Registered number: 04140379

ANGLO AFRICAN OIL & GAS plc

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2020

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COMPANY INFORMATION

Directors	Sarah Cope Dexter Stewart N Ferreira (appointed on 18 March 2020) Tania A Maciver (appointed on 18 March 2020) Philip J Beck (resigned on 29 January 2021) Nicholas J Butler (resigned on 13 January 2020) Brian M Moritz (resigned on 3 January 2020) James A Cane (resigned on 18 March 2020)
Company secretary	Cargil Management Services Limited 27-28 Eastcastle Street London W1W 8DH
Company number	04140379
Registered office	27-28 Eastcastle Street London W1W 8DH
Website	www.aaog.com
Nominated advisor and broker	FinnCap Limited One Bartholomew Close London, EC1A 7BL
Solicitors (UK)	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London EC2A 2EW
Independent Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU19 7DR

Dear Shareholder,

This annual report covers the twelve months to 31 December 2020, which was the year the Company completed the sale of its subsidiary Anglo African Oil & Gas Congo (AAOGC).

The sale of AAOGC constituted a fundamental change of business of the Company as the Company ceased to own, control or conduct all or substantially all, of its existing trading business, activities or assets. On 5 May 2021 the Companies Ordinary Shares were cancelled from trading on AIM.

The Company is now actively seeking an acquisition of an asset or a company and a relisting back onto AIM to increase value for shareholders, the Board is actively reviewing opportunities.

The Company entered into a conditional sale and purchase agreement ("SPA") with Zenith Energy Ltd for the sale of an 80% interest in AAOG Congo which holds a 56% interest in Tilapia in the Republic of the Congo ("Disposal").

The consideration for the Disposal was £1 million, of which £500,000 was in six equal monthly cash instalments from the date of completion and £500,000 of Zenith Ordinary Shares. In addition, Zenith was to fund AAOG's share of a US$5.5 million work programme on Tilapia and fund the upfront cash element of any signature bonus payable for the new licence negotiated with Congolese Ministry of Hydrocarbons.

The Disposal would have resulted in AAOG retaining a carried interest in AAOG Congo without the requirement to raise additional funds for the future work programme.

The Company had anticipated that completion of the Disposal would take place swiftly following the shareholders' meeting in January 2020. Indeed, AAOG's cash position did not at the time allow for the completion of the Disposal to be delayed much beyond that. Disappointingly, Ministerial consent in the Republic of Congo to the change of control of AAOGC, a condition to the Disposal, was not forthcoming. Neither AAOG nor Zenith could say with any certainty when such consent would be forthcoming, particularly in light of the COVID-19 pandemic which restricted the ability to meet with officials and progress matters.

AAOGC's creditor position in December 2019 was circa $3 million and the team in country was continuing operations and managing the creditors carefully with the cash that AAOG had been able to contribute as well as receipts from the sale of oil production from the Tilapia field. Since 20 January 2020, AAOG's primary cash source has been its strategic investor, Forum Energy Services Limited ("Forum"). Forum has indicated to the Board of AAOG that it was not prepared to fund any further cash calls from AAOGC given the uncertainty outlined above. This coupled with the collapse in the oil price in March 2020 and the impact of the COVID-19 pandemic meant a worsening financial position for AAOGC

The Board of AAOG faced the very real prospect of AAOGC falling into some form of insolvency procedure which would obviously mean the Disposal would not complete and the Company would receive none of the consideration from Zenith.

Given the uncertainty as to the timing of completion of the Disposal, as well as no certainty on when AAOG could expect to receive funds from Zenith and when Zenith would assume AAOGC's liabilities and running costs pursuant to the Disposal, the Company and Zenith therefore entered into an agreement in April 2020 to accelerate the assumption by Zenith of the running costs and liabilities of AAOGC, as well as amend the terms of the consideration payable pursuant to the Disposal (the "Consideration") and the terms of Completion.

The Company agreed to Dispose of 100% of AAOG's interest in AAOGC rather than the 80% originally envisaged. The Consideration was amended to £200,000 which was paid in cash. The payment of the Consideration was not conditional on Ministerial consent. Zenith therefore acquired 100% of AAOGC on 3 May 2020 and assumed responsibility for all liabilities within and ongoing costs associated with AAOGC from that Date. As a result, shareholders in AAOG no longer have any exposure to the Tilapia asset or its liabilities or receivables.

TLP-101, TLP-102 & TLP103C

Due to financial restraints in market conditions, the Company was not in a strong enough financial position to further develop the field.

The board therefore decided it was in the best interests of the Company and the employees of Anglo African Oil & Gas Congo SAU (AAOGC) to market the Company for sale.

In May 2020 after a turbulent few months, with the onset of the Covid-19 pandemic and the resulting collapse of the oil price, the 100% owned subsidiary AAOGC was sold for £200,000.

Results for the year

The Group's loss for the year amounted to £0.65 million (*2019: loss of £19.4 million*) including a £0.07 million (*2019: loss £10.5 million*) profit from discontinued operations.

With the sale of AAOGC the Company has now drastically reduced costs, as it seeks new opportunities.

Finance

To protect the interests of its members, the Company entered into a convertible loan note In June 2020, details in note 19.

The Company continues to discuss finance options with external investors and its major shareholder.

Nevertheless, we accept that, at the date of this report, there is a material uncertainty in respect of going concern, which is acknowledged in the financial statements.

COVID-19 Statement

Following the outbreak of Coronavirus (COVID-19), the priority of the Company has been on the health and safety of its employees and technical staff. Like many organisations, plans have been implemented and active measures have been taken to mitigate risk, such as closing the office, no one-to-one contact and the Company has moved to holding all meetings remotely until the current situation improves.

Overall strategy

With the sale of its only asset in May 2020, the Company is currently looking at opportunities for acquisitions that will establish a near term cash generating business in the natural resources sector and a relisting onto AIM.

The board will keep shareholders informed of its progress on a regular basis.

Sarah Cope

Non-Executive Chair

10 June 2021

Group strategic report for the year ended 31 December 2020

The Directors present the strategic report of Anglo African Oil & Gas plc ("**AAOG**" or the "**Company"**) for the year ended 31 December 2020. The Company was incorporated in England and Wales on 12 January 2001.

Principal activity
The Group owned a 100 per cent of an oil and gas company, Anglo African Oil & Gas Congo SAU (AAOGC), situated in the Republic of the Congo (**"the Congo"**). Through AAOGC it held a 56 per cent stake in the producing Tilapia oil field ("**Tilapia**") in the Congo.

AAOGC was disposed of during 2020 and the Company is seeking opportunities in the natural resources sector.

Group Strategy
The board intends to continue seeking new opportunities in the natural resources sector and to relist the Company onto AIM.

Review of the year
The results for the year will be disappointing for investors with the disposal of the Group's only asset at a considerable loss, recognised in the 2019 financial year. The Chair's letter on page 2 gives a review of the year.

Financial Results
The Group reports a loss of £0.65 million for the year to 31 December 2020, this can be summarised as follows:

- Loss from operating activities £0.72 million
- Profit from discontinued operations £0.07 million

Key Performance Indicators (KPIs)

The Company is currently focused exclusively on cost reductions, until it finalises its search for new opportunities. Progress has been made with the sale of AAOGC, reduction in staff numbers and the termination of property leases.

Personnel
As part of its cost reduction exercise the board has been substantially reduced during 2020 and subsequently.

We believe the new board we have created, will support the acquisition and financing of new opportunities in the natural resources sectors.

Fundraise
The Company has raised some low-level finance, to support the costs of repaying creditors and administrative expenses until we have established its future development, as detailed in note 19 & 20.

Significant events after the balance sheet date

Details of events since the end of the reporting period are contained in note 25.

Review of business and financial performance
The Board has reviewed whether the Annual Report, taken as a whole, presents a fair, balanced and comprehensive summary of the Group's position and prospects.

Information on the financial position and development of the Group is set out in the Chair's letter, this report, the Directors' report and the annexed financial statements.

Risks and uncertainties
The Board frequently reviews the risks to which the Group is exposed and ensures, through its meetings and regular reporting, that these risks are minimised as far as possible.

The principal risks and uncertainties facing the Group, at this stage in its development are:

Strategic
A weak or poorly executed development process fails to create shareholder value. This risk is mitigated through performing a detailed technical review, both internally by management and externally by advisers before an acquisition decision is taken.

Financial Risk
The lack of ability to meet financial obligations. The main risk is the lack of funds being available to pay for future acquisitions and operational commitments.

The Company previously raises its funds through the financial market by share issues and did not become involved in derivatives and borrowing to fund its financial obligations.

In 2020 the Company entered into an unsecured convertible loan note, to meet its working capital commitments, this is considered a temporary measure until an acquisition has been completed.

The Company is considering and is in communication with a number of possible sources of funds.

External Risk: Lack of growth caused by political, industry or market factors
The Company is not currently operational.

The outbreak of COVID-19 in early 2020 presents a possible risk for delays in acquisitions and future funding.

