NIGER DELTA EXPLORATION & PRODUCTION PLC
Lagos, Nigeria

ANNUAL REPORT

AND

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS **PAGE**

CORPORATE INFORMATION

Directors	Mr. Ladi Jadesimi	Chairman
	Mr. 'Gbite Falade	Chief Executive Officer /Managing Director
	Mr. Adegbola Adesina	Chief Financial Officer / Finance Director
	Mr. Afolabi Oladele	Non-Executive Director
	Mr. Thierry Georger	Non-Executive Director
	Mr. Osten Olorunsola	Non-Executive Director
	Mr. Ede Osayande	Non-Executive Director
	Mr. Gbenga Adetoro	Non-Executive Director
	Mrs. Patricia Simon-Hart	Independent Non-Executive Director

Company Secretary	Titilola Omisore
Registration Number	191616
Tax Identification Number	00092337-0001
Registered Office	15 Babatunde Jose Road Victoria Island Lagos Nigeria.
Auditor	Deloitte & Touche Civic Towers, Ozumba Mbadiwe Avenue, Victoria Island, Lagos.
Principal Bankers	Guaranty Trust Bank Plc Plot 635 Akin Adesola Street Victoria Island, Lagos.
	Access Bank Plc Plot7, Block 2 Oniru Private Estate Victoria Island,Lagos.
	Polaris Bank Limited 3 Akin Adesola Street Victoria Island, Lagos.
	Bank of Industry Limited 23, Marina Street, Lagos Island, Lagos
	First City Monument Bank Limited 11B Adeola Odeku Street Victoria Island Lagos.
Principal Solicitors	Aluko & Oyebode No 1 Muritala Mohammed Drive (Formerly Bank Road) Ikoyi Lagos.
	Akindelano Legal Practitioners 21 Military Road Onikan Lagos.
	Bloomfield Law Practice 15 Agodogba Avenue Parkview, Ikoyi Lagos, Nigeria

NIGER DELTA EXPLORATION & PRODUCTION PLC

REPORT OF THE DIRECTORS

The Directors present their report on the affairs of Niger Delta Exploration & Production Plc (The Company) and its subsidiaries (together referred to as "The Group") for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Group is engaged in the exploration for, and development and production of oil, natural gas and petroleum products.

STATE OF AFFAIRS

In the opinion of the Directors, the state of affairs of the Group is satisfactory and there has been no material change after the reporting year.

RESULTS FOR THE YEAR

	THE GROUP		THE COMPANY	
	31-Dec-22	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Revenue	**66,109,481**	**51,567,661**	**-**	**-**
	=======	=======	========	========
Profit before taxation	33,262,991	20,180,264	1,071,573	2,450,913
Taxation	(18,122,560)	9,222,753	(272,194)	(308,760)
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Profit after taxation	**15,140,431**	**29,403,017**	**799,379**	**2,142,153**
	========	========	========	========

DIVIDEND

The Directors recommend a dividend of ₦xx per share (2021: ₦20 per share) which amounts to ₦xx for the year ended 31 December 2022 (2021: ₦4,344,844,360). The dividend is subject to deduction of withholding tax at the rate applicable at the time of payment. This will be presented for ratification to the shareholders at the next Annual General Meeting.

MINORITY INTEREST

During 2022, the Group purchased the entire Khalitou Nigeria Limited interest in ND Refineries Limited valued at $520,061. The Group now holds 95.04% in ND Refineries Limited as at 31 December 2022

PROPERTY, PLANT AND EQUIPMENT

Information relating to Property, plant and equipment is given in Note 11 to the consolidated and separate financial statements. In the opinion of the Directors, the market value of the Company's Property, Plant and Equipment is not less than the value shown in the consolidated ans separate financial statements.

CHARITABLE CONTRIBUTIONS

The Company made charitable contributions amounting to ₦175million ($412,483) during the year ended 31 December 2022 (2021: ₦102million ($246,979). The Company made no donations to any political party, political association or for any political purpose during the year (2021:Nil)

REPORT OF THE DIRECTORS - Continued

DIRECTORS

The names of the Directors at the date of this report and of those who held office during the year are as follows:

Mr. Ladi Jadesimi	Chairman	
Mr. Adegbite Falade	Managing Director / Chief Executive Officer	
Mr. Adegbola Adesina	Chief Financial Officer / Finance Director	
Mr. Afolabi Oladele	Non-Executive Director	
Mr. Thierry Georger (French)	Non-Executive Director	
Mr. Osten Olorunsola	Non-Executive Director	
Mr. Ede Osayande	Non-Executive Director	
Mr. Gbenga Adetoro	Non-Executive Director	
Mrs. Patricia Simon-Hart	Independent Non-Executive Director	*Appointed 3 November 2022*

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the share capital of the Company as at 31 December 2022 were as follows:-

Name of Director	**Number of Shares**	
	2022	**2021**
Mr. Adegbite Falade	144,484	70,000
Mr. Adegbola Adesina	6000	6000
Mr. Ladi Jadesimi	Nil	Nil
Mr. Ede Osayande	1,083,163	1,083,163
Mr. Afolabi Oladele	34,087	23,587
Mr. Osten Olorunsola	Nil	48,878
Mr. Gbenga Adetoro	Nil	Nil
Mr. Thierry Georger	Nil	Nil
Mrs. Patricia Simon-Hart	Nil	Nil

Also, the following Directors have beneficial interests in the shares held by the corporate bodies listed against their names:

Name of Director	**Name shares are held**	**Number of shares**	
		2022	**2021**
Mr. Ladi Jadesimi	Badagry Creek Fze	10,407,055	10,328,914

DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors has notified the Group/Company for the purpose of section 303 of the Companies and Allied Matters Act, 2020 of any disclosable interest in contracts with which the Group is involved as at 31 December 2022 (2021:Nil).

SHAREHOLDING ANALYSIS

NDEP Plc - Range analysis as at 31 December 2022

Range	No of Holders	Holders %	Units	Units %
1 - 1,000	867	49.49	145,764	0.07
1,001 - 5,000	200	11.42	528,494	0.24
5,001 - 10,000	116	6.62	886,333	0.41
10,001 - 50,000	246	14.04	7,082,739	3.26
50,001 - 100,000	115	6.56	8,414,598	3.87
100,001 - 500,000	149	8.50	33,020,898	15.20
500,001 - 1,000,000	22	1.26	15,309,746	7.05
1,000,001 - 5,000,000	31	1.77	63,436,772	29.20
5,000,001 - 10,000,000	2	0.11	11,932,728	5.49
10,000,001 - 50,000,000	4	0.23	76,484,146	35.21
TOTAL	1,752	100	217,242,218	100

Committee Membership during the year ended 31 December 2022

	Statutory Audit	Corporate Strategy	Board Audit &Finance	Governance , Remuneration & Nomination	Corporate Responsibility & Risk Mgt
Mr. Adegbite Falade	-	P	P	-	P
Mr. Adegbola Adesina	-	-	-	-	-
Mr. Ede Osayande	P	-	P	P	-
Mr. Thierry Georger	-	-	P	-	P
Mr. Osten Olorunsola	-	P	-	P	P
Mr. Afolabi Oladele	-	P	-	P	-
Mr. Gbenga Adetoro	-	-	P	-	P
Mrs. Patricia Simon-Hart	-	P	-	P	-

Attendance at meetings during the year ended 31 December 2022

	Board	Statutory Audit	Corporate Strategy	Board Audit & Finance	Governance, Remuneration & Nomination	Corporate Responsibility & Risk Mgt	Joint Board Committee
Executive Directors							
Mr. Adegbite Falade	10/10	-	5/5	4/4	-	4/4	4/4
Mr. Adegbola Adesina	10/10	-	-	-	-	-	-
Non- Executive Directors							
Mr. Ladi Jadesimi	10/10	-	-	-	-	-	-
Mr. Ede Osayande	8/10	4/4	-	4/4	9/9	-	4/4
Mr. Osten Olorunsola	10/10	-	6/6	-	9/9	4/4	4/4
Mr. Afolabi Oladele	10/10	4/4	6/6	-	9/9	-	4/4
Mr. Thierry Georger	10/10	-	-	4/4	-	4/4	4/4
Mr. Gbenga Adetoro	9/10	-	-	4/4	-	3/4	3/4
Mrs. Patricia Simon-Hart	3/10		2/6		3/9		2/4

Shareholders' Representative on the Company Statutory Audit Committee during the year ended 31 December 2022

Names	Membership	Attendance
Mr. Femi Akinsanya	P	5/5
Chief Gbola Akinola	P	5/5
Mr. Eddie Efekoha	P	4/5

Notes

Ten (10) meetings of the Board of Directors were held in 2022 financial year.
Eight (8) meetings of the Board Governance, Remuneration and Nomination Committee were held in 2022 financial year.
Four (4) meetings of the Board Audit & Finance Committee were held in 2022.
Four (4) meetings of the Board Corporate Responsibility & Risk Management Committee were held in 2022 financial year.
Five (5) meeting of the Board Corporate Strategy Committee were held in 2022 financial year.
Five (5) meetings of the Statutory Audit Committee were held in 2022 financial year.
Four (4) joint Board Committee working session held in 2022 financial year.
"P" represents Present

REPORT OF THE DIRECTORS - Continued

EMPLOYMENT OF DISABLED PERSONS

The Company has a policy of fair consideration of job application by disabled persons having regard to their abilities and aptitude. The Company's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees. Presently no disabled person is in the employment of the Company

HEALTH, SAFETY AND WELFARE AT WORK OF EMPLOYEES

One of the Company's primary business objectives is that its operations shall not cause accidents, damage or losses. The Company is committed to protecting people, the environment and physical assets. The Company established adequate health and safety measures within its premises and its areas of operations and in the operation of all its vehicles. The Company aims to provide as far as possible medical care for all members of its staff and immediate members of their nuclear families.

EMPLOYEES' TRAINING AND INVOLVEMENT

The Directors maintain regular communication and consultation with the employees and staff representatives on matters affecting employees and the Company.

The Group organises various in-house, local and international training courses and also sends staff abroad for training when the training capacity is not available locally.

PROTECTION OF THE ENVIRONMENT

The Group is committed to protecting the environment within and around its operational areas. In this regard, it has established a framework for complying with all statutory environmental requirements, applying best industry practice and operating in a manner that assumes no harm to the environment.

APPOINTMENT OF EXTERNAL AUDITORS

Messrs Deloitte & Touche have expressed their willingness to continue in office as the auditors of the Company in accordance with section 401 (2) of the Companies and Allied Matters Act, 2020. They have consistently demonstrated their independence and objectivity in carrying out their audit function and we remain deeply appreciative of their service. A resolution will be proposed at the Annual General Meetign of thr Directors to determine ther remuneration.

BY ORDER OF THE BOARD

Titilola Omisore, FRC/2013/NBA/00000003574
COMPANY SECRETARY
2023

NIGER DELTA EXPLORATION & PRODUCTION PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of Niger Delta Exploration & Production Plc (" The Company") and its subsidiaries (together referred to as "The Group") accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and the Company as at 31 December 2022, the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

• properly selecting and applying accounting policies

• presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

• providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance;

Going Concern:
The Directors have made an assessment of the Group's and the Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain as a going concern in the year ahead.

The financial statements of the Group and the Company for the year ended 31 December 2022 were approved by the Board of Directors on xx May 2023 and were signed on its behalf by:

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Mr. Adegbola Adesina	Mr. Gbite Falade	Ladi Jadesimi
Chief Financial Officer	Chief Executive Officer	Chairman
FRC/2021/001/00000024579	FRC/2021/003/00000025055	FRC/2015/IODN/00000006637
2023	2023	2023

NIGER DELTA EXPLORATION & PRODUCTION PLC

CERTIFICATION OF FINANCIAL STATEMENTS

In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the consolidated and separate financial statements have been reviewed and based on our knowledge, the:

(i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
(ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group and Company as of and for, the periods covered by the audited financial statements;

We state that management and directors:
(i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Group is made known to the officer by other officers of the Group , particularly during the period in which the audited financial statement report is being prepared,
(ii) has evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of its audited financi statements, and
(iii) certifies that the Group's internal controls are effective as of that date;

We have disclosed:

(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Group ability to record, process, summarise and report financial data, and has identified for the Group's auditors any material weaknesses in internal controls, and
(ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Group's internal control; and
(iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2022 were approved by the Board of Directors on May 2023 and were signed on its behalf by:

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Mr. Adegbola Adesina	Mr. Gbite Falade
Chief Financial Officer	Chief Executive Officer
FRC/2021/001/00000024579	FRC/2021/003/00000025055
2023	2023

REPORT OF THE AUDIT COMMITTEE TO THE MEMBERS OF NIGER DELTA EXPLORATION & PRODUCTION PLC

In accordance with the provisions of sections 404(4) and (7) of the Companies and Allied Matters Act, 2020, we have reviewed;

i) the scope and planning of the audit requirements and

ii) the accounting and reporting policies of the Group and Company for the year ended 31 December 2022 and ascertained that they are in accordance with legal requirements and agreed ethical practice.

In our opinion, the scope and planning of the audit for the year ended 31 December 2022 together with the consolidated and seperate audited financial statements were satisfactory. The external auditors had discharged their duties conscientiously and satisfactorily. We were satisfied with Management's responses to the auditors' findings.

