MAYAN ENERGY LIMITED

Company Registered Number 1585070

ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2018

MAYAN ENERGY LIMITED

CORPORATE INFORMATION

Directors	Paolo G. Amoruso (appointed 05-Oct-18) Charles Wood James Doyle Mc Graw Sarah Cope (appointed 29-Nov-18) Eddie Gonzalez (resigned 05-Oct 18)
Company Number	1585070
Registered Office	Intertrust (BVI) Limited Nemours Chambers Road Town Tortola VG1110 British Virgin Islands
Bankers	Barclays Bank PLC One Churchill Place London E14 5HP
Independent Auditors	PKF Littlejohn LLP 1 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Hill Dickson The Broadgate Tower 20 Primrose Street London EC2A 2EW
Nominated Advisor	Beaumont Cornish Limited 10th Floor 30 Crown Place London EC2A 4EB
Brokers	Novum Securities 10 Grosvenor Gardens London SW1W 0DH

This is my first Chairman's Statement since my appointment as Non-Executive Chairman of the Company in October of 2018. I took on this role because I believed that with an effective corporate governance program and the implementation of fiscal and financial discipline to our decision making, Mayan's assets had the potential to deliver value to its shareholders. During the last seven months our CEO, Charlie Wood, and I have been systematically working to implement the necessary processes to deliver that value.

We began with a thorough self assessment of our finances and our assets, engaged strategic partners, cut unnecessary overhead, settled multiple outstanding claims and debts, and began the process of rebuilding the Company. I promised at the last shareholder's meeting that new additions to the board and management would only be implemented following a rigorous review and selection process. To that end, Sarah Cope came on board as a Non-Executive Director in December of 2018, bringing a depth of experience on governance matters and recently we announced as part of our acquisition of Attis Oil and Gas Ltd. ("Attis"), that Thom Board will be joining as Chief Operating Officer and Executive Director as well as Russell Lamming as a Non-Executive Director. Both Russell and Thom bring a wealth of experience in the energy arena and are highly experienced and respected executives.

On the asset side, our first priority was to capitalise on the opportunities identified across our core asset base following the comprehensive review Attis undertook over Mayan's existing portfolio of assets completed in December of 2018. The objective of this review was to high-rank our properties and determine the optimal allocation of our limited financial resources in order to maximise the Company's returns. The findings of this review led the Company to decide that the renamed Austin Field (a combination of the Austin Chalk field and the Stockdale field) and Zink Ranch would constitute our core portfolio. The Forest Hill field was determined to be non-core and we continue to assess our options with regards to those assets. Working alongside Attis, our attention was then focused on devising a development strategy with the primary aim of reworking our existing wells and recommencing production across the core US portfolio in the short term while keeping cost down to a minimum.

The portfolio review also confirmed that while the asset base is mainly comprised of late in life wells, the fundamentals of Mayan's core assets remain compelling and we believe that our operations team can unlock additional value. We also renegotiated the acquisition of the Austin Chalk well package from Smart Bit LLC in early January, reducing our cash constraints and increasing our interest in the field from 65% to 100% working interest in return for a 10% overriding royalty. We recently completed the initial rework of the Austin Field wells and are in the process of optimizing production while evaluating potential benefits of leasing and unlocking the Eagle Ford Shale formation. In Zink Ranch, following the settlement of our dispute with our operator, Glen Supply, we have begun the process with the Bureau of Indian Affairs ("BIA") in Osage County, Oklahoma, to transfer operatorship back to us. While this process can take up to 6 months or longer, we have an agreement in place with Glen Supply that allows us to begin work on the field. Zink Ranch consists of 18 active wells, a further 50 historic wells as well as two tank batteries and one gas sales point. We are currently on site evaluating the assets and implementing an initial workover in order to build production. Our current development plan is based on the same strategy as the Austin Field: evaluate the assets, conduct an initial workover and restart the wells, and, based on initial production numbers, begin a targeted workover strategy on the wells with the highest return potential. We believe that this plan will enhance the field's existing production through straightforward and low-cost initiatives.

As mentioned earlier, in conjunction with an operational review of our assets, we also undertook a rigorous assessment of the corporate governance and structure of the Company. This resulted in a significant cost cutting exercise that successfully reduced our overhead and established policies for good and effective corporate governance.

In order for us to grow, develop and become a revenue generative, producing oil and gas company, we recognised the importance of having an experienced, skilled team supporting both the operational and corporate parts of the business. The new additions to the Board complement well the existing skillsets and have resulted in a highly experienced Board. Further, the acquisition of Attis has provided the Company with an established, in-country operational team which significantly increases our depth of technical knowledge and experience.

The post period end acquisition of Attis Oil & Gas, a UK based, US onshore operator with a portfolio of producing gas wells in Texas neatly encapsulates what we have been looking to achieve. In terms of growing our assets, Attis's 50% joint venture ownership of the Fort Worth Field brings a portfolio of 98 producing gas wells in the Fort Worth field in Texas and increases our net acreage to 8,481 acres. In terms of revenues, the acquisition added 41 boepd to our overall production (at the time of acquisition) bringing the total to almost 100 barrels of oil equivalent per day and scaling up our monthly revenues to c. US$190,000. In terms of costs, acquiring Attis, our contract operator across all of our fields, made economic sense as we expect to save approximately US$20,000 per month due to the removal of current third-party operator fees. In terms of personnel, Attis brings an experienced oilfield operations team based out of Borger, Texas that will be invaluable as we manage the development of our assets, look to assess a number of additional internal development opportunities, and acquire additional properties. The acquisition of Attis is therefore an important step forward for Mayan as we focus on becoming profitable and growing our team and our assets in the US.

I am very pleased and proud of the progress we've made on all fronts in a very short period of time. The Board and management have been committed to turning Mayan around and believe now, with the addition of Thom and the operations team, we're poised to grow into a profitable business. The remainder of 2019 will be used to integrate our operations and begin to leverage the advantages provided to the Company through the acquisition of Attis in order to materially grow production and enhance our portfolio further.

I would like to take this opportunity to thank our team of advisors, my fellow Board members, and our shareholders for their patience and commitment to the Company at this pivotal moment in our history. I look forward to providing updates to shareholders throughout the year with regards to our progress.

Financial Review
The Company has reported a gross loss for the year of US$3,211,000 (2017: loss US$3,836,000). This loss, along with a reduction in the Company's gross assets from 2017, can largely be attributed to the impact of impairments against the financial assets. This gives rise to a loss per share of US$ 0.24 cents (2017: US$ 1.86 cents).

We were able to raise £4.086 million through a combination of brokered and internally organised fund raises and placings.

Outlook
This year has not been without significant challenges and accordingly, some difficult decisions had to be made regarding Mayan's management, portfolio, and strategy. We relinquished our interest in the Shoats Creek Field in Louisiana and shut down production as we re-assessed our asset base. Based on the third party study conducted by Attis Oil and Gas, we are exploring options with regard to our Forrest Hill assets. We released all of our employees in the US as we sought to reduce our burn rate, thightly control our finances, and implement effective fiscal policies and corporate governance. We renegotiated contracts, settled numerous outstanding claims and potential lawsuits with creditors, closed more than 15 dormant entities, started preparing and filing US tax returns for the last four years, and began the process of settling outstanding liabilities with the US Internal Revenue Service

for employment taxes. Post period end we filed the outstanding tax returns, paid the employee taxes to the IRS, further consolidated our entities and balance sheet, and resumed workovers in the Austin Field and Zinc Ranch.

All of this came at a cost. While we significantly cut expenses, salaries and overhead, we were forced to sell our shares in Block Energy at a loss and had to further dilute our shareholders in order to raise funds to settle claims and resume operations. Through this, Mayan has emerged a completely different company that ultimately led us to the post period end acquisition of Attis Oil and Gas. We feel that we're better equipped to grow with a stronger management, board, and a solid portfolio of development assets in Texas and Oklahoma, as well as additional exploration opportunities. We believe that this platform provides us with the opportunity to grow Mayan into a profitable company in the coming year. We further believe that our investment in Petroteq Energy is poised to yield significant returns for the Company. While its share price has been under pressure lately due to production delays and share dilutions to acquire prospective acreage, we continue to believe in the technology and the progress made to date. Our investment wasn't based on a 6 or 12 month horizon, but rather to provide us with a solid investment in what we believe to be ground-breaking technology. Further, we hold 1,035,233 warrants with a three year expiration date that we hope will also allow Mayan to further expand its position.

Having taken over the role of Chairman of Mayan in October of 2018, I would like to take this opportunity to sincerely thank our shareholders for their continued commitment to Mayan and the trust they placed on us to bring in a solid management and operational team and in turn re-build this company with the goal of becoming profitable during the coming year.

