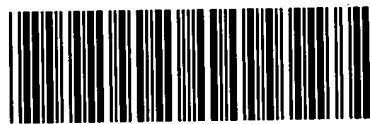


Deltic Energy Plc
Annual Report & Accounts 2025

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Chairman's and Chief Executive's Statement

In 2014, Deltic Energy refined its strategic focus to capitalise on the UK's exploration-friendly fiscal and regulatory framework, which was specifically designed to encourage smaller companies and new entrants to the UKCS to invest in the identification and maturation of exploration opportunities across the basin. However, the past decade has proved to be the most challenging period in which to establish a new UK-focused exploration and appraisal business since oil and gas was first discovered in the North Sea in the 1960's.

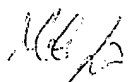
During this period, the business has had to navigate a global pandemic, unprecedented volatility in oil and gas prices, the imposition of a punitive fiscal regime for oil and gas companies, and an increasingly challenging policy environment. This has included moratoria on unconventional gas projects and, more recently, a ban on the issuance of new licences, a presumption against oil and gas drilling, and the failure to approve new development consents.

Against this backdrop, Deltic has established itself as one of the most successful small exploration and appraisal-focused companies operating in the United Kingdom Continental Shelf ('UKCS'). This success is reflected in a strong track record of achievements, including awards in multiple licence rounds, farm-outs to Shell, Cairn Energy and Dana Petroleum, participation in the acquisition of two new 3D seismic surveys and, ultimately, a 100% exploration drilling success rate that delivered two major gas discoveries in the Southern North Sea.

Notwithstanding Deltic's clear technical and operational successes, the geopolitical and fiscal environment continues to undermine the investment case for UK-focused companies such as Deltic, which remain reliant on the equity capital markets to fund the progression of their asset base. As a result, a number of larger, cash-generative UKCS focused entities have begun to acquire assets that may offer longer-term strategic value should the UK Government adopt a more pragmatic approach to the domestic oil and gas sector in future.

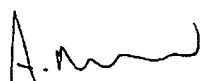
It is in this context that the achievements of the Deltic team and the quality of our asset portfolio, including the Selene discovery, have once again been recognised by the industry, resulting in significant interest in the business following the lapse of the RockRose proposal on 31 March 2026. The Company subsequently received a number of approaches and, as announced on 7 May 2026, accepted the proposed acquisition of the entire issued and to be issued ordinary share capital of Deltic by NEO NEXT+, a leading UKCS-focused oil and gas producer.

On 24 June 2026, shareholders voted overwhelmingly in favour of the acquisition of Deltic by NEO NEXT+ and, subject to NSTA approval, the transaction is expected to complete in the coming months. We would like to thank our shareholders and staff for their continued support throughout this process, and we look forward to seeing NEO NEXT+ advance the Selene discovery and Deltic's other assets towards production.



Mark Lappin
Chairman

25 June 2026



Andrew Nunn
Chief Executive Officer

25 June 2026

Operational Review

P2437 – Selene Discovery

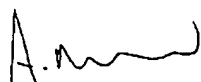
The joint venture progressed key subsurface technical activities during 2025. Routine and special core analyses were completed on samples from the 48/8b-3z appraisal well. Reprocessing of available 3D seismic datasets across Selene and the adjacent Endymion exploration prospect commenced during the period and is expected to complete in quarter-three 2026. The outputs will be used to update integrated subsurface interpretations and support revised static and dynamic reservoir models.

P2672 – Blackadder Appraisal Opportunity

During the period, Deltic acquired seismic field tapes and associated datasets required to enable 3D seismic reprocessing over the Blackadder discovery. The reprocessing project has been tendered and a preferred contractor selected. Processing is scheduled to commence in Q2 2026 and is expected to take approximately six to seven months to complete, supporting appraisal planning.

P2646 – Dewar Exploration Project

The Dewar project remained under care and maintenance throughout 2025, with no material operational activity undertaken.



Andrew Nunn
Chief Executive Officer

25 June 2026

Environmental, Social and Governance

Given the micro-cap scale of the Deltic business, mandatory compliance with the Recommendations of the Task Force for Climate-related Financial Disclosures ("TCFD") is not required. However, Deltic is working towards compliance with relevant aspects of the guidance.

The disclosures set out below are therefore voluntary and are focused on the areas which Deltic believes are most directly relevant to the business. They are made in good faith and are a demonstration of Deltic's ambitions to comply with the recommendations as and when they become applicable to the business and are not intended to demonstrate full compliance with the recommendations at this point in time.

TCFD disclosures are categorised into four key areas – Metrics and Targets, Risk Management, Strategy and Governance as summarised in the table below:

TCFD Recommendations	Deltic Disclosures
Metrics and Targets <i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</i>	Deltic has historically disclosed either management, or an independent, estimate of the Company's Scope 1, 2 & 3 emissions. For the period, Deltic management has prepared an estimate of the Company's emissions footprint using a methodology broadly consistent with that used to prepare the independent estimates reported for 2024 and 2023. Deltic's combined Scope 1, 2 & 3 emissions for the period 1 November 2024 to 31 October 2025 were estimated at 16.84 Tonnes CO₂e. Methodologies used to calculate this estimate are broadly compliant with ISO 14064 and the GHG Emissions Protocol Accounting Standard.
Risk Management <i>Disclose how the Company identifies, assesses and manages climate-related risks</i>	The Company is in the process of extending its Risk Management Procedure to address Climate Related Risks including the compilation of a Risk and Opportunity Register which incorporate ESG and political factors in addition to more traditional technical and corporate risk factors. Key areas of focus include: • Political and Government Policy Risks including net zero policies, changes to the hydrocarbon licensing regime & fiscal regime changes impacting both E&P taxation and environmental taxation • Social Licence to Operate and changing views of the E&P industry • Emerging Technology – carbon capture and storage (CCS), Hydrogen & emissions reduction opportunities
Strategy <i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning</i>	The Deltic Board recognises a range of risks and opportunities within the climate-related space that may affect the business and is supportive of adopting a transparent and auditable approach to risk management at a strategic and operational level.

where such information is material	The inclusion of climate-related risks within the Risk Register is the first step to ensuring that the Company's strategy and activities in the UKCS are resilient to a range of climate change scenarios.
Governance Disclose the organisation's governance around climate-related risks and opportunities	The implementation of a robust risk management process for all of Deltic's activities is a key focus for the Board. An extension of the Company's risk management process to encompass climate-related risks will ensure that relevant climate related risks are identified and managed in a transparent and consistent manner. The output of the risk management process will be reviewed by the Board on a regular basis and be incorporated into reviews of Company strategy and direction to Deltic management.

Climate Related Emissions and Energy Performance

As a non-producing office-based organisation with no operated offshore activity in the 2025 reporting period, the magnitude of climate-related emissions associated with the Company's activities is limited. Deltic has prepared an assessment of its Scope 1, 2 & 3 climate-related emissions between 1 November 2024 and 31 October 2025 utilising a methodology consistent with estimates completed historically.

Deltic reports its estimated GHG emissions in relation to its operated assets in the UK.

	Reporting Units	2025 ^a	2024 ^b	2023 ^b	2022 ^a
Direct GHG Emissions (Scope 1)	kgCO ₂ e	0	0	0	0
Indirect GHG Emissions (Scope 2)	kgCO ₂ e	5,170	7,790	6,807	6,419
Indirect GHG Emissions (Scope 3)	kgCO ₂ e	11,483	13,804	14,968 ^c	N/A
Total Scope 1 & 2 Emissions	kgCO₂e	5,170	7,790	6,807	6,419
Carbon Intensity	kgCO ₂ /boe	N/A	N/A	N/A	N/A
Methane Intensity	%	N/A	N/A	N/A	N/A
Energy Consumption	kWh	29,207	37,628	32,872	34,427

a) Deltic's Scope 1 & 2 climate-related emissions as estimated by Deltic Management

b) Deltic's climate-related emissions as estimated by Carbon Neutral Britain

c) Since 20 Jan 2020 our Fixed Business Plan, which accounts for 24,103 kWh of our total Scope 2 emissions in 2025 is on a 100% renewable electricity tariff.

The reduction in Scope 2 GHG emissions is primarily a result of a technical issue which resulted in the office HVAC system being shut down for a number of months in the second half of 2025. The reduction in Scope 3 GHG emissions in 2025, when compared to previous years, is due to a combination of reduced head count, an increase in staff working from home and a material reduction in business related air travel during the year.

Health & Safety Performance

The health and safety of our staff, contractors and other stakeholders remained a key focus as we continued to progress our assets both before and during the offer period. There were no reportable incidents or lost time injuries ('LTIs') reported in conjunction with the Company's activities in 2025.

The Company records health and safety performance and statistics in compliance with the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ("RIDDOR").

	2025	2024	2023	2022
First Aid Incidents	0	0	0	0
Lost Time Injuries (1-7 days)	0	0	0	0
RIDDOR Reportable	0	0	0	0
Fatalities	0	0	0	0
Estimated Total Work Hours	8,796	9,397	11,403	10,624

Financial Review

Overview

The Company started the year with a cash balance of £1.4 million and ended the year on 31 December 2025 with a cash balance of £1.6 million.

On 30 June 2025, the boards of Rockrose Energy Limited ("Viaro Bidco") a wholly-owned subsidiary of Viaro Energy Limited ("Viaro Energy") and Deltic announced that they had reached agreement on the terms of a recommended cash offer for the entire issued and to be issued ordinary share capital of Deltic (the "Viaro Acquisition"), intended to be implemented by way of a court-sanctioned scheme of arrangement. The Acquisition lapsed on 31 March 2026. On 7 May 2026, the Company announced that it had recommended the proposed Acquisition of the entire issued ordinary share capital by NEO NEXT+.

To support the Company's liquidity position during the period to completion of the Viaro Acquisition, on 30 June 2025, Deltic entered into a two-year term loan with Viaro Bidco whereby Viaro Bidco agreed to make available to the Company funding of £2.7 million ("Term Loan"). The Term Loan was fully drawn down in 2025. The loan was unsecured and accrues interest at a rate of 10 per cent. per annum on the principal drawn. Post period end, the Term Loan was repaid and replaced by a bridging loan of up to £2.9 million (the "Bridge Financing"), further details of which are set out below.

In December 2025, the Company entered into a deferred repayment agreement (the "Deferred Repayment Agreement") with Shell U.K. Limited ("Shell") as operator of the P2437 licence ("Selene"), in relation to the payment of: (i) in aggregate, £1.5 million, being the sums that have accrued to Deltic's account in relation to the successful Selene exploration well from April 2025 to October 2025; and (ii) any further sums accruing to Deltic in relation to Selene after October 2025 (together the "Deferred Amounts"). Under the Deferred Repayment Agreement, Deltic's payment of the Deferred Amounts to Shell has been extended from February 2026 to August 2026, although Deltic may request extensions of this date for a total of up to nine months.

Loss for the year

The Company incurred a loss for the year to 31 December 2025 of £2.1 million (2024: £2.8 million before the write down of intangible assets). Administrative expenses of £1.9 million (2024: £3.0 million) were incurred during the year.

In the prior year, Deltic announced that it had completed the farm out of a 25% interest in Licence P2437, containing the Selene Prospect, Dana Petroleum (E&P) Limited ("Dana"). Dana paid the Company £1.0 million in cash on completion in relation to back costs incurred by Deltic. The Company recognised a gain of £0.1 million on the farm out of Licence P2437 to Dana which is included as other operating income in the prior year.

Finance income of £0.0 million (2024: £0.1 million) was earned on short-term high interest-bearing deposits. Finance costs of £0.2 million were incurred in the year (2024: less than £0.1 million) primarily relating to interest payable on the term loan and Deferred Payment Agreements.

Corporation tax is recognised in respect of finance income earned and finance costs incurred during the year. As a result, for 2025 the Company has recognised an income tax receivable of less than £0.1 million (2024: income tax payable of less than £0.1 million). The Company has incurred expenditure since incorporation on UK exploration and appraisal activities that gives rise to a potential tax asset of £65.7 million that can be utilised to offset future taxation.

There were no impairments recognised in 2025. In the prior year, the Company recognised an impairment of £18.0 million resulting from the decision to notify the partners of Licence P2252 of the Company's intention to withdraw from the Pensacola licence. Also in the prior year, the Company recognised a write down of £0.4 million resulting from the relinquishment of P2542 (Syros).

Balance Sheet

The Company had total capital and reserves as at 31 December 2025 of (£1.1) million (2024: £0.9 million).