Mr Olufemi Akinsanya, ACA, FRC/2013/CISN/00000002760
Chairman
Audit Committee

2023

Members of the Audit Committee

1.	Mr Olufemi Akinsanya	Chairman/Shareholder Representative
2.	Mr Eddie Efekoha	Shareholder Representative
3.	Mr. Afolabi Oladele	Board Representative
4.	Chief Gbola Akinola	Shareholder Representative
5	Mr. Ede Osayande	Board Representative

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NIGER DELTA EXPLORATION & PRODUCTION PLC

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Niger Delta Exploration & Production Plc ("the Company") and its subsidiaries (together referred to as "the Group") which comprise the consolidated and separate statement of financial position as at 31 December 2022, the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity, the consolidated and separate statement of cash flows for the year then ended, and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Niger Delta Exploration & Production Plc as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), the Companies and Allied Matters Act Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria.

We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated and separate financial statements of the current year. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

We have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed in the audit
Estimation of provision for decommissioning and restoration obligations	
The Group's core activities regularly lead to obligations related to dismantling and removal, asset retirement and soil remediation activities. The principal risk relates to management's estimates of future costs used to project the provision for decommissioning and restoration obligations. The Group's disclosures about the provision for decommissioning and restoration obligations are included in Note 2 (Accounting policies, judgements and estimates) and Note 22 (Decommissioning liabilities).	We assessed management's annual estimation of the provision for decommissioning and restoration obligation. Specifically our work included, but was not limited to, the following procedures: • Obtain the management's decommissioning costs computation for the current year; • Test for accuracy and completeness, the inputs used in the decommissioning cost computation; • Evaluate and challenge management's assumptions used for the computation; • Perform retrospective review of the inputs and assumptions used in computation of the provision; • Test the mathematical accuracy of the decommissioning and restoration obligation calculation; and • Assess the adequacy of the Group's disclosures in the financial statements. Based on the procedures performed we considered provision for decommissioning and restoration obligations have not been materially misstated and have been appropriately accounted for in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, Audit Committee's Report, Statement of Directors' Responsibilities as required by the Companies and Allied Matters Act, Cap C20 LFN 2004 and Other National Disclosures as well as the Extract of the Financial Statements in United States of America Dollar (USD), which we obtained prior to the date of this auditors' report. The other information does not include the consolidated and separate financial statements and our report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, 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 the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act Cap C20 LFN 2004, Financial Reporting Council Act, 2011 and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee and the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee and Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee and/or the Directors, we determine those matter that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Sixth Schedule of the Companies and Allied Matters Act Cap C20 LFN 2004, we expressly state that:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

ii) The Group and Company have kept proper books of account, so far as appears from our examination of those books; and

iii) The consolidated and separate statement of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Olufemi Abegunde FCA-FRC/2013/ICAN/00000004507 for: Deloitte & Touche
Chartered Accountants Lagos, Nigeria
2020

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	THE GROUP		THE COMPANY	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		₦'000	₦'000	₦'000	₦'000
Revenue	3	66,109,481	51,567,661	-	-
Cost of sales	4	(23,804,575)	(35,978,790)	-	-
Gross profit		**42,304,906**	**15,588,871**	**-**	**-**
Other income	5	82,016	5,074,037	256,033	1,608,726
General and administrative expenses	6	(13,121,294)	(8,640,172)	(644,503)	(712,922)
Operating profit		**29,265,628**	**12,022,736**	**(388,470)**	**895,804**
Finance income	7	1,953,258	1,663,427	1,460,043	1,555,109
Finance costs	7	(3,453,389)	(3,281,761)	-	-
Net Finance (cost)/income		**(1,500,131)**	**(1,618,334)**	**1,460,043**	**1,555,109**
Share of profit of an associate	14	5,497,494	9,775,862	-	-
Profit before taxation		**33,262,991**	**20,180,264**	**1,071,573**	**2,450,913**
Tax credit / (expense)	24	(18,122,560)	9,222,753	(272,194)	(308,760)
Profit after taxation		**15,140,431**	**29,403,017**	**799,379**	**2,142,153**
Profit/(Loss) attributable to:					
Equity holders of the parent		14,339,039	29,464,030	799,379	2,142,153
Non-controlling interest		801,392	(61,013)	-	-
		15,140,431	**29,403,017**	**799,379**	**2,142,153**
Other comprehensive income:					
Other comprehensive income item that may be reclassified to profit or loss in subsequent years (net of tax):					
Foreign currency translation difference		14,974,041	12,739,690	1,093,345	2,248,700
Other comprehensive income item that will not be reclassified to profit or loss in subsequent years (net of tax):					
Share of other comprehensive income of associate accounted for using the equity method	14	10,371,743	9,104,823	-	-
Net gain / (loss) on equity instruments at fair value through other comprehensive income		(328,368)	1,175,906	(328,368)	1,175,906
Other comprehensive income for the year, net of tax		**25,017,416**	**23,020,419**	**764,977**	**3,424,606**
Total comprehensive income for the year		**40,157,847**	**52,423,436**	**1,564,356**	**5,566,759**
Total comprehensive income attributable to:					
Equity holders of the parent		**39,678,117**	**52,280,009**	**1,564,356**	**5,566,759**
Non-controlling interest		**479,730**	**143,427**	**-**	**-**
Basic earnings per share	10	**₦69.69**	**₦135.35**	**₦3.68**	**₦9.86**

The accompanying notes and significant accounting policies form an integral part of these financial statements

NIGER DELTA EXPLORATION & PRODUCTION PLC

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	THE GROUP		THE COMPANY	
		31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
		₦'000	₦'000	₦'000	₦'000
Assets					
Non-current assets					
Property, plant and equipment	11	223,695,294	195,808,634	3,928,799	4,176,704
Intangible assets	12	467,553	779,671	-	-
Deferred tax assets	15	12,759,803	25,416,645	-	-
Financial assets	13	2,204,353	2,180,659	1,852,291	2,180,659
Investment in associate	14	132,532,480	116,663,243	7,810,062	7,810,062
Investment in subsidiaries	25	-	-	15,734,227	15,452,665
Total non-current assets		**371,659,483**	**340,848,852**	**29,325,379**	**29,620,090**
Current assets					
Inventories	16	9,370,788	4,953,978	-	-
Trade and other receivables	17	31,542,918	18,617,118	23,347,880	25,873,309
Prepayments	18	99,316	205,011	34,501	28,430
Cash and Cash equivalents	19	60,709,032	12,808,210	2,994,025	2,484,561
Total current assets		**101,722,054**	**36,584,317**	**26,376,406**	**28,386,300**
Total assets		**473,381,537**	**377,433,169**	**55,701,785**	**58,006,390**
Equity and liabilities					
Shareholders' equity					
Share capital	20	2,172,422	2,172,422	2,172,422	2,172,422
Share premium	20	22,819,670	22,819,670	22,819,670	22,819,670
Translation reserve	28	129,499,711	103,743,694	8,794,966	7,701,621
Fair value reserve of financial assets at FVOCI	29	266,922	595,290	266,922	595,290
Retained earnings		170,402,941	160,420,021	17,806,357	21,351,822
Non-controlling interests	35	1,603,967	1,483,095	-	-
Total shareholders' equity		**326,765,633**	**291,234,192**	**51,860,337**	**54,640,825**
Non-current liabilities					
Borrowings	21	36,022,680	13,544,304	-	-
Decommissioning liabilities	22	64,489,699	45,148,655	-	-
Total non-current liabilities		**100,512,379**	**58,692,959**	**-**	**-**
Current liabilities					
Trade and other payables	23	23,868,227	17,134,990	3,553,086	3,047,439
Taxation	24	4,509,948	2,705,082	288,362	318,126
Borrowings	21	17,725,350	7,665,946	-	-
Total current liabilities		**46,103,525**	**27,506,018**	**3,841,448**	**3,365,565**
Total liabilities		**146,615,904**	**86,198,977**	**3,841,448**	**3,365,565**
Total equity & liabilities		**473,381,537**	**377,433,169**	**55,701,785**	**58,006,390**

The accompanying notes and significant accounting policies form an integral part of these financial statements

The financial statements were approved and authorised for issue by the Board of Directors on May 2023 and signed on its behalf by:

Mr. Adegbola Adesina	Mr. Gbite Falade	Ladi Jadesimi
Chief Financial Officer	Chief Executive Officer	Chairman
FRC/2021/001/00000024579	FRC/2021/003/00000025055	FRC/2015/OIDN/00000006637

NIGER DELTA EXPLORATION & PRODUCTION PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

GROUP

	Issued capital ₦'000	Share premium ₦'000	Translation reserve ₦'000	Fair value reserve of financial assets at FVOCI ₦'000	Deposit for shares ₦'000	Retained earnings ₦'000	Non-controlling interests ₦'000	Total equity ₦'000
Balance at 1 January 2021	2,172,422	22,819,670	82,103,621	(580,616)	-	132,476,687	1,339,668	240,331,452
Profit / loss for the year	-	-	-	-	-	29,464,030	(61,013)	29,403,017
Foreign currency translation difference	-	-	12,535,250	-	-	-	204,440	12,739,690
Net loss on equity instruments at fair value through other comprehensive income	-	-	-	1,175,906	-	-	-	1,175,906
Share of other comprehensive income of associate accounted for using the equity method	-	-	9,104,823	-	-	-	-	9,104,823
Total comprehensive income for the year	-	-	21,640,073	1,175,906	-	29,464,030	143,427	52,423,436
Dividends to equity holders of the company (note 30)	-	-	-	-	-	(1,520,696)	-	(1,520,696)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	-	-	(1,520,696)	-	(1,520,696)
Balance at 31 December 2021	**2,172,422**	**22,819,670**	**103,743,694**	**595,290**	**-**	**160,420,021**	**1,483,095**	**291,234,192**
Balance at 1 January 2022	2,172,422	22,819,670	103,743,694	595,290	-	160,420,021	1,483,095	291,234,192
Profit / loss for the year	-	-	-	-	-	14,339,039	801,392	15,140,431
Transfer of Shares (NDRE)			88,571			(11,275)	(358,858)	(281,562)
Foreign currency translation difference	-	-	15,295,703	-	-		(321,662)	14,974,041
Net gain / (loss) on equity instruments at fair value through other comprehensive income	-	-	-	(328,368)	-	-	-	(328,368)
Share of other comprehensive income of associate accounted for using the equity method	-	-	10,371,743	-	-	-	-	10,371,743
Total comprehensive income for the year	-	-	25,756,017	(328,368)	-	14,327,764	120,872	39,876,285
Dividends to equity holders of the company (note 30)	-	-	-	-	-	(4,344,844)	-	(4,344,844)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	-	(4,344,844)	-	(4,344,844)
Balance at 31 December 2022	**2,172,422**	**22,819,670**	**129,499,711**	**266,922**	**-**	**170,402,941**	**1,603,967**	**326,765,633**

The notes on pages xx to xx form an integral part of these financial statements

NIGER DELTA EXPLORATION & PRODUCTION PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

THE COMPANY	**Issued capital**	**Share premium**	**Translation reserve**	**Fair value reserve of financial assets at FVOCI**	**Retained earnings**	**Total equity**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Balance at 1 January 2021	2,172,422	22,819,670	5,452,921	(580,616)	20,730,365	50,594,762
Profit for the year	-	-	-	-	2,142,153	2,142,153
Foreign currency translation difference	-	-	2,248,700	-	-	2,248,700
Net gain / (loss) on equity instruments at fair value through other comprehensive income	-	-	-	1,175,906	-	1,175,906
Total comprehensive income for the year	**-**	**-**	**2,248,700**	**1,175,906**	**2,142,153**	**5,566,759**
Dividends to equity holders of the company (note 30)	-	-	-	-	(1,520,696)	(1,520,696)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	-	(1,520,696)	(1,520,696)
Balance at 31 December 2021	**2,172,422**	**22,819,670**	**7,701,621**	**595,290**	**21,351,822**	**54,640,825**
Balance at 1 January 2022	2,172,422	22,819,670	7,701,621	595,290	21,351,822	54,640,825
Profit for the year	-	-	-	-	799,379	799,379
Foreign currency translation difference	-	-	1,093,345	-	-	1,093,345
Net gain / (loss) on equity instruments at fair value through other comprehensive income	-	-	-	(328,368)	-	(328,368)
Total comprehensive income for the year	-	-	1,093,345	(328,368)	799,379	1,564,356
Dividends to equity holders of the company (note 30)	-	-	-	-	(4,344,844)	(4,344,844)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	(4,344,844)	(4,344,844)
Balance at 31 December 2022	**2,172,422**	**22,819,670**	**8,794,966**	**266,922**	**17,806,357**	**51,860,337**

The accompanying notes and significant accounting policies form an integral part of these financial statements

NIGER DELTA EXPLORATION & PRODUCTION PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