Paolo G. Amoruso
Non Executive Chairman
10 June 2019

The Directors present their report and the audited financial statements for the year ended 31 December 2018.

Principal activities, business review and future developments

The principal activity of Mayan Energy is the redevelopment and enhancement of its upstream oil and gas interests in Oklahoma and Texas. In addition, the Group has made an investment in Petroteq Energy Inc., (TSXV:PQE) a Toronto Stock Exchange listed company focused on the development and implementation of proprietary technologies for the environmentally safe extraction of heavy oil sands, oil shale deposits, and shallow oil deposits. Further details on the activities of the Group are provided in the Chairman and Chief Executive's report.

Results and dividends

Loss on ordinary activities after taxation for the year to 31 December 2018 amounted to US$3,211,000 (2017: US$3,836,000). The Directors do not recommend payment of a dividend (2017: US$ Nil).

Key Performance Indicators ('KPI's)

The Board monitors the activities and performance of the Group on a regular basis. During the year the principal focus of the Group was Oil and Gas exploration and development.

The KPI's being employed by the Group as at the date of this report were as follows:

	2018 **$'000**	**2017** **$'000**
Cash and cash equivalents	143	803
Well expenditure	532	491
Financial assets at fair value through profit or loss	419	1,626

The Group did not monitor any further material KPIs.

Risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's long term performance and could cause actual results to differ from results.

Risks	Mitigation
Not achieving growth - Expansion of the business of the Company may place additional demands on the management, administrative and technological resources, and may require additional capital expenditure. If the Company is unable to manage any such expansion effectively, then this may adversely impact the business, future development, financial condition, results of operations, prospects, profits, cash flow and reputation of the Company. The Company's growth and future success will be dependent to some extent on the successful completion of such expansion strategies proposed to be undertaken. The execution of the Company's expansion	The Directors continuously monitor the growth of the Group's business and endeavour to ensure that it has adequate resources and finances in place in order to be able to execute it's expansion strategy on a timely basis.

strategies may also place a strain on its managerial, operational and financial reserves. Should the Company fail to implement such expansion strategies, the Company's business operations, financial performance and prospects may be adversely affected.	
Movement in gas and crude oil prices - Changes in commodity pricing may affect the value of the Company's natural gas and oil reserves, operating cash flow and adjusted EBITDA regardless of operating performance. The Company could be affected by unforeseen events outside of its control including economic and political events and trends, inflation and deflation, terrorist attacks or currency exchange fluctuation. The combined effect of these factors is difficult to predict and the Company could be affected adversely by changes in economic, political, administrative, taxation or other regulatory factors in any jurisdiction in which the Company may operate. Deterioration in the economic climate could result in a delay or cancellation of the Company's plans and strategies.	The Directors monitor closely the price of gas and crude oil prices as well as general economic conditions and taxation regulations in an effort to ensure that the Group operates legally and as efficiently as possible given changing economic conditions.
Environmental and Regulatory risk - The Group's operations are subject to environmental regulation in all the jurisdictions in which it operates. The Group is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would adversely affect the Group's operations. There can be no assurance that such new environmental legislation once implemented will not oblige the Group to incur significant expenses and undertake significant investments.	The Directors actively monitor the environmental and regulatory landscape in each of the jurisdictions in which it operates. The advice of independent professionals on environmental and regulatory matters is sought when required.
Ability to raise funds - The development of the Company's properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Company's properties from time to time, or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company's share price.	Detailed cash forecasts are prepared frequently and reviewed by management and the Board. The Board monitors the Company's share price as well as the availability of funding through the relevant capital markets and endeavours to time the placing of Mayan shares in the market to the best possible advantage of existing shareholders.

Sub-surface assessment and reserve resource estimation – The nature of oil & gas exploration and development is such that sub-surface assessment and reserve resource estimation may be inaccurate resulting in unsuccessful drilling.	This risk is mitigated by the experience of the expert technical consultants and sub-contractors retained by the Company and the knowledge acquired by the Company from production to date.

Financial Risk Management

The Group's operations expose it to a variety of financial risks that include the effect of changes in debt market prices and foreign currency exchange rates, credit risk and liquidity risk. The Group has a risk management programme in place that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate or foreign exchange costs and, as such, no hedge accounting is applied. Details of the Group's financial risk management policies are set out in Note 8 to the Financial Statements.

Internal Controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. The Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented.

Corporate governance

The Group seeks to comply with the provisions of the QCA's Corporate Governance Code for Small and Mid-Size Quoted Companies to the extent that the directors believe it is appropriate in light of the size, stage of development and resources of the Group. Please refer to Mayan's website www.mayanenergy.co.uk for a copy of the Group's QCA statement. At present, due to the size of the Group, audit and risk management issues will be addressed by the Board. As the Group grows, the Board will consider establishing an audit and risk management committee and will consider developing further policies and procedures which reflect the principles of good governance.

Going Concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusions thereon are included in Note 2.4 to the Financial Statements.

Provision

The Group has incurred payroll tax liabilities dating back to 2014, which are included in trade and other payables and provisions. The Group has also estimated the additional amounts which will be payable to the US State in terms of penalties and interest. It is envisaged that this liability will be settled during 2019.

Events after the reporting date

These financial statements were approved on 10 June 2019; See Note 22 for details of events after the reporting date.

Directors and directors' interests

The following Directors held office during the year:

Director	Date of Appointment	Date of Resignation
Executive Directors:		
Charlie Wood	14-May-10	-
Eddie Gonzalez	01-Sep-16	05-Oct-18
Non-Executive Directors		
Paolo G. Amoruso (Chairman)	05-Oct-18	-
JD Mc Graw	01-Sep-16	-
Sarah Cope	29-Nov-18	-

As at the date of the financial statements, the beneficial and non-beneficial interests in the Group's shares of the Directors and their families, that were reported by the Directors who were in office at the date of approval of the financial statements are as follows:

	31-Dec-18		31-Dec-17	
Director	**Shares**	**Options**	Shares	Options
Charlie Wood	2,623,701	23,326,718	2,623,701	750,000
JD Mc Graw	2,564,102	-	2,564,102	375,000

As at 31 December 2018 the Directors held 0.35% (31 December 2017 2.52%) of the issued share capital of the Company.

Details of the Directors' remuneration are given in Note 7 to the Financial Statements.

Directors' third-party indemnity provisions

During the year under review the Group did not provide any third-party indemnity provisions.

Provision of information to auditors

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office.

This report was approved by the Board and signed on its behalf by:

Charlie Wood
Chief Executive Officer
10 June 2019

STATEMENT OF DIRECTORS RESPONSIBLITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with the applicable law and regulations.

The Directors are required to prepare financial statements for each financial year. The Directors have elected to prepare the Group Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group. 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 Group's website. The Group is compliant with AIM Rule 26 regarding the Group's website.

Charlie Wood
10 June 2019

Opinion

We have audited the financial statements of Mayan Energy Limited (the 'Group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the AIM rules for Companies.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our application of materiality

The materiality applied to the financial statements was US$62,000 (2017: US$103,000), based on a calculation of 3% of gross assets. We apply the concept of materiality both in planning and performing the audit and evaluating the effect of misstatements. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of the audit and the extent of the sample sizes during the audit.

An overview of the scope of our audit

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The Group's accounting function is split between the UK and the US. Our audit work was performed on a consolidated basis with a focus on those entities where key balances were held. All audit work was undertaken from the UK.

Key audit matters

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

Key Audit Matter	How the scope of our audit responded to the key audit matter
Valuation of Financial Assets at fair value through profit or loss The Group holds financial assets held at fair value through profit or loss of US$419,000. There is the risk that these investments are not valued correctly.	We confirmed ownership of the investments held during the period; We reviewed the valuation methodology for each type of investment held and ensured that the carrying values were appropriately supported; We reviewed the calculation for the disposal of shares in Block Energy and ensured that the loss on disposal was calculated appropriately; and We tested the disclosures made within the financial statements to ensure compliance with IFRS.
Property, Plant and Equipment ("PPE") **The key balance within PPE are the Oil and Gas assets held by the Group of US$1,522,000 and represent the core revenue generating asset of the Group.** **There is the risk that these assets are impaired.**	We ensured that the Company had good title to the PPE assets held; We discussed the plans for the assets owned; and We considered whether or not there were any indications of impairment to these assets and challenged managements assumptions thereon.

Provisions **Material provisions of US$847,000 are included within the financial statements which relate to decommissioning, tax liabilities and other matters which are all subject to managements estimation.**	We assessed the provisions to ensure that they met the IFRS recognition criteria; We reviewed calculations prepared by management and challenged the inputs thereto; and We ensured that the disclosures within the financial statements were in accordance with IFRS.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, 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 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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of this report

This report is made solely to the company's members, as a body, in accordance with our letter of engagement. 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.

