price, expected volatility of 50%, a risk free interest rate of 3.17% and expected life of 3 years.

The total fair value of the warrants issued in the year was calculated as £369,391 and the cost has been recognised as an expense in the statement of comprehensive income.

During the year the company settled professional fees of £10,048 including VAT through the issue of shares. The expense of £8,373 net of VAT was recognised in the Statement of Comprehensive income.

During the year the company settled fund raising commissions payable amounting to £25,496 through the issue of shares. The cost of the commissions have been allocated against the share premium account.

13 Cash and cash equivalents

	As at 28 Feb 2023	As at 28 Feb 2022
	£	£
Cash and cash equivalents	709,138	341,658
	709,138	341,658

Cash is held at the Company's bank account with Metro Bank Plc which has a credit rating of B (Fitch).

14 Financial instruments

The financial instruments of the Company were as follows.

	As at 28 Feb 2023	As at 28 Feb 2022
	Assets at amortised cost	Assets at amortised cost
	£	£
<u>Financial assets</u>		
Cash and cash equivalents	709,138	341,658
Trade and other receivables (excluding prepayments)	15,846	1,420
	As at 28 Feb 2023	As at 28 Feb 2022
	Liabilities at amortised cost	Liabilities at amortised cost
	£	£
<u>Financial liabilities</u>		
Trade and other payables (excluding accruals)	73,200	13,308

There is no material difference between the fair value of the Company's cash and cash equivalents, other receivables and other current liabilities and their carrying values in the financial statements.

15 Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and cash equivalents and trade and other payables. The Company's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset and equity instrument are set out in Note 2 "Accounting policies" to the financial statements. The Company does not use financial instruments for speculative purposes. See further detail on the risk assessment in the Strategic Report

16 Financial risk management

The directors use a limited number of financial instruments, comprising cash and cash equivalents and trade payables, which arise directly from the Company's initial operations. The Company does not trade in financial instruments.

Financial risk factors

The Company's activities expose it to a variety of financial risks, being credit risk, liquidity risk and cash flow interest rate risk. The directors' overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available funding through an adequate amount of committed credit facilities. The directors ensure that the Company has adequate resource to discharge all its liabilities. The directors have considered the liquidity risk as part of their going concern assessment, as discussed in Note 2.3.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

28 February 2023	< 6 months	6-12 months
	£	£
Trade and other payables	55,200	18,000
28 February 2022	< 6 months	6-12 months
	£	£
Trade and other payables	13,308	-

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company does not have any exposure to Credit risk as at the date of these financial statements due to the fact that it did not sell any goods or services to customers during the year as the Company is currently only seeking admission to the London Stock Exchange. It is not pursuing or engaged in the selling of any goods and does not have an accounts receivable balance at year end.

Cash flow interest rate risk

The Company has no significant interest-bearing liabilities and assets.

Capital management

The Company considers its capital to be equal to the sum of its total equity. The Company monitors its capital using a number of key performance indicators including cash flow projections, working capital ratios, the cost to achieve development milestones and potential revenue from partnerships and ongoing licensing activities.

The Company's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Company funds its capital requirements through the issue of new shares to investors.

17 Related party transactions

There are no related party transactions in the reporting year, other than the directors' remuneration as disclosed in Note 7. There are no personnel considered to be key management other than the directors.

18 Events subsequent to the reporting date

Post year end on 10 March 2023, Dial Square entered into Heads of Terms ("Term Sheet") to acquire 100% of the issued and to be issued share capital by way of a reverse takeover ("the Transaction") of EnergyPathways Ltd ("EnergyPathways"), an English private company.

19 Financial commitments and contingent liabilities

There are no financial commitments and contingent liabilities.

20 Ultimate controlling party

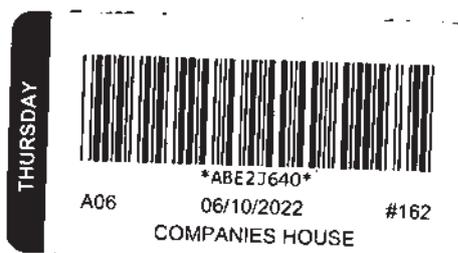
As at 28 February 2023, there was no ultimate controlling party of the Company. Substantial shareholdings are noted within the directors' report.

Company Registration No. 13201653 (England and Wales)

DIAL SQUARE INVESTMENTS PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 FEBRUARY 2022



DIAL SQUARE INVESTMENTS PLC - COMPANY NUMBER 13201653
COMPANY INFORMATION

Directors

Mr Neil Cousins
Mr Lincoln Moore
Mr Daniel Wilson

Company Secretary

Mr Lincoln Moore

Company number

13201653

Registered office

C/O RJF
10th Floor, 3 Hardman St
Manchester
M3 3HF

Independent Auditors

PKF Littlejohn LLP
15 Westferry Circus
London
E14 4HD

Bankers

Metro Bank plc
One Southampton Row
London
WC1B 5HA

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Statement of comprehensive income	13
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Statement of cashflow	16
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The directors present their strategic report for the period from incorporation on 15 February 2021 to 28 February 2022.

REVIEW OF BUSINESS STRATEGY AND BUSINESS MODEL

The Company was incorporated to undertake one or more acquisitions (which may be in the form of a merger, capital stock exchange, asset acquisition, share purchase, scheme of arrangement, reorganisation or similar business combination) of a minority or majority interest in a company, business or asset in the sports management sector.

The Company does not have a specific acquisition under consideration and does not expect to engage in substantive negotiations with any target company or business until after admission. The Board has yet to identify an acquisition opportunity and, currently, there are no plans, arrangements or understandings with any prospective target company or business regarding an acquisition. The Board, through its extensive network of contacts, expects to be able to identify a number of potentially interesting acquisition opportunities within the sports management sector.

To date, the Company's efforts have been limited to organisational activities as well as activities related to the proposed admission to the London Stock Exchange which at the time of this report is gathering significant momentum.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's business activities expose it to a variety of risks, being foreign investment & exchange risks, finance risks and strategic risks.

Foreign investment and exchange risks

The Company's functional and presentational currency is pounds sterling. As a result, the Company's financial statements will carry the Company's assets in pounds sterling. Any business the Company acquires may denominate its financial information, conduct its operations or make sales in currencies other than pounds sterling. When consolidating a business that has functional currencies other than pounds sterling, the Company will be required to translate, inter alia, the balance sheet and operational results of such business into pounds sterling. Due to the foregoing, changes in exchange rates between pounds sterling and other currencies could lead to significant changes in the Company's reported financial results from period to period. Similarly, the Company will be exposed to foreign exchange rate movements when conducting transactions in these overseas jurisdictions.

Financing risks

Although the Company intends to finance any acquisition through the issue of Ordinary Shares where possible, it may be the case that any such acquisition may be only partially funded by ordinary shares or ordinary shares may not be an acceptable proposal to the selling party, and the Company may need to raise substantial additional capital in the future to fund any acquisition. Capital expenditure and operating expenses will all be factors which will have an impact on the amount of additional capital required.

Financing alternatives may include debt and additional equity financing, such as the issue of ordinary Shares, which may be dilutive to shareholders and in the event that the Company considered obtaining debt financing while widely available, this may involve restrictions on operating activities, future financing, acquisitions and disposals. If the Company is unable to obtain potential additional financing as and when needed, it could result in the Company requiring additional capital from Shareholders.

Strategic risks

The London Stock Exchange recently varied its listing rules and therefore the Company will not comply with the minimum market capitalisation ("MMC") requirements of £30,000,000 under Listing Rule 2.2.7R(1) on a potential admission. However, it is permitted to proceed with its application for admission based on transitional arrangements established for applications for listing made prior to 4.00 p.m. on 2 December 2021. With effect from 3 December 2021, the Listing Rules were amended to increase the MMC threshold requirement for premium and standard listing segments for shares in companies (other than funds) from £700,000 to £30,000,000.

The Company made an application for admission to listing and for an eligibility review prior to 4.00 p.m. on 2 December 2021 and such application has not been withdrawn or materially amended. On that basis, the Company is able to proceed with its application for admission based upon transitional arrangements established for applications for admission to listing. On admission, the aggregate value of the shares of the Company to be listed must be at least £700,000 and the Company expects that it will be able to satisfy this requirement.

The Company will not be able to rely upon the transitional arrangements applicable to shell companies under the Listing Rules should the Company not conclude a listing of its shares before 3 December 2022.

An acquisition by the Company would constitute a reverse takeover and any subsequent acquisition or investments undertaken by the Company could also constitute a reverse takeover. In connection with any Reverse Takeover (or analogous transaction), the eligibility of the enlarged business for listing will need to be reassessed and the expected aggregate market value of all securities re-admitted to trading must be at least £30,000,000 in accordance with the Listing Rule 2.2.7R(1)(a). The Company is not currently able to provide an exact indication of the size of the acquisition target, as the Company's primary focus will be on opportunities that meet the acquisition criteria and which are likely to generate value for shareholders. The directors will, nevertheless, target acquisition opportunities of an appropriate valuation to ensure that it is able to satisfy the MMC requirement of £30,000,000. In circumstances where the Company is unable to meet the MMC requirement, the Company would be required to cancel its listing and its securities will not be re-admitted to trading.

As a result, Investors will hold shares in an untraded public company, in which trading in its shares is likely to be more illiquid. The directors cannot guarantee that an application would be made to admit the shares of the Company to another stock exchange. The directors will consider a range of prospective opportunities and the Company will primarily focus on opportunities that meet the acquisition criteria and which are likely to generate value for shareholders.

Identifying and acquiring suitable acquisition targets

Suitable acquisition targets may not always be readily available.

The Company's initial and future acquisition targets may be delayed or made at a relatively slow rate because, inter alia the Company intends to conduct detailed due diligence prior to approving acquisition targets and it is not possible to predict the potential results of due diligence. If due diligence identifies issues that are complex and require in-depth analysis, this could require time to accomplish and furthermore, due diligence may result in discoveries which make a potential Acquisition target unviable and may therefore result in an aborted acquisition.

Section 172 Statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders and other matters in their decision making. The directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the directors consider what is most likely to promote the success of the Company for its members in the long term. In this regard, the Company has prepared Financial Position and Prospects procedures and a set of policies of conduct which it is currently adhering too.

We aim to work responsibly with our stakeholders, including suppliers. The Board wishes to confirm that there are no significant decisions made in the period or subsequent to period end that need to be disclosed.

The Company intends to put in place systems to ensure that it develops, maintains and constantly improves policies, which will enable it to:

- consider the interests and wellbeing of its employees
- ensure compliance with environmental laws wherever its future activities take place
- take into account the long-term impact of its decisions
- be mindful of its responsibilities towards local communities
- maintain the highest standards of probity and integrity in its business dealings
- concentrate on establishing enduring relationships with those with whom it carries on business

Lincoln Moore



Director
3 October 2022

The directors present their report and financial statements for the period ended 28 February 2022.

General information and principal activities

Dial Square Investments plc ("the Company" or "Dial Square"), a public limited company, was incorporated on 15 February 2021 in England and Wales with Registered Number 13201653 under the Companies Act 2006. The address of its registered office is the 10th Floor, 3 Hardman Street, Manchester United Kingdom.

The principal activity of the Company is to seek suitable investment opportunities primarily in the sports management sector.

Results and Dividends

The Company recorded a loss for the period before taxation of £153,870 solely relating to administrative costs of the Company.

The directors do not recommend the payment of a dividend. The nature of the Company's business means that it is unlikely that the directors will recommend a dividend in the next few periods. The Company directors believe the Company should seek to generate capital growth for its shareholders. The Company may recommend distributions at some future date which it becomes commercially prudent to do so, having regard to the availability of the Company's distributable profits and the retention of funds required to finance future growth.

Future developments

The Company intends to progress its application to the London Stock Exchange to seek a public listing and implement its objective to undertake one or more acquisitions (which may be in the form of a merger, capital stock exchange, asset acquisition, share purchase, scheme of arrangement, reorganisation or similar business combination) of a minority or majority interest in a company, business or asset in the sports management sector.

Directors Remuneration

The following directors have held office during the period and to the date of these financial statements:

Neil Cousins (appointed 15 February 2021);

Lincoln Moore (appointed 15 February 2021); and

Daniel Wilson (appointed 16 March 2021).

The directors each accrued salaries of £1,000 per month from 1 March 2021. No payment of these directors fees were made in the period to 28 February 2022, as the directors seek to preserve cash up until the point of a listing on the London Stock Exchange, or similar funding event.

Share Capital

Details of the Company's issued share capital, together with details of the movements during the period, are shown in Note 11. The Company has one class of ordinary share and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the company financial statements in accordance with UK-adopted international Accounting Standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit and loss of the company for that period.

In preparing the 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 UK-adopted International Accounting Standards ('IFRS') have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report and Directors' Report that comply with that law and those regulations.

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

The directors confirm that to the best of their knowledge:

- the company financial statements, prepared in accordance with IFRS, give a true and fair view of the assets, liabilities, financial position and result of the Company;
- this annual report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

Statement as to disclosure of information to auditors

The directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Events after the reporting period

There were no material events after the reporting period.

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2.3 to the financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

On behalf of the board



Lincoln Moore - Director

3 October 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DIAL SQUARE INVESTMENTS PLC

Opinion

We have audited the financial statements of Dial Square Investments Plc (the 'Company') for the period ended 28 February 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and experience of the sector.

DIAL SQUARE INVESTMENTS PLC - COMPANY NUMBER 13201653
INDEPENDENT AUDITOR'S REPORT
FOR THE PERIOD ENDED 28 FEBRUARY 2022

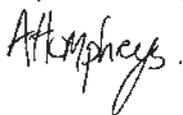
- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from the Companies Act 2006, Company law and UK adopted international accounting standards.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included, but were not limited to enquires of management and review of minutes and other correspondence from HMRC.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there were no other significant fraud risks. The financial statements do not contain balances or areas with significant estimate or judgement and as a result there are few other areas of significant fraud risk.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Humphreys (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

03 October 2022

DIAL SQUARE INVESTMENTS PLC– FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM INCORPORATION TO 28 FEBRUARY 2022

	Note	Audited 13 month period ended 28 February 2022 £
Continuing operations		
Administrative expenses	3	(153,870)
Operating result		(153,870)
<i>Finance income/(expense)</i>		-
Loss before taxation		(153,870)
Income tax	8	-
Loss for the period and total comprehensive income for the period	3	(153,870)
Basic and diluted loss per Ordinary Share (pence)	5	(1.09)

The notes on page 17 to 24 form an integral part of the financial statements.

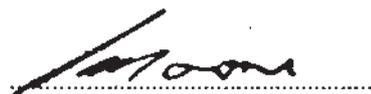
DIAL SQUARE INVESTMENTS PLC– FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2022

Company number: 13201653

	Note	Audited As at 28 February 2022 £
Assets		
Current assets		
Cash and cash equivalents	12	341,658
Trade and other receivables	9	3,380
Total assets		345,038
Liabilities		
Current liabilities		
Trade and other payables	10	90,833
Total liabilities		90,833
Net Assets		254,205
Equity		
Equity attributable to owners		
Ordinary share capital	11	162,500
Share premium	11	245,575
Accumulated losses		(153,870)
Total equity		254,205

The notes on page 17 to 24 form an integral part of the financial statements.

The financial statements were approved by the board on 3 October 2022 by:



Lincoln Moore – Director

DIAL SQUARE INVESTMENTS PLC– FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
AS AT 28 FEBRUARY 2022

	Ordinary share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
Comprehensive income for the period				
Loss for the period	-	-	(153,870)	(153,870)
Total comprehensive income for the period	-	-	(153,870)	(153,870)
Transactions with owners				
Ordinary shares issued on incorporation	50,000	-	-	50,000
Ordinary shares issued during period	112,500	262,500	-	375,000
Share issue costs	-	(16,925)	-	(16,925)
Total transactions with owners	162,500	245,575	-	408,075
As at 28 February 2022	162,500	245,575	(153,870)	254,205

The notes on page 17 to 24 form an integral part of the financial statements.

DIAL SQUARE INVESTMENTS PLC– FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCORPORATION TO 28 FEBRUARY 2022

	Audited
	13 month period ended 28 February 2022
	£
Cash flows from operating activities	
Loss before income tax	(153,870)
<i>Adjustments for changes in working capital:</i>	
Increase in trade and other payables	90,833
Increase in trade and other receivables	(3,380)
Net cash outflows from operating activities	(66,417)
Cash flows from financing activities	
Cash received from issue of Ordinary Shares	425,000
Share issue expenses	(16,925)
Net cash inflow from financing activities	408,075
Net increase in cash and cash equivalents	341,658
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	341,658

The notes on page 17 to 24 form an integral part of the financial statements.

1 General information

The Company was incorporated on 15 February 2021 as a public company in England and Wales with company number 13201653 under the Companies Act, 2006.

The address of its registered office is the 10th Floor, 3 Hardman St, Manchester, M3 3HF.

The principal activity of the Company is to pursue one or more acquisitions in the sports management sector.

2 Accounting policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of preparation

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IFRS') and with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in £ unless otherwise stated.

No comparative figures have been presented as the financial statements covers the period from incorporation to 28 February 2022.

2.2 New standards, amendments and interpretations adopted

The Company has adopted all of the new and amended standards and interpretations issued that are relevant to its operations and effective for accounting periods commencing on or after its incorporation on 15 February 2021.

The Company adopted IFRS in full on the date of its incorporation.

The following new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 February 2021 and have been applied in preparing these financial statements. None have had a significant effect on the financial statements of the Company.

- Amendments to IAS 1 & IAS 8: Definition of Material
- Amendments to IFRS 9, IAS 39 & IFRS 17, IFRS 4 and IFRS 16: Interest rate benchmark reform – Phase 1 & 2
- IFRIC 23 "Uncertainty over income tax treatments"

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 15 February 2021 and have not been applied in preparing the financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

2.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company has based the going concern assumption on a base case, where any proposed transaction does not take place meaning the entity has the ability to meet its working capital requirements from existing cash. The directors have considered the existing cash and confirm it is sufficient to meet the working capital requirements of the Company going forward when outgoings are reduced to only committed costs. Any transaction will be funded by additional capital raised at the point of transaction and will not be funded out of existing cash. As a result of this the directors believe that the going concern assumption is appropriate.

Taking these matters into consideration, the directors consider that the continued adoption of the going concern basis is appropriate having reviewed the forecasts for the coming 12 months from the date of signing and the financial statements do not reflect any adjustments that would be required if they were to be prepared other than on a going concern basis.

2.5 Cash and cash equivalents

The directors consider any cash on short-term deposits and other short-term investments to be cash equivalents.

2.6 Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

The Company classifies its financial assets at amortised cost including trade and other receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Trade and other receivables consist of prepayments and amounts due in relation to VAT.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one period 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.

2.7 Earnings per Ordinary Share

The Company presents basic and diluted earnings per share data for its Ordinary Shares. Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares. No diluted earnings per share has been presented, as the entity is loss making, the effect of additional equity instruments are anti-dilutive.

2.8 Equity and reserves

Share capital is determined using the nominal value of shares that have been issued.

The share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax benefits.

Retained losses includes all current results as disclosed in the income statement.

2.9 Taxation

Income tax for the period is based on the taxable income for the period. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods. Income tax for the period is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods, and arises from 'temporary differences'. Deferred tax is recognised in respect of all temporary differences, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date that are expected to apply to the reversal of the temporary differences.

2.10 Critical accounting estimates and judgments

In preparing the financial statements, the directors have to make judgments on how to apply the Company's accounting policies and make estimates about the future. The directors do not consider there to be any critical judgements that have been made in arriving at the amounts recognised in the financial statements.

3 Expenses by nature

	13 month period ended 28 February 2022 £
Audit and accounting fees	21,790
Directors' fees (note 7)	36,000
Legal and professional fees	55,275
Operating expenses	40,805
	153,870

DIAL SQUARE INVESTMENTS PLC– FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION TO 28 FEBRUARY 2022

4 Auditors remuneration

Operating loss for the period is stated after:

	13 month period ended 28 February 2022 £
Fees payable for the audit of the financial statements	5,050
Other assurance services	10,000
	<u>15,050</u>

5 Earnings per share

	Earnings £	Weighted average number of Ordinary Shares	Per-share amount (pence)
Basic loss per Ordinary Share			
Earnings attributable to Shareholders	(153,870)	14,107,143	(1.09)

Dilutive earnings per share is not shown as the Company is loss making and as a result, additional equity instruments are anti-dilutive.

6 Employee numbers

The average number of employees of the Group during the period was as follows.

	As at 28 Feb 2022
Directors	<u>3</u>
	<u>3</u>

DIAL SQUARE INVESTMENTS PLC– FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION TO 28 FEBRUARY 2022

7 Directors' remuneration

	13 month period ended 28 February 2022 £
Lincoln Moore	12,000
Neil Cousins	12,000
Danny Wilson	12,000
	<u>36,000</u>

8 Income Tax

	As at 28 Feb 2022 £
Current and deferred tax	-

The current tax for the period can be reconciled to the loss per the income statement as follows.

	As at 28 Feb 2022 £
Loss before taxation	(153,870)
Expected tax credit based on a corporation tax rate of 19.0%	(29,235)
Unutilised tax losses carried forward	29,235
Current tax for the period	<u>-</u>

No deferred tax asset has been recognised due to uncertainty over future profits. Tax losses of circa £29,000 have been carried forward.

9 Trade and other receivables

	As at 28 Feb 2022 £
Prepayments	1,960
VAT recoverable	1,420
	<u>3,380</u>

All trade and other receivables are denominated in GBP.

DIAL SQUARE INVESTMENTS PLC– FINANCIAL STATEMENTS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION TO 28 FEBRUARY 2022

10 Trade and other payables

	As at 28 Feb 2022 £
Trade payables	13,308
Accruals	77,525
	90,833

All trade and other payables are denominated in GBP.

11 Share capital and share premium

	Ordinary Shares #	Share Capital £	Share Premium £	Total £
Issue of ordinary shares on incorporation ¹	5,000,000	50,000	-	50,000
Issue of ordinary shares ²	11,250,000	112,500	262,500	375,000
Share issue costs	-	-	(16,925)	(16,925)
At 28 February 2022	16,250,000	162,500	245,575	408,075

¹On incorporation, the Company issued 5,000,000 Ordinary Shares of £0.01 each at £0.01 per Ordinary Share.

²On 28 April 2021, the Company issued 11,250,000 Ordinary Shares; 2,500,000 at a subscription price of £0.01 and 8,750,000 at a subscription price of £0.04, in connection with the seed round of fundraising.

12 Cash and cash equivalents

	As at 28 Feb 2022 £
Cash and cash equivalents	341,658
	341,658

Cash is held at the Company's bank account with Metro Bank Plc which has a credit rating of B (Fitch).

13 Financial instruments

The financial instruments of the Company were as follows.

	As at 28 Feb 2022
Assets at amortised cost	
£	
<hr/>	
<u>Financial assets</u>	
Cash and cash equivalents	341,658
Trade and other receivables (excluding prepayments)	1,420
	As at 28 Feb 2022
	Liabilities
	at
	amortised
	cost
	£
<hr/>	
<u>Financial liabilities</u>	
Trade and other payables (excluding accruals)	13,308

There is no material difference between the fair value of the Company's cash and cash equivalents, other receivables and other current liabilities and their carrying values in the financial statements.

14 Financial risk management objectives and policies

The Company's principal financial instruments comprise cash and cash equivalents and trade and other payables. The Company's accounting policies and method adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset and equity instrument are set out in Note 3 "Accounting policies" to the financial statements. The Company does not use financial instruments for speculative purposes. See further detail on the risk assessment in the Strategic Report

15 Financial risk management

The directors use a limited number of financial instruments, comprising cash and cash equivalents and trade payables, which arise directly from the Company's initial operations. The Company does not trade in financial instruments.

Financial risk factors

The Company's activities expose it to a variety of financial risks, being credit risk, liquidity risk and cashflow interest rate risk. The directors' overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and available funding through an adequate amount of committed credit facilities. The directors ensure that the Company has adequate resource to discharge all its liabilities. The directors have considered the liquidity risk as part of their going concern assessment, as discussed in Note 2.3.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company does not have any exposure to Credit risk as at the date of these financial statements due to the fact that it did not sell any goods or services to customers during the period as the Company is currently only seeking admission to the London Stock Exchange. It is not pursuing or engaged in the selling of any goods and does not have an accounts receivable balance at period end.

Cash flow interest rate risk

The Company has no significant interest-bearing liabilities and assets.

16 Related party transactions

There are no related party transactions in the reporting period, other than the directors' remuneration as disclosed in Note 7.

17 Events subsequent to the reporting date

There were no material events subsequent to the reporting date.

18 Financial commitments and contingent liabilities

There are no financial commitments and contingent liabilities.

19 Ultimate controlling party

As at 28 February 2022, there was no ultimate controlling party of the Company.