The value of exploration assets increased by less than £0.1 million (2024: decrease of £15.6 million) to £2.0 million (2024: £1.9 million) primarily reflecting expenditure incurred on Selene and Blackadder, offset by £0.7 million (nil) derecognition of Selene exploration costs that are payable by Dana Petroleum E&P Limited ('Dana') under the farm-out of the Selene licence to Dana in 2024 .

Property, plant and equipment of £0.5 million (2024: £0.1 million) includes a right of use asset relating to the office lease. In April 2025, the Company entered into a new five-year office lease for its current registered office. The lease commenced in April 2025 for a five-year term, with a two-year break clause in April 2027. Annual rent of £0.1 million is payable quarterly in advance.

The Company's cash position at 31 December 2025 was £1.6 million (2024: £1.4 million) with the year-on-year increase primarily reflecting the drawdown of the £2.7 million Term Loan, partially offset by general and administrative costs and investment in licence related activities.

Total current liabilities, which include short-term creditors, accruals, provisions and lease liabilities were £3.2 million (2024: £1.6 million). Liabilities of £0.5 million (2024: £0.1 million) are due to trade creditors. Liabilities of less than £0.1 million (2024: £0.4 million) are due to the joint venture Operator for payments associated with operations. Other payables and accruals of £2.5 million (2024: £1.4 million) represent liabilities due under the Selene and Pensacola Deferred Payment Agreements. In the prior year, total non-current liabilities of £0.9 million represented liabilities due under the Pensacola deferred repayment agreement agreed.

Total non-current liabilities were £3.2 million (2024: £0.9 million) represented by £2.8 million due under the Term Loan (including interest) and lease liabilities of £0.4 million (2024: nil) related to the extension of the office lease.

Cash flow

As at 31 December 2025, the Company held cash and cash equivalents of £1.6 million (2024: £1.4 million). The Company generated a net cash inflow for the year of £0.2 million (2024: net outflow of £4.1 million).

A net cash outflow of £1.8 million (2024: £2.5 million) was incurred from operating activities, reflecting general and administrative costs.

A net cash outflow of £0.5 million (2024: £1.5 million) was utilised in investing activities, primarily in respect of exploration and evaluation expenditure. During the prior year, £2.6 million was invested in exploration and evaluation assets, partially offset by £1.0 million of proceeds received in relation to back costs incurred by the Company as part of the farm-out of a 25% interest in the Selene licence to Dana.

During the year, the Company drew down the full sum available under the Term Loan. The loan was unsecured and bore interest at a rate of 10% per annum on the principal drawn. The Company incurred interest costs of £0.1 million (2024: less than £0.1 million), primarily relating to the Term Loan and the Selene and Pensacola Deferred Payment Agreements.

Going concern

As part of the preparation of the Company's financial statements, the Directors have assessed the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

On 7 May 2026, the boards of NEO NEXT+ Energy Upstream UK Limited ("NEO NEXT+") and Deltic announced a recommended cash offer for the entire issued and to be issued ordinary share capital of Deltic (the "Acquisition") by way of a court-sanctioned scheme of arrangement.

On 24 June 2026, Deltic shareholders voted overwhelmingly to support the acquisition of Deltic by NEO NEXT+ which remains subject principally to NSTA approval of the transaction which is currently expected to complete before the end of quarter-three 2026.

In connection with the Acquisition, NEO NEXT+ agreed to provide the Bridge Financing for up to £2.9 million to repay the Term Loan which was repaid on 18 May 2026, including fees, costs and expenses due and payable to Viaro Bidco in relation to the Term Loan. The Bridge Financing is fully drawn, unsecured, and accrues interest at a rate of 10 per cent. per annum on the principal drawn down.

NEO NEXT+ has also undertaken to pay, or procure the payment of, certain costs reasonably and properly incurred by Deltic in connection with the Acquisition. The costs undertaking is capped at a maximum aggregate amount of £550,000. The Company does not expect the costs associated with the Acquisition to be materially more than £550,000.

The Company currently has sufficient cash resources to fund its near-term corporate costs. However, it does not have sufficient liquidity to settle its deferred payment obligations as they fall due without access to additional funding. In the absence of the Acquisition completing by the end of quarter-three 2026, the Directors anticipate that the Company would be required to raise additional capital in the going concern period to:

- Settle any deferred repayment amount to Shell and Adura, as follows.
 - I. On 12 December 2025, Deltic announced that it had entered into a Deferred Payment Agreement with Shell U.K. Limited as operator of the P2437 Selene licence, in relation to the payment of: (i) in aggregate, £1.5 million being the sums that have accrued to Deltic's account in relation to the successful Selene exploration well from April 2025 to October 2025; and (ii) any further sums accruing to Deltic in relation to Selene after October 2025. Under the Deferred Payment Agreement with Shell, Deltic's payment of these amounts has most recently been extended to 27 August 2026. Deltic may request further extensions of this date for a total of up to nine months from 27 February 2026 to 27 November 2026, with the decision to grant any such extensions being at Shell U.K. Limited's sole discretion. The Selene Deferred Payment Agreement is repayable upon completion of the Acquisition.
 - II. In September 2024, Deltic agreed a deferred repayment agreement with its Pensacola joint venture partners whereby Deltic has a 24-month period from September 2024 to repay £0.9 million due to the joint venture. This agreement was subsequently assigned to Adura Energy Limited ('Adura') following the transfer of certain Shell and Equinor UKCS assets into the newly-formed Adura. Deltic may request an extension of up to a further 12 months to September 2027, with the decision to grant such an extension being at Adura's sole discretion.
- Continue to fund the Company's share of the Selene work program ; and
- Cover the Company's general corporate operating costs.

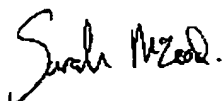
Against this backdrop, the Directors believe that the Acquisition represents certainty for Deltic's Shareholders in relation to the future of the Company. The Directors expect that the Acquisition will complete prior to the deferred payment obligations becoming payable. Upon completion, the Company will have access to additional financial resources under NEO NEXT+, enabling it to meet its liabilities as they fall due and continue operations throughout the going concern period.

In the event that the Acquisition does not complete as anticipated, the Company would need to secure additional funding. The options available to the Company would include increasing the existing NEO NEXT+ Bridge Financing, renegotiating the Deferred Payment Agreements and/or raising further capital.

The Directors believe that, in the absence of the Acquisition completing before the end of Q4 2026, the Company would be in an extremely challenging financial position and the Directors might have no option but to place the

Company into administration. Should administrators be appointed, it is not known how much, if any, value would be returned to Shareholders.

These circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors have a reasonable expectation that the Acquisition will complete before the end of quarter-three 2026 and that the Company will thereafter have access to sufficient financial resources from NEO NEXT+ to trade solvently during the going concern period. Accordingly, the financial statements have been prepared on a going concern basis. The Independent Auditor's Report to the members of Deltic Energy Plc for the year ended 31 December 2025 refers to this material uncertainty surrounding going concern.



Sarah McLeod
Chief Financial Officer

25 June 2026

Business Risks

Principal business risks

The Directors have identified the following principal risks in relation to the Company's future performance. The relative importance of these risks may change over time as the Company progresses its strategy and in response to developments in the external business environment. Operations in the UKCS have become increasingly challenging in recent years. Changes to the fiscal and regulatory regime, including the introduction of additional taxation measures and a more restrictive policy stance towards oil and gas activity, have contributed to a deterioration in investor sentiment. This evolving landscape has undermined the investment case for UK-focused exploration and appraisal companies, limiting access to equity capital and increasing the difficulty of funding asset progression.

Financial

The Company's principal financial risk is its ability to continue as a going concern and to fund its activities. Historically, this has been dependent on the Company's ability to raise additional capital and/or enter into commercial and financial arrangements with third parties, the availability and terms of which are influenced by market conditions, investor sentiment and the broader UKCS fiscal and regulatory environment. While the proposed acquisition by NEO NEXT+ is expected to provide access to financial resources and reduce funding uncertainty, until completion the Company remains exposed to the risk that additional funding may be required. There can be no assurance that such funding would be available in a timely manner, on favourable terms, or at all, and a lack of funding could result in delays or the deferral of the Company's activities.

Strategic

Strategy risk

The Company's strategy may not deliver the results expected by shareholders. The Directors regularly monitor the appropriateness of the strategy, taking into account both internal and external factors, and the progress in implementing the strategy, and modify the strategy as may be required based on developments. Key elements of this process are regular strategy reviews, monthly reporting, and regular Board meetings.

Operational

Exploration and development risk

Activities within the Company's licences may not result in commercial development or otherwise realise value. There is no certainty of success from the existing portfolio of licences. The Company seeks to mitigate the exploration risk through the experience and expertise of the Company's specialists, and the selection criteria used by the Company when identifying prospective areas for licence applications. The Company also has an objective to seek additional exploration and development assets, in order to diversify the Company's portfolio of assets and hence risk.

Other business risks

In addition to the current principal risks identified above and general business risks, the Company's business is subject to risks inherent in hydrocarbon exploration, development and production activities. There are a number of potential risks and uncertainties which could have a material impact on the Company's long-term performance and could cause actual results to differ materially from expected and historical results.

The Directors regularly monitor such risks, using information obtained or developed from external and internal sources, and will take actions as appropriate to mitigate these. Effective risk mitigation may be critical to the Company in achieving its strategic objectives and protecting its assets, personnel and reputation. The Company assesses its risk on an ongoing basis to ensure it identifies key business risks and takes measures to mitigate these. Other steps include regular Board review of the business, monthly management reporting, financial operating procedures and anti-bribery management systems. The Company reviews its business risks and management systems on a regular basis, and through this process, the Directors believe they have identified the principal risks.

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 explain in this annual report, and reference below, how the Board engages with stakeholders.

Likely consequence of any decision in the long term

The Chairman's and Chief Executive's Statement at page 3 in this Annual Report, set out the Company's long-term rationale and strategy.

Interests of Employees

The Company's Corporate Governance Statement at page 15 of this Annual Report sets out under board responsibilities the processes in place to safeguard the interests of employees.

The Board has considered how employee working practices have developed beyond the COVID crisis of 2020/2021 and have implemented a more flexible and efficient ways of working.

Further information is also provided in the Environment, Social and Governance statement at page 5-7 of this Annual Report.

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 a commitment to ensure operations are conducted with as limited as possible environmental impact.

The Company regularly reviews its Health, Safety & Environment ('HSE') and other policies and works responsibly with suppliers, and 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 at pages 15-17 sets out the Board and Committee structures and extensive board and committee meetings held during 2025, together with the experience of executive management and the Board and the Company's policies and procedures.

Act fairly between stakeholders

The Board regularly reviews the Company's principal stakeholders and how it engages with them. This is achieved through information provided by management and by direct engagement with stakeholders themselves.

Investing Policy

In addition to the development of the North Sea gas licences the Company has acquired to date, the Company proposes to continue to evaluate other potential oil and gas projects in line with its investing policy, as it aims to build a portfolio of resource assets and create value for shareholders. As disclosed in the Company's AIM Admission Document in May 2012, the Company's substantially implemented Investment Policy is as follows:

The proposed investments to be made by the Company may be either quoted or unquoted; made by direct acquisition or through farm-ins; either in companies, partnerships or joint ventures; or direct interests in oil & gas and mining projects. It is not intended to invest or trade in physical commodities except where such physical commodities form part of a producing asset. The Company's equity interest in a proposed investment may range from a minority position to 100% ownership.

The Board initially intends to focus on pursuing projects in the oil & gas and mining sectors, where the Directors believe that a number of opportunities exist to acquire interests in attractive projects. Particular consideration will be given to identifying investments which are, in the opinion of the Directors, underperforming, undeveloped and/or undervalued, and where the Directors believe that their expertise and experience can be deployed to facilitate growth and unlock inherent value.

The Company will conduct initial due diligence appraisals of potential projects and, where it is believed further investigation is warranted, will appoint appropriately qualified persons to assist with this process. The Directors are currently assessing various opportunities which may prove suitable although, at this stage, only preliminary due diligence has been undertaken.

It is likely that the Company's financial resources will be invested in either a small number of projects or one large investment which may be deemed to be a reverse takeover under the AIM Rules. In every case, the Directors intend to mitigate risk by undertaking the appropriate due diligence and transaction analysis. Any transaction constituting a reverse takeover under the AIM Rules will also require Shareholder approval.

Investments in early stage and exploration assets are expected to be mainly in the form of equity, with debt being raised later to fund the development of such assets. Investments in later stage projects are more likely to include an element of debt-to-equity gearing. Where the Company builds a portfolio of related assets, it is possible that there may be cross holdings between such assets.

The Company intends to be an involved and active investor. Accordingly, where necessary, the Company may seek participation in the management or representation on the Board of an entity in which the Company invests with a view to improving the performance and use of its assets in such ways as should result in an upward re-rating of the value of those assets.

