

Company Registration Number 13139365 (England and Wales)

ONEIRO ENERGY PLC

UNAUDITED HALF YEAR RESULTS

FOR THE SIX MONTHS ENDED 31 JULY 2023



Chairman's Statement

I am pleased to present the results for the six-month period ending 31 July 2023.

Strategic focus

The Company's current strategic priority is to identify, evaluate and rank potential reverse takeover (RTO) targets in the energy space, utilising our strong in-house expertise. Exploration & appraisal activities have been led by Rob Jones, a former Head of Exploration at Cairn Energy, supported by Rod Murray who is an experienced oilfield operations manager.

Scope

To date, our search has focused primarily on transition energy natural gas plays, de-risked by existing discoveries and encompassing sizable upside exploration targets. Initially spreading the search through North, Central and South America, West Africa and South-East Asia the Company has compiled and high graded a number of opportunities. These are ranked and risked reflecting the best net present value (NPV) and Expected Monetary Value (EMV) value moving forward through acquisition and speculative resource addition.

Opportunities

Opportunities reviewed have included a West African play with 1.6 Trillion Cubic Feet (TCF) P50 prospective resource, a Gulf of Mexico 1.1TCF prospective resource and a South-East Asian 800 Billion Cubic Feet (BCF) discovery with multi TCF exploration upside potential.

The Board has been pleased with the quality of the opportunities they have had a chance to review so far and are working to compile a shortlist which they believe would be attractive to current and future shareholders. We look forward to updating the market when circumstances allow.

Corporate Changes

Moving on from the Company's £1.2m (gross) Placing and Admission to the Official List (by way of a Standard Listing) in May 2023, we have made two key appointments. Firstly, we have appointed an independent Non-Executive Chairman and secondly Allenby Capital has come on board as Financial Adviser.

Financial results and current financial position

The Company generated a loss of £265,777 in the six month period ended 31 July 2023 as it continued with its current strategic priority of identifying, evaluating and executing a RTO in the energy space.

Cash and cash equivalents as at 31 July 2023 were £969,924.

Chairman's Statement (continued)

Warrants

On admission to the London Stock Exchange on 25 May 2023, the company granted the following warrants to certain investors and Directors of the company.

Number of Warrants	Exercise price per Ordinary Share	Exercise Period
12,000,000 ¹	£ 0.10	Two years from Admission
12,000,000 ¹	£ 0.20	Two years from the completion of an Acquisition ³
9,000,000 ²	£ 0.0085	Five years from the date which the condition has been satisfied ⁴
9,000,000 ²	£ 0.0085	Five years from the date which the condition has been satisfied ⁵
480,000 ²	£ 0.05	Three years from Admission

¹Warrants granted to investors during the IPO Placing, pro rata to their respective investments.

²Warrants to Directors and Founder Mr Adam Dziubinski

³Warrant exercise is conditional upon, and no such Warrant may be exercised prior to, completion of an Acquisition.

⁴Warrant exercise is conditional upon the closing market price of the Ordinary Shares exceeding £0.10 for 20 consecutive trading days within five years of Admission. This condition has subsequently been met. The holders of these warrants are subject to lock-in agreements with the Company which would prevent the sale of these instruments and ordinary shares created therefrom. The lock-in agreements have a duration of 12 months following Admission, which took place on 25 May 2023. Subsequent to the expiry of the lock-in agreements, any shares resulting from the exercise of these warrants will be subject to orderly market agreements for a further 12 months, which requires Board approval to make any sales.

⁵Warrant exercise is conditional upon the closing market price of the Ordinary Shares exceeding £0.20 for 20 consecutive trading days within five years of Admission.

Please refer to Note 8 for details of warrants that were granted to Directors.

I would like to take this opportunity to thank my fellow Directors, management and advisors for their continued support and hard work. I remain confident that the Company is well-placed to execute a successful RTO in the near-term.

