The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

Prospex Energy Plc / Index: AIM / Epic: PXEN / Sector: Energy

28 September 2026

Prospex Energy Plc
('Prospex' or the 'Company')
Half Year Report

Prospex Energy Plc, the AIM quoted investment company, is pleased to announce its unaudited Interim Results for the six months ended 30 June 2026.

Corporate and Operational Overview:

The period under review has been one of significant operational and strategic progress. Prospex has continued to strengthen its producing asset base, increase cash flow, advance its development pipeline and expand its European portfolio.

In March the Company completed the Convertible Loan Note ("CLN") issuance which was launched in late 2025. In total, the Company raised c. £2 million, well above the original £1.6 million target.

On 1 February, Tom Reynolds was appointed Chief Executive Officer, replacing Mark Routh who left the Company at the end of April. In May, Simon Ashby-Rudd was appointed as Non-Executive Director.

Management commenced a programme of increased communications with stakeholders, and a series of meetings with local regulators, partners and potential investors.

A detailed review of the Company's asset portfolio and corporate strategy was launched by the new CEO and the initial results presented at the Company's AGM in June. As a result, each asset has a clear value development pathway which is being implemented by the management team.

The Company and its investments had no reportable Health and Safety incidents or environmental issues across any of its operations in the reporting period.

Selva Malvezzi, Po Valley, Italy

Stable natural gas production from the Podere Maiar-1 well (PM-1) continued, with gross production of 14.28 MMscm (5.28 MMscm net to Prospex 37% interest) which was sold at an average realised price of €0.46/scm, generating €2.41 million revenue net to Prospex's investments. Development costs of £300k primarily related to the acquisition cost of new 3D seismic data. This data is being processed by Schlumberger Italy to create a high-resolution subsurface model supporting future development plans, which, as at the date of this report, is nearing completion.

In June, the licence Operator Po Valley Energy filed an Environmental Impact Assessment ("EIA") with Italy's Ministry of Environment and Energy Security ("MASE"). The EIA covers the project to drill, develop and commission four new wells within the Selva Malvezzi Production Concession in the Po Valley Basin in Northern Italy. The four proposed wells are relatively close to the existing Podere Maiar-1 well and offer the prospect to deliver significant additional production and increase reserves on the concession.

Post-period end the EIA was declared admissible by Italy’s Ministry of Environment and Energy Security (“MASE”), triggering a 60-day public observation period.

A new 12-month agreement was also signed post-period end with Hera Trading S.r.l. (“Hera”) to supply gas from the Selva Malvezzi production concession, starting 1 October 2026, supporting ongoing gas sales from the field, which due to high gas prices delivered record gas sales revenue in August.

El Romeral, Tarba Energia, Andalucia, Spain

The El Romeral gas and power plant resumed electricity generation and sales in January following the installation of a rental transformer while a new permanent transformer was manufactured. Good well management has extended generation activity from around four hours per day up to 16 hours per day since installation. Higher production, combined with a backdrop of favourable electricity prices, has delivered consistently increasing revenue over the reporting period.

Post-period end, a new transformer was successfully installed providing a permanent solution and reducing operating costs following the return of the rental unit. Consistent production and high wholesale electricity prices have enabled Tarba to operate without funding from Prospex to support operations since July.

The Company has agreed a strategic collaboration with IMMAGE (Investigating Miocene Mediterranean-Atlantic Gateway Exchange) Land-2-Sea drilling project at El Romeral. IMMAGE will contribute up to US$1.5 million towards coring and logging operations in a subset of the planned wells, meaning Prospex will gain access to geological data and international research visibility at no additional cost.

PXEN Tatra Sp. z o.o., Poland

The Company’s wholly owned subsidiary, PXEN Tatra Sp. z o.o. was awarded the San and Dunajec licences. The San licence holds attractive exploration potential in the shallow Miocene gas play.

The Dunajec licence includes Jurassic age prospectivity as well as the Miocene shallow gas play and contains an undeveloped oil discovery - Mniszow.

The company has collated and processed a significant volume of historical licence data focusing on Mniszow, and is progressing options to develop the field as an oil producer.

Post-period end, a detailed presentation on the Mniszow development, which provided a base case development plan as well as economics, was released in September 2026 and can be viewed and listened to via the company's website.