	Notes	THE GROUP 31-Dec-22 ₦'000	THE GROUP 31-Dec-21 ₦'000	THE COMPANY 31-Dec-22 ₦'000	THE COMPANY 31-Dec-21 ₦'000
Profit before taxation		33,262,991	20,180,264	1,071,573	2,450,913
Adjustments:					
Interest expense	7	3,453,389	3,281,761	-	-
Interest income	7	(1,953,258)	(1,663,427)	(1,460,043)	(1,555,109)
Dividend received	5	(53,064)	(48,625)	(53,064)	(48,625)
Exchange gain	5	1,070,661	(3,176,208)	(200,976)	(27,206)
Share of profit from associate	14	(5,497,494)	(9,775,862)	-	-
Loss on Financial Asset at FV through PorL	13	900,965	-	-	-
Depreciation of property, plant and equipment	9	11,564,379	19,048,616	-	1,784
Amortisation of intangible assets	9	357,984	276,817	-	15,959
Allowance for expected credit loss/Impairment allowance	6.3	11,842	28,200	-	-
Provision no longer required	5	-	(1,839,412)	-	-
Gain on disposal of property, plant and equipment	5	(4,280)	(7,723)	-	-
Stock adjustment	4	(3,271,782)	(1,010,910)	-	-
Asset write-off	11	1,277,470	47,081	-	-
Operating cash flows before movement in working capital		**41,119,803**	**25,340,572**	**(642,510)**	**837,716**
Movement in working capital:					
Decrease/(Increase) in trade and other receivables		(14,008,303)	3,497,166	2,726,405	(2,272,700)
Decrease/(Increase) in prepayments		105,695	86,797	(6,071)	13,117
(Decrease)/Increase in inventory		(1,145,028)	(522,777)	-	-
(Increase) / Decrease in restricted cash		(5,061,875)	(2,688,276)	(188,859)	(177,710)
Increase in trade and other payables		9,069,157	6,655,473	2,370,616	2,335,248
Cash generated by operating activities		**30,079,449**	**32,368,955**	**4,259,581**	**735,671**
Tax paid (note 24)	24	(2,633,125)	(415,661)	(326,441)	(112,818)
Net cash flows from operating activities		**27,446,324**	**31,953,294**	**3,933,140**	**622,853**
Investing activities					
Interest received	7	1,953,258	1,663,427	1,460,043	1,555,109
Dividend received	5	53,064	1,579,481	53,064	48,625
Purchase of property, plant and equipment	11	(10,064,567)	(18,966,875)	(499,236)	(1,469,831)
Proceeds from disposal of assets		4,280	7,723	-	-
Additional investment in subsidiary	25	-	-	(281,562)	-
Purchase/Sale from disposal of financial assets		(1,253,027)	411,976	-	-
Net cash (used in) / from investing activities		**(9,306,992)**	**(15,304,268)**	**732,309**	**133,903**
Financing activities					
Non - controlling interests - issue of shares		(358,858)	-	-	-
Dividend paid		(4,344,844)	(1,520,696)	(4,344,844)	(1,520,696)
Interest paid		(3,362,059)	(2,435,457)	-	-
Repayment of borrowing	21	(6,255,030)	(12,065,916)	-	-
Additional borrowing	21	37,678,200	4,129,900	-	-
Net cash flows used in financing activities		**23,357,409**	**(11,892,169)**	**(4,344,844)**	**(1,520,696)**
Decrease in cash and cash equivalents		41,496,741	4,756,857	320,605	(763,940)
Cash and cash equivalents - Beginning of year	19	8,104,254	3,092,103	291,171	1,055,111
Exchange rate effects on cash and cash equivalents		1,342,206	255,294	-	-
Cash and cash equivalents - End of year	19	**50,943,201**	**8,104,254**	**611,776**	**291,171**

The accompanying notes and significant accounting policies form an integral part of these financial statements

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

1 REPORTING ENTITY

Niger Delta Exploration & Production Plc ("the Company") was incorporated on 25 March 1992. The consolidated and separate financial statements of the Company as at and for the year ended 31 December 2022 comprise the Group and the Company and the Group's interest in associates.

The Group is engaged in the exploration for, and development and production of oil, natural gas and petroleum products.

The Head Office of the Company is located at:
15 Babatunde Jose Road,
Victoria Island,
Lagos,
Nigeria.

1.2 Composition of Financial Statements

The consolidated and separate financial statements are presented up in United States Dollar and Nigerian Naira

The financial statements comprise:
•Consolidated statement of profit and loss and other comprehensive income
•Consolidated statement of financial position
•Consolidated statement of changes in equity
•Consolidated statement of cash flows
•Notes to the financial statements

The Directors also provided the following additional statements:
•Consolidated five-year financial summary
•Consolidated value added statement

These financial statements are presented in the Company's functional currency, United States Dollar, and the presentattion currency , Nigerian Naira. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and in the manner required by the companies and Allied Matters Act (CAMA), 2020 and Financial Reporting Council of Nigeria Act, 2011.

1.3 Financial Period

These consolidated financial statements cover the period from 1 January 2022 to 31 December 2022 with comparative figures for the financial year from 1 January 2021 to 31 December 2021

1.4 Basis of preparation

Statement of compliance

The consolidated financial statements of Niger Delta Exploration & Production Plc, and all of its subsidiaries ("The Group") have been prepared in compliance with the International Financial Reporting Standards(IFRS) as issued by the International Accounting Standards Board and IFRS Interpretations Committee (IFRIC) interpretations applicable to companies reporting under IFRS.

Basis of measurement

The consolidated and separate financial statements are prepared under the historical cost convention, except for certain financial instruments which are measured at amortised cost. The functional currency is Dollar and presentation currency is in both Dollar and Naira.

The preparation of the consolidated and separate financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates and underlying assumptions are continually evaluated and are based on the Directors’ best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ADOPTION OF NEW AND REVISED IFRS STANDARDS

(a) New standards, interpretations and amendments to existing standards adopted by the Group

The Group has considered the following standards and amendments for the first time in its reporting period commencing 1 January 2022:

Amendments to IFRS 3 Business Combination– Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.
The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier. The Group has adopted the amendments but it does not have any significant inpact on its financial statements

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The Group has adopted the amendments but it does not have significant impact on its financial statements.

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. The Group has adopted the amendments but it does not have significant impact on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS - Continued

Annual Improvements (2018-2020) Cycle

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a). The Group has adopted the amendments but it does not have significant impact on its financial statements.

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment. The Group has adopted the amendments but it does not have significant impact on its financial statements.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated. The Group has adopted the amendments but it does not have significant impact on its financial statements.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. This standard is not applicable to the Group.

(b) New standards, interpretations and amendments to existing standards
Standards issued but not yet effective.

The standards and interpretations that are issued, but not yet effective,up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policy holders' options and guarantees.

NOTES TO THE FINANCIAL STATEMENTS - Continued

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.
IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied. For the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. This standard is not applicable to the Group.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures— Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments are yet to be set by the IASB; however, earlier application of the amendments is permitted. The Group intends to adopt the amendment once effective but it will have no significant inpact on the Group's consolidation.

Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. It specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explains that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The Group intends to adopt the amendments once effective.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

- Identify information that has the potential to be material.
- Assess whether the information identified in Step 1 is material.
- Organise the information within the draft financial statements in a manner that supports clear and concise communication.
- Review and assess the information provided in the draft financial statements as a whole and consider whether the information is material both individually and in combination with other information

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements. The Group intends to adopt the amendments once effective.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

• A change in accounting estimate that results from new information or new developments is not the correction of an error

• The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted. The Group intends to adopt the amendment once effective but it will have no significant inpact on the Group's consolidation.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit.

For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

• A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

– Right-of-use assets and lease liabilities

– Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

• The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. The Group intends to adopt the amendment once effective but it will have no significant inpact on the Group's consolidation.

(c) **Basis of consolidation**

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has power or 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 use its power over the entity to affect the amount of the entity's return. 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. In the separate financial statement, investment in subsidiaries is measured at cost less accumulated impairments. Investment in subsidiary is impaired when its recoverable amount is lower than its carrying value. The Group considers all facts and circumstances', including the size of the Group's voting rights relative to the size and dispersion of other vote holders in the determination of control.

Step acquisition

If the acquirer increases an existing equity interest so as to achieve control of the acquiree, the previously held equity interest is remeasured at acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

Contingent consideration

Among the items recognised will be the acquisition-date fair value of contingent consideration. Changes to contingent consideration resulting from events after the acquisition date are recognised in profit or loss

Non Controlling Interest (NCI)

The acquirer can elect to measure the components of NCI in the acquiree

- that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in liquidation either at fair value, or

- at the NCI's proportionate share of the net assets.

NOTES TO THE FINANCIAL STATEMENTS - Continued

Acquisition-related costs are expensed as incurred. The excess of the consideration transferred, the amount of any controlling interest in the acquiree, and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss statement.

Inter-company transactions, amounts, balances and income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from transactions that are recognised in assets are also eliminated. Accounting policies and amounts of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Investment in Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the change in the associate's net assets after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction
In the separate financial statements of the Company, Investment in associates are measured at cost less impairment. Investment in associate is impaired when its recoverable amount is lower than its carrying value.

(iv) Foreign currency translation

These consolidated financial statements are presented in both Dollar and Naira. The Group's functional currency is Dollars. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(v) Transactions and balances in Group entities

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing on the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss.

All other foreign exchange gains and losses are presented in the profit or loss statement within ‘other (losses)/gains – net’. Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through OCI, are included in other comprehensive income.

(vi) Consolidation of Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- assets and liabilities for each statement of financial position items presented, are translated at the closing rate at the reporting date;
- income and expenses for each profit or loss statement are translated at average rate.
- all resulting exchange differences are recognised in other comprehensive income.

(d) **Interests in joint arrangements**

IFRS defines joint control as the contractually agreed sharing of control over an economic activity, and this exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the “venturers”).

A joint operation (JO) involves joint control and often joint ownership by the Group and other venturers of assets contributed to, or acquired for the purpose of, the joint venture, without the formation of a corporation, partnership or other entity.

A joint operator accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular asset, liability, revenue and expense. The acquisition of an interest in a joint operation in which the activity constitutes a business should be accounted for using the principles of IFRS 3.

When joint control ceases to exist, The Group determines which entity controls the investment and accounts for the investment in accordance to IFRS 10. Where control ceases entirely, the investment is accounted for in line with IAS 39 or IAS 28.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(e) **Oil and natural gas exploration, evaluation and development expenditure**

Oil and natural gas exploration, evaluation and development expenditure is accounted for using the "successful efforts method of accounting". Costs incurred prior to obtaining legal rights to explore are expensed immediately to the profit or loss statement.

(i) Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

(ii) Licence and property acquisition costs

Exploration licence and leasehold property acquisition costs are capitalised within intangible assets and are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine, that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing.

If no future activity is planned, the carrying value of the licence and property acquisition costs is written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

(iii) Exploration and evaluation costs

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

Geological and geophysical costs are recognised in profit or loss as incurred.

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as an intangible asset.

All such capitalised costs are subject to technical, commercial and Management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

When proved reserves of oil and natural gas are identified and development is sanctioned by Management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties. No amortisation is charged during the exploration and evaluation phase.

For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at the carrying value of the asset given up and no gain or loss is recognized.

(iv) Development costs

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within oil and gas properties.

(f) **Property, plant and equipment (including Oil and gas properties).**

(i) Initial recognition

Oil and gas properties and other property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, excluding land.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation, and for qualifying assets (where applicable), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property, plant and equipment.

When a development project moves into the production stage, the capitalisation of certain construction/development costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to oil and gas property asset additions, improvements or new developments.

(ii) Depreciation/amortisation

Oil and gas properties are depreciated/amortised on a unit-of-production basis over the total proved plus probable (2P) reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved plus probable (2P) reserves of the relevant area. The unit-of-production rate calculation for the depreciation/amortisation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

Other property, plant and equipment (excluding land) are generally depreciated on a straight-line basis over their estimated useful lives. Property, plant and equipment held under finance leases are depreciated over the shorter of lease term and estimated useful life.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in "other income" in profit or loss when the asset is derecognised.

The asset’s residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period, and adjusted prospectively if necessary.

Useful lives

The useful lives of the assets are estimated as follows:

Asset	Useful life
Buildings	25 years
Plant and machinery	4 - 50 years
Office equipment	4 years
Furniture and Fittings	4 years
Motor vehicles	4 years
Gas Plant	40 years

Project equipment and civil works are depreciated using the unit of production method.

NOTES TO THE FINANCIAL STATEMENTS - Continued

(iii) Disposal
The proceeds on disposal of an item of property, plant and equipment or an intangible asset is recognised initially at its fair value by the Group. However, if payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue. Any part of the consideration that is receivable in the form of cash is treated as a definition of a financial asset and is accounted for at amortised cost.

(iv) Major maintenance, inspection and repairs

Expenditure on major maintenance refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset, that was separately depreciated and is now written off, is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

(g) **Intangible assets**

Intangible assets include software and license

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight line basis over their useful lives) and accumulated impairment losses, if any. Sofware and Licenses are amortised over 4 years.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised. Instead the related expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(h) **Impairment of non-financial assets (excluding goodwill and indefinite life intangibles)**

The Group assesses at each reporting date whether there is an indication that an asset (or cash-generating unit (CGU)) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Group estimates the asset's or CGU's recoverable amount. Recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets, in which case, the asset is tested as part of a larger CGU to it belongs.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of The Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover the period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flow after the fifth year.

Impairment losses of continuing operations, including impairment of inventories, are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets/CGUs excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, The Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's / CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset / CGU does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset/CGU in prior years. Such a reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase and is recognised through other comprehensive income.

Goodwill

Goodwill is tested for impairment annually (as at 31 December) and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives

Intangible assets with indefinite useful lives are tested for impairment annually (as at 31 December) either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

(i) **Financial assets**

(i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and The Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which The Group has applied the practical expedient, The Group initially measures a financial asset at its fair value plus – in the case of a financial asset not at fair value through profit or loss – transaction costs. Trade receivables that do not contain a significant financing component or for which The Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that The Group commits to purchase or sell the asset.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets designated at fair value through OCI with recycling of cumulative gains and losses upon derecognition (debt instruments)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to The Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group’s financial assets at amortised cost includes trade and other receivables, and corporate bonds.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, The Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the

Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes unquoted equity securities which The Group had not irrevocably elected to classify at fair value through OCI. Dividends on unquoted equity securities are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from The Group's statement of financial position) when:

• The rights to receive cash flows from the asset have expired Or

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) The Group has transferred substantially all the risks and rewards of the asset, or (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, The Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, The Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that The Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that The Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, The Group applies a simplified approach in calculating ECLs. Therefore, The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

The Group considers a financial asset in default when contractual payments are 45 days past due. However, in certain cases, The Group may also consider a financial asset to be in default when internal or external information indicates that The Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(j) **Financial liabilities, excluding derivative financial instruments, and equity instruments**

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include borrowings, trade and other payables.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification as described below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as fair value through profit or loss.