Bribery risk
The Group has adopted an anti-corruption policy and whistle-blowing policy under the Bribery Act 2010. Notwithstanding this, the Company may be held liable for offences under that act committed by its employees or subcontractors, whether or not the Company or the Directors have knowledge of the commission of such offences.

Internal controls and risk management
The Directors are responsible for the Group's system of internal financial control. Although no system of internal financial control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

In carrying out their responsibilities, the Directors have put in place a framework of controls to ensure, as far as possible, that (i) ongoing financial performance is monitored in a timely manner, (ii) where required, corrective action is taken and (iii) risk is identified as early as practically possible. The Directors have reviewed the effectiveness of internal financial control and believe that the Company has adequate staff and controls in place to reduce risk.

The Board, subject to delegated authority, reviews capital investment, property sales and purchases, additional borrowing facilities, guarantees and insurance arrangements.

Section 172 Statement

Throughout the year the Company has engaged with its key stakeholders and has incorporated their feedback into the Board's main strategic decisions.

The main principal areas of strategic focus have been on the sale of AAOGC and on new asset opportunities.

The Company's strategies, results and ongoing developments are communicated to shareholders and other stakeholders through the Company's website, incorporating Stock Exchange public releases and presentation material. The Board of Directors are made aware of shareholder comments and feedback. Shareholders are encouraged, where possible, to attend the annual AGM to offer direct feedback to all the Company's Directors.

Under section 172, Directors have a duty to promote the success of the company for the benefit of the members as a whole and, in doing so, they should have regard to (amongst other matters) six specified areas that relate, by-and-large, to wider stakeholder interest:

Likely consequences of any decision in the long term
The Company's activities focused solely on its oil and gas activities in the Republic of Congo, which ultimately was disposed of in May 2020.

Interests of Company's employees
Given the nature of the Company's business most of the Companies employees were in the Republic of Congo employed by AAOGC, it was decided in the best interest of those employees to sell AAOGC for their future employment, as the Company could no longer afford operations at the AAOGC level. Currently all employees are Directors. The Board recognises that the Company's employees are, nevertheless, critical to the success of the Company and takes steps to ensure that the interests of employees are protected.

Need to foster the Company's business relationships with suppliers, customers and others
The Company recognises the importance of fostering strong relationships with its stakeholders in order to create sustainable long-term value, and the Board encourages active dialogue and transparency with all its stakeholder groups. The Company acknowledges the importance of maintaining good relations with its suppliers and creditors and communications with them on a regular basis.

Impact on the environment and the community
The Company is committed to the highest standards of health, safety and environmental protection. These aspects command equal prominence with other business considerations.

The desirability of the Company maintaining a reputation for high standards of business conduct
The Board believes that its reputation will follow from ensuring that appropriate governance structures are in place and from taking the right decisions, as noted in the factors above.

The need to act fairly as between members of the Company
As an AIM quoted Company during 2020, the Company was subject to governance requirements and rules (including the AIM Rules for Companies and the Market Abuse Regulation) which are intended to ensure that shareholders are treated fairly. The Board takes its obligations to comply with these requirements seriously and has regular contact with its experienced professional advisers to ensure that these requirements are satisfied.

Forward-looking statements
This annual report contains certain forward-looking statements that have been made by the Directors in good faith, based on the information available at the time of the approval of the annual report. By their nature, such forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements.

Outlook

The Company Continues to seek new business opportunities.

On behalf of the Board:

Sarah Cope
Director

10 June 2021

The Directors present their report together with the audited financial statements of Anglo African Oil & Gas Plc and its subsidiaries for the year ended 31 December 2020.

A review of the business, future developments, subsequent events and risks and uncertainties is included in the strategic report.

Results

The Group reports a total comprehensive loss for the year to 31 December 2020 after tax of £0.65 million (*2019: loss £19.4 million*).

Dividends

The Directors do not recommend payment of a dividend for the year to 31 December 2020 *(2019: £nil)*.

Political donations

There were no political donations during the year (*2019: £nil*).

Audit Committee

In 2020 Sarah Cope (Chair) and Philip Beck were members of the audit committee.

Responsibilities

The main responsibilities of the committee are to monitor the integrity of the Company's financial statements and other formal announcements relating to the Company's financial performance. The committee also approves the risk management policy and reviews the Group's strategic risks and any mitigation actions. It regularly monitors whether effective risk management and appropriate internal controls are in place.

Financial reporting

The committee reviews and evaluates, based on the financial statements, whether the Company is a going concern and communicates to the Board its findings and recommendations. The Board is responsible for presenting a fair, balanced and understandable assessment of the Group's position and prospects.

Report

During the year, the committee received and reviewed reports from the finance officer and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The external auditors attended meetings to discuss the planning and conclusions of their work and meet the members of the committee. The committee was able to call for information from management and consults with the external auditors directly as required.

The objectivity and independence of the external auditors was safeguarded by reviewing the auditors' formal declarations, monitoring relationships between key audit staff and the Company, and tracking the level of non-audit fees payable to the auditors. Significant attention was given to the level of non-audit fees provided.

The audit Committee met two times during the year, to review the 2019 annual accounts and the interim accounts to 30 June 2020 and audit planning for the year ended 31 December 2020. The committee reviewed with the independent auditor its judgments as to the acceptability of the Company's accounting principles.

Since the year-end, the committee has met the auditors to consider the 2020 financial statements. In particular, the committee discussed the significant audit risk The committee reviewed and discussed the auditor's comments on improvements that could be made to the internal controls.

In addition, the committee monitors the auditor firm's independence from Company management and the Company.

Remuneration committee

Philip Beck sat on the Committee management during 2020. The committee reviewed remuneration and benefits to ensure that they were competitive. The remuneration committee did not meet during 2020, due to the financial restraints imposed upon the Company.

Directors

The following Directors served during the year to 31 December 2020:

Name	Date of resignation
James A Cane	18 March 2020
Philip J Beck	29 January 2021
Nicholas J Butler	13 January 2020
Sarah Cope	
Brian M Moritz	3 January 2020
Dexter Stewart N Ferreira	
Tania A Maciver	

Directors' Interests

The beneficial interests of the Directors holding office at 31 December 2020 in the issued share capital of the Company were as follows:

	Ordinary shares of 0.1p each	
	31 December 2020	31 December 2019
Sarah Cope	100	-

Directors' Remuneration Report

This report sets out the remuneration policy operated by the Company in respect of the Executive and Non-Executive Directors. The remuneration policy is the responsibility of the Remuneration Committee, a sub-committee of the Board. No Director is involved in discussions relating to their own remuneration.

Remuneration policy

The objective of the proposed remuneration policy is to attract, retain and motivate high calibre executives to deliver outstanding shareholder returns and at the same time maintain an appropriate compensation balance with the other employees of the Group.

Directors remuneration

The normal remuneration arrangements for Directors consisted of base salary, performance bonuses and other benefits as determined by the Board. Compensation for loss of office is restricted to base salary and benefits only. The remuneration packages for the Directors are detailed below:

- Base Salary: Annual review of the base salaries of the Executive Directors are concluded after taking into account the Directors' role, responsibilities and contribution to the Group performance.
- Performance Bonus: Bonus arrangements are discretionary and are payable depending on the performance of the Executive Directors in meeting their key performance indicators and in the wider context of the performance of the Group.
- Benefits: Benefits include payments for provident funds that are mandatory and statutory pension payments as required by laws of the resident countries of the Executive Directors, health insurance and other benefits.
- Longer term incentives: In order to further incentivise the Directors and employees, and align their interests with shareholders, the Company granted share options in previous years, as set out on note 20. The share options were all based upon production at the Tilapia Oil Field and have therefore been forfeited with the sale

of AAOGC. Non-Executive Directors are remunerated solely in the form of Director Fees determined by the board.

During the year, the following Directors received remuneration from the Company:

	2020			2019		
	Salary	Pension contributions	Total	Salary	Pension contributions	Total
	£'000	£'000	£'000	£'000	£'000	£'000
D G F Sefton	-	-	-	88	20	108
A J Berwick	-	-	-	126	26	152
J A Cane	82	-	82	178	30	208
S Cope	25	-	25	25	-	25
B M Moritz	-	-	-	25	-	25
P J Beck	25	-	25	25	-	25
N Butler	1	-	1	29	-	29
D Ferrier	20	-	20	-	-	-
T A Maciver	-	-	-	-	-	-
Total	153	-	153	496	76	572

During the year, the Company paid fees of £1,000 (*2019 - £29,000*) to a business entity owned by N Butler, which is included in the table above.

Directors' Indemnities and Insurance

During the year ended 31 December 2020, the Company had no Directors' indemnities in place.

Going concern

The Directors have adopted the going-concern basis in preparing these financial statements. This is further explained in note 2 to the financial statements.