Financial Overview

- The Company reports a profit of £131,941 (H1 2025: loss of £180,101) after taxation from continuing operations for the six-months ended 30 June 2026.
- Administrative expenses in the reporting period increased by £250,352 to £881,156 compared to the same period in the previous year (H1 2025: £630,804). Of the increase, £195,686 is of a non-recurring nature, attributable to management change transitional costs (£89,052), debt-raise costs (£69,155), foreign exchange losses and timing differences (together £37,479). The management change and debt raise were both completed in the current reporting period.
- The reported profit includes a £628,789 unrealised gain (H1 2025: unrealised loss: £32,715) on financial assets at fair value.
- Underlying assets held by all the Company's investment vehicles were revalued on a basis consistent with prior reporting dates. Forward prices for European natural gas and exchange rates as at 30 June 2026 were taken into account, as well as the reduction of reserves produced during the 6-months.
- The Company's Net Asset value (Shareholder Equity) increased by £363,519 in the six-months ended 30 June 2026, from £22,939,921 at 31 December 2025 to £23,303,440 at the reporting date.
- The Company received £1.37m during the reporting period (H1 2025: £nil) from the completion of the Convertible Loan Note issuance, which commenced in December 2025.
- At 30 June 2026, the Company held cash and cash equivalents of £524,643 (Year-end 2025: £38,935). Additional cash and cash equivalents held in the Company's wholly owned non-consolidated investment companies amounted to £327,368 (Year-end 2025: £3,065).
- Trade and other receivables increased by £576,332 to £11,277,601 (31 December 2025: £10,701,269). The increase includes additional loans to the Company's investment companies and interest accrued, net of debt repayments.
- The Company and its investment vehicles are expected to have sufficient funds to continue in operation and meet future operating and known capital costs.

Tom Reynolds, CEO of Prospex Energy, commented:

"The first half of 2026 has been a pivotal period for Prospex, with our producing assets generating increasing cash flow while we have continued to advance our development and exploration portfolio. Since period end, this progress has accelerated – with record monthly revenues, Tarba achieving cash self-sufficiency, and Selva's EIA progress.

"Our focus for the remainder of the year is to build on the success of the first half by maximising the net cash flow from our producing assets whilst advancing development plans with our partners on each asset. A primary objective is to engage with partnership investment to support this activity. I am particularly excited about our Polish licences, which provide investors with blue sky potential in a supportive-oil and gas jurisdiction, and I look forward to updating shareholders on our progress."

Note on Preparation of the Financial Statements.

Prospex Energy Plc is an investment entity as defined by IFRS 10, and as such, the results of its subsidiaries are not consolidated up to the parent company.

Consistent with prior financial reporting, these financial statements therefore present the financial position of the Company on a standalone basis, and the Company's investments in its subsidiaries, joint ventures and underlying assets are recognised at fair value through the profit and loss.

The table which follows summarises the Company's investments in, and loans to, Group companies as at 30 June 2026.

	Group Company:	**PXOG Marshall Ltd**	**PXOG Muirhill Ltd**			**PXEN Tatra**
	Country of focus:	**Italy**	**Spain**			**Poland**
	Related to:	**Selva Malvezzi**	**Romeral & Tesorillo**	**Viura**	**Shares/ Interest**	**San and Dunajec**
	£000's	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
<u>Prospex Energy Plc. Balance sheet:</u>						
Investments in Group Undertakings at Fair Value	**14,348**	14,346				2
*Included in Investments (**Note 7**)*						
Loans to Group Undertakings	**11,218**	1,286	2,295	6,236	1,142	259
Included in Trade and Other Receivables (Note 8)						
Owed by PXOG Muirhill Ltd.	9,672		2,295	6,236	1,142	
Owed by PXOG Marshall Ltd.	786	786				
Owed by UOG Italia S.r.l. (Owned by PXOG Marshall)	500	500				
Owed by PXEN Tatra Sp z.o.o.	259					259

Total included in Assets	**25,566**	**15,632**	**2,295**	**6,236**	**1,142**	**261**

Operational Highlights

Selva Malvezzi

- Schlumberger Italy has delivered a preliminary dataset following processing of the recently completed 3D seismic survey. The joint venture will interpret the data in detail to confirm drilling locations for the planned 2027 drilling campaign.
- Completion and interpretation of seismic data will be used to commission a Competent Person's Report ("CPR"), providing an independent assessment and verification of the licence natural gas resources.

