

CORPORATE GOVERNANCE STATEMENT

Introduction:

The Board of directors of the Company fully endorses the importance of corporate governance and has adopted The Quoted Companies Alliance Corporate Governance Code (2018) (the “QCA Code”), which they believe is the most appropriate recognised governance code for a company of its size with shares admitted to trading on the AIM market of the London Stock Exchange. It is believed that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all its stakeholders.

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the directors have the necessary up to date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board;
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Chairman’s Corporate Governance Statement:

Dear Shareholders

As Chairman of the Company, I firmly believe that strong corporate governance helps provide the building blocks that allow an organisation to be successful. The Board is committed to good governance across the business, at executive level and throughout its operations.

The Company adopted the QCA Code, following the revisions to the AIM Rules for Companies in March 2018 which the Board believes is the most appropriate recognised corporate governance code for the Company.

The Company is at the early stages of its journey as a public company and the Board is supportive of embracing the highest levels of corporate governance possible given the size of the Company. As the directors work together to grow and develop the business there is an overall commitment to ensure that good governance is ingrained within the organisation.

The Board not only sets expectations for the business but works towards ensuring that strong values are set and carried out by the directors across the business.

The importance of engaging with our shareholders underpins the essence of the business, ensuring that there are numerous opportunities for investors to engage with both the Board and executive team.

The Company made some significant Board changes in the first quarter of 2020 as a result of the downturn of the global economy, the significant decline in the oil price and the impact of the COVID-19 pandemic. As part of a cost reduction programme implemented by the Company in April 2020, the Company made the difficult but critical decision to reduce executive staffing within the business and as a result for the most part of 2020 and early 2021 the Board did not have any executive directors. However, following the recent fundraise and acquisition of Global Energy Partnership Limited (GEPL), the Company appointed Mark Hood as Chief Executive Officer and executive director. In early 2022 Fiona MacAulay stepped down from the Board and Stephen Birrell joined as an independent non-executive director. At the same time I transitioned to Executive Chairman in order to reinforce the Company's executive capabilities in anticipation for the next phase of the Company's development. There was a further Board change in June 2022 when Andrew Denna did not stand for re-election at the 2022 Annual General Meeting.

The appointment of Mark Hood, together with the successful acquisition of GEPL and the raising of over £4.5m, has placed the Company in a stronger position to drive the business forward and develop the transition of the business into a regionally focused, low carbon transitional energy company. The composition of the Board and the Company as a whole will be kept under review as the business transitions into the next phase of growth.

James Parsons

Executive Chairman

The QCA Code requires us to apply the ten principles and publish certain disclosures on our website.

Principle One - Explain the company's business model and strategy, including key challenges in their execution (and how those will be addressed).

The Company's overall strategy is to establish a mid-tier South East Asian focused on E&P, renewables and other low carbon energy sources and related technologies. The Company recognises its key strengths of Network, People and Platform.

Network – well connected in the South East Asian region.

People – proven track record of creating exceptional shareholder value.

Platform – Access to capital and proven track record.

The Board monitors overall performance of the Group by reference to key performance indicators.

The risks and uncertainties of the Group's activities are considered by the Board, including:

External risks – such as: macroeconomic risks, market perception, gas pricing, changes to law, regulation and government policy.

Operating risks – such as: exploration, development and production, oil and gas risks, estimation of reserves, health and safety, licences and title, dependence on key executives and personnel.

Other risks – such as: internal control risk, funding risks, foreign subsidiaries, tax and insurance risks.

Principle Two - Seek to understand and meet shareholder needs and expectations.

Copies of our annual report (which includes the notice of AGM) are available to all shareholders and can be downloaded from the investors section of our website.

We engage with shareholders through updates to the market via regulatory news flow (“RNS”) on matters of a material substance and regulatory nature.

Our AGM is an annual opportunity for shareholders to meet with the Company and a full update of the business is provided by the executives. Shareholders are provided with an opportunity to ask questions and raise issues during the formal business and more informally following the meeting. The 2020 and 2021 AGM, due to COVID-19 and Government restrictions of gatherings of more than two people, were held as closed meetings. The Board was mindful of this and ensured that shareholders were kept up to date with the business through Company announcements and the website. The 2022 AGM was held in person and gave shareholders the opportunity to meet the Board face to face.

At the AGM, separate resolutions are proposed on each substantial issue. For each proposed resolution, proxy forms are issued which provided voting shareholders with an option to vote in advance of the AGM if they were unable to vote in person. Our registrars, Link Group count the proxy votes which are properly recorded, and the results of the AGM are announced through an RNS.