SECTION B: INTERIM FINANCIAL INFORMATION OF THE COMPANY

Company Registration No. 13201653 (England and Wales)

DIAL SQUARE INVESTMENTS PLC

INTERIM FINANCIAL INFORMATION

FOR THE PERIOD ENDED 31 AUGUST 2023

DIALSQURE INVESTMENTS PLC – COMPANY NUMBER 13201653
COMPANY INFORMATION

Directors	Mr Neil Cousins Mr Lincoln Moore Mr Daniel Wilson (resigned 4 April 2023)
Company Secretary	Mr Lincoln Moore
Company number	13201651
Registered office	C/O RJF 10 th Floor, 3 Hardman St Manchester M3 3HF
Principal place of business / operations	C/O RJF 10 th Floor, 3 Hardman St Manchester M3 3HF
Independent Auditors	RPG Crouch Chapman LLP 5 th Floor, 14-16 Dowgate Hill London EC4R 2SU
Bankers	Metro Bank plc One Southampton Row London WC1B 5HA

Overview

During the period the Directors considered a number of acquisition opportunities in the sport management sector, but did not identify an acquisition target that we considered would be appropriate for the Company or in the best interests of its shareholders. As this search continued, the Board was made aware of an opportunity to acquire EnergyPathways Ltd, a transaction which we believed represented an opportunity for the Company to invest in a business that has the potential to deliver excellent value for shareholders. As such, the Directors, in consultation with major shareholders of Dial Square, considered it appropriate to pursue this transaction rather than continue to spend time and resources seeking an opportunity in the sports management sector that may not come to fruition.

Post year end on 10 March 2023, Dial Square entered into Heads of Terms ("Term Sheet") to acquire 100% of the issued and to be issued share capital by way of a reverse takeover (the "Transaction") of EnergyPathways Ltd ("EnergyPathways"), an English private company. EnergyPathways is an energy transition company, targeting UK gas assets, with the aim of bringing into production, in the near-term, low emission energy solutions to assist with the UK's transition to Net Zero while also providing critical supply to ensure domestic energy security.

EnergyPathways holds, indirectly through its subsidiary, a 100 per cent. interest in block 110/4a in Seaward Licence P2490 that contains the Marram gas field ("Marram Field"), located 30km west of mainland UK, close to the developed Morecambe gas complex in the UK waters of the East Irish Sea Basin. The Marram Field, which was discovered in 1993, contains 35.5 Bcf of undeveloped gas 2P Reserves and lies approximately 15km east of the offshore South Morecambe Gas Field Platform. Gas produced from the South Morecambe Platform is transported along the existing South Morecambe trunkline to the onshore North Morecambe Terminal in Barrow. At the peak of its production, the Morecambe complex satisfied approximately 20 per cent. of the UK's gas demand. In the Marram Field, EnergyPathways has identified a 'ready-to-go' gas development asset, that is, Marram has low sub-surface technical risk, with no further appraisal drilling required. It also has near-term production potential due to the ability to tie-in to neighbouring existing infrastructure that has spare capacity. EnergyPathways is targeting first gas in 2025.

The directors of the Company and EnergyPathways believe that natural gas is a bridging fuel with a key role in the global energy transition and that a successful development of the Marram Field has the potential to make a favourable contribution towards reducing emissions and supporting the UK's transition to Net Zero. The extreme volatility experienced in the UK energy market through 2022, resulting from years of under-investment in oil and gas projects, and exacerbated by the supply crunch caused by the ongoing war in Ukraine, has highlighted the necessity for development of gas projects like Marram that have the potential to deliver cleaner, domestically produced energy that contributes to UK energy security.

EnergyPathways' initial focus will be the development of the Marram Field, however, in line with its aims to develop low emission energy solutions, EnergyPathways has identified potential future opportunities to rejuvenate production from the UK East Irish Sea. It has submitted applications to the UK Government regulator for the award of additional licences with undeveloped gas resources in the region. EnergyPathways anticipates that there may also be potential to integrate new production with the nearby wind renewable capacity to provide flexible power generation for grid stability, CCUS and hydrogen storage reservoirs and feedstock for hydrogen production. It also intends to consider opportunities to participate in other selected discovered fields in the region and across the UK more broadly.

EnergyPathways has a strong management team with an established track record for value creation, operational excellence and a commitment to a progressive ESG agenda that prioritises environmental impact alongside the positive socioeconomic impact of its activities.

DIALSQURE INVESTMENTS PLC – COMPANY NUMBER 13201651
CHAIRMAN'S STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2023

The Transaction is nearing completion. As the market capitalisation of the enlarged group following completion of the Transaction will be less than £30 million (being the minimum market capitalisation for new applications for admission to Standard Segment and to trading on the Main Market), the Company will not be seeking readmission of its shares to the Standard Segment and to trading on the Main Market for listed securities of the London Stock Exchange. Instead, the Company is currently in the process of making an application for its ordinary shares to be admitted to trading on AIM and will, shortly, publish an admission document.

Responsibility Statement

We confirm that to the best of our knowledge that the Interim Report:

- has been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting;
- gives a true and fair view of the assets, liabilities, financial position and profit/loss of the Company;
- includes a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the set of interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- includes a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules, being the information required on related party transactions.

Section 172 Statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders and other matters in their decision making. The directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

We aim to work responsibly with our stakeholders, including suppliers. The Board wishes to confirm that there are no significant decisions made in the period or subsequent to year end that need to be disclosed.

The Company intends to put in place systems to ensure that it develops, maintains and constantly improves policies, which will enable it to:

- consider the interests and wellbeing of its employees
- ensure compliance with environmental laws wherever its future activities take place
- take into account the long-term impact of its decisions
- be mindful of its responsibilities towards local communities
- maintain the highest standards of probity and integrity in its business dealings
- concentrate on establishing enduring relationships with those with whom it carries on business

The Interim Report was approved by the Board of Directors and the above responsibility statement.

Neil Cousins
Non Executive Chairman
28 November 2023

DIALSQURE INVESTMENTS PLC – CONDENSED INTERIM FINANCIAL INFORMATION
STATEMENT OF COMPREHENSIVE INCOME
FOR 6 MONTHS TO 31 AUGUST 2023

	Note	Unaudited 6 months ended 31 August 2023 £	Unaudited 6 months ended 31 August 2022 £	Audited 12 months ended 28 February 2023 £
Revenue		-	-	-
Administrative expenses		(275,342)	(50,820)	(611,775)
Operating result		(275,342)	(50,820)	(611,775)
Finance income/(expense)		8,000	-	-
Loss before taxation		(267,342)	(50,820)	(611,775)
Income tax		-	-	-
Loss for the period and total comprehensive income for the period		(267,342)	(50,820)	(611,775)
Basic and diluted loss per ordinary share (pence)	3	(1.01)	(0.36)	(3.26)

The notes on page 9 to 12 form an integral part of the unaudited condensed interim financial information

DIALSQURE INVESTMENTS PLC – CONDENSED INTERIM FINANCIAL INFORMATION
STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2023

		Unaudited As at 31 August 2023 £	Unaudited As at 31 August 2022 £	Audited As at 28 February 2023 £
ASSETS				
Current assets				
Cash and cash equivalents		263,406	316,148	709,138
Restricted cash	6	160,000	-	-
Trade and other receivables		27,338	-	20,198
Loans to third parties	5	200,000	-	-
Total assets		650,744	316,148	729,336
Liabilities				
Current Liabilities				
Trade and other payables	4	260,559	112,763	231,809
Advance share subscription	6	160,000	-	-
Total Liabilities		420,559	112,763	231,809
Net Assets		230,185	203,385	497,527
EQUITY AND LIABILITIES				
Equity attributable to owners				
Ordinary share capital	7	265,500	162,500	265,500
Share premium	7	628,281	245,575	628,281
Accumulated losses		(663,596)	(204,689)	(396,254)
Total equity and liabilities		230,185	203,385	497,527

The notes on pages [9] to [12] form an integral part of the unaudited condensed interim financial information

The interim financial information was approved by the board 28 November 2023 by:

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Lincoln Moore – Director

DIALSQUARE INVESTMENTS PLC – CONDENSED INTERIM FINANCIAL INFORMATION
STATEMENT OF CHANGES IN EQUITY
AS AT 31 AUGUST 2023

	Ordinary share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
As at 28th February 2022 (Unaudited)	162,500	245,575	(153,870)	254,205
Loss for the period	-	-	(50,820)	(50,820)
Total comprehensive income for the period	-	-	(50,820)	(50,820)
Transactions with owners				
Total transactions with owners	-	-	-	-
As at 31st August 2022 (Unaudited)	162,500	245,575	(204,690)	203,385
Loss for the period	-	-	(560,955)	(560,955)
Total comprehensive income for the period	-	-	(560,955)	(560,955)
Transactions with owners				
Ordinary shares issued during the period	103,000	412,000	-	515,000
Share issue costs	-	(29,294)	-	(29,294)
Total transactions with owners	103,000	382,706	-	485,706
Share based payments	-	-	369,391	369,391
As at 28th February 2023 (Audited)	265,500	628,281	(396,254)	497,527
Loss for the period	-	-	(267,342)	(267,342)
Total comprehensive income for the period	-	-	(267,342)	(267,342)
Transactions with owners				
Total transactions with owners	-	-	-	-
As at 31st August 2023 (Unaudited)	265,500	628,281	(663,596)	230,185

DIALSQURE INVESTMENTS PLC – CONDENSED INTERIM FINANCIAL INFORMATION
STATEMENT OF CASH FLOWS
FOR 6 MONTHS TO 31 AUGUST 2023

	Unaudited	Unaudited	Audited
	6 months	6 months	12 months
	ended 31	ended 31	ended 28
	August 2023	August 2022	February
	2023	2022	2023
	£	£	£
Cash flows from operating activities			
Loss before income tax	(267,342)	(50,820)	(611,775)
Share based payment expense	-	-	369,391
<i>Adjustments for:</i>			
Increase in other payables	28,750	25,310	142,874
(Increase) / decrease in trade and other receivables	(7,140)	-	15,890
Net cash outflows from operating activities	(245,732)	(25,510)	(83,620)
Cash flows from investing activities			
Loans to third parties	(200,000)	-	-
Net cash used in investing activities	(200,000)	-	-
Cash flows from financing activities			
Cash received from advance share subscription	160,000	-	-
Cash received from the issue of Ordinary Shares	-	-	451,100
Net cash inflow from financing activities	160,000	-	451,100
Net (decrease) / increase in cash and cash equivalents	(285,732)	(25,510)	367,480
Cash and cash equivalents at beginning of period	709,138	341,658	341,658
Cash and cash equivalents at end of period	423,406	316,148	709,138

1 General information

Dial Square Investments plc (“the Company” or “Dial Square”), a public limited company, was incorporated on 15 February 2021 in England and Wales with Registered Number 13201653 under the Companies Act 2006. The address of its registered office is the 10th Floor, 3 Hardman Street, Manchester United Kingdom.

The principal activity of the Company is to seek suitable investment opportunities primarily in the sports management sector.

2 Accounting policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

2.1 Basis of preparation

The condensed interim financial information (“interim financial information”) has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (IAS 34). The interim financial information has been prepared on the historical cost basis, except for assets and liabilities measured at fair value through profit and loss, and are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates. All amounts have been rounded to the nearest pound, unless otherwise stated.

The interim financial information has not been audited in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The interim financial information do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The figures have been prepared using applicable accounting policies and practices consistent with those adopted in the audited annual financial information for the year ended 31 August 2023.

The interim financial information is for the six months to 31 August 2023, being six months from the financial year end for the Company being 28 February 2022. The interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual audited financial statements for the period ended 28 February 2023.

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. The functional and presentational currency of the Company is Pounds Sterling (£).

The business is not considered to be seasonal in nature.

New standards, amendments and interpretations adopted

During the current period the Company adopted all the new and revised standards, amendments and interpretations that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023. This adoption did not have a material effect on the accounting policies of the Company.

New standards, amendments and interpretations not yet adopted by the Company.

The standards and interpretations that are relevant to the Company, issued, but not yet effective, up to the date of these interim Financial information have been evaluated by the Directors and they do not consider that there will be a material impact of transition on the financial information.

2.2 Going concern

The financial information has been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company is in the final stages of securing fundraising in connection with the Transaction and admission to AIM. Certain costs relating to this process are committed, irrespective of the outcome, and others are contingent upon admission to AIM and therefore will not adversely affect the cash position of the Company. In the event that the admission does not take place, the Company has sufficient cash resources to settle the committed associated expenses and to cover the ongoing administrative costs at the levels set out in the Statement of Comprehensive Income for the 6-month period ended 31 August 2023.

Taking these matters into consideration, the Directors consider that the continued adoption of the going concern basis is appropriate having reviewed the forecasts for the coming 12 months from the date of signing and the financial information do not reflect any adjustments that would be required if they were to be prepared other than on a going concern basis.

2.4 Cash and cash equivalents

The Directors consider any cash on short-term deposits and other short-term investments to be cash equivalents.

2.5 Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of a financial instrument. Financial assets and financial liabilities are offset if there is a legally enforceable right to set off the recognised amounts and interests and it is intended to settle on a net basis.

2.6 Earnings per Ordinary Share

The Company presents basic and diluted earnings per share data for its Ordinary Shares. Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period. Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

2.7 Equity

Share capital is determined using the nominal value of shares that have been issued.

The share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax benefits.

Retained losses includes all current and prior period results as disclosed in the income statement.

2.8 Critical accounting estimates and judgments

In preparing the Company Financial information, the Directors have to make judgments on how to apply the Company's accounting policies and make estimates about the future. The Directors do not consider there to be any critical judgments that have been made in arriving at the amounts recognised in the interim financial information.

DIALSQUARE INVESTMENTS PLC – CONDENSED INTERIM FINANCIAL INFORMATION
NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR 6 MONTHS TO 31 AUGUST 2023

3 Loss per Ordinary Share

There were no potentially dilutive instruments in issue at the period end.

	Unaudited 6 months ended 31 August 2023 £	Unaudited 6 months ended 31 August 2022 £	Audited 12 months ended 28 February 2023 £
Loss for the purposes of basic earnings per share being net loss attributable to the owners	(267,342)	(50,820)	(611,775)
Weighted average number of ordinary shares	26,550,000	14,107,143	18,789,726
Loss per share (pence)	(1.01)	(0.36)	(3.26)

4 Trade and other payables

	Unaudited 6 months ended 31 August 2023 £	Unaudited 6 months ended 31 August 2022 £	Audited 12 months ended 28 February 2023 £
Trade payables	56,950	22,888	73,200
Accruals	203,609	89,875	158,609
	260,559	112,763	231,809

All trade and other payables are denominated in GBP.

5 Loans to third parties

	£
As at 28 February 2023 (<i>Audited</i>)	-
Loans made during the period	200,000
As at 31 August 2023 (<i>Unaudited</i>)	200,000

On 9 March 2023, the Company entered into a loan agreement with EnergyPathways Limited (“EnergyPathways”) for a facility of £200,000. The facility was fully drawn down as at 31 August 2023. The loan is unsecured, has an interest rate of 8% p.a. and is convertible into ordinary shares of EnergyPathways at 2.5 pence per share at any time. As at reporting date there £8,000 accrued interest income has been brought to account, which is included in the balance of Trade and other receivables in the Statement of Financial Position.

DIALSQUARE INVESTMENTS PLC – CONDENSED INTERIM FINANCIAL INFORMATION
NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR 6 MONTHS TO 31 AUGUST 2023

6 Advance share subscription

	Unaudited 6 months ended 31 August 2023 £	Unaudited 6 months ended 31 August 2022 £	Audited 12 months ended 28 February 2023 £
Advance share subscription	160,000	-	-
	160,000	-	-

On 10 March 2023, the Company announced that it has entered into Heads of Terms to acquire 100% of the issued and to be issued share capital by way of a reverse takeover ("the Transaction") of EnergyPathways Ltd ("EnergyPathways"), an English private company. EnergyPathways is an energy transition company, targeting UK gas assets, with the aim of bringing into production, in the near-term, low emission energy solutions to assist with the UK's transition to Net Zero while also providing critical supply to ensure domestic energy security. It is intended that the enlarged group created by the Transaction will be admitted to trading on AIM.

As at 31 August 2023 £160,000 had been received from subscribers for new ordinary shares in connection with the Transaction, which will be refundable to subscribers in the event that the Transaction does not complete. The subscription funds received have been recognised as restricted cash in the Statement of Financial Position.

7 Share Capital

	Ordinary Shares #	Share Capital £	Share Premium £	Total £
At 31 August 2022	16,250,000	162,500	245,575	408,075
Issue of ordinary shares ¹	10,300,000	103,000	412,000	515,000
Share issue costs	-	-	(29,294)	(29,294)
At 28 February 2023	26,550,000	265,500	628,281	893,781
At 31 August 2023	26,550,000	265,500	628,281	893,781

¹ On admission to the Standard List of the LSE on 30 November 2022, 10,300,000 ordinary shares were issued at a placing price of £0.05. An amount of £28,356 remained unpaid at year end.

8 Related party transactions

There were no material related party transactions in the period that require disclosure.

9 Events subsequent to the reporting date

There have been no material events subsequent to period end.

10 Financial commitments and contingent liabilities

There were no financial commitments or contingent liabilities of the Company as at 31 August 2023.

11 Ultimate controlling party

As at 31 August 2023, there was no ultimate controlling party of the Company.

SECTION C: ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE EP GROUP



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15 December 2023

The Directors and Proposed Directors
Dial Square Investments Plc
C/O RJF, 10th Floor
3, Hardman Street,
Manchester M3 3HF

The Partners
Cairn Financial Advisers LLP
9th Floor 107 Cheapside
London EC2V 6DN

Dear Sirs and Madams,

Introduction

We report on the audited historical financial information of EnergyPathways Ltd ("**EnergyPathways**") and its subsidiary, EnergyPathways Irish Sea Limited ("**EPIS**") (together, the "**EP Group**") for the 18-month period from incorporation on 16 July 2021 to 31 December 2022 (the "**EP Group Financial Information**"), as set out in Section C "*Historical Financial Information of the EP Group*" of Part IV "*Historical Financial Information*" of the Company's admission document dated 15 December 2023 (the "**Admission Document**").

Opinion on financial information

In our opinion, the EP Group Financial Information gives, for the purposes of the Admission Document, a true and fair view of the state of affairs of the EP Group as at 31 December 2022, and of its losses, cash flows and changes in equity for the period then ended in accordance with UK-adopted international accounting standards ("**IFRS**").

Responsibilities

The directors and the proposed directors of the Company (together, the "**Directors**") are responsible for preparing the EP Group Financial Information in accordance with IFRS.

It is our responsibility to form an opinion on the EP Group Financial Information and to report our opinion to you.

Basis of preparation

The EP Group Financial Information has been prepared for inclusion in the Admission Document on the basis of the accounting policies set out in note 2 to the EP Group Financial Information. This report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that paragraph and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council (the “**FRC**”) in the United Kingdom. We are independent of the Company and the EP Group in accordance with relevant ethical requirements. In the United Kingdom, this is FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the EP Group Financial Information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the EP Group Financial Information and whether the accounting policies are appropriate to the EP Group’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the EP Group Financial Information is free from material misstatement, whether caused by fraud or other irregularity or error.

Conclusions relating to going concern

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the EP Group to continue as a going concern for a period of at least 12 months from the date of this report. We therefore conclude that the Directors’ use of the going concern basis of accounting in the preparation of the EP Group Financial Information is appropriate.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and we declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and this report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe U.K. LLP

Chartered Accountants

SECTION D – HISTORICAL FINANCIAL INFORMATION OF THE EP GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

The audited Consolidated Statement of Comprehensive Loss of the EP Group for the period from incorporation of EnergyPathways on 16 July 2021 to 31 December 2022 is set out below:

	<i>Note</i>	<i>Audited Period ended 31 December 2022 £</i>
Revenue		–
Administrative expenses	4	(877,262)
Pre-acquisition license expenses		(379,931)
Operating loss		<u>(1,257,193)</u>
Loss before tax		<u>(1,257,193)</u>
Taxation	6	–
Loss for the period		<u>(1,257,193)</u>
Other comprehensive income:		
Items that will or may be reclassified to profit or loss:		
Other comprehensive income		–
Total comprehensive loss		<u>(1,257,193)</u>
Loss per share	7	(0.97p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The audited Consolidated Statement of Financial Position of the EP Group as at 31 December 2022 is set out below:

	<i>Note</i>	<i>Audited As at 31 December 2022 £</i>
Non-current assets		
Intangible assets	8	318,001
		<u>318,001</u>
Current assets		
Trade and other receivables	9	159,271
Cash and cash equivalents	10	71,061
		<u>230,332</u>
Total assets		<u>548,333</u>
Current liabilities		
Trade and other payables	11	(653,816)
		<u>(653,816)</u>
Total liabilities		<u>(653,816)</u>
Net liabilities		<u>(105,483)</u>
Equity		
Ordinary share capital	12	14,333
Share premium	12	1,092,667
Performance share capital	12	1,510
Share-based payments reserve	13	43,200
Retained deficit		<u>(1,257,193)</u>
Total equity		<u>(105,483)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The audited Consolidated Statement of Changes in Equity of the EP Group for the period from incorporation of EnergyPathways on 16 July 2021 to 31 December 2022 is set out below:

	<i>Note</i>	<i>Ordinary share capital</i> £	<i>Share premium</i> £	<i>Performance share capital</i> £	<i>Share-based payments reserve</i> £	<i>Retained deficit</i> £	<i>Total</i> £
Balance as at 16 July 2021		<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Loss for the period and total comprehensive income		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,257,193)</u>	<u>(1,257,193)</u>
Issue of shares	12	14,332	1,092,667	1,510	-	-	1,108,509
Issue of warrants	13	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,200</u>	<u>-</u>	<u>43,200</u>
Balance as at 31 December 2022 (Audited)		<u>14,333</u>	<u>1,092,667</u>	<u>1,510</u>	<u>43,200</u>	<u>(1,257,193)</u>	<u>(105,483)</u>

CONSOLIDATED STATEMENT OF CASH FLOWS

The audited Consolidated Statement of Cash Flows of the EP Group for the period from incorporation of EnergyPathways on 16 July 2021 to 31 December 2022 is set out below:

	<i>Audited</i>
	<i>Period ended</i>
	<i>31 December</i>
	<i>2022</i>
<i>Note</i>	<i>£</i>
Cash flows from operating activities	
Loss before tax for the year	(1,257,193)
Adjustments for:	
Share-based payments	13 43,200
Compensation settled in shares	12 8,510
	<u>(1,205,483)</u>
Changes in non-cash working capital accounts	
Increase in trade and other receivables	9 (156,454)
Increase in trade and other payables	11 511,934
Cash used in operating activities	<u>(850,003)</u>
Income taxes paid	<u>–</u>
Net cash flows from operating activities	<u>(850,003)</u>
Investing activities	
Purchases of exploration and evaluation assets	8 (178,936)
Net cash used in investing activities	<u>(178,936)</u>
Financing activities	
Proceeds from issue of ordinary share capital	12 1,100,000
Net cash provided by financing activities	<u>1,100,000</u>
Net increase in cash and cash equivalents	71,061
Cash and cash equivalents at beginning of period	10 –
Cash and cash equivalents and end of period	10 <u>71,061</u>

NOTES TO THE EP GROUP FINANCIAL INFORMATION

1. General Information

EnergyPathways is a limited company which is domiciled and incorporated in England and Wales under the Companies Act 2006 with the registered number 13514607. EnergyPathways' registered office is Highdown House, Yeoman Way, Worthing, West Sussex, BN99 3HH.

The principal activity of the EP Group is delivering domestically produced energy for Britain. On 3 March 2022, the EP Group acquired a 100 per cent. interest in, and is administrator for the Marram gas field located in the UK Irish Sea, with proven reserves 38.8 Bcf of natural gas.

The EP Group Financial Information presented is for the seventeen-month period from the incorporation of EnergyPathways on 16 July 2021 to 31 December 2022.

2. Summary of significant accounting policies

The principal accounting standards applied in the preparation of the EP Group Financial Information are set out below. These standards have been consistently applied for the period presented, unless otherwise stated.

2.1. Basis of preparation

The EP Group Financial Information has been prepared in accordance with UK-adopted International Accounting Standards ("IFRS").

The EP Group Financial Information has been prepared under the historical cost convention.

2.2. Consolidation and acquisitions

The EP Group Financial Information consolidates the financial information of EnergyPathways and its subsidiary, EPIS, at the reporting date and for the period then ended. EPIS was consolidated into the EP Group when control was achieved, defined as where EnergyPathways has the power to govern the financial and operating policies of an investee entity, has the rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The results of EPIS included in the EP Group Financial Information, are from the effective date of acquisition, being its date of incorporation. Where necessary, adjustments are made to the results of EPIS to bring its accounting policies into line with those used by EnergyPathways. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The financial information of all EP Group companies are adjusted, where necessary, to ensure the use of consistent accounting policies.

EnergyPathways has one subsidiary as follows:

<i>Company</i>	<i>Country of Incorporation</i>	<i>Incorporated</i>	<i>Interest</i>
EnergyPathways Irish Sea Limited ("EPIS")	United Kingdom	11 August 2021	100%

2.3. Going concern

The EP Group Financial Information has been prepared on a going concern basis. The EP Group is not yet revenue generating, and recorded an operating loss of £1,257,193 during the period. As at 31 December 2022, the EP Group had net liabilities of (£105,483), net current liabilities of (£423,484) and cash of £71,061. The directors have reviewed detailed financial projections based on the funds raised to the date of reporting, including all required spend to meet operational obligations. These financial projections have been stress-tested by the directors in reaching their going concern conclusion. Having made due and careful enquiry, the directors are of the opinion that the EP Group has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the EP Group Financial Information, that there is a reasonable expectation that the EP Group has adequate resources to continue in operational existence for the foreseeable future.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the EP Group Financial Information for the period ended 31 December 2022.