Amortised Cost
This is the category most relevant to the Group. After initial recognition, trade and other payables, and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

(iii) Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(k) **Hedge Accounting**
The Group uses a put option to hedge against its oil price risk. The Group enetered an economic crude oil hedge contract to insure the Group's revenue against adverse oil price movement. At the inception of the hedge relationship, the Group initially recognised the hedge at fair value on the date the contract is entered and subsequently remeasured to their fair value at the end of each reporting period. Any gains or losses arising from changes in the fair value of the hedge are recognised within operating profit in profit or loss for the period.

(l) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(m) **Cash and short-term deposits**

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less, but exclude any restricted cash which is not available for use by the Group and therefore is not considered highly liquid – for example cash set aside to cover rehabilitation obligations.

NOTES TO THE FINANCIAL STATEMENTS - Continued

(n) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
a)In the principal market for the asset or liability OR b)In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use
when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value
measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis,
The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(o) **Inventories**

Inventories are stated at the lower of cost and net realisable value. The cost of producing and refining crude oil is accounted for on a weighted average basis. Inventory include include crude (including the volume held up in pipes) ,refined products and spares/consumables.

Net realisable value of crude oil and refined products is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The cost of crude oil and refined products is the purchase cost, cost of refining, including the appropriate proportion of depreciation, depletion and amortisation and overheads based on normal capacity.

(p) **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at date of inception: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. The Group leases buildings which considerably may include extension or termination options as described below.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. The Group assess whether a contract conveys the right to control the use of an identified asset; the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and the Group has the right to direct the use of the asset.

Leases are initially recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. Where it is reasonably certain that an extension option will be triggered in a contract, lease payments to be made in respect of the option will be included in the measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the Group’s incremental borrowing rate is used. This is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment, with similar terms, security and conditions
Right-of-use assets are depreciated over the lease term on a straight-line basis. Payments associated with short term leases of properties and all leases of low-value assets are expensed in profit or loss as incurred in line with the exemption allowed under paragraph 6 of IFRS 16. Short term leases are leases with a lease term of 12 months or less. Extension and termination options are included in property building agreement. These are used to maximise operational flexibility in terms of managing the assets used in the Group’s operations. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

The Group elected to apply the practical expedient not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group also made use of the practical expedient to not recognise a right-of-use asset or a lease liability for leases for which the lease term ends within 12 months of the date of initial application

(q) **Provisions**

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in profit or loss.

(ii) Decommissioning liability

The Group recognises a decommissioning liability when it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and gas assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory are expensed as incurred.

Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment, in line with IFRIC 1.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, shall not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, The Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the revised oil and gas assets net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as a finance cost.

The Group recognises neither the deferred tax asset regarding the temporary difference on the decommissioning liability nor the corresponding deferred tax liability regarding the temporary difference on a decommissioning asset.

(r) **Income taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where The Group and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised, using the temporary difference approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

(iii) Royalties, resource rent tax and revenue-based taxes

In addition to corporate income taxes, The Group's financial statements also include and recognize as taxes on income, other types of taxes on net income which are calculated based on oil and gas production.

Royalties, resource rent taxes and revenue-based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is based on taxable income – rather than based on quantity produced or as a percentage of revenue – after adjustment for temporary differences. For such arrangements, current and deferred income tax is provided on the same basis as described above for other forms of income tax.

Obligations arising from royalty arrangements and other types of taxes, that do not satisfy these criteria, are recognised as current provisions and included in cost of sales. The revenue taxes payable by Niger Delta Exploration & Production Plc do not meet the criteria for IAS 12 and are thus recognised as part of cost of sales.

(iv) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(s) **Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Group reasonably expects that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Group has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in another section.

Sale of crude oil

Revenue from the sale of oil and petroleum products is recognized when the significant risks and rewards of ownership have been transferred, which is considered to occur when title passes to the customer. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of crude oil, the entity considers the existence of significant financing components and consideration payable to the customer (if any).

Significant financing component

Using the practical expedient in IFRS 15, the entity does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Sale of Gas

The Group provides gas processing, marketing and transportation services. The Group recognises revenue from gas sale at the point in time when the significant risks and rewards of ownership have been transferred. This generally occurs when the gas have been delivered at the buyer's delivery point for gas. The normal credit term is between 30-45 days upon delivery.

Sale of Refined Products

Revenue from the sale of refined products is recognized when the significant risks and rewards of ownership have been transferred, which is considered to occur when title passes to the customer. This generally occurs when the product is lifted by the customer/distributor. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of diesel,the entity considers the existence of significant financing components and consideration payable to the customer (if any). There are no credit terms for the sale of refined products as the Group receives upfront payment (downpayment) for the refined products before they are lifted by the customer/distributor.

Variable considerations

Consideration would be variable if an entity's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

- Customer usage : Certain contracts have range of possible transaction prices arising from different customer usages. The Group uses the expected value method to estimate the volume of goods the customer will utilise because this method best predicts the amount of variable consideration to which the Group will be entitled. Using the practical expedient in IFRS 15, the Group has elected to recognise revenue based on the amount invoiced to the customer since the Group has a right to consideration from its customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

Consideration payable to a customer

Consideration payable to a customer includes penalties that the Group expects to pay to its customer if it does not deliver the Adjusted Annual Contract Quantity or delivers off-specification gas. The consideration payable to a customer is accounted for as a reduction of the transaction unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.

The Group recognise the reduction of revenue when (or as) the following events occur:

- the entity recognises revenue for the transfer of the related goods or services to the customer; and
- the entity pays or promises to pay the consideration (even if the payment is conditional on a future event). That promise might be implied by the entity's customary business practices.

The following criteria are also applicable to other specific revenue transactions:

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available for sale, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest revenue is included in finance income in profit or loss.

(t) **Cost of sales**

Cost of sales includes the cost of crude oil , gas inventory , refined products inventory (including depreciation, amortization and impairment charges), costs related to transportation, impairment, the allowance for doubtful accounts and inventory write downs.

(u) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(v) **Retirement benefit liabilities**

The Group currently has only defined contribution plans. Its defined benefits plan was discontinued in 2016. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis in accordance with the Pension Reform Act 2014. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

(w) **Short-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(x) **Dividend distribution**

Dividend payment or payable is recognised when the Group becomes liable to make payment of dividend, which is generally when shareholders approve the dividend at the annual general meeting. Proposed dividends on ordinary shares are not recognised as liability.

(y) **Current versus non-current classification**

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(z) **Investment property**

Investment properties refers to land and building held to earn rentals. Land is carried at cost and it is not subject to depreciation.
Building is initially recognized and subsequently measured at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property. Investment property held by the Company is depreciated over an estimated useful life of 25 years.
When a development project moves into the production stage, the capitalisation of certain construction/development costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to additions, improvements or new developments.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's financial statements in conformity with IFRS requires Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on Management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates if different assumptions were used and different conditions existed.

In particular, the Group has identified the following areas where significant judgments, estimates and assumptions are required, and where if actual results were to differ, may materially affect the financial position or financial results reported in future periods. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the financial statements.

i. **Hydrocarbon reserve and resource estimates**

Oil and gas production properties are depreciated on units of production (UOP) basis at a rate calculated by reference to total proved and probable (2P) reserves determined in accordance with Society of Petroleum Engineers rules and incorporating the estimated future cost of developing those reserves. The Group estimates its commercial reserves based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil in place, recovery factors and future oil prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the Production-Sharing Agreements. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs.

As the economic assumptions used may change and as additional geological information is produced during the operation of a field, estimates of recoverable reserves may change. Such changes may impact The Group's reported financial position and results which include:

- The carrying value of exploration and evaluation assets, oil and gas properties, property, and plant and equipmentmay be affected due to changes in estimated future cash flows.

- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the units of production method, or where the useful life of the related assets change.

- Provisions for decommissioning may change - where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.

- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

ii. **Exploration and evaluation expenditures**

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires Management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

iii. **Units of production depreciation of oil and gas assets**

Oil and gas properties are depreciated using the units of production (UOP) method over total proved and probable (2P) hydrocarbon reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field.

Each items' life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates changes. Changes to prove reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions.

Or

- Unforeseen operational issues

Changes are accounted for prospectively.

iv. **Recoverability of oil and gas assets**

The Group assesses each asset or cash generating unit (CGU) (excluding goodwill, which is assessed annually regardless of indicators) every reporting period to determine whether any indication of impairment exists.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, reserves (see Hydrocarbon reserves and resource estimates above) and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for oil and gas assets is generally determined as the present value of estimated future cash flows arising from the continued use of the assets, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its CGUs as being its operations, which is the lowest level for which cash inflows are largely independent of those of other assets.

v. **Decommissioning costs**

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents Management's best estimate of the present value of the future decommissioning costs required.

vi. **Recovery of deferred income tax assets**

Judgment is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgment is also required in determining whether deferred income tax assets are recognised in the statement of financial position. Deferred income tax assets, including those arising from un-utilised tax losses, require Management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred income tax assets. Assumptions about the generation of future taxable profits depend on Management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, oil and natural gas prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgment about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred income tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

vii. **Fair value hierarchy**

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

viii. **Revenue recognition**

The Group applied the following judgements that significantly affects the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of satisfaction of sales of Crude Oil

The Group concluded that revenue for sales of crude oil is to be recognised at a point in time; when the customer obtains control of the product. The Group assesses when control is transferred using the indicators below:

- The Group has a present right to payment for the crude oil;
- The customer has legal title to the crude oil;
- The Group has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the crude oil;
- The customer has accepted the asset.

Determining the timing of satisfaction of Gas sale

The Company concluded that revenue for gas sale is to be recognised at a point in time; when the gas have been delivered at the buyer's delivery point for gas and the Company has the contractual right to bill.

Determining the timing of satisfaction of sales of condensate

The Company concluded that revenue for sales of condensate is to be recognised at a point in time; when the customer obtains control of the product. The Company assesses when control is transferred using the indicators below:

- The Company has a present right to payment for the condensate;
- The customer has legal title to the condensate;
- The Company has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the condensate; and
- The customer has accepted the asset.

Determining the timing of satisfaction of refined products

The Company concluded that revenue for sales of refined products is to be recognised at a point in time; when the customer obtains control of the product. The Company assesses when control is transferred using the indicators below:

- The Company has a present right to payment for the refined products;
- The customer has legal title to the refined products;
- The Company has transferred physical possession of the asset and delivery note received;
- The customer has the significant risks and rewards of ownership of the refined products; and
- The customer has accepted the asset.

ix **Provision for expected credit losses of trade receivables and contract assets**

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the customer sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

x **Contingencies**

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

3 Revenue

3.1 Disaggregated revenue information

	THE GROUP		THE COMPANY	
Segments	**31-Dec-22 ₦'000**	**31-Dec-21 ₦'000**	**31-Dec-22 ₦'000**	**31-Dec-21 ₦'000**
Crude Oil	13,683,885	35,579,364	-	-
Diesel	21,107,135	3,938,305	-	-
Gas	5,228,526	5,332,939	-	-
Heavy Fuel Oil (HFO)	3,859,974	1,061,369		
Naphtha	-	585,092		
Dual Purpose Kerosene (DPK)	18,760,716	3,141,063		
Marine Diesel Oil (MDO)	3,469,245	1,929,529		
Total revenue	**66,109,481**	**51,567,661**	**-**	**-**
Geographical markets				
Within Nigeria	66,109,481	51,567,661	-	-
Outside Nigeria	-	-	-	-
Total revenue from contracts with customers	**66,109,481**	**51,567,661**	**-**	**-**
Timing of revenue recognition				
Goods transferred at a point in time	66,109,481	51,567,661	-	-
Goods transferred over time	-	-	-	-
Total revenue from contracts with customers	**66,109,481**	**51,567,661**	**-**	**-**

Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of Crude Oil

The performance obligation is satisfied at a point in time when the product is physically transferred into a vessel, pipe or other delivery mechanism and is generally due within 30 to 45 days from the date of issue of invoice.

Sale of Natural Gas

The performance obligation is satisfied at a point in time when the gas have been delivered at the buyer's delivery point for gas and is generally due within 30 to 90 days from the date of issue of invoice.

Sale of Refined Products

The performance obligation is satisfied at a point in time, when the product is lifted by the customer/distributor and payment is generally due within 0 to 30 days.

Contract balances	**31-Dec-22 ₦'000**	**31-Dec-21 ₦'000**	**31-Dec-22 ₦'000**	**31-Dec-21 ₦'000**
Trade receivables	17,627,250	4,955,871	-	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
Performance obligation for crude oil, refined products and gas are fulfilled once delivery of the products occurs and payments are generally due on crude oil and gas between 30 to 90 days. Payments on refined products are due between 0 to 30 days.

4 Cost of sales

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Consultancy fee	946,737	5,116,548	-	-
Crude oil handling charges	1,321,869	3,398,240	-	-
Depreciation and amortisation (Note 9)	11,126,633	18,656,553	-	-
Exploration costs - OPL 227	160,104	45,883	-	-
Flowstation expenses	16,204	608,117	-	-
Materials, supplies and pollution control	4,720,353	248,949	-	-
Repairs and maintenance	208,165	230,750	-	-
Royalties to FGN	3,499,059	4,606,008	-	-
Statutory expenses	16,717	42,741	-	-
Staff costs (Note 8)	5,060,516	4,035,911	-	-
Stock adjustment	(3,271,782)	(1,010,910)	-	-
Total	**23,804,575**	**35,978,790**	**-**	**-**

Consultancy fee include provisions for advisory, technical and drilling services.
Stock adjustment relates to the net movement in the value of inventory in the tank in the year.