Joseph Archer (Engagement Partner)
For and on behalf of PKF Littlejohn LLP
Registered Auditor
10 JUNE 2019

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MAYAN ENERGY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2018

	Notes	Year to 31 December 2018 US$ 000's	Year to 31 December 2017 US$ 000's
Continuing operations			
Revenue	**4**	**104**	30
Cost of sales		**(403)**	(237)
Gross loss		**(299)**	(207)
Administrative expenses			
Impairment of property, plant and equipment	**10**	**-**	(2,064)
Impairment of financial assets at fair value through profit or loss	**12**	**(1,126)**	-
Loss on sale of financial assets at fair value through profit or loss	**12**	**(129)**	-
Other administrative expenses	**6, 7**	**(1,659)**	(1,449)
Total administrative expenses		**(2,914)**	(3,513)
Operating loss		**(3,213)**	(3,720)
Other Income		**19**	-
Finance Income	**3**	**-**	4
Finance costs	**3**	**(17)**	(120)
Loss before income tax		**(3,211)**	(3,836)
Income tax	**9**	**-**	-
Loss after tax for the year		**(3,211)**	(3,836)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		**(12)**	(528)
Total comprehensive income for the year		**(3,223)**	(4,364)

			Restated for post consolidation
Earnings per share		**US cents**	US cents
-Basic & diluted (US cents per share)	**5**	**(0.24)**	(1.86)

The accounting policies and Notes on pages 19 to 45 form part of these Financial Statements.

MAYAN ENERGY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2018

	Note	**31 December 2018 US$ 000's**	31 December 2017 US$ 000's
ASSETS			
Non-current assets			
Property, plant and equipment	**10**	**1,522**	990
Total non-current assets		**1,522**	990
Current assets			
Trade and other receivables	**11**	**43**	320
Financial assets at fair value through profit or loss	**12**	**419**	1,626
Cash and cash equivalents		**143**	803
Total current assets		**605**	2,749
TOTAL ASSETS		**2,127**	3,739
LIABILITIES			
Current liabilities			
Trade and other payables	**13**	**(767)**	(893)
Provisions	**16**	**(284)**	(588)
Total current liabilities		**(1,051)**	(1,481)
Non-current liabilities			
Provisions	**16**	**(563)**	(663)
Total non-current liabilities		**(563)**	(663)
TOTAL LIABILITIES		**(1,614)**	(2,144)
NET ASSETS		**513**	1,595
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	**15**	**-**	-
Share premium	**15**	**40,789**	38,946
Foreign exchange reserve	15	**(125)**	(113)
Revenue acquisition reserve	15	**(8,202)**	(8,202)
Retained losses	15	**(31,949)**	(29,036)
TOTAL EQUITY		**513**	1,595

The Financial Statements were approved and authorised for issue by the Board of Directors on 10 June 2019 and were signed on its behalf by

Charlie Wood
Chief Executive Officer
The accounting policies and Notes on pages 19 to 45 form part of these Financial Statements.

MAYAN ENERGY LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2018

	Attributable to the owners of the parent							
	Share capital	**Share premium**	**Foreign currency translation reserve**	**Reverse acquisition reserve**	**Retained losses**	**Sub total**	**Non – controlling interests**	**Total**
	US$ 000's	US$ 000's	US$ 000's	US$ 000's	US$ 000's	US$ 000's	US$ 000's	US$ 000's
Balance as at 1 January 2017	**-**	**33,126**	**415**	**(8,202)**	**(25,832)**	**(493)**	**307**	**(186)**
Loss for the year	-	-	-	-	(3,836)	(3,836)	-	(3,836)
Other comprehensive income for the year-currency translation differences	-	-	(528)	-	-	(528)	-	(528)
Total comprehensive income	-	-	(528)	-	(3,836)	(4,364)	-	(4,364)
Share capital issued	-	6,705	-	-	-	6,705	-	6,705
Cost of share issue	-	(560)	-	-	-	(560)	-	(560)
Cost of share issue -issue of warrants	-	(325)	-	-	325	-	-	-
Reversal of NCI on disposal of interest	-	-	-	-	307	307	(307)	-
Total transactions with owners, recognised directly in equity	-	5,820	-	-	632	6,452	(307)	6,145
Balance as at 31 December 2017	**-**	**38,946**	**(113)**	**(8,202)**	**(29,036)**	**1,595**	**-**	**1,595**
Loss for the year	-	-	-	-	(3,211)	(3,211)	-	(3,211)
Other comprehensive income for the year – currency translation differences	-	-	(12)	-	-	(12)	-	(12)
Total comprehensive income for the year	**-**	**-**	**(12)**	**-**	**(3,211)**	**(3,223)**	**-**	**(3,223)**
Share capital issued	-	2,211	-	-	-	2,211	-	2,211
Cost of share issue	-	(70)	-	-	-	(70)	-	(70)
Cost of share issue -issue of warrants	-	(298)	-	-	298	-	-	-
Total transactions with owners, recognised directly in equity	**-**	**1,843**	**-**	**-**	**298**	**2,141**	**-**	**2,141**
Balance as at 31 December 2018	**-**	**40,789**	**(125)**	**(8,202)**	**(31,949)**	**513**	**-**	**513**

The accounting policies and Notes on pages 19 to 45 form part of these Financial Statements.

MAYAN ENERGY LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2018

	Notes	**Year to 31 December 2018 US$ 000's**	Year to 31 December 2017 US$ 000's
Cash flows from operating activities:			
Loss for the year before taxation		**(3,211)**	(3,836)
Adjustments for:			
Impairment	**10,12**	**1,126**	2,064
Finance cost	**3**	**17**	120
Finance income	**3**	**-**	(4)
Loss on sale of disposal of financial assets at fair value through profit or loss	**12**	**129**	-
Share based payments		**125**	-
Foreign exchange		**(36)**	(236)
Change in working capital items:			
Decrease in inventories		**-**	31
(Increase)/Decrease in trade and other receivables	**11**	**(7)**	38
Decrease in trade and other payables	**13**	**(60)**	(642)
Net cash outflow used in operating activities		**(1,917)**	(2,465)
Cash flows from investing activities			
Purchase of Investments		**-**	(1,035)
Purchases of property, plant, and equipment	**10**	**(302)**	(491)
Proceeds from disposal of financial assets at fair value through profit or loss		**260**	-
Net cash used in investing activities		**(42)**	(1,526)
Cash flows from financing activities			
Proceeds from issue of share capital		**1,386**	5,315
Share issue costs		**(70)**	(560)
Net finance costs	**3**	**(17)**	(116)
Net cash inflow from financing activities		**1,299**	4,639
Net (decrease)/increase in cash and cash equivalents		**(660)**	648
Cash and cash equivalents at beginning of year		**803**	155
Cash and cash equivalents at end of year		**143**	803

Major Non-Cash Transactions

Directors fees of US$ 150,000 were settled through share based payments.

Part of the payment for the 5 Austin Chalk wells acquisition was settled through the issuance of shares valued at $US 230,000.

Payments for operating costs totalling USD$ 125,000 were settled through the issue of equity.

Creditors of USD$ 320,000 were settled through the issue of equity.

Refer to note 17 for further detail.

The accounting policies and notes on pages 19 to 45 form part of these Financial Statements.

1. General Information

The principal activity of Mayan Energy Limited ('The Group') during the year was as an oil & gas exploration and production business focussed in the United States of America. The Group was incorporated in the British Virgin Islands on 13 May 2010 as a private limited company with the name Everest Energy Limited. As at the year end, the Group was domiciled in the British Virgin Islands and listed on the AIM market of the London Stock Exchange.

Summary of significant accounting policies

2.1. Basis of Preparation

The Consolidated Financial Statements have been prepared under the historical cost convention, as modified for financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations, as adopted by the EU. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

The Consolidated Financial Statements are presented in thousands of US Dollars (US$ 000's). US Dollars is also the functional currency.

2.2 New standards, amendments and interpretations adopted by the Group

At the date of authorisation of these financial statements, the following standards and interpretations, were in issue but not yet effective, and have not been early adopted by the Group:

standard / interpretation	impact on initial application	effective date
IFRS 16	Leases	1 January 2019
Annual Improvements to IFRSs: 2014-2016 Cycle	Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates	1 January 2017 (IFRS 12)* / 1 January 2018 (IFRS 1 and IAS 28)
IFRIC Interpretation 23	Uncertainty over Income Tax treatments	1 January 2019

**Effective dates provided are the IASB effective dates. EU effective dates are yet to be confirmed.*

Whilst the Directors do not anticipate the adoption of these standards and interpretation in future reporting periods will have a material impact on the Group's financial statements.