Since its initial public offering in 2017, the Board has sought authority from shareholders to allot a percentage of the Company’s issued share capital on a non-pre-emptive basis that is substantially higher than the recommended guidelines. The directors are aware that this is not in line with the Pre-Emption Group’s Statement of Principles however, given the stage of development of the Company and importance of flexibility required to enable the directors to take opportunities for further growth, a higher level of authority affords the Company with the ability to move quickly on transactions. The Board would not consider progressing any significant transactions without obtaining required shareholder approval. To date the levels of authority sought has been supported by shareholders.

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored and that approvals sought at the Company’s AGM are as much as possible within the recommended guidelines of the QCA Code.

The Company, where appropriate, responds to shareholder queries directly (whilst complying with the UK Market Abuse Regulation restrictions and the requirements of the AIM Rules for Companies). Investor events have also been arranged with shareholders at suitable junctures which have presented opportunities for shareholders to engage with directors. In addition, the Company hosts a forum ‘join the chorus’ at regular intervals which presents a further opportunity for shareholders or interested parties to further engage. By providing a variety of ways to communicate with investors the Company feels that it reaches out to engage with a wide range of its stakeholders.

Shareholders with queries should email info@coroenergyplc.com

Principle Three: Take into account wider stakeholder and social responsibilities and their implications for long term success

Explain how the business model identifies the key resources and relationships on which the business relies. Explain how the company obtains feedback from stakeholders.

Our business model and strategy are clear and is set out in our annual report. Building upon the expertise and connectivity of our new team, the Company has initiated its international growth strategy.

We value the feedback we receive from our stakeholders and we take every opportunity to ensure that where possible the wishes of stakeholders are considered. There is an open-door policy across the business, where employees are able to voice their opinions and make suggestions. The management team meet regularly and this line of communication filters down through the Company.

Principle Four: Describe how the board has embedded effective risk management in order to execute and deliver strategy. This should include a description of what the board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective.

The main functions of the Audit Committee include reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant. The Committee recognises that an effective risk management framework is essential to safeguard the Group's assets and enable it to meet its strategic objectives. The Board has delegated the responsibility for reviewing and monitoring the internal control and risk management systems.

Principle Five:

Identify those directors who are considered to be independent; where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained.

Stephen Birrell, Non-Executive Director, was appointed to the Board in March 2022 following the departure of Fiona MacAulay and currently is the only Independent Non-Executive Director. The Company will keep the appointment of a further non-executive director under review.

Describe the time commitment required from directors (including non-executive directors as well as part-time executive directors).

The Company currently has two executive directors, James Parsons, executive chairman and Mark Hood, chief executive officer. The Company is aware that having an executive chairman is not in line with recommended corporate governance practices, however it is believed in the development of the Company it is currently the best support to reinforce the executive presence within the business. It is expected that each of the non-executive directors, dedicate approximately twelve days a year to the Company.

Include the number of meetings of the board (and any committees) during the year, together with the attendance record of each director.

For the year ended 31 December 2020:

	Board (scheduled)	Board (ad hoc*)	Audit Committee	Remuneration Committee	HSE Committee
Number of meetings held	5	9	4	4	5
James Parsons	5	9	-	2**	-
James Menzies	2	-	-	-	-
Andrew Dennan ¹	5	7	-	-	-
Marco Fumagalli	5	9	4	4	-
Fiona MacAulay	5	9	4	4	5
Nick Cooper	1	-	-	-	-

* Ad-hoc meetings are called for specific matters, generally of a more administrative nature not requiring full Board attendance.

** Excused from discussions due to conflicts of interest.

1 James Menzies resigned from the Board on 2 April 2020.

2. Nick Cooper was appointed to the Board on 15 January 2020 and resigned from the Board on 2 April 2020.

Principle Six:

Identify the directors: Can be found under: ['The Team'](#)

Ensure that between them the directors have the necessary up to date experience, skills and capabilities

The Board comprises the executive Chairman, the Chief Executive Officer and two non-executive directors. The Board considers that they have significant industry, financial, public markets and governance experience, possessing the necessary mix of experience, skills, personal qualities and capabilities to meet the present needs of the Company.