Exploration costs refer to the one-off costs of the appraisal well drilled in the shallow offshore OPL 227 block. Management considers it prudent to

5 Other income

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Dividend received from Financial Assets (note 13)	53,064	48,625	53,064	48,625
Fee income	24,672	2,069	1,993	2,039
Gain on disposal of property, plant and equipment	4,280	7,723	-	-
Provision no longer required	-	1,839,412	-	-
Unrealised exchange gain	-	3,176,208	200,976	27,206
Total	**82,016**	**5,074,037**	**256,033**	**1,608,726**

Fee income relates to income from trading activities outside the normal course of business

6 General and administrative expenses

	THE GROUP		THE COMPANY	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Auditor's remuneration (Note 6.2)	80,641	62,780	38,309	21,745
Bank charges	104,232	104,252	1,256	44,338
Community development expenses	298,168	300,785	17,289	99,262
Depreciation and amortisation (Note 9)	795,730	668,880	-	17,743
Directors' fees	227,630	187,808	226,319	187,808
Exchange loss	1,070,661	-	-	-
Expected credit loss of financial assets (Note 6.3)	11,842	28,200	-	-
Fuel and utilities	283,958	98,904	3,622	2,207
Information technology expenses	500,118	495,803	1,177	15,080
Insurance	814,832	771,837	104,877	73,549
Permits, registrations and subscriptions	305,736	217,047	17,631	11,537
Professional fees	1,456,143	1,075,784	183,397	190,924
Repairs and maintenance	933,749	966,657	185	249
Staff costs (Note 8)	3,373,677	2,690,607	2,222	111
Training	87,050	34,755	4,022	554
Travelling	560,002	185,039	3,420	8,526
Other expenses (Note 6.1)	2,217,125	751,034	40,777	39,289
Total	**13,121,294**	**8,640,172**	**644,503**	**712,922**

6.1 Other expenses consist of donations, printing and stationery, and other related administrative costs incurred during the year.

6.2 Deloitte & Touche offered only audit services in the year 2022 (31 Dec 2021: Nil).

6.3 Credit loss expense

The table below shows the ECL charges on financial instruments for the year recorded in the profit or loss:

	Stage 1 Individual 31-Dec-22	*Stage 1 Individual 31-Dec-21*	*Simplified Model 31-Dec-22*	*Simplified Model 31-Dec-21*
Debt instruments measured at amortised costs - trade receivables (note 17)	**11,842**	**28,200**	**-**	**-**

7 Finance cost and income

	THE GROUP		THE COMPANY	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Interest expense:				
Bank borrowings	2,673,421	3,002,528	-	-
IPIN Interest	(13,791)	38,786	-	-
Provisions: unwinding of discount (Note 22)	793,759	240,447	-	-
Finance costs	**3,453,389**	**3,281,761**	**-**	**-**
Finance income:				
Interest income	1,953,258	1,643,987	1,460,043	1,555,109
Write off	-	-	-	-
Net interest income	1,953,258	1,643,987	1,460,043	1,555,109
Coupon on Bonds	-	19,440	-	-
Finance income	**1,953,258**	**1,663,427**	**1,460,043**	**1,555,109**
Net (finance costs)/finance income	**(1,500,131)**	**(1,618,334)**	**1,460,043**	**1,555,109**

8 Staff costs

	THE GROUP		THE COMPANY	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Included in cost of sales:				
Salaries and other staff costs	5,060,516	4,035,911	-	-
Included in general admin expenses:				
Salaries and other staff costs	3,373,677	2,690,607	2,222	111
Total	**8,434,193**	**6,726,518**	**2,222**	**111**

9 Depreciation and amortisation

	THE GROUP		THE COMPANY	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Included in cost of sales:				
Depreciation of oil and gas properties	11,126,633	18,656,553	-	-
Included in general admin expenses:				
Depreciation of other property, plant and equipment	437,746	392,063	-	1,784
Amortisation of intangible assets	357,984	276,817	-	15,959
Total in general admin expenses	795,730	668,880	-	17,743
Total	**11,922,363**	**19,325,433**	**-**	**17,743**

10 Earnings per share

Basic - GROUP

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of

	31-Dec-22	31-Dec-21
	₦'000	₦'000
Total	**15,140,431**	**29,403,017**
	31-Dec-22	**31-Dec-21**
	Number	**Number**
Weighted average number of ordinary shares in issue	**217,242,218**	**217,242,218**
	31-Dec-22	**31-Dec-21**
Basic and diluted earnings per share (₦)	**69.69**	**135.35**
Diluted earnings per share (₦)	**69.69**	**89.75**

Basic – THE COMPANY

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of

	31-Dec-22	31-Dec-21
	₦'000	₦'000
Profit attributable to equity holders of the company	799,379	2,142,153
	31-Dec-22	**31-Dec-21**
	Number	**Number**
Weighted average number of ordinary shares in issue	217,242,218	217,242,218
	31-Dec-22	**31-Dec-21**
Basic and diluted earnings per share (₦)	**₦3.68**	**₦9.86**

11 Property, plant and equipment

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Oil and gas properties (11a)	221,340,946	193,394,254	-	-
Other property, plant and equipment (11b)	2,354,348	2,414,380	3,928,799	4,176,704
Total	**223,695,294**	**195,808,634**	**3,928,799**	**4,176,704**

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

11 Property, plant and equipment

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Oil and gas properties (11a)	221,340,946	193,394,254	-	-
Other property, plant and equipment (11b & (11c)	2,354,348	2,414,380	3,928,799	4,176,704
Total	**223,695,294**	**195,808,634**	**3,928,799**	**4,176,704**

11a THE GROUP

OIL AND GAS PROPERTIES	Project Equipment	Civil works	Gas pipeline	Gas plant facilities	Assets under development	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost:						
Balance at 1 January 2021	127,037,191	3,789,667	9,193,444	28,608,481	76,537,495	182,067,736
Translation difference	11,211,366	334,287	811,049	2,524,893	6,754,162	41,953,031
Reclassifications	65,071,943	-	-	222,189	(65,294,132)	(252,622)
Transfer (note 12)	-	-	-	-	(1,032,475)	(1,032,475)
Additions	5,108,273	90,032	44,603	352,280	12,837,794	21,798,335
Write-offs	-	-	-	-	(47,081)	(422,593)
Changes in decommisioning assets	21,012,518	-	-	-	-	22,391
Balance at 31 December 2021	**229,441,291**	**4,213,986**	**10,049,096**	**31,707,843**	**29,755,763**	**305,167,979**
Balance at 1 January 2022	229,441,291	4,213,986	10,049,096	31,707,843	29,755,763	305,167,979
Translation difference	13,356,242	362,919	865,290	2,730,052	2,562,293	19,876,796
Reclassifications	16,139,278	795,279	-	-	(16,962,815)	(28,258)
Additions	1,952,987	91,504	95,541	4,486	7,630,284	9,774,802
Write-offs	-	-	-	-	(1,277,470)	(1,277,470)
Changes in decommisioning assets	21,012,518	-	-	-	-	21,012,518
Balance at 31 December 2022	**281,902,316**	**5,463,688**	**11,009,927**	**34,442,381**	**21,708,055**	**354,526,367**
Depreciation:						
Balance at 1 January 2021	74,113,396	2,913,422	2,253,194	5,766,055	-	85,046,067
Translation difference	7,067,229	264,213	207,517	532,146	-	8,071,105
Depreciation for the year	17,367,963	234,336	286,063	768,191	-	18,656,553
Balance at 31 December 2021	**98,548,588**	**3,411,971**	**2,746,774**	**7,066,392**	**-**	**111,773,725**
Balance at 1 January 2022	98,548,588	3,411,971	2,746,774	7,066,392	-	111,773,725
Translation difference	9,078,341	298,280	251,353	657,089	-	10,285,063
Depreciation for the year	9,982,063	75,702	249,910	818,958	-	11,126,633
Balance at 31 December 2022	**117,608,992**	**3,785,953**	**3,248,037**	**8,542,439**	**-**	**133,185,421**
Net book value:						
At 31 December 2022	**164,293,324**	**1,677,735**	**7,761,890**	**25,899,942**	**21,708,055**	**221,340,946**
At 31 December 2021	**130,892,703**	**802,015**	**7,302,322**	**24,641,451**	**29,755,763**	**193,394,254**
At 1 January 2021	**52,923,795**	**876,245**	**6,940,250**	**22,842,426**	**76,537,495**	**76,537,495**

There are no impairments in Property, Plant, and Equipment during the year. See Note 21 for assets pledged as collateral for borrowings. There are no capital commitments in respect of PPE expenditures.

The current year reclassification relates to movement of some assets from asset under development to project equipment.

Transfer relates to movement of some assets from Oil and Gas properties (see note 11a) to Intangible assets (see note 12).

Write off is included in exploration costs (note 4)

11b THE GROUP

OTHER PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery	Furniture and Fittings	Office equipment	Motor vehicles	Building	Land	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Cost:							
Balance at 1 January 2021	647,903	106,331	2,117,258	1,604,355	976,028	569,000	6,020,875
Translation difference	56,826	9,578	187,023	141,327	-	-	394,754
Additions	5,782	11,977	238,295	277,116	723	-	533,893
Disposal	(48,733)	-	(8,260)	(115,637)	-	-	(172,630)
Balance at 31 December 2021	**661,778**	**127,886**	**2,534,316**	**1,907,161**	**976,751**	**569,000**	**6,776,892**
Balance at 1 January 2022	661,778	127,886	2,534,316	1,907,161	976,751	569,000	6,776,892
Translation difference	56,853	10,755	218,469	164,298	-	-	450,375
Additions	36,333	45,304	121,109	87,019	-	-	289,765
Reclassification	-	-	28,259	-	-	-	28,259
Disposals	-	(35,884)	(18,839)	(42,612)	-	-	(97,335)
Balance at 31 December 2022	**754,964**	**148,061**	**2,883,314**	**2,115,866**	**976,751**	**569,000**	**7,447,956**
Depreciation:							
Balance at 1 January 2021	352,910	104,714	1,840,660	1,396,897	110,444	-	3,805,625
Translation difference	32,537	9,334	168,068	127,513	2	-	337,454
Depreciation for the year	45,466	3,086	184,196	144,544	14,771	-	392,063
Disposal	(48,733)	-	(8,260)	(115,637)	-	-	(172,630)
Balance at 31 December 2021	**382,180**	**117,134**	**2,184,664**	**1,553,317**	**125,217**	**-**	**4,362,512**
Balance at 1 January 2022	382,180	117,134	2,184,664	1,553,317	125,217	-	4,362,512
Translation difference	36,522	10,925	199,876	143,359	3	-	390,685
Depreciation for the year	44,304	15,402	199,003	164,266	14,771	-	437,746
Disposal	-	(35,884)	(18,839)	(42,612)	-	-	(97,335)
Balance at 31 December 2022	**463,006**	**107,577**	**2,564,704**	**1,818,330**	**139,991**	**-**	**5,093,608**
Net book value:							
At 31 December 2022	**291,958**	**40,484**	**318,610**	**297,536**	**836,760**	**569,000**	**2,354,348**
At 31 December 2021	**279,598**	**10,752**	**349,652**	**353,844**	**851,534**	**569,000**	**2,414,380**
At 1 January 2021	**294,993**	**1,617**	**276,598**	**207,458**	**865,584**	**569,000**	**2,215,250**

There are no impairments in Property, Plant, and Equipment during the year. See Note 21 for assets pledged as collateral for borrowings. There are no capital commitments in respect of PPE expenditures.