Andy Yeo
Non-executive Chairman

24 October 2023

Statement of Comprehensive Income

For the half-year ended 31 July 2023

	Notes	Six months ended 31 July 2023 (Unaudited)	Six months ended 31 July 2022 (Unaudited)	Year ended 31 January 2023
		£	£	£
Administrative expenses		(277,680)	(135,803)	(269,049)
Operating loss		(277,680)	(135,803)	(269,049)
Other income	1	4,425	8,850	17,700
Loss before tax		(273,255)	(126,953)	(251,349)
Taxation charge		7,478	-	-
Loss for the year		(265,777)	(126,953)	(251,349)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		(265,777)	(126,953)	(251,349)
Basic and diluted loss per share (pence)	3	(0.96)	(0.83)	(2.72)

Statement of Financial Position

At 31 July 2023

	Notes	As at 31 July 2023 (Unaudited)	As at 31 July 2022 (Unaudited)	As at 31 January 2023
		£	£	£
Assets				
Current assets				
Other receivables	4	36,798	19,881	8,968
Deferred tax asset	9	29,400	-	-
Cash and cash equivalents		969,924	113,641	32,081
		1,036,122	133,522	41,049
Total assets		1,036,122	133,522	41,049
Liabilities				
Current liabilities				
Trade and other payables	5	(57,216)	(16,278)	(48,201)
		(57,216)	(16,278)	(48,201)
Total liabilities		(57,216)	(16,278)	(48,201)
Net assets/(liabilities)		978,906	117,244	(7,152)
Equity				
Share capital	6	378,420	153,000	153,000
Share premium		1,232,580	258,000	258,000
Share based payment reserve	8	51,835	-	-
Retained losses		(683,929)	(293,756)	(418,152)
Total equity		978,906	117,244	(7,152)

Statement of Changes in Equity

For the half-year ended 31 July 2023

	Notes	Share capital £	Shares to be issued £	Share premium £	Share based payment reserve £	Retained losses £	Total equity £
At 31 January 2022		51,000	360,000	-	-	(166,803)	244,197
Total comprehensive income							
Loss for the period		-	-	-	-	(126,953)	(126,953)
Transactions with owners							
Ordinary shares issued on incorporation		-	-	-	-	-	-
Issue of Ordinary Shares	6	102,000	(102,000)	-	-	-	-
Share premium issued		-	(258,000)	258,000	-	-	-
At 31 July 2022		153,000	-	258,000	-	(293,756)	117,244
Total comprehensive income							
Loss for the period		-	-	-	-	(124,396)	(124,396)
At 31 January 2023		153,000	-	258,000	-	(418,152)	(7,152)
Total comprehensive income							
Loss for the year		-	-	-	-	(265,777)	(265,777)
Transactions with owners							
Issue of Ordinary Shares	6	225,420	-	-	-	-	225,420
Share premium issued		-	-	974,580	-	-	974,580
Share based payments	8	-	-	-	51,835	-	51,835
At 31 July 2023		378,420	-	1,232,580	51,835	(683,929)	978,906

Statement of Cash Flows

For the half-year ended 31 July 2023

Notes	Six months ended 31 July 2023 (Unaudited)	Six months ended 31 July 2022 (Unaudited)	Year ended 31 January 2023
	£	£	£
Cashflow from operating activities			
Operating loss for the year	(273,255)	(126,953)	(251,349)
<i>Adjustments for:</i>			
Share based payments	29,913	-	-
Movements in working capital			
(Increase)/decrease in other receivables	(27,830)	5,870	16,783
Increase in trade and other payables	9,015	5,119	37,042
Net cash used in operating activities	(262,157)	(115,964)	(197,524)
Financing activities			
Proceeds from issue of share capital	1,200,000	-	-
Net cash generated from financing activities	1,200,000	-	-
Increase/(decrease) in cash and cash	937,843	(115,964)	(197,524)
Cash and cash equivalents at beginning year	32,081	229,605	229,605
Cash and cash equivalents at end of year	969,924	113,641	32,081

Principal accounting policies for the Financial Statements

For the half-year ended 31 July 2023

Reporting entity

Oneiro Energy plc (the “Company”) is a company incorporated and registered in England and Wales, with a company registration number of 13139365. The address of the Company’s registered office is 1st Floor, 5-6 Argyll Street, London, England, W1F 7TE.