Post period:

- Italy's Ministry of Environment and Energy Security ("MASE") has confirmed admissibility of the EIA for the four-well drilling programme; a 60-day public observation period is now underway.
- Strong realised gas prices of €0.67/scm during August, benefiting from supportive European gas market fundamentals and setting a record for revenue from gas sales at the field.
- New 12-month gas agreement signed with Hera Trading S.r.l. ("Hera") starting 1 October 2026.

El Romeral

- During the period Tarba had gross invoiced sales of €146,333 at an average electricity price of €107.13/MWh. This has improved further post-reporting date.
- The increasing productivity, coupled with favourable electricity prices in Europe, produced increasing revenues during the period which reduced the requirement for funding support from Prospex.

Post period:

- In July and August Tarba achieved total gross invoiced sales of €315,272, at an average electricity price of €160.31/MWh.
- As a result of higher revenue, Tarba has not required funding support for operations from the Company since July. Strong electricity pricing is expected to continue throughout Q3.
- Installation of the newly constructed electrical transformer, which has been funded out of the Company's available cash resources, was completed in September.

Poland

- Prospex continues to access and collate historical data across the San and Dunajec licences.
- Particular focus has been given to well and completion design for the Mniszow oil discovery on the Dunajec licence, where technical work carried out to date by the Company has increased the assessed recoverable potential to approximately 3.7 million oil barrels. The Company plans to commission an independent review of the resource position at Mniszow in Q4 2026.
- The Company is evaluating advanced completion techniques to maximise the discovery potential of Mniszow and facilitate discussions with potential development partners.

- A site visit to the San and Dunajec licence areas took place in mid-September.

Viura

- Consistent production from Viura -1B during the 6-month period, with the well achieving 92 consecutive days of production with no shut-ins and 100% plant availability.
- The operator of the field, HEYCO Energia Iberia S.L. (“HEI” or the “Operator”), generated €4.15 million of revenue in Q2, against €3.59 million of cash operating expenditure.
- Planning for a 2027 development programme is ongoing, including testing the water injection capability of the shut-in ST3 well starting in Q4 2026, and the potential drilling of a development well in 2027.

CHAIRMAN’S STATEMENT

Operational Report

I am pleased to provide a summary of activity for the six months ended 30 June 2026. This is the first reporting period since Tom Reynolds was appointed Chief Executive Officer in February, and it has been a period of operational and strategic progress as the Company has continued to strengthen its producing asset base, advance its development pipeline and expand its European portfolio.

The results of the 3D seismic programme at Selva Malvezzi will be used to optimise the location of the planned four-well development programme and support an updated Competent Person's Report. Post period, Italy's Ministry of Environment and Energy Security deemed the Environmental Impact Assessment for the four-well programme admissible, with the 60-day public observation period now underway.

In Spain, Tarba's performance at El Romeral has been particularly encouraging. Extended production testing demonstrated the ability to increase electricity generation from four hours per day up to 16 hours per day by the end of June. Together with stronger electricity prices, monthly revenue increased from approximately €20,000 in April to €73,000 in June. A new transformer has since been installed, replacing the rented unit and reducing operating costs by approximately €14,000 per month, and Tarba operated self-sufficiently throughout July and August, meaning Prospex no longer needs to fund its day-to-day operations.

This is strategically important for the Group. As our producing assets increasingly generate cash to fund their operations and, in some cases, produce excess cash, capital that would otherwise support them can be deployed into development opportunities elsewhere in the portfolio. This creates greater flexibility while maintaining a disciplined approach to capital allocation.

The Company also expanded its European portfolio during the period through the award and acceptance of the San and Dunajec licences in Poland. These licences provide additional medium-term gas exploration potential alongside the Mniszow oil discovery, where internal technical work has assessed recoverable potential of approximately 3.7 million barrels. The Company is evaluating completion techniques and engaging with potential partnership investors.

At Viura, in Northern Spain, stable production continued while work progressed on the dynamic reservoir model and 2027 development scenarios including options to handle produced water.

In June, the Company was delighted to announce a collaboration with the IMMAGE Land-2-Sea scientific drilling project at El Romeral, under which IMMAGE will contribute up to US$1.5 million towards coring and logging operations in a subset of the planned wells, funded through the International Continental Scientific Drilling Program. Prospex incurs no additional cost while gaining access to geological data and international research visibility.