Financial instruments

Details of risks associated with the Group's financial instruments are given in Note 22 to the financial statements. The Company did not utilise any complex financial instruments.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the Group's results for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements comply with IFRS as adopted by the European Union; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

Statement of Disclosure to Auditor

Each director at the date of approval of this annual report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Group's and Company's auditor is unaware; and
- all the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

The Auditor, Crowe U.K. LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By order of the Board

Sarah Cope
Director

10 June 2021

The Company's securities were traded on the Alternative Investment Market ("AIM") of the London Stock Exchange.

The Corporate Governance Report has been prepared by Sarah Cope, the Non-Executive Chair of the Company, and has been approved by the Company's Board of Directors (the "Board") in accordance with the recommendations of the QCA Corporate Governance Code 2018 (the "Code"), which the Company has adopted as its code of governance.

This statement explains how the IO principles of the Code are applied by the Company, and where the Company departs from the Code, an explanation of the reasons for doing so is provided.

	QCA Code Recommendation	Application by the Company
I.	**Principle 1** **Establish a strategy and business model which promotes long-term value for shareholders.** The Board must be able to express a shared view of the Company's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the Company intends to deliver shareholder value in the medium to long term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the Company from unnecessary risk and securing its long-term future.	Since the sale of the Tilapia Oil Field, the primary objective of the Company is to acquire a potentially successful business, with near term cashflow. The Board is currently considering a number of options and will focus on a business that can deliver long term value to its shareholders.

	QCA Code Recommendation	Application by the Company
2.	**Principle 2** **Seek to understand and meet shareholders' needs and expectations.** Directors must develop a good understanding of the needs and expectations of all elements of the Company's shareholder base. The Board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.	Direct communication with shareholders is achieved primarily through the timely release of regulatory news, via a regulatory information service, which can be accessed through various channels, including the London Stock Exchange website (https://www.londonstockexchange. com/) and the Company's website (http:// aaog.com/). All shareholders are encouraged to attend the Company's Annual General Meeting, where the Directors are available to answer questions.

	QCA Code Recommendation	Application by the Company
3.	**Principle 3** **Take into account wider stakeholder and social responsibilities and their implications for long-term success.** Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The Board needs to identify the Company's stakeholders and understand their needs, interests and expectations. Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.	AAOG now currently only operates in the UK as a cash shell after the sale of its Congolese assets. The Company also acknowledges the importance of maintaining good relations and communication with its suppliers and creditors

	QCA Code Recommendation	Application by the Company
4.	**Principle 4** **Embed effective risk management, considering both opportunities and threats, throughout the organisation.** The Board needs to ensure that the Company's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy. Setting strategy includes determining the extent of exposure to the identified risks that the Company is able to bear and willing to take (risk tolerance and risk appetite).	The management of the business and the execution of the Company's strategy are subject to a number of risks. The Board ensures risks are mitigated as far as reasonably practicable by performing a detailed review of the issues pertaining to each significant decision. Significant decisions are reviewed by the Board having consulted the Company's professional third party advisers (be they legal, financial or technical). The Board convenes on a regular basis, either by telephone or in person on a formal basis to discuss risk management as explained in Principle 5. The principal risks to the Company as a Cash shell, as well as the mitigation actions by the Board are set out below: **Strategic risk:** a weak or poorly executed acquisition and development process fails to create shareholder value. This risk is mitigated through performing a detailed technical review, both internally by management and externally by advisers, for each acquisition which includes valuation exercises on the potential return on capital invested. **Operational risk:** operational events can have an adverse effect. The operational risk of all potential acquisitions will be viewed by the Board as and when this information becomes available. **External Risk:** Lack of growth caused by political, industry or market factors. The board will take into account any external factors, such as Country, future market conditions and political situation when reviewing future acquisitions. **Financial Risk:** the lack of ability to meet financial obligations. The Company has historically raised its funds through equity capital markets by share issues and has not been involved in derivative instruments and debt financing to meet its financial obligations. The Company entered into a convertible loan note in 2020 as detailed in note 19, as it was unable to raise funding through the standard issue of equity as it had done in prior years.

	QCA Code Recommendation	Application by the Company
5.	**Principle 5** **Maintain the Board as a well-functioning, balanced team led by the Chairman.** The Board members have a collective responsibility and legal obligation to promote the interests of the Company, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the Board. The Board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. The Board should have an appropriate balance between Executive and Non-Executive Directors and should have at least two Independent Non-Executive Directors. Independence is a Board judgement. The Board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. Directors must commit the time necessary to fulfil their roles.	The Board currently consists of three Non-Executive Directors, as it currently operates as a cash shell. The Non-Executives have a reasonable mix on fund raising and technical expertise. The Board membership will be reviewed after the completion of any acquisitions with the appointment of appropriate Executive Directors. The Board meets formally in person and by telephone multiple times throughout the year. The Board also holds regular informal project appraisal and strategy discussions, to examine acquisition opportunities and assess risks. The Directors encourage a collaborative Board culture to ensure that each decision reached is always in the Company's and its shareholders' best interests and that any one individual opinion never dominates the decision making process. The Board seeks, so far as possible, to achieve decisions by consensus and all Directors are encouraged to use their independent judgement and to challenge all matters whether strategic or operational. During 2020, the Board held nineteen (19) meetings, either by telephone or in person. There are no mandatory hours for Directors to be available for Company business. The Non-Executive Directors are available for any Company business when it may arise. The Board delegates certain decisions to an Audit Committee and a Remuneration Committee. The Audit Committee has joint responsibility for reviewing the year end accounts with the Auditor. The Remuneration Committee reviews the remuneration of the Directors on an annual basis. Both committees are dedicated to establish and maintain robust internal financial control systems for the Company.

	QCA Code Recommendation	Application by the Company
6.	**Principle 6** **Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.** The Board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The Board should understand and challenge its own diversity, including gender balance, as part of its composition. The Board should not be dominated by one person or a group of people. Strong personal bonds can be important but can also divide a board. As companies evolve, the mix of skills and experience required on the Board will change, and Board composition will need to evolve to reflect this change.	The current Board composition of the Company and each Director's experience is set out in this report. The Board's view is that the Directors have a variety of complementary experiences and skillsets, including experience of technical, financial and public capital markets sectors. An overview of the Directors are as follows: **Sarah Cope (Non-executive chair)** Sarah has over 20 years' experience as an investment banker in London, advising small and mid-sized companies at Board level on corporate governance, growth strategy, acquisitions and disposals, capital markets and regulatory compliance. Over the last ten years, she has specialised in the oil and gas sector, assisting listed oil and gas companies to raise finance for their exploration, development and production projects around the world. Her most recent role was with Cantor Fitzgerald Europe, the global investment bank and brokerage business, where she was until 2018 Managing Director and Co-Head of Energy. Prior to this, Sarah was Head of Oil & Gas at RFC Ambrian and at finnCap. She has also been Director of Equity Capital Markets at RBC Capital Markets and Director of Corporate Finance at Seymour Pierce. **Dexter Ferreira** Dexter has worked in the natural resources sector for over 25 years, namely as a consulting mining engineer and geologist. He is currently a director of Independent Resource Estimations, a consultancy company for the mining and exploration market. Mr Ferreira holds a BSc Geological Sciences, a BEng Mining Engineering and is a member of the South African Council for Natural Scientific Professions (SACNASP). **Tania Maciver** Tania is a knowledgeable global finance professional with over 20 years of buy and sell side experience across many industries, successfully assisting companies with corporate strategy development and capital structuring. Tania is currently COO and Research Analyst at SP Angel Corporate Finance LLP. Tania holds a Masters in Finance, an MBA with Finance Specialisation, BA Economics and BSc in Life Sciences.

	QCA Code Recommendation	Application by the Company
6.	**Principle 6 *(continued)***	The Directors are mindful of the need to ensure the Company has in place a diverse Board that encompasses the right skills required to ensure the Company's success, including creating an atmosphere of constructive challenge and consensus for any decision reached. As such, and given the Company is a cash shell, the Board is of the opinion its composition and skillset is sufficient to maintain and drive the long term success for the Company's shareholders. Each director takes his continued professional and technical development seriously. The Board ensures it is well advised and supported by utilising a range of external experts in various fields, and employs accountants, legal counsel, a Company Secretary and a Nominated Adviser, in accordance with the AIM rules .

	QCA Code Recommendation	Application by the Company
7.	**Principle 7** **Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.** The Board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual Directors. The Board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual Directors or the wider senior management team. It is healthy for membership of the Board to be periodically refreshed. Succession planning is a vital task for the board. No member of the Board should become indispensable.	While the Board is very much aware of the needs of the Company in ensuring effectiveness of Board performance and the periodic refreshment of the composition of the Board, the Board believes that due to the Company's current status as a cash shell , the procedures already in place are sufficient for monitoring Board performance and no external performance reviews are required at this time. This will be kept under review. The Board is also of the opinion that the Company has appropriate measures in place to ensure any refreshment of the Board occurs in a timely manner, and always with the best interests of the shareholders in mind.