Given the timeframe the Directors believe is required to fully maximise the value of an exploration project or early-stage development asset, it is expected that the investment will be held for the medium to long term, although disposal of assets in the short term cannot be ruled out in exceptional circumstances.

The Company intends to deliver Shareholder returns principally through capital growth rather than capital distribution via dividends, although it may become appropriate to distribute funds to Shareholders once the investment portfolio matures and production revenues are established.

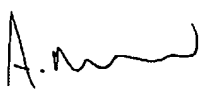
Given the nature of the Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of its net asset value.

The Directors consider that as investments are made, and new investment opportunities arise, further funding of the Company will be required.

This strategic report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business. Whilst the Directors believe the expectation reflected herein to be reasonable in light of the information available up to the time of their approval of this report, the actual outcome may be materially different owing to factors either beyond the Company's control or otherwise within the Company's control but, for example, owing to a change of plan or strategy. Accordingly, no reliance may be placed on the forward-looking statements.

On behalf of the Board


Mark Lappin
Chairman
25 June 2026


Andrew Nunn
Chief Executive Officer
25 June 2026

Corporate Governance

Chairman's Introduction

As Chairman of the Company, I provide leadership, ensuring that the Board is performing its role effectively, and has the capacity, ability, structure and support to enable it to continue to do so.

The Company has chosen to depart from certain aspects of the Quoted Companies Alliance's ("QCA") Corporate Governance Code 2023 (the 'QCA Code') given the proposed acquisition of the Company by NEO NEXT+. The Board has considered the introduction of an advisory shareholder vote on the Company's remuneration report and its implementation, as envisaged by the 2023 QCA Code. The Board's view is that implementing such a policy during the proposed acquisition of the Company by NEO NEXT+ is not currently necessary. Executive remuneration is set with due regard to alignment with performance and shareholder interests. Given the Company's straightforward remuneration structure, the Board considers that an additional advisory vote during the proposed acquisition of the Company would provide limited incremental benefit while increasing procedural complexity.

All of the Directors are periodically subject to re-election on a rotation basis at the Annual General Meeting. The Company notes the updated expectations of the 2023 QCA Code regarding the annual re-election of all directors. The Board has carefully considered this provision and has concluded that, given the proposed acquisition of the Company by NEO NEXT+, the existing arrangements for director retirement and re-election remain appropriate.

This Governance section of the Annual Report provides an update on our Corporate Governance policy, and includes the Audit Committee Report, Remuneration Committee Report and the Directors' Report. In these reports we set out our governance structures and explain how we have applied the QCA Code and where we have departed from the code during the year. The QCA Code is set out in detail on the Company's website at www.delticenergy.com/investor-relations/corporate-governance, including an explanation as to how the Company addresses the ten key governance principles defined in the QCA Code.

In May 2019, the Company appointed me as independent non-executive Chairman. My extensive Oil & Gas technical and commercial experience including the three years I previously served as an independent non-executive director of the Company underpin my effectiveness in this role, as the Company enters its next stage of development.

Corporate Governance Statement

Board responsibilities

The Board is responsible to the Company's shareholders for the leadership, control and management of the Company. It is responsible for the long-term success of the Company and for ensuring its appropriate management and operation in pursuit of its objectives.

The Board is in constant communication and meets regularly. Its responsibilities include:

- Setting the Company's strategy
- Determining policies and values
- Establishing and maintaining the Company's system of internal control and reviewing effectiveness annually
- Identifying the major business risks faced by the Company and determining appropriate risk management
- Investing decisions
- Fundraising decisions
- Management appointments

Whilst there is a formal schedule of matters specifically reserved for approval by the Board, the two executive directors have been given responsibility for specific functional aspects of the Company's affairs.

The Board seeks to maintain the highest standards of integrity and probity in the conduct of the Company's activities. These values are enshrined in the written policies and working practices adopted by all employees. An open culture is encouraged within the Company, with regular communications to staff regarding progress and staff feedback being regularly sought. This is especially important as a small company, in order to fully harness its human capital in pursuit of the effective development of the Company's assets, and so achieve the objectives and strategy set out in the Strategic Report and to seek to mitigate the risks and uncertainties described in the Business Risks section of the Strategic Report. The executive directors work closely with the small number of employees, so the Board is well placed to assess its culture. The Board is prepared to take appropriate action against unethical behaviour, violation of company policies or misconduct.

Composition of the Board

The Board currently comprises three Directors, of whom one is executive and two are non-executive. The Directors are all identified on page 20, together with a summary of their current and past experience, skills and personal qualities.

Non-executive Chairman

As Chairman, Mark Lappin oversees the adoption, delivery and communication of the Company's corporate governance model and is responsible for ensuring that it is maintained in line with appropriate practice and policies agreed by the Board. He is also the Company's leading ambassador, which includes presenting the Company's aims and policies to investors and other outside parties. He promotes active communication with shareholders and other stakeholders, including speaking regularly with investors and other stakeholders. He chairs the AGM and as Chairman of the Board, he chairs Board meetings, ensuring that the Board regularly reviews the Company's strategy. He also oversees the composition and structure of the Board which involves regularly reviewing the overall size of the Board, the balance between executive and non-executive, age, experience, skills and personalities of the Directors.

Non-executive Directors

The two Non-executive Directors (Mark Lappin and Peter Nicol) have a responsibility to challenge independently and constructively the performance of management and to help develop proposals on strategy. They each sit on the Remuneration and Audit committees, enabling them to have a role in determining the pay and benefits of the executive directors, to review internal control and financial reporting matters, and to have a direct relationship with the external auditors.

Independence and Commitments

The two Non-executive Directors are considered by the Board to be independent of management. The Board believes that they continue to demonstrate an independence of character in the performance of their roles as Non-executive Directors. Their director's fees are fixed, and they do not benefit from share option awards.

The Directors are expected to attend Board meetings, meetings of Board Committees of which they are members, annual general meetings, and any other shareholder meetings convened from time to time.

All Directors have disclosed any significant commitments outside their respective duties as Directors and confirmed that they have sufficient time to discharge their duties.

Appointments

The Board believes there is an appropriate balance of skills, knowledge and personal qualities on the Board, which provides a wide range of expertise on issues relating to the Company's mission, operations, strategies and its standards of conduct. The Chairman of the Board monitors the suitability of the Board's composition on a continuing basis and will make recommendations to the Board as and when appropriate.

Board support and external advice

Internal management is available to the Board to ensure all Board and Committee meetings are conducted properly and procedures are in place for distributing meeting agendas and reports so that the Directors receive the appropriate information to be discussed in a timely manner. The Directors each receive reports which include monthly finance and management results and operational updates from the Chief Executive Officer and the Chief Financial Officer. Board minutes are taken by internal management and circulated for approval at the next meeting. The Company Secretary assists the Board by maintaining statutory registers and filings and assisting with organising shareholder general meetings.

Aside from the Directors' stated roles, the Board members do not have any particular internal advisory responsibilities. Where it considers it necessary to do so, the Board and Board committees may utilise external professional advisers to provide advice and guidance on any matter where they consider it prudent to seek such advice, at the Company's expense. No such external advice was sought during the year.

Board performance evaluation

The Board evaluates its performance as a whole, informally on an ongoing basis. This falls under the overall responsibility of the Chairman. There have been no recommendations concerning the Board structure arising from the Company's Board appraisals over the year ended 31 December 2025.

Board meetings

The Board meets formally a minimum of eleven times a year, excluding Board committee meetings. The table below sets out the total number of meetings held by the Board and its Committees and records of attendance by each member eligible to attend during the year ended 31 December 2025:

	<i>Board meetings</i>		<i>Audit committee¹</i>		<i>Remuneration committee¹</i>	
	Possible	Attended	Possible	Attended	Possible	Attended
A J Nunn	18	18	2	-	-	-
S M McLeod	18	18	2	2	-	-
M S Lappin	18	17	2	2	1	1
P W Nicol	18	17	2	2	1	1

¹ Only Non-executive Directors are entitled to vote in the meetings of these Board Committees.

Other senior members of the management team and external advisors will attend, at the invitation of the Board, and as appropriate to the matters under discussion.

Board committees

The Board has established an audit committee, remuneration committee and AIM compliance committee with formally delegated duties and responsibilities, as described below. Each committee's terms of reference are included on the Company's website.

Audit committee

The audit committee is responsible for monitoring the integrity of the Company's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Company's internal control and risk management systems, monitoring the effectiveness of the internal audit function and overseeing the relationship with the external auditors (including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings).

The audit committee comprises Peter Nicol and Mark Lappin and is chaired by Peter Nicol. The audit committee aims to meet at appropriate times in the reporting and audit cycle and otherwise as required. The audit committee also meets regularly with the Company's external auditors.

Remuneration committee

The remuneration committee is responsible for determining and agreeing with the Board the framework for the remuneration of the Chairman and the executive directors and, within the terms of the agreed framework, determining the total individual remuneration packages of such persons including, where appropriate, bonuses, incentive payments and share options or other share awards. The remuneration of Non-executive Directors is a matter for the Chairman and the executive members of the Board. No Director is involved in any decision as to his or her own remuneration.

The remuneration committee comprises Peter Nicol and Mark Lappin and is chaired by Peter Nicol. The remuneration committee meets at least twice a year and otherwise as required.

AIM compliance committee

The AIM compliance committee is responsible for ensuring that the Company complies with its obligations under the AIM Rules for Companies ("AIM Rules") and the Market Abuse Regulation (Regulation EU 596/2014) ("MAR") and, in particular makes timely and accurate disclosure of all information that is required to be disclosed to meet its disclosure obligations arising from the admission of its shares to trading on AIM and, under MAR.

The AIM compliance committee comprises Mark Lappin, Andrew Nunn and Sarah McLeod. The AIM compliance committee meets as and when required, in order to undertake its responsibilities.

Share dealing code

The Company has adopted a share dealing code for the Directors, persons discharging managerial responsibilities and applicable employees of the Company for the purpose of ensuring compliance by such persons with the provisions of the AIM Rules relating to dealings in the Company's securities (including, in particular, Rule 21 of the AIM Rules and MAR). The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM.

On behalf of the Board



Mark Lappin
Chairman
25 June 2026

Audit Committee Report

Overview

The audit committee met twice during the year. The external auditor, PKF Littlejohn LLP, also attended the meeting at the invitation of the Audit Committee Chairman.

External audit

On behalf of the board, the Audit Committee is responsible for managing the relationship with external auditor. PKF Littlejohn LLP was appointed as the auditor of the Company during 2022 following a formal tender process and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The objectivity and independence of the external auditors is safeguarded by reviewing the auditors' formal declarations, monitoring relationships between key audit staff and the Company and reviewing the non-audit fees payable to the auditor. Non-audit services are not performed by the auditor if this would have a material effect on, or relevance to, the production of the Company's financial statements and/or involve taking decisions or making significant subjective judgements that should be the responsibility of management. During the year, fees accrued to PKF Littlejohn LLP for statutory audit services amounted to £42,000 (2024: £42,000). Additional fees of £8,000 were incurred in respect of an overrun in the prior year audit. Fees payable for non-audit services totalled £3,000 (2024: £1,650).

Financial reporting

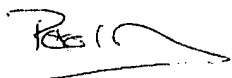
The audit committee monitored the integrity of the annual financial statements and reviewed the significant financial reporting issues and accounting policies and disclosures in the financial reports. The external auditor, PKF Littlejohn LLP, attended the audit committee meetings during the year. The process included the consideration of reports from the external auditor identifying the primary areas of accounting judgements and key audit risks identified as being significant to the financial statements.

Audit committee effectiveness

Although no formal review of the effectiveness of the audit committee has been undertaken, the Board and the chairman of the audit committee believe this to be satisfactory. The chairman of the audit committee will continue to assess whether such a formal review would be appropriate or otherwise, however, it is currently not considered necessary.

Internal audit

In light of the size of the Company and its current stage of development, the committee did not consider it necessary or appropriate to operate an internal audit function during the year.



Peter Nicol
Chairman, Audit Committee

25 June 2026

Remuneration Committee Report

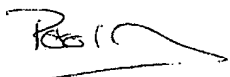
The remuneration committee reviews the scale and structure of the executive directors' remuneration and the terms of their service contracts.

The remuneration and terms and conditions of appointment of the Non-executive Directors are set by the Board.

The remuneration committee met once during the year. During the meeting, the Remuneration Committee considered changes in remuneration, share option awards, bonus awards and reporting of 2025 objectives.

During the year there were no changes to the Company's remuneration and employment conditions and all director salary changes and bonuses were approved by the remuneration committee. A major independent, executive reward company, Mercer Kepler Limited undertook a benchmarking exercise during 2019 on the Company's senior executive and board's remuneration and this has been updated internally by the remuneration committee each year to determine appropriate salaries and bonuses.