2.4. **Changes in accounting policies**

2.4.1. *New standards, amendments to standards and interpretations*

- (i) New and amended standards not yet adopted by the EP Group

The directors do not believe that the implementation of new standards, amended standards and interpretations issued but not yet effective and that have not yet been adopted will have a material impact once implemented in future periods.

2.5. **Foreign currency**

2.5.1. *Functional and presentation currency*

Items in the EP Group Financial Information are measured in the currency of the primary economic environment in which the entity operates (functional currency). The functional currency of EnergyPathways is Pounds sterling (£), which is also the presentation currency for the EP Group Financial Information.

Monetary amounts in the EP Group Financial Information are rounded to the nearest £.

2.5.2. *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Loss.

2.6. **Taxation**

Tax is recognised in the Consolidated Statement of Comprehensive Loss, except to the extent that it relates to items recognised in “*other comprehensive income*” or directly in “*equity*”. In this case, the tax is also recognised in “*other comprehensive income*” or directly in “*equity*” respectively. Deferred tax assets are not brought to account in the Consolidated Statement of Financial Position until there is a reasonable expectation that these assets will be realised.

2.7. **Intangible assets**

Exploration and evaluation expenditures

The directors apply the successful efforts method of accounting for the EP Group’s gas assets, having regard to the requirements of IFRS 6 “*Exploration for and Evaluation of Mineral Resources*”. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Consolidated Statement of Comprehensive Loss.

All license acquisitions, exploration and evaluation costs are recognised, a share of administration costs is recognised insofar as they relate to exploration, evaluation and development activities. These costs are written off unless commercial reserves have been established or the determination process has not been completed and there are no indications of impairment. If a project is deemed commercial, all of the attributable costs are transferred into “*property, plant and equipment*”. These costs are then depreciated from the commencement of production on a unit-of-production basis.

2.8. **Impairment of non-financial assets**

The directors assess at each reporting date whether there is an indication that an EP Group asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the directors make an estimate of the asset’s recoverable amount.

An asset’s recoverable amount is the higher of its fair value, less costs to sell, and its value-in-use.

In assessing value-in-use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

2.9. **Financial instruments**

2.9.1 *Initial recognition*

A financial asset or financial liability is recognised in the Consolidated Statement of Financial Position of the EP Group when it arises or when the EP Group becomes a party to the contractual terms of the financial instrument.

2.9.2 *Classification*

Financial assets at amortised cost

The directors measure the EP Group's financial assets at amortised cost if both of the following conditions are met:

- (1) the asset is held within a business model whose objective is to collect contractual cash flows; and
- (2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost are measured using the “*effective interest rate*” method and are subject to impairment. Gains and losses are recognised in the Consolidated Statement of Comprehensive Loss when the asset is recognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the “*effective interest rate*” method include current trade and other payables that are short-term in nature. Financial liabilities are derecognised if the EP Group's obligations specified in the contract expire or are either discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition, and fees or costs that are an integral part of the “*effective interest rate*” method. “*Effective interest rate*” amortisation is included as “finance costs” in the Consolidated Statement of Comprehensive Loss. Trade payables and other payables are non-interest bearing and are stated at amortised cost using the “*effective interest rate*” method.

2.9.3. *Derecognition*

A financial asset is derecognised when:

- (1) the rights to receive cash flows from the asset have expired; or
- (2) the EP Group has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

2.9.4 *Impairment*

The EP Group recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the EP Group expects to receive. Regarding trade receivables, the directors have applied the IFRS 9 “*Financial Instruments*” simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, a provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To

measure expected credit losses, trade receivables and contract assets have been grouped, based on shared risk characteristics.

2.10. *Trade and other receivables*

Trade and other receivables are initially recognised at fair value when related amounts are invoiced, then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

2.11. *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

2.12. *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Performance shares are classified as equity. Performance shares are convertible in to ordinary shares upon approval of the field development plan of the Marram gas field by the UK Government. Performance shares do not carry entitlement to receive a dividend or distribution rights in the event of winding up.

2.13. *Share premium*

Share premium account represents the excess of the issue price over the par value on shares issued. Incremental costs incurred directly, or warrants issued in connection with the issue of new ordinary shares or are shown in equity as a deduction, net of tax, from the proceeds.

2.14. *Trade payables*

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

2.15. *Finance income and finance costs*

Finance income comprises interest income on bank funds. Interest income is recognised as it accrues in the Consolidated Statement of Comprehensive Loss, using the effective interest method. Finance costs comprise interest expense on borrowings. Borrowing costs are recognised in Consolidated Statement of Comprehensive Loss in the period in which they are incurred.

2.16. *Earnings per share*

Basic earnings per share is calculated as profit attributable to equity holders of EnergyPathways for the period, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

2.17. *Operating segments*

The Chief Operating Decision Maker is considered to be the board of directors of EnergyPathways. The directors consider that the EP Group operates in a single segment, that of natural gas exploration, appraisal and development, in a single geographical location, the UK Irish Sea of the United Kingdom. As a result, the financial information of the single segment is the same as set out in the Consolidated Statement of Comprehensive Loss, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cashflows.

2.18. *Share-based payments*

Where options or warrants are awarded for services the fair value, at the grant date, of equity-settled share awards is charged to income or loss over the period for which the benefits

of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the share-based payments reserve. The amount recognised as an expense is adjusted to reflect the number of share options or warrants expected to vest. The fair value of options and warrants awards is calculated using the Black-Scholes option pricing model which considers the following factors:

- exercise price;
- current market price of the underlying shares; and
- expected life of the award;
- risk-free interest rate.
- expected volatility;

When equity instruments are modified, if the modification increases the fair value of the award, the additional cost must be recognised over the period from the modification date until the vesting date of the modified award.

3. Significant accounting estimates and judgements, estimates and assumptions

The preparation of the EP Group Financial Information using accounting policies consistent with IFRS requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of income and expenses. The preparation of the EP Group Financial Information also requires the directors to exercise judgement in the process of applying the accounting policies. Changes in estimates, assumptions and judgements can have a significant impact on the EP Group Financial Information.

Recoverable value of intangible assets (refer to note 8)

As at 31 December 2022, the EP Group held gas development intangible assets of £318,001. The carrying values of intangible assets are assessed for indications of impairment, as set out in IFRS 6 “*Exploration for and Evaluation of Mineral Resources*”, on an annual basis. As part of this impairment assessment, the recoverable value of the intangible assets is required to be estimated.

When estimating the recoverable value of the intangibles, the directors consider the proved, probable and potential resources per the latest Competent Person’s Report, likely production costs and the projected gas prices.

As a result of the budget development costs, the licence being valid and the assessed recoverable value of the intangibles being in excess of the carrying value, the directors do not consider that any intangible assets are impaired as at 31 December 2022.

These estimates and assumptions are subject to risk and uncertainty and therefore a possibility that changes in circumstances will impact the assessment of impairment indicators.

There was only one critical judgement identified, being the determination on impairment of intangible assets, apart from those involving estimations (which are dealt with separately above) that the directors have made in the process of applying the EP Group’s accounting policies and that have the most significant effect on the amounts recognised in the EP Group Financial Information.

Fair value of share-based payments

EnergyPathways has made awards of director and management warrants over its unissued share capital.

The valuation of these options involves making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and forfeiture rates. The key judgement involved the determination of an appropriate level of volatility, which has been estimated based on the average historical volatility of the share prices of a selection of three peer companies for a period equal to the expected term from the grant date. Further detail on the assumptions has been described in more detail in note 13 to the EP Group Financial Information.

4. Administrative expenses

	<i>Audited Period ended 31 December 2022 £</i>
Audit & accountancy	4,441
Consultancy fees	228,174
Insurance	2,021
Listing costs	255,298
Other	11,557
Professional fees	165,735
Share-based payments	49,710
Travel	67,341
Wages & salaries	87,738
Foreign exchange	5,247
	<hr/>
	877,262

Included in administrative expenses are costs of £255,298, incurred in connection to a planned listing on AIM.

5. Staff numbers and costs

	<i>Audited Period ended 31 December 2022 £</i>
Staff costs (including directors)	
Consultancy fees	165,787
Wages and salaries	87,738
Share based payments	32,313
	<hr/>
	285,838

The table below sets out the remuneration paid to directors for the period ended 31 December 2022:

	<i>Director fees £</i>	<i>Consulting fees £</i>	<i>Share-based payments £</i>	<i>Total £</i>
Benedict Clube	30,740	135,601	5,593	171,934
Graeme Marks ¹	898	2,693	–	3,591
Greg Hancock	–	–	–	–
David Ormerod	–	27,493	4,320	31,813
Tim Osborne	3,600	–	–	3,600
Stephen West	52,500	–	22,400	74,900
	<hr/>	<hr/>	<hr/>	<hr/>
	87,738	165,787	32,313	285,838

1 Director fees for the period 22 December 2022 to 31 December 2022. Refer to note 14 for details of remuneration paid to Graeme Marks prior to his appointment as a director of EnergyPathways.

During the period ended 31 December 2022, a total of £43,382 was paid and £122,959 accrued as at 31 December 2022 to director Benedict Clube through a service company, Terra South Energy Pty Ltd. in which Mr. Clube has a beneficial interest.

During the period from appointment to 31 December 2022, a total of £nil was paid and £3,591 accrued as at 31 December 2022 to director Graeme Marks.

During the period ended 31 December 2022 a total of £27,493 was paid to director David Ormerod through a service company, Clearview Oil & Gas Pty Ltd. in which Mr. Ormerod has a beneficial interest.

As at 31 December 2022 a total of £52,500 in director fees were owing to Stephen West and recorded as an accrued expense.

No pension benefits are provided for any of the directors.

The average number of persons (including directors) employed by the EP Group during the period was:

	<i>Audited Period ended 31 December 2022 £</i>
Management and administration	4
	<hr/> 4 <hr/>

6. Taxation

Analysis of charge for the period:

	<i>Audited Period ended 31 December 2022 £</i>
Current income tax charge	–
Deferred tax charge	–
Total taxation credit/(charge)	<hr/> – <hr/>

6.1 Taxation reconciliation

The below table reconciles the tax charge for the period to the theoretical charge based on the result for the period and the corporation tax rate.

	<i>Audited Period ended 31 December 2022 £</i>
Loss before income tax	(1,257,193)
Tax at the applicable rate of 19%	(238,867)
Effects of:	
Expenses not deducted for tax purposes	9,445
Tax losses not recognised	229,422
Total income tax credit / (expense)	<hr/> – <hr/>

As at 31 December 2022, the EP Group had unused tax losses of £1,207,484, for which no deferred tax asset has been recognised. This was due to uncertainty over the availability of future taxable profits to offset these losses against.

7. Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the loss for the period for continuing operations for the EP Group by the weighted average number of ordinary shares in issue during the period.

There was no difference between the basic and diluted earnings per share as there were no securities in issue as at 31 December 2022 that would have a dilutive effect on earnings per share. Refer to note 13 for details of warrants on issue as at 31 December 2022, that can be converted into ordinary shares and thus would have a dilutive effect on earnings per share.

	<i>Audited</i> <i>Period ended</i> <i>31 December</i> <i>2022</i> £
Loss for the purposes of basic earnings per share being net loss attributable to the EnergyPathways Shareholders	(1,257,193)
Weighted average number of ordinary shares	<u>129,656,054</u>
Loss per share	<u>(0.97p)</u>

8. Intangible assets

	<i>Audited</i> <i>As at</i> <i>31 December</i> <i>2022</i> £
Cost	
As at 16 July 2021	–
Additions	<u>318,001</u>
As at 31 December 2022	<u>318,001</u>

9. Trade and other receivables

	<i>Audited</i> <i>As at</i> <i>31 December</i> <i>2022</i> £
VAT receivable	137,455
Prepayments	<u>21,816</u>
	<u>159,271</u>

The fair value of other receivables is the same as their carrying values as stated above.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The EP Group does not hold any collateral as security.

10. Cash and cash equivalents

	<i>Audited</i> <i>As at</i> <i>31 December</i> <i>2022</i> £
Cash at bank and in hand	71,061
	<u>71,061</u>

There is no material difference between the fair value of cash and cash equivalents and their book value.

11. Trade and other payables – due within one year

	<i>Audited</i> <i>As at</i> <i>31 December</i> <i>2022</i> £
Trade payables	284,825
Accruals	368,991
	<u>653,816</u>

The carrying values of trade and other payables are considered to be a reasonable approximation of the fair value and are considered by the directors as payable within one year.

12. Ordinary share capital and share premium

<i>Issued</i>	<i>Number of shares</i>	<i>Ordinary</i> <i>share capital</i> £	<i>Share</i> <i>premium</i> £	<i>Performance</i> <i>share capital</i> £
As at 16 July 2021	<u>1</u>	<u>1</u>	<u>–</u>	<u>–</u>
Sub-division of shares	9,999	–	–	–
Issue of shares to shareholders & management	69,990,000	6,999	–	–
	15,100,000	–	–	1,510
Issue of shares pursuant to share placement	<u>73,333,324</u>	<u>7,333</u>	<u>1,092,667</u>	<u>–</u>
As at 31 December 2022 (Audited)	<u>158,433,324</u>	<u>14,333</u>	<u>1,092,667</u>	<u>1,510</u>

The ordinary shares have a nominal value of 0.01 pence per share and confer the right to vote at general meetings of EnergyPathways, to a repayment of capital in the event of liquidation or winding up and certain other rights as set out in EnergyPathways's articles of association.

On 20 October 2021, 85,090,000 ordinary shares were issued at 0.01 pence each.

On 20 October 2021, 73,333,324 ordinary shares were issued at 1.5 pence each.

13. Warrants

	<i>Audited As at 31 December 2022</i>	<i>Weighted average exercise price (pence)</i>
	<i>Number of warrants</i>	
Warrants as at 16 July 2021	–	–
Issued during the period	20,000,000	2.0
Warrants as at 31 December 2022	<u>20,000,000</u>	<u>2.0</u>
Exercisable at 31 December 2022	<u>–</u>	<u>–</u>

As at 31 December 2022, the weighted average remaining contractual life of the warrants outstanding was 4 years.

Subsequent to 31 December 2022 and pursuant to the term sheet entered in to on 9 March 2023, between EnergyPathways and the Company, the warrants are to be cancelled and converted in to 2,000,000 ordinary shares in the Company upon successful completion of the transaction.

The fair value of warrants is valued using the Black-Scholes pricing model. An expense of £43,200 has been recognised in the period in respect of warrants granted. The cumulative share-based payments reserve as at 31 December 2022 was £43,200.

The inputs into the Black-Scholes pricing model are as follows:

Directors & consultants

	17 Nov 2021	30 Dec 2021
Grant date	2.0 pence	2.0 pence
Exercise price	5 years	5 years
Expected life	118%	118%
Expected volatility	0.705%	0.815%
Risk free rate of interest	Nil	Nil
Dividend yield	<u>1.4 pence</u>	<u>1.4 pence</u>
Fair value of option		

Other share-based payments

On 20 October 2021, a total of 85,090,000 ordinary shares were issued at 0.01 pence each in settlement of professional services rendered. A total charge of £8,510 was charged through the Consolidated Statement of Comprehensive Loss in recognition of these professional services settled in shares.

A summary of share-based payments is set out in the table below:

			<i>Value £</i>	
	<i>Note</i>	<i>Warrants</i>	<i>Shares*</i>	<i>Total</i>
Benedict Clube	5	4,160	1,433	5,593
David Ormerod	5	3,328	992	4,320
Stephen West	5	22,400	–	22,400
Key management personnel	14	13,312	4,085	17,397
Shareholders	14	–	2,000	2,000
		<u>43,200</u>	<u>8,510</u>	<u>51,710</u>

* The £8,510 expense for the issue of shares is included within the Consultants fees expense in Note 4.

14. Related party transactions

14.1 Transactions with related parties

The EP Group had the following related party transactions:

- (1) Transactions with directors, including remuneration, are disclosed in note 5.

14.2. Key management personnel

The directors of EnergyPathways are considered to be key management personnel. The remuneration of the directors is disclosed in note 5.

In addition, the table the following payments were paid to persons considered to be key management:

	<i>Consulting fees</i>	<i>Share-based payments</i>	<i>Total</i>
	£	£	£
Key management	258,845	17,397	276,242

- a total of £16,497 was paid and £23,846 accrued as at 31 December 2022 to Mr. Peter Nichols through a service company, Mimosa Grand Pty Ltd, in which Mr. Nicholls has a beneficial interest;
- a total of £38,852 was paid to Mr. Rohan Irvin through a service company, Leewin Company LLC, in which Mr. Irvin has a beneficial interest;
- a total of £43,379 was paid to Mr. Lee Reborse through a service company, ROHI Nominees Pty Ltd, in which Mr. Reborse has a beneficial interest; and
- a total of £30,564 was paid and £105,707 accrued as at 31 December 2022 to Mr. Graeme Marks prior to his appointment as a director on 22 December 2022.

Zeta Petroleum plc, a shareholder in EnergyPathways, received £2,000 from EnergyPathways for the provision of corporate services. The entire £2,000 charge to EnergyPathways was settled through the issue of 20,000,000 Ordinary Shares at £0.0001 each.

15. Ultimate controlling party

As at 31 December 2022, there was no ultimate controlling party of the EP Group.

16. Financial instruments

The EP Group holds the following financial instruments:

Financial assets

	<i>Audited As at 31 December 2022 £</i>
Financial assets at amortised cost:	
Cash and cash equivalents	71,061
	<u>71,061</u>

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Financial liabilities

*Audited
As at
31 December
2022
£*

Financial liabilities at amortised cost:

Trade payables

284,825

284,825

17. Financial risk management

17.1. Financial risk factors

The EP Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The directors' overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the EP Group's financial performance.

Risk management is carried out by the executive management team.

(a) *Market risk*

The EP Group is exposed to market risk, primarily relating to interest rate, foreign exchange and commodity prices. The EP Group does not hedge against market risks as the exposure is not deemed sufficient to enter into forward contracts. The directors have not sensitised the figures included in the EP Group Financial Information for fluctuations in interest rates, foreign exchange or commodity prices as they are of the opinion that these fluctuations would not have a significant impact on the EP Group Financial Information at the present time. The directors will continue to assess the effect of movements in market risks on the EP Group's financial operations and initiate suitable risk management measures where necessary.

(b) *Credit risk*

Credit risk arises from cash and cash equivalents as well as outstanding receivables. To manage this risk, the EP Group periodically assesses the financial reliability of customers and counterparties.

The amount of exposure to any individual counter party is subject to a limit, which is assessed by the directors.

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

(c) *Liquidity risk*

The EP Group's continued future operations depend on the ability to raise sufficient working capital through the issue of equity share capital or debt. The directors are reasonably confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

The following table summarises the EP Group's significant remaining contractual maturities for financial liabilities as at 31 December 2022.

Contractual maturity analysis as at 31 December 2022

	<i>Less than 12 Months</i>	<i>1 – 5 Year</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Accounts payable	284,825	–	284,825
Accrued liabilities	368,991	–	368,991
	<u>653,816</u>	<u>–</u>	<u>653,816</u>

17.2. Capital risk management

The directors' objectives when managing capital are to safeguard the EP Group's ability to continue as a going concern, in order to enable the EP Group to continue its exploration and development of gas resources. In order to maintain or adjust the capital structure, the EP Group may adjust the issue of shares or sell assets to reduce debts.

The directors define capital based on the total equity and reserves of the EP Group. The directors monitor the EP Group's level of cash resources available against future planned operational activities and may issue new shares in order to raise further funds from time-to-time.

18. Capital commitments and contingent liabilities

The EP Group has no capital commitments or contingent liabilities as at 31 December 2022.

19. Subsequent events

On 9 March 2023, EnergyPathways entered into a Heads of Terms with the Company for the acquisition of 100 per cent. of the issued and to be issued share capital of EnergyPathways by way of a reverse takeover.

Pursuant to the transaction, it is proposed that the Company will acquire the issued and to be issued shares of EnergyPathways, for an aggregate consideration of £2.72m, to be satisfied by the issue of 68,013,885 Ordinary Shares, at an issue price of 4 pence per Ordinary Share.

As at the date of signing this document, the transaction remains subject to various conditions, including full due diligence to the Company's satisfaction and approval of an application for the ordinary shares to be admitted to trading on AIM.

20. Nature of the EP Group Financial Information

The EP Group Financial Information presented above does not constitute statutory accounts for the period under review.

SECTION E: INTERIM FINANCIAL INFORMATION OF THE EP GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

The unaudited Consolidated Statement of Comprehensive Loss of the EP Group for the six months to 30 June 2023 is set out below:

	<i>Note</i>	<i>Unaudited Six months to 30 June 2023 £</i>	<i>Unaudited Six months to 30 June 2022 £</i>
Administrative expenses	1	(253,869)	(356,790)
Pre-acquisition license expenses		(45,748)	(154,222)
Operating Loss		<u>(299,617)</u>	<u>(511,012)</u>
Interest expense		(5,499)	–
Loss before tax		<u>(305,116)</u>	<u>(511,012)</u>
Taxation		–	–
Loss for the period		<u>(305,116)</u>	<u>(511,012)</u>
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Other comprehensive income		–	–
Total comprehensive loss		<u>(305,116)</u>	<u>(511,012)</u>
Loss per share	2	(0.19p)	(0.45p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The unaudited Consolidated Statement of Financial Position of the EP Group as at 30 June 2023 is set out below:

	<i>Note</i>	<i>Unaudited As at 30 June 2023 £</i>	<i>Audited As at 31 December 2022 £</i>
Non-current assets			
Intangible assets	3	680,890	318,001
		<u>680,890</u>	<u>318,001</u>
Current assets			
Trade and other receivables	4	47,708	159,270
Cash and cash equivalents		92,275	71,061
		<u>139,983</u>	<u>230,332</u>
Total assets		<u>820,873</u>	<u>548,333</u>
Current liabilities			
Trade and other payables	5	(1,006,562)	(653,816)
Borrowings	6	(204,910)	–
		<u>(1,211,472)</u>	<u>(653,816)</u>
Total liabilities		<u>(1,211,472)</u>	<u>(653,816)</u>
Net liabilities		<u>(390,599)</u>	<u>(105,483)</u>
Equity			
Ordinary share capital		14,333	14,333
Share premium		1,092,667	1,092,667
Performance share capital		1,510	1,510
Share based payments reserve		63,200	43,200
Accumulated losses		<u>(1,562,309)</u>	<u>(1,257,193)</u>
Total equity		<u>(390,599)</u>	<u>(105,483)</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

The Consolidated Statement of Changes in Equity of the EP Group for the period from 31 December 2021 to 30 June 2023 is set out below:

	Note	Ordinary Share capital £	Share premium £	Performance Share capital £	Share based payments reserve £	Accumulated losses £	Total £
Balance as at 31 December 2021 (<i>Unaudited</i>)		14,333	1,092,667	1,510	–	(282,482)	826,028
Loss for the period and total comprehensive income		–	–	–	–	(511,012)	(511,012)
Issue of warrants		–	–	–	22,400	–	22,400
Balance as at 30 June 2022 (<i>Unaudited</i>)		14,333	1,092,667	1,510	22,400	(793,494)	337,416
Loss for the period and total comprehensive income		–	–	–	–	(463,699)	(463,699)
Issue of warrants		–	–	–	20,800	–	20,800
Balance as at 31 December 2022 (<i>Audited</i>)		14,333	1,092,667	1,510	43,200	(1,257,193)	(105,483)
Loss for the period and total comprehensive income		–	–	–	–	(305,116)	(305,116)
Issue of warrants		–	–	–	20,000	–	20,000
Balance as at 30 June 2023 (<i>Unaudited</i>)		14,333	1,092,667	1,510	63,200	(1,562,309)	(390,599)

CONSOLIDATED STATEMENT OF CASH FLOWS

The audited Consolidated Statement of Cash Flows of the EP Group for the six months to 30 June 2023 is set out below:

	<i>Unaudited</i> <i>Six months to</i> <i>30 June</i> <i>2023</i> £	<i>Unaudited</i> <i>Six months to</i> <i>30 June</i> <i>2022</i> £
	<i>Note</i>	
Cash flows from operating activities		
Loss before tax for the period	(305,116)	(511,012)
Adjustments for:		
Interest expense	5,499	–
Share-based payments	20,000	22,400
	<u>(279,617)</u>	<u>(488,612)</u>
Changes in non-cash working capital accounts		
Decrease / (increase) in trade and other receivables	113,000	(56,077)
Increase in trade and other payables	204,963	150,692
	<u>38,346</u>	<u>(393,997)</u>
Cash generated from / (used in) operating activities		
Income taxes paid	–	–
Net cash generated from / (used in) operating activities	<u>38,346</u>	<u>(393,997)</u>
Investing activities		
Purchases of exploration and evaluation assets	(216,543)	(61,155)
Net cash used in investing activities	<u>(216,543)</u>	<u>(61,155)</u>
Financing activities		
Proceeds from borrowings	6 200,000	–
Interest paid	(589)	–
Net cash provided by financing activities	<u>199,411</u>	<u>–</u>
Net decrease in cash and cash equivalents	21,214	(455,152)
Cash and cash equivalents at beginning of period	71,061	861,961
Cash and cash equivalents and end of period	<u>92,275</u>	<u>406,809</u>

NOTES TO THE GROUP FINANCIAL INFORMATION

Basis of preparation

The EP Group Financial Information has been prepared on the same basis as the audited full historical financial information for the period ending 31 December 2022.

