U.S. OIL AND GAS PLC

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

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COMPANY INFORMATION

Directors	Brian McDonnell	(Chief Executive Officer: Chairman)
	Peter Whelan	(Non Executive Officer)
	Karim Akrawi	(Non Executive Officer)
	Brian McBeth	(Non Executive Officer)
Registered office	Alexandra House The Sweepstakes Ballsbridge Dublin 4	
Company secretary	Brian McDonnell	
Independent auditors	Nexia Smith & Williamson (Ireland) Limited Chartered Accountants & Statutory Audit Firm Paramount Court Corrig Road Sandyford Business Park Dublin 18	
Bankers	Bank of Ireland Phibsborough Dublin 7	
	Bank of America 1830 S Virginia Street Reno NV 89501	
Solicitors	Whitney Moore 2 Shelbourne Buildings Crampton Avenue Shelbourne Road Ballsbridge Dublin 4	
Registrars	Computershare Investor Services (Ireland) Limited Unit 3100, Lake Drive Citywest Business Campus Dublin 24	
Registered number	471932 Republic of Ireland	
Date of incorporation	15 June 2009	
Website:	www.usoilandgas.us	

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

The Group is pleased to report the final results for the year ended 31 July 2021.

Corporate Highlights

– Funds raised $0.45m during the year.

Operational Highlights

– An East Play prospect drilled as Eblana-9, but proved non-commercial.
– Post-drill analysis of the Eblana-9 downhole data was carried out, while further Geological studies identified three West Play prospects.
– Three Notices of Staking (NoS) for West Play wells Eblana-7, -8 and -13, with associated Applications for Permit to Drill (APD) materials were submitted to Bureau of Land Management (BLM).
– Environmental survey components of the APDs, including biological and cultural surveys, were completed.

Financial Highlights

– Administration expenses were $850,844 (2020 as restated: $698,124). The increase in expenditure was primarily due to increased exploration activity over the period, including drilling a well, and loss on currency movements.
– Total comprehensive loss was $986,907 (2020 as restated: $614,217); and cash and cash equivalents of $573,107 (2020: $1,177,023). The Company is debt-free.
– To cover liability for plugging wells and reclaiming sites, a bond totaling US$300,000 was held by the Bureau of Land Management (BLM) from Major Oil International LLC. An amount of US$200,000 of this US$300,000 bond was returned to the company during the year.

Review of the year ended 31 July 2021

Operational progress

After exhaustive analysis, the Tertiary East Play was determined the best near-term candidate for drilling Eblana-9, and a drill location was finalised. A drill permit was awarded by the Bureau of Land Management (BLM) on 20 November 2020.

Extensive preparations in advance of the permit and a highly efficient logistical operation meant that groundworks were completed, a rig contracted and mobilised, and the well spudded within only seven days of the award of a permit. Spudding of the Eblana-9 well took place on 27 November 2020. Drilling operations were carried out safely and efficiently, on time and on budget. However, after a ten-day drill successfully penetrating all the target horizons, no viable hydrocarbons were encountered, and the well was plugged and abandoned.

Next targets

The Eblana-9 drill was immediately followed by geological studies to further assess three drill targets on the West Play, while carrying out post-drill analysis of the Eblana-9 downhole data. The Company duly submitted three Notices of Staking (NoS) for West Play wells Eblana-7, -8 and -13 in Q1 2021. NoS are key elements of the related Applications for Permit to Drill (APDs).

Department of the Interior suspension of certain BLM activities

At the request of the Biden Administration, under Order No. 3395 dated 20 January 2021, leasing for fossil fuel production on federal lands and waters, as well as the issuing of new drilling permits was suspended for 60 days. The impact of the suspension on the ability of regulatory authorities to process existing and new drilling applications is difficult to assess but may have significantly delayed processing well beyond the nominal 60 days suspension period.

Court-ordered Suspension of Operations on 2018 leases

On 12 May 2020, the U.S. District Court for the District of Idaho (the Court) issued a Memorandum Decision and Order in the case of Western Watersheds Project vs. Zinke (:18-cv 00 187-REB). The Court ordered the suspension of operations and production on leases in Wyoming, Utah and Nevada sold by the BLM during the June and September 2018 oil and gas lease sales. Leases held by Major Oil in Hot Creek Valley, in total 52,046 acres, are impacted by this ruling. None of the Company's planned drill targets in the West Play are affected in any way.

Fund-raising

During the financial year, the Company raised funds in two placings. Approximately $.45M (after currency adjustments) was raised issuing 1,089,100 new Ordinary Shares at €0.35 per share. These fundraisings placed the Company in a strong financial position to drill the Eblana-9 well. Further fundraising will be required to drill one or more of the planned West Play wells in 2022.

Outlook

Permit applications

Three drill permit applications are currently in process with the Nevada Bureau of Land Management (BLM) as three Notices of Staking (NoS) with associated Application for a Permit to Drill (APD). Environmental survey components of the APDs, including biological and cultural surveys, were carried out; however, no indication has yet been received concerning a time scale for permits to be finalised.

Fund-raising

To date, sufficient funding has not been raised to drill any of the proposed wells. Efforts to raise funds are continuing. The Board has carefully considered the Company's options in the event that funds are not raised soon enough to allow sufficient lead-in time for a drill on the leases set to expire in the near term. Although certain leases will expire if drilling does not take place, other prospective leases will still be held by the Company. The Board intends that the Company position itself to take advantage of any positive longer-term developments in the funding and/or regulatory landscape by significantly curtailing overheads should that become necessary.

Extension/Suspension of leases

The Board believes that the preparation and processing of its applications for regulatory permissions including NoS and APDs was significantly retarded by a combination of unavoidable factors, including severe COVID-19 restrictions at the national and state level, and the Department of the Interior suspension edict described above. On these grounds, the Company is exploring with the Bureau of Land Management (BLM) the possibility of leases being temporarily suspended and their expiry dates postponed.

Court-ordered Suspension of Operations on 2018 leases

At this time the issue, as outlined above, remains unresolved.