	QCA Code Recommendation	Application by the Company
8.	**Principle 8** **Promote a corporate culture that is based on ethical values and behaviours.** The Board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. The policy set by the Board should be visible in the actions and decisions of the chief executive and the rest of the management team. Corporate values should guide the objectives and strategy of the Company. The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the Company. The corporate culture should be recognisable throughout the disclosures in the Annual Report, website and any other statements issued by the Company.	The Board strives to promote a corporate culture based on sound ethical values and behaviours. The Board is aware that it operates in jurisdictions where ethical standards may differ from those in the UK, and which may, rightly or wrongly, have a reputation for corrupt practices. To that end, AAOG has adopted a strict anti-corruption and whistle-blowing policy but the Directors are not aware of any event to date that might be considered to breach this policy. The executive Directors ensure that external contractors are aware of, and comply with, this policy. The Company has also adopted a code for Directors' and employees' dealings in securities, which is appropriate for a company whose securities are traded on AIM. The code is in accordance with the requirements of the Market Abuse Regulation that came into effect in 2016. The Board is also aware that the tone and culture that it sets will greatly impact all aspects of the Company and the way that employees behave, as well as the achievement of corporate objectives. A significant part of the Company's activities is centered upon an open dialogue with shareholders, employees and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives.

	QCA Code Recommendation	Application by the Company
9.	**Principle 9** **Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.** The Company should maintain governance structures and processes in line with its corporate culture and appropriate to its: • size and complexity; and • capacity, appetite and tolerance for risk. The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the Company.	The corporate governance structures which the Company is able to operate are limited by the size of the Board, which is itself dictated by the current size of the Company's operations. With this limitation, the board is dedicated to upholding the highest possible standards of governance and probity. The chair, Sarah Cope: • Leads the board and is primarily responsible for the effective working of the Board; • in consultation with the board, ensures good corporate governance and sets clear expectations with regards to Company culture, values and behaviour; • sets the board's agenda and ensures that all Directors are encouraged to participate fully in the activities and decision-making process of the Board Matters reserved for the Board include: • Vision and strategy • Production and trading results • Financial statements and reporting • Financing strategy, including debt and other external financing sources • Budgets, acquisitions and expansion projects, divestments and capital expenditure and business plans • Corporate governance and compliance • Risk management and internal controls • Appointments and succession plans • Directors’ remuneration.

	QCA Code Recommendation	Application by the Company
10.	**Principle 10** **Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.** A healthy dialogue should exist between the Board and all of its stakeholders, to enable all interested parties to come to informed decisions about the Company. In particular, appropriate communication and reporting structures should exist between the Board and all constituent parts of its shareholder base. This will assist: • the communication of shareholders' views to the Board; and • the shareholders' understanding of the unique circumstances and constraints faced by the Company. It should be clear where these communication practices are described (Annual Report or website).	The Company ensures: • a printed Annual and Half Year Report is delivered to each shareholder, and also made available on the Company's website. • all RNS announcements are released in a timely manner, while also ensuring all announcements are drafted in a clear and concise fashion. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting. The outcome of all shareholder votes are disclosed in a clear and transparent manner via a RNS. The Company includes historical Annual Reports, Notices of General Meetings and RNS announcements over the last five years on its website. The Company also lists contact details on its website, should shareholders wish to communicate with the Board. The Company intends to include, where relevant, in its Annual Report, any matters of note arising from the Audit or Remuneration Committees All relevant information has been included where required. Shareholders are actively encouraged to attend the Company's Annual General Meeting. Given the size of the Company, the Board is of the opinion that no formal communication structures are required at this time. The Company does however: • ensure continued disclosure of all items in conjunction with AIM Rule 26 on its website; and • disclose the results of all shareholder votes once held, in conjunction with the Company's Annual General Meeting.

Qualified Opinion

We have audited the financial statements of Anglo African Oil & Gas plc (the "**Parent Company**") and its subsidiaries (the "**Group**") for the year ended 31 December 2020, which comprise:

- the Group statement of comprehensive income for the year ended 31 December 2020;
- the Group and parent company statements of financial position as at 31 December 2020;
- the Group and parent company statements of cash flows for the year then ended;
- the Group and parent company statements of changes in equity for the year then ended; and
- the 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 European Union.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report;

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis for qualified opinion

During the year, the Group disposed of its subsidiary Anglo African Oil & Gas Congo SAU registered in the Republic of Congo. Included in the statement of comprehensive income is a loss from discontinued operations of £161,000. We have not been able to verify the analysis of revenue and expenses as presented in the note to the accounts, although we have been able to satisfy ourselves regarding the net loss from discontinued operations presented in the statement of comprehensive income.

The subsidiary was presented as a disposal group in the statement of financial position as at 31 December 2019 and as a discontinued operation in the statement of comprehensive income for the year then ended. In respect of 2019 we were unable to verify the breakdown of the assets and liabilities of the disposal group or the analysis of revenue and expenses as presented in the notes to the accounts. Our report on the financial statements for 31 December 2019 was modified accordingly. Our opinion on the current periods financial statements is also modified because of the possible effect of this matter on the comparability of the current periods figures and the corresponding figures.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical

Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which details the factors the group has considered when assessing the going concern position. As explained in note 2 following the sale of its subsidiary the group and company will require additional finance in order to pursue its strategy of finding a new acquisition and to continue in operational existence. It is uncertain as to whether a suitable acquisition target can be found and whether the necessary finance can be raised to allow the group to make the acquisition and to continue to be able to pay its debts as they fall due, including the payments due under the loan facility. Should this uncertainty not be resolved this will cast significant doubt on the group and company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Other information

The Directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, 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.

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 this gives rise to a material misstatement in the financial statements themselves, If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Qualified opinion on other matter prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis of qualified opinion section of our report, in our opinion based on the work undertaken in the course of our audit

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

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, in light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Arising solely from the limitation on the scope of our work relating to assets held for sale and discontinued operations, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept

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

- returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made.

Responsibilities of the Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 10, 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 group's and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the relevant company law and taxation legislation in the UK, the Group's primary operating locations.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the inappropriate use of accounting estimates and judgements to achieve a particular financial reporting outcome. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for bias.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

M Stallabrass

Matthew Stallabrass (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

10 June 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Continuing operations			
Revenue		**-**	-
Cost of sales	8	**-**	(755)
		-	(755)
Administrative expenses	7	**(698)**	(3,604)
Share-based payment (charge)/credit	20	**(8)**	135
Loss from operating activities		**(706)**	(4,224)
Finance income	10	**2**	-
Finance costs	10	**(17)**	(4,675)
Loss before tax		**(721)**	(8,899)
Taxation	11	**-**	-
Loss for the year from continuing operation		**(721)**	(8,899)
Profit/(loss) for the year from discontinued operations	16	**68**	(10,495)
Total Loss for year		**(653)**	**(19,394)**
Other comprehensive loss			
Exchange differences on discontinued operations		**-**	40
Total comprehensive loss for the year		**(653)**	(19,354)
Basic profit/loss per share – pence	12		
- Loss from continuing operations		(0.16)	(2.87)
- Profit/(loss) from discontinued operations		0.02	(3.39)
- **Total**		**(0.14)**	**(6.26)**

The notes on pages 34 to 61 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	31 December 2020 £'000	31 December 2019 £'000
Non-current assets			
Property, plant and equipment	13	**-**	-
Intangible assets	14	**-**	-
		-	-
Current assets			
Assets included in disposal group classified as held for sale	16	**-**	5,482
Trade and other receivables	17	**19**	497
Prepayments		**1**	9
Cash and cash equivalents	18	**21**	170
		41	6,158
Total assets		**41**	6,158
Equity			
Share capital	20	**24,306**	24,203
Share premium	20	**17,261**	17,110
Currency translation reserve		**-**	229
Retained deficit		**(42,119)**	(41,474)
		(552)	68
Current liabilities			
Liabilities included in disposal group classified as held for sale	16	**-**	5,379
Trade and other payables	19	**593**	711
Provisions	21	**-**	-
		593	6,090
Total equity and liabilities		**41**	6,158

The financial statements of Anglo African Oil & Gas plc were approved by the Board and authorised for issue on 10 June 2021. They were signed on its behalf by:

Director

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

	Share capital £'000	Share premium £'000	Currency translation reserve £'000	Retained deficit £'000	Total £'000
Balance at 31 December 2018	13,272	14,492	189	(21,945)	6,008
Share issue in the year	10,931	3,318	-	-	14,249
Costs of issue of share capital	-	(700)	-	-	(700)
Loss for the year from operating activities	-	-	-	(19,394)	(19,394)
Share-based payment credit	-	-	-	(135)	(135)
Foreign exchange adjustment	-	-	40	-	40
Total comprehensive loss for the period	10,931	2,618	40	(19,529)	(5,940)
Balance at 31 December 2019	24,203	17,110	229	(41,474)	68
Share issue in the year	103	151	-	-	254
Costs of issue of share capital	-	-	-	-	-
Loss for the year from operating activities	-	-	-	(653)	(653)
Share-based payment charge	-	-	-	8	8
Foreign exchange adjustment	-	-	(229)		(229)
Total comprehensive loss for the year	103	151	(229)	(645)	(620)
Balance at 31 December 2020	24,306	17,261	-	(42,119)	(552)