New standards implemented in the period

New and amended standards mandatory for the first time for the year beginning 1 January 2018

The following new IFRS standards and/ or amendments are mandatory for the first time of the Company:

- IFRS 9 – Financial Instruments (effective 1 January 2018)
- IFRS 15 – Revenue (effective 1 January 2018)
- IFRS 2 (amendments) – Share based payments – classification and measurement (effective 1 January 2018)
- Annual Improvements 2014-2016 Cycle

- IFRIC Interpretation 22 – Foreign currency transactions and advanced consideration (effective 1 January 2018)

IFRS 9 became effective for all periods beginning on or after 1 January 2018 and as such is relevant for the year ended 31 December 2018. IFRS 9 impacts the recognition, classification and measurement and disclosures of financial instruments. The financial instruments held in the Group are financial assets at fair value through profit or loss, trade and other receivables and payables. Financial assets at fair value through profit or loss are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Under IFRS 9 trade and other receivables and payables should continue to be measured at amortised cost and as such there is no changes in the numbers presented under the old standards.

IFRS 15 became effective for all periods beginning on or after 1 January 2018 and as such is relevant for the year ended 31 December 2018. The Company has elected to apply the 'modified retrospective' approach to transactions permitted by IFRS 15 under which the comparative financial information is not restated. Given the nature of Mayan's oil marketing and sales arrangements with control passing to the customer upon transfer of physical possession, Mayan principally satisfies its performance obligations at a point in time as opposed to over a period of time. Therefore, the accounting of revenue under IFRS 15 did not have a material effect on the Group's financial statements as at 1 January 2018 and so no transition adjustment has been made. The Standard has not had a material impact on the Group's accounting policy in respect of revenue as previously disclosed in the 2017 financial statements.

Revenue from contracts with customers is presented in Note 4. Amounts presented for comparative periods in 2017 include revenue determined in accordance with the Group's previous accounting policies relating to revenue. The total amounts presented do not, therefore, represent the revenue from contracts with customers that would have been reported for those periods had IFRS 15 been applied using a fully retrospective approach to transaction, , as there would have been no impact.

Of the other IFRSs and IFRICs, none are expected to have a material effect on future Company financial statements.

2.3 Basis of Consolidation

The consolidated Financial Statements consolidate the Financial Statements of Mayan Energy Limited and the Financial Statements of its subsidiary undertakings made up to 31 December 2018.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the Statement of Comprehensive Income. Any investment retained is recognised at fair value at the date when control is lost.

The group comprises of the following entities:

Name	Interest	Country of Incorporation	Nature of Business
Direct			
Mayan Energy Limited	100%	Cayman Islands	Holding Company
Indirect			
Northcote USA Inc.	100%	USA	Holding Company of USA Interests
Northcote Services LLC*	100%	USA	Administrative Company
Mayan Energy USA LLC	100%	USA	Administrative Company and holds Austin Field and Forrest
Northcote Oklahoma LLC*	100%	USA	
Oklahoma Energy LLC*	100%	USA	
Northcote Cleveland LLC*	100%	USA	Holds Zink Ranch interest
Northcote Osage LLC*	100%	USA	Dormant
NAP USA Inc.	100%	USA	Dormant

Name	Interest	Country of Incorporation	Nature of Business
Northcote Energy Mexico S de RL de CV LLC *	100%	Mexico	Dormant
Mayan Drilling Fluids S.A.P.I. de CV *	100%	Mexico	Dormant
Springer Energy Development LLC *	33%	USA	General Partner of Springer Energy Partners, LP

**An LLC is not a corporation, but is a legal form of company that affords limited liability to Northcote, its owner and general manager.*
***An LP is not a corporation, but is a legal form of partnership that affords the partners limited liability and is managed by a general manager.*
Registered office for Cayman registered company: Nemours Chambers, Road Town, Tortola, VG1110 BVI
Registered office for USA registered companies: 8584 Katy Fwy, Suite 103, Houston, TX 77024
Registered office for Mexico registered companies: Rio Panuco 43, Col. Cuauhtemoc, Mexicom D.F. 06500

Except for entities connected with the Texas and Oklahoma assets, the majority of the companies are dormant and it is the Group's intention to move to liquidate them or strike them off in the near term.

2.4 Going Concern

The financial statements have been prepared assuming the Group will continue as a Going Concern. This assessment has been made on the Group's economic prospects in its financial forecasts. In assessing whether the going concern assumption is appropriate the Directors have taken into account all available information for the foreseeable future; in particular for the 12 months from the date of approval of the financial statements. This includes:

- future cash flows based on management prepared forecasts;
- receipt of monies from oil and gas sales; and
- successful settlement of interest and penalties for unpaid payroll taxes.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, can continue to adopt the going concern basis of preparation in these financial statements.

The Financial Statements do not include any adjustments that may be required should the Group be unable to continue as a going concern.

2.5 Operating segments

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments, whilst it is the Directors of the Group that make the strategic decisions and have been designated as the CODM.

2.6 Financial assets

a) Classification

The Group has classified all of its financial assets as loans and receivables or available for sale financial investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and include investments the Board of Directors expect to trade within the next 12 months. Details of these assets and their fair value is included in note 8.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position. Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method, less provision for impairment.

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset, or a group of financial assets, is impaired. A financial asset, or a group of financial assets, is impaired, and impairment losses are recognised, only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated.

The criteria that the Group uses to determine whether there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor; and
- a breach of contract, such as a default or delinquency in interest or principal repayments.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been

incurred), discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced, and the loss is recognised in the Statement of Comprehensive Income.
If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the Statement of Comprehensive Income.

b) Recognition and measurement

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Income Statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available for sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Statement of Comprehensive Income as 'disposal of financial assets at fair value through profit or loss' in the period in which they arise.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash. Cash equivalents are highly liquid amounts that are readily convertible to a known amount of cash.

2.8 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method.

2.9 Equity

Equity comprises the following:

- "Share premium" represents the premium paid on Ordinary Shares issued of no par value
- "Foreign currency translation reserve" includes movements that relate to the retranslation of the subsidiaries whose functional currencies are not the US Dollar.
- "Reverse acquisition reserve" represents the reserve created in respect of the reverse acquisition difference between the equity structure of the legal parent and the acquired entity.
- "Retained earnings" represents retained profits or losses.

2.10 Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under significant influence of related parties of the Group where those parties are individuals, and any entity that is a related party of the Group.

2.11 Foreign Currency Translation

Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Financial Statements are presented in US Dollars (US$). The parent company's functional currency is Pounds Sterling (£) and the subsidiary entities functional currency is US Dollars (US$). On consolidation of entities with a non-US Dollar presentational currency, their statements of financial position are translated into US Dollar at the closing rate and income and expenses at the average monthly rate. Share capital is translated into the presentational currency of the Group (US$) using the exchange rate prevailing at the dates of the transactions.

All resulting exchange differences arising in the period are recognised in other comprehensive income, and cumulatively in the Group's translation reserve. Such translation differences are reclassified to profit or loss in the period in which any such foreign operation is disposed of.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Consolidated Statement of Comprehensive Income.

2.12 Share based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The equity-settled share-based payments are expensed to the consolidated statement of comprehensive income.

Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received on a straight line basis over the vesting period based on the Group's estimate of shares that will eventually vest, except where it is in respect to costs associated with the issue of equity, in which case it is charged to the share premium account.

2.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefit will flow to the entity. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue represents the sale value of the Group's share of oil and the income from technical services to third parties. Revenues are recognised when crude oil has been lifted and title passed to the buyer or when services are rendered. Under Mayan's oil marketing and sales arrangements control passes to the customer upon transfer of physical possession, and as such Mayan principally satisfies its performance obligations at a point in time as opposed to over a period of time.

2.14 Taxation

Income tax expense represents the sum of the current tax payable and deferred tax. The current tax payable is based on taxable profit for the year. Taxable profit or loss differs from net profit or loss as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Tax is charged or credited in the consolidated statement of comprehensive income, except when it relates to items charged or credited directly to equity or in other comprehensive income, in which case the tax is also dealt with in equity or other comprehensive income respectively. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit or loss. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates and laws substantively enacted by the reporting date. Deferred tax assets and liabilities are offset when there exists a legal and enforceable right to offset and they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.15 Business combinations

Except as described below, the acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the criteria for recognition under IFRS 3 (Revised) are recognised at their fair value at the acquisition date. Acquisition costs are expensed.

Mayan Energy Limited (formerly Northcote Energy Limited) was incorporated as an investment vehicle focussed on the completion of a natural resources acquisition.