1. Administrative expenses

	<i>Unaudited</i> Six months to 30 June 2023 £	<i>Unaudited</i> Six months to 30 June 2022 £
Audit & accountancy	1,144	–
Consultancy fees	148,175	129,931
Insurance	7,075	–
Listing costs	7,030	153,696
Other	74	4,639
Professional fees	20,968	6,840
Share based payments	20,000	22,400
Travel	(3,121)	463
Wages & salaries	52,207	36,900
Foreign Exchange	317	1,921
	<u>253,869</u>	<u>356,790</u>

Included in administrative expenses are costs of £7,030 (June 2022: £153,696) incurred in connection to a planned listing on the AIM market of the London Stock Exchange.

2. Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the loss for the period for continuing operations for the EP Group by the weighted average number of ordinary shares in issue during period year.

In accordance with IAS 33, no diluted earnings per share is presented as the effect on the exercise of warrants set out in note 13 would be to decrease the loss per share.

	<i>Unaudited</i> Six months to 30 June 2023 £	<i>Unaudited</i> Six months to 30 June 2022 £
Loss for the purposes of basic earnings per share being net loss attributable to the owners	(305,116)	(511,012)
Weighted average number of ordinary shares	<u>158,433,324</u>	<u>158,433,324</u>
Loss per share	<u>(0.19p)</u>	<u>(0.45p)</u>

3. Intangible assets

<i>Cost</i>	£
As at 31 December 2021 (<i>Unaudited</i>)	–
Additions	318,001
As at 31 December 2022 (<i>Audited</i>)	<u>318,001</u>
Additions	362,889
As at 30 June 2023 (<i>Unaudited</i>)	<u>680,890</u>

4. Trade and other receivables

	<i>Unaudited</i>	<i>Audited</i>
	<i>As at 30</i>	<i>As at 31</i>
	<i>June</i>	<i>December</i>
	<i>2023</i>	<i>2022</i>
<i>Group</i>	£	£
VAT receivable	34,808	137,455
Prepayments	12,900	21,815
	<u>47,708</u>	<u>159,270</u>

The fair value of other receivables is the same as their carrying values as stated above.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The EP Group does not hold any collateral as security.

5. Trade and other payables – due within one year

	<i>Unaudited</i>	<i>Audited</i>
	<i>As at 30</i>	<i>As at 31</i>
	<i>June</i>	<i>December</i>
	<i>2023</i>	<i>2022</i>
<i>Group</i>	£	£
Trade payables	401,479	284,825
Accruals	605,083	368,991
	<u>1,006,562</u>	<u>653,816</u>

The carrying values of trade and other payables are considered to be a reasonable approximation of the fair value and are considered by the Directors as payable within one year.

6. Borrowings

	£
As at 31 December 2022 (<i>Audited</i>)	–
Drawdowns	200,000
Interest accrued	4,910
As at 30 June 2023 (<i>Unaudited</i>)	<u>204,910</u>

On 9 March 2023, the EP Group entered in to a loan agreement with the Company for a facility of £200,000. The facility was fully drawn down as at 30 June 2023. The loan is unsecured, has an interest rate of 8% p.a. and is convertible into ordinary shares of EnergyPathways at 2.5 pence per share at any time.

7. Warrants

	As at 30 June 2023	
	Number of warrants	Weighted average exercise price (pence)
Warrants as at 31 December 2022 (<i>Audited</i>)	20,000,000	2.0
Issued during the period	–	–
Warrants as at 30 June 2023 (<i>Unaudited</i>)	<u>20,000,000</u>	<u>2.0</u>
Exercisable at 30 June 2023	<u>–</u>	<u>–</u>

As at 30 June 2023, the weighted average remaining contractual life of the warrants outstanding was 3.5 years.

On 9 March 2023, between EnergyPathways and the Company, the warrants are to be cancelled and converted into 2,000,000 Ordinary Shares of the Company upon successful completion of the Acquisition.

The fair value of warrants is valued using the Black-Scholes pricing model. An expense of £20,000 has been recognised in the period in respect of warrants granted. The cumulative share-based payments reserve as at 30 June 2023 is £63,200.

The inputs into the Black-Scholes pricing model are as follows:

Directors & Consultants

Grant date	17 Nov 2021	30 Dec 2021
Exercise price	2.0 pence	2.0 pence
Expected life	5 years	5 years
Expected volatility	118%	118%
Risk free rate of interest	0.705%	0.815%
Dividend yield	Nil	Nil
Fair value of option	1.4 pence	1.4 pence

Other share-based payments

On 20 October 2021, a total of 85,090,000 ordinary shares were issued at 0.01 pence each in settlement of professional services rendered. A total charge of £8,510 was charged through the Consolidated Statement of Comprehensive Loss in recognition of these professional services settled in shares.

A summary of share-based payments is set out in the table below:

	Note	Warrants	Value £ Shares*	Total
Benedict Clube	5	4,160	1,433	5,593
David Ormerod	5	3,328	992	4,320
Stephen West	5	22,400	–	22,400
Key management personnel	14	13,312	4,085	17,397
Shareholders	14	–	2,000	2,000
		<u>43,200</u>	<u>8,510</u>	<u>51,910</u>

*The £8,510 expense for the issue of shares is included within the Consultants fees expense in Note 4.

8. Events after the reporting period

Pursuant to the Acquisition, it is proposed that the Company will acquire the issued and to be issued shares of EnergyPathways for an aggregate consideration of £2,720,555.40, to be satisfied by the issue of 68,013,885 Ordinary Shares, at an issue price of 4 pence per Ordinary Share.

As at the date of signing this document, the Acquisition remains subject to various conditions, including full due diligence to the Company's satisfaction and Admission.

9. Nature of the EP Group Interim Financial Information

The EP Group Interim Financial Information presented above does not constitute statutory accounts for the period under review.

PART V

PRO FORMA FINANCIAL INFORMATION

SECTION A: ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE COMPANY



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15 December 2023

The Directors and Proposed Directors
Dial Square Investments Plc
C/O RJF, 10th Floor
3, Hardman Street,
Manchester M3 3HF

The Partners
Cairn Financial Advisers LLP
9th Floor 107 Cheapside
London EC2V 6DN

Dear Sirs and Madams,

We report on the unaudited pro forma Statement of Net Assets of Dial Square Investments Plc (the "**Company**") as at 31 August 2023 (the "**Pro Forma Financial Information**"), set out in Section B "*Unaudited Pro Forma Statement of Net Assets of the Company*" of Part V "*Pro Forma Financial Information*" of the Company's AIM admission document dated 15 December 2023 (the "**Admission Document**").

Opinion

In our opinion:

- the Pro Forma Financial Information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of the Company.

Responsibilities

It is the responsibility of the directors and the proposed of the Company (together, the "**Directors**") to prepare the Pro Forma Financial Information.

It is our responsibility to form an opinion as to the proper compilation of the Pro Forma financial information and to report that opinion to you.

In providing this opinion, we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of preparation

The Pro Forma Financial Information has been prepared on the basis described, for illustrative purposes only, to provide information about how:

- the acquisition by the Company of EnergyPathways Limited and its subsidiary, EnergyPathways Irish Sea Limited (together, the “**EP Group**”);
- the issue of 13,352,674 shares to settle certain other payables of both the Company and the EP Group;
- the settlement of certain EP Group payables in cash;
- the issue of 50,000,000 ordinary shares, pursuant to the placing; and
- the settlement of the costs associated with the placing and admission to AIM

might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing its unaudited interim financial information for the six-month period ended 31 August 2023, included in Section B “*Interim Financial Information of the Company*” of Part IV “*Historical Financial Information*” of the Admission Document, and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council (the “**FRC**”) in the United Kingdom. We are independent of the Company and the EP Group in accordance with relevant ethical requirements. In the United Kingdom this is the FRC’s Ethical Standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Item 1.2 of Annex 1 of the AIM Rules for Companies, we are responsible for this report as part of the Admission Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that this report makes no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully,

Crowe U.K. LLP
Chartered Accountants

SECTION B – UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE COMPANY

Set out below is the unaudited pro forma Statement of Net Assets of the Company as at 31 August 2023 (the “**Pro Forma Financial Information**”). The Pro Forma Financial Information has been prepared on the basis of the accounting policies adopted by the Company in preparing the unaudited Company Interim Financial Information for the six-month period ended 31 August 2023, included in Section B “*Interim Financial Information of the Company*” of Part IV “*Historical Financial Information*” of this document, and on the basis set out in the notes below, to illustrate the effects of:

- the issue of the Consideration Shares to effect the Acquisition;
- the issue of Ordinary Shares to settle certain other payables of the Company and the EP Group;
- the settlement of certain other payables of the EP Group in cash;
- the issue of Placing Shares at the Issue Price; and
- the settlement of the costs associated with the Placing and Admission,

on the net assets of the Company as if the Acquisition, the Placing, Admission settlement of certain other payables and settlement of the transaction costs had taken place on 31 August 2023.

The Pro Forma Financial Information has been prepared for illustrative purposes only. Due to its nature, the Pro Forma Financial Information addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position as at 31 August 2023 and may differ from the Company’s actual financial position or results.

It is based on the unaudited Company Interim Financial Information as at 31 August 2023, included in Section B “*Interim Financial Information of the Company*” of Part IV “*Historical Financial Information*” of this document. Users should read the whole of this document and not rely solely on the Pro Forma Financial Information.

The accountant’s report on the Pro Forma Financial Information is set out in Section A “*Accountant’s Report on the Unaudited Pro Forma Statement of Net Assets of the Company*” of Part V “*Pro Forma Financial Information*” of this document.

Unaudited pro forma Statement of Net Assets

	<i>Audited Company As at 31 August 2023</i>	<i>Adjustment EP Group As at 30 June 2023</i>	<i>Adjustment Acquisition and consolidation adjustments</i>	<i>Adjustment Settlement of certain trade payables in equity and cash</i>	<i>Adjustment Placing and settlement of costs</i>	<i>Pro forma as at 31 August 2023</i>
	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 5</i>	
	£	£	£	£	£	£
Assets						
Intangible assets	–	680,890	2,212,441	–	–	2,893,331
Non-current assets	–	680,890	2,212,441	–	–	2,893,331
Cash	263,406	92,275	–	(153,125)	1,606,540	1,809,096
Restricted cash	160,000	–	–	–	(160,000)	–
Trade and other receivables	27,338	47,708	(8,000)	–	–	67,046
Loan to EP Group	200,000	–	(200,000)	–	–	–
Current assets	650,744	139,983	(208,000)	(153,125)	1,446,540	1,876,142
TOTAL ASSETS	<u>650,744</u>	<u>820,873</u>	<u>2,004,441</u>	<u>(153,125)</u>	<u>1,446,540</u>	<u>4,769,473</u>
Liabilities						
Trade and other payables	(260,559)	(1,006,562)	–	647,232	–	(619,889)
Advance share subscription	(160,000)	–	–	–	160,000	–
Borrowings from the Company	–	(204,910)	204,910	–	–	–
Current and total liabilities	<u>(420,559)</u>	<u>(1,211,472)</u>	<u>204,910</u>	<u>647,232</u>	<u>160,000</u>	<u>(619,889)</u>
NET ASSETS/ (LIABILITIES)	<u>230,185</u>	<u>(390,599)</u>	<u>2,209,351</u>	<u>647,232</u>	<u>1,606,540</u>	<u>4,149,584</u>

Notes

1. The unaudited net assets of the Company as at 31 August 2023 have been extracted, without adjustment, from the Company Interim Financial Information included in Section B “Interim Financial Information of the Company” of Part IV “Historical Financial Information” of this document;

2. The adjustment reflects the unaudited net assets of the EP Group as at 30 June 2023, which have been extracted, without adjustment, from the EP Group Interim Financial Information included in Section E “Interim Financial Information of the EP Group” of Part IV “Historical Financial Information” of this document;

3. The adjustment represents the aggregate effects of the issue of the Consideration Shares, the cancellation of the loan from the Company to the EP Group on consolidation and the consolidation adjustments.

The issue of the Consideration Shares at the Issue Price gives rise to an investment by the Company in the EP Group of £2,720,555.

The cancellation of the £200,000 loan from the Company to the EP Group results in the removal of the £200,000 “loan to the EP Group” within current assets and the removal of the “borrowings” within current and total liabilities. The reduction of £8,000 in “trade and other receivables” within current assets represents the cancellation of accrued interest receivable by the Company from the EP Group on consolidation.

The consolidation adjustment results in the recognition of £2,212,441 of “intangible assets” within non-current assets, which comprises the difference between £2,720,555 investment by the Company in the EP Group and the aggregate £508,114 of the “share capital”, “share premium”, “performance share capital” and “share-based payment reserve” of the EP Group and the “accumulated losses” of the Company.

4. The adjustment represents the issue of an aggregate 12,352,674 Ordinary Shares at the Issue Price for £494,107 to settle certain liabilities of the Company and the EP Group, with the settlement resulting in a reduction to “trade and other payables” within current liabilities. Of this amount, 3,537,500 were issued to settle £141,500 of liabilities of the Company and 8,815,174 were issued to settle £352,607 of liabilities of the EP Group.

In addition, the adjustment represents the settlement of £214,797 of other payables of the EP Group in cash, resulting in reductions to “cash” within current assets and to “trade and other payables” within current liabilities.

5. The adjustment represents the issue of the Placing Shares at the Issue Price, the settlement of the associated costs of the Placing and Admission via cash and the issue of Ordinary Shares and the removal of the balances included within "*restricted cash*" and "*advance share subscription*".

The issue of the Placing Shares at the Issue Price results in an increase of £2,000,000 in "*cash*" within current assets.

The outstanding costs associated with the Placing and Admission total £433,460, of which £393,460 are to be settled in cash and £40,000 from the issue of 1,000,000 Ordinary Shares at the Issue Price.

The net effect of the issue of the issue of the Placing Shares at the Issue Price for £2,000,000 and the settlement of £393,460 of costs in cash is an increase to "*cash*" of £1,606,540. The settlement of £40,000 of costs from the issue of Ordinary Shares has no effect on the net assets of the Company.

As at 31 August 2023, the Company had received £160,000 advances from investors in relation to the Placing. This amount is recorded within "*restricted cash*" within current assets and "*advance share subscription*" within current liabilities. On completion of the Placing, both balances are reduced to £nil.

6. No account has been taken of any movement in the net assets of either the Company since 31 August 2023 or of the EP Group since 30 June 2023, nor of any other event, save as disclosed.

PART VI

CORPORATE GOVERNANCE

In accordance with the AIM Rules, set out below are details of how the Company will, from Admission, comply with the QCA Code.

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

The Enlarged Group's strategy is to pursue energy solutions that offer cost effective, low emission and secure energy for the United Kingdom. It will:

- develop discovered gas assets utilising existing infrastructure to meet short term energy demand at significantly lower cost and carbon footprint than LNG imports;
- support the transition to net zero by supplying integrated energy hubs using hydrogen and renewable low emission technologies; and
- identify and develop reservoirs for CO₂ sequestration to further support the drive to Net Zero emissions.

To this effect the EP Group has secured its foundation asset, the Marram Field, which is a shallow water development opportunity in the UK Irish Sea containing 38.8 BCF Reserves + 9.2 BCF unrisksed contingent resources. The EP Group is currently progressing its work to reach Final Investment Decision, targeting 2024.

2. Seek to understand and meet shareholder needs and expectations

The Enlarged Group will support an open and transparent dialogue with shareholders with the aim of ensuring shareholders views on the performance of the Enlarged Group are heard and shareholders' needs and objectives are understood.

The annual general meeting is a key part of the Enlarged Group's investor relations strategy and shareholders are encouraged to participate, particularly private investors who have the opportunity to ask questions and raise issues, either formally during the meeting or informally with the directors following conclusion of business.

Direct communication with shareholders will be achieved primarily through the timely release of regulatory news, via a regulatory information service, which can be accessed through various channels, including the London Stock Exchange website and the Enlarged Group's website.

<https://www.londonstockexchange.com>

www.energypathways.uk

The Enlarged Group will have an ongoing investor relations programme which includes individual meetings with institutional shareholders and analysts following the preliminary and half-year results, including presentations to institutions as well as face to face, or virtual, briefings for groups of shareholders. Ongoing shareholder communication will be conducted regularly throughout the year on an ad hoc basis. The Directors will aim to answer as many questions as possible in these sessions.

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

The Proposed Directors are very aware of the Company's corporate, environmental and social responsibilities. In pursuing its business objectives EnergyPathways is committed to delivering lasting benefit to the local communities and environments where it works as well as to its shareholders, employees and contractors.

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

The Directors will be responsible for setting the risk framework within which the Enlarged Group will operate and ensuring that suitable risk-management controls and reporting structures are in place throughout the Enlarged Group.

The management of the business and the execution of the Enlarged Group's strategy are subject to a number of risks. The Directors will ensure risks are mitigated as far as reasonably practicable by performing a detailed review of the issues pertaining to each significant decision. Significant decisions will be reviewed by the Board having consulted the Enlarged Group's professional third-party advisers (be they legal, financial or technical). The Board will convene on a regular basis, either by telephone or in person on a formal basis to discuss risk management.

The nature of the Enlarged Group's operations will have particular risk management challenges, including, in particular, maintaining the health and safety of all staff and contractors working on site and ensuring that all drilling and related operations are carried out in an environmentally sound and safe manner. All health and safety measures are formalised, described in detailed manuals and will be explained in person to all people associated with the Enlarged Group's operational activities. In addition, the Enlarged Group will have appropriate insurances in place before commencing any of its planned technical work.

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

The Board will meet formally in person and by telephone multiple times throughout the year and at least six times per year.

The Directors will encourage a collaborative board culture to ensure that each decision reached is always in the Enlarged Group's and its shareholders' best interests and that any one individual opinion never dominates the decision-making process. The Directors will seek, so far as possible, to achieve decisions by consensus and all directors are encouraged to use their independent judgement and to challenge all matters whether strategic or operational.

The Board will maintain a balance of executives and non-executive directors. Among the Proposed Directors currently there are three non-executive directors being the proposed Non-Executive Chairman Mark Steeves, Stephen West and Horácio De Brito Carvalho with Mark Steeves and Horácio de Brito Carvalho being considered to be independent for the purposes of the QCA Code. The proposed executive directors are to be available for Enlarged Group business in line with the terms of their executed engagements, and the proposed non-executive directors will be available for any Company business when it may arise.

The Board will delegate certain decisions to an Audit Committee and a Remuneration Committee. Details of these committees are included in Principles 7 and 9.

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

The Proposed Directors currently consist of three Executive and three Non-executive directors. The Board will have an appropriate balance of skills and expertise across the areas of resources, operations, finance and public markets. The Board membership will be reviewed periodically as the needs of the Enlarged Group evolve.

Each director takes their continued professional and technical development seriously.

The Board will ensure it is well advised and supported by utilising a range of external experts in various fields, and employs accountants, legal counsel and a nominated adviser in accordance with the AIM Rules.

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

The Company will be required under the AIM Rules to comply with a recognised corporate governance code to be chosen by the Board. The Proposed Directors recognise the importance of sound corporate governance and intends that the Company will comply with the provisions of the QCA Code. The Company

shall disclose on its website how it complies with the QCA Code and, where it departs from the QCA Code, will explain the reasons for doing so.

Following Admission, the Board will be comprised of three executive directors and three non-executive directors (two of whom are considered by the Board to be independent).

The Board will be responsible for formulating, reviewing and approving the Enlarged Group's strategy, budgets and corporate actions. The Company has established properly constituted Audit and Remuneration Committees of the Board with formally delegated duties and responsibilities.

Audit Committee

The Audit Committee has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on and ensuring compliance with the AIM Rules. It will receive and review reports from the Enlarged Group's management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Enlarged Group. The Audit Committee will meet no less than three times each year and will have unrestricted access to the Enlarged Group's auditors. The Audit Committee comprises a minimum of three directors, the majority of whom are independent Non-executive Directors, and a minimum of one member shall have recent and relevant financial experience. At Admission, the members of the Audit Committee shall be Stephen West (as Chairman of the Audit Committee), Mark Steeves and Horácio De Brito Carvalho.

Remuneration Committee

The Remuneration Committee reviews the performance of executive directors and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. The Remuneration Committee will meet at least twice each year. The Remuneration Committee comprises a minimum of two directors, both of whom shall be independent Non-executive Directors. At Admission, the members of the Remuneration Committee shall be Horácio De Brito Carvalho (as Chairman of the Remuneration Committee), and Mark Steeves.

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

The Proposed Directors will strive to promote a corporate culture based on sound ethical values and behaviours. To that end, the Company has adopted a strict anti-corruption and whistle-blowing policy but the Directors are not aware of any event to date that might be considered to breach this policy. The executive directors will ensure that external contractors are aware of, and comply with, this policy.

The Company has also adopted a code for directors' and employees' dealings in securities, which is appropriate for a company whose securities are traded on AIM. The code is in accordance with the requirements of MAR.

The Board is also aware that the tone and culture that it sets will greatly impact all aspects of the Enlarged Group and the way that employees behave, as well as the achievement of corporate objectives. A significant part of the Enlarged Group's activities will be centered upon an open dialogue with shareholders, employees and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Enlarged Group to successfully achieve its corporate objectives.

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

AIM quoted companies are required to state which recognised corporate governance code they will follow from Admission, how they comply with such code and to explain reasons for any non-compliance. The Directors recognise the value and importance of high standards of corporate governance and intend, given the Enlarged Group's size and the constitution of the Board, to continue to comply with the recommendations set out in the QCA Code.

The Board

The Board will be responsible for the overall management of the Enlarged Group's long-term objectives and strategy, the approval of budgets, the oversight of the Enlarged Group's operations, the maintenance of sound internal control and risk management systems and the implementation of the Enlarged Group's strategy, policies and plans. While the Board may delegate specific responsibilities, there will be a formal schedule of matters specifically reserved for decision by the Board. Such reserved matters will include, amongst other things, approval of significant capital expenditure, material business contracts and major corporate transactions. The Board will meet regularly to review performance.

The QCA Code recommends at least two members of the Board comprise non-executive directors determined by the Board to be independent. Following Admission, the Board will comprise three executive directors and three non-executive directors, of which two are independent and, as such, the Company complies with the requirements of the QCA Code in this regard.

The QCA Code recommends that the Board should appoint one of its independent non-executive directors to be the Senior Independent Director. However, given the size and maturity of the Enlarged Group it has been decided to defer the appointment of a Senior Independent Director. If shareholders have concerns over an issue that the normal channels of communication (through the Chairman, the Chief Executive Officer or the Chief Financial Officer) have failed to resolve or for which such channels of communication are inappropriate, they are invited to contact one of the Independent Non-executive Directors.

The Board has created an Audit Committee and a Remuneration Committee, each with written terms of reference and formally delegated duties, which are outlined above.

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

The Company will ensure a printed Annual Report is delivered to shareholders when requested, and also made available on the Company's website. The Company will also continue to ensure that all RNS announcements are released in a timely manner, while also ensuring all announcements are drafted in a clear and concise fashion. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and virtual or in person briefing as and when they are arranged. The outcome of all shareholder votes will be disclosed in a clear and transparent manner via RNS.

The Company has included historical Annual Reports, Notices of General Meetings and RNS announcements since its admission to trading on the Main Market listing on its website. The Company also lists contact details on its website, should shareholders wish to communicate with the Board.

The Company intends to include, where relevant, in its Annual Report, any matters of note arising from the Audit or Remuneration Committees.

Given the size of the Enlarged Group, the Board is of the opinion that no formal communication structures are required at this time. The Company will, however, ensure continued disclosure of all items in conjunction with AIM Rule 26 on its website.

PART VII
ADDITIONAL INFORMATION

1 RESPONSIBILITY STATEMENTS

- 1.1 The Company and the Directors (including the Proposed Directors), whose names appear on page 19 of this document, accept responsibility, both collectively and individually, for the information contained in this document, and for the Company's compliance with the AIM Rules. To the best of the knowledge of the Company, the Directors and the Proposed Directors (who have taken reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and this document makes no omission likely to affect its import.
- 1.2 RISC, whose address appears on page 20 of this document, accepts responsibility for the information contained in Part III of this document. To the best of the knowledge of RISC, the information contained in Part III of this document is in accordance with the facts and Part III of this document makes no omission likely to affect its import.
- 1.3 Crowe, whose address appears on page 20 of this document, accepts responsibility for the information contained in Section C "*Accountant's Report on the Historical Financial Information of the EP Group*" of Part IV and Section A "*Accountant's Report on the Unaudited Pro Forma Statement of Net Assets of the Company*" of Part V of this document. To the best of the knowledge of Crowe, the information contained in Section C "*Accountant's Report on the Historical Financial Information of the EP Group*" of Part IV and Section A "*Accountant's Report on the Unaudited Pro Forma Statement of Net Assets of the Company*" of Part V of this document is in accordance with the facts and Part IV and Part V of this document make no omission likely to affect their import.