11c THE COMPANY
OTHER PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery ₦'000	Furniture and Fittings ₦'000	Office equipment ₦'000	Motor vehicles ₦'000	Assets under development ₦'000	Total ₦'000
Cost:						
Balance at 1 January 2021	40,024	49,039	93,754	31,950	2,516,054	2,730,821
Translation difference	3,133	4,328	8,274	2,820	190,817	209,372
Additions	-	-	-	-	1,469,831	1,469,831
Reclassifications	-	-	-	-	-	-
Disposal	(24,366)	-	-	-	-	(24,366)
Balance at 31 December 2021	**18,791**	**53,367**	**102,028**	**34,770**	**4,176,702**	**4,385,658**
Balance at 1 January 2022	18,791	53,367	102,028	34,770	4,176,702	4,385,658
Translation difference	1,618	4,595	8,784	2,993	(747,139)	(729,149)
Additions	-	-	-	-	499,236	499,236
Reclassifications	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance at 31 December 2022	**20,409**	**57,962**	**110,812**	**37,763**	**3,928,799**	**4,155,745**
Depreciation:						
Balance at 1 January 2021	40,024	47,890	93,215	31,950	-	213,079
Translation difference	3,133	4,263	8,242	2,819	-	18,457
Depreciation for the year	-	1,214	570	-	-	1,784
Disposal	(24,366)	-	-	-	-	(24,366)
Balance at 31 December 2021	**18,791**	**53,367**	**102,027**	**34,769**	**-**	**208,954**
Balance at 1 January 2022	18,791	53,367	102,027	34,769	-	208,954
Translation difference	1,618	4,595	8,785	2,994	-	17,992
Depreciation for the year	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance at 31 December 2022	**20,409**	**57,962**	**110,812**	**37,763**	**-**	**226,946**
Net book value:						
At 31 December 2022	**-**	**-**	**-**	**-**	**3,928,799**	**3,928,799**
At 31 December 2021	**-**	**-**	**1**	**1**	**4,176,702**	**4,176,704**
At 1 January 2021	**-**	**1,149**	**539**	**-**	**2,516,054**	**2,517,742**

12 Intangible assets

	THE GROUP			THE COMPANY	
	License	**Software**	**Total**	**Software**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Cost:					
Balance at 1 January 2021	-	432,083	432,083	266,094	266,094
Translation difference	-	38,130	38,130	23,482	23,482
Transfer (note 11)	1,032,475	-	1,032,475	-	-
Balance at 31 December 2021	**1,032,475**	**470,213**	**1,502,688**	**289,576**	**289,576**
Balance at 1 January 2022	1,032,475	470,213	1,502,688	289,576	289,576
Translation difference	88,899	40,487	129,386	24,933	24,933
Transfer (note 11)	-	-	-	-	-
Balance at 31 December 2022	**1,121,374**	**510,700**	**1,632,074**	**314,509**	**314,509**
Amortisation:					
Balance at 1 January 2021	-	402,301	402,301	250,984	250,984
Translation difference	-	43,899	43,899	22,633	22,633
Amortisation charge for the year	258,119	18,698	276,817	15,959	15,959
Balance at 31 December 2021	**258,119**	**464,898**	**723,017**	**289,576**	**289,576**
Balance at 1 January 2022	258,119	464,898	723,017	289,576	289,576
Translation difference	83,520	-	83,520	24,933	24,933
Amortisation charge for the year	357,984	-	357,984	-	-
Balance at 31 December 2022	**699,623**	**464,898**	**1,164,521**	**314,509**	**314,509**
Net book value:					
At 31 December 2022	**421,751**	**45,802**	**467,553**	**-**	**-**
At 31 December 2021	**774,356**	**5,315**	**779,671**	**-**	**-**
At 1 January 2021	-	29,782	29,782	15,110	15,110

Intangible assets consists of computer software and licenses used by the entity for recording transactions and reporting purposes. The entity's software has a finite life and is amortised on a straight line basis over the life of the software licenses.

13 Financial assets

Financial assets include the following:

	THE GROUP		THE COMPANY	
	31-Dec-22	**31-Dec-21**	**31-Dec-22**	**31-Dec-21**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Fair value through OCI				
Listed securities:				
Consolidated Hallmark Insurance Plc	1,845,477	2,176,010	1,845,477	2,176,010
Unlisted securities:				
PetroData Management Services Ltd	6,252	4,087	6,252	4,087
Dharmattan Gas and Power Ltd	562	562	562	562
Fair value through Profit or Loss				
Hedge	352,062	-	-	-
Total	**2,204,353**	**2,180,659**	**1,852,291**	**2,180,659**

Hedge		
Cost	1,253,027	-
FV Loss through PorL	(508,113)	-
Hedge Cost Written off	(392,852)	-
Current Value	**352,062**	**-**

The Group has designated its equity investments as FVOCI on the basis that these are not held for trading. In 2021, the Group received no dividends (31 Dec 2021: ₦112,359) from Dharmattan Gas and Power Ltd; ₦2.4 million (31 Dec 2021: Nil) from PetroData Management Services Ltd; 49.6 million (31 Dec 2021: ₦49.6million) from Consolidated Hallmark Insurance Plc which was recorded in the income statement as other income.

The Group did not dispose of or derecognise any FVOCI equity instruments in 2021. Further disclosures on fair value are made in note 32.

In 2022, the Group entered an economic crude oil hedge contract with an average strike price of ₦23,782/bbl (2021: Nil) for 1,345,200 barrels (2021: Nil) at a cost of ₦1.25 billion (2021: Nil).

14 Investment in associate - ND Western Limited

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
At 1 January	116,663,243	99,313,414	7,810,062	7,810,062
Share of profit	5,497,494	9,775,862	-	-
Share of other comprehensive income(net of tax), may not be reclassified to profit or loss in subsequent periods	10,371,743	9,104,823	-	-
Dividend received	-	(1,530,856)	-	-
Carrying amount	**132,532,480**	**116,663,243**	**7,810,062**	**7,810,062**

The summarised financial statements of ND Western Limited are presented below;

Summarised statement of financial position	**31-Dec-22**	**31-Dec-21**
	₦'000	**₦'000**
Current assets	114,995,312	95,793,312
Non current asset	325,238,559	329,517,063
Current liabilities	(78,640,617)	(89,821,211)
Non-current liabilities	(43,517,848)	(55,499,620)
Net assets	318,075,406	279,989,544
NDEP's share of net assets	132,532,479	116,663,244

Summarised profit or loss statement	**31-Dec-22**	**31-Dec-21**
	₦'000	**₦'000**
Revenue	95,380,207	120,626,050
Other income	13,644,832	1,323,337
Operating and Admin expenses	(74,750,155)	(63,358,249)
Net finance costs	(9,781,407)	(14,182,190)
Profit before taxation	24,493,477	44,408,948
Income tax	(11,299,597)	(20,947,068)
Profit after taxation	13,193,880	23,461,880
Other comprehensive income	24,891,983	21,851,401
Total comprehensive income	38,085,863	45,313,281
Proportion of Group's ownership	41.667%	41.667%
Group's share of profit for the year	5,497,494	9,775,862
Group's share of other comprehensive income	10,371,743	9,104,823

The principal place of business of ND Western is Nigeria and it is accounted for using the equity method. Dividend received from the associate in the year 2022:Nil (2021: ₦1.3Bn) . 41.667% is the holding of the Group in ND Western.

As at 31 December 2021, ND Western reported a capital commitment balance of ₦27.3Bn (2019: ₦38.3Bn).

15 Deferred taxation

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Deferred tax assets				
Accelerated depreciation and amortisation	13,185,962	24,795,045	-	-
Tax losses	248,536	825,980	-	-
Total	13,434,498	25,621,025	-	-
Deferred tax liabilities				
Accelerated depreciation and amortisation	-	-	-	-
Decommissioning liabilities	674,695	204,380	-	-
Total	**674,695**	**204,380**	**-**	**-**
Deferred taxation				
At start of year	(25,416,645)	(12,097,476)	-	-
Income statement credit	14,005,649	(12,259,608)	-	-
Translation difference	(1,348,807)	(1,059,561)		
Net deferred tax assets at end of year	**(12,759,803)**	**(25,416,645)**	**-**	**-**
Reflected in the statement of financial position as:				
Deferred tax liabilities	674,695	204,380	-	-
Deferred tax assets	(13,434,498)	(25,621,025)	-	-
Net deferred tax assets	**(12,759,803)**	**(25,416,645)**	**-**	**-**

Deferred taxes are recoverable in more than one year.

16 Inventories

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Crude Oil	342,145	2,193,311	-	-
Diesel	537,881	209,398	-	-
Heavy Fuel Oil (HFO)	1,825,703	218,702	-	-
Naphtha	2,874,540	133,059	-	-
Dual Purpose Kerosene (DPK)	724,163	117,112	-	-
Marine Diesel Oil (MDO)	314,461	31,241	-	-
Materials	2,751,895	2,051,155	-	-
Total	**9,370,788**	**4,953,978**	**-**	**-**

There were no write-downs of inventory during the year and all inventory balances are current in nature. Inventory balances will be turned over within 12 months after the financial year.

17 Trade and other receivables

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Trade receivables	17,627,250	4,955,871	-	-
Other receivables	233,069	84,615	186,246	84,615
Related party receivables (Note 31)	13,771,936	13,673,641	23,161,634	25,788,694
	31,632,255	18,714,127	23,347,880	25,873,309
Allowance for expected credit losses	(89,337)	(97,009)	-	-
	31,542,918	**18,617,118**	**23,347,880**	**25,873,309**

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	2022	2021	2022	2021
	₦'000	₦'000	₦'000	₦'000
As at 1 January	97,009	63,525	-	-
(Write back)/Provision for expected credit losses	(11,842)	28,200	-	-
Translation difference	4,170	5,284	-	-
As at 31 December	**89,337**	**97,009**	-	-

Trade receivables are non-interest bearing and are generally on 30-90 day terms. Other receivables relate principally to receivables from Community Trust.

Allowance for expected credit losses on trade and related party receivables is ₦89.3m (Group) and Nil for Company (31 Dec 2021: ₦97.0m - Group & Nil for Company). The write back of expected credit losses arose from reassessment. See note 32 for credit risk disclosures.

18 Prepayments

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Prepaid rent	13,016	28,906	-	-
Prepaid expenses	45,925	91,038	-	989
Prepaid insurance	40,375	85,067	34,501	27,441
Total	**99,316**	**205,011**	**34,501**	**28,430**

Other prepayments include prepaid internet access.

19 Cash and Bank

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Cash and bank balances	49,641,784	7,940,764	455,042	147,727
Short term deposits	1,301,417	163,490	156,734	143,444
Cash and cash equivalents for statement of cashflow purposes	**50,943,201**	**8,104,254**	**611,776**	**291,171**
Restricted cash	9,765,831	4,703,956	2,382,249	2,193,390
Total Cash and Bank	**60,709,032**	**12,808,210**	**2,994,025**	**2,484,561**

Cash and cash equivalents comprise balances with less than three months to maturity, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months. Restricted cash relates to cash used as collateral for the BOI loan.

20 Share capital and premium

Share capital and premium – THE GROUP

	Number of shares	Ordinary shares (₦'000)	Share premium (₦'000)	Total (₦'000)
Balance at 1 January 2021	217,242,218	2,172,422	22,819,670	24,992,092
– Issue of shares	-	-	-	-
Balance at 31 December 2021	**217,242,218**	**2,172,422**	**22,819,670**	**24,992,092**
Balance at 1 January 2022	217,242,218	2,172,422	22,819,670	24,992,092
- Issue of shares	-	-	-	-
Balance at 31 December 2022	**217,242,218**	**2,172,422**	**22,819,670**	**24,992,092**

Share capital and premium – THE COMPANY

	Number of shares	Ordinary shares (₦'000)	Share premium (₦'000)	Total (₦'000)
Balance at 1 January 2021	217,242,218	2,172,422	22,819,670	24,992,092
-Issue of shares	-	-	-	-
Balance at 31 December 2021	**217,242,218**	**2,172,422**	**22,819,670**	**24,992,092**
Balance at 1 January 2022	217,242,218	2,172,422	22,819,670	24,992,092
-Issue of shares	-	-	-	-
Balance at 31 December 2022	**217,242,218**	**2,172,422**	**22,819,670**	**24,992,092**

Share premium rose as a result of the issue of shares above par value.

	Number of shares	Amount (₦'000)
Authorised Share capital	275,000,000	2,750,000
Issued and fully paid-up	217,242,218	2,172,422

21 Borrowings

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
GTB	44,495,427	10,251,811	-	-
BOI loan	9,145,856	10,851,692	-	-
Petre IPINs	106,747	106,747	-	-
Total	**53,748,030**	**21,210,250**	**-**	**-**
Current	17,725,350	7,665,946	-	-
Non-current	36,022,680	13,544,304	-	-
Total	**53,748,030**	**21,210,250**	**-**	**-**

Participating Investment Notes (Petre IPINs)

On 9th May 2003, by a Share Purchase Agreement ("SPA"), Niger Delta Exploration & Production Plc (NDEP) acquired all the shares of Niger Delta Petroleum Resources Limited of which the net consideration was paid to the then existing shareholders by issuing ordinary shares in NDEP of a total value of US$ 2,113,738 at an agreed price of of US$ 0.30 per share and the issue of NDPR Participating Investment Notes of $ 1.00 each to a value of US$ 2,113,738 at an agreed price of $1.00 per note. They are entitled to cashflow distributions.

Guaranty Trust Bank Plc (GTB)

An additional GTB loan facility of $84million was secured and drawdown in August 2022. The longstanding previous GTB loan facility was secured in November 2018. $15million and $45million of the facility were drawndown in 2018 and 2019 respecively. The loan is repayable every quarter, starting from February 2019 to November 2023. It is secured by: all assets debenture on fixed and floating assets of NDPR in Ogbele Field; floating charge on the crude oil produced from the acreage operated by NDPR in OML 54, assignment and domiciliation of crude oil sales proceeds to GTB; charge over collection accounts and corporate guarantee of NDEP Plc for the full facility amount and interest thereon. Interest is payable at 11% and 11.15% per annum.

Bank of Industry Ltd (BOI)

BOI loan represents a $25million facility from the Bank of Industry, obtained in October 2018. It is repayable monthly, over 6 years, with a one-year moratorium on principal. It is secured by a Bank Guarantee from Access Bank. Interest is payable at 9% per annum. A 6-months moratorium was granted on principal payments, however, the interest payable was reduced to 7% for a year.

BOI loan also represents an additional $10million facility from the Bank of Industry, obtained in February 2021. It is repayable monthly, over 5 years. It is secured by a Bank Guarantee from First City Monument Bank (FCMB). Interest is payable at 8% per annum. A concession of a reduced interest rate to 6% per annum was given for an initial period of 6 months which was further extended for another 6 months as well as a 6 months moratorium for principal payments.

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
6-12 months	17,725,350	7,665,946	-	-
1-5 years	36,022,680	13,544,304	-	-
Total	**53,748,030**	**21,210,250**	**-**	**-**

The carrying amounts and fair value of the borrowings are as follows:

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Carrying amount:				
Borrowings	53,748,030	21,210,250	-	-
Fair value:				
Borrowings	55,203,946	20,147,625	-	-

The fair values are based on cash flows discounted using a rate based on the current borrowing rate of 11% and 11.15% for GTB, 6% and 9% for BOI. They are classified as level 2 fair values in the fair value hierarchy.