On 14 January 2014, the Company acquired 100% of the issued share capital of Northcote Energy Limited, Cayman Islands ("Northcote CI"), a US focussed on-shore oil and gas Group, for a consideration of US$ 10.4 million to be satisfied by the issue of 645,084,519 new Shares to the Sellers.

In accordance with IFRS 3 (Revised) the acquisition represented a reverse acquisition. As a reverse acquisition, the acquisition date fair value of the consideration transferred by Northcote Energy Limited was based on the number of equity instruments that Northcote CI would have had to issue to the owners of Northcote Energy Limited to give the owners of Northcote Energy Limited the same percentage of equity interests that result from the reverse acquisition.

The cost of the combination was calculated using the fair value of all the pre-acquisition issued equity instruments of Northcote Energy Limited at the date of acquisition. The fair value of the share consideration was based on the latest share transaction of Northcote Energy CI from October 2012 of £0.17 immediately prior to the acquisition. Goodwill of US$ 1,273,000 was expensed immediately on acquisition and all the acquisition related costs were also expensed in accordance with IFRS 3 (Revised).

2.16 Property, plant and equipment – ("D&P Assets")

Capitalisation

D&P Assets are accumulated into single field cost centres and represent the cost of developing the commercial reserves and bringing them into production. From time to time different scenarios occur that call for specific policy guidance.

The following specific policies are applied by the Group:

- CGUs ("Cash Generating Units") – The Group has defined its CGUs as assets or groups of assets representing the smallest identifiable segments generating cash flows that are largely independent of cash flows from other assets or groups of assets. As defined, each CGU includes the relevant properties, wells, facilities, pipelines and other key components of the included operations.
- Dry Hole Costs – Dry hole costs are included in the capitalised costs of the field and would therefore be included in any impairment tests conducted, as described below.
- Water Injection/Disposal Wells – The Group may convert an existing well into a water injection or disposal well. At the time of conversion, all costs associated with the asset are transferred to facility costs. Any capitalisable costs incurred thereafter will be included as facility costs.
- Allocated Costs – Costs such as G&G, Seismic, Capitalised General and Administrative costs, financing costs, etc. which may cover multiple countries, business segments, CGUs or other assets will be allocated to the appropriate CGUs during the period in which the costs were incurred.

Impairment of D&P Assets

A review is performed for any indication that the value of the Group's D&P assets may be impaired such as:

- significant changes with an adverse effect in the market or economic conditions; or
- obsolescence or physical damage of an asset; an asset becoming idle or plans to dispose of the asset before the previously expected date; or
- evidence is available from internal reporting that indicates that the economic performance of an asset is or will be worse than expected.

For D&P assets when there are such indications, an impairment test is carried out at a CGU level.
When an impairment is identified, the depletion is charged through the statement of comprehensive income if the net book value of capitalised costs relating to the cash generating unit exceeds the associated estimated future discounted cash flows of the related commercial oil reserves.

The Group accounts for D&P assets in accordance with the provisions of IAS 16 following the full cost accounting principles. The Group will continue to monitor the application of its policy with respect to any future guidance on accounting for oil and gas activities which may be issued.

Workovers/overhauls and maintenance

From time to time a workover, overhaul or maintenance of existing D&P assets is required, which normally fall into one of two distinct categories. The type of workover dictates the accounting treatment and recognition of the related costs:

Capitalisable costs

Costs will be capitalised where the performance of an asset is improved, where an asset being overhauled is being changed from its initial use, the assets useful life is being extended, or the asset is being modified to assist the production of new reserves. The asset will then be subject to depreciation.

- If the workover is being performed on an asset which has been the subject of a previous workover, the net book value of costs previously capitalised will be derecognised and charged to cost of sales at the same time as the subsequent capitalisable workover expenditures are being recognised as part of the asset's revised carrying value.
- If the workover replaces parts, equipment or components of an asset or group of assets, and these replacement items qualify for capitalisation, then the original cost of those parts or equipment, including related installation and set up costs that were capitalised as part of the original asset, will be derecognised and charged to cost of sales in the consolidated statement of comprehensive income. In the event that the original cost of parts, equipment or components being replaced are not reasonably identifiable, the cost of the new items, adjusted for inflation, may be deemed adequate for consideration as the original cost.

Non-capitalisable costs

Expense type workover costs are costs incurred such as maintenance type expenditures, which would be considered day-to-day servicing of the asset. These types of expenditures are recognised within cost of sales in the consolidated statement of comprehensive income as incurred. Expense workovers generally include work that is maintenance in nature and generally will not increase production capability through accessing new reserves, producing from a new zone or significantly extend the life or change the nature of the well from its original production profile.

Decommissioning

Provision is made for the cost of decommissioning assets at the time when the obligation to decommission arises. Such provision represents the estimated liability for costs which are expected to be incurred in removing production facilities and site restoration at the end of the producing life of each field.

2.17 Critical Accounting Estimates and Judgements

Use of Estimates and Judgements
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

A) Carrying value of Property, Plant and Equipment (Note 10)

At 31 December 2018, mineral leases and capitalised daily costs and equipment on producing properties have a total carrying value of US$ 1,522,000 (2017: US$ 990,000). Management tests annually whether the assets have future economic value in accordance with the accounting policies. These assets are also subject to an annual impairment review.

The recoverable amount of each property has been determined based on judgement surrounding oil and gas price (circa US$50-60) per barrel and the expectated timing as to when the wells will commence production (circa May 2019). These estimates and judgements are subject to uncertainty and changes in circumstance may impact the recoverable amount.

B) Decommissioning provision (Note 16)

The Group has decommissioning obligations in respect of its interests. The full extent to which a provision is required depends on the legal requirements at the time of decommissioning, the costs and timing of any decommissioning works.

The decommissioning provision is updated each year to reflect management's best estimates based on the current economic environment of the key assumptions used. Actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required, which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the fields cease to produce at economically viable rates. This in turn will depend upon future oil and gas prices, which are inherently uncertain.

The key inputs used by Management in calculating the decommissioning provision are the number of wells both currently and previously in production, for which at the end of the life of the well the Group will have the obligation to plug and abandon, and the estimated cost per well of plugging and abandoning the well. Senior technical personnel estimate the per well decommissioning cost based on previous cost history as well as knowledge of the current market cost environment.

C) Share based payments (Note 14)

The Group has made awards of options and warrants over its unissued capital. The valuation of these options and warrants involves making a number of estimates relating to price volatility, future dividend yields, expected life and forfeiture rates. Options and warrants are valued using the Black Scholes method. Volatility is calculated by measuring the historical volatility of the Company's share price over the life of the option or warrant. This volatility measurement method is normal accepted industry practise and Management deems it appropriate to adopt for Mayan.

D) Payroll tax provision (Note 16)

The Group has payroll tax liabilities dating back to 2014 which are included in trade and other payables and provisions.

The Group has estimated the additional amounts which will be payable to the US State in terms of penalties and interest in terms of the penalties due as follows:

- Failure to file (25% per year)
- Failure to deposit (10% per year)
- Interest on payable (0.5% per month)

E) Financial assets at fair value through profit or loss (Note 12)

Financial assets at fair value through profit or loss have a carrying value of $419,000 at 31 December 2018 following equity share acquisitions in the year. An impairment charge of $1,126,000 (2017: Nil) has been recognised in the year.

The Group follows the guidance of IFRS 9 to determine when a financial asset at fair value through profit or loss is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of the short-term business outlook for the investee, including factors such as industry and sector performance and operational and financing cash flow.

3. Finance income and Finance costs

	2018	2017
Finance income	**US$ 000's**	US$ 000's
Income on cash and cash equivalents	**-**	4
	-	4

	2018	2017
Finance costs	**US$ 000's**	US$ 000's
Bank charges and finance expense on borrowings	**17**	120
	17	120

4. Segmental analysis

As the Group made investments during the year in order to commence the establishment of a strategic portfolio of investments in listed and unlisted entities in the oil and gas sector, the Directors believe the operations of the Group now comprise two operating segments. The other segment comprising the production, development and sale of hydrocarbons and related activities in the USA.

Information per the segments reportable to the Chief Operating Decision Maker are as follows:

2018	**USA** **$ 000's**	**Investments** **$ 000's**	**Total** **$ 000's**
Revenues	104	-	104
Interest expense	17	-	17
Impairment of assets	-	1,126	1,126
Reportable segment assets	1,708	419	2,127
Reportable segment liabilities	1,614	-	1,614

2017	**USA** **$ 000's**	**Investments** **$ 000's**	**Total** **$ 000's**
Revenues	30	-	30
Interest expense	120	-	120
Impairment of assets	2,064	-	2,064
Reportable segment assets	1,829	1,910	3,739
Reportable segment liabilities	2,144	-	2,144

The comparative segmental analysis related to one segment only being the production, development and sale of hydrocarbon and related activities in the USA. As said, this is the same as the information in the prior year primary statements and supporting notes. As such no separate analysis is shown here.