Basis of preparation

The interim financial statements for the half-year ended 31 July 2023 are prepared in accordance with IFRS as adopted by the UK and IAS 34 ‘Interim Financial Reporting’. The same accounting policies are followed in this set of interim financial statements as compared with the most recent audited annual financial statements for the year ended 31 January 2023.

The financial information relating to the half-year ended 31 July 2023 is unaudited and does not constitute statutory financial statements as defined in section 434 of the Companies Act 2006. The comparative figures for the year ended 31 January 2023 have been extracted from the annual financial statements, of which the auditors gave an unqualified audit opinion. The annual financial statements for the year ended 31 January 2023 has been filed with the Registrar of Companies.

The Company’s financial risk management objectives and policies are consistent with those disclosed in the year ended 31 January 2023 annual financial statements.

The half-yearly report was approved by the board of directors on 24 October 2023.

Changes in accounting standards, amendments and interpretations

The accounting policies adopted in the preparation of the financial information for the half-year ended 31 July 2023 are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 January 2023. An additional policy for share based payments was adopted in relation to the share warrants that were granted to Directors during the period.

(a) Share-based payments

The company allows for Directors to acquire shares of the company and all options and warrants are equity-settled. The fair value of options granted is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the Directors or employees become unconditionally entitled to the options. The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest.

At the date of authorisation of the financial statements, the following amendments to Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2023. These have not had any material impact on the amounts reported for the current and prior periods.

Principal accounting policies for the Financial Statements (continued)

Standard or Interpretation	Effective Date
IFRS 17 – Insurance Contracts	1 January 2023
IAS 8 – Definition of Accounting Estimates	1 January 2023
IAS 1 – Disclosure of Accounting Policies	1 January 2023
IAS 12 – Deferred Tax Arising from a Single Transaction	1 January 2023
Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 January 2023

New and revised Standards and Interpretations in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation	Effective Date
IAS 1 Classification of liabilities as current or non-current	1 January 2024
IAS 1 – Non-current liabilities with covenants	1 January 2024
IFRS 7 – Supplier finance arrangements	1 January 2024
IFRS 16 – Lease liability in a Sale and Leaseback	1 January 2024

As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The directors do not expect any material impact as a result of adopting standards and amendments listed above in the financial year they become effective.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS as adopted by the UK requires management to make judgments, 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 various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. The resulting accounting estimates may differ from the related actual results.

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

In the process of applying the Company's accounting policies, the Directors' do not believe that they have had to make any assumptions or judgements that would have a material effect on the amounts recognised in the financial statements.

Notes to the Financial Statements

For the half-year ended 31 July 2023

1. Operating loss

	Six months ended 31 July 2023 (Unaudited)	Six months ended 31 July 2022 (Unaudited)	Year ended 31 January 2023
	£		£
This is stated after charging/(crediting):			
Rent receivable	(4,425)	(8,850)	(17,700)
Auditors' remuneration	-	-	20,000

2. Staff costs and numbers

	Six months ended 31 July 2023 (Unaudited)	Six months ended 31 July 2022 (Unaudited)	Year ended 31 January 2023
(a) Staff numbers (including directors):	Number	Number	Number
Directors	3	3	3
(b) Directors' remuneration:	£	£	£
Remuneration for qualifying services	12,086	18,173	33,302
Total directors' costs	12,086	18,173	33,302

Further details on Directors' remuneration is given in the Directors' report.