Changes in liabilities arising from financing activities

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
At 1 January	21,210,250	21,210,250	-	-
Additional borrowing	37,678,200	4,129,900	-	-
Repayments	(6,255,030)	(12,065,916)	-	-
Foreign exchange movement	1,817,039	7,330,159	-	-
Accrued interest	1,891,984	90,032	-	-
Remeasurements	(2,594,413)	515,825	-	-
At 31 December	53,748,030	21,210,250	-	-

Remeasurements are non-cashflow and relate to the effects of carrying borrowings at amortised cost using the effective interest rate method.

22 Decommissioning liabilities

	THE GROUP	THE COMPANY
	₦'000	₦'000
Balance at 1 January 2021	21,951,365	
Charged/(credited) to profit or loss:	-	
Changes in estimated flows	21,012,518	
Translation difference	1,944,325	
Unwinding of discount due to passage of time	240,447	
Balance at 31 December 2021	**45,148,655**	**-**
Balance at 1 January 2022	45,148,655	-
Charged/(credited) to profit or loss:		
Changes in estimated flows	21,012,518	
Translation difference	(2,465,233)	
Unwinding of discount due to passage of time	793,759	
Balance at 31 December 2022	**64,489,699**	**-**

The Group makes full provision for the future cost of decommissioning oil & gas production facilities, refining facilities and pipelines on a discounted basis. The decommissioning provision represents the present value of decommissioning costs relating to these assets, which are expected to be incurred up to 2057. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made which Management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, 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 assets cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.The discount rate used in the calculation of the provision as at 31 December 2022 is 3.97% (31 December 2021 : 1.90%). The inflation rate used in the calculation of the provision as at 31 December 2021 is 8.01% (31 December 2021 : 4.69%)

23 Trade and other payables

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Amounts due to related parties	77,057	-	-	-
Royalty payable	11,293,109	6,745,364	1,327	-
Sundry creditors	3,514,827	2,543,306	785,979	401,340
Trade payables	8,621,670	7,379,475	2,404,216	2,179,254
Unclaimed dividend	361,564	466,845	361,564	466,845
	23,868,227	**17,134,990**	**3,553,086**	**3,047,439**

- Trade payables are non-interest bearing and are normally settled on 30-day terms . Sundry creditors include accrued IPIN note dues, and staff payables.

- The Directors consider that the carrying amount of trade payables approximates to their fair value.

24 Taxation

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Petroleum profit tax	-	1,557,385	-	-
Income tax expense	3,649,708	792,115	246,176	250,528
Minimum tax	-	27,257		
Education tax	467,434	380,364	26,018	58,232
Under/(over) provision of prior year taxes	(231)	279,734	-	-
Total current tax	**4,116,911**	**3,036,855**	**272,194**	**308,760**
Deferred taxation				
Origination of temporary differences	14,005,649	(12,259,608)	-	-
Total deferred tax	14,005,649	(12,259,608)	-	-
Income tax (credit)/expense	**18,122,560**	**(9,222,753)**	**272,194**	**308,760**

The movement in the current and petroleum income tax liability is as follows:

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
At 1 January	2,705,082	345,789	318,126	115,125
Tax paid	(2,633,125)	(415,661)	(326,441)	(112,818)
Prior period under/(over) provision	(231)	279,734	-	-
Income tax charge for the year	4,117,142	2,757,121	272,194	308,760
Foreign exchange difference	321,080	(261,901)	24,483	7,059
At 31 December	**4,509,948**	**2,705,082**	**288,362**	**318,126**

Reconciliation of effective tax rate	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000
Profit before income tax	**33,262,991**	**20,180,264**	**1,071,573**	**2,450,913**
Income tax using the weighted average domestic corporation tax rate	7,317,858	13,117,172	321,472	735,274
Net origination of temporary differences	14,054,076	(12,259,608)	-	-
Minimum tax	-	27,257		
Education tax levy	467,434	380,364	26,018	58,232
Non-taxable income	17,359	(5,195,001)	(76,032)	(484,746)
Disallowed expenses	9,256,794	14,805,692	-	-
Recognition of previously unrecognised tax incentives	(11,532,976)	(13,270,619)	736	-
Recognition of previously unrecognised tax losses	(248,536)	(473,700)	-	-
Share of profit from associate taxed at source	(1,209,449)	(6,354,310)	-	-
(Over)/under provided in prior years	-	-	-	-
Total income tax expense/(credit) in income statement	**18,122,560**	**(9,222,753)**	**272,194**	**308,760**

25 Subsidiaries

The Niger Delta Exploration and Production Company('the parent') controls the following subsidiaries:

	Effective Ownership interest	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Niger Delta Petroleum Resources (NDPR)	100%	50,000	50,000
ND Properties Limited (ND Properties)	100%	1,243,205	1,243,205
ND Refineries Limited	95.03%	14,431,022	14,149,460
ND Gas Limited (ND Gas)	100%	10,000	10,000
		15,734,227	**15,452,665**

Summarized statement of profit or loss

	Niger Delta Petroleum Resources Ltd		ND Gas Limited		ND Refineries Limited		ND Properties	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Revenue	33,416,785	43,143,053	11,207,533	6,926,124	47,197,070	10,655,358	95,238	95,238
Cost of sales	(23,788,100)	(32,213,116)	(2,719,707)	(2,662,945)	(23,699,889)	(10,791,507)	(91,329)	(65,043)
	9,628,685	10,929,937	8,487,826	4,263,179	23,497,181	(136,149)	3,909	30,195
Other income	303,230	5,003,984		-	531,768	218,143	-	-
General and Admin expenses	(11,784,296)	(6,605,219)	(657,731)	(722,107)	(356,474)	(324,176)	-	-
Net Finance (income)/costs	(2,401,992)	(2,298,206)	(180,532)	(59,845)	(377,651)	(815,392)	-	-
Profit / (Loss) before taxation	(4,254,373)	7,030,496	7,649,563	3,481,227	23,294,824	(1,057,574)	3,909	30,195
Tax expense/(credit)	(9,693,165)	10,350,266	(1,011,379)	(2,864,131)	(7,144,574)	2,052,541	(1,248)	(7,163)
Profit/(loss) after taxation	(13,947,538)	17,380,762	6,638,184	617,096	16,150,250	994,967	2,661	23,032
Other comprehensive income	17,722,336	-	2,636,626	4,409,254	(6,478,266)	1,409,303	-	-
Total comprehensive income	3,774,798	17,380,762	9,274,810	5,026,350	9,671,984	2,404,270	2,661	23,032

Summarised statement of financial position:

	Niger Delta Petroleum Resources Ltd		ND Gas Limited		ND Refineries Limited		ND Propertes Limited	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Assets								
Property plant & equipment	77,167,135	66,988,954	46,514,509	41,099,208	94,679,056	82,123,202	-	-
Intangible assets	467,239	778,481	-	-	314	1,190	-	-
Deferred tax assets	21,215,340	28,969,493	-	-	-	1,298,433	90,201	89,737
Investment property	-	-	-	-	-	-	1,405,795	1,420,566
Financial assets	352,062	-	-	-	-	-	-	-
Investment in subsidiary	1,640,071	1,640,071	-	-	-	-	-	-
Inventories	1,106,728	2,800,785	1,322,417	1,255,276	6,941,643	897,917	-	-
Trade and other receivables	23,611,629	3,440,404	28,409,534	19,724,910	1,032,183	-	225,019	210,761
Prepayments	64,815	176,581	-	-	-	68,042	-	-
Cash and cash equivalents	38,161,070	9,376,645	709,463	341,157	18,844,472	589,206	-	-
Total assets	**163,786,089**	**114,171,414**	**76,955,923**	**62,420,551**	**121,497,668**	**84,977,990**	**1,721,015**	**1,721,064**
Liabilities								
Borrowings	48,515,020	13,458,713	-	-	5,233,010	7,259,024	-	-
Deferred tax liabilities	-	-	5,213,076	4,941,018	3,332,662	-	-	-
Decommissioning liabilities	23,511,418	18,169,403	13,576,903	9,272,757	27,401,378	17,706,495	-	-
Trade and other payables	18,299,033	10,798,379	341,043	278,358	46,865,238	33,817,696	4,001	4,301
Taxation	168,968	1,752,224	1,224,837	603,164	2,826,067	27,446	1,712	4,122
Total liabilities	**90,494,439**	**44,178,719**	**20,355,859**	**15,095,297**	**85,658,355**	**58,810,661**	**5,713**	**8,423**
Equity								
Deposit for shares	-	-	-	-	-	-	1,223,205	1,223,205
Share capital	50,000	50,000	10,000	10,000	10,000	10,000	20,000	20,000
Share premium	-	-	-	-	16,765,000	16,765,000		
Translation reserve	37,994,874	20,748,383	15,211,602	12,574,976	1,062,542	7,540,808	-	-
Retained earnings	35,246,776	49,194,312	41,378,462	34,740,278	18,001,771	1,851,521	472,097	469,436
Other reserves	-	-	-	-	-	-	-	-
Total equity	**73,291,650**	**69,992,695**	**56,600,064**	**47,325,254**	**35,839,313**	**26,167,329**	**1,715,302**	**1,712,641**
Total liabilities and equity	**163,786,089**	**114,171,414**	**76,955,923**	**62,420,551**	**121,497,668**	**84,977,990**	**1,721,015**	**1,721,064**

Summarised statement of cash flows

	Niger Delta Petroleum Resources Ltd		ND Gas Limited		ND Refineries Limited		ND Propertes Limited	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Net cash flows from/(used in) operating activities	6,646,776	26,681,607	370,636	789,114	20,998,220	7,277,560	-	723
Net cash (used in) / from investing activities	(9,086,146)	(11,514,740)	(4,283)	(495,722)	377,764	(4,160,830)	-	(723)
Net cash flows (used in)/generated from financing activities	31,181,735	(7,561,556)	-	-	(3,120,718)	(2,744,177)	-	-
Net (decrease)/increase in cash and cash equivalents	**28,742,365**	**7,605,311**	**366,353**	**293,392**	**18,255,266**	**372,553**	**-**	**-**

26 Commitments

As at 31 December 2022, there are no capital commitments that have not been provided for or disclosed in the financial statements (2021 - Nil).

27 Contingencies

The Group has contingent liabilities in respect of legal suits against Niger Delta Petroleum Resources Limited (NDPR) as the operator of the Ogbele oil field. The possible liabilities from these cases amount to ₦1,197 billion (2021: ₦1,197billion). These have not been incorporated in these financial statements. The directors on the advise of the Group's solicitors are of the opinion that the Group will not suffer any loss from these claims.

28 Translation reserve

Included in translation reserve are share of other comprehensive income of an associate and foreign currency translation reserve.

29 Fair value reserve

This represents the fair value changes in financial assets measured at fair value through other comprehensive income.

30 Dividend paid and proposed	**The Group**		**The Company**	
	2022	**2021**	**2022**	**2021**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Cash dividends on ordinary shares declared and paid				
Final dividend for 2021: 20 Naira per share (2020: 7 Naira per share)	4,344,844	1,520,696	4,344,844	1,520,696
Proposed dividends on ordinary				
Final dividend for 2022: XXX Naira per share (2021: 20 Naira per	217,242	4,344,844	217,242	4,344,844

31 Related party disclosures

The consolidated financial statements include the financial statements of Niger Delta Exploration & Production Plc and the subsidiaries listed in the following table:

	Country of incorporation	**% effective equity interest**	
		2022	**2021**
Niger Delta Petroleum Resources	Nigeria	100	100
ND Gas Limited	Nigeria	100	100
ND Properties Limited	Nigeria	100	100
ND Refineries Limited	Nigeria	95.0379	94.0345

Other related parties include ND western Limited, an associate company in which the Group has a 41.667% ownership interest.

The ultimate parent of the Group is Niger Delta Exploration & Production Plc.

The following transactions were carried out with related parties:

(a) Sales of goods and services

	2022	**2021**
Goods	**₦'000**	**₦'000**
– ND Western Limited (Associate)	Nil	Nil
Rendering of services:		
– Ultimate parent (legal and administration services)	Nil	Nil
Total	**Nil**	**Nil**

(b) Purchase of goods and services

	2022	**2021**
	₦'000	**₦'000**
Rendering of services:		
– Entity controlled by key Management personnel	Nil	182,378
Total	**Nil**	**182,378**

Goods and services are bought from associates and an entity controlled by key Management personnel on normal commercial terms and conditions.

(c) Key Management compensation

Key management includes: Directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit. The compensation paid or payable to key Management for employee services is shown below:

	2022	**2021**
	₦'000	**₦'000**
Salaries and other short-term employee benefits	1,127,636	833,410
Post-employment benefits	-	2,531,019
Total	1,127,636	3,364,429

(d) Year-end balances arising from sales/purchases of goods/services

	2022	**2021**
	₦'000	**₦'000**
Receivables from related parties		
ND Western Limited	13,771,936	13,673,641

The receivables are unsecured in nature and bear interest at commercial interest rates. No provisions are held against receivables from related parties (2021: nil).

There were no loans to related parties during the year.

32 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out by the Group's senior management, under policies approved by the Board of Directors. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's functional units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, and credit risk, and investment of excess liquidity.