Although no formal review of the effectiveness of the remuneration committee has been undertaken, the Board and the chairman of the remuneration committee believe this to be satisfactory. The chairman of the remuneration committee will continue to assess whether such a formal review would be appropriate or otherwise.



Peter Nicol
Chairman, Remuneration Committee

25 June 2026

Board of Directors and Senior Management

There is an appropriate breadth of experience, skills and personal qualities covering the key aspects of the business including technical, operational and financial. It is the responsibility of each Director to keep skills up to date with the assistance of the Chairman who has a core responsibility in addressing the development needs of the Board as a whole, with a view to enhancing its overall effectiveness.

Mark Lappin

Non-Executive Chairman

Mark has over 40 years of experience in the oil and gas industry. Mark joined Deltic Energy as non-executive director in 2016 and became Chairman in May 2019. Prior to that Mark was Technical Director at Cuadrilla and Subsurface Director for UK and Netherlands at Centrica. Mark began his career at Phillips Petroleum and has held senior technical and commercial roles with ExxonMobil and Dart Energy. Mark is also a Visiting Professor at University of Strathclyde Centre for Energy Policy in Glasgow.

Mark's extensive technical, commercial and senior management experience in the oil and gas sector ensures that he has the ability to support the executive directors, challenge strategy and decision-making, scrutinise performance and to perform his role as Non-Executive Chairman as the Company enters its next stage of development. Mark is also a member of the Company's audit, remuneration and AIM compliance committees.

Andrew Nunn

Chief Executive Officer

Andrew Nunn joined the Company in 2014 and later that year was appointed to the Board as Chief Operating Officer. Andrew became Chief Executive in October 2024. Andrew is a Chartered Geologist with over 20 years of experience working on exploration, mining and geo-environmental projects in Europe, Australasia and Africa. For the last 10 years he has worked on a wide variety of UK and European conventional and unconventional gas projects with a primary focus on Carboniferous aged reservoirs. Andrew's previous role was as Exploration Manager for Dart Energy. He holds a B.Sc. (Hons) in Economic Geology and an M.Sc. in Environmental Management. Andrew became a Director of the Oil and Gas Independents' Association (OGIA) in February 2020. Andrew is the Chairman of the Company's AIM compliance committee.

Andrew's technical, commercial and operational experience, plus his qualifications, ensures that he has the necessary ability to develop and implement the Company's strategy, and oversee the management of the Company.

Sarah McLeod

Chief Financial Officer

Sarah joined Deltic as Chief Financial Officer in January 2020. Sarah has 20 years of experience in the international oil and gas industry. She previously held the position of Group Financial Controller at New Age Africa Global Energy. Sarah spent 10 years with US-based international operator, ConocoPhillips, in a variety of senior financial and strategic roles and also two years with Maersk Oil. She started her career with Deloitte, spending six years in its oil and gas team during which time she qualified as a Chartered Accountant.

Sarah's professional qualifications, finance and industry experience ensures that she has the necessary ability to manage the Company's financial matters.

Peter Nicol

Non-Executive Director

Peter Nicol joined the Company in November 2021. Peter has 40 years of experience in the energy sector. He was previously Head of Oil & Gas at GMP Securities Europe, Global Sector Director of Oil & Gas Research at ABN Amro & Head of European Oil & Gas Research at Goldman Sachs. Peter is a non-executive director of exploration focused Touchstone Exploration Inc. and Eco (Atlantic) Oil & Gas Ltd, both of which are AIM quoted. He was previously an independent director of ERC Equipose Limited. Peter started his career with British National Oil Corporation and holds a Bachelor of Science in Mathematics & Economics from Strathclyde University. Peter is chairman of the Company's Audit Committee and chairman of the Remuneration Committee.

Peter's wealth of energy, financial, city and public company experience will be invaluable to Deltic as it progresses to the next stage in development and ensures he has the ability to support the executive directors, challenge strategy and decision-making, and to scrutinise performance.

Report of the Directors

The Directors present their report with the financial statements of the Company for the year ended 31 December 2025.

Principal Activity

The Company's principal activity is the exploration, evaluation and development of mineral exploration targets, with a principal focus on the development of its gas and oil licences in the Southern and Central North Sea.

Review of Business

Further details of the Company's business and expected future development are also set out in the Strategic Report starting on page 3, commencing with the Chairman's and Chief Executive's Statement.

Dividends

No dividends will be distributed for the year ended 31 December 2025 (2024: nil).

Directors

The Directors of the Company during the year and their beneficial interest in the ordinary shares and share options of the Company at 31 December 2025 are set out below:

	Ordinary shares		Share options	
	2025	2024	2025	2024
A J Nunn	61,765	61,765	3,532,600	3,532,600
M S Lappin	58,744	58,744	-	-
P W Nicol	150,000	150,000	-	-
	<u>270,509</u>	<u>270,509</u>	<u>3,532,600</u>	<u>3,532,600</u>

Director's Remuneration

The following table sets out an analysis of the pre-tax remuneration for the year ended 31 December 2025 for the individual Directors who held office in the Company during the year.

	2025 Salaries and fees £	2025 Bonus payments £	2025 Pension £	2025 Benefits in Kind £	2025 Total £	2024 Total £
G C Swindells*	-	-	-	-	-	374,949
A J Nunn	293,733	-	29,373	4,191	327,297	326,963
M S Lappin	69,193	-	-	-	69,193	69,193
P N Cowley**	-	-	-	-	-	33,330
P W Nicol	34,597	-	-	-	34,597	34,597
	<u>397,523</u>	<u>-</u>	<u>29,373</u>	<u>4,191</u>	<u>431,087</u>	<u>839,032</u>

* G C Swindells resigned 14 October 2024

** P N Cowley resigned 21 October 2024.

The directors did not receive any other emoluments, compensation or cash or non-cash benefits other than as disclosed above.

Share options

The share-based payment of £36,512 (2024: £308,093) to Directors represents the share-based expense relating to unvested share options during the year.

The following share options table comprises share options held by Directors who held office during the year ended 31 December 2025:

	Options held at 31 December 2024	Options granted /lapsed in period	Options exercised in period	Options held at 31 December 2025	Exercise price (p)	Exercisable from	Exercisable to
A J Nunn	600,000	-	-	600,000	28.25	23 August 2024	23 August 2032
	499,980	-	-	499,980	51.00	12 July 2025	12 July 2032
	499,980	-	-	499,980	41.00	22 Sept 2022	22 Sept 2031
	999,960	-	-	999,960	35.00	8 July 2022	8 July 2029
	410,000	-	-	410,000	46.40	07 June 2019	07 June 2028
	372,680	-	-	372,680	26.50	10 June 2017	10 June 2026

Further details of share-based payments are set out in note 17.

Financial Instruments

Details of the use of financial instruments by the Company are contained in note 22 of the financial statements.

Subsequent Events

Events subsequent to 31 December 2025 are set out in note 26 to the financial statements on page 54.

Business Risks

A summary of the principal and general business risks can be found in the Strategic Report on page 12 and in note 22 to the financial statements.

Key Performance Indicators

At this stage in its development, the Company is focusing on the development of its North Sea gas and oil assets, applying for new licences, maintaining and extending existing licences, as well as the evaluation of various oil and gas opportunities. The Directors closely monitor certain financial information, in particular the levels of overheads and other administrative expenditure, exploration expenditure and cash and deposit balances, as set out in the Financial Review. As and when the Company moves into production, other financial, operational, health and safety and environmental KPIs will become relevant and will be measured and reported as appropriate.

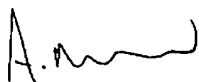
Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

PKF Littlejohn LLP will be proposed at the Annual General Meeting for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the Board



Andrew Nunn
Chief Executive Officer
25 June 2026

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. 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 of the profit or loss of the Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the AIM Market.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006; 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 financial statements comply with the Companies Act 2006. 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.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DELTIC ENERGY PLC

Opinion

We have audited the financial statements of Deltic Energy Plc (the 'company') for the year ended 31 December 2025 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, 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 31 December 2025 and of its loss for the year 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 as applied to listed 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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which explains the basis of preparing the financial statements on a going concern basis. The Company incurred a net loss of £2,138,842 during the year ended 31 December 2025, had an operating cash outflow of £1,786,527, and that total current liabilities exceeded total current assets by £1,166,499. The Company does not have sufficient liquidity to settle its deferred payment obligations, totalling approximately £2.9 million, as they fall due without the completion of the proposed acquisition of the Company or access to alternative funding.

As stated in Note 1, these events and conditions, along with the other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. 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:

- Reviewing management's going concern paper and working capital model covering the period of 12 months from the date of approval of these financial statements;
- Assessing the key assumptions underpinning the cash flow forecast including forecast administrative expenditure and exploration work program costs. This included comparing forecast operating costs to historical cost levels and evaluating whether the work commitments are appropriately costed and consistent with the budgeted licence work program;
- Evaluating the terms and timing of the deferred payment obligations and the proposed acquisition of the Company, announced on 7 May 2026 and the associated bridging financing provided by the acquirer of £2.9 million;
- Confirming that shareholders voted in favour of the acquisition on 24 June 2026, with completion subject principally to NSTA approval and Court sanction;
- Reviewing bank statements to confirm the post year-end cash position; and
- Critically assessing the disclosure made within the financial statements for consistency with management's assessment of going concern.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. We determined materiality for the financial statements to be:

	£	Basis
Overall materiality	102,000 (2024:44,000)	2% of Total assets (2023: 2% of Total assets)
Performance materiality	71,000 (2024:30,000)	70% of materiality (70% of materiality)
Triviality	5,000 (2024: 2,000)	5% of materiality

The benchmark for materiality was selected as 2% of total assets. Total assets were deemed to be the most appropriate metric for materiality given the Company's status as an oil and gas exploration company, where the primary driver is the carrying value and recoverability of exploration and evaluation assets. At this stage of operations, the Company is not revenue-generating and typically reports losses; therefore, profit-based benchmarks are not meaningful or stable year-on-year. Users of the financial statements are primarily focused on the valuation, and future economic potential of the Company's asset base.

The percentage applied to this benchmark has been selected to bring into scope all significant classes of transactions, account balances and disclosures considered relevant for the shareholders, and also to ensure that matters that would have a significant impact on the results during the year were appropriately considered.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the nature and extent of our testing of account balances, classes of transactions and disclosures.

We agreed with the audit committee that we would report to the committee all individual audit differences identified during our audit in excess of £5,000 in addition to other audit misstatements below that threshold that we believe warrant reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Key audit matters

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 period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Valuation and recoverability of exploration intangible assets (Note 12)	
The carrying amount of intangible assets related to exploration and evaluation assets amounted to £1,960,723 as at 31 December 2025.	Our work in this area included: - We critically assessed whether impairment indicators exist in line with IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>, including the following: - Obtaining evidence that the licences held by the Company are in good standing and that none of the licences are due to expire in the near term.
Management performed an impairment indicator assessment in accordance with IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i> and concluded that there were no indicators requiring impairment of the remaining licences as at the reporting date.	

The assessment of whether indicators of impairment exist requires significant judgement. This includes consideration of factors such as licence expiry dates, the Company's ongoing right to explore in the relevant areas, planned and budgeted substantive expenditure, technical feasibility, and the commercial viability of the underlying assets. The evaluation is inherently subjective and sensitive to changes in assumptions, funding availability, and future development intentions. Given the inherent judgement involved in the assessment of whether there are further indications of impairment to the carrying amount of exploration and evaluation assets, we considered the carrying amount of exploration assets to be a key audit matter.	- Reviewing the results of any exploration activities in the period; - Reviewing the project work program, where available and evaluated any associated commitments and obligations for each project; - Reviewing management's approved budgets and assessed whether planned expenditure supports the continued carrying value of the licences; and - Discussing management's plans regarding future exploration on the licence areas. • We performed tests of detail on additions to intangible assets during the year to assess the appropriateness of capitalisation under the Company's accounting policy and its compliance with IFRS 6. • We reviewed the disclosures in the financial statements to ensure that they are appropriate.
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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 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 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, and our experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the regulatory framework administered by the North Sea Transition Authority (NSTA), Companies Act 2006, UK-adopted international accounting standards, the AIM Rules for Companies and the UK tax law and regulations.
- 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:
 - conducting enquiries of management regarding potential instances of non-compliance;
 - reviewing Regulators New Service announcements;
 - reviewing legal and professional fees for evidence of any litigation or claims against the company; and
 - reviewing board minutes and other correspondence from management.
- 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, whether key management judgements could include management bias in relation to the valuation and recoverability of exploration intangible assets. We addressed the recoverability of the exploration intangible assets as outlined in the Key audit matters section above.
- 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; reviewing accounting estimates for evidence of bias; 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.