3. Earnings per share

The basic and diluted earnings per share figures are set out below:

	Six months ended 31 July 2023 (Unaudited)	Six months ended 31 July 2022 (Unaudited)	Year ended 31 January 2023
	£	£	£
Loss attributable to shareholders	(265,777)	(126,953)	(251,349)
Weighted average number of shares	Number	Number	Number
For basic and diluted earnings per share	27,816,796	12,733,333	9,254,795
Total	27,816,796	12,733,333	9,254,795
	Pence per share	Pence per share	Pence per share
Loss per share:			
Basic and diluted (pence)	(0.96)	(0.83)	(2.72)

Notes to the Financial Statements (continued)

4. Trade and other receivables

	As at 31 July 2023 (Unaudited)	As at 31 July 2022 (Unaudited)	As at 31 January 2023
	£	£	£
Other receivables	33,431	19,881	7,888
Prepayments	3,367	-	1,080
Total receivables	36,798	19,881	8,968

5. Trade and other payables

	As at 31 July 2023 (Unaudited)	As at 31 July 2022 (Unaudited)	As at 31 January 2023
	£	£	£
Trade payables	184	-	184
Accruals	57,000	-	47,710
Other taxation and social security	-	-	74
Other payables	32	16,278	233
Total trade and other payables	57,216	16,278	48,201

6. Share capital

	As at 31 July 2023 (Unaudited)	As at 31 July 2022 (Unaudited)	As at 31 January 2023
	No.	No.	No.
Brought forward	18,000,000	6,000,000	6,000,000
Issued in the year	26,520,000	12,000,000	12,000,000
At the end of the year	44,520,000	18,000,000	18,000,000

Nominal value of Ordinary shares:

	As at 31 July 2023 (Unaudited)	As at 31 July 2022 (Unaudited)	As at 31 January 2023
	£	£	£
Brought forward	153,000	51,000	51,000
Issued in the year	225,420	102,000	102,000
At the end of the year	378,420	153,000	153,000

Notes to the Financial Statements (continued)

7. Financial instruments

Financial assets

	As at 31 July 2023 (Unaudited)	As at 31 July 2022 (Unaudited)	As at 31 January 2023
	£	£	£
Cash and cash equivalents	969,924	113,641	32,081
Other receivables	36,798	19,881	8,968
Total financial assets	1,006,722	133,522	41,049

Financial liabilities

	As at 31 July 2023 (Unaudited)	As at 31 July 2022 (Unaudited)	As at 31 January 2023
	£	£	£
Trade and other payables	57,216	16,278	48,201
Short-term financial liabilities	57,216	16,278	48,201
Total financial liabilities	57,216	16,278	48,201

Fair value of financial assets and liabilities

All financial assets and liabilities that are recognised in the financial statements are short term in nature and shown at their carrying value which is also approximate to their fair value.

Notes to the Financial Statements (continued)

8. Share based payments

On 25 May 2023, the company granted share warrants to Directors on admission to the London Stock Exchange. A summary of the warrants granted to directors is as follows:

Warrant Holder	Number of Warrants	Exercise price per Ordinary Share	Exercise Period	Transferrable	Exercised
Robert Francis Edwin Jones	3,000,000	£ 0.0085	5 years from the date when the condition has been satisfied ¹	No	No
Robert Francis Edwin Jones	3,000,000	£ 0.0085	5 years from the date when the condition has been satisfied ²	No	No
Peter Roderick Gordon Murray	3,000,000	£ 0.0085	5 years from the date when the condition has been satisfied ¹	No	No
Peter Roderick Gordon Murray	3,000,000	£ 0.0085	5 years from the date when the condition has been satisfied ²	No	No
John Michael Treacy	480,000	£ 0.05	3 years from Admission	No	No

¹Warrant exercise is conditional upon the closing market price of the Ordinary Shares exceeding £0.10 for 20 consecutive trading days within five years of Admission. This condition has subsequently been met. The holders of these warrants are subject to lock-in agreements with the Company which would prevent the sale of these instruments and ordinary shares created therefrom. The lock-in agreements have a duration of 12 months following Admission, which took place on 25 May 2023. Subsequent to the expiry of the lock-in agreements, any shares resulting from the exercise of these warrants will be subject to orderly market agreements for a further 12 months, which requires Board approval to make any sales.