Brian McDonnell
Brian McDonnell (Mar 16, 2022 10:54 GMT)

Brian McDonnell
Chairman

Date: 15 March 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2021

The directors present their report and the group financial statements for the year ended 31 July 2021 for U.S. Oil and Gas PLC ("the Company") and its subsidiary, Major Oil International LLC (collectively "the Group").

Principal activities

The principal activity of the Group is oil and gas exploration and development.

Review of business and future developments

A review of activities for the period and future prospects of the Group is contained in the Chairman's Statement.

Principal risks and uncertainties

The Group's activities are carried out in North America. Accordingly the principal risks and uncertainties are considered to be the following:

Exploration Risk
Exploration and development activities may be delayed or adversely affected by factors outside the Group's control, in particular; climatic conditions, existence of commercial deposits of oil and gas, unknown geological conditions; remoteness of location; actions of host governments or other regulatory authorities (relating to, inter alia, the grant, maintenance or renewal of any required authorisations, environmental regulations or changes in law).

Commodity Price Risk
The demand for, and price of, oil and gas is dependent on global and local supply and demand, actions of governments or cartels and general global economic and political developments.

Political Risk
The Group may be subject to political, economic and other uncertainties.

Currency Risk
Although the reporting currency is the US dollar (US$), which is the currency most commonly used in the pricing of commodities and for significant exploration and production costs, other expenditure (in particular central administrative costs) and equity funding may be denominated in other currencies, being Euro (€) and Sterling (£), thus creating currency exposure.

Financial Risk
Financial risk is addressed in Note 17 to these financial statements

Share price

On 22 September 2020 the company completed a private placing at €0.35 per share

On 10 November 2020 the company completed a private placing at €0.35 per share.

Results and dividends

The loss for the year, after providing for taxation, amounted to US$850,820 *(2020 as restated : loss US$ 698,027)*. The directors do not recommend the payment of a final dividend.

Directors, Secretary and their Interests

The interests (all of which are beneficial) of the directors and secretary and their families who held office at 31 July 2021 in the share capital of the Company were:

	Ordinary shares	
	31 Jul '21	1 Aug '20
Directors		
Brian McDonnell	**3,927,940**	3,927,940
Peter Whelan	**564,118**	564,118
Karim Akrawi	**100,000**	100,000
Brian McBeth	**-**	-
Secretary		
Brian McDonnell	**3,927,940**	3,927,940

Share options

	Vested at 1 August '20 No.	Movement during the year No.	Vested at 31 Jul '21 No.
Brian McDonnell	1,169,261	-	1,169,261
Peter Whelan	747,457	-	747,457
Karim Akrawi	688,530	-	688,530
Brian McBeth	200,000	-	200,000

Transactions Involving Directors

There have been no contracts or arrangements of significance during the period in which the Directors of the Company were interested.

Significant Shareholders

The Company has been informed that, in addition to the interests of the Directors, as at 31 July 2021 and the date of this report, the following shareholders own 3% or more of the issued share capital of the Company:

	Percentage of Issued share capital	
	31 Jul '21	31 Jul '20
Jim Nominees Limited	17.94%	18.39%
Davycrest Nominees	8.50%	8.93%
Brian McDonnell	5.96%	6.06%
Pershing International Nominees Limited	5.77%	5.27%
Interactive Investor Services Nominees Limited	4.46%	3.75%

The Directors are not aware of any other holding of 3% or more of the share capital of the Company.

Shares in Treasury

At 31 July 2021 the Company held 717,612 (2020: 717,612) ordinary shares "in Treasury".

Subsidiary Undertakings

Details of the Company's subsidiary are set out in Note 14 to the financial statements.

Political donations

The Company did not make any political donations during the year (2020: US$ Nil).

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the consolidated financial statements, in accordance with applicable law.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) known as EU IFRS as applied in accordance with the provisions of the Companies Act 2014.

The Group financial statements are required by law and EU IFRS to present fairly the financial position and performance of the Group. The Companies Act 2014 provide, in relation to such financial statements, that reference in the relevant part of the Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing the consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether they have been prepared in accordance with EU IFRS, subject to any material departures disclosed and explained in the financial statements;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the consolidated financial statements and the Directors Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Corporate governance

The Directors are committed to maintaining the highest standards of corporate governance commensurate with the size, stage of development and financial status of the Group.

The Board

The Board is responsible for the supervision and control of the Group and is accountable to the shareholders. The Board has reserved decision-making on a variety of matters, including determining strategy for the Group, reviewing and monitoring executive management performance and monitoring risks and controls.

The Board currently has four Directors, comprising one executive Director and three non-executive Directors. The Board met formally on five occasions during the year ended 31 July 2021. An agenda and supporting documentation were circulated for these meetings. All the Directors bring independent judgement to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Directors have a wide and varying array of experiences in the industry.

Audit Committee

The Audit Committee comprises Liam Kilkenny and Peter Whelan. It may examine any matters relating to the financial affairs of the Group and the Group's audits. This includes reviews of the annual financial statements and announcements, internal control procedures, accounting procedures, accounting policies, the appointment, independence, objectivity, terms of reference and fees of external auditors and such other related functions as the Board may require.

Remuneration Committee

The Remuneration Committee comprises Peter Whelan and Karim Akrawi. It determines the terms and conditions of employment and annual remuneration of the executive directors. It consults with the Chairman, takes into consideration external data and comparative third party remuneration and has access to professional advice outside the Group.

The key policy objectives of the Remuneration Committee in respect of the Company's executive directors and other senior executives are:

- to ensure that individuals are fairly rewarded for their personal contribution to the Company's overall performance; and
- to ensure that due regard is given to the interest of the Company's shareholders and to the financial and commercial health of the Company.

Directors' Remuneration during the year ended 31 July 2021 was as follows:

	2021 US$	2020 US$
Remuneration and other emoluments - Executive Directors	**128,139**	*138,694*
Remuneration and other emoluments - Non- Executive Directors	**21,740**	*39,302*
	149,879	*177,996*

The remuneration and other emoluments were paid in Euro and converted to US Dollars based on exchange rates ruling at the dates of the transactions.