The Company strengthened its financial position through an oversubscribed £2 million convertible loan note fundraise, 25% above the original £1.6 million target, providing additional flexibility as the Company progresses multiple opportunities across its portfolio.

Outlook

Our priorities for the remainder of 2026 and into 2027 are to maximise the performance of our producing assets: progress the Selva four-well programme through permitting, advance El Romeral, progress Mniszow and evaluate the wider San and Dunajec licences, and support the development of proposals to decrease costs and increase production at Viura. We will continue to assess partnerships and non-dilutive funding where these can accelerate development while protecting shareholder value. The objective is to ensure each asset has a clear pathway to value and that capital is directed accordingly. The Board's focus remains firmly on operational delivery and the continued creation of shareholder value.

On behalf of the Board, I would like to thank Tom and the management team for the progress delivered, and our shareholders for their continued support.

Bill Smith
Non-Executive Chairman

Glossary:

Bcf	Billion standard cubic feet
Bcm	Billion standard cubic metres
Boe	Barrels of Oil Equivalent (where 1 MMBoe = 5.8 Bcf)
mcf	Thousand standard cubic feet
MMBoe	Million Barrels of Oil Equivalent
MMscf	Million standard cubic feet
MMscfd	Million standard cubic feet per day
MMscm	Million standard cubic metres
MMscm/d	Million standard cubic metres per day
MWh	Mega Watt hour
scm	Standard cubic metres
scm/d	Standard cubic metres per day
TTF	The ‘Title Transfer Facility’ - a virtual trading point for natural gas in the Netherlands.

Prospex Energy Plc

Interim results

For the six months ended 30 June 2026

Statement of profit or loss and other comprehensive income

	Six months ended 30 June	**Six months ended 30 June**	**Year ended 31 December**
	2026	2025	2025
	(unaudited)	*(unaudited)*	*(audited)*
	£	£	£
CONTINUING OPERATIONS			
Administrative expenses	(881,156)	(630,804)	(1,179,490)
Share-based payment charge	(23,621)	-	-
OPERATING LOSS	(904,777)	(630,804)	(1,179,490)
Gain/(loss) on revaluation of assets	628,789	(32,715)	(2,541,311)
	(275,988)	(663,519)	(3,720,801)
Finance income	544,597	424,011	915,384
Finance costs	(99,426)	-	(8,558)
PROFIT/(LOSS) BEFORE INCOME TAX	169,183	(239,508)	(2,813,975)
Income tax (Note 4)	(37,242)	59,407	18,806
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD	131,941	(180,101)	(2,795,169)
Earnings/(loss) per share (Note 5)			
- Basic earnings	0.03p	(0.04)p	(0.67)p
- Diluted earnings	0.03p	(0.04)p	(0.67)p

Statement of financial position – As at 30 June 2026

	30 June 2026 (unaudited) £	30 June 2025 (unaudited) £	31 December 2025 (audited) £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	-	-	-
Investments (Note 7)	14,397,675	16,277,482	13,768,886
	14,397,675	16,277,482	13,768,886
CURRENT ASSETS			
Trade and other receivables (Note 8)	11,277,601	10,096,387	10,701,269
Investments	100	100	100
Cash and cash equivalents	524,643	147,134	38,935
	11,802,344	10,243,621	10,740,304
TOTAL ASSETS	26,200,019	26,521,103	24,509,190
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	7,380,839	7,375,754	7,375,755
Share premium account	22,271,979	22,144,547	22,124,548
Capital redemption reserve	43,333	43,333	43,333
Merger reserve	2,416,667	2,416,667	2,416,667
Fair value reserve	12,599,281	15,342,514	12,007,734
Other equity reserve	102,029	-	46,587
Retained earnings	(21,510,688)	(21,794,415)	(21,074,703)
TOTAL EQUITY	23,303,440	25,528,400	22,939,921
LIABILITIES			
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings (Note 9)	1,802,436	-	536,971
Deferred taxation	961,029	883,186	923,787
	2,763,465	883,186	1,460,758
CURRENT LIABILITIES			
Trade and other payables	133,114	109,517	108,511
TOTAL LIABILITIES	2,896,579	992,703	1,569,269
TOTAL EQUITY AND LIABILITIES	26,200,019	26,521,103	24,509,190