²Warrant exercise is conditional upon the closing market price of the Ordinary Shares exceeding £0.20 for 20 consecutive trading days within five years of Admission.

The fair value of the share warrants at the date of grant was measure using the Black Scholes pricing model, which takes into account factors such as the option life, share price volatility and the risk free rate.

Date of grant	Share price (£)	Exercise price (p)	Risk Free Rate	Expected term (Years)	Expected dividend yield	Expected volatility	Fair value of option
25/05/2023	0.06	0.0085	4.38%	5	0%	61.32%	£ 0.0241
25/05/2023	0.06	0.0085	4.38%	5	0%	61.32%	£ 0.0085
25/05/2023	0.06	0.05	4.38%	3	0%	61.32%	£ 0.0299

Risk free interest rate

The risk-free interest rate is based on the UK 10-year Gilt yield.

Expected term

The expected term represents the maximum term that the company's share options in relation to employees of the company are expected to be outstanding.

Estimated volatility

The estimated volatility is the amount by which the price is expected to fluctuate during the period. The estimated volatility for the share options was determined based on the standard deviation of share price fluctuations of the company since its listing.

Notes to the Financial Statements (continued)

8. Share based payments (continued)

Expected dividends

The company's board of directors may from time to time declare dividends on its outstanding shares. Any determination to declare and pay dividends will be made by the board of directors and will depend upon the company's results, earnings, capital requirements, financial condition, business prospects, contractual restrictions and other factors deemed relevant by the board of directors. If a dividend is declared, there is no assurance with respect to the amount, timing or frequency of any such dividends. Based on this uncertainty and unknown frequency, no dividend rate was used in the assumptions to calculate the share based compensation expense.

The number and weighted average exercise prices of the share warrants were as follows:

	As at 31 July 2023		As at 31 July 2022		As at 31 January 2023	
	No. of shares	Average Exercise	No. of shares	Average Exercise	No. of shares	Average Exercise
	No.	£	No.	£	No.	£
Options outstanding, start of period	-	-	-	-	-	-
Granted	12,480,000	0.0208	-	-	-	-
Cancelled	-	-	-	-	-	-
Options outstanding, end of period	12,480,000	0.0208	-	-	-	-
Options exercisable, end of period	480,000	0.0500	-	-	-	-

A share-based payment charge of £29,913 was recognised during the period in relation to the share warrants granted in the period. Additionally, a deferred tax asset amount of £21,922 was recognised directly in the share based payment reserve in respect of the estimated future tax deduction that exceeds the cumulative share based payment expense.

9. Deferred tax

	Liabilities			Assets		
	As at 31 July 2023	As at 31 July 2022	As at 31 January 2023	As at 31 July 2023	As at 31 July 2022	As at 31 January 2023
	£	£	£	£	£	£
Share based payments	-	-	-	29,400	-	-
	-	-	-	29,400	-	-

Movements in the period:	31 July 2023	31 July 2022	31 January 2023
	£	£	£
Net liability/(asset) at start of period	-	-	-
(Credit)/charge to Statement of Comprehensive Income	(7,478)	-	-
(Credit)/charge to Equity	(21,922)	-	-
Net liability/(asset) at year end	(29,400)	-	-

The deferred tax asset set out above is related to share based payments where a tax deduction will not be received until the exercise date, which will be based on the intrinsic value of the option.

Notes to the Financial Statements (continued)

10. Subsequent events

After the end of the interim period, 6,000,000 Director warrants became exercisable. The warrants are subject to lock-in agreements with the Company which would prevent the sale of these instruments and ordinary shares created therefrom. The lock-in agreements have a duration of 12 months following Admission, which took place on 25 May 2023. Subsequent to the expiry of the lock-in agreements, any shares resulting from the exercise of these warrants will be subject to orderly market agreements for a further 12 months, which requires Board approval to make any sales.

11. Ultimate controlling party

The Company has a number of shareholders and is not under the control of any one person or ultimate controlling party.