Nominations Committee

At present, as the Board of Directors is small, no formal nomination committee has been established. The authority to nominate new Directors for appointment vests in the Board of Directors. All Directors co-opted to the Board during any financial period are subject to election by shareholders at the first opportunity following their appointment. Consideration to setting up a nominations committee is under continuous review.

Communications

The Group maintains regular contact with shareholders through publications such as the annual and interim report via press releases and the group's website, www.usoil.us. The Directors are responsive to shareholder telephone and email enquiries throughout the year. The Board regards the Annual General Meeting as a particularly important opportunity for shareholders, Directors and management to meet and exchange views.

Internal Control

The Board is responsible for maintaining the Group's system of internal control to safeguard shareholders investments and Group assets.

The Directors have overall responsibility for the Group's system of internal control and have delegated responsibility for the implementation of this system to Executive Management. This system includes financial controls that enable the Board to meet its responsibilities for the integrity and accuracy of the Group's accounting records.

The Group's system of internal financial control provides reasonable, though not absolute, assurance that assets are safeguarded, transactions authorised and recorded properly and that material errors or irregularities are either prevented or detected within a timely period. Having made appropriate enquiries, the Directors consider that the system of internal financial, operational and compliance controls and risk management operated effectively during the period covered by the financial statements and up to the date on which the financial statements were signed.

The internal control system includes the following key features, which have been designed to provide internal financial control appropriate to the Group's businesses:

- budgets are prepared for approval by the Board;
- expenditure and income are compared to previously approved budgets;
- a detailed investment approval process which requires Board approval of all major capital projects and regular review of the physical performance and expenditure on these projects;
- all commitments for expenditure and payments are compared to previously approved budgets and are subject to approval by personnel designated by the Board of Directors;
- cash flow forecasting is performed on an ongoing basis to ensure efficient use of cash resources; and
- the Directors, through the Audit Committee, review the effectiveness of the Group's system of internal financial control.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285, Companies Act 2014, regarding adequate accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books and accounting records of the company are maintained at Alexandria House, The Sweepstakes, Ballsbridge, Dublin 4.

Going concern

The Directors have reviewed budgets, projected cash flows and other relevant information and on the basis of this review, and having made the appropriate enquiries, are confident that the Group will have adequate resources to continue in operational existence for the foreseeable future.

The future of the Group is also dependent on the successful future outcome of its exploration interests and the availability of future funding to bring these interests to production.

The Directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. Consequently, they consider that it is appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post year end events

Other than those disclosed in the financial statements there have been no significant events affecting the Group since the year end.

Auditors

The auditors, Nexia Smith & Williamson (Ireland) Limited, have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board on 15 March 2022 and signed on its behalf.

Brian McDonnell	Brian S. McBeth
Brian McDonnell (Mar 16, 2022 10:54 GMT)	Brian S. McBeth (Mar 16, 2022 14:54 GMT)
Brian McDonnell	**Brian McBeth**
Director	Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U.S. OIL AND GAS PLC

Opinion

We have audited the financial statements of U.S. Oil and Gas Plc (the Company) and its subsidiary (collectively 'the Group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) known as EU IFRS and as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Parent Company as at 31 July 2021 and of its loss for the year then ended;
- the Group and Parent Company Financial Statements have been properly prepared in accordance with EU IFRS as applied in accordance with the provisions of the Companies Act 2014; and
- the Group and Parent Company Financial Statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the auditors' 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 Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF U.S. OIL AND GAS PLC (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Group Financial Statements, other than the Group financial statements and our auditors' report thereon. Our opinion on the financial statements and Group financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Group financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that, in our opinion:

- the information given in the Directors' Report is consistent with the financial statements;
- the Directors' Report has been prepared in accordance with applicable legal requirements;
- we have obtained all the information and explanations which we consider necessary for the purposes of our audit; and
- the accounting records were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities

Responsibilities of directors for the Group financial statements

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 the 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.

Auditors' responsibilities for the audit of the Group financial statements

Our objectives are to obtain reasonable assurance about whether the Group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 (Ireland) 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.

A further description of our responsibilities for the audit of the Group financial statements is located on the IAASA's website at: https://www.iaasa.ie/Publications/Auditing-standards/Standards-Guidance-for-Auditors-in Ireland/Description-of-the-auditor-s-responsibilities-for. This description forms part of our auditors' report.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Damien Kealy

Damien Kealy
Statutory Auditor

for and on behalf of

Nexia Smith & Williamson (Ireland) Limited

Chartered Accountants & Statutory Audit Firm
Paramount Court
Corrig Road
Sandyford Business Park
Dublin 18

Date: 16 March 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2021

	Note	2021 US$	*As restated 2020 US$*
Administrative expenses		**(850,844)**	*(698,124)*
Loss from operations		**(850,844)**	*(698,124)*
Finance income	4	**24**	*32*
Loss for the year before tax		**(850,820)**	*(698,092)*
Income tax expense	7	**-**	*65*
Loss for the year from continuing operations		**(850,820)**	*(698,027)*
Other comprehensive income:			
Exchange gains arising on translation on foreign operations		**(1,476)**	*83,810*
Total comprehensive income		**(852,296)**	*(614,217)*
Loss for the year attributable to:			
Equity holders of the company		**(850,820)**	*(698,027)*
		(850,820)	*(698,027)*
Total comprehensive income attributable to:			
Equity holders of the company		**(852,296)**	*(614,217)*
		(852,296)	*(614,217)*
Earnings per share attributable to the ordinary shareholders of the parent			
Basic loss per share (cent)	8	**(1.29)**	*(1.08)*
Diluted loss per share (cent)	8	**(1.23)**	*(1.02)*

All activities derive from continuing operations. All losses and total comprehensive loss for the year and the preceding period are attributable to the owners of the Company.

The company has no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income.

The accompanying notes on pages 24 to 42 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021

	Note	2021 US$	*As restated* *2020* *US$*
Assets			
Non-current assets			
Intangible assets	9	**8,745,255**	*8,242,862*
Current assets			
Trade and other receivables	10	**46,953**	*279,106*
Cash and cash equivalents	11	**573,107**	*1,177,023*
Total assets		**9,365,315**	*9,698,991*
Liabilities			
Current liabilities			
Bank overdraft		**5,697**	*1,984*
Trade and other payables	12	**74,315**	*7,632*
Total liabilities		**80,012**	*9,616*
Net assets		**9,285,303**	*9,689,375*
Issued capital and reserves attributable to owners of the parent			
Share capital	13	**8,329**	*8,201*
Share premium reserve	13	**18,879,233**	*18,431,137*
Capital redemption reserve	15	**102**	*102*
Foreign exchange reserve	15	**3,452**	*4,928*
Share based payment reserve	18	**168,305**	*168,305*
Retained earnings	15	**(9,774,118)**	*(8,923,298)*
Total equity		**9,285,303**	*9,689,375*

The financial statements were approved and authorised for issue by the board of directors on 15 March 2022 and were signed on its behalf by:

Brian McDonnell
Brian McDonnell (Mar 16, 2022 10:54 GMT)

Brian McDonnell
Director

Brian S. McBeth
Brian S. McBeth (Mar 16, 2022 14:54 GMT)

Brian McBeth
Director

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021

	Note	2021 US$	*As restated* *2020* *US$*
Assets			
Non-current assets			
Investment in subsidiaries	14	**12**	*12*
		12	*12*
Current assets			
Trade and other receivables	10	**13,173,363**	*12,111,184*
Cash and cash equivalents	11	**256,175**	*1,075,442*
		13,429,538	*13,186,626*
Total assets		**13,429,550**	*13,186,638*
Liabilities			
Bank overdraft		**5,697**	*182*
Trade and other liabilities	12	**73,359**	*34,079*
Total liabilities		**79,056**	*34,261*
Net assets		**13,350,494**	*13,152,377*
Issued capital and reserves attributable to owners of the parent			
Share capital	13	**8,329**	*8,201*
Share premium reserve	13	**18,879,233**	*18,431,137*
Capital redemption reserve	15	**102**	*102*
Foreign exchange reserve	15	**21,959**	*(11,439)*
Share based payment reserve	18	**168,305**	*168,305*
Retained earnings	15	**(5,727,434)**	*(5,443,929)*
Total equity		**13,350,494**	*13,152,377*

The financial statements were approved and authorised for issue by the board of directors on 15 March 2022 and were signed on its behalf by:

Brian McDonnell
Brian McDonnell (Mar 16, 2022 10:54 GMT)

Brian McDonnell
Director

Brian S. McBeth
Brian S. McBeth (Mar 16, 2022 14:54 GMT)

Brian McBeth
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021

	Share capital	Share premium reserve	Capital redemption reserve	Foreign exchange reserve	Share based payment reserve	Retained earnings	Total attributable to equity holders of parent	Total equity
	US$	US$	US$	US$	US$	US$	US$	US$
At 1 August 2020 (restated)	8,201	18,431,137	102	4,928	168,305	(8,923,298)	9,689,375	9,689,375
Comprehensive income for the year								
Loss for the year	-	-	-	-	-	(850,820)	(850,820)	(850,820)
Foreign exchange	-	-	-	(1,476)	-	-	(1,476)	(1,476)
Total comprehensive income for the year	-	-	-	(1,476)	-	(850,820)	(852,296)	(852,296)
Contributions by and distributions to owners								
Issue of share capital	128	448,096	-	-	-	-	448,224	448,224
Total contributions by and distributions to owners	128	448,096	-	-	-	-	448,224	448,224
At 31 July 2021	**8,329**	**18,879,233**	**102**	**3,452**	**168,305**	**(9,774,118)**	**9,285,303**	**9,285,303**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2020

	Share capital	Share premium reserve	Capital redemption reserve	Foreign exchange reserve	Share based payment reserve	Retained earnings	Total attributable to equity holders of parent	Total equity
	US$	US$	US$	US$	US$	US$	US$	US$
At 1 August 2019	8,051	17,913,326	102	(78,882)	168,305	(8,225,271)	9,785,631	9,785,631
Comprehensive income for the year								
Loss for the year (restated)	-	-	-	-	-	(698,027)	(698,027)	(698,027)
Foreign exchange (restated)	-	-	-	83,810	-	-	83,810	83,810
Total comprehensive income for the year (restated)	-	-	-	83,810	-	(698,027)	(614,217)	(614,217)
Contributions by and distributions to owners								
Issue of share capital	150	517,811	-	-	-	-	517,961	517,961
Total contributions by and distributions to owners	150	517,811	-	-	-	-	517,961	517,961
At 31 July 2020 (restated)	**8,201**	**18,431,137**	**102**	**4,928**	**168,305**	**(8,923,298)**	**9,689,375**	**9,689,375**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021

	Share capital	Share premium reserve	Capital redemption reserve	Foreign exchange reserve	Share based payment reserves	Retained earnings	Total equity
	US$	US$	US$	US$	US$	US$	US$
At 1 August 2020 (restated)	8,201	18,431,137	102	(11,439)	168,305	(5,443,929)	13,152,377
Comprehensive income for the year							
Loss for the year	-	-	-	-	-	(283,505)	(283,505)
Foreign exchange	-	-	-	33,398	-	-	33,398
Total comprehensive income for the year	-	-	-	33,398	-	(283,505)	(250,107)
Contributions by and distributions to owners							
Issue of share capital	128	448,096	-	-	-	-	448,224
Total contributions by and distributions to owners	128	448,096	-	-	-	-	448,224
At 31 July 2021	**8,329**	**18,879,233**	**102**	**21,959**	**168,305**	**(5,727,434)**	**13,350,494**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2020

	Share capital	Share premium reserve	Capital redemption reserve	Foreign exchange reserve	Share based payment reserves	Retained earnings	Total equity
	US$	US$	US$	US$	US$	US$	US$
At 1 August 2019	8,051	17,913,326	102	(792,982)	168,305	(5,025,741)	12,271,061
Comprehensive income for the year							
Loss for the year (restated)	-	-	-	-	-	(418,188)	(418,188)
Foreign exchange (restated)	-	-	-	781,543	-	-	781,543
Total comprehensive income for the year (restated)	-	-	-	781,543	-	(418,188)	363,355
Contributions by and distributions to owners							
Issue of share capital	150	517,811	-	-	-	-	517,961
Total contributions by and distributions to owners	150	517,811	-	-	-	-	517,961
At 31 July 2020 (restated)	**8,201**	**18,431,137**	**102**	**(11,439)**	**168,305**	**(5,443,929)**	**13,152,377**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

	2021 US$	*As restated 2020 US$*
Cash flows from operating activities		
Loss for the year	**(850,820)**	*(698,027)*
Adjustments for		
Interest received	**(21)**	*(32)*
	(850,841)	*(698,059)*
Movements in working capital:		
Foreign exchange	**(1,476)**	*83,810*
Movement trade and other receivables	**232,153**	*(96,999)*
Movement trade and other payables	**70,396**	*(43,225)*
Cash generated from operations	**(549,768)**	*(754,473)*
Net cash used in operating activities	**(549,768)**	*(754,473)*
Cash flows from investing activities		
Interest received	**21**	*32*
Disposal of intangible assets	**-**	*8,250*
Addition of intangible assets	**(502,393)**	*-*
Net cash (used in)/from investing activities	**(502,372)**	*8,282*
Cash flows from financing activities		
Proceeds of issue of share capital	**448,224**	*517,961*
Net cash from financing activities	**448,224**	*517,961*
Net cash decrease in cash and cash equivalents	**(603,916)**	*(228,230)*
Cash and cash equivalents at the beginning of year	**1,177,023**	*1,405,253*
Cash and cash equivalents at the end of the year	**573,107**	*1,177,023*

The accompanying notes on pages 25 to 42 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021

	2021 US$	*As restated 2020 US$*
Cash flows from operating activities		
Loss for the year	**(283,505)**	*(418,188)*
Adjustments for		
Interest received	**(24)**	*(32)*
	(283,529)	*(418,220)*
Movements in working capital:		
Foreign Exchange	**33,398**	*781,543*
Movement in trade and other receivables	**(1,062,179)**	*(1,053,640)*
Movement in trade and other payables	**44,795**	*12,949*
Cash generated from operations	**(1,267,515)**	*(677,368)*
Net cash used in operating activities	**(1,267,515)**	*(677,368)*
Cash flows from investing activities		
Interest received	**24**	*32*
Net cash from investing activities	**24**	*32*
Cash flows from financing activities		
Proceeds of issue of share capital	**448,224**	*517,961*
Net cash from financing activities	**448,224**	*517,961*
Net cash decrease in cash and cash equivalents	**(819,267)**	*(159,375)*
Cash and cash equivalents at the beginning of year	**1,075,442**	*1,234,817*
Cash and cash equivalents at the end of the year	**256,175**	*1,075,442*

1. Accounting policies

U.S. Oil and Gas plc ("the Company") is a company incorporated in the Republic of Ireland. The Group financial statements consolidate results of the Company and its subsidiary (collectively 'the Group').

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and by all group entities.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) known as the EU IFRS.

The financial statements have been prepared on the historical cost basis. The accounting policies have been applied consistently to all financial periods presented in the consolidated financial statements.

1.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of U.S. Oil and Gas plc and its subsidiary undertaking for the year ended 31 July 2021.

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intragroup balances and any unrealised gains or losses or income or expenses arising from intragroup transactions are eliminated in preparing the Group financial statements.

In the Company's own Statement of Financial Position, investments in subsidiaries are stated at cost less provisions for any permanent diminution in value.

1.3 Functional and presentation currency

The consolidated financial statements are presented in US Dollars ($), which is the Company's functional currency.

1. Accounting policies (continued)

1.4 Statement of compliance

As permitted by the European Union (EU), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU and known as EU IFRS. The Group has taken advantage of the exemption in Section 304 of the Companies Act 2014 from presenting to its members the Company Statements of Comprehensive Income and its related notes.

The EU IFRS as applied by the Company and the Group in the preparation of these financial statements are those that were effective on or before 31 July 2021.

The following standards, amendments and interpretations which became effective from 1 August 2020 are of relevance to the Group:

Standards and amendments to existing standards effective from 1 August 2020

Standard/ Interpretation	Content	Effective for annual periods beginning on/after
IFRS 7	Financial Instruments: Disclosures (amended)	1 January 2021
IFRS 9	Financial Instruments (amended)	1 January 2021
IFRS 16	Leases (amended)	1 January 2021

There was no material impact to the financial statements in the current year from these standards, amendments and interpretations.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

Standard/ Interpretation	Content	Effective for annual periods beginning on/after
IFRS 1	First-time Adoption of International Financial Reporting Standards	1 January 2022
IFRS 3	Business Combination	1 January 2022
IAS 1	Presentation of Financial Statements	1 January 2023
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2022
IAS 16	Property, Plant and Equipment	1 January 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022

During the year ended 31 July 2021, the Group did not early adopt any new or amended standards and do not plan to early adopt any of the standards issued but not yet effective.

1.5 Share based payment

The Group approved a share option plan as an incentive to certain key management and staff (including Directors). The fair value of the share options granted to the directors and employees under the Company share option scheme is recognised as an expense with a corresponding credit to the share based payment reserve. The fair value is measured at grant date.

1. Accounting policies (continued)

1.6 Intangible assets

In respect of exploration for and evaluation of mineral resources, the Group uses the cost method of recognition. Exploration costs include licence costs, survey, geophysical and geological analysis and evaluation costs, costs of drilling and project-related overheads.

Exploration expenditure in respect of properties and licences not in production is capitalised and is carried forward in the Consolidated Statement of Financial Position under intangible assets in respect of each area of interest where:

i. the operations are ongoing in the area of interest and exploration or evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; or
ii. such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its realisation.

Expenditure relating to the development of mineral resources shall not be recognised as intangible assets, in line with IFRS 6.

Intangible assets arising from development shall only be recognised when the Group can demonstrate the technical feasibility of extracting the asset and the commercial viability of this extraction is confirmed.

Until these threshold are met, development expenditure is expensed as incurred in line with IAS 38.

When the Directors decide that no further expenditure on an area of interest is worthwhile, the related expenditure is written off or down to an amount which it is considered represents the residual value of the Group's interest therein.

1.7 Impairment

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that is expected to generate cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the Statement of Comprehensive Income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset.

1. Accounting policies (continued)

1.8 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or equity respectively.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividends is recognised.

1.9 Foreign currency

Monetary assets and liabilities denominated in a foreign currency are translated into US Dollars at the exchange rate ruling at the balance sheet date, unless specifically covered by foreign exchange contracts whereupon the contract rate is used. Revenues, costs and non monetary assets are translated at the exchange rates ruling at the dates of the transactions. All exchange differences are dealt with through the Statement of Comprehensive Income.

On consolidation, the assets and liabilities of overseas subsidiaries are translated into US Dollars at the rates of exchange prevailing at the balance sheet date. Exchange differences arising from the restatement of the opening balance sheets of these subsidiary Companies are dealt with through reserves. The operating results of overseas subsidiary Companies are translated into US Dollars at the average rates applicable during the year.

1.10 Share capital

Incremental costs directly attributable to the issue of ordinary shares are recognised as a reduction in equity.

1. Accounting policies (continued)

1.11 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

1.12 Finance income

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as the interest accrues using the effective interest rate method to the net carrying amount of the financial asset.

1.13 Segmental information

The Group has one principle reportable segment which is the Group's strategic business unit, which represents the exploration for oil and gas in the United States.

Other operations includes cash resources held by the Group, interest income earned and other operational expenditure incurred by the Group, which have been allocated to the United States.

1.14 Financial assets - Investment in subsidiaries

Investments in subsidiaries are stated at cost and are reviewed for impairment if there are indications that the carrying value may not be recoverable.

1.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liabilities.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

1. Accounting policies (continued)

1.16 Comparative figures and prior year adjustments

The comparative figures in the consolidated financial statements for U.S. Oil and Gas Plc have been regrouped on the same basis as those for the current year and restated as a result of adjustments posted to the comparative financial statements in relation to errors identified as below:

(a) The management fee recharged to Major Oil International LLC ('the subsidiary') was not accounted for by US Oil and Gas Plc ('the parent'). Therefore an amount of $120,000 has been recognised as management fee income in the parent company comparative financial statements and eliminated as an intercompany transaction in the comparative consolidated financial statements resulting in a decrease of $120,000 in group administrative expenses and payables.

(b) The administrative expenses of US Oil and Gas Plc ('the parent') and Major Oil International LLC ('the subsidiary') were under recorded due to the omission of certain transactions in the comparative financial statements. Therefore an amount of $116,610 has been recognised as administrative expenses in the comparative consolidated financial statements resulting in an increase in group administrative expenses in that year.

1.17 Critical judgements and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The significant areas of judgment and estimate were as follows:

Intangible assets - valuation of exploration and evaluation assets

The directors review the carrying value of the exploration and evaluation assets. The exploration and evaluation assets are carried at historical cost and amortisation will be charged once economic benefits have started flowing in. The recoverability of the exploration and evaluation assets is dependent on the successful exploration, development and sale of oil and gas. The directors carry out this review annually and are of the opinion that the net realisable value will exceed the carrying value of these assets.

Deferred tax - utilisation of tax losses

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of the current and previous periods. Estimate of deferred income is based on the most reliable evidence available at the time the estimate is made.

Share based payments - shares option

Share option gives the holder the right, but not the obligation, to subscribe for the company’s shares at a fixed or determinable price for a specific period of time. Share option which vest immediately are expensed measured at the fair value of the share options issued, calculation of which requires significant judgement by the management.

2. Going concern

The financial statements have been prepared on the going concern basis, which assumes that U.S. Oil and Gas plc will continue in operational existence for the foreseeable future. The validity of this assumption is dependent on the outcome of a number of conditions as follows:

1) The raising of additional finance to fund the exploration and development programme and the administrative expenses of the Company and the Group.

2) The successful development or disposal of Oil and Gas rights in the Groups Licence area of North America. This is dependent on several variables including the existence of commercial deposits of oil and gas, availability of finance and the price of oil and gas.

In circumstances where the Company is not a going concern it may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments in respect of the existence of these conditions.

3. Segment information

In the opinion of the Directors the operations of the Group comprise one class of business, being the exploration and development of oil and gas. The Group's main operations are located within the United States. The information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment is specifically focused on the exploration areas in the United States. In the opinion of the Directors the Group has only one reportable segment under IFRS 8 'Operating Segments', which is exploration carried out in the United States.

Information regarding the Group's reportable segments is presented below:

3.1 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Segment revenue		**Segment loss**	
		As restated		*As restated*
	2021	*2020*	**2021**	*2020*
	US$	*US$*	**US$**	*US$*
Exploration - United States	**-**	-	**(850,844)**	*(698,124)*
	-	-	**(850,844)**	*(698,124)*
Finance income			**24**	*32*
Loss before tax (continuing operations)			**(850,820)**	*(698,092)*

. **Segment information (continued)**

3.2 Segment assets and liabilities

	2021 US$	*As restated 2020 US$*
Segment assets		
Exploration - United States	**9,365,315**	*9,698,991*
Total segment assets	**9,365,315**	*9,698,991*
Consolidated total assets	**9,365,315**	*9,698,991*

	2021 US$	*As restated 2020 US$*
Segment liabilities		
Exploration - United States	**80,012**	*9,616*
Total segment liabilities	**80,012**	*9,616*
Consolidated total liabilities	**80,012**	*9,616*

3.3 Other segment information

	Depreciation and amortisation		**Additions to non-current assets**	
	2021 US$	*2020 US$*	**2021 US$**	*2020 US$*
Exploration - United States	**-**	-	**502,393**	-
	-	-	**502,393**	-

3.4 Revenue from major products and services

The Group did not receive any revenue from external customers in the current or prior period.

. **Segment information (continued)**

3.5 Geographical information

The Group operates in two principal geographical areas - Republic of Ireland (country of residence of U.S. Oil and Gas plc) and the United States (country of residence of Major Oil International LLC, a wholly owned subsidiary of U.S. Oil and Gas plc).

Information about its non-current assets by geographical location are detailed below:

	Non-current assets	
	2021	*2020*
	US$	*US$*
Republic of Ireland	**-**	-
United States	**8,745,255**	*8,242,642*
	8,745,255	*8,242,642*

4. Finance income

	2021	*2020*
	US$	*US$*
Bank interest receivable	**24**	*32*
	24	*32*

5. Employees

Group

	2021	*2020*
	US$	*US$*
Employee benefit expenses (including directors) comprise:		
Staff salaries	**137,252**	*163,128*
National insurance	**12,627**	*14,868*
	149,879	*177,996*

5. Employees (continued)

Company

	2021 US$	*2020* *US$*
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**137,252**	*143,928*
National insurance	**12,627**	*14,868*
	149,879	*158,796*

6. Directors' remuneration and key management compensation

Key management includes persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The directors are considered the key management of the company and remuneration paid or payable to them was as follows:

	2021 US$	*2020* *US$*
Salaries and benefits	**149,879**	*177,996*
	149,879	*177,996*

There were no payments made to third parties for their services as directors of the company.

7. Tax expense

7.1 Income tax recognised in profit or loss

	2021 **US$**	*2020* *US$*
Current tax		
Current tax on profits for the year	-	*(65)*
	-	*(65)*

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the Republic of Ireland applied to losses for the year are as follows:

	2021 **US$**	*As restated* *2020* *US$*
Loss for the year	**(850,820)**	*(698,027)*
Income tax credit/expense	-	*(65)*
Loss before income taxes	**(850,820)**	*(698,092)*
Tax using the Company's domestic tax rate of 12.5% (2020:12.5%)	**(106,353)**	*(87,262)*
Unrelieved tax losses carried forward	**106,353**	*87,197*
Total tax expense	-	*(65)*

The tax rate used for the year end reconciliations above in the corporate rate of 12.5% payable by corporate entities in Ireland on taxable profits under tax law in the jurisdiction of Ireland.

At the Statement of Financial Position date the Group has accumulated unused tax losses which may be available for offset against future profit. No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely.

8. Loss per share

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

	2021	*As restated*
	2021	*2020*
	US$	*US$*
Loss for the year attributable to equity holders of the parent	**(850,820)**	*(698,027)*
Number of ordinary shares in issue - start of year	**65,137,103**	*63,774,203*
Weighted effect of share issued during the year	**897,976**	*1,054,268*
Weighted average number of ordinary shares for the purposes of basic earnings per share	**66,035,079**	*64,828,471*
Basic loss per ordinary share (cent)	**(1.29)**	*(1.08)*

Diluted earnings per share
In calculating diluted earnings per share, adjustment is made to the number of shares in relation to the exercise of share options by executives.

Weighted average number of ordinary shares for the purposes of diluted earnings per share:	**69,355,327**	*68,148,719*
	(1.23)	*(1.02)*

9. Intangible assets

Group

	Exploration and Evaluation assets US$
Cost	
At 1 August 2019	8,251,112
Disposals	(8,250)
At 31 July 2020	8,242,862
Additions - external	502,393
At 31 July 2021	**8,745,255**

	Development expenditure US$
Net book value	
At 1 August 2019	8,251,112
At 31 July 2020	8,242,862
At 31 July 2021	8,745,255

The Directors have considered expenditure on exploration and evaluation activities which have been capitalised and carried at historical cost. No amortisation has been charged in the period. The Directors have reviewed the carrying value of the exploration and evaluation expenditure and consider it to be fairly stated and not impaired at 31 July 2021. The recoverability of the exploration and evaluation assets is dependent on the successful development or disposal of oil and gas in the Group's licence area.

10. Trade and other receivables

	Group	*Group As restated*	**Company**	*Company As restated*
	2021 US$	*2020 US$*	**2021 US$**	*2020 US$*
Amounts falling due within one year:				
Amounts owed by group companies	**-**	*-*	**13,173,363**	*12,079,031*
Other debtors	**46,953**	*279,106*	**-**	*32,153*
	46,953	*279,106*	**13,173,363**	*12,111,184*

11. Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	Group 2021 US$	*Group 2020 US$*	**Company 2021 US$**	*Company 2020 US$*
Bank current accounts	**452,643**	*1,047,962*	**135,941**	*946,509*
Bank deposit accounts	**120,240**	*128,933*	**120,240**	*128,933*
Petty cash	**224**	*128*	**(6)**	-
	573,107	*1,177,023*	**256,175**	*1,075,442*

12. Trade and other payables

	Group 2021 US$	*Group As restated 2020 US$*	**Company 2021 US$**	*Company As restated 2020 US$*
Trade creditors	**31,902**	*7,643*	**30,946**	*24,490*
Other creditors (incl directors loans)	**5,351**	*5,332*	**5,351**	*5,332*
Accruals	**-**	*(9,600)*	**-**	-
Taxation and social insurance	**37,062**	*4,257*	**37,062**	*4,257*
	74,315	*7,632*	**73,359**	*34,079*

Some trade creditors had reserved title to goods supplied to the Company. Since the extent to which such creditors are effectively secured depends on a number of factors and conditions, some of which are not readily determinable, it is not possible to indicate how much of the above amount is secured under reservation of title.

13. Share capital presented as equity

	2021 US$	2020 US$
Authorised		
20,000,000,000 Ordinary shares of €0.0001 each	**2,854,400**	*2,854,400*

Issued, called up and fully paid:

	No. of issued Shares	Share Capital US$	Treasury Shares US$	Share Premium US$	Total Capital US$
At 1 August 2020	65,137,103	8,201	102	18,431,137	18,439,440
Shares issued	1,089,100	128	-	448,096	448,224
At 31 July 2021	66,226,203	8,329	102	18,879,233	18,887,664

The issued share capital of the company at 31 July 2021 comprised of 66,226,203 Ordinary Shares of €0.0001 ($0.000125904) each issued and fully paid of which 717,612 are held as treasury shares (31 July 2020: 65,137,103 issued and fully paid of which 717,612 were treasury shares).

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time.

The shareholders have all voting powers and full voting rights as permitted under the applicable company laws.

On 22 September 2020 the Company completed a placing of 843,431 new Ordinary Shares at a price of €0.35 per Ordinary Share raising gross proceeds equivalent to $346,566.

On 10 November 2020 the Company completed a placing of 245,669 new Ordinary Shares at a price of €0.35 per Ordinary Share raising gross proceeds equivalent to $101,530.

14. Investment in subsidiaries - Company

At the 31 July 2021 the company had the following subsidiary undertaking:

Name of subsidiary	Principal activity	Incorporated in	Proportion of ownership interest and voting power held by the Group (%) 2021	2020
Major Oil International LLC	Petroleum and gas exploration	Texas, U.S.A	100	100

The aggregate capital and reserves and results from this undertaking for the last relevant financial period to 31 July 2021 was as follows:

	Capital and reserves US$	Loss for the year US$
Major Oil International LLC	(2,878,341)	(567,339)

15. Reserves

Capital redemption reserve

This reserve was created on a share reorganisation.

Foreign exchange reserve

Foreign exchange reserve created to recognise the foreign exchange differences in translation.

Profit and loss account

In accordance with the provisions of the Companies Act 2014, the Group has not presented the Company Statement of Comprehensive Income. The related loss for the year was $272,942 (2020 as restated: loss of $402,680) has been dealt within the Statement of Comprehensive Income of the Group.

16. Analysis of amounts recognised in other comprehensive income

	US$
Year to 31 July 2021	
Foreign exchange arising on translation on foreign operations	(1,476)
	(1,476)

	US$
Year to 31 July 2020	
Foreign exchange arising on translation on foreign operations	83,810
	83,810

17. Financial Instruments and Financial Risk Management

The Group and Company's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to provide finance for the Group and Company's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations.

It is and has been throughout the financial year and prior years, the Group and Company's policy that no trading in derivatives be undertaken.

The main risks arising from the Group and Company's financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and capital risk. Management reviews and agrees policies for managing each of these risks which are summarised below.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposure to exchange rate fluctuations arise. Exchange rate exposure is managed within approved policy parameters utilising forward exchange contracts where appropriate. The exposure to exchange rate fluctuations is limited to exchange rate variances between the Euro, US Dollar and Sterling.

At the year ended 31 July 2021, the Group had no outstanding forward exchange contracts.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As the Group does not, as yet, have any sales to third parties, this risk is limited.

The Group and Company's financial assets comprise receivables and cash and cash equivalents. The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies. The Group and Company's exposure to credit risk arises from default of a counterparty, with a maximum exposure equal to the carrying amount of cash and cash equivalents in its consolidated Statement of Financial Position.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are connected entities.

Liquidity risk management

Liquidity risk is the risk that the Group will not have sufficient funds to meet liabilities. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group and Company's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Cash forecasts are regularly produced to identify the liquidity requirements of the Group. To date, the Group has relied on shareholder funding to finance its operations. The Group had no borrowing facilities at 31 July 2021.

The Group and Company's financial liabilities as at 31 July 2021 were all payable on demand.

The expected maturity of the Group and Company's financial assets (excluding prepayments) as at 31 July 2021 was less than one month.

The Group expects to meet its' other obligations from operating cash flows with an appropriate mix of funds and equity instruments.

The Group had no derivative financial instruments as at 31 July 2021.

Interest rate risk

The Group and Company's exposure to the risk of changes in market interest rates relates primarily to the Group and Company's holdings of cash and short term deposits.

It is the Group and Company's policy as part of its disciplined management of the budgetary process to place surplus funds on short term deposit in order to maximise interest earned.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Group may adjust or issue new shares or raise debt. No changes were made in the objectives, policies or processes during the year end 31 July 2021. The capital structure of the Group consists of equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in the consolidated statement of changes.

Fair values

The carrying amount of the Group and Company's financial assets and financial liabilities is a reasonable approximation of the fair value.

Hedging
At the year end 31 July 2021 the Group had no outstanding contracts designated as hedges.

18. Share based payments

Employee share option plan of the Company

Details of the employee share option of the Company

Share option plan

The Group has an ownership based compensation scheme for any executives of the Group. In accordance with the provisions of the plan, as approved by shareholders at a previous general meeting, Directors and senior employees may be granted options to purchase ordinary shares.

Shares which are issued under this Plan will rank equally in all respects with the Shares then in issue, except that they shall not rank for any right attaching to Shares by reference to a record date preceding the exercise of the Award. The Participant will be entitled to receive any dividends and to exercise voting rights at general meetings of the Company in respect of Shares.

There were no options exercised at the end of the financial year 31 July 2021. There were also no options lapsed without being exercised.

On 31 January 2018 the existing share option scheme was modified. The exercise date for share options issued to executives is now 19 January 2024.

Costs associated with options issued during the year

The Group recognised no expense related to equity settled share based payment transactions in the year.

The following reconciles the share options granted under the employee share option plan at the beginning and at the end of the year:

	Number of options	**2021 Weighted average exercise price STG £**	*Number of options*	*2020 Weighted average exercise price STG £*
Balance at the beginning of the year	**3,320,248**	**0.27**	*3,320,248*	*0.27*
	3,320,248	**0.27**	*3,320,248*	*0.27*

As at year end 31 July 2021 the company has recorded $168,305 (2020: $168,305) in share based payment reserve in relation to these share options.

19. Related party transactions

Related Party Disclosures, transactions between group entities that have been eliminated on consolidation are not disclosed.

20. Events after the reporting date

There are no post balance sheet events of material significance, other than those disclosed in the financial statements.

21. Approval of financial statements

The financial statements were approved by the board on 15 March 2022.