The currency translation reserve comprises all foreign currency adjustments arising from the translation of the financial statements of the foreign operation.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cash flows from operating activities			
Total comprehensive loss for the year from continuing operation		(721)	(8,899)
Depreciation and amortisation		-	11
Impairment of fixed assets		-	27
Loss on issue of own equity	10	-	4,675
Finance income	10	(2)	-
Finance costs	10	17	-
Share-based payment charge/(credit)		8	(135)
Net cash used in continuing operation		(698)	(4,321)
Net cash used in discontinued operation		(172)	(1,482)
Net cash used in operating activities		**(870)**	**(5,803)**
Decrease/(increase) in trade and other receivables		478	(203)
Decrease in prepayments		8	36
Decrease in trade and other payables		(201)	(756)
Cash used in operating activities		**(585)**	**(6,726)**
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(8)
Net proceeds from sale of investment in subsidiaries		114	-
Cash used by discontinued operations		-	(2,065)
Net cash used in investing activities		**114**	**(2,073)**
Cash flows from financing activities			
Issue of share capital		170	9,574
Cost of issuing share capital		-	(700)
Interest received		2	-
Issue of convertible loan		150	(15)
Net cash flows from financing activities		**322**	**8,874**
Net (decrease)/increase in cash and cash equivalents		**(149)**	**75**
Cash and cash equivalents at beginning of year		170	121
Cash and cash equivalents at year-end		**21**	**196**
Cash and cash equivalents included in disposal group		-	(26)
Cash and cash equivalents at the year end	18	**21**	**170**

The notes on pages 34 to 61 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	31 December 2020 £'000	31 December 2019 £'000
Assets			
Property, plant and equipment	13	-	-
Investments	15	-	-
Trade and other receivables	17	-	-
Non-current assets		-	-
Current assets			
Assets classified as held for sale	16	-	103
Trade and other receivables	17	19	497
Prepayments		1	9
Cash and cash equivalents	18	21	170
		41	779
Total assets		41	779
Equity			
Share capital	20	24,306	24,203
Share premium	20	17,261	17,110
Retained deficit	20	(42,119)	(41,245)
		(552)	68
Current liabilities			
Trade and other payables	19	593	711
		593	711
Total equity and liabilities		41	779

The Company's loss and total comprehensive loss for the year ended 31 December 2020 was £882,000 (*2019: loss £27,438,000*).

The financial statements of Anglo African Oil & Gas plc, company number 04140379, were approved by the Board and authorised for issue on 10 June 2021. They were signed on its behalf by:

Sarah Cope
Director

The notes on pages 34 to 61 form an integral part of these consolidated financial statements.

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

	Share capital £'000	Share premium £'000	Retained deficit £'000	Total equity £'000
Balance at 31 December 2018	13,272	14,492	(13,672)	14,092
Share issue in the year	10,931	3,318	-	14,249
Cost of issuing share capital	-	(700)	-	(700)
Share-based payment credit	-	-	(135)	(135)
Total comprehensive loss for the period	-	-	(27,438)	(27,438)
Balance at 31 December 2019	24,203	17,110	(41,245)	68
Share issue in the year	103	151	-	254
Share-based payment charge	-	-	8	8
Total comprehensive loss for the year	-	-	(882)	(882)
Balance at 31 December 2020	**24,306**	**17,261**	**(42,119)**	**(552)**

The notes on pages 34 to 61 form an integral part of these consolidated financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cash flows from operating activities			
Loss for the year		(882)	(27,438)
Adjustments for:			
Depreciation		-	11
Impairment of fixed assets		-	27
Impairment of investments		-	6,699
Impairment of amounts owed by group undertakings		-	11,840
Finance income		(2)	-
Finance costs		17	-
Capital gain on disposal of subsidiary		(11)	-
Loss on issue of own equity	10	-	4,675
Share-based payment credit		8	(135)
Net cash used in operation activities		(870)	(4,321)
Decrease/(increase) in trade and other receivables		478	(203)
Decrease in prepayments		8	36
Decrease in trade and other payables		(201)	(756)
Cash used in operating activities		**(585)**	**(5,244)**
Cash flows from investing activities			
Advances to Group undertakings		-	(3,518)
Net proceeds from sale of investments in subsidiaries		114	-
Purchase of tangible fixed assets		-	(8)
Cash used in investing activities		**114**	**(3,526)**
Cash flows from financing activities			
Proceeds from issue of share capital		170	9,574
Costs of issuing share capital		-	(700)
Interest received		2	-
Issue of convertible loan		150	-
Net cash flows from financing activities		**322**	**8,874**
Net (decrease)/increase in cash and cash equivalents		(149)	104
Cash and cash equivalents at beginning of year		170	66
Cash and cash equivalents at the year end	18	**21**	**170**

The notes on pages 34 to 61 form an integral part of these consolidated financial statements.

1. Reporting entity

Anglo African Oil & Gas plc is a company incorporated and domiciled in England and Wales. The address of the Company's registered office is 27/28 Eastcastle Street, London, W1W 8DH.

In preparing the consolidated financial statements of the Group as at and for the year ended 31 December 2019 the financial statements of its subsidiary undertaking Anglo African Oil & Gas Congo SAU (AAOGC), has been included in discontinued operations as AAOGC was sold in May 2020.

Anglo African Oil & Gas Congo SAU is a company registered in Republic of the Congo. The office address is Site de Tilapia, Route Nationale no. 5, BP-1753, Pointe-Noire, Republic of the Congo.

Sonnberg Diamonds (Namibia) (Pty) Limited is a dormant company registered in Namibia. The registered office address is P O Box 199, Lüderitz, Namibia.

2. Going concern

At 31 December 2020 the company had net current liabilities of £552,000 and is currently in default on the terms of its loan which is repayable on demand. The company will require further funding in order to continue in operational existence. The directors are currently looking to raise funds to acquire assets and provide working capital and consequently the financial statements have been prepared on the assumption that the Company will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations. In assessing whether the going concern assumption is appropriate, the Directors have taken account all available information for the foreseeable future, in particular for the twelve months from the date of approval of the financial information.

The following have been significant cost control measures during the year:

- Sale of its 100% owned subsidiary AAOGC
- Reduction in employee numbers and board costs
- Termination of lease agreements
- Review and reduction of administrative expenses

These measures have helped reduce ongoing costs however the Directors recognise that further finance will be required. In order to support the company and raise funds for a new acquisition, the fund raising options may include a substantial equity offering or a new financing facility. The fund raising options are early stage and there is a material uncertainty as to whether additional funding will be received and therefore regarding the going concern basis of preparation. The financial statements do not include any adjustments that would be required if the going concern basis was not appropriate. The Directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

Basis of preparation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Reporting Standards ('**IFRS'**) as issued by the International Accounting Standards Board and as adopted by the European Union. The Company's individual statement of comprehensive income has been omitted from

the Group's annual financial statements having taken advantage of the exemption not to disclose under Section 408(3) of the Companies Act 2006.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

Functional and presentation currency

These consolidated financial statements are presented in Pounds Sterling (‘**GBP’**), which is considered by the Directors to be the functional and most appropriate presentation currency.

(b) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

In 2019 the assets and liabilities of AAOGC were classified as held for resale.

Disposal groups classified as held for sale (note 16)

The Group determined that the assets and liabilities of AAOGC were, held for sale under IFRS 5, as the following criteria were met:

- management were committed to a plan to sell
- the asset was available for immediate sale
- an active program to locate a buyer was initiated
- the sale was highly probable, within 12 months of classification as held for sale
- the asset was being actively marketed for sale at a sales price reasonable in relation to its fair value

The sale of AAOGC was agreed in December 2019 and finally completed in May 2020, the asset held for resale was written down to fair value, based upon the £103,000 (net of expenses), received from the disposal in May 2020.

3. Significant accounting policies

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

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interests; less

- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase price is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

As the only operational subsidiary was sold in May 2020, this has been included as discontinued operations.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

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(ii) Foreign operations

The adjustment in 'Other comprehensive income' arises because of the difference between the value of the assets and liabilities of foreign operations (including goodwill and the fair-value adjustments arising on acquisition) when acquired compared to the value when translated to GBP at exchange rates at the reporting date. The income and expenditure earned and incurred by the Group's overseas operations are translated to GBP at the average exchange rate at the date of each transaction.

(b) Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group's non-derivative financial assets comprise assets held at amortised costs.

Financial assets held at amortised cost

The Groups financial assets comprise trade and other receivables as well as cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in their fair value. These are initially and subsequently recorded at fair value.

Non-current assets and liabilities classified as held for sale and discontinued operations

Non-current assets classified as held for sale are presented separately and measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some held for sale assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's relevant accounting policy for those assets. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale of a discontinued operation or its remeasurement to fair value less costs to sell is presented as part of a single line item, profit or loss from discontinued operations (see Note 16).