Mark Hood, Chief Executive Officer, joined the Board as Chief Executive Officer in March 2021. Mark was co-founder of GEPL and has over 20 years' experience in utility scale energy projects. Stephen Birrell possesses significant industry expertise. The Board also includes two qualified accountants (James Parsons and Marco Fumagalli). The non-executive directors will provide support to the Company's executive team as and when required. In addition the Company has an experienced management team, with Michael Carrington, Chief Operating Officer, Ewen Ainsworth, Chief Financial Officer and Leonardo Salvadori, Managing Director, Italy. Michael also co-founded GEPL and brings significant experience of energy efficiency and clean tech generation in the built environment. Ewen is a chartered management accountant with over thirty years' experience in the natural resource sector. Leonardo was over thirty years of international exploration, business development and general management experience.

The Company embraces diversity and is dedicated to encouraging inclusion without compromising professionalism, experience and expertise.

The Board as a whole is kept abreast with changes relating to governance, the AIM Rules for Companies, the UK Market Abuse Regulation and other regulatory developments. The Company's Nomad provides an annual AIM Rules Briefing which is also provided to any new director prior to their appointment.

All directors have access to the Company's Nomad, company secretary, lawyers and auditors and are able to obtain advice from other external bodies as and when required.

James Parsons, Executive Chairman, was appointed to the Board in December 2017. James is a qualified accountant and has a BA Hons in Business Administration. James is also the Chairman of Corcel plc, Ascent Resources plc and Echo Energy Plc. James, brings a wealth of knowledge and expertise. He is a specialist in restructuring, funding and transforming companies and has strong public markets experience.

Mark Hood, Chief Executive Officer, was appointed to the Board in March 2021. Mark is a qualified project manager with PMP and has an MSc in Project Management. Mark co-founded GEPL and has over twenty years' experience in utility scale energy projects at all stages of development and asset transition.

Stephen Birrell, Independent Non-Executive Director, an experienced geologist, who has worked in the upstream oil and gas industry for over 35 years was appointed to the Board in March 2022. Stephen is a non-executive director at Ascent Resources plc. Stephen's industry background, together with his corporate experience provides the Board with the necessary expertise to review and challenge decisions and opportunities presented both within the formal arena of the boardroom and as called upon when needed by the executives.

Marco Fumagalli, Non-Executive Director, was appointed to the Board in December 2017. Marco is a qualified accountant and holds a degree in Business Administration. Marco, with his financial background provides the experience required as chairman of the audit committee to challenge the business internally and also the Group auditors.

Further details of the director's careers and experience can be found on the website under ['The Team'](#).

Details of the Company's advisors can be found on the website: ['Our advisors'](#).

The Company Secretary helps keep the Board up to date on areas of new governance and liaises with the Nomad on AIM regulatory updates. The Company Secretary has frequent communication with the Chairman, Chief Executive Officer and the Board as a whole.

Principle Seven: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

The directors consider seriously the effectiveness of the Board, Committees and individual performance.

The Board meets formally five times a year with ad hoc Board meetings as the business demands. There is a strong flow of communication between the directors, in particular the relationship between the Chief Executive Officer and Chairman. The Agenda is set with the consultation of the Chairman, with consideration being given to both standing Agenda items and the strategic and operational needs of the business. Papers are circulated well in advance of the meetings, giving directors ample time to review the documentation and enabling an effective meeting. Resulting actions are tracked for appropriate delivery and follow up.

The directors have a wide knowledge of the business and requirements of director's fiduciary duties and understand their responsibilities as directors of a company quoted on AIM. Given the early stages of the Board's formation there has not to date been any formal training, but this is something that will be considered in the future. The directors have access to the Company's Nomad, auditors and lawyers as and when required. These advisors are able and

willing to provide guidance to the Board from time to time as required. The directors are also able, at the Company's expense to obtain advice from other external advisors if required.

The Board are continuously developing appropriate corporate governance procedures and last year looking forward to building further on the governance structure already in place. On-going review of the functioning of the Board and ensuring that appropriate levels of governance are maintained whilst being mindful of the size and stage of development of the Company.

The effectiveness of the Board, individual directors and senior management is evaluated on an on-going basis as the Board forms a united forum for building the business.

Principle Eight: Promote a corporate culture that is based on ethical values and behaviours

How the Board ensures that the Company has the means to determine ethical values and behaviours

The Company is committed to ethical values and behaviours across the Board and the Company as a whole. The Board is mindful of the industry that the business operates in and takes all issues of ethical behaviours seriously. These behaviours are instilled throughout the organisation. The importance of delivering success in a safe environment is not undermined.