Daniel Hutson (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

30 Churchill Place
London
E14 5RE

25 June 2026

Income Statement

for the year ended 31 December 2025

	Notes	2025 £	2024 £
Continuing operations			
Administrative expenses:			
Write down on relinquished intangible assets	12	-	(18,465,070)
Other administrative expenses		(1,936,223)	(2,937,548)
Total administrative expenses		(1,936,223)	(21,402,618)
Other operating income	12	-	108,987
Operating loss		(1,936,223)	(21,293,631)
Finance income	4	5,067	112,011
Finance costs	5	(225,390)	(39,935)
Loss before tax	6	(2,156,546)	(21,221,555)
Income tax income / (expense)	8	17,704	(19,732)
Loss for the year		(2,138,842)	(21,241,287)
Loss per share from continuing operations expressed in pence per share:			
Basic and diluted	9	(2.30)p	(22.82)p

Statement of Comprehensive Income

for the year ended 31 December 2025

	2025 £	2024 £
Loss for the year	(2,138,842)	(21,241,287)
Other comprehensive income	-	-
Total comprehensive expense for the year attributable to the equity holders of the Company	(2,138,842)	(21,241,287)

The notes on pages 33 to 54 form part of the financial statements.

Balance Sheet

as at 31 December 2025

	Notes	2025 £	2024 £
Assets			
Non-current assets			
Intangible assets	12	1,960,723	1,872,629
Property, plant and equipment	13	483,058	61,909
Investments in subsidiary	10	1	1
Other receivables	14	41,164	-
Total non-current assets		2,484,946	1,934,539
Current assets			
Trade and other receivables	14	1,091,864	129,596
Current tax receivable		17,670	-
Cash and cash equivalents		1,649,225	1,444,904
Total current assets		2,758,759	1,574,500
Total assets		5,243,705	3,509,039
Capital and reserves attributable to the equity holders of the Company			
Shareholders' equity			
Share capital	15	9,309,660	9,309,660
Share premium		33,145,477	33,145,477
Share-based payment reserve	17	2,511,804	2,466,461
Accumulated retained deficit		(46,039,952)	(43,943,280)
Total equity		(1,073,011)	978,318
Liabilities			
Current liabilities			
Trade and other payables	19	3,084,299	1,591,370
Current tax payable		-	17,151
Lease liabilities	21	97,335	22,837
Total current liabilities		3,181,634	1,631,358
Non-current liabilities			
Borrowings	20	2,783,192	-
Other payables	19	-	899,363
Lease liabilities	21	351,890	-
Total non-current liabilities		3,135,082	899,363
Total liabilities		6,316,716	2,530,721
Total equity and liabilities		5,243,705	3,509,039

The financial statements of Deltic Energy Plc, registered number 7958581, were approved by the Board of Directors on 25 June 2026 and were signed on its behalf by:



Andrew Nunn
Chief Executive Officer

The notes on pages 33 to 54 form part of the financial statements.

Statement of Changes in Equity

for the year ended 31 December 2025

	Share capital £	Share premium £	Share-based payment reserve £	Accumulated retained deficit £	Total equity £
Balance at 1 January 2025	9,309,660	33,145,477	2,466,461	(43,943,280)	978,318
Comprehensive income for the year					
Loss for the year	-	-	-	(2,138,842)	(2,138,842)
Total comprehensive loss for the year	-	-	-	(2,138,842)	(2,138,842)
Contributions by and distributions to owners					
Share-based payment	-	-	87,513	-	87,513
Expired share options	-	-	(42,170)	42,170	-
Total contributions by and distributions to owners	-	-	45,343	42,170	87,513
Balance at 31 December 2025	9,309,660	33,145,477	2,511,804	(46,039,952)	(1,073,011)
Balance at 1 January 2024	9,309,660	33,145,477	1,999,834	(22,716,617)	21,738,354
Comprehensive income for the year					
Loss for the year	-	-	-	(21,241,287)	(21,241,287)
Total comprehensive loss for the year	-	-	-	(21,241,287)	(21,241,287)
Contributions by and distributions to owners					
Share-based payment	-	-	481,251	-	481,251
Expired share options	-	-	(14,624)	14,624	-
Total contributions by and distributions to owners	-	-	466,627	14,624	481,251
Balance at 31 December 2024	9,309,660	33,145,477	2,466,461	(43,943,280)	978,318

The notes on pages 33 to 54 form part of the financial statements.

Statement of Cash Flows

for the year ended 31 December 2025

	2025 £	2024 £
Cash flows from operating activities		
Loss before tax	(2,156,546)	(21,221,555)
Finance income	(5,067)	(112,011)
Finance costs	225,390	39,935
Depreciation	119,343	114,096
(Gain) / loss on disposal of property, plant and equipment	(9,393)	1,130
Gain on farm-in	-	(108,987)
Write down on relinquished intangible assets	-	18,465,070
Foreign exchange movement in operating loss	-	(7,504)
Share-based payment	87,513	481,251
	(1,738,760)	(2,348,575)
(Increase)/Decrease in other receivables	(259,808)	4,992
(Decrease)/Increase in trade and other payables	229,158	(90,203)
Tax paid	(17,117)	(90,290)
Net cash outflow from operating activities	(1,786,527)	(2,524,076)
Cash flows from investing activities		
Purchase of intangible assets	(467,218)	(2,612,843)
Purchase of property, plant and equipment	(21,542)	(12,668)
Proceeds from licence farm-ins	-	1,040,581
Interest received	5,067	126,377
Net cash outflow from investing activities	(483,693)	(1,458,553)
Cash flows from financing activities		
Loans received	2,700,000	-
Payment of principal portion of lease liabilities	(83,890)	(113,587)
Lease interest paid	(31,298)	(8,086)
Other interest paid	(110,271)	(31,053)
Net cash inflow/(outflow) from financing activities	2,474,541	(152,726)
Increase/(decrease) in cash and cash equivalents	204,321	(4,135,355)
Cash and cash equivalents at beginning of year	1,444,904	5,580,259
Cash and cash equivalents at end of year	1,649,225	1,444,904

Cash and cash equivalents comprise the following items:

	2025 £	2024 £
Cash at bank and in hand	1,649,225	1,444,904
Short term bank deposits	-	-
	1,649,225	1,444,904

The notes on pages 33 to 54 form part of the financial statements.

Notes to the Financial Statements

for the year ended 31 December 2025

1. Accounting Policies

Basis of preparation

Deltic Energy Plc is a public limited company incorporated and domiciled in the United Kingdom whose shares are publicly traded. The registered office is located at 1st Floor, 150 Waterloo Road, London, SE1 8SB. The registered company number is 07958581.

The financial statements have been prepared in accordance with UK adopted International Accounting Standards ('IAS') and with those parts of the Companies Act 2006 applicable to companies reporting under International Accounting Standards ('IAS').

On 24 April 2023, the Company incorporated a subsidiary, Deltic Energy One Limited, a company incorporated in England and registered at 1st Floor 150 Waterloo Road, London, SE1 8SB. This subsidiary has been dormant from the date of incorporation. As it is not material for the purpose of giving a true and fair view, the Company has not consolidated its subsidiary, which has net assets of £1, taking advantage of the exemption available under the Companies Act 2006 section 405, and has therefore not prepared consolidated financial statements.

The preparation of financial statements in conformity with IAS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and factors that are believed to be reasonable under the circumstance, the result of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from this estimate. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed later in this note.

Operating loss is stated after charging and crediting all items excluding finance income and expenses.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of revision and future periods if the revision affects both current and future periods.

Going concern

As part of the preparation of the Company's financial statements, the Directors have assessed the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

On 7 May 2026, the boards of NEO NEXT+ Energy Upstream UK Limited ("NEO NEXT+") and Deltic announced a recommended cash offer for the entire issued and to be issued ordinary share capital of Deltic (the "Acquisition") by way of a court-sanctioned scheme of arrangement.

On 24 June 2026, Deltic shareholders voted overwhelmingly to support the acquisition of Deltic by NEO NEXT+ which remains subject principally to NSTA approval of the transaction which is currently expected to complete before the end of quarter-three 2026.

In connection with the Acquisition, NEO NEXT+ agreed to provide the Bridge Financing for up to £2.9 million to repay the Term Loan which was repaid on 18 May 2026, including fees, costs and expenses due and payable to Viaro Bidco in relation to the Term Loan. The Bridge Financing is fully drawn, unsecured, and accrues interest at a rate of 10 per cent. per annum on the principal drawn down.

NEO NEXT+ has also undertaken to pay, or procure the payment of, certain costs reasonably and properly incurred by Deltic in connection with the Acquisition. The costs undertaking is capped at a maximum aggregate amount of £550,000. The Company does not expect the costs associated with the Acquisition to be materially more than £550,000.

The Company currently has sufficient cash resources to fund its near-term corporate costs. However, it does not have sufficient liquidity to settle its deferred payment obligations as they fall due without access to additional funding. In the absence of the Acquisition completing by the end of quarter-three 2026, the Directors anticipate that the Company would be required to raise additional capital in the going concern period to:

- Settle any deferred repayment amount to Shell and Adura, as follows.
 - On 12 December 2025, Deltic announced that it had entered into a Deferred Payment Agreement with Shell U.K. Limited as operator of the P2437 Selene licence, in relation to the payment of: (i) in aggregate, £1.5 million being the sums that have accrued to Deltic's account in relation to the successful Selene exploration well from April 2025 to October 2025; and (ii) any further sums accruing to Deltic in relation to Selene after October 2025. Under the Deferred Payment Agreement with Shell, Deltic's payment of these amounts has most recently been extended to 27 August 2026. Deltic may request further extensions of this date for a total of up to nine months from 27 February 2026 to 27 November 2026, with the decision to grant any such extensions being at Shell U.K. Limited's sole discretion. The Selene Deferred Payment Agreement is repayable upon completion of the Acquisition.
 - In September 2024, Deltic agreed a deferred repayment agreement with its Pensacola joint venture partners whereby Deltic has a 24-month period from September 2024 to repay £0.9 million due to the joint venture. This agreement was subsequently assigned to Adura Energy Limited ('Adura') following the transfer of certain Shell and Equinor UKCS assets into the newly-formed Adura. Deltic may request an extension of up to a further 12 months to September 2027, with the decision to grant such an extension being at Adura's sole discretion.
- Continue to fund the Company's share of the Selene work program ; and
- Cover the Company's general corporate operating costs.

Against this backdrop, the Directors believe that the Acquisition represents certainty for Deltic's Shareholders in relation to the future of the Company. The Directors expect that the Acquisition will complete prior to the deferred payment obligations becoming payable. Upon completion, the Company will have access to additional financial resources under NEO NEXT+, enabling it to meet its liabilities as they fall due and continue operations throughout the going concern period.

In the event that the Acquisition does not complete as anticipated, the Company would need to secure additional funding. The options available to the Company would include increasing the existing NEO NEXT+ Bridge Financing, renegotiating the Deferred Payment Agreements and/or raising further capital.

The Directors believe that, in the absence of the Acquisition completing before the end of Q4 2026, the Company would be in an extremely challenging financial position and the Directors might have no option but to place the Company into administration. Should administrators be appointed, it is not known how much, if any, value would be returned to Shareholders.

These circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors have a reasonable expectation that the Acquisition will complete before the end of quarter-three 2026 and that the Company will thereafter have access to sufficient financial resources from NEO NEXT+ to trade solvently during the going concern period. Accordingly, the financial statements have been prepared on a going concern basis. The Independent Auditor's Report to the members of Deltic Energy Plc for the year ended 31 December 2025 refers to this material uncertainty surrounding going concern.

Adoption of new and revised International Financial Reporting Standards

The Company has adopted the following standards, amendments to standards and interpretations which are effective for the first time this year. These have not had a material effect on the reported income or net assets of the Company.

	Effective period commencing on or after:
Lack of Exchangeability (Amendments to IAS 21)	1 January 2025

Standards effective in future periods

Certain new standards, amendments and interpretations to existing standards have been published that are relevant to the Company's activities and are mandatory for the Company's accounting periods commencing after 1 January 2025 or later periods and which the Company has decided not to early adopt. These include:

	Effective period commencing on or after:
Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	1 January 2026
Presentation and Disclosure in Financial Statements (IFRS 18)	1 January 2027

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

There are no standards and interpretations in issue but not yet adopted that the Directors anticipate will have a material effect on the reported income or net assets of the Company for the year ended 31 December 2025 based on current activities. The Company is currently assessing the impact of IFRS 18, which replaces IAS 1 and introduces changes to the presentation of the income statement. The full impact on the Company's financial statements has not yet been determined.