Revenue sales are all made to one key customer (2017: one key customer).

5. Earnings per Share

Basic earnings per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Earnings per share	**2018** **US$ 000's**	2017 US$ 000's
Loss attributable to owners of the parent	**(3,211)**	(3,836)
Weighted average number of ordinary shares in issue	**1,312,110,098**	206,124,133
Earnings per share (cents)	**(0.24)**	(1.86)

In accordance with International Accounting Standard 33 'Earnings per share', no diluted earnings per share is presented as the Group is loss making.

6. Expenses by nature

The Group's operating loss is stated after charging:

Expenses by nature	2018 US$ 000's	2017 US$ 000's
Auditors' remuneration - audit services	**56**	46
Professional and consulting fees	**692**	345
Travel and accommodation	**106**	141
Impairment of financial assets at fair value through profit or loss	**1,126**	2,064
Rent and office costs	**385**	41
Staff costs (including share-based payments)	**451**	857
Loss on financial assets at fair value through profit and loss	**129**	-
Joint Brokers & Nomad	**101**	354
Legal fees	**148**	21
Other expenses and foreign exchange	**(79)**	(156)
Net movement in decommissioning provision	**(201)**	(200)
Total	**2,914**	3,513

During the year a number of creditor balances were settled for less than their stated amount with the balance going against the individual expense line to which it originally related.

7. Staff Costs (including Directors)

The Group employed an average number of 6 members of staff, including 4 directors (2017: 5 and 3 respectively).

Staff costs (including Directors)	2018 US$ 000's	2017 US$ 000's
Directors remuneration	**279**	428
Staff costs	**172**	429
	451	857

The 2017 Staff costs includes an expense for payroll taxes payable of $163,000 which relates to previous periods.

Key management of the Group are considered to be the Directors and the remuneration of those in office during the year was as follows:

Key management remuneration	Short term employee benefits	Other long term benefits	Directors other benefits	Total 2018	Total 2017
	US$ 000's	US$ 000's	US$ 000's	US$ 000's	US$ 000's
Paulo G. Amoruso	**8**	-	-	**8**	-
Charlie Wood	**155**	-	-	**155**	118
JD Mc Graw	**48**	-	-	**48**	90
Sarah Cope	**3**	-	-	**3**	-
Eddie Gonzalez	**65**	-	-	**65**	220
Total Key Management	**279**	-	-	**279**	428

8. Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Board.

General objectives, policies and processes

The Directors have overall responsibility for the determination of the Company's risk management objectives and policies. Further details regarding these policies are set out below:

Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2018	Total US$ 000's
Assets	
Cash and cash equivalents	143
Trade and other receivables	43
Total assets measured at amortised cost	**186**
Financial assets at fair value through profit or loss	419
Total assets at fair value through profit or loss	**419**
Liabilities	
Trade and other payables	767
Total liabilities measured at amortised cost	**767**

31 December 2017	Total US$ 000's
Assets	
Cash and cash equivalents	803
Trade and other receivables	320
Total assets measured at amortised cost	**1,123**
Financial assets at fair value through profit or loss	1,626
Total assets at fair value through profit or loss	**1,626**
Liabilities	
Trade and other payables	893
Total liabilities measured at amortised cost	**893**

(a) Market Risk

Foreign exchange risk

The Group operates principally in the US but is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the British Pound. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

As at 31 December 2018 the exposure to this risk is not considered material to the Group's operations and thus the Directors consider that, for the time being, no hedging or other arrangements are necessary to mitigate this risk and as a result of this not being considered material no disclosure has been made in this respect.

Oil price risk

While the return on the Group's operations and investments is US$ denominated, changes in Oil and Gas prices impact on the viability of its operations and also the ease with which the Group can raise capital.

(b) Credit Risk

The Group has policies in place to ensure that sales of products are made to customers with appropriate credit worthiness. The Group limits credit risk by assessing creditworthiness of potential counterparties before entering into transactions with them and continuing to evaluate their credit-worthiness after transactions have been initiated.

Where appropriate, the use of prepayment for product sales limits the exposure to credit risk. There is no difference between the carrying amount of trade and other receivables and the maximum credit risk exposure.

Credit risk also arises from cash and cash equivalents. The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Group will only keep its holdings of cash and cash equivalents with institutions which have a minimum credit rating of 'B'.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at December 31, 2018 and 2017 were as follows:

	2018 **US$ 000's**	2017 US$ 000's
Assets		
Cash and cash equivalents	143	803
Trade and other receivables	43	320
Total	**186**	**1,123**

(c) Liquidity Risk

Management of liquidity risk is achieved by monitoring budgets and forecasts against actual cash flows. Where the group entered into borrowings during the year, management monitored the repayment and servicing of these arrangements against the contractual terms and reviewed cash flows to ensure that sufficient cash reserves were maintained.

(d) Capital Risk Management

The Directors determine the appropriate capital structure of the Group, specifically, how much is raised from shareholders (equity) and how much is borrowed from financial institutions (debt), in order to finance the Group's business strategy.

The Group's policy as to the level of equity capital and reserves is to ensure that it maintains a strong financial position and gearing ratio which provides financial flexibility to continue as a going concern and to maximise shareholder value. The capital structure of the Group consists of shareholders' equity together with net debt (where relevant). The Group's funding requirements are met through a combination of debt, equity and operational cash flow.

(e) Fair Value Estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values for the Group's assets and liabilities are not materially different from their carrying values in the financial statements.

The following table presents the Company's financial assets that are measured at fair value:

31 December 2018:	Level 1	Level 2	Level 3	Total
	US$ 000's	US$ 000's	US$ 000's	US$ 000's
Financial assets at fair value through profit or loss				
Trading Securities	419	-	-	419

31 December 2017:	Level 1	Level 2	Level 3	Total
	US$ 000's	US$ 000's	US$ 000's	US$ 000's
Financial assets at fair value through profit or loss				
Trading Securities	-	-	1,626	1,626

The Company does not have any liabilities measured at fair value. There have been no transfers in to or transfers out of fair value hierarchy levels in the period.

(i) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

(ii) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(iii) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. As permitted under IFRS 13 the cost model has been used to fair value the investments if cost is considered to represent fair value. This is because there is a lack of sufficient appropriate information on which to base an alternative valuation technique for the investments. The income and market valuation models are not thought to be appropriate due to the type of investments. Management may allow for an impairment of any of the investments where the realisable value is believed to be less than the carrying value. Management made an impairment charge of $1,126,000 against the value of level 3 assets in 2018 (2017: $nil).

The following table presents the changes in level 3 instruments for the year.

	2018 **US$ 000's**	2017 US$ 000's
Opening balance	**1,626**	-
Additions into level 3	**-**	1,626
Impairment of level 3 (Note 12)	**(1,126)**	-
Disposals from level 3 (Note 12)	**(405)**	-
Foreign exchange	**324**	-
Transfers into level 1	**(419)**	
Closing balance	**-**	1,626

9. Taxation

Taxation	**2018** **US$ 000's**	2017 US$ 000's
Current income tax charge	-	-
Deferred tax charge/ (credit)	-	-
Total taxation charge/ (credit)	-	-

Taxation reconciliation

The charge/(credit) for the year can be reconciled to the loss per the consolidated statement of comprehensive income:

Tax Reconciliation	**2018** **US$ 000's**	2017 US$ 000's
Loss before income tax	**(3,211)**	(3,836)
Tax on loss at the weighted average Corporate tax rate of 26.5% (2017: 26.5%)	**(851)**	(1,017)
Effects of:		
Tax losses carried forward	**851**	1,017
Total income tax expense	**-**	-

Unprovided deferred tax asset:	**2018** **US$ 000's**	2017 US$ 000's
Group tax losses carried forward amount to US$ 22.1M (2017: US$ 21.2 M) as determined by cumulative losses multiplied by the US standard rate of corporation tax 21% (2017: 21%).	**4,643**	4,452

The deferred tax asset has not been provided for because of uncertainty over the timing of future taxable profits against which the losses may be offset.