(ii) Non-derivative financial liabilities

The Group recognises debt securities issued and all other financial liabilities on the date the Group becomes party to the contractual arrangement.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group's financial liabilities comprise trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(c) Property, plant and equipment

Oil & gas assets

Oil & gas assets represent the cost of developing the commercial reserves discovered and bringing them into production, together with the E&E expenditures incurred in finding commercial reserves transferred from intangible E&E assets.

The cost of oil & gas assets also includes the cost of acquisitions and purchases of such assets, directly attributable overheads, finance costs capitalised, and the cost of recognising provisions for future restoration and decommissioning.

Impairment of oil & gas assets

An impairment test is performed whenever events and circumstances arising during the development or production phase indicate that the carrying value of an oil & gas asset may exceed its recoverable amount.

The carrying value is compared with the expected recoverable amount of the asset, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves. The cash-generating unit applied for impairment test purposes is generally the field, except that several field interests may be grouped as a single income-generating unit where the cash flows of each field are interdependent.

Recognition and measurement

Items of property, plant & equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant & equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant & equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance cost are expensed as incurred.

(i) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in the statement of comprehensive income within administrative expenses over the estimated useful lives below:

- Fixtures and fittings 5-8 years
- Computer equipment 4 years
- Plant and equipment are depreciated on the unit of production method.
- Vehicles 4 years

Items of property, plant & equipment are depreciated from the date that they are installed and are ready for use or, in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(d) Intangible assets

Exploration & evaluation assets

Under the successful efforts' method of accounting, all licence acquisition, exploration and appraisal costs are initially capitalised in well, field or specific exploration cost centres as appropriate, pending determination.

Expenditure incurred during the various exploration and appraisal phases is then written off unless commercial reserves have been established or the determination process has not been completed.

Exploration & evaluation costs

Costs are initially capitalised as E&E assets. Payments to acquire the legal right to explore, costs of technical services and studies, seismic acquisition, exploratory drilling and testing are capitalised as E&E assets.

Treatment of exploration & evaluation expenditure at the end of appraisal activities

Intangible E&E assets relating to each exploration licence/prospect are carried forward, until the existence (or otherwise) of commercial reserves has been determined subject to certain limitations including review for indications of impairment. If, however, commercial reserves have been discovered and development has been approved, the carrying value, after any impairment loss, of the relevant E&E assets is then reclassified as development and production assets. If, however, commercial reserves have not been found, the capitalised costs are charged to expense after conclusion of appraisal activities.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Expenditure on acquired intangible assets are capitalised and amortised using the straight-line method over their useful lives. Intangible assets are not revalued. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

The amortisation period and the amortisation method for intangible assets are reviewed at every year-end.

Amortisation is provided on a straight-line basis in the statement of comprehensive income within administrative expenses over the estimated useful lives as follows:

- Exploration & evaluation assets 20 years

(e) Impairment

(i) Non-derivative financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model to be applied. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on trade receivables. In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses ("ECL") if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. E&E assets are tested annually for impairment or when there is an indication of impairment. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

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

specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets.

Impairment losses are recognised in profit or loss.

(f) Finance income and finance costs

Finance income in 2020 mainly comprise of foreign currency exchange gains from cash and cash equivalents denominated in currencies other than its base currency.

Finance costs in 2020 comprise of the interest on convertible loan and outstanding tax arrears (see note 10), in 2019 finance costs comprise loss on issue of own equity.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective-interest rate method.

(g) Operating leases

The Group adopted IFRS 16, 'Leases' on 1 January 2019. IFRS 16 introduces new requirements for lessee accounting, with the distinction between operating lease and finance lease no longer applying for lessees. Under IFRS 16, a lessee is required to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value when new. The new standard also requires depreciation of the asset to be recognised separately from the interest expense on the lease liability.

The new standard has been applied using the modified retrospective approach; . Prior periods have not been restated.

The Group has elected to apply the following transitional exemptions:

(a) For contracts in place at 1 January 2019, the Group has elected to apply the definition of a lease in accordance with IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as leases on transition.

(b) Initial direct costs have been excluded from the measurement of the right-of-use asset for all leases entered into or changed before 1 January 2019.

The Group has also elected to make use of the following exemptions provided by IFRS 16:

(a) Leases with a determined lease term of 12 months or less from the commencement of the lease will be treated as short-term and therefore not included in the right-of-use asset or lease liability. Instead, lease costs will be recognised on a straight-line basis across the life of the lease.

(b) Leases for which the underlying asset is of low value when new will be exempt from the requirements to recognise a right-of-use asset and lease liability. Instead, lease costs will be recognised on a straight-line basis across the life of the lease. To apply this exemption, a threshold of £5,000 has been utilised to define low value.

(c) Lease and non-lease components will not be separated; therefore, each lease component and any associated non-lease component will be accounted for as a single component. (d) Where applicable, IFRS 16 will be applied to a portfolio of leases with similar characteristics.

Leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources are outside the scope of IFRS 16 and therefore the leases that the Group has for the various sites are outside the scope given these leases are wholly for the purposes of exploration and extraction from the leased land only.

(h) Taxation

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(i) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre- tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

4. Adoption of new and revised International Financial Reporting Standards

There are no new amendments, standards or interpretations that have had an impact on the Group.

5. Determination of fair values

Several the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Property, plant and equipment of impairment of items of property, plant and equipment is based on market prices for similar items.

(ii) Intangible assets The fair value of other intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(iii) Fixed asset investments

The fair value of fixed asset investments is based on the fair value of the net assets of the group undertaking.

(iv) Share-based payments

Share-based payment charges are based on the fair value of the options granted. In arriving at the charge for the period, assumptions are made on the volatility of the market value of the shares

6. Operating segments

In May 2020 the Company sold its 100% owned subsidiary Anglo African Oil & Gas Congo, since the sale the Company has become a Cash Shell, therefore the operating segments have been divided into continuing and discontinued operations:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loss from discontinuing operations	**(721)**	**(8,899)**
Profit/(loss) from discontinued operations	**68**	**(10,495)**

7. Administrative expenses

Administrative expenses include:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Depreciation and amortisation	-	11
Auditor's remuneration		
- non audit services	-	24
- audit services: parent company	20	27

During the year, the Company incurred costs of £nil (*2019: £700,000*) relating to the issuance of new share capital which have been offset against equity.

8. Cost of Sales

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cost of Sales	-	(755)

The above relate to costs incurred, in relation to the Companies' investment in operation in the Republic of Congo, as the parent company is an investment vehicle these costs have been classified as a 'Cost of Sale' rather than administrative expenses.

9. Staff costs

Group and Company

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Wages and salaries	130	1,323
Termination payment	35	-
Social security costs	18	226
	183	1,549

The average number of employees (including Directors) during the year was:

Group	Year ended 31 December 2020	Year ended 31 December 2019
Directors and management	6	9
Other staff members	3	6
	9	15

Company	Year ended 31 December 2020	Year ended 31 December 2019
Directors and management	4	9
Other staff members	-	-
	4	9

The Directors are considered to be key management personnel. See the Directors' report for information regarding the remuneration paid to the Directors during the year.

10. Finance income and finance costs

Finance income

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Foreign currency exchange gain	1	-
Other finance income	1	-
	2	-

Finance costs

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loss on issue of own equity	-	4,675
Interest on convertible loan	7	-
Other interest costs	10	-
	17	4,675

During 2020 the Company issued a convertible loan note and drew down £160,000 under the facility, interest is being charged at 4% per month, from the default date of 5 November 2020, when the Company's ordinary shares were suspended from AIM.

During 2019 the Company issued 109,331,011 ordinary shares at a price of 5.2p to Riverfort Global Opportunities PCC (Riverfort), raising £5,685,000. Under the terms of the arrangement, these funds were repaid to the Riverfort.

Riverfort then sold the shares at market value and repaid the proceeds to the Company less the agreed discount, the total proceeds of the sale during and post the year end, repaid to the Company creating a loss of £4,675,000.

11. Taxation

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Current tax expense		
Current year	-	-
Deferred tax expense		
Origination and reversal of temporary differences	-	-
Total tax expense	-	-

Reconciliation of effective tax rate

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loss before tax	**(721)**	(8,899)
Tax using the Company's domestic tax rate of 19% (*2019: 19%)*	**(137)**	(1,691)
Tax losses	**137**	1,691
Other adjustments	**-**	-
Total taxation charge	**-**	-

Factors that may affect future tax charges

No deferred tax asset has been recognised in respect of tax losses because of uncertainty as to their future availability, which depends on the Group making future taxable profits.

The Company has incurred available tax losses of £2,139,000 (2019: £1,426,000) to carry forward against future taxable income of the Company.