Foreign currencies

The functional currency of the Company is Sterling. Transactions denominated in currencies other than the functional currency of the Company are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities are translated into the functional currency at the closing rates of exchange at the reporting date. Exchange differences arising from the restatement of monetary assets and liabilities at the closing rate of exchange at the reporting date or from the settlement of monetary transactions at a rate different from that at which the asset or liability was recorded are dealt with through the Income Statement.

Exploration and evaluation assets

Pre-licence costs associated with exploring or evaluating prospects are written off as incurred to the Income Statement.

All costs associated with exploring and evaluating prospects within licence areas, including the initial acquisition of the licence are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. When a decision is made to proceed to development, the related expenditures will be transferred to proven projects. Where a licence is relinquished, a project is abandoned, or is considered to be of no further commercial value to the Company, the related costs are written off.

Upon farming out an exploration licence the Company, as the farmor, designates expenditure previously capitalised in respect of the licence to the partial interest retained. Cash consideration received for the farm-out is offset against the carrying value by the farmor, with any excess above the previously capitalised expenditure being accounted as a gain on disposal. Thereafter, the farmor capitalises its own share of subsequent expenditure and does not recognise the share of expenditure incurred by the farmee.

The recoverability of exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition of recoverable reserves.

Intangible exploration and evaluation assets are not depreciated and are carried forward, subject to the provisions of the Company's impairment of exploration and evaluation policy, until the technical feasibility and commercial viability of extracting hydrocarbons are demonstrable. Exploration and evaluation assets are reviewed regularly for indicators

of impairment following the guidance in IFRS 6 'Exploration for and Evaluation of Mineral Resources' and tested for impairment where such indicators exist.

Plug, abandon and suspend and demobilisation costs, where relevant, are included within the exploration costs where the Directors consider that these costs will be material.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided on a straight-line basis at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life. The residual value is the estimated amount that would currently be obtained from disposal of the asset if the asset were already of the age and in the condition expected at the end of its useful life.

The annual rate of depreciation for each class of depreciable asset is:

Leasehold improvements	over lease term
Office lease	over lease term
Fixtures & fittings	15%
Computer equipment	25%

The carrying value of property plant and equipment is assessed annually and any impairment is charged to the income statement.

Impairment of exploration assets

Exploration and evaluation assets are reviewed regularly for indicators of impairment following the guidance in IFRS 6 'Exploration for and Evaluation of Mineral Resources' and tested for impairment where such indicators exist.

In accordance with IFRS 6 the Company considers the following facts and circumstances in their assessment of whether the Company's exploration and evaluation assets may be impaired:

- Whether the period for which the Company has the right to explore in a specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Whether substantive expenditure on further exploration for and evaluation of mineral resources in a specific area is neither budgeted nor planned;
- Whether exploration for and evaluation of reserves in a specific area have not led to the discovery of commercially viable quantities of mineable material and the Company has decided to discontinue such activities in the specific area; and
- Whether sufficient data exists to indicate that although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation assets is unlikely to be recovered in full, from successful development or by sale.

If any such facts or circumstances are noted, the Company, as a next step, perform an impairment test in accordance with the provisions of IAS 36. In such circumstances the aggregate carrying value of the exploration and evaluation asset is compared against the expected recoverable amount of the cash-generating unit. The recoverable amount is the higher of value in use and the fair value less costs to sell. The Company assesses each licence as a separate cash-generating unit. In accordance with the provisions of IFRS 6 the level identified for the purposes of assessing the Company's exploration and evaluation assets for impairment may comprise one or more cash-generating units.

Any impairment arising is recognised in the Income Statement for the year.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable result for the year. Taxable profit differs from profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences

and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks.

Cash equivalents comprise bank deposits held for the purpose of meeting short-term cash commitments that are subject to an insignificant risk of changes in value and are readily convertible into known amounts of cash, subject to a notice period up to a maximum of 95 days.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.

The Company assesses the expected credit losses on a forward-looking basis, defined as the difference between the contractual cash flows and the cash flows that are expected to be received, associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the simplified approach permitted by IFRS 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Losses are recognised in the income statement. When a subsequent event causes the amount of impairment to decrease, the decrease in impairment is reversed through the income statement.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges are included within finance costs or finance income with the exception of borrowing costs incurred in relation to qualifying assets which are capitalised as part of the asset cost in accordance with IAS

23. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset (i.e., an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. The capitalisation of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalisation is suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as finance costs in the income statement in the period in which they are incurred.

Joint Operations

The Company is party to joint oil and gas licences which are unincorporated joint arrangements. There is a contractual agreement that sets out the terms of the relationship over the relevant activities of the Company and at least one other party.

The Company has a legal degree of control over these joint operating arrangements through Joint Operating Agreements. The Company classifies its interests in joint arrangements as Joint Operations: where the Company has both the rights to assets and obligations for the liabilities of the joint arrangement.

The Company accounts for its share of assets, liabilities, income and expenditure of Joint Operations in which it holds an interest, classified in the appropriate Balance Sheet and Income Statement headings.

A list of the Company's interests in Joint Operations is given in note 11.

Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract.

Leases with an original term not exceeding 12 months and low value leased items continue to be accounted as previously, with amounts payable being charged to the Income Statement on a straight-line basis over the lease term.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all other lease arrangements in which it is the lessee. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. The weighted average rate applied in each reporting period for lease liabilities is as follows:

2024	2025
10%	10%

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of the lease term and useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Decommissioning Obligation

A decommissioning (or "asset retirement") obligation provision for plugging, abandonment and reclamation costs has been included within the exploration assets and within liabilities based on management's assessment of asset retirement costs that will be incurred. Where the effect is material, the estimated current date cash flows are adjusted for inflation and are discounted at a risk-free rate. The cash flows used in the provision are risk adjusted.

Estimates of provisions for future decommissioning and restoration costs are recognised and based on current legal and constructive requirements, technology and price levels. Because actual cash outflows can differ from estimates due to changes in laws, regulations, public expectations, technology, prices and conditions, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes. The Company expects to incur the costs within one year hence the estimated amount is not discounted.

Share-based payments

Equity-settled share-based payments to employees and Directors are measured at the fair value of the equity instrument. The fair value of the equity-settled transactions with employees and Directors is recognised as an expense over the vesting period. The fair value of the equity instruments is determined at the date of grant, taking into account market-based vesting conditions and non-vesting conditions. The fair value of goods and services received is measured by reference to the fair value of options.

The fair values of share options are measured using an appropriate valuation methodology. The expected life used in the models is adjusted, based on management's best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees (or other beneficiaries) become fully entitled to the award ("the vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. Where the terms of an equity-settled award are modified, the minimum expense recognised is the expense as if the terms had not been modified. An additional expense is recognised for any modification, which increases the total fair value of the share-based payment arrangement or is otherwise beneficial to the employee, as measured at the date of modification.

Where an equity-settled award (share options) is cancelled, it is treated as if it had vested on the date of cancellation if it had not yet fully vested, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Where an equity-settled award is forfeited, the cumulative charge expensed up to the date of forfeiture is credited to the Income Statement. Upon expiry of an equity-settled award, the cumulative charge expensed is transferred from the Share-based payment reserve to the Accumulated retained deficit.

Equity

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments.

For the purposes of the capital management disclosures given in note 18, the Company considers its capital to be total equity.

Critical accounting estimates and judgements

The Company makes estimates and assumptions concerning the future, which by definition will seldom result in actual results that match the accounting estimate. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Judgements

Impairment of exploration and evaluation assets (note 12)

Qualifying exploration and evaluation costs are initially classified and held as intangible assets rather than being expensed. In recording costs as exploration and evaluation assets, judgement is required as to the extent to which the costs are attributable to the discovery of specific hydrocarbon resources and include both internal and external costs. Expenditure is capitalised by reference to appropriate Cash Generating Unit ('CGU') and is assessed for impairment with reference to IFRS 6 indicators of impairment. This assessment involves judgement as to the status of licences and the likelihood of renewal of licences which expire in the near future including the ability to meet licence obligations, budgets and plans for future exploration activity and expenditure, the results of exploration activity, and assessments of future recoverable values upon development.

Where impairment indicators are identified, an impairment test is performed which requires judgment regarding factors such as:

- (i) The timing of future development of the asset;
- (ii) Funding structures and financing costs of development;
- (iii) Commercial development opportunities for extracting value from the asset; and
- (iv) Modelling inputs such as the appropriateness of discount rates, reserve and resource estimates, oil and gas pricing predictions, etc.

The carrying value of exploration and evaluation assets were assessed for indicators of impairment at 31 December 2025. In forming this assessment, the Company considered external competent person's reports, the status of the licences, the extent of ongoing exploration activity and steps to secure farm-in partners and other financing which supported the carrying value.

As detailed in note 12, a charge of £18,465,070 was recognised in the prior year resulting from the write down on relinquished intangible assets following the decision to withdraw from P2252 (Pensacola) and relinquish P2558 (Pensacola North) and P2542 (Syros).

The carrying amount of exploration and evaluation assets at the end of the period is shown in note 12.

Estimates

Determination of share-based payment costs (note 17)

The determination of these costs is based on financial models. The inputs to these models are based on the Directors' judgements and estimates and are not capable of being determined with precision. Estimates were required including the expected life of the option and volatility.

2. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources, assessing the performance of the operating segment and making strategic decision, has been identified as the Board of Directors.

The Board of Directors consider that the Company has only one operating segment at corporate level, therefore no additional segmental information is presented.

3. Employees

	2025 £	2024 £
Wages and salaries	905,121	1,254,567
Short-term non-monetary benefits	23,786	34,847
Defined contribution pension costs	75,519	105,552
Social security costs	110,587	158,831
Share-based payment expense	87,513	481,251
	1,202,526	2,035,048
	2025	2024
The average monthly number of employees during the year was as follows:		
Directors	3	5
Staff	4	4
	7	9

Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

	2025 £	2024 £
Salaries and bonuses	602,391	963,106
Short-term non-monetary benefits	16,073	27,760
Defined contribution pension costs	47,997	78,874
Social security costs	60,181	133,993
Share-based payment expense	55,219	371,304
	781,861	1,575,037

Directors' remuneration is disclosed in the Directors' Report on page 21, including the remuneration of the highest-paid director.

Details regarding share options are set out in note 17 to the financial statements.

4. Finance Income

	2025 £	2024 £
Bank interest	5,067	112,011

5. Finance Costs

	2025 £	2024 £
Effective interest expense on lease liabilities (see note 21)	31,928	8,882
Interest on borrowings	83,191	-
Interest on other payables	110,271	31,053
	225,390	39,935

6. Loss before Tax

	2025 £	2024 £
The loss before tax is stated after charging:		
Write down on relinquished intangible assets (see note 12)	-	18,465,070
Depreciation – owned assets	19,131	33,165
Depreciation – right of use leased assets (office lease)	100,212	80,931

7. Auditors' Remuneration

	2025 £	2024 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	42,000	42,000
Fees payable to the Company's auditors for the audit of the financial statement – overrun in respect of the prior year	8,000	-
Fees payable to the Company's auditors for non-audit related services	3,000	1,650
Fees payable to the Company's auditors for other audit-related services	-	-

8. Income Tax

Analysis of income tax expense

	2025 £	2024 £
Current tax	(17,704)	17,704
Current tax – prior year	-	2,028
Income tax (credit)/expense	(17,704)	19,732

Factors affecting the income tax expense

The tax assessed for the year is different to the standard rate of corporation tax in the UK as explained below:

	2025 £	2024 £
Loss on ordinary activities before taxation	(2,156,546)	(21,221,555)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK (25%)	(539,136)	(5,305,389)
Effects of:		
Current tax – prior year	-	2,028
Expenses not deductible for tax purposes	467,175	5,325,629
Margin relief	2,536	(2,536)
Unrelieved losses carried forward	51,721	-
Income tax (credit) / expense	(17,704)	19,732

As at 31 December 2025, the Company has pre-trading expenditure including estimated uplift of £64.4 million (2024: £59.8 million). A deferred tax asset is not recognised due to uncertainty over future taxable profits.

9. Loss per Share

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

Due to the losses incurred during the year, a diluted loss per share has not been calculated as this would serve to reduce the basic loss per share. There were 9,406,560 (2024: 9,506,560) share options outstanding at the end of the year that could potentially dilute basic earnings per share in the future.