The Board takes the issues of bribery and corruption seriously, The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employee is required to sign agreement to confirm that they will comply with the policies. Annually staff will be provided with refresher courses to ensure that the issues of bribery and corruption remain at the forefront of people's mind. There are strong financial controls across the business to ensure on going monitoring and early detection.

Principle Nine – Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Roles and responsibilities of the chair and other directors with commitments. Describe the roles of the Committees

The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. The Chairman has the responsibility of ensuring that the Board discharges its responsibilities. No one individual has unfettered powers of decision.

The Chairman is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives. As Chairman, James Parsons engages with shareholders and other stakeholder groups to ensure a strong relationship between them and the Company.

Marco Fumagalli is chairman of the Audit Committee. Marco is also a member of the Remuneration Committee and the Nominations Committee.

James Parsons is chair of the Nominations Committee.

Stephen Birrell, is chair of the Remuneration Committee and HSE/Technical Committee. Stephen is also a member of the Audit Committee.

The Audit Committee meets at least three a year and consists of two members, both non-executive directors. The Committee assists with the Board's oversight of the integrity of the financial reporting and the independence and performance of the Company's Auditor.

The Remuneration Committee meets at least twice a year and consists of two members, both non-executive directors. The Committee is responsible for making recommendations to the Board, on senior executives Remuneration.

The Nominations Committee was established in 2020 and meets as and when required to consider matters of Board and executive team appointments and succession planning.

The HSE/Technical Committee reviews health and safety in the workplace to ensure that the highest levels of standards are achieved.

All Board Committees report back to the Board following a Committee meeting.

The Board retains full and effective control over the Company and holds regular Board meetings at which financial, operational and other reports are considered and where appropriate voted upon. The Board is responsible for the Group's strategy and key financial and compliance issues.

There are certain matters that are reserved for the Board which are reviewed on an annual basis, they include but are not limited to:

- **Strategy and Management** (approval of strategic aims and objectives; approval of the Group's annual operating and capital expenditure budgets and changes; decision to cease to operate all or any material part of the Group's business);
- **Structure and Capital** (major changes to the Group's corporate structure; any change to the Company's listing);
- **Financial Reporting and Controls** (approval of: financial results; annual reports and accounts; dividend policy and declaration of any dividend; significant changes in accounting policies/practice; treasury policies);
- **Internal Controls** (ensuring maintenance of a sound system of internal control and management);
- **Contracts** (major capital contracts; contracts which are material or strategic; major investments or any acquisitions/disposals);
- **Communications** (approval or resolutions and documentation put forward to shareholders);
- **Board membership and other appointments;**
- **Remuneration:** (determining the remuneration policy for directors, senior execs and non-executive directors, introduction of new share incentive plans, changes to existing plans);
- **Corporate Governance Matters** (review of the Group's overall corporate governance arrangements);
- **Policies** (approval of Group policies, including the share dealing code);
- **Other** (litigation involving £5m and over or otherwise material to the Group; approval of the appointment of professional advisors; and approval of overall levels of insurance for the Group).

As the Company grows, the directors will ensure that the governance framework remains in place to support the development of the business.

Principle Ten

Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

Describe the work of any board committees undertaken during the year:

The Audit Committee met four times during the 2020, to approve the full year and half year results. Meeting with the external auditors on both occasions.

The Remuneration Committee met four times during 2020 to consider the remuneration structure of the company.

The Nominations Committee, which was established in 2020 and meets as and when required.

HSE Committee met five times during year 2020 and an update is provided to the Board at its Meeting immediately after the HSE Committee Meeting.

The Audit Committee comprises of Marco Fumagalli (who holds the position of chairman of the Audit Committee) and Stephen Birrell. Generally, the Audit Committee will meet to review the audit plan received from the auditor prior to their year-end audit, and then meetings to review the half year and full year results prior to Board approval. The main functions include:

- Monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them;
- Reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant,
- Considering annual and interim accounts and audit reports,
- Making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

The Remuneration Committee comprises of the Non-Executive Directors, Stephen Birrell (chair) and Marco Fumagalli. The Committee is responsible for making recommendations to the Board of Directors, on Senior Executives' remuneration. Non-Executives Directors' remuneration and conditions of engagement were considered and agreed by the Board. Financial packages for Executive Directors are established by reference to prevailing market conditions.

Outcomes of votes cast by shareholders to be disclosed in a clear and transparent manner. If a significant number of votes were cast against a resolution put to a general meeting (20%) explain the reasons behind the votes cast.

If a significant proportion of votes (20%+) was ever cast against a resolution, the Company would provide, on a timely basis, an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

Last updated: June 2022