10. Property, plant & equipment

Property, plant and equipment	**Other Tangible Assets**	**Assets under construction**	**Development and production assets**	**Total**
	US$ 000's	**US$ 000's**	**US$ 000's**	**US$ 000's**
Cost				
At 1 Jan 2017	**11**	**955**	**13,437**	**14,403**
Additions	-	-	491	491
Disposal	-	-	-	-
At 31 December 2017	**11**	**955**	**13,928**	**14,894**
Additions	-	-	532	532
Disposal	-	-	-	-
At 31 December 2018	**11**	**955**	**14,460**	**15,426**
Depreciation and impairment charge				
At 1 Jan 2017	**(2)**	**(955)**	**(10,883)**	**(11,840)**
Impairment	(9)	-	(2,055)	(2,064)
Charge for the year	-	-	-	-
At 31 December 2017	**(11)**	**(955)**	**(12,938)**	**(13,904)**
Impairment	-	-	-	-
Charge for the year	-	-	-	-
At 31 December 2018	**(11)**	**(955)**	**(12,938)**	**(13,904)**
Net book value				
At 31 December 2018	**-**	**-**	**1,522**	**1,522**
At 31 December 2017	-	-	990	990

Property, plant and equipment: Analysis of NBV by project	**Other Tangible Assets**	**Assets under construction**	**Development and production assets**	**Total 2018**	Total 2017
	US$ 000's	**US$ 000's**	**US$ 000's**	**US$ 000's**	US$ 000's
Zink Ranch	-	-	500	500	500
Stockdale	-	-	342	342	260
Forrest Hill	-	-	280	280	230
Austin Chalk	-	-	400	400	-
At 31 December 2018	**-**	**-**	**1,522**	**1,522**	990

Impairment

At year end, Management review each exploration project for any indication of impairment. Indications would include sustained changes in the oil and gas price outlook, written off wells, changes in management's development plan and the relinquishment of development acreage. The principle influences on management's decision to impair the properties are described below:

Oil price

According to the US Energy Information Administration ('EIA'), crude oil prices for West Texas Intermediate ('WTI') are expected to remain in the $60 - $63 range for 2019 and 2020. The EIA also expects Henry Hub natural gas spot prices will average $2.79/million British thermal units (MMBtu) in 2019 and $2.78/MMBtu in 2020. (*See*, www.EIA.gov/outlook/steo/marketreview/crude.php)

Development plan

The value of any proven Oil & Gas asset is a function of both its current production but also in the extraction of proven but as yet unproduced reserves.

The Group re-gained full ownership of Zink Ranch and entered into agreements to secure material working interests in a portfolio of wells (the Austin Field) in Texas. As part of the programme, the Group intend to invest in technology and techniques to best enhance production and identify new horizons.

Capital constraint

The Group only has a finite amount of capital available and following a comprehensive third party asset review, management prioritised capital allocation to reworking wells in the Austin Field as they offered a better return on balance that than investing in new exploration opportunities.

The impairment provision in the year was charged against the following properties:

Impairment provision by properties:		**2018**	2017
Project	*Rationale*	**US$ 000's**	US$ 000's
Shoats Creek	Lack of sustainable production given the considerable expense to establish production. High operating and maintenance costs.	**-**	1,800
Horizon	High operating costs continue to impact ability to develop. Swapped for remaining interests in Zinc in 2017.	**-**	169
South Weslaco	Was assigned in a prior period.	**-**	95
Total impairment charge for the year		**-**	2,064

11. Trade and other receivables

	2018	2017
	US$ 000's	US$ 000's
Trade receivables and accrued income	**43**	36
Block Energy (convertible loan portion)	**-**	284
Total	**43**	320

- Trade and other receivables are stated at fair values, which as at the year-end equate to their carrying values. As at the year-end trade and other receivables were not past due, were not impaired and were all denominated in US$.

- In June 2017, the company invested £300,000 into Block Energy plc ("Block Energy"), at the time a NEX listed oil and gas company with interests primarily in Georgia. This included a £210,000 (US$ 284,000) investment via a Secured Convertible Loan Note with a 10% flat coupon with conversion to equity at a 10% discount to any price at which Block Energy's shares are listed or admitted to trading on any stock exchange other than NEX. The Secured Convertible Loan was converted into ordinary shares on 11 June 2018 and subsequently sold when the Company sold its investment in Block.

12. Financial assets at fair value through profit or loss

Equity securities – held for trading

	2018	2017
	US$ 000's	US$ 000's
Block Energy plc (equity portion)	**-**	121
Deloro Energy LLC	**419**	1,505
Total	**419**	1,626

Financial assets at fair value through profit or loss are presented within 'operating activities' as part of changes in working capital in the Statement of Cash Flows.

Changes in fair values of financial assets at fair value through profit or loss, and gains or losses on disposal are recorded as 'disposal of financial assets at fair value through profit or loss' in the Statement of Comprehensive Income (note 6). The fair value of all equity securities is based on management valuation, being a level 1 hierarchy.

The company has made two investments:

- In June 2017, invested £300,000 into Block Energy plc ("Block Energy"), at the time a NEX listed oil and gas company with interests primarily in Georgia. Investment consisted of a £90,000 (US$ 121,000) equity investment via a placing of new shares at £0.0085 per Block Energy Share which resulted in Mayan acquiring a 2.47% equity interest in Block Energy. In addition, a £210,000 (US$ 284,000) investment via a Secured Convertible Loan Note with a 10% flat coupon with conversion to equity at a 10% discount to any price at which Block Energy's shares are listed or admitted to trading on any stock exchange other than NEX. Block Energy was admitted to Aim in March 2018 and this investment was sold during 2018 with a loss of $129,000 on disposal being recorded through the Consolidated Statement of Comprehensive Income.
- In November 2017, invested US$1,505,000 into Deloro Energy LLC ("Deloro"). The investment consisted of US$ 1,005,000 paid in cash and US$500,000 settled by way of 64,102,564 Mayan Ordinary shares. Deloro, was a special purpose US company formed to acquire an interest in Petroteq Energy Inc. ("Petroteq") (TSXV:PQE). During 2018, Deloro began a process of liquidation and distributed the shares of Petroteq to its shareholders. Deloro expects to complete its liquidation by the second quarter of 2019.. During 2018 an impairment charge of US$1,126,000 was recorded through the Consolidated Statement of Comprehensive Income.

13. Trade and other payables

	2018 US$ 000's	2017 US$ 000's
Trade payables and accruals	**405**	531
Payroll Taxes and social security	**362**	362
Total	**767**	893

14. Share based payment

The following is a summary of the share options and warrants outstanding and exercisable as at 31 December 2018 and 31 December 2017 and changes during the period:

Summary of Share Options and Warrants	**2018** **Number of options and warrants** **(000's)**	**2018** **Weighted Average Exercise price** **Pence**	2017 Number of options and warrants (000's)	2017 Weighted Average Exercise price Pence
Outstanding and exercisable, beginning of year	**87,092**	**0.05**	11,270	0.05
Granted	**199,884**	**0.01**	76,742	0.09
Exercised	**(56,600)**	**0.03**	-	-
Expired	**(554)**	**0.02**	(170)	0.97
Cancelled	**(4,400)**	**0.06**	(750)	0.00
Outstanding and exercisable, end of year	**225,422**	**0.01**	87,092	0.05

The above is expressed in GB£ pence and not US$ cents due to the terms of the options and warrants.

The following share options or warrants were outstanding in respect of the ordinary shares:

Grant Date	Expiry Date	Ex Price Pence	01-Jan-17	Expired	Granted	Cancelled	31-Dec-17	**Expired**	**Exercised**	**Granted**	**Cancelled**	**31-Dec-18**
12/02/2015	12/02/2018	0.36	157,451	-	-	-	157,451	(157,451)	-	-	-	-
20/04/2015	20/04/2020	0.9	224,096	-	-	-	224,096	-	-	-	-	**224,096**
27/11/2015	27/11/2018	0.6	1,041,666	-	-	-	1,041,666	-	-	-	-	**1,041,666**
20/04/2016	21/04/2018	0.126	396,825	-	-	-	396,825	(396,825)	-	-	-	-
01/09/2016	02/09/2019	0.06	1,111,110	-	-	-	1,111,110	-	-	-	-	**1,111,110**
01/09/2016	01/09/2021	0.06	5,150,000	-	-	(750,000)	4,400,000	-	-	-	(4,400,000)	-
28/10/2016	29/10/2018	0.07	3,019,322	-	-	-	3,019,322	-	-	-	-	**3,019,322**
27/06/2017	27/06/2020	0.03	-	-	24,583,333	-	24,583,333	-	(24,583,333)	-	-	-
08/08/2017	08/08/2020	0.03	-	-	28,824,999	-	28,824,999	-	(24,491,666)	-	-	**4,333,333**
23/11/2017	23/11/2020	0.03	-	-	23,333,333	-	23,333,333	-	(7,525,000)	-	-	**15,808,333**
15/01/2018	15/01/2023	0.01	-	-	-	-	-	-	-	116,633,589	-	**116,633,589**
06/07/2018	06/07/2020	0.09	-	-	-	-	-	-	-	70,833,334	-	**70,833,334**
06/07/2018	06/07/2020	0.06	-	-	-	-	-	-	-	9,916,666	-	**9,916,666**
31/07/2018	31/07/2020	0.09	-	-	-	-	-	-	-	2,500,000	-	**2,500,000**
			11,100,470	-	76,741,665	(750,000)	87,092,135	**(554,276)**	**(56,599,999)**	**199,883,589**	**(4,400,000)**	**225,421,449**

1) *Director options granted 15.01.2018 vests after 01.09.2021 on condition that the Director remain employed. It has subsequently been cancelled.*

New options and warrants have been valued using the Black-Scholes valuation method and the assumptions used are detailed below. The expected future volatility has been determined by reference to the historical volatility:

Current year:

Grant date	Share price at grant (pence)	Exercise price (pence)	Volatility (%)	Warrant/ Option life (year(s))	Dividend yield (%)	Risk-free investment rate (%)	Fair value per option (US cent)
27/06/17	**0.275**	**0.3**	**190**	**3**	**0**	**1**	**0.3138**
08/08/17	**0.260**	**0.3**	**190**	**3**	**0**	**1**	**0.3047**
22/11/17	**0.600**	**0.6**	**190**	**2**	**0**	**1**	**0.6850**

The Group recognised US$ 298,404 (2017: $US 324,817) relating to equity-settled share based payment transactions during the year which was charged to share premium.