Basic and diluted loss per share

	2025	2024
Loss per share from continuing operations	(2.30)p	(22.82)p

The loss and weighted average number of ordinary shares used in the calculation of loss per share are as follows:

	2025 £	2024 £
Loss used in the calculation of total basic loss per share	(2,138,842)	(21,241,287)
Number of shares	2025 Number	2024 Number
Weighted average number of ordinary shares for the purposes of basic loss per share	93,096,000	93,096,600

10. Investments in subsidiary

	Shares in Group undertakings £
Cost	
Brought forward	1
Additions	-
At end of year	1

The Company has one directly held subsidiary:

	Registered Office	Class of shares	Holding
Deltic Energy One Limited	1st Floor, 150 Waterloo Road, London, SE1 8SB	Ordinary	100%

This subsidiary has been dormant from the date of incorporation. As it is not material for the purpose of giving a true and fair view, the Company has not consolidated its subsidiary, taking advantage of the exemption available under the Companies Act 2006 section 405.

11. Joint Operations

The Company has entered into the following unincorporated Joint Operations, which are included within the Company's financial statements:

Name of Project	Principal Activities	Company Interest
P2437 Selene	Oil and gas exploration	25%*
P2672 Blackadder	Oil and gas exploration	100%
P2646 Dewar	Oil and gas exploration	100%

* As disclosed in note 12, on 2 April 2024, Deltic farmed -out a 25% interest in Licence P2437, containing the Selene licence, to Dana Petroleum (E&P) Limited

In the prior year, the Company relinquished Licence P2428 (Cupertino), the Company formally withdrew from the Pensacola licence (P2252), the Company relinquished the Pensacola North Licence (P2558) and the Syros (P2542) licence expired.

At the reporting date there were no contingent liabilities in respect of any of the Joint Operations other than those disclosed in these financial statements in note 21.

12. Intangible Assets

	Exploration & evaluation assets £	Software licences £	Total £
Cost			
At 1 January 2024	17,626,340	39,257	17,665,597
Additions	3,797,407	-	3,797,407
Farm-out of licence	(922,933)	-	(922,933)
Write down on relinquished intangible assets	(18,465,070)	-	(18,465,070)
At 31 December 2024	2,035,744	39,257	2,075,001
Additions	831,718	-	831,718
Disposals	(743,624)	-	(743,624)
At 31 December 2025	2,123,838	39,257	2,163,095
Amortisation and impairment			
At 1 January 2024	163,115	39,257	202,372
Impairment charge	-	-	-
At 31 December 2024	163,115	39,257	202,372
Impairment charge	-	-	-
At 31 December 2025	163,115	39,257	202,372
Net Book Value			
At 31 December 2025	1,960,723	-	1,960,723
At 31 December 2024	1,872,629	-	1,872,629
At 31 December 2023	17,463,225	-	17,463,225

The net book value of exploration and evaluation assets at 31 December 2025 and 2024 relates solely to the Company's North Sea Licences. The net book value of exploration and evaluation assets include £99,446 (2024: nil) capitalised interest on the Selene Deferred Payment Agreement.

Additions of £831,718 (2024: £3,797,407) differ to the cash flows in the Statement of Cash Flows owing to an increase in trade and other payables of £265,054 (2024: £1,184,564 increase) and capitalised interest of £99,446 (2024: nil).

In the prior year, aggregate cash proceeds arising from the farm-out of the Selene licence to Dana amounted to £1,040,581, including a foreign exchange gain of £8,661. An amount of £922,933, representing the previously capitalised costs relating to the licence, was derecognised from exploration and evaluation assets. The excess of proceeds over the carrying amount of £108,987 was recognised as a gain on disposal of the partial interest and presented within other operating income in the Income Statement for that year. Under the Company's farm-in agreement with Dana, if, at the end of the 18-month period commencing on completion of the Selene commitment well, Dana remains a participant in the licence, the well carry cost cap increases by USD 1 million (£0.7 million). Dana paid USD 1 million (£0.7 million) to the Company in May 2026. In accordance with IFRS 9, the associated financial asset was recognised in 2025 at fair value, with the corresponding disposal of the relevant portion of the exploration and evaluation asset recognised at that time.

In the prior year:

- A charge of £17,998,254 was recognised (2025: nil) resulting from the write down on relinquished intangible assets following the decision to withdraw from P2252 (Pensacola)
- A charge of £69,092 was recognised (2025: nil) resulting from the write down on relinquished intangible assets following the decision to relinquish P2558 (Pensacola North).
- A charge of £395,112 was recognised (2025: nil) resulting from the write down on relinquished intangible assets following the decision to relinquish P2542 (Syros). A charge of £2,612 was recognised (2025: £21,127) resulting from the write down on relinquished assets following the decision in the prior year to relinquish from P2567 (Cadence).

13. Property, Plant and Equipment

	Leasehold improvements £	Office lease £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 January 2024	91,700	404,650	45,256	43,431	585,037
Additions	-	-	-	5,508	5,508
Disposals	-	-	(1,786)	(2,021)	(3,807)
At 31 December 2024	91,700	404,650	43,470	46,918	586,738
Additions	-	542,590	-	-	542,590
Disposals	-	(404,650)	(4,928)	(2,217)	(411,795)
At 31 December 2025	91,700	542,590	38,542	44,701	717,533
Depreciation					
At 1 January 2024	64,142	296,744	23,162	29,362	413,410
Charge for year	19,367	80,931	6,825	6,973	114,096
Disposals	-	-	(1,096)	(1,581)	(2,677)
At 31 December 2024	83,509	377,675	28,891	34,754	524,829
Charge for year	8,191	100,212	6,520	4,420	119,343
Disposals	-	(404,650)	(3,591)	(1,456)	(409,697)
At 31 December 2025	91,700	73,237	31,820	37,718	234,475
Net Book Value					
At 31 December 2025	-	469,353	6,722	6,983	483,058
At 31 December 2024	8,191	26,975	14,579	12,164	61,909
At 1 January 2024	27,558	107,906	22,094	14,069	171,627

The office lease category reflects a right of use asset relating to the office premises occupied by the Company. The Company extended the current office lease for a further five years. As a result of which the fully depreciated right of use lease asset for the previous office lease has been derecognised.

14. Trade and Other Receivables

	2025 £	2024 £
Current:		
Other receivables	982,182	2,362
Other tax receivables	22,273	11,109
Rental deposit	-	37,422
Prepayments	87,409	78,703
	1,091,864	129,596
Non-current:		
Rental deposit	41,164	-
Total receivables	1,133,028	129,596

During the year, no impairments were recognised. The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

Other receivables include £0.7m (2024: nil) due by Dana. Under the Company's farm-in agreement with Dana, if, at the end of the 18-month period commencing on completion of the Selene commitment well, Dana remains a participant in the licence, the well carry cost cap increases by USD 1 million (£0.7 million). Dana paid USD 1 million (£0.7 million) to the Company in May 2026. In accordance with IFRS 9, the associated financial asset was recognised in 2025 at fair value, with the corresponding disposal of the relevant portion of the exploration and evaluation asset recognised at that time.

Other receivables also include £0.2 million (2024: nil) due by Viaro Bidco under the Acquisition Cost Coverage Agreement. These amounts were paid subsequent to the year-end.

15. Share Capital

Allotted, issued and fully paid

Year ended December 2025		Number	£
At beginning of the year	Ordinary shares of 10 pence each	93,096,600	9,309,660
At end of the year	Ordinary shares of 10 pence each	93,096,600	9,309,660
Year ended December 2024		Number	£
At beginning of the year	Ordinary shares of 10 pence each	93,096,600	9,309,660
At end of the year	Ordinary shares of 10 pence each	93,096,600	9,309,660

16. Reserves

Reserves	Description and purpose
Share capital	Nominal value of shares issued.
Share premium	Amount subscribed for share capital in excess of nominal value.
Share-based payment reserve	Fair value of share options issued.
Accumulated retained deficit	Cumulative net losses recognised in the statement of comprehensive income.

Details of movements in each reserve are set out in the Statement of Changes in Equity on page 31.

17. Share-Based Payments

The Company share options are equity-share-based payments as defined in IFRS 2. This standard requires that a recognised valuation methodology be employed to determine the fair value of share options granted. The total share-based payment charge for the year has been derived through applying the Black Scholes model.

Share options

The Company's Share Option Plan pursuant to which options over ordinary Shares may be granted to Directors and employees of the Company, commenced on 4 May 2012. On 30 June 2014, an Enterprise Management Incentives Plan (EMI Plan) was adopted and options held by employees under the Share Option Plan became governed by the EMI Plan at that date.

Any employed Director or employee of the Company is eligible to receive grants under the EMI Plan. Non-executive Directors are not eligible to receive grants. Options are non-transferable except in the case of an option holder's death, in which case the outstanding options may be exercised by the personal representatives of the option holder.

The maximum number of ordinary Shares in respect of which options can be granted under the EMI Plan is 20 per cent. of the Company's issued ordinary share capital, including all awards made over the 10 years preceding the date of the grant. This limit also includes any rights granted under any other employee share incentive arrangements operated by the Company but excludes rights that: (i) have lapsed, been forfeited or released; (ii) will be met by the transfer of shares already in issue; or (iii) are granted to replace an award over shares in a Company acquired by the Company.

The Board of Directors has absolute discretion to grant options, subject to any time vesting or performance conditions that it outlines. The grant of options will be evidenced by an option agreement.

No share options were issued or exercised during the current or prior year.

The Company recognised a total share-based payment expense of £87,513 for the year ended 31 December 2025 (2024: £481,251) in respect of share options.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

Year ended December 2025	Number of Options	WAEP (pence)
Outstanding at the beginning of the year	9,506,560	39.91
Expired	(100,000)	0.04
Outstanding at the end of the year	<u>9,406,560</u>	<u>40.33</u>
Number exercisable at 31 December 2025	2,642,500	34.34
Year ended December 2024	Number of Options	WAEP (pence)
Outstanding at the beginning of the year	10,066,560	41.90
Expired	(560,000)	75.70
Outstanding at the end of the year	<u>9,506,560</u>	<u>39.91</u>
Number exercisable at 31 December 2024	2,642,500	37.39

The weighted average remaining contractual life of options outstanding as at 31 December 2025 was 4.8 years (2024: 5.8 years). The range of exercise prices relating to options outstanding at 31 December 2025 was 26.5p to 51.0p (2024: 26.5p to 80p)

18. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to provide returns for shareholders and to maintain an optimal capital structure to manage the cost of capital effectively. The Company defines capital as being share capital plus reserves. The Board of Directors monitor the level of capital as compared to the Company's commitments and, where necessary, adjusts the level of capital as is determined to be necessary by issuing new shares.

As part of the preparation of the Company's financial statements, the Directors have assessed the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

On 7 May 2026, the boards of NEO NEXT+ Energy Upstream UK Limited ("NEO NEXT+") and Deltic announced a recommended cash offer for the entire issued and to be issued ordinary share capital of Deltic (the "Acquisition") by way of a court-sanctioned scheme of arrangement.

On 24 June 2026, Deltic shareholders voted overwhelmingly to support the acquisition of Deltic by NEO NEXT+ which remains subject principally to NSTA approval of the transaction which is currently expected to complete before the end of quarter-three 2026.

In connection with the Acquisition, NEO NEXT+ agreed to provide the Bridge Financing for up to £2.9 million to repay the Term Loan which was repaid on 18 May 2026, including fees, costs and expenses due and payable to Viaro Bidco in relation to the Term Loan. The Bridge Financing is fully drawn, unsecured, and accrues interest at a rate of 10 per cent. per annum on the principal drawn down.

NEO NEXT+ has also undertaken to pay, or procure the payment of, certain costs reasonably and properly incurred by Deltic in connection with the Acquisition. The costs undertaking is capped at a maximum aggregate amount of £550,000. The Company does not expect the costs associated with the Acquisition to be materially more than £550,000.

The Company currently has sufficient cash resources to fund its near-term corporate costs. However, it does not have sufficient liquidity to settle its deferred payment obligations as they fall due without access to additional funding. In the absence of the Acquisition completing by the end of quarter-three 2026, the Directors anticipate that the Company would be required to raise additional capital in the going concern period to:

- Settle any deferred repayment amount to Shell and Adura, as follows:
 - i. On 12 December 2025, Deltic announced that it had entered into a Deferred Payment Agreement with Shell U.K. Limited as operator of the P2437 Selene licence, in relation to the payment of: (i) in aggregate, £1.5 million being the sums that have accrued to Deltic's account in relation to the successful Selene exploration well from April 2025 to October 2025; and (ii) any further sums accruing to Deltic in relation to Selene after October 2025. Under the Deferred Payment Agreement with Shell, Deltic's payment of these amounts has most recently been extended to 27 August 2026. Deltic may request further extensions of this date for a total of up to nine months from 27 February 2026 to 27 November 2026, with the decision to grant any such extensions being at Shell U.K. Limited's sole discretion. The Selene Deferred Payment Agreement is repayable upon completion of the Acquisition.
 - ii. In September 2024, Deltic agreed a deferred repayment agreement with its Pensacola joint venture partners whereby Deltic has a 24-month period from September 2024 to repay £0.9 million due to the joint venture. This agreement was subsequently assigned to Adura Energy Limited ('Adura') following the transfer of certain Shell and Equinor UKCS assets into the newly-formed Adura. Deltic may request an extension of up to a further 12 months to September 2027, with the decision to grant such an extension being at Adura's sole discretion.
- Continue to fund the Company's share of the Selene work program ; and
- Cover the Company's general corporate operating costs.