2 INCORPORATION AND STATUS OF THE COMPANY

- 2.1 The current legal and commercial name of the Company is Dial Square Investments plc. Following Admission, the Company's name will change to EnergyPathways plc.
- 2.2 The Company was incorporated and registered in England and Wales as a public company limited by shares on 15 February 2021 with registered company number 13201653. The Company obtained its trading certificate under section 761 of the Act on 29 March 2021.
- 2.3 The liability of the members of the Company is limited to the amount, if any, unpaid on the Existing Ordinary Shares.
- 2.4 The principal legislation under which the Company operates is the Act and the regulations made thereunder.
- 2.5 The Company is domiciled in England. The registered office of the Company is C/O RJF 10th Floor, 3 Hardman Street, Manchester, Greater Manchester, England, M3 3HF.
- 2.6 The telephone number of the Company is +44 (0) 208 530 4213 and its website, at which the information required by Rule 26 of the AIM Rules can be found, is www.energypathways.uk The contents of the website do not form a part of this document.
- 2.7 The Company's auditors are RPG Crouch Chapman LLP, a firm of chartered accountants registered with the Institute of Chartered Accountants of England and Wales.
- 2.8 The Company's accounting reference date is 31 December.
- 2.9 The ISIN (International Security Identification Number) of the Ordinary Shares is GB00BM9M0884.
- 2.10 The LEI (Legal Entity Identifier) of the Company is 2138003CPOJCTT86BY54.

2.11 The Ordinary Shares are in registered form and may be certificated or uncertificated through CREST. Share Registrars Limited are responsible for keeping the share register of the Company.

3 THE ENLARGED GROUP

3.1 As at the date of this document, the Company does not have any subsidiaries.

3.2 On completion of the Acquisition, EnergyPathways shall be a direct and wholly-owned subsidiary of the Company. Pursuant to resolutions passed by the existing Directors (as permitted by article 4 of the Articles) the Company's name will change to EnergyPathways plc and, EnergyPathways' name will change to EnergyPathways UK Holdings Ltd following Admission. EnergyPathways has a direct and wholly-owned subsidiary, EPIS. Further details of EnergyPathways and EPIS are set out in the following table:

<i>Name</i>	<i>Country of Incorporation</i>	<i>Registered Office Address</i>	<i>Company Number</i>	<i>Share Capital held following Admission</i>	<i>Principal activity</i>
EnergyPathways Ltd	England and Wales	Highdown House, Yeoman Way, Worthing, West Sussex, England, BN99 3HH	13514607	100% by the Company	Holding company
EnergyPathways Irish Sea Limited	England and Wales	Highdown House, Yeoman Way, Worthing, West Sussex, England, BN99 3HH	13560864	100% by EnergyPathways Ltd	Holder of block 110/4a in Seaward Licence P2490

4 SHARE CAPITAL OF THE COMPANY

4.1 As at the date of this document, the issued share capital of the Company is as follows:

	<i>Number of Ordinary Shares issued and credited as fully paid</i>	<i>Aggregate nominal value</i>
As at the date of this document	<u>26,550,000</u>	<u>£265,500</u>

4.2 The Company was incorporated with a share capital of £50,000 divided into 5,000,000 Ordinary Shares with a par value of £0.01 each. Sports Media Ventures Ltd subscribed for 5,000,000 Ordinary Shares each at £0.01 per Ordinary Share.

4.3 The following is a summary of the changes to the issued share capital of the Company since its incorporation:

- (a) on 23 April 2021, the board of directors of the Company passed a resolution to approve the allotment and issue of 2,500,000 Ordinary Shares at an issue price of £0.01 per Ordinary Share;
- (b) on 23 April 2021, the board of directors of the Company passed a resolution to approve the allotment and issue of 8,750,000 Ordinary Shares to several investors at an issue price of £0.04 per Ordinary Share; and
- (c) on 30 November 2022, 10,300,000 Ordinary Shares were allotted and issued in connection with the Company's initial public offering, at an issue price of £0.05 per Ordinary Share.

4.4 At an annual general meeting of the Company held on 28 June 2023, shareholders of the Company passed the following resolutions relating to the share capital of the Company:

4.4.1 authorising the Directors to generally and unconditionally allot Ordinary Shares and to grant rights to subscribe for or to convert any security into Ordinary Shares (pursuant to section 551 of the Companies Act) up to a maximum nominal value of £3,669,000.00, calculated as follows:

- (a) £3,000,000 in respect of 300,000,000 new ordinary shares in the Company in connection with the Acquisition, the Placing and certain of the Conversion Shares (including any warrants issued in connection with these matters);
- (b) £224,000 in respect of Options to subscribe for 22,400,000 new Ordinary Shares to directors, employees and consultants of the Enlarged Group in connection with and conditional upon completion of the Acquisition, provided that such authority be limited to such amount as to ensure that the Company does not allot shares that represent more than 15 per cent. of the issued share capital of the Company from time to time;
- (c) £445,000 in respect of up to 44,500,000 Ordinary Shares for such other general purposes as the Directors consider necessary or appropriate with such authority (in respect of share options and warrants) to expire on the date the relevant share option or warrant expires, or otherwise where such expiration date is not specified, the conclusion of the next annual general meeting of the Company; and

4.4.2 empowering the Directors to allot equity securities in connection with an offer of equity securities to the holders of ordinary shares pursuant to the resolutions referred to in paragraph 4.4.1 above in proportion (as nearly as may be practicable) to their respective holdings; and to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or arrangements as the Directors may deem necessary or expedient in relation to the treasury shares, fractional entitlements, record dates, arising out of any legal or practical problems under the laws of any overseas territory or the requirements of any regulatory body or stock exchange.

4.5 On Admission, a total of 131,366,559 New Ordinary Shares will be issued by the Company (representing the total of the Placing Shares, the Consideration Shares and the Conversion Shares).

4.6 Immediately following Admission, the issued share capital of the Company will be as follows:

	<i>Number of Ordinary Shares issued and credited as fully paid</i>	<i>Aggregate nominal value</i>
On Admission	<u>157,916,559</u>	<u>£1,579,165.59</u>

4.7 Following completion of the Placing and the Acquisition, and the issue of the New Ordinary Shares, the holders of the Existing Ordinary Shares will be diluted by approximately 83 per cent.

- 4.8 The Company has agreed to grant the following Options to certain Directors, key employees and consultants, under the Share Option Scheme, such grants being made subject to and conditional upon Admission:

<i>Name of Option Holder</i>	<i>Number of Options to be held</i>	<i>Performance criteria</i>
Horácio De Brito Carvalho	947,500	50% of the Options vest 6 months from Admission and 50 per cent vest 12 months from Admission
Stephen West	947,500	50% of the Options vest 6 months from Admission and 50 per cent vest 12 months from Admission
Mark Steeves	947,500	50% of the Options vest 6 months from Admission and 50 per cent vest 12 months from Admission
Painkalac Holdings Pty Ltd ATF Lighthouse Trust ⁽¹⁾	2,842,499	50% of the Options vest on FDP approval 50 per cent vest on first supply of gas
Ben Hodges	1,894,999	50% of the Options vest on FDP approval 50 per cent vest on first supply of gas
Derek Grimmer	2,368,749	50% of the Options vest on FDP approval 50 per cent vest on first supply of gas
Kim Hosgood	2,368,749	50% of the Options vest on FDP approval 50 per cent vest on first supply of gas
Graeme Marks	2,842,499	50% of the Options vest on FDP approval 50 per cent vest on first supply of gas
Mimosa Grand Pty Ltd ⁽²⁾	2,842,499	50% of the Options vest on FDP approval 50 per cent vest on first supply of gas
Stephen Fogarty	2,368,749	50% of the Options vest on FDP approval and 50 per cent vest on first supply of gas
TOTAL:	<u><u>20,371,243</u></u>	

⁽¹⁾ On behalf of Ben Clube

⁽²⁾ On behalf of Peter Nicholls

- 4.9 On IPO Admission, the Company granted the following Existing DS Warrants over Ordinary Shares which, as at the date of this document remain unexercised and the key terms of such warrants are briefly summarised in the table below:

<i>Warrant Type</i>	<i>Number of Warrants</i>	<i>Exercise price</i>	<i>Exercise period</i>
Founder Warrants	7,500,000	£0.05	5 years from IPO Admission
IPO Broker Placing Warrants	75,000	£0.05	3 years from IPO Admission
IPO Broker Performance Warrants	500,000	£0.05	3 years from IPO Admission (subject to vesting criteria being satisfied)
IPO Placing Agent Seed Warrants	<u>437,500</u>	£0.04	3 years from IPO Admission
TOTAL	<u><u>8,512,500</u></u>		

- 4.10 As at the date of this document, the Company has agreed to grant the following New Warrants, such grants being made subject to and conditional upon Admission:

<i>Warrant Type</i>	<i>Number of Warrants</i>	<i>Exercise price</i>	<i>Exercise period</i>
Optiva Placing Warrants	525,000	Issue Price	3 years from Admission
Optiva Performance Warrants	625,000	Issue Price	3 years from Admission (subject to vesting criteria being satisfied)
GIS Placing Warrants	390,000	Issue Price	3 years from Admission
GIS Performance Warrants	625,000	Issue Price	3 years from Admission (subject to vesting criteria being satisfied)
Cairn Warrants	1,579,165	Issue Price	5 years from Admission
Transaction Warrants	6,000,000	Issue Price	7 years from Admission
TOTAL	<u>9,744,165</u>		

- 4.11 The New Ordinary Shares will, on Admission, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions thereafter declared, paid or made on the Enlarged Issued Share Capital of the Company.
- 4.12 No ordinary shares are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 4.13 Other than the current application for Admission, the Ordinary Shares are not being admitted to dealings on any recognised investment exchange, nor has any application for such admission been made, nor are there intended to be any other arrangements in place for there to be such dealings in the Ordinary Shares.
- 4.14 Save as otherwise disclosed in this document:
- 4.14.1 no share or loan capital of the Company has been issued or is proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash;
- 4.14.2 no share or loan capital of the Company is under option or is the subject of an agreement, conditional or unconditional, to be put under option;
- 4.14.3 no commission, discounts, brokerage or other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company.

5 ARTICLES OF ASSOCIATION

The articles of association of the Company (the “**Articles**”) were adopted by the Company on 23 April 2021 and a brief summary of their terms is set out below. This summary is not a complete copy of the terms of the Articles:

5.1 Unrestricted Objects

The Articles contain no specific restrictions on the Company’s objects and therefore, by virtue of section 31(1) of the Companies Act, the Company’s objects are unrestricted.

5.2 Share Rights

- (a) Subject to the Act, the Company can issue new shares with such rights or restrictions attached to them pursuant to the Articles. The rights attached to any shares as a class cannot be varied without the consent of the holders of that class of shares. These rights or restrictions can be decided either by an ordinary resolution passed by the Shareholders or by the directors as long as the Company can issue shares which can be redeemed. This can include shares which can be redeemed if the holders want to do so, as well as shares which the

Company can insist on redeeming. The directors can decide on the terms and conditions and the manner of redemption of any redeemable share.

- (b) The Ordinary Shares are freely transferable and tradable and there are no restrictions on transfer, subject to the Articles.

5.3 **Variation of Class Rights**

Subject to the Act, if the rights attached to any class of shares are divided into a different class of shares, all or any rights or privileges attached to that class of shares can be changed if (i) provided by such rights or (ii) this is approved either in writing by Shareholders holding at least three quarters in nominal value of the issued shares of that class by amount or by a special resolution passed at a separate meeting of the holders of the relevant class of shares but not otherwise.

5.4 **Uncertificated Shares**

- (a) In accordance with the Uncertificated Securities Regulations 2001 (the **CREST Regulations**), the Company will not issue a certificate in respect of any share for as long as the ownership or issue of shares and other securities cannot be evidenced without share certificates and these shares may be transferred without an instrument of transfer. The Company shall enter on the register of members the number of shares held by each member in uncertificated from and certified from and shall maintain the register as required by the CREST Regulations.
- (b) Uncertificated shares can be converted into certificated shares and vice versa in accordance with the regulations and the relevant systems as the Board think fit from time to time.

5.5 **Right to Share Certificates**

Pursuant to the Articles, when a Shareholder is first registered as the holder of any class of certificated shares, he is entitled (unless he is a recognised person and therefore is not required by law), free of charge, to one certificate for all of the shares of that class which he holds. If a Shareholder holds shares of more than one class, he is entitled to a separate share certificate for each class. If a Shareholder receives more shares of any class, he is entitled, without charge, to a certificate for the extra shares. If a Shareholder transfers some of the shares represented by a share certificate, he is entitled, free of charge, to a new certificate for the balance to the extent the balance is to be held. Where a share is held jointly, the Company does not have to issue more than one certificate for that share. When the Company delivers a share certificate to one joint Shareholder, this is treated as delivery to all of the joint Shareholders. Every certificate shall state the number, class and distinguishing numbers (if any) of these shares and the amount paid up in respect of those shares.

5.6 **Transfer**

- (a) A transfer of certificated shares must be made in writing and either in the usual standard form or in any other form approved by the Directors. A transfer of uncertificated shares must be made through a relevant system (as defined in the Regulations). The person making a transfer will continue to be treated as a Shareholder until the name of the person to whom the share is being transferred is put on the register for that share.
- (b) The Board may in its absolute discretion refuse to register a transfer of shares held (subject to the rules and regulations of the London Stock Exchange and the rules published by the Financial Conduct Authority) unless:
 - (i) it is in respect of a fully paid share;
 - (ii) it is in respect of a share on which the Company does not have a lien;
 - (iii) it is in respect of only one class of share;
 - (iv) it is in favour of a single transferee or renouncee or not more than four joint holders as transferees or renouncees; and
 - (v) it is duly stamped or duly certified or otherwise shown to the satisfaction of the Board to be exempt from stamp duty.

- (c) No fee shall be chargeable by the Company renunciation of a renounceable letter of allotment probate letters of administration certificate of marriage or death power of attorney or other document relating to or affecting the title to any shares or the right to transfer the same or otherwise for making any entry in the Register.

5.7 **Disclosure of Interests in Shares**

In accordance with section 793 of the Act, the Company may serve notice (a **disclosure notice**) on anyone who knows, or has reasonable cause to believe, is interested in its shares or has been interested in the previous three years. If the Company does not, within 14 days of serving a disclosure notice, receive the information it has requested then the Board may serve a further notice (a **restriction notice**) designating the shares the subject of the restriction notice as “restricted shares”. The restrictions which may be imposed on restricted shares include preventing the Shareholder from attending and voting at general meetings; from transferring restricted shares (subject to the exceptions set out above); and from receiving dividends. Any such restrictions shall cease to apply seven days after receipt by the Company of the information requested in the disclosure notice.

5.8 **General Meetings**

Quorum

- (a) A quorum for a general meeting is two people who are entitled to vote. They can be Shareholders who are personally present by a duly authorised corporate representative or by proxy and entitled to vote. No business shall be transacted at any general meeting unless the requisite quorum shall be present when the meeting proceeds to business. If a quorum is not present within thirty minutes of the time fixed for a general meeting to start the meeting if convened by or upon the requisition of members shall be dissolved. In any other case it shall stand adjourned to such day and to such time and place as the chairman (or in default the Board) shall appoint.
- (b) The chairman of a general meeting at which a quorum is present may, with the consent of the meeting adjourn any meeting from time to time and from place to place. No business will be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

Voting

- (c) Subject to the Act and to any rights or restrictions attached to any shares, on a show of hands every Shareholder (who is an individual) who is present in person or every Shareholder (who is a corporation) is present by a duly authorised representative and every proxy (regardless of the number of Shareholders for whom he is proxy) has one vote and on a poll each Shareholder present in person, by proxy or by representative has one vote for every share he holds.
- (d) A resolution put to the vote at any general meeting will be decided on a show of hands unless a poll is demanded when, or before, the chairman of the meeting declares the result of the show of hands. A poll can be demanded by the chairman of the meeting; at least two persons at the meeting who are entitled to vote; one or more Shareholders at the meeting who are entitled to vote (or their proxies) and who have between them at least one-tenth of the total voting rights of all Shareholders who have the right to vote at the meeting; one or more Shareholders at the meeting who have shares which allow them to vote at the meeting (or their proxies) holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

5.9 **Directors**

Directors meetings

- (a) Directors’ meetings are called by giving notice to all the Directors. Notice is treated as properly given if it is given personally, by word of mouth or in writing to the Director’s last known

address or any other address given by him to the Company for this purpose. Any Director can waive his entitlement to notice of any Directors' meeting, including one which has already taken place.

- (b) If no other quorum is fixed by the Directors, two Directors are a quorum. Alternate Directors will count towards the quorum if their appointers are not present.
- (c) Matters to be decided at a Directors' meeting will be decided by a majority vote. If votes are equal, the chairman of the meeting has a second, casting vote.

Appointment

- (d) The Company must have a minimum of two Directors (unless otherwise determined by an ordinary resolution).

Retirement

- (e) At every annual general meeting any Director who has been appointed by the Directors since the last annual general meeting; and any Director who held office at the time of the two preceding annual general meetings and who did not retire at either of them shall retire. If the Company does not fill the vacancy at the meeting then the Director will be deemed to be reappointed unless it is resolved to reduce the number of Directors pursuant to the Articles.
- (f) In addition to any power to remove Directors conferred by the Act, the Company can pass an ordinary resolution to remove a Director from office even though his time in office has not ended.
- (g) Any Director automatically stops being a Director if he gives the Company notice of resignation; all of the other Directors pass a resolution requiring the Director to resign; he is suffering from mental or physical ill health rendering him incapable of acting as a Director for a period of more than three months; he has missed Directors' meetings for a continuous period of six months without permission from the Directors and the Directors pass a resolution removing the Director from office; a bankruptcy order is made against him or a composition is made with his creditors generally; or he is prohibited from being a Director under applicable law (including the Act).

Alternate Directors

- (h) Any Director can appoint any person that is either (i) approved by a resolution of the Board or (ii) another Director, to act in his place as an appointed alternate director in relation to the taking of decisions by the directors in the absence of that appointor (called an **alternate Director**).
- (i) The appointment of an alternate Director ends on:
 - (i) the happening of any event which, if he were a Director, would cause him to vacate that office;
 - (ii) if the alternate Director resigns his office by written notice to the Company;
 - (iii) if his appointer stops being a Director, unless that Director retires at a general meeting at which he is re-appointed; or
 - (iv) if he is not a Director, if the appointer revokes its approval of him by resolution.
- (j) An alternate Director is entitled to receive notices of meetings of the Directors. He is entitled to attend and vote as a Director at any meeting at which the Director appointing him is not personally present and generally at that meeting is entitled to perform all of the functions of his appointer as a Director. If he is himself a Director, or he attends any meeting as an alternate Director for more than one Director, he can vote cumulatively for himself and for each other Director he represents but he cannot be counted more than once for the purposes of the quorum.

- (k) An alternate Director is entitled to be repaid expenses and to be indemnified by the Company to the same extent as if he were a Director. The alternate Director shall not be entitled to be paid remuneration by the Company, however, such remuneration may be agreed and out of the remuneration payable to the appointing Director.

Executive Directors

- (l) The Directors can appoint one or more Directors to any executive position, on such terms and for such period as they think fit. The Directors will decide how much remuneration a Director appointed to an executive office will receive (whether as salary, percentage of profit or otherwise) and whether they should receive any further benefits of any description.

Remuneration

- (m) Directors may undertake any services for the Company (including additional outside the service scope of their executive duties) that the Directors decide. Directors are entitled to such remuneration for services outside their terms of employment and/or appointment as the directors determine for their additional services which they undertake for the Company (as approved by any remuneration committee in place from time to time). Fees payable shall be distinct from any salary, remuneration, expenses or other amounts payable to a director. Any new Directors appointed from time to time will have such remuneration as the board determine (as approved by any remuneration committee in place from time to time). Subject to the Articles, a director's remuneration may take any form and include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

Expenses

- (n) The Director may be paid all travel, hotel and other expenses incurred in attending and returning from general meetings, meetings of the Directors or committees of the Directors or any other meetings which as a Director he is entitled to attend or otherwise in connection with the discharge of their duties.

Pensions and Gratuities for Directors

- (o) The Directors can decide to provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any former Director of the Company who held an executive office or employment with the Company or any of its subsidiary undertakings or former subsidiary undertakings or any predecessor in business of the Company, or any relation or dependant of such a person.

Directors' Interests

- (p) A Director who is in any way, directly or indirectly, interested in a proposed or existing transaction or arrangement with the Company must declare, either in writing or at a meeting of the Directors, the nature and extent of his interest to the other Directors in accordance with the Act. An interest of a person who is connected with a Director shall be treated as an interest of the Director.
- (q) Subject to certain exceptions, the relevant Director and any other Director with a similar interest will not count in the quorum and will not vote on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material.
- (r) If a question comes up at a meeting of the Directors about whether a Director (other than the chairman of the meeting) can vote or be counted in the quorum and the Director does not agree to abstain from voting on the issue or not to be counted in the quorum, the question must be referred to the chairman of the meeting. The chairman of the meeting's ruling about any other Director is final and conclusive unless the nature or extent of the Director's interest (so far as it is known to him) has not been fairly disclosed to the Directors in which case the question shall be decided by a resolution of the majority of the directors. If the question comes up about the chairman of the meeting, the chairman must withdraw from the meeting and the Directors will elect a vice chairman to consider the question instead of the chairman.

5.10 **Borrowing Powers**

There is no limit on the amount that the Company can borrow. Borrowing by the Company is at the discretion and determination of the Board.

5.11 **Dividends and Distributions to Shareholders**

- (a) Subject to the Act, the Company can declare dividends in accordance with the rights of the Shareholders by passing an ordinary resolution. No such dividend can exceed the amount recommended by the Directors.
- (b) If the Directors consider that the financial position of the Company justifies such payments and subject to the Act, they can pay the fixed or other dividends on any class of shares on the dates prescribed for the payment of those dividends; and pay interim dividends on shares of any class of any amounts and on any dates and for any periods which they decide.
- (c) If the Directors act in good faith, they will not be liable for any loss that any Shareholders may suffer because a lawful dividend has been paid on other shares which rank equally with or behind their shares.
- (d) All dividends will be declared and paid in proportions based on the amounts paid up on the shares during any period for which the dividend is paid. Sums which have been paid up in advance of calls will not count as paid up for this purpose. If the terms of any share say that it will be entitled to a dividend as if it were a fully paid up, or partly paid up, share from a particular date (in the past or future), it will be entitled to a dividend on this basis.
- (e) If a Shareholder owes the Company any money for calls on shares or money in any other way relating to his shares, the Directors can deduct any of this money from any dividend or other money payable to the Shareholder on or in respect of any share held by him. Money deducted in this way can be used to pay amounts owed to the Company.
- (f) Unless the rights attached to any shares, or the terms of any shares, say otherwise, no dividend or other sum payable by the Company on or in respect of its shares carries a right to interest from the Company.
- (g) Where any dividends or other amounts payable on a share have not been claimed, the Directors can invest them or use them in any other way for the Company's benefit until they are claimed. The Company will not be a trustee of the money and will not be liable to pay interest on it. If a dividend or other money has not been claimed for 12 years after being declared or becoming due for payment, it will be forfeited and go back to the Company unless the Directors decide otherwise.

5.12 **Scrip Dividends**

- (a) The Directors can offer Shareholders the right to choose to receive extra shares, which are credited as fully paid up, instead of some or all of their cash dividend. Before they can do this, Shareholders must have passed an ordinary resolution authorising the Directors to make this offer.
- (b) A Shareholder will be entitled to ordinary shares whose total "relevant value" is as near as possible to the cash dividend he would have received, but not more than it. The relevant value of a share is the average value of the Company's ordinary shares for five consecutive dealing days selected by the Directors starting on or after the day when the shares are first quoted "ex dividend."
- (c) The Fundraise Shares will rank equally in all respects with the existing fully paid up ordinary shares of that class at the time when the new shares are allotted. But, they will not be entitled to share in the dividend from which they arose, or to have new shares instead of that dividend.

5.13 Distributions on a Winding Up

- (a) If the Company is wound up, a liquidator may, with the approval of a special resolution and any other sanction required by applicable law, divide among the members the whole or any part of the assets of the Company for distribution in kind. For that purpose, the liquidator may value any assets and determine how the division shall be carried out.
- (b) Subject to the restrictions of the Act, the Company can indemnify any Director or officer or former Director or former officer of the Company or of any associated company against any liability; and can purchase and maintain insurance against any liability for any Director or former Director of the Company or of any associated company.

6 INTERESTS OF THE DIRECTORS

- 6.1 The interests of the Directors and Proposed Directors and, so far as is known to them (having made appropriate enquiries), persons connected with them, which expression shall be construed in accordance with the AIM Rules (all of which are beneficial except as shown), in the Ordinary Shares as at the date of this document are as follows:

<i>Name</i>	<i>No. of Existing Ordinary Shares</i>	<i>% of Existing Issued Share Capital</i>	<i>No. of Existing DS Warrants</i>
Lincoln Moore	450,000	1.69%	450,000
Neil Cousins*	450,000	1.69%	450,000
Mark David Crawford Steeves	–	–	–
Ben James Murray Clube	–	–	–
Stephen Paul West	–	–	–
Benjamin James Hodges	–	–	–
Graeme Paul Marks	–	–	–
Horácio Luis De Brito Carvalho	–	–	–

* Held in his personal name.

- 6.2 The interests of the Directors and the Proposed Directors on Admission will, in addition to their Existing Ordinary Shares set out in paragraph 6.1 above, include Consideration Shares in respect of their previously held interests in EPL, their Conversion Shares and their Placing Shares as follows:

<i>Name</i>	<i>Consideration Shares</i>	<i>Conversion Shares</i>	<i>Placing Shares</i>	<i>Total Number of shares held on Admission</i>
Lincoln Moore*	–	1,400,000	250,000	2,100,000*
Neil Cousins*	–	1,400,000	250,000	2,100,000*
Mark David Crawford Steeves	–	62,500	875,000	937,500
Ben James Murray Clube ⁽¹⁾	7,109,687	2,269,325	500,000	9,879,012
Stephen Paul West ⁽²⁾	2,196,649	881,250	737,500	3,815,399
Benjamin James Hodges ⁽³⁾	–	1,286,775	187,500	1,474,275
Graeme Paul Marks	4,544,523	2,098,550	–	6,643,073
Horácio Luis De Brito Carvalho	–	–	–	–

* Lincoln Moore and Neil Cousins' total holdings on Admission include 450,000 shares each held prior to Admission, as shown in the table in paragraph 6.1. Neil Cousins' shares are held in his own name.

⁽¹⁾ Ben Clube holds his shares indirectly through Painkalac Holdings Pty Ltd ATF Lighthouse Trust

⁽²⁾ Stephen West holds his shares indirectly through Cresthaven Investments Pty Ltd ATF Bellini Trust

⁽³⁾ Ben Hodges holds his shares indirectly through Cayo Holdings Limited

- 6.3 All of the Proposed Directors' Ordinary Shares are subject to AIM Rule 7 Lock-In Agreements. Lincoln Moore and Neil Cousins are subject to Short Lock-In Agreements in respect of 450,000 of the Ordinary Shares that they each held as at the date of this document and subject to Orderly Market Agreements in respect of 1,400,000 of the Ordinary Shares that they are each to be issued on

Admission. Further details of the Lock-In Agreements and Orderly Market Agreements are set out in paragraphs 12.8 to 12.11 of Part VII of this document.

- 6.4 The interests (all of which are beneficial except as shown), of the Directors and Proposed Directors and, so far as is known to them (having made appropriate enquiries), persons connected with them, which expression shall be construed in accordance with the AIM Rules in the Ordinary Shares immediately following Admission will be as follows:

<i>Name</i>	<i>No. of Ordinary Shares on Admission</i>	<i>% of Enlarged Share Capital</i>	<i>No. of Warrants on Admission</i>	<i>No. of Options on Admission</i>
Lincoln Moore	2,100,000	1.33	1,700,000	–
Neil Cousins	2,100,000	1.33	1,700,000	–
Mark David Crawford Steeves ⁽¹⁾	1,062,500	0.67	–	947,500
Ben James Murray Clube ⁽²⁾	9,879,012	6.26	–	2,842,499
Stephen Paul West ⁽³⁾	3,815,399	2.42	3,500,000	947,500
Benjamin James Hodges ⁽⁴⁾	1,474,275	0.93	–	1,894,999
Graeme Paul Marks	6,643,073	4.21	–	2,842,499
Horácio Luis De Brito Carvalho	–	–	–	947,500

⁽¹⁾ Mark Steeves' shareholding includes 125,000 shares held in the name of his wife, Sandra Steeves

⁽²⁾ Ben Clube holds his shares indirectly through Painkalac Holdings Pty Ltd ATF Lighthouse Trust

⁽³⁾ Stephen West holds his shares and warrants indirectly through Cresthaven Investments Pty Ltd ATF Bellini Trust

⁽⁴⁾ Ben Hodges holds his shares indirectly through Cayo Holdings Limited

- 6.5 Save as disclosed above, none of the Directors (or persons connected with the Directors within the meaning of section 252 of the Act) has any interest, whether beneficial or non-beneficial, in any share or loan capital of the Company.
- 6.6 Save as disclosed in this document, there are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.
- 6.7 Save as disclosed above, and save as otherwise disclosed in this document, no Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company since its incorporation and which remains in any respect outstanding or under-performed.
- 6.8 Save as disclosed in this document, none of the Directors or any person connected with them (within the meaning of section 252 of the Act) is interested in any related financial product (as defined in the AIM Rules) whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares, including a contract for difference or a fixed odds bet.
- 6.9 None of the Directors are aware of any potential conflicts of interest which could conflict between their duties to the Company and their private interests or other duties.

7 DIRECTORS' TERMS OF ENGAGEMENT

Subject to and conditional upon Admission, Lincoln Moore and Neil Cousins will resign as directors of the Company and have signed resignation letters in respect of their directorships. Lincoln Moore and Neil Cousins will each be paid a success fee of £20,000 that is to be settled in Conversion Shares on completion of the Acquisition. In addition, pursuant to their DSI Conversion Letters, Lincoln Moore and Neil Cousins have, subject to and conditional upon Admission, irrevocably and unconditionally authorised and instructed the Company to apply their accrued directors' fees to subscribe for 900,000 Ordinary Shares each.

Ben Clube, Stephen West, Ben Hodges, Graeme Marks, Mark Steeves and Horácio Carvalho will be appointed as directors of the Company with effect from Admission and their terms of engagement are summarised below:

7.1 **Executive Service Agreements**

Executive Service Agreement

On 15 December 2023, the Company entered into a service agreement with Ben Hodges pursuant to which he is to be employed as a Chief Financial Officer and director of the Company commencing on Admission.

Under the terms of the agreement, Ben is to be paid a gross annual salary of £80,200 per annum by the Company (calculated on the basis that Ben will work two days a week) of which at least 50 per cent. is payable in cash and the remainder is payable in Ordinary Shares (at the prevailing market price) and 50 per cent. of which is paid in cash. The Company is also able to pay Ben's salary fully in cash as may be determined by the Remuneration Committee. Ben's role is pensionable, however, he will not receive any other cash benefits, save for reimbursement of reasonable expenses incurred in the performance of his duties. Ben is also entitled to 10 days paid annual leave.

Ben's agreement contains a customary restrictive covenant for a period of 12 months following the agreement's termination.

The agreement will continue until terminated by either party giving not less than three months' written notice. If a change of control (as defined in the agreement) occurs and either party decides to terminate the agreement within twelve months of the change of control, Ben Hodges shall be entitled to his base salary in accordance with the notice period, plus an additional payment equal to the value of a further six months of base salary.

The agreement is governed by English law and the English Courts have exclusive jurisdiction in relation to all and any claims arising under the agreement.

Asset Manager Service Agreement

On 15 December 2023, the Company entered into a service agreement with Graeme Marks pursuant to which he is to be employed as a director and Asset Manager of the Company commencing on Admission.

Under the terms of the agreement, Graeme is to be paid a gross annual salary of £140,192 per annum (calculated on the basis that Graeme will work 4 days per week) by the Company payable by the Company in Ordinary Shares (at the prevailing market price) or in cash as determined by the Remuneration Committee. Graeme's role is pensionable and Graeme is entitled to participate in any Company's private medical insurance which the Company may choose to implement in the future. Graeme is entitled to reimbursement of reasonable expenses incurred in the performance of his duties. Graeme is also entitled to 25 days paid annual leave.

Graeme's agreement contains a customary restrictive covenant for a period of 6 months following the agreement's termination.

The agreement will continue until terminated by either the Company or Graeme on giving three months' written notice. The agreement is governed by English law and the English Courts have exclusive jurisdiction in relation to all and any claims arising under the agreement.

Consultancy Service Agreement

On 15 December 2023, the Company entered into a consultancy agreement with Terra South Energy Pty Ltd as consultant, with Ben Clube as the nominated person, pursuant to which Ben Clube will provide services to the Company on behalf of Terra South Energy Pty Ltd with effect from Admission.

Under the terms of the agreement, Terra South Energy Pty Ltd will be paid a service fee of £8,570.25 per month by the Company payable in Ordinary Shares (at the prevailing market price) or in cash at the Company's election or as otherwise determined by the Remuneration Committee. Terra South Energy Pty Ltd is also entitled to be reimbursed for reasonable travel expenses incurred in the performance of his duties.

The agreement will continue until terminated by Ben, the Company or Terra South Energy Pty Ltd on giving six months' written notice to the other parties. The Company may terminate the agreement

immediately and without notice where Ben or Terra South Energy Pty Ltd commits an event of default such as where Ben Clube commits an act of dishonesty or a criminal offence. The agreement is governed by the laws of Western Australia.

7.2 **Letters of Appointment**

Ben Clube

On 15 December 2023, the Company entered into a director appointment letter with Ben Clube pursuant to which he is to be engaged as Chief Executive Officer of the Company commencing on Admission.

Under the terms of the agreement, Ben is to be paid a gross annual fee of £37,349 per annum by the Company payable in Ordinary Shares (at the prevailing market price) or in cash at the Company's election or as otherwise determined by the Remuneration Committee. Ben's position is not pensionable, however, he will be entitled to the reimbursement of reasonable expenses incurred in the performance of his duties. Pursuant to this letter, Ben has agreed to allocate sufficient time to the Company to discharge his responsibilities effectively.

Ben's agreement contains a customary restrictive covenant for a period of 12 months following the agreement's termination.

The agreement will continue until terminated by either the Company or Ben on giving 6 months' written notice. The agreement is governed by the laws of England and Wales.

Mark Steeves

On 15 December 2023, the Company entered into a non-executive director appointment letter with Mark Steeves pursuant to which he is to be engaged as a non-executive director and Chairman of the Company commencing on Admission.

Under the terms of the agreement, Mark is to be paid an annual fee of £40,000 by the Company payable in Ordinary Shares (at the prevailing market price) or in cash at the Company's election or as otherwise determined by the Remuneration Committee. Mark's position is not pensionable, however, he will be entitled to the reimbursement of reasonable expenses incurred in the performance of his duties. Pursuant to this letter, Mark has agreed to allocate sufficient time to the Company to discharge his responsibilities effectively.

Mark's agreement contains a customary restrictive covenant for a period of 6 months following the agreement's termination.

The agreement will continue until terminated by either the Company or Mark on giving 3 months' written notice. The agreement is governed by English law.

Horácio De Brito Carvalho

On 15 December 2023, the Company entered into a non-executive director appointment letter with Horácio De Brito Carvalho pursuant to which he is to be engaged as a non-executive director of the Company commencing on Admission.

Under the terms of the agreement, Horácio is to be paid an annual fee of £28,800 by the Company payable in Ordinary Shares (at the prevailing market price) or in cash at the Company's election or as otherwise determined by the Remuneration Committee. Horácio's position is not pensionable, however, he will be entitled to the reimbursement of reasonable expenses incurred in the performance of his duties. Pursuant to this letter, Horácio has agreed to allocate sufficient time to the Company to discharge his responsibilities effectively.

Horácio's agreement contains a customary restrictive covenant for a period of 6 months following the agreement's termination.

The agreement will continue until terminated by either the Company or Horácio on giving 3 months' written notice. The agreement is governed by English law.

Stephen West

On 15 December 2023, the Company entered into a non-executive director appointment letter with Stephen West pursuant to which he is to be engaged as a non-executive director of the Company commencing on Admission.

Under the terms of the agreement, Stephen is to be paid an annual fee of £28,800 by the Company payable in Ordinary Shares (at the prevailing market price) or in cash at the Company's election. Stephen's position is not pensionable, however, he will be entitled to the reimbursement of reasonable expenses incurred in the performance of his duties. Pursuant to this letter, Steve has agreed to allocate sufficient time to the Company to discharge his responsibilities effectively.

Stephen's agreement contains a customary restrictive covenant for a period of 6 months following the agreement's termination.

The agreement will continue until terminated by either the Company or Stephen on giving 3 months' written notice. The agreement is governed by English law.

General

- 7.3 Save as disclosed in this paragraph 7, the Company has not amended or entered into any service agreements with any Director within the last 6 months and no Director has a service agreement that has more than 12 months to run.
- 7.4 Save as disclosed in this paragraph 7 and for the letters of appointment with Lincoln Moore and Neil Cousins, which will be terminated on Admission, there are no service contracts or agreements existing or proposed between any Director, or parties in which they are interested, and the Company.
- 7.5 Save as disclosed in this document, there are no proposals existing in connection with Admission whereby any member of the administrative or management bodies of the Company or any other person and the Company which provide for benefits upon termination of employment or in connection with retirement from office.
- 7.6 Save as disclosed in this document, over the 12 months prior to Admission, no remuneration has been paid, including pension contributions and benefits in kind, to any of the Directors.
- 7.7 It is estimated that under the arrangements in force at the date of this document, the maximum aggregate remuneration and benefits in kind which will be paid for the services of the Directors for the financial period ending 31 December 2023 will be approximately £88,900.

8 ADDITIONAL INFORMATION ON THE DIRECTORS

- 8.1 In addition to their directorship or proposed directorship with the Company, the Directors and the Proposed Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this document:

<i>Name of Director</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/ Partnerships</i>
Lincoln Moore	Dekel Agri-Vision Plc Royal Work Club Ltd RWC Corporate UK Limited Pearlside Holdings Ltd	Moreno Resources Ltd Everest Energy Ltd Firering Strategic Minerals Plc Tirupati Graphite Plc Zarmadan Gold Ltd
Neil Cousins	Consulting Logistics Ltd November Properties One Limited Consulting Capital Limited AppCo Consultancy Limited	Port Properties Corporation Limited
Benedict James Murray Clube	EnergyPathways Irish Sea Limited EnergyPathways Ltd	FAR Ltd (an Australian company) EnergyCapture Pty Limited (an Australian company)

<i>Name of Director</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/ Partnerships</i>
Mark David Crawford Steeves	11 London Road Management Limited VSA Capital Group PLC VSA Capital Limited Samphire Film Productions Limited Samphire and Associates Limited	Phoenix Africa Development Company Ltd Lookahead TV Limited
Benjamin James Hodges	Alcester Projects Limited Arcontech Limited First Development Resources Plc Cayo Holdings Limited	
Stephen Paul West	EnergyPathways UK Holdings Ltd Bellini Property Ltd Cresthaven Investments Pty Ltd (an Australian company) EnergyPathways Irish Sea Limited EnergyPathways Ltd MFW Resources Ltd 29 Filmer Road Management Limited Roquefort Therapeutics plc ROQ Corporate Limited Lynamid Pty Limited (an Australian company) Tumorkine Pty Ltd (an Australian company)	Savant Resources Plc Zeta Petroleum Plc TomCo Energy Plc (an Isle of Man company) PetroNor E&P Ltd (an Australian company) Oilion Energy Ltd PetroNor E&P Services Limited APCL Gambia B.V. (a Dutch company) Petronor E&P AS (a Norwegian company) African Petroleum Corporation Limited Regal Liberia Limited European Hydrocarbons Limited African Petroleum Corporation Ltd (a Cayman Islands company) African Petroleum Senegal Ltd (a Cayman Islands company) European Hydrocarbons Ltd (a Cayman Islands company) African Petroleum Sierra Leone Ltd (a Cayman Islands company) African Petroleum Cote d'Ivoire Ltd (a Cayman Islands company) African Petroleum Gambia Ltd (a Cayman Islands company) African Petroleum Limited African Petroleum Drilling Services Ltd (a Cayman Islands company) European Hydrocarbons SL Ltd (a Cayman Islands company) Auctus Corporation Plc Roquefort Holdings Plc Advance Energy Plc (an Isle of Man company) Advance Energy TL Limited Bettridge Limited Roquefort Solutions Ltd
Graeme Marks	EnergyPathways Ltd	Koru Energy (Castletown) Limited Koru Energy Services Limited Koru Energy (KLW) Limited Koru Energy Limited

<i>Name of Director</i>	<i>Current Directorships/Partnerships</i>	<i>Past Directorships/Partnerships</i>
Horácio Luis De Brito Carvalho	Hydrogen Ventures Ltd Hydrogen Venture Capital Limited Resero Advanced Ecofuel Limited Quest Property Asset Management Limited Climate Change Ventures Limited Anvaya Renewables Limited Resero Gas Limited Eco Terra Invest Limited Quest JFM Investments Ltd HL & HL Antiquities Limited Bioveg Oils & Fuels International Corporation Limited Jumping Formula LDA Midori no Sekai LLP Estações De Recarga Movigreen Spain SL Hydrogen Ventures SL Solar2Go Investments SL	Hydrogen Ventures Ltd Kaz Resero Ventures Power (UK) Limited Quest Property Asset Management (UCC) Ltd Six Energy Limited Cleanway Energy Development Limited Resero Energy Limited Quelon-Gas Engineering and Trading Limited Consamoz Consulting Associates of Mozambique Limited 1nkemia Advanced BF Ltd Crowdfinance4U Limited GB2 Pharma Limited

Graeme Marks was a director of Koru Energy (KLW) Limited when it entered into a Creditors Voluntary Liquidation on 28 September 2021. Koru Energy (KLW) Limited was liquidated on 14 April 2022. The deficiency to creditors was approximately £209,000.

Horácio Carvalho was a director of HLC (Neath Port Talbot) Ltd, an SPV company which was a subsidiary of HLC Environmental Holdings Ltd. The company was part of a larger group of companies. HLC (Neath Port Talbot) Ltd was placed into administration on 29 September 2005 and, later, into compulsory liquidation on 25 September 2007. The estimated deficiency to unsecured creditors was approximately £44 million. HLC Environmental projects Ltd, a parent company to HLC (Neath Port Talbot) was placed into creditors voluntary liquidation on 20 April 2009 with an estimated deficiency to creditors of approximately £4.5 million. HLC Environmental Holdings Ltd, parent company to HLC Environmental Projects Ltd, was placed into creditors' voluntary liquidation on 30 April 2012 with an estimated deficiency to creditors of approximately £7.7 million. Mr Carvalho was involved in legal proceedings brought against him by the joint liquidators of HLC Environmental Projects Limited under s212 of the Insolvency Act 1986. Mr Carvalho agreed a settlement with the joint liquidators and no further action was taken.

Horácio Carvalho was a director of ESS Recycling UK Limited, a company recorded as dormant that was placed into compulsory liquidation on 3 February 2015. Mr Carvalho resigned as a director on 20 May 2014. There was no recorded deficiency to creditors.

Horácio Carvalho was a director of Environmental Storage Solutions Ltd, a company recorded as dormant that was placed into compulsory liquidation on 27 May 2015. There was no recorded deficiency to creditors.

Horácio Carvalho was a significant shareholder and director of Biodiesel Energy Trading Ltd which was placed into creditors voluntary liquidation on 9 July 2010. Mr Carvalho was appointed as a director on 3 June 2010 to oversee the liquidation of the company. The deficiency to creditors was estimated at £2.7 million.

Horácio Carvalho was a director of HL&HL Antiquities Limited, a business run by a family member that was placed into creditors' voluntary liquidation on 8 September 2023. Total deficiency to creditors was recorded as £185,000.

8.2 Save as disclosed above, none of the Directors has:

- (a) any unspent convictions in relation to indictable offences;

- (b) had any bankruptcy order made against him or entered into any voluntary arrangements;
- (c) been a director of a company which has been placed in receivership, compulsory liquidation, creditors' voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;
- (d) been a partner in any partnership which has been placed in compulsory liquidation, administration or has been the subject of a partnership voluntary arrangement or within the 12 months after he ceased to be a partner in that partnership;
- (e) been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;
- (f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- (g) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

9 SIGNIFICANT SHAREHOLDERS

9.1 Insofar as is known to the Company, the Directors and the Proposed Directors, the following persons are interested, directly or indirectly, in 3 per cent. or more of the voting rights of the Company as at the last practicable date prior to the publication of this document:

<i>Name</i>	<i>No. of Existing Ordinary Shares</i>	<i>% of Existing Issued Share Capital</i>
Mr Alan Mcleish	5,938,358	22.37
Star Racing Limited	1,438,358	5.42
Mr Brett Lord	1,579,452	5.95
Optiva Securities Limited	1,500,000	5.65
Sebastian Marr	1,479,452	5.57
James Sheehan*	1,422,880	5.36
WMH Consulting Limited	1,006,846	3.79
Ashwani Sudera	1,005,726	3.79
Sport Media Ventures Ltd	850,000	3.20

* The figures include 422,880 shares held by Scwiar Capital Ltd, a company wholly owned by James Sheehan.

- 9.2 Insofar as is known to the Company, the Directors and the Proposed Directors, immediately following Admission, the following persons will be interested, directly or indirectly, in 3 per cent. or more of the voting rights of the Company:

<i>Name</i>	<i>No. of Issued Ordinary Shares on Admission</i>	<i>% of Enlarged Issued Share Capital</i>
Zeta Petroleum plc	8,974 868	5.68
Ben Clube ⁽¹⁾	9,879,012	6.26
Peter Nicholls ⁽²⁾	5,559,971	3.52
Graeme Marks	6,643,073	4.21
Nonfinite SA Sicav Absolute Return Fund	15,000,000	9.50
Sebastian Marr	5,346,074	3.39
Mr Alan Mcleish	8,438,358	5.34
Optiva Securities Limited	6,316,662	4.00

⁽¹⁾ Ben Clube holds his shares indirectly through Painkalac Holdings Pty Ltd ATF Lighthouse Trust

⁽²⁾ Peter Nicholls holds his shares indirectly through Davis Kerford Pty Ltd and Mimosa Grand Pty Ltd

- 9.3 No significant holder of Ordinary Shares, as listed above, has voting rights different to other Shareholders.
- 9.4 So far as the Directors are aware, save as disclosed in paragraph 9.2 of this Part VII, there are no persons who, immediately following the Placing, will, directly or indirectly, be interested in three per cent. or more of the Enlarged Issued Share Capital of the Company or who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. To the best knowledge of the Company there are no arrangements which may at a date subsequent to Admission result in a change of control of the Company.

10 EMPLOYEES

- 10.1 As at the date of this document, the Company does not have any employees.
- 10.2 On Admission the Company will have 3 employees.
- 10.3 A breakdown of the employees by their general role, employer and geographical location are set out below:

<i>Employee as at Admission</i>	<i>Role</i>	<i>Employer</i>	<i>Location</i>
Ben Clube	CEO and Executive Director	EnergyPathways	UK and Australia
Ben Hodges	Chief Financial Officer and Executive Director	EnergyPathways	UK
Graeme Marks	Asset Manager and Executive Director	EnergyPathways	UK

11 SHARE OPTION SCHEME

- 11.1 The Company proposes to adopt the SOS on completion of the Acquisition, which will allow for the grant of Enterprise Management Incentive options (“**EMI options**”) and non-approved share options over shares in the Company to be granted to selected individuals. An option will become exercisable at some future date and the participant will then have the right to acquire shares at a price (the “**option price**”) fixed when the option was granted. The SOS will be administered by the Board (as defined below).

11.2 Where the relevant conditions can be satisfied, the options will be granted as EMI options under schedule 5 to the Income Tax (Earnings and Pensions) Act 2003. Otherwise, the options will be granted as non-tax advantaged options.

11.3 The principal terms of the **SOS** are as follows:

11.3.1 Eligibility

The board of directors of the Company (or its remuneration committee) (the “**Board**”) will select employees (including executive directors and non-executive directors) and consultants to participate in the SOS. Options may only be granted (1) conditional on Admission or within (2) a period of 42 days from the day the SOS is adopted or (3) a period of 42 days immediately after the end of a close period affecting the Company or (4) any other period as the Board decides due to exceptional circumstances.

11.3.2 Option price

The price per share the participant has to pay to acquire the shares on exercise will be no less than the market value of the shares as at the date the option is granted (the “**date of grant**”) or the nominal value of the share (if higher). The market value of a share is the lesser of (a) the average market value of the share determined by reference to the opening price from 1 January to the closing price of 31 December in the year prior to the date of grant or (b) the mid-market value of the share as quoted on the London Stock Exchange on the business day immediately prior to the date of grant or the average mid-market price of the share as quoted on the London Stock Exchange in the three business days prior to the date of grant or (c) such other value as the Board determines to be the market value. Subject to the requirements of the listing rules, the Board may grant options with an option price which is lower than the market value of the shares as at the date of grant.

11.3.3 Exercise period

The option will first become exercisable on the date of grant. It can then be exercised at any time up to the day before the tenth anniversary of the date of grant provided it does not lapse early under the terms of the SOS.

11.3.4 Performance conditions

The Board has power to impose performance conditions which will need to be satisfied before an option can be exercised.

11.3.5 Cessation of employment

If the participant leaves the Company’s employment before the option is exercised (or serves or is served notice of termination), the treatment of the option will depend on the reason for leaving. A good leaver will keep the option in full and can exercise within a specified period while a bad leaver will lose the option. A good leaver is usually someone who dies or leaves by reason of ill health or incapacity, retirement, redundancy, sale of the participant’s employing subsidiary/business or another reason treated as a good leaver reason by the Board. A bad leaver is someone who leaves and is not a good leaver.

11.3.6 Allotment of shares

On a valid exercise of the option, the Board will arrange for shares to be issued to the participant as soon as practicable (usually within 30 days).

11.3.7 Suspension of allotment

No option can be exercised and no shares will be allotted on option exercise if the Company is in a close period or if the exercise or allotment will be in breach of applicable laws and regulations. Where this is the case, the shares will be allotted as soon as practicable. Exercise

of option may also be suspended if the participant is subject to disciplinary investigations or similar.

11.3.8 **Malus/clawback**

If the Board so decides, shares acquired on option exercise may be subject to clawback for a period of 12 months if e.g. the participant is found guilty of gross misconduct or similar, if there is material misstatement in the Company's accounts or material failure in risk management.

11.3.9 **Corporate event**

In the event of a takeover or similar, the option will become exercisable for a limited period and if not exercised, will lapse.

11.3.10 **Lapse of option**

An option will lapse (i) if performance condition (if any) imposed is not satisfied (ii) immediately or within a certain period on cessation of employment (iii) within a certain period after a corporate event (iv) if the participant becomes bankrupt or if the participant tries to assign, charge or otherwise disposes of the option (v) on the day before the tenth anniversary of the date of grant.

11.3.11 **Tax**

Tax and employee national insurance contributions arising in respect of the options under the SOS is the responsibility of the participant. The Board may also decide that as a condition for option exercise, the participant enters into an agreement to take on the responsibility of employer national insurance contributions.

11.3.12 **Nature of benefits**

Benefits under the SOS are not pensionable.

11.3.13 **Amendment**

The Board has power to amend the terms of the SOS provided that no amendment to the advantage of participants or eligible employees may be made to the definition of "Bad Leaver", "Employee", "Eligible Employee", "Good Leaver" "Market Value" and "Option Price", the exercise and lapse terms of the options and the limits of shares issuable under the SOS without shareholders' approval (except for minor amendments to benefit the administration of the SOS, to take account of a change in legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for participant or for the Company or any group member). No amendment to the detriment of participants in respect of options already granted can be made without the consent of the majority of affected participants.

11.3.14 **Overall limit**

No more than 15 per cent. of the issued share capital of the Company from time to time shall be issued or issuable under the SOS. At any time, the total market value (at the relevant dates of grant) of the shares that can be acquired on the exercise of all EMI Options over the shares must not exceed £3 million (or any other amount as may be specified by the legislation governing EMI Options at the relevant time).

11.3.15 **Duration**

The Board may terminate the SOS at any time (but such termination will not affect the options already granted under the SOS). The SOS will in any event terminate on the tenth anniversary of the date it was adopted.

12 MATERIAL CONTRACTS

The following contracts: (i) (not being contracts entered into in the ordinary course of business) have been entered into in the two years preceding the date of this document by any member of the Enlarged Group and are, or may be, material to the Enlarged Group or have been entered into by any member of the Enlarged Group and contain any provision under which any member of the Enlarged Group has any obligation or entitlement which is material to the Enlarged Group at the date of this document; or (ii) are subsisting agreements which are included within or which relate to the oil assets and liabilities of the Enlarged Group (notwithstanding whether such agreements are within the ordinary course or were entered into outside of the 2 years immediately preceding the publication of this document) and are, or may be material to the Enlarged Group:

Documents entered into by any member(s) of the Enlarged Group in connection with the Acquisition:

12.1 Acquisition Agreement

On 15 December 2023, the Company entered into a sale and purchase agreement (“Acquisition Agreement”) with the Sellers to acquire the entire issued share capital of EnergyPathways, (including the Performance Shares) and the Existing EPL Warrants. The Completion of the Acquisition was subject to and conditional upon the satisfaction of certain conditions, including, *inter alia*, Admission (such conditions having a long stop date of 31 December 2023).

Pursuant to the agreement, the Company agrees to acquire the EnergyPathways Shares, (including the Performance Shares) and the Existing EPL Warrants for an aggregate consideration of £2,720,555.40, to be satisfied by the issue and allotment of 68,013,885 Ordinary Shares in the capital of the Company on completion of the Acquisition. The consideration is to be apportioned between the Sellers and the holders of the Existing EPL Warrants *pro rata* to their interests in EnergyPathways.

Pursuant to the terms of the Acquisition Agreement, the EPL Shareholders have given the Company title and capacity warranties in relation to the issued share capital of EnergyPathways and the holders of the Existing EPL Warrants have given title and capacity warranties in relation to the Existing EPL Warrants. Painkalac Holdings Pty Ltd ATF Lighthouse Trust, Cresthaven Investments Pty Ltd ATF Bellini Trust (being companies through which Ben Clube and Stephen West respectively hold their shares in EnergyPathways) and Graeme Marks (together the “Warrantors”), have given customary warranties on the business, assets and financial and trading position of EnergyPathways. In addition, the Company has given the Sellers customary warranties around the business, assets and financial and trading position of the Company.

Pursuant to the terms of the Acquisition Agreement, the Warrantors will be subject to certain restrictive covenants for a period of 12 months from Admission which will prevent them from, *inter alia*, engaging with a business which competes directly or indirectly with a business of the Enlarged Group. The Warrantors and the Sellers also benefit from certain limitations on liability under the Acquisition Agreement. Completion of the Acquisition is also subject to various conditions, including Admission and the raising of at least £2,000,000 by the Company pursuant to the Placing.

The Company may terminate the Acquisition Agreement if the Sellers fail to comply with pre-completion obligations. In such circumstances, pursuant to the terms of the Acquisition Agreement, the Company will be entitled to convert up to £650,000 of costs incurred in relation to the Acquisition, Placing and Admission into ordinary shares in the capital of EnergyPathways.

The Acquisition Agreement is governed by the laws of England and Wales.

12.2 Convertible Loan Agreement

On 9 March 2023, the Company and EnergyPathways entered into a convertible loan agreement (the “Loan Agreement”) under which the Company (as lender) agreed to make available to EnergyPathways an unsecured term loan facility of a total principal amount of £200,000 (the “Loan”). EnergyPathways agreed to use the Loan for working capital purposes including, in particular, costs in relation to progressing its existing offshore gas project and new projects.

The Company advanced the Loan to EnergyPathways on 16 March 2023. Interest accrues on the Loan at a rate of 8 per cent. per annum on a day-to-day basis of a 365-day year. EnergyPathways agreed to repay the Loan to the Company in full together with any interest on the earlier of (i) the date of completion of the Acquisition; (ii) the date falling 12 months after the date of the Loan Agreement; and (iii) the date falling 6 months after the term sheet dated 9 March 2023 between EnergyPathways and the Company relating to the Acquisition and subject to the Company not proceeding with Admission. EnergyPathways shall be entitled to repay the Loan together with all accrued interest on any business day without any penalty.

The Company may at its sole discretion elect to convert some or all of the Loan together with any accrued interest into shares in the capital of EnergyPathways at a price of £0.025 per share at any time prior to the EnergyPathways providing written notice to the Company that the Loan will be repaid or repaid.

Documents entered into by any member(s) of the Enlarged Group in connection with Admission and/or the Placing:

12.3 Placing Agreement

On 15 December 2023, the Company, the Directors, the Proposed Directors, Cairn, Optiva and GIS entered into a placing agreement (“Placing Agreement”), pursuant to which Optiva and GIS were appointed as agents of the Company and conditionally agreed to use their reasonable endeavours to procure Placees for the Placing Shares at the Issue Price. Cairn is a party to the Placing Agreement in its capacity as nominated adviser to the Company in relation to Admission.

Under the Placing Agreement, the Company agreed to: (a) pay Optiva a commission of 6 per cent. of the gross proceeds raised from the issue of the Placing Shares at the Issue Price to investors introduced by Optiva as part of the Placing and a 1 per cent. commission on amounts raised by others but settled by Optiva/GIS; (b) pay GIS a commission of 6 per cent. of the gross proceeds raised from the issue of the Placing Shares at the Issue Price to investors introduced by GIS as part of the Placing and a 1 per cent. commission on amounts raised by others but settled by Optiva/GIS and (c) pay Cairn a corporate finance fee and (d) grant the Adviser Warrants.

The Placing Agreement contains warranties given to Cairn, Optiva and GIS by the Company, the Directors and the Proposed Directors and an indemnity given to Cairn, Optiva and GIS by the Company, with the liability of the Directors and the Proposed Directors in respect of the warranties being subject to individual limits. Cairn, Optiva and/or GIS are entitled, in certain customary circumstances, to terminate their obligations under the Placing Agreement at any time prior to Admission, including in the event of a material breach of warranties or a force majeure event. If such termination rights are exercised, the Placing will lapse and the Company will be required to pay Optiva and/or GIS the fees and expenses (other than commission) that are payable by it in accordance with the Placing Agreement.

The Placing Agreement is governed by the laws of England and Wales.

12.4 Nominated Adviser Agreement with Cairn

On 15 December 2023, the Company and Cairn entered into a nominated adviser agreement (“Nominated Adviser Agreement”) pursuant to which the Company appointed Cairn to act as nominated adviser to the Company with effect from Admission on an ongoing basis as required by the AIM Rules. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. These arrangements continue for an initial period of 12 months from Admission and will thereafter be terminable by either party by giving 3 months’ written notice. In addition to the Nominated Adviser Agreement, the Company and Cairn entered into an engagement letter dated 3 April 2023 (“Cairn Engagement Letter”) pursuant to which Cairn has agreed to act as the Company’s financial adviser in connection with Admission and the Company’s nominated adviser for the purposes of the AIM Rules. In consideration of the services set out in the Cairn Engagement Letter, the Company agreed to pay Cairn a transaction fee plus applicable VAT and disbursements. The Nominated Adviser Agreement and the Cairn Engagement Letter are governed by the laws of England and Wales.

12.5 Joint Broker Agreements

- 12.5.1 On 27 April 2023, the Company entered into a broker engagement letter with Optiva (“Optiva Broker Agreement”) to appoint Optiva as a broker to the Company in connection with the Placing and as broker to the Company following Admission. The Optiva Broker Agreement contains certain undertakings and indemnities given to Optiva which are customary in an agreement of this nature. In consideration of the services set out in the Optiva Broker Agreement, the Company agreed to pay Optiva a pre-Admission corporate advisory fee plus applicable VAT and disbursements and a placing commission in connection with the Placing, further details of which are set out in paragraph 12.3 of this Part VII. In addition, Optiva has been granted the Optiva Placing Warrants and the Optiva Performance Warrants on the terms set out in paragraphs 12.12 and 12.13 below. Following Admission Optiva will be paid an annual retainer to be paid in equal quarterly instalments in advance and a research fee payable as to fifty per cent at the commencement of the transaction and fifty per cent on publication of this document. The Optiva Broker Agreement is governed by the laws of England and Wales.
- 12.5.2 On 1 December 2023, the Company entered into a broker engagement letter with GIS (“GIS Broker Agreement”) to appoint GIS as a broker to the Company in connection with the Placing and as broker to the Company following Admission. The GIS Broker Agreement contains certain undertakings and indemnities given to GIS which are customary in an agreement of this nature. In consideration of the services set out in the GIS Broker Agreement, the Company agreed to pay GIS a placing commission in connection with the Placing, further details of which are set out in paragraph 12.3 of this Part VII. In addition, GIS has been granted the GIS Placing Warrants and the GIS Performance Warrants on the terms set out in paragraphs 12.14 and 12.15 below. Following Admission, GIS will be paid an annual retainer to be paid in equal quarterly instalments in advance. The GIS Broker Agreement is governed by the laws of England and Wales.

12.6 Subscription Letters

Certain investors have entered into subscription letters addressed to EnergyPathways in relation to the subscription of an aggregate of 34,750,000 Placing Shares, that are being placed by the Company directly with those investors. Pursuant to subscription letters, Lincoln Moore, Neil Cousins, Ben Clube (through Painkalac Holdings Pty Ltd ATF Lighthouse Trust), Ben Hodges (through Cayo Holdings Limited) and Stephen West (through Cresthaven Investments Pty Ltd ATF Bellini Trust), have subscribed for an aggregate of 1,925,000 Ordinary Shares. Mark Steeves’ wife has also subscribed for 125,000 Ordinary Shares pursuant to a subscription letter. The subscriptions are conditional on Admission. The letters are governed by English Law.

Commission Letter Agreements

- 12.7 On 7 December 2023 EnergyPathways entered into letter agreements with Horácio Carvalho, Stephen West and Mark Steeves, pursuant to which, in respect of the Placing, Mr Carvalho, Mr West and Mr Steeves are entitled to a commission of 5 per cent. on any sums raised by them below £600,000 and a commission of 6 per cent. on any funds raised by them equal to £600,000 or more. Each of Mr Carvalho, Mr West and Mr Steeves are entitled to be paid the commission in cash within 5 working days of EnergyPathways receiving an invoice for any such commission that becomes payable.

Lock-In Agreements

- 12.8 Certain of the Locked-In Shareholders (holding 29,182,135 Ordinary Shares representing 18.48 per cent. of the Enlarged Issued Share Capital) have entered into AIM Rule 7 Lock-in Agreements with the Company, Cairn, Optiva and GIS dated 15 December 2023, pursuant to the terms of which, such Locked-in Shareholder severally undertakes (*inter alia*) not to dispose of any interests (direct or indirect) in any of the Ordinary Shares held by them at Admission or subsequently acquired, for a period of 12 months commencing on the date of Admission (the “Lock-In Period”) except in limited circumstances (including, *inter alia*, upon the death of a Locked-in Shareholder; acceptance of a takeover offer; or pursuant to an intervening court order) and to use their reasonable endeavours to ensure that their related parties comply with such restrictions. For a period from 12 months from the

expiry of the Lock-in Period, each of the Locked-in Shareholders party to an AIM Rule 7 Lock-In Agreement has also agreed that (except in certain limited circumstances), they will only sell such Ordinary Shares through Optiva or GIS (and with the consent of Optiva or GIS and Cairn) so as to maintain an orderly market in the Company's Ordinary Shares (and to use their reasonable endeavours to ensure that their related parties comply with such restrictions).

- 12.9 Certain of the Locked-In Shareholders (holding 987,637 Ordinary Shares representing 0.63 per cent. of the Enlarged Issued Share Capital) have entered into Additional Lock-in Agreements with the Company, Cairn, Optiva and GIS dated 15 December 2023, pursuant to the terms of which such Locked-in Shareholder severally undertakes (*inter alia*) not to dispose of any interests (direct or indirect) in any of the Ordinary Shares held by them at Admission or subsequently acquired, for a period of 12 months commencing on the date of Admission (the "Lock-In Period") except in limited circumstances (including, *inter alia*, upon the death of a Locked-in Shareholder; acceptance of a takeover offer; or pursuant to an intervening court order) and to use their reasonable endeavours to ensure that their related parties comply with such restrictions. For a period from 12 months from the expiry of the Lock-in Period, each of the Locked-in Shareholders party to an Additional Lock-In Agreement have also agreed that (except in certain limited circumstances), they will only sell such Ordinary Shares through Optiva or GIS (and with the consent of Optiva or GIS and Cairn) so as to maintain an orderly market in the Company's Ordinary Shares (and to use their reasonable endeavours to ensure that their related parties comply with such restrictions).
- 12.10 Certain of the Locked-In Shareholders (holding a minimum of 34,345,330 Ordinary Shares representing approximately 21.75 per cent. of the Enlarged Issued Share Capital) have entered into Short Lock-in Agreements with the Company, Cairn, Optiva and GIS dated 15 December 2023, pursuant to the terms of which such Locked-in Shareholder severally undertakes (*inter alia*) not to dispose of any interests (direct or indirect) in any of the Ordinary Shares held by them at Admission or subsequently acquired, for a period of 6 months commencing on the date of Admission (the "Lock-In Period") except in limited circumstances (including, *inter alia*, upon the death of a Locked-in Shareholder; acceptance of a takeover offer; or pursuant to an intervening court order) and to use their reasonable endeavours to ensure that their related parties comply with such restrictions. For a period from 6 months from the expiry of the Lock-in Period, such Locked-in Shareholders have also agreed that (except in certain limited circumstances), they will only sell such Ordinary Shares through Optiva or GIS (and with the consent of Optiva or GIS and Cairn) so as to maintain an orderly market in the Company's Ordinary Shares (and to use their reasonable endeavours to ensure that their related parties comply with such restrictions).

In respect of certain Short Lock-In Agreements, for various Locked-In Shareholders, their 6 month lock-in period and their 6 month orderly market periods run concurrently and in respect only of a total of two-thirds of their shares (one-third of their total shares as at 15 December 2023 being subject to the lock-in and one-third of their total shares as at 15 December being subject to the orderly market arrangements).

- 12.11 The Orderly Market Shareholders (holding a minimum of 15,035,643 Ordinary Shares representing approximately 9.52 per cent. of the Enlarged Issued Share Capital) have entered into the Orderly Market Agreements pursuant to which each of them has undertaken that they shall not (and that they will use their reasonable endeavours to procure that their associates shall not), for a further period of 6 months or 12 months (subject to certain limited exceptions), deal or otherwise dispose of any such interests (a) without the prior written consent of Cairn, GIS and Optiva only through GIS or Optiva or for certain shareholders, or such other reputable broking service as the Orderly Market Shareholders shall, from time to time, determine provided that, in all cases, any such broker consults with GIS or Optiva in order to maintain an orderly market in the Ordinary Shares).

12.12 **Optiva Placing Warrants**

On 15 December 2023, the Company entered into a warrant deed with Optiva, pursuant to which the Company granted Adviser Warrants to Optiva to subscribe for 525,000 new Ordinary Shares ("Optiva Placing Warrants"), representing an amount equivalent in exercise value to 6 per cent. of the proceeds raised by Optiva in connection with the Placing at the Issue Price. The Optiva Placing Warrants are exercisable at the Issue Price and are exercisable either in whole or in part for a period of 3 years from Admission. The Optiva Placing Warrants are freely transferable.

12.13 **Optiva Performance Warrants**

On 15 December 2023, the Company entered into a warrant deed with Optiva, pursuant to which the Company granted Adviser Warrants to Optiva (“Optiva Performance Warrants”) to subscribe for 625,000 new Ordinary Shares, representing an amount equivalent in exercise value to £25,000 at the Issue Price. 50 per cent. of the Optiva Performance Warrants will vest if the 5-day volume weighted average price of the Ordinary Shares exceeds a 100 per cent. premium to the Issue Price. The remainder will vest at any time if the 5-day volume weighted average price of the Ordinary Shares exceeds a 200 per cent. premium to the Issue Price. The Optiva Performance Warrants are exercisable at the Issue Price and are exercisable either in whole or in part for a period of 3 years from Admission. The Optiva Performance Warrants are freely transferable.

12.14 **GIS Placing Warrants**

On 15 December 2023, the Company entered into a warrant deed with GIS, pursuant to which the Company granted Adviser Warrants to GIS (“GIS Placing Warrants”) to subscribe for 390,000 new Ordinary Shares, representing an amount equivalent in exercise value to 6 per cent. of the proceeds raised by GIS in connection with the Placing at the Issue Price. The GIS Placing Warrants are exercisable at the Issue Price and are exercisable either in whole or in part for a period of 3 years from Admission. The GIS Placing Warrants are freely transferable.

12.15 **GIS Performance Warrants**

On 15 December 2023, the Company entered into a warrant deed with GIS, pursuant to which the Company granted Adviser Warrants to GIS (“GIS Performance Warrants”) to subscribe for 625,000 new Ordinary Shares, representing an amount equivalent in exercise value to £25,000 at the Issue Price. 50 per cent. of the GIS Performance Warrants will vest if the 5-day volume weighted average price of the Ordinary Shares exceeds a 100 per cent. premium to the Issue Price. The remainder will vest at any time if the 5-day volume weighted average price of the Ordinary Shares exceeds a 200 per cent. premium to the Issue Price. The GIS Performance Warrants are exercisable at the Issue Price and are exercisable either in whole or in part for a period of 3 years from Admission. The GIS Performance Warrants are freely transferable.

12.16 **Cairn Warrants**

On 15 December 2023, the Company entered into a warrant deed with Cairn, pursuant to which the Company granted Adviser Warrants to Cairn (“Cairn Warrants”) to subscribe for 1,579,165 new Ordinary Shares, representing an amount equivalent in exercise value to 1 per cent. of the issued share capital of the Company. The Cairn Warrants are exercisable at the Issue Price and are exercisable either in whole or in part for a period of 5 years from Admission. The Cairn Warrants are freely transferable.

12.17 **Transaction Warrants**

On 15 December 2023, the Company entered into warrant deeds with each of Lincoln Moore, Neil Cousins and Cresthaven Investments Pty Ltd Bellini Trust, pursuant to which the Company granted warrants to Lincoln Moore and Neil Cousins and to Cresthaven Investments Pty Ltd ATF Bellini Trust (a company owned by Stephen West, a Proposed Director) to subscribe for 6,000,000 new Ordinary Shares in aggregate (“Transaction Warrants”). The Transaction Warrants are exercisable at the Issue Price and are exercisable either in whole or in part for a period of 7 years from Admission. The Transaction Warrants are freely transferable.

12.18 **PR Engagement Letter**

On 3 April 2023, the Company and Buchanan Communications Limited (“Buchanan”) entered into an engagement letter (“PR Engagement Letter”) pursuant to which the Company appointed Buchanan to act as public relations consultant to the Company with immediate effect in connection with the Acquisition and Admission. Following Admission, Buchanan will be paid an annual retainer. The PR Engagement Letter is governed by the laws of England and Wales.

Deeds of Novation and Conversion

12.19 On 15 December 2023 the Company and EnergyPathways entered into deeds of novation with Painkalac Holdings Pty Ltd (being an entity through which Ben Clube provides consultancy services to EnergyPathways), Cresthaven Investments Pty Ltd (ATF Bellini Trust) (a company through which Stephen West holds his Ordinary Shares), Graeme Marks, Cayo Holdings Limited and Alcester Projects Limited (being the entities through which Ben Hodges provides consultancy services) and such other persons owed fees for services rendered prior to Admission to EnergyPathways pursuant to which the amounts due and owing to those persons by EnergyPathways were novated to the Company. The Deeds of Novation and Conversion set out the amount of the debt that was to be satisfied by the issue of EP Accrual Shares and/or in cash (as applicable). The Deeds of Novation and Conversion are governed by the laws of England and Wales.

Company Debt Letters

12.20 On 15 December 2023, the Company and Painkalac Holdings Pty Ltd ATF Lighthouse Trust (“Painkalac Holdings”) (being the entity through which Ben Clube provides consultancy services) entered into a letter agreement pursuant to which the Company has agreed to settle the outstanding sum of £181,546 due to Painkalac Holdings as at Admission for services rendered to EnergyPathways prior to Admission, by issuing Painkalac Holdings 2,269,325 EP Accrual Shares (being equivalent to the cash amount of £90,773) on Admission with the remaining outstanding amount of £90,773 to be satisfied in due course by the issue to him of Ordinary Shares at the lower of the Issue Price at the market price at the time of issue of such shares. The issue of any such Ordinary Shares shall be conditional on the Company having sufficient share authorities in place and subject to such issue of Ordinary Shares not requiring Ben Clube (or any persons deemed to be acting in concert with him) to make an offer under Rule 9 of the Takeover Code. The letter agreement is governed by the laws of England and Wales.

12.21 On 15 December 2023, the Company and Graeme Marks entered into a letter agreement pursuant to which the Company agreed to settle the outstanding sum of £167,884 due to him as at Admission for services rendered by Graeme Marks to EnergyPathways prior to Admission, by issuing him 2,098,550 EP Accrual Shares (being equivalent to the cash amount of £83,942) on Admission with the remaining outstanding amount of £83,942 to be satisfied in due course by the issue to him of Ordinary Shares at the lower of the Issue Price and the market price at the time of issue of such shares. The issue of any such Ordinary Shares shall be conditional on the Company having sufficient share authorities in place and subject to such issue of Ordinary Shares not requiring Graeme Marks (or any persons deemed to be acting in concert with him) to make an offer under Rule 9 of the Takeover Code. The letter agreement is governed by the laws of England and Wales.

12.22 On 15 December 2023, the Company and Cresthaven Investments Pty Ltd (ATF Bellini Trust) (a company through which Stephen West holds his Ordinary Shares) entered into a letter agreement pursuant to which, the Company has agreed to settle the outstanding sum of £70,500 due to him as at Admission for services rendered by Stephen West to EnergyPathways prior to Admission, by issuing him 881,250 EP Accrual Shares (being equivalent to the cash amount of £35,250) on Admission with the remaining outstanding amount of £35,250 to be satisfied in due course by the issue to him of Ordinary Shares at the lower of the Issue Price and the market price at the time of issue of such shares. The issue of any such Ordinary Shares shall be conditional on the Company having sufficient share authorities in place to issue such Ordinary Shares and subject to such issue of Ordinary Shares not requiring Stephen West (or any persons deemed to be acting in concert with him) to make an offer under Rule 9 of the Takeover Code. The letter agreement is governed by the laws of England and Wales.

12.23 On 15 December 2022, the Company, Cayo Holdings Limited (“Cayo Holdings”) and Alcester Projects Limited (“Alcester Projects”) entered into a letter agreement pursuant to which the Company has agreed to settle the aggregate outstanding sum of £88,865 owed to Cayo Holdings and Alcester Projects (being the entities through which Ben Hodges provides consultancy services) as at Admission for services rendered to EnergyPathways prior to Admission as follows: £51,470 to be satisfied by the issue of 1,286,775 EP Accrual Shares on Admission with the remaining outstanding aggregate amount of £37,395 to be satisfied in cash with £8,856 being paid to Cayo Holdings and £28,539 being paid to Alcester Projects on Admission. The letter agreement is governed by the laws of England and Wales.

12.24 Pursuant to a letter agreement between the Company and Mark Steeves dated 15 December 2023, the Company has agreed to settle the outstanding sum of £5,000 due to him as at Admission for services rendered by Mark Steeves to EnergyPathways prior to Admission as follows: £2,500 to be satisfied by the issue of 62,500 EP Accrual Shares on Admission with the remaining outstanding amount of £2,500 to be satisfied in cash on Admission. The letter agreement is governed by the laws of England and Wales

12.25 Pursuant to letter agreements between the Company and certain consultants and other employees of EPL dated 15 December 2023, the Company has agreed to settle the aggregate outstanding sum of £256,867 due to those employees and consultants as at Admission for services rendered by them to EnergyPathways prior to Admission as follows: £88,671 to be satisfied by the issue of 2,216,774 Conversion Shares in aggregate on Admission, with an aggregate amount of approximately £144,031 to be satisfied in due course in cash and the remaining outstanding amount of approximately £24,165 to be satisfied in due course by the issue to them of Ordinary Shares at the lower of Issue Price and the prevailing market price at the time of issue of such shares. The issue of any such Ordinary Shares shall be conditional on the Company having sufficient share authorities in place to issue such Ordinary Shares and subject to such issue of Ordinary Shares not requiring any person receiving such shares, who is deemed to be acting in concert with any other members of the Concert Party, to make an offer under Rule 9 of the Takeover Code. The letter agreement is governed by the laws of England and Wales.

DSI Accrual Letters

12.26 On 11 December 2023 the Company entered into letter agreements with each of Neil Cousins, Lincoln Moore and certain other advisers of the Company agreeing to the issue of the DSI Accrual Shares to such persons on Admission in respect of services rendered by them to the Company prior to Admission. Under their respective agreements, Neil Cousins and Lincoln Moore each agreed to apply their accrued directors' fees of £36,000 each to subscribe for 900,000 Conversion shares each. The letter agreements are governed by the laws of England and Wales.

Documents entered into by Dial Square other than in relation to Admission, the Placing and/or the Acquisition:

12.27 Warrant Instrument – IPO Broker Placing Warrants

The Company created a warrant instrument dated 18 November 2022, pursuant to which the Company granted warrants over 75,000 Ordinary Shares to Optiva (the "IPO Broker Placing Warrants"). The IPO Broker Placing Warrants are exercisable at £0.05 each and until the third anniversary of IPO Admission.

12.28 Warrant Instrument – IPO Broker Performance Warrants

The Company created a warrant instrument dated 18 November 2022, pursuant to which the Company granted warrants over 500,000 Ordinary Shares to Optiva (the "IPO Broker Performance Warrants"). The IPO Broker Performance Warrants are exercisable at £0.05 each. The IPO Broker Performance Warrants will vest in two tranches, with 50 per cent. exercisable after the 5-day volume weighted average price of the Ordinary Shares exceeds a 100 per cent. premium to the price paid per ordinary share in connection with the fundraising conducted in conjunction with IPO Admission, being £0.05. A further 50 per cent. exercisable after the 5-day volume weighted average price of the Ordinary Shares exceeds a 200 per cent. premium to the price paid per ordinary share in connection with the fundraising conducted in conjunction with IPO Admission, being £0.05. Subject to the vesting criteria having been met, the IPO Broker Performance Warrants will be exercisable until the third anniversary of IPO Admission.

12.29 IPO Placing Agent Seed Warrants

The Company created a warrant instrument dated 18 November 2022, pursuant to which the Company granted warrants over 437,500 Ordinary Shares to Pello Capital Limited (the "IPO Placing Agent Seed Warrants"). The IPO Placing Agent Seed Warrants are exercisable at a price per Ordinary Share of £0.04 and until the third anniversary of IPO Admission.

12.30 **Founder Warrants**

On 18 November 2022, the Company created a warrant instrument, pursuant to which the Company granted 7,500,000 Founder Warrants to the Founders (the “Founder Warrants”). Each Founder Warrant entitles the holder to subscribe for one Ordinary Share with an exercise price of £0.05. The Founder Warrants are exercisable for a period of 5 years from IPO Admission.

Documents entered into by the EP Group other than in relation to Admission, the Placing and/or the Acquisition including material contracts which relate to the assets and liabilities of the EP Group including the Assigned Interest:

12.31 **Sale Purchase Agreement between EnergyPathways, EPIS and Burgate**

On 2 September 2021, EnergyPathways, EPIS and Burgate entered into a sale purchase agreement, pursuant to which Burgate agreed to assign and transfer to EPIS 100 per cent. of the legal and beneficial working interest in Block 110/4a, a sub-area of the licence (“Assigned Interest”). Pursuant to the terms of the share purchase agreement, EnergyPathways has agreed to guarantee the obligations of EPIS. On 3 December 2021, the parties agreed to amend certain terms of the sale purchase agreement by entering into an amendment agreement, pursuant to which EPIS was required to pay Burgate the sum of £5,000 as initial consideration upon receipt of NSTA approval. In addition, EPIS is required to pay Burgate the sum of £150,000 within five business days of the NSTA approving the FDP in respect of the Marram Field and the sum of £25,000 within five business days of the production of first commercial sales gas from the Marram Field (excluding any well production tests performed).

12.32 **Deed of assignment of licence**

On 8 March 2022, EPIS, Burgate and the NSTA entered into a deed of assignment pursuant to which Burgate assigned to EPIS all rights, interest, obligations and liabilities of Burgate in respect of the Assigned Interest.

12.33 **Royalty Agreement**

On 3 March 2022, EPIS and Burgate entered into a royalty agreement pursuant to which EPIS has granted Burgate a royalty. The royalty shall be payable in cash in sterling within 30 days of the end of each quarter in respect of every stream of petroleum that is produced from the Assigned Interest in respect of the quarter immediately preceding the date of payment. The consideration payable by Burgate to EPIS for the grant of the royalty was the execution by Burgate of an assignment agreement as consideration for the assignment of the Assigned Interest to EPIS.

12.34 **Licence Co-ordination Agreement**

On 3 December 2021, Burgate and EPIS entered into a Licence Coordination Agreement pursuant to which the parties acknowledged that as they are both licensees of the P2490 Licence (Head Licence), they will assume joint and several liability for the Head Licence liabilities, obligations and commitments and the licence work programme under the Head Licence. They will each, however, retain responsibility for all obligations, commitments and liabilities for their respective blocks; Burgate having retained responsibility for Block 110/9c and EPIS being responsible for Block 110/4a, will hold each other harmless in respect of any claims or liabilities due in relation to their respective blocks. Whereas EPIS was appointed lead licensee, this may be changed in certain circumstances, including where the lead licensee gives notice to withdraw from the Head Licence or where the lead licensee fails to make an NSTA Licence Term Request by the request date. Each party must nominate a representative to the Licence Coordination Committee (Committee) which is responsible for managing the Head Licence. The lead licensee is responsible for arranging and chairing all Committee meetings and has the sole controlling vote in respect of certain key Committee decisions. The supporting licensee retains control over decisions in respect of its own block, in this case Block 110/9c, whilst Burgate remains the supporting licensee.

12.35 **Deed of Guarantee**

On 11 January 2023, EnergyPathways entered into a deed of guarantee in respect of an award to EPIS of a United Kingdom petroleum licence(s) arising from the UK 33rd round of licence applications carried out by the NSTA (the Licence(s)). Under the deed of guarantee, EnergyPathways agreed to provide sufficient funds to enable EPIS to carry out its obligations in accordance with the terms of the Licence(s), and guaranteed that, if any sums become payable by EPIS to the NSTA under the terms of the Licence(s) and EPIS does not pay those sums on first demand, EnergyPathways shall pay the sums due to the NSTA.

12.36 **Existing EPL Warrants**

On 17 November 2021 and 30 December 2021, EnergyPathways created warrant instruments, pursuant to which EnergyPathways granted 20,000,000 Existing EPL Warrants to certain shareholders and advisers. Each Existing EPL Warrant entitles the holder to subscribe for one ordinary shares of EnergyPathways with an exercise price of £0.02 for a period of 5 years from the date of issuance. The Existing EPL Warrants will be acquired by the Company pursuant to the Acquisition Agreement in consideration for which the Company will issue and allot 2,000,000 Consideration Shares.

13 **LITIGATION**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Company is aware, which may have or have had during the 12 months immediately preceding the date of this document a significant effect on the financial position or profitability of the Company or the Enlarged Group.

14 **WORKING CAPITAL**

In the opinion of the Directors, having made due and careful enquiry, the working capital available to the Enlarged Group is sufficient for its present requirements, that is, for at least the next 12 months from the date of Admission.

15 **TAKEOVER CODE AND CONCERT PARTY RULES RELATING TO THE ORDINARY SHARES**

15.1 **Takeover Code**

The Company is subject to the provisions of the Takeover Code, including the rules regarding mandatory takeover offers, set out in the Takeover Code. Brief details of the Takeover Panel, the Takeover Code and the protections they afford are described below. The Takeover Code is issued and administered by the Takeover Panel. The Takeover Code applies to all takeover and merger transactions, however effected, where the offeree company is, inter alia, a listed public company with its registered office in the United Kingdom. As a listed public company with its registered office in the United Kingdom, the Company's Shareholders are entitled to the protections afforded by the Takeover Code. For the purpose of the Takeover Code, a takeover will include any transaction with an objective or potential effect (directly or indirectly) of obtaining or consolidating control of the Company. For this purpose, control is defined as an interest or interests in shares carrying more than 30 per cent. of the voting rights of a company, irrespective of whether such interest or interests give de facto control.

15.2 **Mandatory Bids**

Under Rule 9 of the Takeover Code, when (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company subject to the Takeover Code or (ii) any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him, acquires an interest in any other shares which

increases the percentage of shares carrying voting rights in which he is interested, then such person is normally required to make a general offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company.

An offer under Rule 9 of the Takeover Code must be in cash (or with a cash alternative) and must be at not less than the highest price paid within the preceding 12 months for any shares in the company by the person required to make the offer or any person acting in concert with him. Rule 9 of the Takeover Code further provides, among other things, that where any person who, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company, acquires an interest in shares which carry additional voting rights, then they will not generally be required to make a general offer to the other shareholders to acquire the balance of their shares. However, individual members of a concert party will not be able to increase their percentage interest in shares through or between a Rule 9 threshold without Takeover Panel consent. For the purposes of the Takeover Code, persons acting in concert comprise persons who, pursuant to an agreement or understanding (whether formal or informal), cooperate to obtain or consolidate control of a company. Paragraph (2) of the definition of 'acting in concert' also presumes that a company is acting in concert with its directors (together with their close relatives and the related trusts of any of them) for the purposes of the Takeover Code unless the contrary is established.

15.3 **Squeeze-out Rules**

Under the Companies Act, if a takeover offer (as defined in section 974 of the Companies Act) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the Ordinary Shares to which the takeover offer relates (the "Takeover Offer Shares") and not less than 90 per cent. of the voting rights attached to the Takeover Offer Shares within three months of the last day on which its offer can be accepted, it could acquire compulsorily the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will acquire compulsorily their Takeover Offer Shares and then, six weeks later, it would execute a transfer of the outstanding Takeover Offer Shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for the outstanding Shareholders. The consideration offered to the Shareholders whose Takeover Offer Shares are acquired compulsorily under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

15.4 **Sell-out Rules**

The Act also gives minority Shareholders the right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer relates to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted the offeror holds or has agreed to acquire not less than 90 per cent. of the Ordinary Shares (being voting shares that carry voting rights in the Company), any holder of Ordinary Shares to which the offer relates who has not accepted the offer is entitled by a written communication to the offeror to require it to acquire its Ordinary Shares. The offeror is required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of the minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, the giving of the notice. If a Shareholder exercises his other rights, the offeror is bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

15.5 Concert Party

Following Admission, the following shareholders will be presumed to be acting in concert for the purposes of the Takeover Code in relation to their shareholdings in the Company: (1) Zeta Petroleum plc, (2) Ben Clube (via Painkalac Holdings Pty Ltd ATF Lighthouse Trust), (3) Peter Nicholls (via Davis Kerford Pty Ltd and Mimosa Grand Pty Ltd), (4) Graeme Marks, (5) David Ormerod (via Ormerod Family Investments Trust), (6) Rohan Irvin (via Teggau Lake Pty Ltd), (7) Lee Reborse (via ROHI Nominees PTY Ltd), (8) Stephen West (via Cresthaven Investments Pty Ltd ATF Bellini Trust) and (9) Glenda Nicholls.

Name	As at the date of this document		On Admission	
	Number of Existing Ordinary Shares	Percentage of Existing Issued Share Capital	Number of Ordinary Shares	Percentage of Enlarged Issued Share Capital (excluding Options and Warrants)
Zeta Petroleum plc ¹	–	–	8,974,868	5.68%
Painkalac Holdings Pty Ltd ATF Lighthouse Trust ²	–	–	9,879,012	6.26%
Davis Kerford Pty Ltd ³	–	–	4,330,834	2.74%
Mimosa Grand Pty Ltd ³	–	–	1,229,137	0.78%
Graeme Marks	–	–	6,643,073	4.21%
Ormerod Family Investments Trust ⁴	–	–	3,796,616	2.40%
Teggau Lake Pty Ltd ⁴⁵	–	–	3,796,616	2.40%
ROHI Nominees PTY LTD ⁶	–	–	3,796,616	2.40%
Cresthaven Investments Pty Ltd ATF Bellini Trust ⁷	–	–	3,815,399	2.42%
Glenda Nicholls ⁸	–	–	747,905	0.47%
Total	–	–	<u>47,010,076</u>	<u>29.77%</u>

Notes:

1. a UK incorporated shell company, previously admitted to trading on the Australian Stock Exchange and a founder shareholder of the Company
2. a Company beneficially owned by Ben Clube, Managing Director of the Company and Emily Ruth Loader, partner of Ben Clube
3. a Company beneficially owned by Peter Nicholls, a founder shareholder of the Company
4. a Company beneficially owned by David Ormerod, a founder shareholder of the Company
5. a Company beneficially owned by Rohan Irvin, a founder shareholder of the Company
6. a Company beneficially owned by Lee Reborse, a founder shareholder of the Company
7. a Company beneficially owned by Stephen West, Non-executive Director of the Company
8. the spouse of Peter Nicholls

The interests of the members of the Concert Party listed above exclude any interests in Options or Warrants over Ordinary Shares that are held on Admission.

It is a condition of the agreements in relation to these Options and Warrants that they cannot be exercised if the result would be that the aggregate holding of the Concert Party would be over 29.9 per cent. of the enlarged voting rights of the Company. The Panel has not approved a waiver in relation to the obligations of Rule 9 in respect of any Options or Warrants held by the Concert Party.

Following Admission, if any of the members of the Concert Party listed above were to increase their interest in Ordinary Shares, with the result that the Concert Party is interested in aggregate in 30 per cent. or more of the Ordinary Shares in issue at the time, any such increase in their aggregate interest in Ordinary Shares will be subject to the provisions of Rule 9.

16 TAXATION

Taxation in the UK

The following information is based on UK tax law and HMRC practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional adviser immediately.

16.1 *Tax treatment of UK investors*

- (a) The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:
- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or
 - who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or
 - who are in any doubt as to their taxation position.
- (b) Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.
- (c) Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

16.2 *Dividends*

- (a) Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.
- (b) UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.
- (c) Dividend income received by UK tax resident individuals before 6 April 2024 will have a £1,000 annum dividend tax allowance. From 6 April 2024 the allowance reduces to £500.
- (d) Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received, but will not be entitled to claim relief in respect of any underlying tax.

16.3 *Disposals of Ordinary Shares*

- (a) Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.
- (b) The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent. and 20 per cent. for upper rate and additional rate taxpayers.
- (c) For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares, but will not create or increase an allowable loss.

- (d) Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 25 per cent. for profits in excess of £250,000, with profits below £50,000 to be taxed at 19 per cent., with profits between these values being subject to a marginal rate. The profit limits are reduced under certain circumstances, with close investment-holding companies not being entitled to the lower rate.

FURTHER INFORMATION FOR SHAREHOLDERS SUBJECT TO UK INCOME TAX AND CAPITAL GAINS TAX

16.4 ***“Transactions in securities”***

The attention of Shareholders, whether corporates or individuals, within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007 which, in each case, give powers to HMRC to raise tax assessments so as to cancel “*tax advantages*” derived from certain prescribed “*transactions in securities*”.

16.5 ***Stamp Duty and Stamp Duty Reserve Tax***

- (a) No stamp duty or stamp duty reserve tax will generally be payable on the issue of Ordinary Shares.
- (b) Neither UK stamp duty nor stamp duty reserve tax should arise on transfers of Ordinary Shares on AIM (including instruments transferring Ordinary Shares and agreements to transfer Ordinary Shares) based on the following assumptions:
- the Ordinary Shares are admitted to trading on AIM, but are not listed on any market (with the term “listed” being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and
 - AIM continues to be accepted as a “recognised growth market” as construed in accordance with section 99A of the Finance Act 1986).
- (c) In the event that either of the above assumptions does not apply, stamp duty or stamp duty reserve tax may apply to transfers of Ordinary Shares in certain circumstances.
- (d) HMRC has accepted that it will no longer seek to impose the 1.5 per cent. charge in respect of new issues of shares so long as they are an integral part of a capital raising, on the basis that the charges were not compatible with EU law. On 15 September 2023 HMRC introduced draft legislation confirming that it will not reintroduce the 1.5 per cent. charge on the issue of shares into clearance following the UK’s exit from the EU and the withdrawal of the appropriate EU legislation from 31 December 2023. This measure will be put forward in the next finance bill, due in March 2024, but with the legislation effective from 1 January 2024.
- (e) Any transfer of Ordinary Shares for consideration prior to admission to trading on AIM is likely to be subject to stamp duty or stamp duty reserve tax.
- (f) The above comments are intended as a guide to the general stamp duty and stamp duty reserve tax position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

THIS SUMMARY OF UK TAXATION ISSUES CAN ONLY PROVIDE A GENERAL OVERVIEW OF THESE AREAS AND IT IS NOT A DESCRIPTION OF ALL THE TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A DECISION TO INVEST IN THE COMPANY. THE SUMMARY OF CERTAIN UK TAX ISSUES IS BASED ON THE LAWS AND REGULATIONS IN FORCE AS OF THE DATE OF THIS DOCUMENT AND MAY BE SUBJECT TO ANY CHANGES IN UK LAWS OCCURRING AFTER SUCH DATE. LEGAL ADVICE SHOULD BE TAKEN WITH REGARD TO INDIVIDUAL CIRCUMSTANCES. ANY PERSON WHO IS IN ANY DOUBT AS TO THEIR TAX POSITION OR WHERE THEY ARE RESIDENT, OR OTHERWISE SUBJECT TO TAXATION, IN A JURISDICTION OTHER THAN THE UK, SHOULD CONSULT THEIR PROFESSIONAL ADVISER.

17 RELATED PARTY TRANSACTIONS

There are no related party transactions that the Company has entered into during the period covered by the historical financial information set out in Part IV up to the date of this document, save for in relation to:

- (a) the letters of appointment as non-executive directors for the Directors and Daniel Wilson (who has resigned as a director of the Company);
- (b) certain of the Short Lock-In Agreements and Orderly Market Agreements, further described in paragraphs 12.10 and 12.11 of part VII of this document;
- (c) the grant of Transaction Warrants to Directors, further described in paragraph 12.17 of part VII of this document
- (d) certain of the letter agreements in relation to the DSI Accrual Shares, further described in paragraph 12.26 of part VII of this document;
- (e) the grant of Founder Warrants, further described in paragraph 12.30 of part VII of this document.

18 INTELLECTUAL PROPERTY

- 18.1 There are no patents or other intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Group's business.
- 18.2 The Company is not aware of any patents, licences, industrial or commercial or financial contracts or new manufacturing processes on which the Company is dependent, aside from the registered domain name that the Company owns, which as at the close of business on 12 December 2023 (being the latest practicable date prior to the publication of this document) was www.dialsquareinvestments.com.

19 ACCOUNTING MATTERS

- 19.1 Save for the Placing and as disclosed in this document, there has been no significant change in the financial or trading position of the Company since 31 August 2023, being the date to which the Company Interim Financial Information as set out in Section B "*Interim Financial Information of the Company*" of Part IV "*Historical Financial Information*" of this document has been prepared.
- 19.2 Save for as disclosed in this document, there has been no significant change in the financial or trading position of the EP Group since 30 June 2023, being the date to which the EP Group *Interim Financial Information* as set out in Section E "*Interim Financial Information of the EP Group*" of Part IV "*Historical Financial Information*" of this document has been prepared.
- 19.3 The EP Group Financial Information relating to the EP Group as set out in Section C "*Historical Financial Information of the EP Group*" of Part IV "*Historical Financial Information*" of this document does not constitute statutory accounts. Crowe, the Company's reporting accountant, is a member firm of the Institute of Chartered Accountants in England and Wales.
- 19.4 The Issue Price of £0.04 represents a premium over the nominal value of each Ordinary Share, such nominal value per Ordinary Share being £0.01. The net asset value per Ordinary Share as at 31 August 2023 was £0.0245.
- 19.5 The statutory accounting reference date of the Company is 31 December.

20 GENERAL

- 20.1 Cairn is registered in England and Wales under registration number OC351689 and its registered office is 9th Floor, 107 Cheapside, London EC2V 6DN. Cairn is acting as nominated adviser to the Company in connection with Admission and Optiva and GIS are acting as joint brokers in connection with the Placing. GIS is acting as placing agent in connection with the Placing. Optiva, and GIS are authorised and regulated entities in the United Kingdom by the FCA.
- 20.2 Save as disclosed in this document, no person (other than the Company's professional and strategic advisers, Lincoln Moore, Neil Cousins and trade suppliers) has at any time within the 12 months

preceding the date of application for admission to AIM received, directly or indirectly, from the Company or entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission any fees, securities in the Company or any other benefit to the value of £10,000 or more.

- 20.3 Save as set out in this document, there are no principal investments in progress or principal future investments on which the Board has made a firm commitment. There are no mandatory takeover bids outstanding in respect of the Company and none has been made either in the last financial year or the current financial year of the Company.
- 20.4 No public takeover bids have been made by third parties in respect of the Company's issued share capital in the current financial year or in the last financial year.
- 20.5 Where information has been sourced from a third party this information has been accurately reproduced. So far as the Company and the Directors are aware and are able to ascertain from information provided by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 20.6 The Company is not aware of any arrangements which may at a subsequent date result in a change in control of the Company.
- 20.7 Cairn has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name (or the names of members of its group, as applicable) and references thereto in the form and context in which they appear.
- 20.8 Optiva has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name (or the names of members of its group, as applicable) and references thereto in the form and context in which they appear.
- 20.9 GIS has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name (or the names of members of its group, as applicable) and references thereto in the form and context in which they appear.
- 20.10 RPG Crouch Chapman has given and not withdrawn its written consent to the inclusion of its reports dated 3 October 2022, and 25 May 2023 in Part IV, Section A of this document and the references to its report in the form and context in which they appear and has authorised the contents of that report for the purposes of Schedule Two of the AIM Rules.
- 20.11 Crowe has given and not withdrawn its written consent to the inclusion of its accountants reports dated 15 December 2023 in Section C *"Accountant's Report on the Historical Financial Information of the EP Group"* of Part IV *"Historical Financial Information"* and Section A *"Accountant's Report on the Unaudited Pro Forma Statement of Net Assets of the Company"* of Part V *"Pro Forma Financial Information"* of this document and the references to its reports in the form and context in which they appear and has authorised the contents of the reports for the purposes of Schedule Two of the AIM Rules.
- 20.12 RISC has given and has not withdrawn its written consent to the inclusion of its report dated 20 November 2023 in Part III of this document and the references to its report in the form and context in which they appear and has authorised the contents of that report for the purposes of Schedule Two of the AIM Rules.
- 20.13 The Company has no administrative, management or supervisory bodies other than the Board and the Audit and Remuneration committees, both of whose members are Directors.
- 20.14 None of the Directors is aware of any environmental issues that may affect the Enlarged Group's assets.
- 20.15 None of the Directors is aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Enlarged Group's prospects for at least the current financial year.

20.16 CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of shares under CREST. The Company's issued and to be issued Ordinary Shares are admitted to CREST.

20.17 In respect of uncertificated shares, it is expected that shareholders' CREST accounts will be credited at 8.00 a.m. on the date of Admission.

20.18 It is expected that definitive share certificates will be despatched by hand or first class post in the week falling two weeks from Admission.

20.19 The percentage dilution incurred by shareholders holding Existing Ordinary Shares as a result of the issue of the New Ordinary Shares to the extent they do not participate in the Placing is approximately 83 per cent.

21 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available at the Enlarged Group's website, from the date of Admission:

21.1 the articles of association of the Company; and

21.2 the CPR set out in Part III of this document.

22 AVAILABILITY OF THIS DOCUMENT

Copies of this document will be available for inspection during normal business hours on any day (except Saturdays, Sundays and UK public holidays) at the registered office of the Company and on the Enlarged Group's website at www.energypathways.uk from the date of this document until the date which is one month after Admission.