For the share options and warrants outstanding as at 31 December 2018, the weighted average remaining contractual life was 2.69 years (2017: 2.33).

15. Share capital

Allotted, called-up and fully paid	Number	Share price (pence per share)	Share Premium US$ 000's
Balance at 1 January 2017	**21,144,630,415**		**33,126**
Mar 17 Placing	12,000,000,000	0.05	747
Consolidation	(33,061,768,839)	0.2	
June 17 Placing	195,833,333	0.03	749
June 17 Broker/Consultant	60,000,000	0.03	230
Aug 17 Placing	203,666,666	0.03	795
Aug 17 Broker/Consultant	85,128,205	0.03	331
Aug17 Placing	83,333,334	0.03	325
Sept 17 Placing	12,820,514	0.03	50
Sept 17 Broker/Consultant	343,333,332	0.03	2,689
Nov 17 Placing	64,102,563	0.06	509
Nov 17 Directors & Consultants	5,064,102	0.06	40
Nov 17 Broker/Consultant	30,192,306	0.06	240
Total Issue costs	-	-	(885)
Balance at 31 December 2017	**1,166,335,931**		**38,946**
Mar Exercise of warrants	4,166,666	0.03	18
May Exercise of warrants	8,333,333	0.03	34
Jun Exercise of warrants	36,575,000	0.03	147
Jun Exercise of options	7,525,000	0.06	60
Jun 18 Placing	11,141,176	0.085	125
Jun 18 Placing	141,666,666	0.06	1,127
Share issue costs	-	-	(70)
Jun 18 Creditors	18,782,869	0.07	175
Share issue costs	-	-	(290)
Jul 18 Broker/Consultant	18,437,951	0.06	145
Share issue costs	-	-	(8)
Aug 18 Acquisition of Austin Chalk wells	25,274,725	0.07	230
Oct 18 Directors & Consultants	24,707,626	0.05	150
Balance at 31 December 2018	**1,462,946,943**		**40,789**

16. Provisions

Provisions:	**Plug & Abandonment**	**Payroll Tax interest and penalties**	**Other provisions**	**Total 2018**	Total 2017
	US$ 000's	**US$ 000's**	**US$ 000's**	**US$ 000's**	US$ 000's
Brought forward	873	203	175	1,251	1,073
Provision for the year	50	-	81	131	966
Released in year	(360)	-	(175)	(535)	(788)
Carried forward	563	203	81	847	1,251
Current	-	203	81	284	588
Non-Current	563	-	-	563	663
Total	563	203	81	847	1,251

The provision in respect of Plug & Abandonment represents the present value of the decommissioning of up to 33 (2017: 44) existing producing and currently shut-in well bores. Decommissioning is due to take place from 2019 to 2027 (2017: 2018 to 2027). The provisions are made using the Group's internal estimates that Management believes form a reasonable basis for the expected future costs of decommissioning. Releases against this provision are made when wells are plugged and abandoned during the course of the year under review.

The provision in respect of payroll tax interest and liabilities relates to expected fines and penalties due on unpaid payroll taxes.

Other provisions consists of $81,000 in disputed supplier obligations.

17. Reconciliation of supplementary cash flow information

	2017 US$ 000's	Cash flow US$ 000's	Non-cash changes US$ 000's	Issue of warrants US$ 000's	2018 US$ 000's
Property, plant and equipment	990	302	230	-	1,522
Trade payables and provisions	2,144	(60)	(470)	-	1,614
Share premium	38,946	1,316	825	(298)	40,789
	42,080	1,558	585	(298)	43,925

18. Contingent liabilities

The amount payable in respect of payroll tax interest and liabilities (Note 16) for expected fines and penalties due on unpaid payroll taxes may be higher than the provision and is subject to negotiation with the US Internal Revenue Service.

19. Capital Commitments

There were no capital commitments authorised by the Directors or contracted other than those provided for in these financial statements for at 31 December 2018 (31 December 2017: None).

20. Ultimate Controlling party

As at the Consolidated Statement of Financial Position date, the Directors believe that there is no ultimate controlling party.

21. Related party transactions

The following transactions were undertaken with related parties:

Director's remuneration has been disclosed in Note 7.

Transactions			**2018 $'000**	2017 $'000
Orana Corporate LLP	Entity under common directorship: C Wood	Administration costs	**88**	14
McGowen & Fowler P.L.L.C.	Entity in which P Amoruso is a partner through 30/04/2019	Legal fees	**98**	-
Deloro LLP	Entity under common directorship: H Gonzalez & C Wood (who held a 48.4% related shareholding pre-investment)	Investment	**-**	1,505

22. Events after the reporting date

Smart Bit LLC Assets Acquisition

Mayan agreed to a second amended and restated sale and purchase Agreement (the 'Agreement') with Smart Bit LLC ('Smart Bit') updating the original agreement with Smart Bit as announced on 23rd August 2018. Under the terms of the Agreement Smart Bit agreed to sell Mayan a 100% WI and retain a 10% gross overriding royalty interest in the following wells at Austin Field: Edwards, Neubauer Stanush, Kosub, Ritchie Talley and a 5% gross overriding royalty at the Garrison well.

The consideration for the revised agreement was as follows:

1. US$ 170,000 cash paid by Mayan Energy in August of 2018
2. 48,614,725 shares in Mayan Energy Ltd
    a. 25,274,725 shares previously issued 0.7p
    b. 23,340,000 further shares issued at 0.2p

Total consideration under the revised deal on the effective date of the transaction is approximately US$ 375,000.

January 2019 Capital Raise

On 29th January 2019 Mayan raised a total of £750,000 gross proceeds at a price of 0.12p per share (the "Placing") and £223,069 being 185,890,442 shares issued in settlement of accrued directors fees, consulting fees, settlement of accrued liabilities and an amended agreement with Smart Bit LLC; Directors participated in the Placing to the extent of £70,000 cash subscription and a further £96,640 in accrued Directors' fees and legal advisor fees settled by the issue of shares at the Placing Price.

Acquisition of Attis Oil & Gas Ltd

On the 30th April 2019 the Company entered into an agreement to acquire 100% of Attis Oil & Gas Limited and its subsidiaries, affiliates and related entities (collectively referred to as "Attis"), a proven US oil & gas operator which holds a 50% interest in the Fort Worth Field, TX and operates 98 wells across 5,100 acres in the Fort Worth Basin ('the Acquisition').

The Acquisition was satisfied through the issue of 952,197,460 new Ordinary Shares at a price of 0.14 pence per Ordinary Share ("Consideration Shares").

	On acquisition
	£'000
Purchase consideration (952,197,460 shares @ .14p)	1,333
Fair value of net assets acquired	(150)
Development and production assets	**1,183**

The Attis Oil & Gas Ltd balance sheet is preliminary and may be subject to change.

If new information obtained within one year from the acquisition date about the facts and circumstances that existed at the acquisition date identifies adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised.

Placing

On the 30th April The Acquisition became unconditional following the completion of £700,000 placing through the issue of 500,000,000 new ordinary shares of no par value in the capital of the Company. 17,857,142 Ordinary Shares were issued to a third party consultant at the Placing Price for introduction of the transaction ("Settlement Shares"). 10,400,325 Ordinary Shares were issued at Placing Price in relation to the settlement of accrued Director fees to the Company's Chairman.

Following the issue of the Ordinary Shares (being the Consideration Shares for the Acquisition of Attis, the Placing Shares and Settlement Shares), the Company's issued share capital consisted of 3,774,292,308 Ordinary Shares.