Against this backdrop, the Directors believe that the Acquisition represents certainty for Deltic's Shareholders in relation to the future of the Company. The Directors expect that the Acquisition will complete prior to the deferred payment obligations becoming payable. Upon completion, the Company will have access to additional financial resources under NEO NEXT+, enabling it to meet its liabilities as they fall due and continue operations throughout the going concern period.

In the event that the Acquisition does not complete as anticipated, the Company would need to secure additional funding. The options available to the Company would include increasing the existing NEO NEXT+ Bridge Financing, renegotiating the Deferred Payment Agreements and/or raising further capital.

The Directors believe that, in the absence of the Acquisition completing before the end of Q4 2026, the Company would be in an extremely challenging financial position and the Directors might have no option but to place the Company into administration. Should administrators be appointed, it is not known how much, if any, value would be returned to Shareholders.

These circumstances represent a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Directors have a reasonable expectation that the Acquisition will complete before the end of quarter-three 2026 and that the Company will thereafter have access to sufficient financial resources from NEO NEXT+ to trade solvently during the going concern period. Accordingly, the financial statements have been prepared on a going concern basis. The Independent Auditor's Report to the members of Deltic Energy Plc for the year ended 31 December 2025 refers to this material uncertainty surrounding going concern.

The Company is subject to an externally imposed capital requirement of maintaining a minimum of £50,000 authorised share capital, which it has met in both reporting periods presented.

19. Trade and Other Payables

	2025 £	2024 £
Current		
Trade payables	489,705	77,543
Social security and other taxes	34,208	78,072
Joint operations payable	41,734	24,701
Accruals and other payables	2,518,652	1,411,054
	<u>3,084,299</u>	<u>1,591,370</u>
	2025 £	2024 £
Non-current		
Other payables	-	899,363
	<u>-</u>	<u>899,363</u>

The Directors consider that the carrying amounts of trade and other payables approximate to their fair value.

Accrual and other payables include £2.5 million (2024: £0.9 million non-current) due under deferred repayment agreements. During the year, the Company entered into a deferred repayment agreement with the Selene JV, in relation to the payment of: (i) in aggregate, £1.5 million, being the sums that have accrued to the Company's account in relation to the successful Selene exploration well from April 2025 to October 2025; and (ii) any further sums accruing to the Company in relation to Selene after October 2025 (together the "Deferred Amounts"). The Deferred Amounts at 31 December 2025 total £1.6 million. Under the deferred repayment agreement, the payment of the Deferred Amounts has been deferred to 27 August 2026, although the Company may request extensions of this date for a further three months, with the decision to grant any such extensions being at Shell's sole discretion. The Deferred Repayment Agreement's terms include a non-compounding interest payable at the Bank of England Base Rate plus 8% with interest payable monthly.

Under a deferred repayment agreement agreed with the Pensacola JV in the prior year, the Company has had a 24 month period, from September 2024, to repay £0.9 million due to the JV and have the option to extend the deferred repayment agreement by a further 12 months to September 2027. The deferred payment terms include a non-compounding interest of Bank of England Base Rate plus 8%, repayable quarterly in arrears commencing in December 2024.

Both deferred repayment agreements are unsecured. The Directors consider that the carrying amounts of the Deferred Payment Agreements approximate their fair value. The Directors' assessment of the Company's ability to settle these obligations as they fall due is set out in the going concern disclosure in Note 1.

20. Borrowings

	2025 £	2024 £
Current portion of borrowings	-	-
Non-current portion of borrowings	2,783,192	-
	<u>2,783,192</u>	<u>-</u>

On 30 June 2025, the Company entered a two-year term loan with Viaro Bidco whereby Viaro Bidco agreed to make available to the Company funding of £2.7 million ("Term Loan"). The Term Loan was fully drawn down by 31 December 2025. The Term loan is unsecured and interest accrues at a rate of 10 per cent. per annum on the principal drawn down.

21. Lease Arrangements

Right of use assets

The Company uses leasing arrangements for its office for which a right of use asset is included in property, plant and equipment.

When a lease begins, a liability and right of use asset are recognised based on the present value of future lease payments.

The movements in the right of use asset are presented under the office lease category in note 13

Lease liabilities

	2025 £	2024 £
Amounts payable at 1 January	22,837	135,628
Effective interest expense	31,928	8,882
New lease arrangement	509,648	-
Lease payments	(115,188)	(121,673)
Total lease liabilities	449,225	22,837
Amounts payable within one year at 31 December	97,335	22,837
Amounts payable greater than one year at 31 December	351,890	-

During the year, the Company renewed the existing lease for the Company's office premises. As a result of which the fully depreciated right of use lease asset for the previous office lease has been disposed and a new right of use lease asset recognised.

22. Financial Instruments

Principal financial instruments

The principal financial instruments used by the Company from which the financial risk arises are as follows:

	2025 £	2024 £
Financial assets		
Cash and cash equivalents – all amounts held in Sterling:		
Cash at bank	1,649,225	1,444,904
	1,649,225	1,444,904
Rental deposit	41,164	37,422
Other receivables	982,182	2,362
	2,672,571	1,484,688
Financial liabilities		
Trade payables	489,705	77,543
Other payables & accruals	2,560,386	2,335,118
Borrowings (note 20)	2,783,192	-
Lease liabilities ¹	449,225	22,837
	6,282,508	2,435,498

¹ The 2024 lease liability is payable within one year.

General objectives and policies

The overall objective of the Board is to set policies that seek to reduce as far as practical without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are:

Policy on financial risk management

The Company's principal financial instruments comprise cash and cash equivalents, other receivables, trade and other payables. The Company's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 1 – "Accounting Policies".

The Company does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

Derivatives, financial instruments and risk management

The Company does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Foreign currency risk management

The Company has very limited transactional currency exposures as all projects currently undertaken are based in the UK.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure and the credit ratings of its counterparties are monitored by the Board of Directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The Company applies IFRS 9 to measure expected credit losses for receivables, these are regularly monitored and assessed. Receivables are subject to an expected credit loss provision when it is probable that amounts outstanding are not recoverable as set out in the accounting policy. The impact of expected credit losses was immaterial.

The Company's principal financial assets are cash and cash equivalents and other receivables. Cash and cash equivalents include amounts held on deposit with financial institutions, including deposits subject to notice periods of no more than 95 days.

The credit risk on liquid funds held in current accounts available on demand and notice account deposits is limited because the Company's counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

No financial assets have indicators of impairment.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recorded in the financial statements.

Borrowings and interest rate risk

The Company currently has one loan arrangement which is subject to a fixed interest rate (see note 20).

The Company's principal financial assets are cash and cash equivalents and other receivables. Cash equivalents include amounts held on deposit with financial institutions. The effect of variable interest rates is not considered to be significant.

Liquidity risk

During the year ended 31 December 2025, the Company was financed by cash previously raised through equity funding in October 2022 and the farm-out of exploration licences plus a new loan arrangement. Funds raised surplus to immediate requirements are held as short-term cash deposits in Sterling.

The maturities of the cash deposits are selected to maximise the investment return whilst ensuring that funds will be available as required to maintain the Company's operations.

In managing liquidity risk, the main objective of the Company is to ensure that it has the ability to pay all of its liabilities as they fall due. The Company monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The table below shows the undiscounted cash flows on the Company's financial liabilities as at 31 December 2025 and 31 December 2024 on the basis of their earliest possible contractual maturity.

	Total £	Within 2 months £	Within 2 – 6 months £	Within 6 – 12 months £	Within 1 – 2 years £	Within 2 - 5 years £
At 31 December 2025						
Trade payables	489,705	489,705	-	-	-	-
Other payables & accruals	2,560,386	1,558,783	102,240	899,363	-	-
Borrowings	2,783,192	-	-	-	2,783,192	-
Lease liabilities	550,266	-	68,607	68,607	125,842	287,210
	6,383,549	2,048,488	170,847	967,970	2,909,034	287,210
At 31 December 2024						
Trade payables	77,543	77,543	-	-	-	-
Other payables & accruals	2,335,118	-	1,292,183	57,806	985,129	-
Lease liabilities	22,837	-	22,837	-	-	-
	2,435,498	77,543	1,315,020	57,806	985,129	-

23. Capital Commitments

At the reporting date and the prior year there were no capital commitments.

24. Related Party Disclosures

Parties are considered to be related if one party is under common control or can exercise significant influence over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Neither NEO NEXT+ or Viaro Bidco are related parties of the Company.

Key management personnel are considered to be the Directors of the Company and Persons Discharging Managerial Responsibility. Disclosure regarding remuneration of key management is provided in note 3.

In the prior year, on 26 February 2024, Peter Cowley, a Non-Executive Director of the Company, sold and purchased 50,924 ordinary shares of 10p each ("Ordinary Shares") in the Company as part of a 'Bed & ISA' arrangement. There was no change to the number of Ordinary Shares beneficially held by Peter Cowley as a result of this transaction.

25. Control

The Company is not controlled by any other party.

26. Subsequent Events

On 3 February 2026, the Company agreed with the Selene JV an extension to the payment date of amounts owed by the Company in relation to: (i) in aggregate, £1.5 million, being the sums that have accrued to the Company's account in relation to the successful Selene exploration well from April 2025 to October 2025; and (ii) any further sums accruing to the Company in relation to Selene after October 2025 (together the "Deferred Amounts"). The payment date of the Deferred Amounts has now been deferred to 27 August 2026, although the Company may request extensions of this date for up to a further three months, with the decision to grant any such extensions being at the JVs sole discretion.

On 31 March 2026, Deltic and Viaro Bidco confirmed that the recommended cash offer for the entire issued and to be issued ordinary share capital of Deltic (the "Viaro Bidco Acquisition") lapsed on 31 March 2026.

On 7 May 2026, the boards of NEO NEXT+ and Deltic announced that they had reached agreement on the terms of a recommended cash offer for the entire issued and to be issued ordinary share capital of Deltic (the "Acquisition"), intended to be implemented by way of a court-sanctioned scheme of arrangement.

On 7 May 2026, in connection with the Acquisition, NEO NEXT+ agreed to provide a bridging loan of up to £2.9 million (the "Bridge Financing") to repay the term loan provided to Deltic by Viaro Bidco on 30 June 2025 in connection with the Viaro Acquisition. The Viaro Bidco term loan was repaid on 18 May 2026, including fees, costs and expenses due and payable to Viaro Bidco in relation to that facility. The Company has drawn down the full £2.9m available under the Bridge Financing, which is unsecured and accruing interest at a rate of 10 per cent. per annum on the principal drawn down.

On 7 May 2026, the Company entered into a Cost Coverage Agreement with NEO NEXT+. NEO NEXT+ has undertaken to pay, or procure the payment of, certain costs reasonably and properly incurred by Deltic in connection with the Acquisition. The costs undertaking is capped at a maximum aggregate amount of £550,000. The Company does not expect the costs associated with the Acquisition to be materially more than £550,000.

On 27 May 2026, the Company received a payment of US\$1.0m (£0.7 million) from Dana Petroleum (E&P) Limited ("Dana") relating to costs incurred by Deltic and repayable by Dana pursuant to the farm-out of the 25% interest in Licence P2437, containing the Selene Prospect, first announced on 7 February 2024.

Company Information

Directors	M S Lappin (Chairman) A J Nunn (Chief Executive Officer) P W Nicol (Non-Executive)
Joint Secretary	S M McLeod Gravitas Company Secretarial Services Limited
Registered Office	1st Floor 150 Waterloo Road London SE1 8SB
Registered Number	07958581 (England and Wales)
Nominated Adviser	Allenby Capital Limited 5 St Helen's Place London EC3A 6AB
Corporate Broker	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR
Auditors	PKF Littlejohn LLP 30 Churchill Place Canary Wharf London E15 5RE
Solicitors	K&L Gates LLP One New Change London EC4M 9AF
Financial Public Relations	Vigo Consulting Sackville House 40 Piccadilly London W1J OHR
Registrar	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX