Annual Report and Financial Statements 2020

TomCo Energy plc

For further information visit us online at:
www.tomcoenergy.com or email us at: info@tomcoenergy.com

COMPANY DETAILS

TOMCO ENERGY PLC

Company Numbers

Isle of Man	6969V
England & Wales	FC022829
Country of Incorporation	Isle of Man

Board of Directors

Malcolm Groat	*Non-Executive Chairman*
John Potter	*Chief Executive Officer*
Robert Kirchner	*Non-Executive Director*
Richard Horsman	*Non-Executive Director*

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CHAIRMAN'S STATEMENT

I am pleased to be delivering my first Chairman's Statement to the shareholders of TomCo Energy plc ("TomCo" or the "Company" or, with its subsidiaries, the "Group"), together with the Annual Report and Financial Statements for the year ended 30 September 2020.

Market Conditions

It has been an unprecedented year across all global markets. Covid-19 has cast a dreadful shadow across the world and continues to do at the time of writing this statement.

TurboShale RF Technology

When the Company issued its 2019 Annual Report, the COVID-19 pandemic was developing, and the Board decided to postpone the next stage of the TurboShale field testing. A decision on when to restart the field test programme is likely to be made in Q2 2021.

Greenfield Energy LLC

In December 2019, the Company signed a non-binding memorandum of understanding ("MoU") with Valkor Technology LLC ("Valkor") to explore the potential of oil sands situated on the Group's oil shale leases in the Uintah Basin, Utah, USA (the "Leases"). Valkor is an international engineering company that handles procurement, construction and installation, and oil field operations, operating in the USA, South America and Africa, both onshore and offshore. It also owns and operates gas and oil fields in Trinidad, the USA, Turkey and Ukraine. Valkor has been assisting with design improvements to Petroteq Energy Inc's ("Petroteq") closed loop system for use in the recovery of oil from oil sands (the "Oil Sands Technology") and the Company's joint venture with Valkor, Greenfield (as defined below), now holds a multi-site licence from Petroteq to utilise the Oil Sands Technology in the USA.

Based on the results of the preliminary work undertaken in March 2020, and in accordance with the terms of the MoU, TomCo and Valkor agreed, *inter alia*, to fund a Pre-FEED (Front-End Engineering and Design) study. The initial draft of the study provided sufficient evidence to TomCo's Board to justify establishing, in June 2020, a 50/50 joint venture with Valkor, being Greenfield Energy LLC ("Greenfield"). Greenfield has been established with the principal aim of developing a FEED for a potential 10,000 barrels of oil per day ("bopd") plant consisting of two 5,000 bopd trains utilising the Oil Sands Technology. The final results of the Pre-FEED study were released in September 2020, concluding that the likely cost of production from a 10,000 bopd plant would be approximately US$30 per barrel. Steps along the agreed path have included Greenfield temporarily taking over the operations and management of Petroteq's oil sands plant (the "POSP") in order to complete certain upgrades and improvements so as to enhance its

reliability and increase its capacity to approximately 500 bopd. In early December 2020, the re-configured Petroteq plant works were completed, and, on 4 January 2021, mining work was started in preparation for the re-start of the POSP.

Ore-processing began on 10 January 2021 and the POSP operations will be optimised with the target of producing 250 bopd per single shift during February 2021.

We expect the FEED to be completed in Q1 2021 following third-party verification works. A potential site on which to build Greenfield's first 10,000 bopd plant has been identified and is being assessed which includes a pre-existing Large Mining Permit and suitable site infrastructure to enable construction to commence swiftly once funding has been secured. Although there will be challenges ahead, our firm objective is to maintain momentum and make significant progress with this project in the near future.

Corporate

Two equity fund-raises were completed during the financial year, raising approximately £2.4 million gross. Following the financial year-end, the Company raised a further £3.5 million gross in November 2020. At the date of signing this report, TomCo has sufficient cash to fund Greenfield's near-term requirements and to cover TomCo's current working capital requirements and committed capital expenditure.

A number of Board changes have taken place over the reporting period and subsequently. Stephen West, who took over from Andrew Jones as our Chairman during the financial year, stepped down after the financial year end to pursue other opportunities. After four years of distinguished service to the Company, and to allow him to concentrate on his other business interests, Alex Benger also retired as a Non-Executive Director. Richard Horsman and Robb Kirchner have joined the Board as Non-Executive Directors. Both are seasoned Directors of companies like ours, experienced in handling the challenges ahead, and I am delighted to welcome them to the team.

Outlook and Summary

The Directors would like to thank all shareholders and other stakeholders for their continued support, and we look forward to making further progress in the year ahead.

Malcolm Groat
Non-Executive Chairman
17 February 2021

DIRECTORS' REPORT

The Directors submit their report and the financial statements of the Group for the year ended 30 September 2020.

PRINCIPAL ACTIVITY
The principal activity of the Group is that of deploying technology on its oil shale leases and other unconventional oil resources for future production.

RISK ASSESSMENT
The Group's oil and gas activities are subject to a range of financial and operational risks which can significantly impact on its performance, with the key risks for the year ended 30 September 2020 set out below.

Operational risk

During the financial year, the Company entered into a new Joint Venture with Valkor, an established EPCI, into which TomCo invested the sum of US$1.625 million in order to produce a Pre-FEED and pay for certain upgrade works to an existing third-party Oil Sands separation test plant. The planned upgrade works undertaken by Valkor were intended to enhance the operational reliability and production rate of the plant. In projects of this nature there are many engineering risks but Valkor, having spent more than 12 months prior to commencement of the upgrade works investigating the process as the operator, were able to minimise the degree of risk. Further risks may be encountered during the optimisation process such as the anticipated increased production run rate not being achieved or from changes in the quality of ore used. Most of such risks can be managed with a planned increase in throughput and slow incremental increases to the production rate.

The results obtained from the upgrade works will then be utilised to verify the design parameters for a FEED in respect of a commercial scale plant in the order of 5,000 bopd. If the plant upgrade works do not ultimately generate suitable data for the FEED design, further works may be required at the test plant to achieve the engineering design step up for a 5,000 bopd plant operation.

A third-party verification exercise on the process is also planned in order to check both the data from the upgraded plant and the FEED.

Risks relating to environmental, health and safety and other regulatory standards

The Group's future extraction activities are subject to various US federal and state laws and regulations relating to the protection of the environment including the obtaining of appropriate permits and approvals by relevant environmental authorities. Such regulations typically cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. Furthermore, the future introduction or enactment of new laws, guidelines and regulations could serve to limit or curtail the growth and development of the Group's business or have an otherwise negative impact on its operations. The Group ensures that it complies with the relevant laws and regulations in force in the jurisdictions in which it operates.

Liquidity and interest rate risks

The Group is ultimately dependent on sources of equity and/or debt funding to develop TurboShale and Greenfield or any other recovery technology and in turn the Group's exploration assets and to meet its day-to-day capital commitments and overheads. Cash forecasts identifying the liquidity requirements of the Group are produced frequently and are reviewed regularly by management and the Board. This strategy will continually be reviewed in light of developments with existing projects and new project opportunities as they arise. For further information regarding the Group's cash resources and future funding requirements, refer to the 'Going Concern' section below.

Currency risk

Due to the limited income and expenses denominated in foreign currencies, it was not considered cost effective to manage transactional currency exposure on an active basis. However, as the financial statements are reported in sterling, any movements in the exchange rate of foreign currencies against sterling may affect the

Group’s statements of comprehensive income and financial position. The Group holds some cash in US dollars to mitigate the foreign exchange risk and keeps its currency profile under review.

COVID-19 risk

While COVID-19 continues to have a significant negative impact on the global economy, the Directors note that oil prices have recovered much of the fall since the commencement of the pandemic. The most significant effect of the pandemic on the Group’s current activities relates to the timing of the resumption of the TurboShale field tests. The Directors intend to review this again during Q2 2021.The Group’s joint venture activity with respect to Greenfield is not currently expected to be significantly affected by COVID-19.

Financial instruments

It was not considered an appropriate policy for the Group to enter any hedging activities or trade in any financial instruments. Further information can be found in Note 20.

RESULTS AND DIVIDENDS

The statement of comprehensive income is set out on page 21. The Directors do not propose the payment of a dividend (*2019: £nil*).

REVIEW OF THE KEY EVENTS DURING THE YEAR

TurboShale

There have been no further developments of the TurboShale technology during the financial year. The board will review the next steps for TurboShale during Q2 2021.

Greenfield Energy LLC

On 4 December 2019, the Company announced the signing of a non-binding memorandum of understanding with Valkor to explore the oil sands potential across the Group’s oil shale leases within the Uintah Basin, Utah, USA. Valkor is an international engineering, procurement, construction and installation and oil field operations company, with operations in the USA, South America and Africa, both onshore and offshore, as well as being the owner and operator of gas and oil fields in Trinidad, USA, Turkey and the Ukraine. Through its subsidiary, CrossTrails LLC, Valkor has assisted with the design improvements of Petroteq’s closed loop system for use in the recovery of oil from oil sands (the “Oil Sands Technology”) and, via Greenfield, has a licence from Petroteq to utilise the Oil Sands Technology in the USA.

Based on the results of the preliminary work undertaken in accordance with the MoU, TomCo entered into an Exclusivity Agreement with Valkor, pursuant to which the Company and Valkor agreed:

- to study the potential to deploy the Oil Sands Technology at a suitable location. A desktop study of the Group’s Leases determined that, whilst oil sands were present at depth, more suitable third-party sites with near surface oil sand were situated in the vicinity of the Leases such that these areas will be the focus of the parties going forward;
- to fund immediately a Pre-FEED study, to be undertaken by Valkor and verified by a third party, to demonstrate the economic viability of the Oil Sands Technology, with a gross budget of US$250,000 to be funded equally by the parties;
- to establish, subject to contract, a joint venture company (the “JV Company”) to pursue the development of a plant on land yet to be determined; and
- to negotiate with Petroteq for a licence to employ the Oil Sands Technology in future oil sands plants to be developed by the JV Company.

Greenfield Energy LLC was established in June 2020 pursuant to the signing of a joint venture agreement between TomCo and Valkor (the “JV Agreement”) following the receipt of a draft of the Pre-FEED study.

The results of the draft Pre-FEED study provided the TomCo Board with sufficient comfort to enter into the JV Agreement to form and regulate the operations of Greenfield in its pursuit of the development of a plant utilising the Oil Sands Technology. Greenfield is equally owned by TomCo and Valkor, with a Director from each being appointed to Greenfield's Board, being John Potter and Steve Byle respectively.

Under the terms of the JV Agreement, the Company has provided initial funding to Greenfield of US$1.5 million, to enable Greenfield to be able to complete the required upgrades to the POSP and to cover TomCo's contribution to the FEED for a 5,000 bopd plant. Valkor is providing the engineering knowhow pertaining to the Oil Sands Technology required to complete the upgrades and has provided services for the completion of the pre-FEED and will provide services for the FEED up to a value of, in aggregate, US$375,000.

Prior to the establishment of Greenfield, Valkor had entered into an agreement to take over the management and operations of the POSP (the "Work Order"), for an initial 12-month period, to ensure the upgrade works could be completed in as short a period as possible. With the establishment of Greenfield, Valkor transferred the Work Order to it. The upgrade works were completed post the Company's financial year end and the POSP restarted. A third-party engineering firm will now be engaged to verify the process and review the results against the FEED. In addition, a multi-site licence in respect of the Petroteq technology has been negotiated and entered into by Greenfield, post the financial year end.

Financing

During the financial year, TomCo completed two equity fund raises involving the issue of, in aggregate, 517,307,692 new ordinary shares and 258,653,846 new warrants, to raise a total of £2.425 million (gross). The net proceeds were used for the investment into Greenfield and for general working capital purposes.

Since the end of the financial year, there has been a further placing of 777,777,777 new ordinary shares, and the issue of 388,888,888 new warrants, raising £3,500,000 (gross). These funds have been, or are intended to be, deployed as loans to Greenfield to assist it in securing a site to further its development work and secure a multi-site licence for deployment of the Oil Sands Technology, as well as general working capital for the Group. Other than the funds advanced since the year-end as loans to Greenfield (US$500,000), the Group is not contractually committed at present to any further expenditure in respect of Greenfield or TurboShale. The timing and quantum of further expenditure on these projects will depend in part on the availability of additional funding from future fundraisings.

As at 9th February 2021, the Company had cash of approximately £2.45 million and management's cash flow forecasts indicate that the Group has sufficient funds to meet its currently foreseeable working capital requirements through to at least the end of June 2022 as detailed further below undergoing Concern and in Note 1.1 to the financial statements.

Directors

The Directors who served on the Board during the year to 30 September 2020 and to date were as follows:

Stephen West *(appointed 17 February 2020; resigned 30 September 2020*)

Andrew Jones (*resigned 16 March 2020*)

Malcolm Groat

John Potter

Alexander Benger (*resigned 30 September 2020*)

Richard Horsman (*appointed 1 November 2020*)

Robert Kirchner (*appointed 1 November 2020*)

Directors' interests in the ordinary shares of the Company, including family interests, as at 30 September 2020 were as follows:

	30 September 2020			30 September 2019 (or date of appointment)		
	Ordinary shares of nil par value	**Share warrants**	**Share options**	Ordinary shares of nil par value	Share warrants	Share options
M. Groat	**11,887**	-	**2,380,952**	11,887	-	380,952
S. West *(resigned 30*	**3,076,923**	-	**-**	3,076,923	-	-

September 2020)						
J. Potter	**26,500**	-	**7,714,285**	26,500	-	1,714,285
A. Benger *(resigned 30 September 2020)*	**18,293**	-	**2,380,952**	18,293	-	380,952
	3,133,603	-	**12,476,189**	3,133,603	-	2,476,189

Details of the remuneration, share warrants and share options can be found in the Remuneration Committee Report and Notes 6, 17 and 19 to the financial statements.

Payments of payables

The Group's policy is to negotiate payment terms with its suppliers in all sectors to ensure that they know the terms on which payment will take place when the business is agreed and to abide by those terms of payment.

Going Concern

The Directors have prepared cash flow forecasts for the period to 30 June 2022. Those forecasts, which include any capital expenditure committed at the date of this report, indicate that the Group has sufficient resources to continue in operational existence for the foreseeable future,

It is possible that additional capital expenditure beyond that committed at the date of this report will be necessary in order to maximise the opportunities presented by TurboShale and Greenfield. Any such additional expenditure would be subject to funding, in whole or in part, via additional debt or equity or a combination of both.

The Directors note that COVID-19 has had a significant negative impact on the global economy and oil prices have been volatile, which may mean it is harder to secure additional funding than it has historically been. Notwithstanding this, the Directors have a reasonable expectation based on successful recent fundraisings, that they can secure any additional funding that might be required.

Directors' responsibilities

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose, with reasonable accuracy at any time, the financial position of the Group and enable them to ensure that financial statements may be prepared, in accordance with the Isle of Man Companies Act 2006. They are also responsible for safeguarding the assets of the Group and for taking steps for the prevention and detection of fraud and other irregularities.

The Directors are required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies with securities trading on the AIM market. In accordance with those rules, the Directors have elected to prepare the Group's financial statements in accordance with International Financial Reporting Standards (IFRSs), as issued by the International Accounting Standards Board. The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- state that the Group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

The Directors confirm that they have complied with these requirements, and, having a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, have continued to adopt the going concern basis in preparing the financial statements.

Auditors

All the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company’s auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

John Potter
CEO
17 February 2021

CORPORATE GOVERNANCE STATEMENT

As Chairman, I am pleased to present the Company's Governance Statement under the QCA Corporate Governance Code (the "QCA Code"). Establishing effective corporate governance structures that evolve with the business and protect shareholder value is a key element of my role, together with the Board as a whole. Set out below are details of the Company's governance framework benchmarked against the QCA Code principles.

The Board of Directors of TomCo (the "Board") monitors the business affairs of the Company and its subsidiaries on behalf of its shareholders. The Board currently consists of the Chief Executive Officer and three Non-Executive Directors. None of the Non-Executive Directors have previously held an executive position with the Company. The Directors have responsibility for the overall corporate governance of the Company and recognise the need for the highest standards of behaviour and accountability. The Directors are committed to the principles underlying best practice in corporate governance and have adopted the QCA Code.

This statement explains, at a high level, how the QCA Code is applied by the Company and how its application supports the Company's medium to long-term success. Further information on the application of the QCA Code can be found on the Company's website at https://tomcoenergy.com/investors/governance/.

The Board is responsible for the stewardship of the Company through consultation with the management of the Company. Management represents the Executive Director. Any responsibility that is not delegated to management or to the committees of the Board remains with the Board, subject to the powers of shareholder meetings. The frequency of Board meetings, as well as the nature of agenda items, varies depending on the state of the Company's affairs and in light of opportunities or risks which the Company faces. Members of the Board are in frequent contact with one another and meetings of the Board are held as deemed necessary.

Statement of compliance with the QCA Code

Throughout the year ended 30 September 2020, the Company has been in compliance with the provisions set out in the QCA Code.

Application of the QCA Code principles

The Company has applied the principles set out in the QCA Code, by complying with it as reported above. Further explanations of how the principles have been applied is set out below.

Principle One – Business Model and Strategy

TomCo is an oil exploration and development company focused on using innovative technology to unlock unconventional hydrocarbon resources, initially in Utah, USA.

Its objective is to become the leading development company in the use of RF technology in the extraction of oil and gas from oil shale and to commercialise its current oil shale assets.

The Board believes that the RF technology, held through TurboShale in which the Company has an 80% interest, will benefit from being economically attractive, carrying significantly lower costs than other methods of retorting and will be environmentally benign. The Board believes this will prove to be a disruptive technology and one with the potential to unlock TomCo's oil shale assets. Details of key operational and strategic risks that impact the delivery of the future strategy are set out in the Directors' Report together with mitigating actions.

In order to diversify its interests, in December 2019, TomCo announced a project in conjunction with the global EPCI company, Valkor LLC, to develop a licensed scalable modular production plant that could be used to cost effectively extract oil from the oil sands. TomCo announced a formal JV with Valkor on 19 June 2020, creating Greenfield Energy LLC, to make certain upgrades at Petroteq's existing oil sands plant, with the ultimate objective of developing a FEED for a 10,000 bopd plant based on Petroteq's oil sands technology. The initial upgrade implementation phase has been completed and the Board is currently examining the possibility with Valkor of securing a site for the potential future construction of a 10,000 bopd plant.

Principle Two – Understanding Shareholder Needs and Expectations

The Board is committed to maintaining good communications and having constructive dialogue with its shareholders. Shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the

Company and management.

All shareholders are encouraged to attend and participate in all shareholder meetings called by the Company, in particular its Annual General Meeting (AGM), subject to Covid-19 related restrictions. Investors also have access to current information on the Company and the Group through its website at: www.tomcoenergy.com.

Principle Three – Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Group is reliant upon the efforts of the employees of the Group, its partners, consultants, contractors, suppliers, regulators and other stakeholders. The Board have put in place a range of processes and systems to ensure that there is close oversight and contact with its key stakeholders.

The Group is subject to oversight by a number of different U.S. State and other regulatory bodies, who directly or indirectly are involved with the permitting and approval process of its oil and gas operations in Utah, including those conducted by Greenfield. Additionally, given the nature of the Group's business, including the activities of its joint venture, there are other parties who, whilst not having regulatory power, nonetheless have an interest in seeing that the Group conducts its operations in a safe, environmentally responsible, ethical and conscientious manner.

The Group makes all reasonable efforts, directly or through its advisers, to engage in and maintain active dialogue with each of these governmental and non-governmental bodies, to ensure that any issues faced by the Group, including but not limited to regulations or proposed changes to regulations, are well understood and ensuring to the fullest extent possible that the Group is in compliance with all appropriate regulations, standards and specific licensing obligations, including environmental, social and safety aspects, at all times.

Principle Four – Risk Management

In addition to its other roles and responsibilities, the Board is responsible for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the significant risks faced by the Group.

As a result of the process described above, a number of risks have been identified. The principal risks and the manner in which the Company and its Board seek to mitigate them are set out below. The Board reviews the principal risks facing the business as part of its meetings through the year and changes to those risks as the Company develops. Where risks change or new risks are identified the Board implements risk management strategies as applicable.

Risk	**Comment**	**Mitigation**
Operational risks	See Directors' Report.	The Company is reducing its reliance on one recovery method with the development of TurboShale and its RF technology, together with the formation of Greenfield. The Company has engaged with established contractors to carry out the various elements of its projects. The Board carefully monitors performance and the results of work being carried out on an ongoing basis. The Group relies on its JV partner to manage the engineering and operational risks of the works being undertaken by Greenfield at the test site. With travel to the USA still possible, although difficult, on site checks can still be made by the Board. If travel to the USA were to be prohibited altogether due to COVID-19 the Group will be solely reliant on its JV partner to manage the operational risks.
Environmental, health and safety and other regulatory standards	See Directors' Report.	The Company has engaged leading advisers to assist it in securing relevant permits or licences to operate. The Company maintains ongoing oversight of health and safety and environmental compliance.
Liquidity risk	See Directors' Report	The Company maintains a detailed cashflow forecast and

	including 'Going Concern' section.	carefully monitors expenditure and may seek to raise additional funding as required and as referred to in Note 1.1.
Currency risk	See Directors' Report.	The Company aims to manage currency exposures by holding funds in the applicable currency to match anticipated expenditure.

The Board consider that an internal audit function is not necessary or practical due to the size of the Group and the close day to day control exercised by the Executive Director. However, the Board will continue to monitor the need for an internal audit function. The Executive Director has established appropriate reporting and control mechanisms to ensure the effectiveness of the Group's control systems for the size of the business and its activities. The Board obtains regular updates on risks from the Executive Director, which allows it to monitor the effectiveness of risk management and through its regular engagement and review of reporting on areas such as the status of the Company's projects, budgets, results and cash flow position of the Company it considers the effectiveness of controls on an ongoing basis.

Principle Five – A Well-Functioning Board of Directors

The Board currently comprises the Chief Executive, John Potter, and three independent Non-Executive Directors, Malcolm Groat, Richard Horsman and Robert Kirchner.

Biographies for each of the current Directors are set out on the Company's website. Executive and Non-Executive Directors are subject to re-election usually at the Company's Annual General Meeting, at intervals of no more than three years.

The Board meets on a regular basis, typically at least once a month.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions. As such, the Company has established separate Audit and Remuneration Committees.

The Audit Committee comprises Richard Horsman (Chairman) and Malcolm Groat. The Audit Committee meets at least twice a year to consider the integrity of the financial statements of the Company, including its annual and interim accounts; the effectiveness of the Company's internal controls and risk management systems; auditor reports; and terms of appointment and remuneration for the auditor.

The Company's Remuneration Committee comprises Robert Kirchner (Chairman) and Malcolm Groat. The Remuneration Committee meets from time to time, but not less than once a year, to review and determine, amongst other matters, the remuneration of Executives on the Board and any share incentive plans of the Company.

The QCA Code recommends that the Chairman must have adequate separation from the day-to-day business to be able to make independent decisions. Malcolm Groat is the Company's Non-Executive Chairman and the Board believe that he has adequate separation from the day-to-day business of the Company to be able to make independent decisions. As the Board is comprised of only four members, one of whom is Executive and three of whom are independent Non-Executive Directors, including the Chairman, the Board does not believe it is currently necessary to appoint a senior independent director.

The Chief Executive is a full-time employee of the Company. Whilst each of the Non-Executive Directors are considered to be part time, they are expected to provide as much time to the Company as is required. The attendance record of the Directors at Board and committee meetings held during the year ended 30 September 2020 was as follows *[see next page]*:

	Main Board	Audit Committee	Remuneration Committee
Meetings held	**11**	**2**	**2**
Attendance:			
Stephen West (*appointed 17 February 2020*; *resigned 30 September 2020*)	9		
John Potter	11		
Alex Benger (*resigned 30 September 2020*)	11	2	2
Malcom Groat	11	2	2
Andrew Jones (resigned 16 March 2020)	2		

Principle Six – Appropriate Skills and Experience of the Directors

The Board believes that the current balance of skills held by the Board as a whole, reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has previous experience of public markets.

The Board believes that the Directors are well suited to the Company's fundamental objective of enhancing and preserving long-term shareholder value and ensuring that the Group conducts its business in an ethical and safe manner. The Board is considered to be of a sufficient number to provide more than adequate experience and perspective to its decision-making process and, given the size and nature of the Group, the Board does not consider at this time that it is appropriate to increase the size of the Board or amend its composition.

As the Board is not currently anticipating any change to its size or composition, it has not yet implemented a written policy regarding the identification and nomination of female directors. In the event that one of the existing members of the Board stands down from their current position, the Company will, at that time, give further consideration to the specific selection of a female member of the Board and the adoption of a formal policy relating to the positive appointment of additional female members of the Board for future opportunities.

The Board is responsible for: (a) ensuring that all new Directors receive a comprehensive orientation, that they fully understand the role of the Board and its committees, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Company expects from its directors) and that they understand the nature and operation of the Group's business; and (b) providing continuing education opportunities for all directors, so that individuals may maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Group's business remains current.

Given the size of the Company and the in-depth experience of its Directors, the Board has not deemed it necessary to develop a formal process of orientation for new Directors but encourages all its Directors to visit the Group's operations to ensure familiarity and proper understanding.

Skills & Experience of Board Members

Malcolm Groat

Malcolm is a Chartered Accountant and has a wide range of experience in corporate life, with roles as Chairman, Non-Executive Director, Chairman of Audit Committees, CEO, COO and CFO for a number public companies. He is an adviser on compliance and governance, strategy and operational improvement, and managing the risks of rapid change.

John Potter

John is an accomplished Chief Executive and project manager with many years' experience working within the energy sector. John brings a wide range of skills, knowledge and industry connections. His proficiencies in understanding and identifying best technologies in projects and his proven abilities in developing relationships with stakeholders, including operators, politicians, financiers, technology providers and regulators, are well proven and have brought great value to the companies he has previously worked with.

Robert Kirchner
Robb is an experienced board and oil industry executive, having spent over 30 years in senior roles in the industry. In recent years, he has successfully brought several new energy technologies to the market. He is currently CEO of Cornerstone Energy Africa Ltd, an Africa focused oil exploration and production company, and Managing Director of BCI International, a consulting and financial advisory business focused on the energy sector. His previous roles include being COO of African Power Corporation; CFO and Deputy CEO of Kungur Oilfield Equipment and Services; and CEO of First Africa Oil plc and Deputy CEO of Sibir Energy plc, when those companies were quoted on AIM. Robert also spent 13 years with ExxonMobil Corporation from 1988 to 2001 and worked extensively across Africa and the FSU. He has dual US/UK nationality.

Richard Horsman
Richard is an experienced public company director and is currently Non-Executive Chairman of Toople plc, a main market listed provider of bespoke telecom solutions. He is also Executive Chairman of privately held Gardien Group. He was previously senior independent Non-Executive Director of Plethora Solutions Holdings plc and CEO of Cybit Holdings plc, both on AIM. During his tenure at Cybit the company grew, from inception, to revenues of £25 million and went through multiple acquisitions. Cybit was acquired in a deal with a US based private equity firm at over a 100% premium to the prevailing market price. Richard was also previously Chairman and CEO of Atego Group, a private company providing mission and safety critical software and consulting services to the aerospace, military and automotive sectors.

Principle Seven – Evaluation of Board Performance

The Board has determined that it shall be responsible for assessing the effectiveness and contributions of the Board as a whole and its committees (which currently comprise the Audit Committee and the Remuneration Committee). The small size of the Board allows for open discussion. The Chairman has regular dialogue with the Chief Executive whereby the Board's role and effectiveness can be considered.

No formal assessments have been prepared in the year. However, the Board assesses its effectiveness on an ongoing basis. The Board will keep this matter under review and especially if either the size of the Board or the number of committees increases, which in turn may require a more formalised assessment and evaluation process to be established to ensure continued effectiveness.

Principle Eight – Corporate Culture

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Group as a whole and that this will impact the performance of the Group. The Board is very aware that the tone and culture set by the Board will greatly impact all aspects of the Group. The corporate governance arrangements that the Board has adopted are designed to ensure that the Group delivers long-term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board.

A large part of the Group's activities is centred upon what needs to be an open and respectful dialogue with partners, suppliers, consultants and other stakeholders. Therefore, the importance of sound ethical values and behaviour is crucial to the ability of the Group to successfully achieve its corporate objectives.

The Directors consider that, at present, the Group has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge.

Principle Nine – Maintenance of Governance Structures and Processes

Ultimate authority for all aspects of the Group's activities rests with the Board, with the responsibilities of the Executive Director arising as a consequence of delegation by the Board.

The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board and compliance with the QCA Code, while management of the Group's business and primary contact with shareholders has been delegated by the Board to the Chief Executive Officer.

Non-Executive Directors

The Board evaluates its performance and composition on a regular basis and will make adjustments as and when indicated. When assessing the independence of each Non-Executive Director, length of service is one of the considerations. The Board will, when assessing new appointments in the future, consider the need to balance the experience and knowledge that each independent director has of the Group and its operations, with the need to ensure that independent directors can also bring new perspectives to the business.

In accordance with the Isle of Man Companies Act 2006, the Board complies with: a duty to act within their powers; a duty to promote the success of the Company; a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement.

Principle Ten – Shareholder Communication

The Board is accountable to the Company's shareholders and, as such, it is important for the Board to appreciate the aspirations of the shareholders and equally that the shareholders understand how the actions of the Board and short-term financial performance relate to the achievement of the Group's longer-term goals.

The Board reports to the Company's shareholders on its stewardship of the Group through the publication of interim and final financial results. The Company announces significant developments which are disseminated via various outlets including, before anywhere else, RNS. In addition, the Company maintains a website (www.tomcoenergy.com) on which RNS announcements, press releases, corporate presentations and the Report and Financial Statements are available to view.

Enquiries from individual shareholders on matters relating to the business of the Group are welcomed. Shareholders and other interested parties can subscribe to receive notification of news updates and other documents from the Company via email.

The Annual General Meeting, and other meetings of shareholders that may be called by the Company from time to time, provide an opportunity for communication with all shareholders and the Board encourages shareholders to attend and welcomes their participation. The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. The Company has close ongoing relationships with its private shareholders.

Malcolm Groat
Non-Executive Chairman
17 February 2021

AUDIT COMMITTEE REPORT

Overview

The Committee met twice during the year. The external auditor also attended the meetings at the invitation of the Committee Chairman.

Malcolm Groat was appointed Chairman of the Committee by the Board, with the other Committee member being Alex Benger. Further to the Board changes in late 2020, the Committee currently comprises Richard Horsman (Chairman), Robert Kirchner and Malcolm Groat.

Financial Reporting

The Committee monitored the integrity of the interim and annual financial statements and reviewed the significant financial reporting issues and accounting policies and disclosures in the financial reports. The external auditor attended the Committee meetings as part of the full year and interim accounts approval process. The process included the consideration of reports from the external auditor identifying the primary areas of accounting judgements and key audit risks identified as being significant to the 2020 accounts.

Audit Committee Effectiveness

The Board considers the effectiveness of the Committee on a regular basis but not as part of a formal process.

External Audit

The Committee is responsible for managing the relationship with the Company's external auditor, BDO LLP.

The objectivity and independence of the external auditor is safeguarded by reviewing the auditor's formal declarations, monitoring relationships between key audit staff and the Group and reviewing the non-audit fees payable to the auditor. Non-audit services are not performed by the auditor. During the year, audit fees of £33,500 (*2019: £31,000*) were paid to BDO LLP.

Internal Audit

The Committee considered the requirement for an internal audit function. The Committee considered the size of the Group, its current activities and the close involvement of senior management. Following the Committee's review, it did not deem it necessary to operate an internal audit function during the year.

Richard Horsman
Chairman, Audit Committee
17 February 2021

REMUNERATION COMMITTEE REPORT

This report is on the activities of the remuneration committee for the financial year ended 30 September 2020.

Following the appointment of Robert Kirchner and Richard Horsman to the Board in late 2020, the Remuneration Committee now comprises Robert Kirchner (Chairman), Richard Horsman and Malcolm Groat. The Remuneration Committee meets from time to time, but not less than once a year, to review and determine, amongst other matters, the remuneration of the Executive(s) on the Board and any share incentive plans of the Company.

The Group has no employees other than the Directors; whose emoluments comprise fees paid for services. The amounts for their services are detailed below:

	Salaries 2020 £'000	Salaries 2019 £'000
M Groat	**20**	18
S West *(appointed 17 February 2020; resigned 30 September 2020)*	**27**	-
J Potter	**91**	74
A Benger *(resigned 30 September 2020)*	**20**	18
A Jones *(resigned 16 March 2020: 2020 figure includes compensation of £150,000)*	**250**	98

As detailed in Note 19, the Company has in place a share option scheme for its Directors.

The Committee met twice during the year.

Robert Kirchner
Chairman, Remuneration Committee
17 February 2021

Independent auditor's report to the members of TomCo Energy plc

Independent auditor's report to the members of TomCo Energy Plc

Opinion

We have audited the financial statements of TomCo Energy Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity and the consolidated statements of cash flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the International Accounting Standards Board.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 30 September 2020 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the International Accounting Standards Board;

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The following matters were identified as key audit matters:

Key Audit Matter	**Carrying value of Exploration and Evaluation assets** As detailed in Notes 8 and 9 to the financial statements, the Group has recognised significant assets, relating to the exploration and evaluation of the Group's oil shale licences, including TurboShale. The Directors are required to assess these exploration and evaluation assets for indicators of impairment at each reporting date.

	The assessment of whether or not there are any indicators of impairment is described in the Group's accounting policies in note 1.9 and includes making estimates and judgments. These estimates and judgements are set out in note 1.1 and the subjectivity of these estimates and judgements along with the material carrying value of the assets make this a key area of focus for the audit.
How we addressed the Key Audit Matter in the Audit	We have assessed management's review of whether there are any indicators of impairment and our procedures included the following: • Reviewing the licence documentation to check that the licences remained valid and to confirm the expiry dates. • Where licences are due to be renewed in the near future, making enquiries of Management to confirm no issues are foreseen with the renewal process. • Considering the Competent persons report on contingent and prospective resources to confirm that it does not suggest there are any indicators of impairment for the project. • Assessing the independence and competence of the Competent person as management's expert. • Making specific enquires of management, reviewing market announcements and reviewing Board minutes to establish whether there was any evidence that the Group did not plan to proceed with the exploration and evaluation of its assets. • Making enquiries of management to understand the impact of COVID 19 and oil prices on the future of the project and challenging management on whether these factors are indicators of impairment. We also evaluated the adequacy of the disclosures provided within the financial statements in relation to the impairment assessment against the requirements of the accounting standards.
Key observations	Based on the work performed we have no matters to communicate in respect of management's assessment of the carrying value of the group's exploration and evaluation assets.

Key Audit Matter	**Accounting treatment of the investment in Greenfield Energy LLC** As detailed in Note 10 to the financial statements, the Group acquired a 50% shareholding in Greenfield, and entered into a shareholder agreement with Valkor, the other 50% shareholder, during the year. As disclosed in note 1.1, this investment has been assessed under IFRS 11 and has been determined to be a joint venture. The determination of whether or not Greenfield is a jointly controlled venture depends on the terms of the shareholder agreement and requires judgement. The expenditure incurred by Greenfield following the investment by the Group relates to the development and upgrade to the Petroteq Oil Sands Plant. Determining the accounting treatment of this expenditure requires judgement, specifically whether or not the costs are eligible for capitalisation in accordance IFRS. As disclosed in note 1.1, Management has capitalised the development costs based on the conclusion that the Greenfield project has passed the research phase and is in the development phase. Management deemed that the results of the Pre-Feed study were sufficient to demonstrate the project meets the definition of development. The judgments involved in making these assessments made this a key area of focus for the audit.

How we addressed the Key Audit Matter in the Audit	We have assessed management's judgements regarding the determination that Greenfield is a joint venture and our audit procedures included: • Reviewing the Shareholders' Agreement and challenging management on the key terms to determine whether these are indicative of Joint control and meet the definition of a Joint Venture. We reviewed management's assessment which concluded that the Greenfield project is in the development phase, and therefore the costs relating to the development are capitalised within Greenfield, and in doing so our work included: • Substantively testing a sample of costs within Greenfield and corroborating them to supporting documentation. • Corroborating the basis for Management's conclusions to supporting evidence such as the Pre-FEED study which supported Management's conclusion that the project is commercially viable. • Challenging management on the classification of assets contributed to the joint investment and determining whether these met the definition of development costs under IAS 38 'intangible assets'. We also evaluated the adequacy of the disclosures provided within the financial statements in relation to the investment against the requirements of the accounting standards.
Key observations	Based on the work performed we have no matters to communicate in respect of management's assessment of investment or the share of the loss recognised in the group financial statements.

Key Audit Matter	**Going concern** As detailed in note 1.1 to the financial statements there are significant judgments made by management in determining whether the group can continue trading as a going concern. Given the significant nature of these judgements along with the material impact this assessment has on the financial statements, we have considered this to be a key area of focus for the audit.
How we addressed the Key Audit Matter in the Audit	We have reviewed management's assessment of going concern and our audit procedures in response to this key audit matter included: • Reviewing the latest cash flow forecasts for the group, which covered the period to June 2022. Our work included assessing the forecast cash outflows again historical data and publicly stated plans for the future development of the exploration assets and joint venture. • Verifying the receipt of the proceeds of the equity placing post the year-end. • Challenging management on their ability to raise further financing in light of COVID-19 and considering the future impact this could have on further fundraises. • Reviewing management's stress test on the cash flow forecasts to understand whether these scenarios gave rise to a material uncertainty. • Reviewing the disclosures in note 1.1 to the financial statements against the requirements of the accounting standards to check that the disclosures reflect the going concern position of the Group.
Key observations	Our observations in respect of going concern are set out in the Conclusions relating to going concern section above.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial, as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Group materiality was set at £160,000 (2019: £150,000) being 1.5% of total assets. We considered total assets to be the most significant determinant of the Group's financial performance by users of the financial statements.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance materiality was set at £120,000 (2019: £112,500), which represents 75% of the above materiality level. The level of performance materiality was set after considering a number of factors including the expected value of known and likely misstatements and management's attitude towards proposed adjustments.

Component materiality ranged from £80,000 to £144,000 (2019: £75,000 to £130,000).

We agreed with the Audit Committee that we would report to them individual audit differences identified during the course of our audit in excess of £3,200 (2019: £3,000). We also agreed to report differences below this threshold which warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our group audit scope focused on the group's principle operating locations, being the United Kingdom and USA. We determined there to be three significant components, TomCo Energy Plc, Greenfield Energy LLC and TurboShale Inc.

The group audit team carried out a full scope audit on all entities and performed all the work necessary to issue the group audit opinion including undertaking all of the audit work on the key audit matters and other risk areas.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, within the directors' report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's Members, as a body, in accordance with our engagement letter dated 23 October 2020. Our audit work has been undertaken so that we might state to the Parent Company's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's Members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP
Chartered Accountants
London, UK

17 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Statement of Comprehensive Income
for the financial year ended 30 September 2020

	Note		2020		2019
	Note	£'000	£'000	£'000	£'000
Revenue	2		**-**		-
Cost of sales	2		**-**		-
Gross loss			**-**		-
Administrative expenses	2		**(1,031)**		(778)
Operating loss	4		**(1,031)**		(778)
Finance income/(costs)	3		**1**		(4)
Share of loss of joint venture	10		**(40)**		-
Loss on ordinary activities before taxation			**(1,070)**		(782)
Taxation	5		**-**		-
Loss for the year attributable to:			**(1,070)**		(782)
Equity shareholders of the parent		**(1,028)**		(749)	
Non-controlling interests	18	**(42)**		(33)	
			(1,070)		(782)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations			**(350)**		408
Items that will not be reclassified subsequently to profit or loss					
Fair value gain on non-derivative equity investment	10		**-**		2
Other comprehensive income for the year attributable to:					
Equity shareholders of the parent		**(356)**		417	
Non-controlling interests	18	**6**		(7)	
Other comprehensive income			**(350)**		410
Total comprehensive loss attributable to:					
Equity shareholders of the parent		**(1,384)**		(332)	
Non-controlling interests	18	**(36)**		(40)	
Total comprehensive loss			**(1,420)**		(372)

		2020	2019
		Pence	Pence
Loss per share attributable to the equity shareholders of the parent		**per share**	per share
Basic & diluted loss per share	7	**(0.30)**	(0.73)

The Notes on pages 25 to 42 form part of these financial statements.

Consolidated Statement of Financial Position
as at 30 September 2020

	Note	**Group 2020 £'000**	Group 2019 £'000
Assets			
Non-current assets			
Intangible assets	8	**8,834**	9,222
Property, plant and equipment	9	**411**	431
Investment in joint venture	10	**1,224**	-
Other receivables	11	**26**	27
		10,495	9,680
Current assets			
Trade and other receivables	11	**118**	97
Cash and cash equivalents	12	**334**	639
		452	736
TOTAL ASSETS		**10,947**	10,416
Liabilities			
Current liabilities			
Trade and other payables	13	**(215)**	(615)
		(215)	(615)
Net current assets		**237**	121
TOTAL LIABILITIES		**(215)**	(615)
Total net assets		**10,732**	9,801
Shareholders' equity			
Share capital	15	**-**	-
Share premium	16	**29,222**	28,247
Warrant reserve	17	**1,288**	65
Translation reserve		**282**	638
Retained deficit		**(19,887)**	(19,012)
Equity attributable to owners of the parent		**10,905**	9,938
Non-controlling interests	18	**(173)**	(137)
Total equity		**10,732**	9,801

The financial statements were approved and authorised for issue by the Board of Directors on 17 February 2021.

The Notes on pages 25 to 42 form part of these financial statements.

John Potter
Director

Malcolm Groat
Director

Consolidated Statement of Changes in Equity
for the financial year ended 30 September 2020

Group									
		Equity attributable to equity holders of the parent							
	Note	Share capital	Share premium	Warrant reserve	Translation reserve	Retained Deficit	Total	Non-controlling interest	Total Equity
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 October 2018		**-**	**26,542**	**43**	**223**	**(18,393)**	**8,415**	**(97)**	**8,318**
Loss for the year		-	-	-	-	(749)	(749)	(33)	(782)
Comprehensive income for the year		-	-	-	415	2	417	(7)	410
Total comprehensive loss for the year		-	-	-	**415**	**(747)**	**(332)**	**(40)**	**(372)**
Issue of shares (net of costs)	15, 16	-	1,638	59	-	-	1,697	-	1,697
Expiry of warrants	17	-	67	(37)	-	35	65	-	65
Share-based payment charge	19	-	-	-	-	93	93	-	93
At 30 September 2019		**-**	**28,247**	**65**	**638**	**(19,012)**	**9,938**	**(137)**	**9,801**
Loss for the year		-	-	-	-	(1,028)	(1,028)	(42)	(1,070)
Comprehensive income for the year		-	-	-	(356)	-	(356)	6	(350)
Total comprehensive loss for the year		-	-	-	**(356)**	**(1,028)**	**(1,384)**	**(36)**	**(1,420)**
Issue of shares (net of costs)	15, 16	-	866	1,377	-	-	2,243	-	2,243
Exercise of warrants	17	-	109	(114)	-	114	109	-	109
Expiry of warrants	17	-	-	(43)	-	43	-	-	-
Share-based payment charge	19	-	-	3	-	(4)	(1)	-	(1)
At 30 September 2020		**-**	**29,222**	**1,288**	**282**	**(19,887)**	**10,905**	**(173)**	**10,732**

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	Descriptions and purpose
Share capital	Amount subscribed for share capital at nominal value, together with transfers to share premium upon redenomination of the shares to nil par value.
Share premium	Amount subscribed for share capital in excess of nominal value, together with transfers from share capital upon redenomination of the shares to nil par value.
Warrant reserve	Amounts credited to equity in respect of warrants to acquire ordinary shares in the Group.
Translation reserve	Gains and losses on the translation of foreign operations.
Retained deficit	Cumulative net gains and losses recognised in the consolidated statement of comprehensive income less transfers to retained deficit on expiry.
Non-controlling interest	Non-controlling interest share of losses of TurboShale Inc., together with adjustments associated with the initial recognition of, and changes in, the non-controlling interest. Refer to Note 18.

The Notes on pages 25 to 42 form part of these financial statements.

Consolidated Statement of Cash Flows
for the financial year ended 30 September 2020

	Note	**Group 2020 £'000**	Group 2019 £'000
Cash flows from operating activities			
Loss after tax	2	**(1,070)**	(782)
Adjustments for:			
Finance costs	3	**(1)**	4
Amortisation		**6**	6
Share based payment charge		**(1)**	93
Unrealised foreign exchange losses		**81**	-
Costs settled by the issue of shares		**-**	5
Share of loss of joint venture		**40**	-
Increase in trade and other receivables		**(21)**	(55)
(Decrease)/increase in trade and other payables		**(384)**	232
Cash used in operations		**(1,350)**	(497)
Interest received/(paid)		**1**	(4)
Net cash outflow from operating activities		**(1,349)**	(501)
Cash flows from investing activities			
Investment in intangibles	8	**(29)**	(642)
Sale of investments		**-**	104
Investment in joint venture		**(1,279)**	
Purchase of property, plant and equipment	9	**-**	(95)
Net cash used in investing activities		**(1,308)**	(633)
Cash flows from financing activities			
Issue of equity instruments	15, 16	**2,535**	1,767
Costs of share issue		**(182)**	(109)
(Repayment)/receipt of loan finance		**-**	(150)
Net cash generated from financing activities		**2,353**	1,508
Net (decrease)/increase in cash and cash equivalents		**(304)**	374
Cash and cash equivalents at beginning of financial year		**639**	262
Foreign currency translation differences		**(1)**	3
Cash and cash equivalents at end of financial year		**334**	639

The Notes on pages 25 to 42 form part of these financial statements.

1. Accounting policies

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

1.1 Basis of preparation and going concern

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and International Financial Reporting Interpretations Committee ("IFRIC") interpretations and with those parts of the Isle of Man Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historic cost convention.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Details of the Group's significant accounting judgments are set out in these financial statements and include:

Judgements

- Impairment indicator assessment on intangible assets and property, plant and equipment used in exploration and evaluation activities

  The Directors consider that tangible and intangible assets employed in exploration and evaluation activities form part of a single cash generating unit for the purposes of impairment assessment. In determining whether indicators of impairment on such assets existed judgment was required. The directors have considered the remaining licence term and standing, future plans for exploration, the measured resources within the mineral leases owned by the Company; and the likelihood of commercially viable extraction technology being developed and sufficient funding being available to the Company to develop and exploit such technology. The Board concluded that no impairment indicator existed as at 30 September 2020. Refer to Note 8.

- Internally generated development assets

  Greenfield has incurred expenditure on researching and developing the design and operation of a pilot plant and processes that is not of a scale economically feasible for commercial production. Judgement is required In determining what constitutes research expenditure, to be expensed in profit and loss, and what constitutes development expenditure that meets the criteria set out in IAS 38, which must be capitalised. Qualifying expenditure is capitalised from the point at which Greenfield's board are satisfied as to the technical feasibility of the production processes. The board have deemed that this was achieved when the preliminary results of the Pre-Feed study were released, which indicated the use of the Oil Sands Technology was likely to be economically viable. Judgements on these matters affect the Group's share of Greenfield's net assets and profits that are recognised under the equity method.

- Joint arrangements

  In assessing whether the Group is party to a joint arrangement under IFRS 11, the Group considers whether decisions about relevant activities of the investee entity require the unanimous consent of the investors ("joint control"). Having established the existence of joint control, judgement is required to establish whether the structure of the arrangement, the contractual terms or other facts and circumstances give the parties to the arrangement rights to the assets and obligations for the liabilities of the investee entity. In those circumstances, the entity is a joint operation. Having evaluated the matter, the Group has determined that the parties to the arrangement.do not have rights to the assets and obligations of the investee entity and therefore the joint arrangement is a joint venture.

  Judgement is also required concerning the value at which non-cash assets contributed by the joint venture partners are recognised. The Group has contributed cash assets of US$1.625 million. In the judgement of the Directors, the value of intellectual property and undertakings to deliver future services provided by Valkor matched the value of the cash contributions made by the Group

Estimates

- Share based payments

  Estimates were required in determining the fair value of share options and warrants granted in the year including future share price volatility and the instrument life. Volatility is estimated using TomCo's historic share prices for a period of time that matches the exercise period of the warrant or option. This assumes that historic share price volatility is the best estimate of future volatility. The Black-Scholes model is used for valuing both options and warrants. Estimates are also made of the likely time of exercise of the options or warrants.

The Group has consistently applied all applicable accounting standards.

Going concern

At 9th February 2021, the Group had cash of approximately £2.45 million.

The Directors have prepared cash flow forecasts for the period to 30 June 2022. Under the forecasts, the Group plans to engage a third-party engineering evaluation of a commercial scale plant design based on the Petroteq oil recovery system and potentially secure a site on which to build a commercial scale plant. The forecasts indicate that the Group has sufficient funds to complete these tasks and to ensure its ability to continue in operational existence for the foreseeable future and at least until 30 June 2022. On this basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis.

Further funding may be required if the Directors decide to explore the opportunity to develop a commercial scale oil sands plant or to further advance the RF technology. The Directors note that COVID-19 has had a significant negative impact on the global economy and oil prices have been volatile, which may mean it is harder to secure additional funding than it has historically been. Notwithstanding this, the Directors have a reasonable expectation that they can secure additional funding, based on recent successful fundraisings, should it be required.

1.2 Future changes in accounting standards

The IFRS financial information has been drawn up on the basis of accounting standards, interpretations and amendments effective at the beginning of the accounting period.

IFRS 16 "Leases" was effective for the first time in the year ended 30 September 2020. The Group currently has no leases other than short term or low value leases and therefore this standard currently has no impact on the Group.

There are currently no new or revised standards, amendments and interpretations to existing standards that are not effective for the financial year ended 30 September 2020 and have not been adopted early, which, when effective, might have an impact upon the Group's financial statements.

1.3 Basis of consolidation

The Group accounts consolidate the accounts of the parent company, TomCo Energy plc, and all of its subsidiary undertakings drawn up to 30 September 2020. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The acquisition of subsidiaries is accounted for on the purchase basis. A subsidiary is consolidated where the Company has control over an investee. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. On acquisition all of the subsidiary's assets and liabilities which existed at the date of acquisition are recorded at their fair values reflecting their condition at the time. If, after re-assessment, the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the statement of comprehensive income.

Entities over which the Group has joint control are classified as joint ventures and are accounted for using the equity method of accounting. On initial recognition the investment in the joint venture is recognised at cost. The carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the joint venture after the date of acquisition.

1.4 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the Board of Directors.

Based on an analysis of risks and returns, the Directors consider that the Group has two principal business segments based on geographical location. The loss before taxation arises principally within the UK and US. Net assets are principally in the UK and the US.

1.5 Revenue

Revenue represents the Group's share of sales of oil during the year, excluding sales tax and royalties. Income arises from the US and is recognised when the oil is delivered to the customer. No revenue has arisen in the current or prior year.

1.6 Finance income

Finance income is accounted for on an effective interest basis.

1.7 Property, plant and equipment

Property, plant and equipment employed in exploration and evaluation activities are carried at cost. No depreciation has been provided on these assets as they had not been brought into use by the end of the financial year. Subsequent depreciation will be capitalised to exploration and development costs.

1.8 Intangible assets

Exploration and development licences
The Group applies the full cost method of accounting for oil and gas operations. For evaluation properties, all mineral leases, permits, acquisition costs, geological and geophysical costs and other direct costs of exploration appraisal, renewals and development are capitalised as intangible fixed assets in appropriate cost pools, with the exception of tangible assets, which are classed as property, plant and equipment. Costs relating to unevaluated properties are held outside the relevant cost pool and are not amortised until such time as the related property has been fully appraised. When a cost pool reaches an evaluated and bankable feasibility stage, the assets are transferred from intangible to oil properties within property, plant and equipment.

Technology licences
Amortisation is not charged on technology licences associated with oil and gas assets until they are available for use.

Patents and patent applications
Patents and patent applications acquired in consideration for a combination of cash and the issue of shares in subsidiary undertakings are recognised at fair value, and amortised over their expected useful lives, which is 12 years being the patent term.

1.9 Impairment

Exploration and development licences
Exploration and development assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed the recoverable amount. In accordance with IFRS 6 the Group firstly considers the following facts and circumstances in their assessment of whether the Group's exploration and evaluation assets may be impaired, whether:

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

If any such facts or circumstances are noted, the Group performs an impairment test in accordance with the provisions of IAS 36. The aggregate carrying value is compared against the expected recoverable amount of the cash generating unit, which is generally the field, except that a number of field interests may be grouped as a single cash generating unit where the cash flows are interdependent. The recoverable amount is the higher of value in use and the fair value less costs to sell.

Any impairment loss would be recognised in the income statement and separately disclosed.

Technology licence
The carrying amount of the Group's other intangible asset, its patents and technology licence, is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Joint ventures

The Directors determine whether there is any objective evidence that the net investment in Greenfield is impaired. Objective evidence includes observable data about the following potential loss events:

- significant financial difficulty of Greenfield;
- breach of contract, default or delinquency by Greenfield;
- grant by the Group to Greenfield of concessions it would not otherwise consider by reason of Greenfield's financial difficulty;
- the bankruptcy or financial reorganisation of Greenfield becoming probable; and
- significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which Greenfield operates.

If such evidence exists, the Directors assess the Group's net investment in Greenfield for impairment. The Directors are satisfied that there was no such evidence at 30 September 2020 (or subsequently).

1.10 Taxation

Taxation expense represents the sum of current tax and deferred tax.

Current tax is based on taxable profits for the financial period using tax rates that have been enacted or substantively enacted by the reporting date. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. If deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred tax is determined using tax rates that have been enacted or substantively enacted at the reporting date and that are expected to apply when the related deferred income tax asset is realised, or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversals of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.11 Foreign currencies

The accounts have been prepared in pounds sterling being the presentational currency of the Group. The functional currency of the holding company is also pounds sterling. The functional currency of the US subsidiaries is US dollars. Assets and liabilities held in the Group or overseas subsidiaries in currencies other than the functional currency are translated into the functional currency at the rate of exchange ruling at the reporting date.

Transactions entered into by Group entities in a currency other than the functional currency of the entity are recorded at the rates ruling when the transactions occur. Exchange differences arising from the settlement of monetary items are included in the statement of comprehensive income for that period.

The assets and liabilities of subsidiaries and joint ventures with functional currencies other than sterling are translated at balance sheet date rates of exchange. Income and expense items are translated at the average rates of exchange for the period. Exchange differences arising are recognised in other comprehensive income (attributed to the parent equity holder and non-controlling interests as appropriate).

1.12 Leases

The Group is party as lessee only to low value or short term leases. Rentals payable under such leases, net of lease incentives, are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

1.13 Non-derivative equity instruments

The Group classifies its non-derivative equity instruments as at fair value through other comprehensive income. Gains or losses on disposals of these items are recognised in other comprehensive income.

1.14 Debt instruments at amortised cost

These assets are non-derivative financial assets which are held in a business model whose objective is to collect contractual cashflows and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. They arise principally through types of contractual monetary asset such as receivables. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised based on expected credit losses over the asset's life.

The Group's assets held at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

1.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at the bank and other short-term liquid investments with original maturities of three months or less.

1.16 Trade payables

Trade payables are recognised at amortised cost. All of the trade payables are non-interest bearing.

1.17 Share capital

Ordinary shares are classified as equity. Shares issued in the period are recognised at the fair value of the consideration received.

1.18 Warrants

Warrants issued as part of financing transactions in which the holder receives a fixed number of shares on exercise of the warrant are fair valued at the date of grant and recorded within the warrant reserve. Fair value is measured by the use of the Black-Scholes model.

On expiry or exercise, the fair value of warrants is credited to reserves as a change in equity.

1.19 Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Group.

Details concerning non-wholly owned subsidiaries of the Group that have material non-controlling interests are set out in note 18.

1.20 Joint ventures

Joint arrangements within the scope of IFRS 11 are assessed as to whether they represent joint operations or joint ventures. Where the structure of the arrangement, the contractual terms or other facts and circumstances give the parties to the arrangement rights to the assets and obligations for the liabilities of the investee entity, the entity is a joint operation. . Joint ventures are recognised using the equity method of accounting. The initial cost of investment is adjusted to reflect the Group's share of the joint venture's profits and losses and other comprehensive income.

Investments in joint ventures are assessed for impairment where there is objective evidence that the carrying value of the investment may not be recoverable. Impairment is measured at the difference between the carrying amount of the investment and the higher of its FV less cost of disposal and its value in use.

1.21 Share-based payments

Equity-settled share-based payments to directors are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions is set out in Note 19.

The fair value determined at the grant date is expensed on a straight-line basis over the vesting period or periods, based on the Group's estimate of equity instruments that will eventually vest. At each balance sheet date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to equity reserves.

2. **Segmental reporting** – *Analysis by geographical segment*

The loss before taxation arises within principally the UK and US. Net assets are principally in the UK and US. Based on an analysis of risks and returns, the Directors consider that the Group has two principal business segments based on geography, with the UK primarily representing head office costs of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the Board of Directors. The Directors therefore consider that no further segmentation is appropriate.

Year ended 30 September	United States 2020 £'000	United Kingdom 2020 £'000	Eliminations 2020 £'000	Total 2020 £'000	United States 2019 £'000	United Kingdom 2019 £'000	Eliminations 2019 £'000	Total 2019 £'000
External revenue	-	-		-	-	-		-
Inter-segment sales		94	(94)	-		94	(94)	-
Cost of sales	-	-	-	-	-	-		-
Gross profit/(loss)	-	94	(94)	-	-	94	(94)	-
Impairment	-	-		-	-	-		-
Administrative expenses	(241)	(884)	94	(1,031)	(177)	(695)	94	(778)
Operating loss	(241)	(790)	-	(1,031)	(177)	(601)	-	(778)
Financial income	-	1	-	1	-	1	-	1
Finance costs	-	-	-	-	-	(5)	-	(5)
Share of loss of joint venture	(40)	-	-	(40)	-	-		-
Loss before taxation	(281)	(789)	-	(1,070)	(177)	(605)	-	(782)
Non-Current assets:								
– Exploration and development assets	8,819	-		8,819	9,200	-		9,200
– Other	26	-		26	27	-		27
– Property, plant and equipment	411	-		411	431	-		431
– Patents	15	-		15	22	-		22
- Investments in joint venture	1,224	-	-	1,224	-	-	-	-
	10,495	-		10,495	9,680	-		9,680
Current assets:								
Trade and other receivables	-	398	(280)	118	-	97		97
Cash and cash equivalents	4	330		334	21	618		639
Total assets	10,499	728	(280)	10,947	9,701	715		10,416
Current liabilities:								
Trade and other payables	(309)	(186)	280	(215)	(389)	(226)		(615)
Total liabilities	(309)	(186)	280	(215)	(389)	(226)		(615)

3. Finance costs

	2020 £'000	2019 £'000
Interest income	**(1)**	(1)
Loan note interest (Note 21)	**-**	5
Total finance income/(costs) for the financial year	**(1)**	4

4. Operating loss

The following items have been charged in arriving at operating loss:	2020 £'000	2019 £'000
Auditors' remuneration: audit services	**33**	31
Rentals payable in respect of land and buildings	**52**	37

5. Taxation

There is no tax charge in the year due to the loss for the year.

Factors affecting the tax charge:	2020 £'000	2019 £'000
Loss on ordinary activities before tax	**(1,070)**	(782)
Loss on ordinary activities at standard rate of corporation tax in the UK of 19% (2019: 19%)	**(203)**	(149)
Effects of:		
Group share of joint venture losses	**7**	-
Losses carried forward	**196**	149
Tax charge for the financial year	**-**	-

6. Employees and Directors

The Group has no employees other than the Directors, whose emoluments comprise fees paid for services. The amounts for their services are detailed below:

	Salaries 2020 £'000	**Share-based payment expense/(credit) 2020 £'000**	Salaries 2019 £'000	Share-based payment expense 2019 £'000
S West *(appointed 17 February 2020; resigned 30 September 2020)*	**27**	**4**	-	
J Potter	**91**	**20**	74	31
A Benger (*resigned 30 September 2020)*	**20**	**5**	18	7
M Groat	**20**	**5**	18	7
A Jones *(resigned 16 March 2020)*	**250**	**(35)**	98	48
L Read (resigned 28 June 2019)	**-**	**-**	12	-
Total remuneration	**408**	**(1)**	220	93

Remuneration for A Jones included compensation for loss of office of £150,000. Unvested share options granted to Mr Jones were outstanding on his resignation, and this has resulted in a credit to profit and loss in respect of charges for share-based payment previously recognised in respect of those options that have been forfeited.

7. Loss per share

Basic loss per share is calculated by dividing the losses attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year. Reconciliations of the losses and weighted average number of shares used in the calculations are set out below.

Financial year ended 30 September 2020	Losses £'000	Weighted average number of shares	Per share Amount Pence
Basic and Diluted EPS			
Losses attributable to ordinary shareholders on continuing operations	(1,028)	339,346,801	(0.30)
Total losses attributable to ordinary shareholders	**(1,028)**	**339,346,801**	**(0.30)**

Financial year ended 30 September 2019			
Basic and Diluted EPS			
Losses attributable to ordinary shareholders on continuing operations	(749)	102,524,614	(0.73)
Total losses attributable to ordinary shareholders	(749)	102,524,614	(0.73)

The warrants and share options which were issued or for which entitlement to warrants was established in the current and prior years (Notes 17 and 18) are anti-dilutive. As these instruments would be anti-dilutive a separate diluted loss per share is not presented.

8. Intangible assets

	Oil & Gas Exploration and development licences £'000	Oil & Gas Technology licence £'000	Oil & Gas Patents and patent applications £'000	Oil & Gas Total £'000
Cost				
At 1 October 2018	8,047	1,314	34	9,395
Additions	643		(1)	642
Translation differences	510		1	511
At 30 September 2019	**9,200**	**1,314**	**34**	**10,548**
Additions	**29**		-	**29**
Translation differences	**(410)**	**-**	**(1)**	**(411)**
At 30 September 2020	**8,819**	**1,314**	**33**	**10,166**
Amortisation/Impairment				
At 1 October 2018	-	1,314	6	1,320
Amortisation	-	-	6	6
At 30 September 2019	**-**	**1,314**	**12**	**1,326**
Amortisation	-	-	6	6
At 30 September 2020	**-**	**1,314**	**18**	**1,332**
Net book value				
At 30 September 2020	**8,819**	-	**15**	**8,834**
At 30 September 2019	9,200	-	22	9,222
At 30 September 2018	8,047	-	28	8,075

The exploration and development licences comprise nine Utah oil shale leases covering approximately 15,488 acres. In respect of leases ML 49570 and ML 49571, independent natural resources consultants SRK Consulting (Australasia) Pty Ltd, part of the internationally recognised SRK Group, reported in March 2019 best estimate Contingent Resources (2C) of, in aggregate, 131.3 million barrels ("MM bbl") of oil assessed under Petroleum Resources Management System ("PRMS") guidelines, plus a best estimate Prospective Resource (2U) of, in aggregate, 442.8 MMbbl of oil across the two leases. This included the Holliday A Block, where two field tests have been undertaken to date, with 2C Contingent Resources of 57.3 MMbbl of oil and 2U Prospective Resources of 84.7 MMbbl of oil. The Directors continue to consider the Holliday A Block to be prospective and are seeking methods of extracting the shale oil through development of TurboShale's RF technologies.

The claim areas and the Group's interest in them are as follows:

Asset	Per cent Interest	Licence Status	Expiry Date	Licence Area (Acres)
ML 49570	100	Prospect	31/12/2024	1,638.84
ML 49571	100	Prospect	31/12/2024	1,280.00
ML 48801	100	Prospect	01/10/2021	1,918.50
ML 48802	100	Prospect	01/10/2021	1,920.00
ML 48803	100	Prospect	01/10/2021	1,920.00
ML 48806	100	Prospect	01/12/2023	1,880.00
ML 49236	100	Prospect	01/12/2023	2,624.21
ML 49237	100	Prospect	01/12/2023	1,666.67
ML 50151	100	Prospect	30/11/2025	640.00

In performing an assessment of the carrying value of the exploration licences at the reporting date, the Directors concluded that it was not appropriate to book an impairment given the measured resource, the licence term and the continued plans to explore and develop the block, including the new technologies which TurboShale is seeking to develop.

The outcome of ongoing exploration, and therefore whether the carrying value of the exploration licences will ultimately be recovered, is inherently uncertain and is dependent upon successful development of commercially viable extraction technology. If the required additional funding was not to be made available to the Group or commercially viable extraction technologies cannot be developed, the carrying value of the asset might need to be impaired.

The Group continues to renew the leases set out above as and when they expire and has no reason to believe that the leases will not continue to be capable of renewal in the future.

Further field tests of the TurboShale technology were postponed because of the Covid-19 pandemic. The Board intends to review the position inQ2 2021 but has the intention to resume the testing programme when conditions permit.

9. Property, plant and equipment

	Exploration and evaluation equipment Total £'000
Cost at 30 September 2018	313
Additions	95
Translation differences	23
At 30 September 2019	**431**
Additions	**-**
Translation differences	**(20)**
At 30 September 2020	**411**
At 30 September 2019	431
At 30 September 2018	313

10. Investment in joint venture

Carrying value under equity method	**£'000**
At 1 October 2019	-
Cost	1,279
Share of loss of joint venture	(40)
Other comprehensive income-translation differences	(15)
At 30 September 2020	1,224
At 30 September 2019	-
At 30 September 2018	-

During the year ended 30 September 2020, the Group formed a joint venture, Greenfield Energy LLC ("Greenfield"), with Valkor LLC ("Valkor"). Greenfield is incorporated in Utah, USA. Its initial purpose is the development of a plant utilising technology licensed or assigned to it by third parties for Valkor to recover oil from oil sands in Utah, which is considered strategic to the Group's activities. Both the Group and Valkor have 50% ownership interests in Greenfield.

There is no quoted market price for the Group's investment in Greenfield.

Summarised financial information for Greenfield at and for the period ended 30 September 2020 is as follows:

	2020
	£'000
Revenue	**-**
Loss from continuing operations	**(80)**
Other comprehensive income	**(30)**
Total comprehensive loss	**(110)**
Group share of total comprehensive loss (50%)	**(55)**
Non-current assets	**2,091**
Current assets	**507**
Total assets	**2,598**
Trade and other payables	**(150)**
Net assets	**2,448**
Group share of net assets (50%)	**1,224**

Greenfield has a different reporting date to that of the Group.

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11. Trade and other receivables

	Group	Group
	2020	2019
Current	**£'000**	£'000
Other receivables	**64**	50
Prepayments and accrued income	**54**	47
	118	97
Non-current		
Other receivables	**26**	27
Total Receivables	**144**	124

As at 30 September 2020, there were no receivables considered past due (2019: £Nil). The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable and cash and cash equivalents as disclosed in Note 19.

All current receivable amounts are due within six months.

12. Cash and cash equivalents

	Group	Group
	2020	2019
	£'000	£'000
Cash at bank and in hand	**334**	639

The Group earns 0.05% (*2019: 0.05%*) interest on its cash deposits, consequently the Group's exposure to interest rate volatility is not considered material.

13. Trade and other payables

Current	Group 2020 £'000	Group 2019 £'000
Trade payables	**28**	408
Other payables	**30**	17
Accruals	**157**	190
	215	615

All current amounts are payable within six months and the Directors consider that the carrying values adequately represent the fair value of all payables.

14. Deferred tax

Unrecognised losses

The Group has tax losses in respect of excess management expenses of approximately £10.8 million (*2019: £9.8 million*) available for offset against future Company income. Trading losses of £1.9 million (*2019: £1.3 million*) are also available. This gives rise to a potential deferred tax asset at the reporting date of £2.4 million (*2019: £1.9 million*). No deferred tax asset has been recognised in respect of the tax losses carried forward as the recoverability of this benefit is dependent on the future profitability of the Company, the timing of which cannot reasonably be foreseen but the excess management expenses have no expiry date. Subsidiary entities have accumulated losses of approximately £900,000 for which no deferred tax asset is recorded given the uncertainty of future profits.

15. Share capital

	Number of shares in issue	**2019 £**
Issued and fully paid at 1 October 2018 - shares of no par value	**62,117,799**	**-**
October 2018 - subscription of new ordinary shares (note16)	1,176,471	-
December 2018 - placing of new ordinary shares (note 16)	27,500,000	-
January 2019 - issue of shares in part settlement of loan (note 16)	5,000,000	-
March 2019 - placing of new ordinary shares (note 16)	21,818,182	-
May 2019 - exercise of warrants (notes 16 and 17)	1,530,000	-
July 2019 - exercise of warrants (notes 16 and 17)	1,309,091	-
August 2019 - placing of new ordinary shares (note 16)	12,857,143	-
August 2019 - issue of shares in settlement of professional fees (note 16)	142,857	-
At 30 September 2019	**133,451,543**	**-**

	Number of shares in issue	**2020 £**
Issued and fully paid at 1 October 2019 - shares of no par value	**133,451,543**	**-**
December 2019 - placing of new ordinary shares (note16)	142,307,692	-
July 2020 - placing of new ordinary shares (note 16)	375,000,000	-
July 2020 - exercise of warrants (notes 16 and 17)	22,875,000	-
At 30 September 2020	**673,634,235**	**-**

16. Share premium

	2020 £'000	2019 £'000

At 1 October	**28,247**	26,542
December 2019 - placing of new shares at 0.65 pence per share, net of costs	**864**	-
July 2020 - placing of new shares at 0.4 pence, net of costs	**1,379**	-
July 2020 - exercise of warrants (note 17)	**110**	-
October 2018 - subscription of new shares at 8.5 pence per share	**-**	100
December 2018 - placing of new ordinary shares at 2 pence per share net of costs	**-**	514
January 2019 - issue of shares in part settlement of loan at 2 pence per share	**-**	100
March 2019 - placing of new ordinary shares at 2.75 pence per share net of costs	**-**	559
May 2019 - exercise of warrants (note 17)	**-**	31
July 2019 - exercise of warrants (note 17)	**-**	36
August 2019 - placing of new ordinary shares at 3.5 pence net of costs	**-**	419
August 2019 - issue of shares in settlement of professional fees at 3.5 pence	**-**	5
Issue of warrants to placees (note 17)	**(1,223)**	-
Issue of warrants as part of placing fees (note 17)	**(155)**	(59)
At 30 September	**29,222**	28,247

17. Warrants

At 30 September 2020, the following share warrants were outstanding in respect of ordinary shares:

	2020 number	**2020** Weighted average exercise price Pence	2019 number	2019 Weighted average exercise price Pence
Outstanding at 1 October	**967,429**	**4.4**	356,000	14.0
Expired during the year	**(196,000)**	**(8.2)**	(160,000)	(21.2)
Granted during the year	**291,895,086**	**1.0**	3,610,520	2.6
Exercised during the year	**(22,875,000)**	**0.5**	(2,839,091)	(2.3)
Outstanding at 30 September	**269,791,515**	**1.0**	967,429	4.4
Exercisable at 30 September	**269,791,515**	**1.0**	967,429	4.4

The inputs into the Black-Scholes model for calculating the estimated fair value of warrants granted, at their grant date, were as follows:

	2020	2019
Share price (pence)	0.64-0.65	2.32-3.75
Exercise price (pence)	0.4-1.5	2-3.5
Expected volatility	171%	98.8%
Risk-free rate	1%	0.82%
Expected period before exercise (years)	2	2

Expected volatility was determined by calculating the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Issue of Warrants

On completion of a placing on 2 October 2014, the Company issued 12,000,000 warrants with an exercise price of 0.5p and a contractual life of 5 years. The exercise price of the warrants adjusted to 6.25p and the number of warrants adjusted to 96,000 post a share consolidation in 2017. These warrants expired during the year.

In April 2018, the Company issued 100,000 warrants with a life of two years and an exercise price of 10p as part consideration for the settlement of its contract with Venture Development Partners Limited concerning a framework agreement relating to TurboShale concluded in 2017. The fair value of these warrants was assessed to be immaterial at approximately £1,000. These warrants expired during the year.

3,610,520 warrants were issued during 2019 in connection with the placing of new shares. The fair value of these warrants was assessed at £59,000. Of the warrants issued during 2019, warrants over 2,839,091 ordinary shares were exercised in 2019 and 771,429 warrants remain outstanding.

291,895,086 warrants were issued during the year ended 30 September 2020 at exercise prices ranging from 0.4p per share to 5.25p per share.22,875,000 of those warrants were exercised during the year at exercise prices ranging from 0.4p per share to 0.8p per share.

Each warrant in issue is governed by the provisions of warrant instruments representing the warrants which have been adopted by the Company. The rights conferred by the warrants are transferable in whole or in part subject to and in accordance with the transfer provisions set out in the Articles. The warrants outstanding at 30 September 2020 had a weighted average exercise price of 1p (*2019: 4.4p*) and a weighted average remaining contractual life of 1.59 years (*2019: 1.55 years*).

18. Non-controlling interests

Details of non-controlling interests are as follows:

Name of subsidiary	Proportion of ownership interests and voting rights held by non-controlling interests		Total comprehensive loss allocated to non-controlling interest		Accumulated non-controlling interest	
	2020 %	2019 %	2020 £'000	2019 £'000	2020 £'000	2019 £'000
TurboShale Inc.	20	20	(36)	(40)	(173)	(137)

Summarised financial information for TurboShale Inc is as follows:

	2020	2019
	£'000	£'000
Revenue	**-**	-
Loss from continuing operations	**(209)**	(168)
Other comprehensive income	**31**	(35)
Total comprehensive loss	**(178)**	(203)
Group share of total comprehensive loss (80%)	**(142)**	(163)
Non-current assets	**1,266**	1,301
Current assets-bank balances and cash	**4**	17
Total assets	**1,270**	1,318
Trade and other payables	**(2,130)**	(2,002)
Net liabilities	**(860)**	(684)

19. Share-based payments

The Company implemented a share option scheme for its Directors during the year ended 30 September 2018. A further issue of options took place in June 2020.Options are exercisable at a price equal to the quoted market price of the Company's shares at the date of grant. The vesting period is between four months and 2.3 years. If the options remain unexercised after a period of ten years from the date of grant (5 years in the case of options granted in June 2020) the options expire. Options are forfeited if the director leaves the Company before the options vest.

Details of the share options issued during the year and outstanding at the year-end are as follows:

	2020 number	2020 Weighted average exercise price Pence	2019 number	2019 Weighted average exercise price Pence
Outstanding at 1 October	**5,142,855**	**5.25**	**5,142,855**	**5.25**
Granted during the year	**14,000,000**	**0.60**	**-**	**-**
Lapsed during the year	**(1,777,777)**	**5.25**		
Outstanding at 30 September	**17,365,078**	**1.50**	**5,142,855**	**5.25**
Exercisable at 30 September	**2,539,682**		**1,714,286**	**5.25**

Details of the options held by each Director are given in the Directors' Report on page 5.

The inputs into the Black-Scholes model for calculating the estimated fair value of options granted, at their grant date, were as follows:

	2020	2019
Share price (pence)	0.6	5.25
Exercise price (pence)	0.6	5.25
Expected volatility	150%	98.8%
Risk-free rate	1%	0.82%
Expected period before exercise (years)	1.5	3

Expected volatility was determined by calculating the historical volatility of the Company's share price. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value of each option granted during the year was estimated at 0.35 pence (2019: 3.2 pence) at the date of grant. The weighted average unexpired life of the options at 30 September 2020 was 5.97 years (2019: 8.83 years).

The credit (2019: charge) recognised in profit or loss for 2020 was £1,000 (2019: £93,000). This included a credit for lapsed options of £39,000.

20. Financial instruments

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operations such as other receivables, and trade payables.

Management review the Group's exposure to currency risk, interest rate risk, liquidity risk and credit risk on a regular basis and consider that through this review they manage the exposure of the Group. No formal policies have been put in place in order to hedge the Group's activities to the exposure to currency risk or interest risk, however, this is constantly under review.

There is no material difference between the book value and fair value of the Group and Company's cash and other financial assets.

Currency risk

The Group has overseas subsidiaries which operate in the United States and include expenses, assets and liabilities denominated in US$. Foreign exchange risk is inherent in the Group's activities and is accepted as such. The effect of a 10% strengthening or weakening of the US dollar against sterling at the reporting date on the dollar denominated balances would, all other variables held constant, result in a gain or loss of approximately £1,000 (2019: £10,000).

Interest rate risk

The Group and Company manage the interest rate risk associated with the Group's cash assets by ensuring that interest rates are as favourable as possible, whether this is through investment in floating or fixed interest rate deposits, whilst managing the access the Group requires to the funds for working capital purposes.

The Group's cash and cash equivalents are subject to interest rate exposure due to changes in interest rates. Short-term receivables and payables are not exposed to interest rate risk. The Group has no borrowings as at 30 September 2020.

A 1% increase or decrease in the floating rate attributable to the cash balances held at the year-end would not result in a significant difference on interest receivable.

Liquidity risk

At the year end the Group and Company had cash balances comprising the following:

Bank balances	**Group 2020 £'000**	Group 2019 £'000
British Pounds	**319**	326
US Dollars	**15**	313
Total	**334**	639

All financial liabilities of the group mature in less than 12 months: details of the analysis of such liabilities is given in Note 13.

Liquidity risk arises from the Group management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Refer to Note 1.1 for details of going concern.

The Group policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligations. The Group is principally exposed to credit risk on cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only independently rated parties with an acceptable rating are utilised. There has been no significant change in credit risk since the recognition of applicable assets and therefore no credit losses have been recognised on financial assets.

Capital management policies

In managing its capital, the Group's primary objective is to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, through new share issues or debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

21. Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the cash flow statement as cash flows from financing activities:

Group 2020	**1 October £'000**	**Financing cash flows £'000**	**Non-cash transactions £'000**	**30 September £'000**
Loans	-	-	-	-
Total	-	-	-	-
Group 2019				
Loans	250	(150)	(100)	-
Total	250	(150)	(100)	-

Repayment of loans during the year ended 30 September 2019 was partly financed by the issue of new equity with a fair value of £100,000. Interest accrued of £nil (*2019: £5,000*) which was paid in the year.

22. Related party disclosures

The Directors are Key Management and information in respect of key management is given in Note 6.

Greenfield Energy LLC ("Greenfield") is a related party as the investee entity in a joint venture. The Group made an equity investment of US$1.65 million during the year into Greenfield. Further details concerning Greenfield are given in note 10 .

23. Ultimate controlling party

As at 30 September 2020 and 30 September 2019 there was no ultimate controlling party.

24. Operating lease commitments

At 30 September 2020, the Group had no operating lease commitments (2019: £39,000). .

25. Subsequent events

In November 2020, the Company raised £3.5m gross of expenses by way of a placing of 777,777,777 new ordinary shares at 0.45p per share. 388,888,888 warrants were issued with the placing, entitling the holders to purchase a further ordinary share at a subscription price of 0.9p per share. A further 46,666,666 warrants were issued to Novum Securities Limited, giving them the right to acquire the same number of ordinary shares at an exercise price of 0.45p for two years.

In order to facilitate the Company's future plans for Greenfield, which assumes successful POSP trials and the completion of the FEED study, the net proceeds of the Placing of approximately £3.2 million have or will be specifically utilised as follows:

- US$0.5 million (approximately £0.4 million) has been loaned by the Company to Greenfield (the "Loan"), which together with the US$1.5 million already provided by the Company to Greenfield to upgrade the POSP, secured the new Petroteq Licence. Under the terms of the Petroteq Licence, the US$0.5 million will be invested by Greenfield into the POSP in order to satisfy the full consideration for the Petroteq Licence. The Loan will be unsecured and has an interest rate of 6% per annum payable at the same time as the principal of the Loan is repaid. The Loan is repayable on the second anniversary of the date of advance or earlier with the consent of both Valkor and TomCo or immediately on an insolvency event of Greenfield;
- Approximately £1.3 million will be utilised for the Group's general working capital purposes over the period to 30 June 2022 and, if required, to provide further funding to Greenfield; and
- Approximately £1.5 million will be retained by the Company with the intention that it is used, *inter alia*, to facilitate the securing of a site by Greenfield for the first proposed commercial 10,000 bopd plant using Petroteq's Oil Sands Technology pursuant to the Petroteq Licence. Once a suitable site has been identified, the Company intends to provide a further loan to Greenfield, which will be on the same terms as the Loan, which will be used to assist in securing the site.

The upgrade works to the POSP were completed in December 2020 and operation of the plant started in January 2021 with optimisation of the POSP planned to continue through February 2021 to seek to achieve the designed production rate of 250 bopd.

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