Statement of changes in equity

For the six months ended 30 June 2026

	Share capital £	Share premium £	Retained earnings £	Capital redemption reserve £	Merger reserve £	Fair value reserve £	Other equity reserve £	Total £
Unaudited								
At 1 January 2026	7,375,755	22,124,548	(21,074,703)	43,333	2,416,667	12,007,734	46,587	22,939,921
Total comprehensive income for the period	-	-	131,941	-	-	-	-	131,941
Issue of shares	5,084	147,431	-	-	-	-	-	152,515
Equity component of convertible loan notes	-	-	-	-	-	-	64,058	64,058
Conversion of loan note into share capital	-	-	-	-	-	-	(8,616)	(8,616)
Equity-settled share-based payment	-	-	23,621	-	-	-	-	23,621
Net transfer to fair value reserve	-	-	(591,547)	-	-	591,547	-	-
At 30 June 2026	7,380,839	22,271,979	(21,510,688)	43,333	2,416,667	12,599,281	102,029	23,303,440
Unaudited								
At 1 January 2025	7,349,585	21,052,369	(21,587,622)	43,333	2,416,667	15,315,822	-	24,590,154
Total comprehensive income for the period	-	-	(180,101)	-	-	-	-	(180,101)
Issue of shares	26,169	1,151,487	-	-	-	-	-	1,177,656
Costs in respect of shares issued	-	(59,309)	-	-	-	-	-	(59,309)
Net transfer to fair value reserve	-	-	(26,692)	-	-	26,692	-	-
At 30 June 2025	7,375,754	22,144,547	(21,794,415)	43,333	2,416,667	15,342,514	-	25,528,400
Audited								
At 1 January 2025	7,349,585	21,052,369	(21,587,622)	43,333	2,416,667	15,315,822	-	24,590,154
Total comprehensive income for the year	-	-	(2,795,169)	-	-	-	-	(2,795,169)
Issue of shares	26,170	1,151,488	-	-	-	-	-	1,177,658
Costs in respect of shares issued	-	(79,309)	-	-	-	-	-	(79,309)
Equity component of convertible loan notes	-	-	-	-	-	-	46,587	46,587
Transfer to fair value reserve	-	-	3,308,088	-	-	(3,308,088)	-	-
At 31 December 2025	7,375,755	22,124,548	(21,074,703)	43,333	2,416,667	12,007,734	46,587	22,939,921

Statement of Cash Flows

For the six months ended 30 June 2026

	Six months ended 30 June	**Six months ended 30 June**	**Year ended 31 December**
	2026	2025	2025
	(unaudited)	*(unaudited)*	*(audited)*
	£	£	£
Operating activities			
Profit/(loss) before income tax	169,183	(239,508)	(2,813,975)
(Gain)/loss on revaluation of assets	(628,789)	32,715	2,541,311
Finance income	(544,597)	(424,011)	(915,384)
Finance costs	99,426	-	8,558
Operating loss	(904,777)	(630,804)	(1,179,490)
Increase in trade and other receivables	(31,735)	(575,424)	(1,524,381)
Increase/(decrease) in trade and other payables	24,603	(115,603)	(116,609)
Equity-settled share-based payment charge	23,621	-	-
Net cash outflow from operating activities	(888,288)	(1,321,831)	(2,820,480)
Cash flows from investing activities			
Interest received	-	679	680
Net cash inflow from investing activities	-	679	680
Cash flows from financing activities			
Issue of share capital	-	282,900	1,177,658
Costs in respect of share issue	-	-	(79,309)
Proceeds from issue of convertible loan notes	1,373,996	-	575,000
Net cash inflow from financing activities	1,373,996	282,900	1,673,349
Net increase/(decrease) in cash and cash equivalents	485,708	(1,038,252)	(1,146,451)
Cash and cash equivalents at start of period	38,935	1,185,386	1,185,386
Cash and cash equivalents at end of period	524,643	147,134	38,935

Notes to the interim financial statements

1 General information

Prospex Energy Plc is a company incorporated in the United Kingdom, which is listed on the Alternative Investment Market of the London Stock Exchange Plc. The address of its registered office is c/o Arch Law Limited, Huckletree Bishopsgate, 8 Bishopsgate, EC2N 4BQ.

The Group is primarily involved in the development, exploration and the production of natural gas and the generation of electricity.