12. Loss per share

The calculation of loss per share for the year ended 31 December 2020 is based on the loss for the year after tax attributable to ordinary shareholders and the weighted average number of ordinary shares of:

	Year ended 31 December 2020	Year ended 31 December 2019
Basic	**£'000**	**£'000**
Continuing operations – (Loss)	**(721)**	(8,899)
Discontinued operations – Profit/(loss)	**68**	(10,495)
	No	No
Weighted average number of ordinary shares	**463,233,836**	309,622,332
	Pence	**Pence**
Loss per share from Continuing operations	(0.16)	(2.87)
Profit/(loss) per share from Discontinued operations	0.02	(3.39)
Total loss per share	**0.14**	**(6.26)**
Fully diluted		
	No	No
Weighted average number of ordinary shares	**465,853,318**	309,622,332
	Pence	**Pence**
Loss per share from Continuing operations	(0.15)	(2.87)
Profit/(loss) per share from Discontinued operations	0.01	(3.39)
Total loss per share	**0.14**	**(6.26)**

13. Property, plant and equipment

Group

	Oil & gas assets £'000	Plant & equipment £'000	Fixtures, fittings & computer equipment £'000	Motor vehicles £'000	Total £'000
Cost					
Balance at 1 January 2019	3,765	1,229	36	2	5,032
Additions continuing operations	-	-	8	-	8
Additions discontinued operations	-	101	-	-	101
Transfer to assets held for sale	(3,765)	(1,072)	-	(2)	(4,839)
Impairment	-	(258)	(44)	-	(302)
Balance at 31 December 2019	-	-	-	-	-
Balance at 1 January 2020	-	-	-	-	-
Additions	-	-	-	-	-
Balance at 31 December 2020	-	-	-	-	-
Accumulated Depreciation					
Balance at 1 January 2019	3,765	1,148	6	2	4,921
Transfer to assets held for sale	(3,765)	(890)	-	(2)	(4,657)
Depreciation	-	-	11	-	11
Impairment	-	(258)	(17)	-	(275)
Balance at 31 December 2019	-	-	-	-	-
Balance at 1 January 2020	-	-	-	-	-
Depreciation	-	-	-	-	-
Balance at 31 December 2020	-	-	-	-	-
Carrying amounts					
At 31 December 2020	-	-	-	-	-
At 31 December 2019	-	-	-	-	-

Company

	Computer equipment £'000	Plant & machinery £'000	Total £'000
Cost			
Balance at 1 January 2019	34	258	292
Additions	8	-	8
Impairment	(42)	(258)	(300)
Balance at 31 December 2019	-	-	-
Balance at 1 January 2020	-	-	-
Additions	-	-	-
Impairment	-	-	-
Balance at 31 December 2020	-	-	-
Depreciation			
Balance at 1 January 2019	4	258	262
Depreciation	11	-	11
Impairment	(15)	(258)	(273)
Balance at 31 December 2019	-	-	-
Balance at 1 January 2020	-	-	-
Depreciation	-	-	-
Impairment	-	-	-
Balance at 31 December 2020	-	-	-
Carrying amounts			
At 31 December 2020	-	-	-
At 31 December 2019	-	-	-

14. Intangible Assets

Group

	Exploration & evaluation assets £'000	Mining rights £'000	Total £'000
Cost			
Balance at 1 January 2019	11,884	1,154	13,038
Additions discontinued operations	1,964	-	1,964
Transfer to assets held for sale	(13,848)	-	(13,848)
Balance at 31 December 2019	-	1,154	1,154
Balance at 1 January 2020	-	1,154	1,154
Additions	-	-	-
Transfer to asset held for sale	-	-	-
Balance at 31 December 2020	-	1,154	1,154
Amortisation			
Balance at 1 January 2019	1,498	1,154	2,652
Impairment	9,494	-	9,494
Transfer to assets held for sale	(10,992)	-	(10,992)
Balance at 31 December 2019	-	1,154	1,154
Balance at 1 January 2020	-	1,154	1,154
Impairment	-	-	-
Transfer to assets held for sale	-	-	-
Balance at 31 December 2020	-	1,154	1,154
Carrying amounts			
Balance at 31 December 2020	-	-	-
Balance at 31 December 2019	-	-	-

Mining rights

The mining rights owned by the Group have been fully written down because, at the date of the approval of the financial statements, it remains the intention of the Group to dissolve the mining subsidiary.

Exploration & evaluation assets

All exploration & evaluation assets were sold in May 2020.

15. Fixed Asset Investment

Company

	Group undertaking £'000	Loan to Group undertaking £'000	Total £'000
Cost			
Balance at 1 January 2019	9,630	2,817	12,447
Transfer to assets held for sale	(9,630)	(2,817)	(12,447)
Balance at 31 December 2019	-	-	-
Balance at 1 January 2020	-	-	-
Transfer to assets held for sale	-	-	-
Balance at 31 December 2020	-	-	-
Provisions for diminution in value			
Balance at 1 January 2019	2,828	2,817	5,645
Impairment	6,699	-	6,699
Transfer to assets held for sale	(9,527)	(2,817)	(12,344)
Balance at 31 December 2019	-	-	-
Balance at 1 January 2020	-	-	-
Impairment	-	-	-
Transfer to assets held for sale	-	-	-
Balance at 31 December 2020	-	-	-
At 31 December 2020	-	-	-
At 31 December 2019	-	-	-

Investment in Group undertaking is in relation to a 100 per cent holding in Sonnberg, a company incorporated in Namibia and a 100 per cent holding in Anglo African Oil & Gas Congo SAU (AAOGC), a company incorporated in Republic of the Congo, AAOGC was disposed of in May 2020.

The loan to Group undertaking is denominated in GBP and is interest-free.

16. Disposal groups classified as held for sale and discontinued operations
Group

On 4 May 2020 the group sold its 100% owned subsidiary Anglo African Oil & Gas Congo SAU (AAOGC), the gross proceeds of the sale were £200,000, the carrying value of the disposal group has been reduced to £103,000 to reflect the legal costs of the disposal.

Under IFRS 5 the results of the disposal group are included separately in the consolidated income statement and the comparatives are restated. The detailed results are summarised as follows:

	31 December 2020 £'000	31 December 2019 £'000
Revenue	94	319
Cost of sales	(192)	(1,070)
	(98)	**(751)**
Administrative expenses	(63)	(265)
Impairment of trade and other receivables	-	-
Impairment of oil and gas assets	-	-
Impairment of exploration and evaluation assets	-	(9,493)
Operating loss	**(161)**	**(10,509)**
Finance income/(cost)	229	(10)
Profit/loss from discontinuing operation before tax	**68**	**(10,519)**
Taxation	-	24
Profit/loss for the year from discontinuing operation	**68**	**(10,495)**
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the year	**68**	**(10,495)**
Loss on re-measurement and disposal		
Profit/loss before tax on discontinued operations to fair value less costs to sell	68	(10,495)
Loss tax on disposal	-	-
Total profit/(loss) on re-measurement and disposal	**68**	**(10,495)**
Profit/(loss) for the year from discontinuing operations	**68**	**(10,495)**

Group

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

	31 December 2020 £'000	31 December 2019 £'000
Non-current assets		
Property, plant and equipment	-	182
Intangible assets	-	2,856
Current assets		
Stock	-	37
Trade receivables	-	125
Other receivables	-	2,256
Cash and cash equivalents	-	26
Assets classified as held for sales	-	**5,482**
Current liabilities		
Provisions	-	2,942
Trade and other payables	-	2,437
Liabilities classified as held for sales	-	**5,379**

Company

The carrying amounts of assets and liabilities in this disposal group are summarised as follows:

	31 December 2020 £'000	31 December 2019 £'000
Current assets		
Fixed asset investments	-	103
Assets classified as held for sales	**-**	**103**

17. Trade and other receivables

Group and Company

	31 December 2020 £'000	31 December 2019 £'000
Directors loan (see note 23)	-	25
Other receivables	19	472
Less: expected credit loss provision	-	-
	19	497
Company		
Non-current:		
Amounts owed by group undertakings	-	11,974
Impairment	-	(11,974)
Less: expected credit loss provision	-	-
	-	-

The 100% owned subsidiary Anglo African Oil & Gas Congo SAU (AAOGC), was sold in May 2020, with the sale of the AAOGC the Company impaired the amounts owed by AAOGC based on the sale proceeds, see note 16.

18. Cash and cash equivalents

Group and Company

	31 December 2020 £'000	31 December 2019 £'000
Bank balances	21	170
Cash and cash equivalents	21	170

There is no material difference between the fair value of cash and cash equivalents and their book value.

19. Trade and other payables

Group and Company

	31 December 2020 £'000	31 December 2019 £'000
Trade payables and accruals	427	519
Other payables	166	192
	593	711

Trade payables and accruals comprise amounts payable to suppliers and accrued expenses at the year-end. The Group's and Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 22.

During the year the company issued a £162,000 convertible loan note. As disclosed in note 20 £84,000 has been converted to equity and including accumulated interest, £84,000 is recognised as a liability. The remaining liability carries interest at 4% per month and is wholly repayable in cash with no remaining conversion option following the de-listing from AIM.

There is no material difference between the fair value of trade and other payables and their book value.

20. Share capital

	Number of shares	
	31 December 2020	**31 December 2019**
In issue at year end – fully paid:		
Ordinary shares of 0.1p each	499,434,220	396,548,396
Deferred shares of 9p each	39,922,460	39,922,460
B Deferred shares of 0.9p each	86,998,615	86,998,615
C Deferred shares of 4.9p each	396,548,396	-

	Share capital	
	31 December 2020	**31 December 2019**
	£	**£**
In issue at year end – fully paid:		
Ordinary shares of 0.1p each	499,435	19,827,420
Deferred shares of 9p each	3,593,021	3,593,021
B Deferred shares of 0.9p each	782,988	782,988
C Deferred shares of 4.9p each	19,430,871	-
	24,306,315	24,203,429

The holders of deferred shares are not entitled to receive dividends or to vote at meetings of the Company and have no material interest in the Company's residual assets.

Issues of ordinary shares

	Number of shares	Ordinary share capital £'000	Share premium £'000
Ordinary shares of 0.1p each			
As at 1 January 2019	177,929,038	8,896	14,492
Issue 9 January 2019	60,000,000	3,000	3,000
Issue 17 July 2019	158,619,358	7,931	318
Less: Issuance costs	-	-	(700)
As at 31 December 2019	396,548,396	19,827	17,110
Subdivision of shares - 13 January 2020	-	(19,431)	-
Issue 4 February 2020	12,222,242	12	34
Issue 4 March 2020	21,169,612	21	23
Issue 6 April 2020	36,679,293	37	44
Issue 21 August 2020	7,089,684	7	13
Issue 2 September 2020	15,158,637	15	23
Issue 2 October 2020	10,566,356	11	14
As at 31 December 2020	**499,434,220**	**499**	**17,261**

On 13 January 2020 the Company reduced the nominal value of each Ordinary Share from £0.05 to £0.001, by subdividing each ordinary share into one new ordinary share of £0.001 and one deferred share of £0.049.

On 4 February 2020, the Company issued 12,222,242 ordinary shares of 0.1p each at a price of 0.375p per share to settle certain creditors.

On 4 March 2020, the Company issued 21,169,612 ordinary shares of 0.1p each at a price of 0.210p per share as to settle certain creditors.

On 6 April 2020, the Company issued 36,679,193 ordinary shares of 0.1p each at a price of 0.220p per share to settle certain creditors and to finance the Company's administrative function. In addition the Company issued 100 ordinary of 0.1p each at the issue price to Sarah Cope, in order that there was a quorum of shareholders present at the Company's general meeting

On 21 August 2020, the Company issued 7,089,684 ordinary shares of 0.1p each at a price of 0.282p per share to repay a portion of convertible loan to Riverfort.

On 2 September 2020, the Company issued 15,158,637 ordinary shares of 0.1p each at a price of 0.255p per share to repay a portion of convertible loan to Riverfort.

On 2 October 2020, the Company issued 10,566,356 ordinary shares of 0.1p each at a price of 0.237p per share to repay a portion of convertible loan to Riverfort.

Share-based payment arrangements

As at 31 December 2019, the Group maintained a management incentive share-based payment scheme for certain employees, including Directors. The scheme was to be settled in equity. Options under this programme were to vest if oil production milestones were achieved at the Tilapia oilfield in the Republic of the Congo as follows:

Earliest vesting date	Number of shares vesting	Required bopd production over a consecutive 30-day period
16 March 2017	4,522,566	1,000
16 March 2018	4,522,566	2,500
16 March 2019	4,522,567	5,000

Upon vesting, the option allowed the holder to purchase one ordinary share at a price of 20 pence per share.

Share options and weighted-average exercise prices are as follows for the reporting periods presented.

	Number of shares	Weighted average exercise price per share (pence)
Outstanding at 1 January 2019	13,567,699	20p
Granted	-	20p
Forfeited	(13,567,699)	20p
At 31 December 2019	**-**	**20p**

The fair values of options granted were determined using the Black-Scholes option pricing model. The following principal assumptions were used in the valuation:

Grant date	16 March 2017, 16 February 2018 and 19 November 2018
Share price at date of grant	28.5 pence, 10.1 pence and 7.25 pence
Volatility	75%
Option life	Ten years
Dividend yield	0.0%
Risk free investment rate	0.5%
Fair value per option at date of grant	16.46 pence, 6.90 pence and 4.91 pence
Exercise price at date of grant	20 pence

The underlying volatility was determined by reference to historical data of comparator companies traded on AIM.

As the share options were based on production, at discontinued operations which were never achieved, all options were considered forfeited in 2019.

During 2020 the following warrants were issued to Riverfort, under the convertible loan facility:

Issue Date	Warrants Issued	Exercise Price	Term	Expiry
17/08/2020	1,772,421	0.40300	4 years	16/08/2024
01/09/2020	3,789,659	0.39354	4 years	31/08/2024
28/09/2020	2,641,589	0.36232	4 years	27/09/2024

The fair values of warrants granted were determined using the Black-Scholes option pricing model. The following principal assumptions were used in the valuation:

Option Date	**17/08/2020**	**01/09/2020**	**28/09/2020**
Warrants Number	**1,772,421**	**3,789,659**	**2,641,589**
Stock price at suspension (pence)	0.3000	0.3000	0.3000
Strike price (pence)	0.4030	0.3935	0.3623
Expiration – years	4	4	4
Volatility	50%	50%	50%
Interest rate	1.50%	1.50%	1.50%
Dividend yield	0%	0%	0%

It was determined the cost of issuing warrants was £8,000 (*2019: £135,000 credit*) of equity share-based payment. Transactions have been included in profit or loss and charged to retained earnings.

21. Provisions

Group

	31 December 2020 £'000	31 December 2019 £'000
Balance brought forward	-	2,907
Provision made during the year	-	35
Transfer to liabilities included in disposal group classified as held for sale	-	(2,942)
	-	-

22. Financial instruments and financial risk management

Overview

The Group has exposure to the following risks arising from financial instruments.

- credit risk
- liquidity risk
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk-management framework

The Company's Directors have overall responsibility for the establishment and oversight of the Group's risk-management framework.

The Group's risk-management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk-management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Group and Company

		Carrying amount	
	Note	**31 December 2020 £'000**	**31 December 2019 £'000**
Trade and other receivables	**17**	19	497
Cash and cash equivalents	**18**	21	170
		40	667

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the undiscounted amounts of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

Group and Company

31 December 2020

	Carrying amount £'000	2 months or less £'000	2 to 12 months £'000
Non-derivative financial liabilities			
Trade and other payables	593	168	425
	593	168	425

31 December 2019

	Carrying amount £'000	2 months or less £'000	2 to 12 months £'000
Non-derivative financial liabilities			
Trade and other payables	711	686	25
	711	686	25

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's and Company's income or the value of its holdings of financial instruments. The objective of market-risk management is to manage and control market-risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in currencies other than GBP. The currency giving rise to this risk was primarily the US dollar.

No sensitivity risk as at 31 December 2020 has been included, as the Company only hold minimal foreign currency risk since the disposal of AAOGC.

At the year-end, the Group held the following assets/ (liabilities) in currencies other than GBP:

Group and Company
31 December 2020

	USD US$ 000's
Cash and cash equivalents	-
Trade and other receivables	-
Trade and other payables	70
Total	**70**

31 December 2019

	USD US$ 000'S
Cash and cash equivalents	1
Trade and other receivables	-
Trade and other payables	(17)
Total	(16)

Capital management

The Group's and Company's objective when managing capital is to safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds to support continued operations. The Company considers its capital to comprise equity capital less accumulated losses.

23. Related parties

On 3 January 2020 David Sefton repaid £25,000 to the Company, in relation to personal expenses incurred by the Company.

During 2019 the Company was invoiced for Consultancy services, from 'The Petroleum and Renewable Energy Company Limited' totalling £73,000 (2020 - £nil) as at 31 December 2019 there was £2,000 (2020 - £2,000) of these invoices outstanding and included in trade creditors. Phil Beck is a director of The Petroleum and Renewable Energy Company Limited.

During 2019 the Company received £150,000 from Anglo Tunisian Oil & Gas Limited ("ATOG") for re-imbursement of the costs incurred on the aborted efforts to acquire the Tunisian assets of MedCo, the Company is continuing discussions with ATOG to agree a final settlement-in respect of matters outstanding between the parties.

David G F Sefton was a director of ATOG from 22 March 2019 to 15 November 2019.

Anthony J Berwick is currently a director of ATOG after his appointment on 25 March 2019

24. Contingent liabilities

The Company has received notice of a potential claim from Askell Limited ("Askell"), an energy advisory firm, for US $1.75 million. Askell's alleged claim relates to the Company's aborted efforts to acquire the Tunisian assets of MedCo. No formal legal claim has been filed against the Company.

The board of Directors believes the Askell potential claim is without merit, as the claim is in respect of completion fees in relation to the Medco acquisition, the acquisition was rejected by the board of AAOG in March 2019.

25. Events after the reporting date

The Companies Ordinary Shares were cancelled from trading on the Alternative Investment Market on 4 May 2021.

The Company has entered into an option agreement to acquire a 25% interest in the Saltfleetby Gas Field in East Lincolnshire.