2 Financial information

The interim financial information for the six months ended 30 June 2026 and 2025 have not been audited or reviewed and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The comparative financial information for the year ended 31 December 2025 has been derived from the audited financial statements for that period. A copy of those statutory financial statements for the year ended 31 December 2025 has been delivered to the Registrar of Companies. The report of the independent auditors on those financial statements was unqualified, drew attention to material uncertainty relating to going concern and did not contain a statement under Sections 498 (2) or (3) of the Companies Act 2006.

The interim financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 as they apply to the financial statements of the Company for the six months ended 30 June 2026 and as applied in accordance with the provisions of the Companies Act 2006 and under the historical cost convention or fair value where appropriate. They have also been prepared on a basis consistent with the accounting policies expected to be applied for the year ending 31 December 2026 and which are also consistent with those set out in the statutory accounts of the Company for the year ended 31 December 2025.

The interim financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

3 Going concern

The Directors have prepared the interim financial statements on a going concern basis. In making this assessment they have considered the Company's cash flow forecasts for a period of at least twelve months from the date of approval of these interim financial statements, taking account of the Company's cash and cash equivalents of £524,643 at 30 June 2026, the £1,373,996 raised during the period through the issue of Convertible Loan Notes, and the expected cash flow from its investment portfolio.

The auditors' report on the financial statements for the year ended 31 December 2025 drew attention to a material uncertainty relating to going concern. In assessing the Company's ability to continue in operation the

Directors have considered the matters giving rise to that material uncertainty, the Company's known and committed capital expenditure, and the scheduled repayment of the Convertible Loan Notes in three tranches between December 2027 and June 2028.

Having made these enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting. The interim financial statements do not include any adjustments that would result if the going concern basis of preparation were no longer appropriate.

4 Taxation

On the basis of these accounts the only charge to taxation is the deferred taxation arising on the revaluation of the company's investments.

5 Earnings/(loss) per share

The profit/(loss) and number of shares used in the calculation of earnings per share are as follows:

	Six months ended 30 June	**Six months ended 30 June**	**Year ended 31 December**
	2026	2025	2025
	(unaudited)	*(unaudited)*	*(audited)*
Basic EPS			
Profit/(loss) for the financial period	131,941	(180,101)	(2,795,169)
Weighted average number of shares for basic EPS	431,603,133	402,684,515	415,732,573
Basic earnings/(loss) per share	0.03p	(0.04)p	(0.67)p
Diluted EPS			
Weighted average number of shares for diluted EPS	444,571,140	402,684,515	415,732,573
Diluted earnings/(loss) per share	0.03p	(0.04)p	(0.67)p

For the six months ended 30 June 2026 the Company was profitable and the outstanding nil-cost share options are dilutive; a diluted earnings per share is presented above, calculated by the treasury share method using the weighted average market price of the Company's shares during the period of 3.23p. The options brought forward from prior years were granted at exercise prices between 5.0p and 12.25p, are out of the money and have no dilutive effect. For the comparative periods the Company was loss-making, and all options were anti-dilutive, so the diluted loss per share is identical to the basic loss per share.

6 Share-based payments

During the period the Company granted equity-settled awards over 29,350,000 ordinary shares of 0.1p each: 15,000,000 options to the Chief Executive Officer on his appointment on 1 February 2026, and 14,350,000 options to Directors and employees on 19 June 2026. The fair value of the awards was measured at the date of grant using the Black-Scholes model, adjusted for a 20% discount reflecting the sub-optimal exercise behaviour and limited marketability associated with the shares of a smaller company.

A share-based payment charge of £23,621 has been recognised for the six months ended 30 June 2026 (six months ended 30 June 2025: £nil; year ended 31 December 2025: £nil). The 15,000,000 options granted on 1 February 2026 vest immediately but are only exercisable on a liquidity event (a change of control or similar, approved by shareholders), which is a non-market vesting condition. As the occurrence of a liquidity event cannot be foreseen at the reporting date, no options are currently expected to vest and no charge has been recognised in respect of this award; this is reviewed at each reporting date and the charge will be recognised in full if and when a liquidity event becomes probable. The charge for the period therefore relates entirely to the 14,350,000 options granted on 19 June 2026.

Movements in the number of share awards outstanding and their weighted average exercise price were as follows:

	Number of shares	**Weighted average remaining contractual life (years)**	**Weighted average exercise price (pence)**
At 1 January 2026	22,200,000	2.21	7.38
Granted during the period	29,350,000	–	0.1
At 30 June 2026	**51,550,000**	3.03	3.24

The awards granted during the period, and the assumptions used in measuring their fair value at the date of grant, were as follows:

Date of grant	**1 February 2026**	**19 June 2026**
Number of shares	15,000,000	14,350,000
Expiry date	1 February 2031	20 September 2031
Exercise price (p)	0.1	0.1
Expected life of options (years)	5	5.26
Fair value at date of grant (p)	2.34	1.39
Dividend yield	0.00%	0.00%
Expected volatility	66.6%	59.3%
Risk-free interest rate	4.42%	4.44%

The 14,350,000 options granted on 19 June 2026 vest on 20 September 2026 and are exercisable, for five years, subject to a shareholder-approved liquidity event or the volume-weighted average price of the Company's shares being at least 7.5p over a 90-day period after 31 December 2027. Consistent with the 1 February 2026 award, no value has been attributed to the liquidity-event route as its outcome cannot be foreseen; the fair value therefore reflects only the share-price (market) condition and has been assessed at 1.39p per option, after the discount for the market condition and a 20% small-company adjustment. This gives a total charge of £199,706, recognised on a straight-line basis over the vesting period, of which £23,621 has been recognised in the period.

Volatility was determined by reference to the standard deviation of expected share price returns based on a statistical analysis of daily share prices over a three-year period to the date of grant. All awards are equity settled. The share options brought forward were granted between 2022 and 2024 and are disclosed in note 22 to the audited financial statements for the year ended 31 December 2025.

7 Non-current investment

	Shares in group undertakings £	Unlisted investments £	Total £
Unaudited			
At 1 January 2026	13,718,886	50,000	13,768,886
Revaluations	628,789	-	628,789
At 30 June 2026	**14,347,675**	**50,000**	**14,397,675**
Unaudited			
At 1 January 2025	16,260,197	50,000	16,310,197
Revaluations	(32,715)	-	(32,715)
At 30 June 2025	16,227,482	50,000	16,277,482
Audited			
At 1 January 2025	16,260,197	50,000	16,310,197
Additions	-	-	-
Revaluations	(2,541,311)	-	(2,541,311)
At 31 December 2025	13,718,886	50,000	13,768,886

The fair values of shares in group undertakings are as follows:

	PXOG Marshall Limited £	PXOG Muirhill Limited £	PXEN Tatra Sp. Z o. o £	Total £
At 30 June 2026 (unaudited)	14,345,892	100	1,683	14,347,675
At 30 June 2025 (unaudited)	16,225,699	100	1,683	16,227,482

At 31 December 2025 (audited)	13,717,103	100	1,683	13,718,886

PXOG Marshall Limited and PXOG Muirhill Limited are incorporated in the UK and registered in England & Wales. PXEN Tatra Sp. Z o. o is incorporated and registered in Poland. The Company owns 100% of the issued share capital for each of these companies.

Investments in investment entity subsidiaries are accounted for as financial instruments at fair value through profit and loss and are not consolidated in accordance with IFRS10.

These entities hold the Company's interests in investments in portfolio companies. The fair value can increase or reduce from either cash flows to/from the investment entities or valuation movements in line with the Company's valuation policy.

The fair value of these entities is their net asset values.

The Directors determine that in the ordinary course of business the net asset values of an investment entity subsidiary are considered to be the most appropriate to determine fair value. At each reporting period, they consider whether any additional fair value adjustments need to be made to the net asset values of the investment entity subsidiaries. These adjustments may be required to reflect market participants' considerations about fair value that may include, but are not limited to, liquidity and the portfolio effect of holding multiple investments within the investment entity subsidiary.

8 Trade and other receivables

	Six months ended 30 June	**Six months ended 30 June**	**Year ended 31 December**
	2026	2025	2025
	(unaudited)	*(unaudited)*	*(audited)*
	£	£	£
Trade receivables	2,135	3,206	3,346
Amounts owed by group undertakings (Note 10)	11,218,165	9,211,129	10,673,146
Net placing proceeds receivable	-	835,450	-
Other receivables and prepayments	57,301	46,602	24,777
	11,277,601	10,096,387	10,701,269

9 Financial liabilities – borrowings

	30 June	**30 June**	**31 December**
	2026	2025	2025
	(unaudited)	*(unaudited)*	*(audited)*
Unsecured Convertible Loan Notes	£	£	£

At start of period	536,971	-	-
Issued during the period	1,373,996	-	575,000
Transfer equity component to other equity reserve	(64,058)	-	(46,587)
Coupon interest capitalised	83,219	-	8,558
Unwinding of discount	16,207	-	-
Converted into share capital	(143,899)	-	-
At end of period	1,802,436	-	536,971

Discount to Loan Notes liability

	30 June 2026 *(unaudited)* £	**30 June** 2025 *(unaudited)* £	**31 December** 2025 *(audited)* £
At start of period	46,587	-	-
Discount arising on issue	64,058	-	46,587
Discount unwound to finance costs	(16,207)	-	-
Discount extinguished on conversion	(8,616)		
At end of period	85,822	-	46,587

The Loan Notes pay interest at 12% per annum, on a quarterly basis, with the first two payments on 31 March 2026 and 30 June 2026 being capitalised and added to the loan principal. The Loan Notes are convertible at 3p per ordinary share at any time at the election of the Loan Note Holder. The Loan Notes are to be repaid in three tranches at the end of December 2027, the end of March 2028 and the end of June 2028.

The Loan Notes are a compound financial instrument under IAS 32. On initial recognition the liability component was measured at the present value of the contractual cash flows discounted at an effective interest rate of 15% per annum (coupon rate: 12% per annum), with the residual proceeds recognised as the equity component within the other equity reserve. The liability component is subsequently measured at amortised cost, the discount unwinding to finance costs over the life of the notes. At 30 June 2026 the equity component held within the other equity reserve was £102,029. The face value of the Loan Notes in issue was £1,888,258 and the carrying value of the liability component was £1,802,436, the difference of £85,822 representing the unamortised discount that will unwind to finance costs over the remaining term of the notes. During the period Loan Notes with a total value of £152,515 (comprising £143,899 of the liability component and £8,616 of the equity component) were converted into share capital.

10 Related party transactions

The Company's related parties comprise the Directors and the Company's non-consolidated investment entity subsidiaries, PXOG Marshall Limited, PXOG Massey Limited, PXOG Muirhill Limited and PXEN Tatra Sp. z o.o., together with UOG Italia S.r.l., held via PXOG Marshall Limited.

The following amounts, comprising interest-bearing loans advanced by the Company to its investment entity subsidiaries to fund their portfolio investments, were owed to the Company, and the following interest was charged on those loans during the period. The balances are included in trade and other receivables (Note 8) and the interest in finance income.

	Amounts owed by group undertakings			**Interest receivable in profit or loss**		
	30 June 2026	30 June 2025	31 December 2025	Six months to 30 June 2026	Six months to 30 June 2025	Year ended 31 December 2025
	£	£	£	£	£	£
PXOG Marshall Limited	786,603	2,466,290	1,656,303	66,002	151,030	239,504
PXOG Massey Limited	160	60	60	–	–	–
PXOG Muirhill Limited	9,672,532	6,686,585	8,719,390	445,524	270,608	669,201
UOG Italia S.r.l.	499,682	–	238,644	22,317	–	912
PXEN Tatra Sp. z o.o.	259,188	58,194	58,749	10,753	1,694	5,025
	11,218,165	**9,211,129**	**10,673,146**	**544,596**	**423,332**	**914,642**

During the period, Directors and their connected parties subscribed for £73,050 of the Convertible Loan Notes. At 30 June 2026, the Directors and their connected parties were owed £123,768 in respect of Convertible Loan Notes owned, which included capitalised interest of £6,968. Key management personnel comprise the Directors; total Directors' remuneration for the period was £204,583 (six months ended 30 June 2025: £140,417), which includes a share-based payment charge of £4,938.

11 Dividends

The directors do not propose to declare a dividend for the period.

12 Copies of interim results

Copies of the interim results can be obtained from the website www.prospex.energy. From this site you may access our financial reports and presentations, recent press releases and details about the company and its operations.

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as ''believe'', ''could'', "should" ''envisage'', ''estimate'', ''intend'', ''may'', ''plan'', ''potentially'', "expect", ''will'' or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

Such statements are based on current expectations and assumptions and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Persons receiving and reading this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, the Company does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.