(a) Market risk

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

(i) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to cash and cash equivalents that are denominated in currencies other than the Dollar. However, its exposure to other currencies is immaterial.
The Group enjoys a natural hedge in its Dollar functional currecny.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments in financial assets (Consolidated Hallmark Investment) held by the Group. However, the Group is also exposed to commodity price risk in form of crude oil inventory. Oil prices are determined by market forces which are beyond the control of the Group. Management is currently examining different strategies for managing this risk as market realities unfold. The sensitivity of the Group's earnings and equity to a change in the price of barrel of oil equivalent in the form of crude oil inventory and equity prices at year end is shown below:

	Change in year-end price	2022 ₦'000	2021 ₦'000
Barrels of oil equivalents	10%	20,803,652	7,226,482
	-10%	(20,803,652)	(7,226,482)
Refined Products	10%	51,916,777	11,720,894
	-10%	(51,916,777)	(11,720,894)
Equity prices	10%	184,548	217,601
	-10%	(184,548)	(217,601)

Crude Hedge

In 2022, the Group entered an economic crude oil hedge contract with an average strike price of ₦23,782/bbl (2021: Nil) for 1,345,200 barrels (2021: Nil) at a cost of ₦1.25 billion (2021: Nil).

These contracts, which will commence on September 2022, are expected to reduce the volatility attributable to price fluctuations of oil. The Group paid a premium in the current year for 1,345,200 barrels. An unrealized fair value loss of ₦508 million,have been recognized in 2022. The termination date is 31 August 2023. Hedging the price volatility of forecast oil sales is in accordance with the risk management strategy of the Group.
The maturity of the crude oil hedge contracts the Group holds is shown in the table below:

As at 31 December 2022	Within 12 Months	Total	Fair value ₦'000
Crude oil hedges Volume (bbl.)	1,345,200	1,345,200	352,062

	Change in year-end price	Effect on profit before tax 2022 ₦'000
Increase/decrease in market inputs	10%	35,206
	-10%	(35,206)

(iii) Cash flow and interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to this risk as it does not have a floating interest rate instrument.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables), and deposits with banks and financial institutions.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The requirement for impairment is analysed at each reporting date on an individual basis for all customers. The Group evaluates the concentration of risk with respect to trade receivables as Medium as customers consists of large and reputable oil and gas companies. The Group's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group's Finance department in accordance with the Group's policy. Surplus funds are spread amongst reputable commercial banks and funds must be within treasury limits assigned to each of the counterparty. Counterparty treasury limits are reviewed by the Group's Finance Director periodically and may be updated throughout the year subject to approval of the Finance Director . The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure. The Group's maximum exposure to credit risk for the components of the statement of financial position is its carrying amount.

i *Trade receivables*

For trade receivables, the Group applied the simplified approach in computing ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 17. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December 2021 using a provision matrix:

31 December 2022

	Gross	Credit impaired	Expected Credit Loss	ECL rate
	₦'000		**₦'000**	
Current	17,627,250	Yes	24,527	0.14%
<30 days	-	Yes	-	0%
30-60 days	-	No	-	0%
61-90 days	-	Yes	-	0%
>90 days	-	No	-	0%
Total	**17,627,250**		**24,527**	

31 December 2021

	Gross	Credit impaired	Expected Credit Loss	ECL rate
	₦'000		**₦'000**	
Current	4,608,611	Yes	6,921	0%
<30 days	54,964	Yes	859	2%
30-60 days	1,100,817	Yes	24,419	0%
61-90 days	292,296	No	-	0%
>90 days	-	No	-	0%
Total	**6,056,688**		**32,199**	

Movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2022	2021
	₦'000	**₦'000**
Balance as at 1 January	32,199	4,968
Provision for expected credit losses	(11,842)	27,231
Translation difference	4,170	-
Balance as at 31 December	**24,527**	**32,199**

Group - Intercompany recivables

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	Stage 1	Stage 2	Stage 3	Total
	₦'000	**₦'000**	**₦'000**	**₦'000**
Gross carrying amount as at 1 January 2022	13,673,641	-	-	13,673,641
New asset purchased	98,295	-	-	98,295
Asset derecognised or repaid (excluding write offs)	-	-	-	-
At 31 December 2022	13,771,936	-	-	13,771,936

Company- Intercompany receivables	2022	2021
Internal grading system	***Total***	***Total***
	₦'000	***₦'000***
Standard grade	339,821	339,821
	--------------	--------------
	339,821	**339,821**
	========	========

Related party receivables	2022	
	Stage 1 Individual	***Total***
	₦'000	***₦'000***
Gross carrying amount as at 1 January	**25,788,694**	**25,788,694**
New assets originated or purchased	23,161,634	**23,161,634**
Assets derecognised or repaid (excluding write offs)	(25,788,694)	**(25,788,694)**
	--------------	--------------
Gross carrying amount as at 31 December	**23,161,634**	**23,161,634**
	========	========

	2022	
Impairment allowance for related party receivables on shareholders loan	***Stage 1 Individual***	***Total***
	₦'000	***₦'000***
ECL allowance as at 1 January 2020 under IFRS 9	64,828	**64,828**
Provision for expected credit losses	922	**922**
Translation difference	324	**324**
	--------------	--------------
ECL allowance as at 31 December	**66,074**	**66,074**
	========	========

The Group monitors its risk of a shortage of funds using a liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures,and preference shares. The Group's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 24% of the Group's debt will mature in less than one year at 31 December 2019 (2018: 10%) based on the carrying value of borrowings reflected in the financial statements. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

NIGER DELTA EXPLORATION & PRODUCTION PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - Continued

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in funding its business activities and meeting obligations associated with financial liabilities. The Finance department monitors and manages liquidity but ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate management for the company short, medium and long-term funding and liquidity management requirements. The table below disclose the maturity profile of the company's financial liabilities and those financial assets used for managing liquidity risk.

The following are the contractual maturities of financial instruments:

GROUP

	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	Between 2 and 5 years
2022	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Trade payable	8,621,670	8,621,670	8,621,670	-	-
Borrowings	53,748,030	55,203,946	17,725,350	11,149,440	26,329,156
2021	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Trade payable	7,379,475	7,379,475	7,379,475	-	-
Borrowings	21,210,250	20,147,625	7,563,665	10,794,853	1,789,107

COMPANY

	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	Between 2 and 5 years
2022	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Trade payable	2,404,216	2,404,216	2,404,216	-	-
Borrowings	-	-	-	-	-
2021	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Trade payable	2,179,254	2,179,254	2,179,254	-	-
Borrowings	-	-	-	-	-

d) Fair Value

The fair values of financial assets and liabilities have been included at the amount at which the instruments can be exchanged, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair values;

- Cash and short-term deposits, trade receivables , trade payables and other current liabilities approximate their carrying amounts largely due to the short-term nature of these instruments.

- Long-term borrrowings are evaluated by the Group based on parameters such as interest rates, specific country factors, and risk characteristics of the projects financed. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 11%/11.15%, 6%/ 9% (2021: 11%/Nil, 6%/9%) for GTB and BOI.

- Fair value of unlisted equities is based on the average of two valuation techniques namely the dividend discount model, and the Enterprise Value multiples.

- Fair value of corporate bonds is based on price quotations at the reporting date.

The following table discloses the fair value measurement hierarchy of the Group's assets and liabilities.

	Date of valuation	Total	Level 1 (quoted market price)	Level 2 (observable market inputs)	Level 3 (unobservable market inputs)
		₦'000	**₦'000**	**₦'000**	**₦'000**
Assets for which fair values are disclosed;					
Hedge	2022	352,062	-	352,062	-
Assets measured at fair value					
Listed equity securities*	2022	1,845,477	1,845,477	-	-
Assets measured at fair value					
Unlisted equity securities*	2022	6,814	-	-	6,814
Liabilities for which fair values are disclosed;					
Borrowings	2022	55,203,946	-	55,203,946	-
Assets for which fair values are disclosed;					
Hedge	2021	-	-	-	-
Assets measured at fair value					
Listed equity securities*	2021	2,176,010	2,176,010	-	-
Assets measured at fair value					
Unlisted equity securities*	2021	4,649		-	4,649
Liabilities for which fair values are disclosed;					
Borrowings	2021	20,147,625	-	20,147,625	-

There were no transfers between Level 1 and Level 2 during 2022

The following table discloses the fair value measurement hierarchy of the Company's assets and liabilities.

	Date of valuation	Total	Level 1 (quoted market price)	Level 2 (observable market inputs)	Level 3 (unobservable market inputs)
Assets measured at fair value;					
Unlisted equity securities	2022	6,814	-	-	6,814
Liabilities for which fair values are					
Borrowings	2022	-	-	-	-
Assets measured at fair value;					
Unlisted equity securities	2021	4,649	-	-	4,649
Liabilities for which fair values are					
Borrowings	2021	-	-	-	-

There were no transfers between Level 1 and Level 2 during 2022

Description of significant unobservable inputs to valuation:

The significant unobservable inputs used in the fair value measurements categorised within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis are shown below for Group and Company:

31 December 2022

	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of the input to fair value
AFS financial assets in unquoted equity shares	Dividend discount model (DDM)	Long-term growth rate for cash flows for subsequent years	-20%	6% increase /(decrease) in the growth rate would result in an increase/(decrease) in fair value by ₦1.8m
		Cost of equity capital	15%/20%	2% increase/ (decrease) in the cost of equity capital would result in a decrease/(increase) in fair value by ₦0.3m
		Discount for lack of marketability	10%	This is not applicable in this financial year

31 December 2021

	Valuation technique	Significant unobservable inputs	Rate	Sensitivity of the input to fair value
AFS financial assets in unquoted equity shares	Dividend discount model (DDM)	Long-term growth rate for cash flows for subsequent years	-14%	6% increase /(decrease) in the growth rate would result in an increase/(decrease) in fair value by ₦1.2m
		Cost of equity capital	12%/22%	2% increase/ (decrease) in the cost of equity capital would result in a decrease/(increase) in fair value by ₦0.3m
		Discount for lack of marketability	10%	This is not applicable in this financial year

Capital Management Disclosures

The Group and the Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

• To comply with the capital requirements set by the regulators of the oil and gas industry, where the company operates;

• To safeguard the ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

• To maintain a strong capital base to support the development of its business.

Capital adequacy are strictly observed when managing economic capital.

The gearing ratio is computed below:

	THE GROUP		THE COMPANY	
	2022	**2021**	**2022**	**2021**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Total interest bearing debt	53,748,030	21,210,250	-	-
Total Equity	326,765,633	291,234,192	51,860,337	54,640,825
Capital Gearing (Debt to Equity)	**16%**	**7%**	**0%**	**0%**
	2022	**2021**	**2022**	**2021**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Total Assets	473,381,537	377,433,169	55,701,785	58,006,390
Total Equity	326,765,633	291,234,192	51,860,337	54,640,825
Capital Gearing (Total Equity to Total Assets)	**69%**	**77%**	**93%**	**94%**

33 Staff information

(a) The average number of full time persons employed by the Company during the year was as follows:

	THE GROUP		THE COMPANY	
	31-Dec-22 Number	31-Dec-21 Number	31-Dec-22 Number	31-Dec-21 Number
Management	8	3	-	-
Operations	132	138	-	-
Finance	14	15	-	-
Administration	60	73	-	-
Total	214	229	-	-

	THE GROUP		THE COMPANY	
	31-Dec-22 Number	31-Dec-21 Number	31-Dec-22 Number	31-Dec-21 Number
Less than 5,000,000	7	3	-	-
5,000,001 – 10,000,000	32	34	-	-
Above 10,000,000	175	192	-	-
Total	214	229	-	-

34 Directors remuneration

The remuneration paid to the Directors of the Company was:

	THE GROUP		THE COMPANY	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
Emoluments (including salaries, bonuses, fees and sitting allowance)	767,914	521,602	221,183	188,714

Fees and other emoluments disclosed above include amounts paid to:

	THE GROUP		THE COMPANY	
	31-Dec-22 ₦'000	31-Dec-21 ₦'000	31-Dec-22 ₦'000	31-Dec-21 ₦'000
The Chairman	54,789	42,711	54,789	42,711
The highest paid Director	346,396	182,378	346,396	182,378

35 Non-controlling interest

Name of subsidiary	Principal place of business and place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interest		Total Comprehensive allocated to non-controlling interests for the year		Non-controlling interest	
		31/12/2022	31/12/2021	31/12/2022	31/12/2021	31/12/2022	31/12/2021
		%	%	**₦'000**	**₦'000**	**₦'000**	**₦'000**
ND Refineries Ltd	Nigeria	4.9621	5.9655	479,730	143,427	1,603,967	1,483,095

NIGER DELTA EXPLORATION & PRODUCTION PLC

OTHER NATIONAL DISCLOSURES

FOR THE YEAR ENDED 31 DECEMBER 2022

NIGER DELTA EXPLORATION & PRODUCTION PLC

CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED

	THE GROUP				THE COMPANY			
	31-Dec-22		**31-Dec-21**		**31-Dec-22**		**31-Dec-21**	
	₦'000		**₦'000**		**₦'000**		**₦'000**	
Revenue	66,109,481		51,567,661		-		-	
Cost of bought in materials and services								
- Local	(13,070,254)		(13,961,003)		(642,281)		(695,068)	
	53,039,227		37,606,658		(642,281)		(695,068)	
Non-trading items	7,532,768		16,513,326		1,716,076		3,163,835	
Value added	**60,571,995**		**54,119,984**		**1,073,795**		**2,468,767**	
		%		%		%		%
Applied as follows:								
To employees:								
- Staff costs	8,434,193	14	6,726,518	12	2,222	-	111	-
To Government:								
- Royalty costs	3,499,059	6	4,606,008	9	-	-	-	-
- Taxes	4,116,911	7	3,036,855	6	272,194	25	308,760	13
To providers of funds:								
- Interest	3,453,389	6	3,281,761	6	-	-	-	-
To provide for the Company's future:								
- Depreciation, depletion and amortisation	11,922,363	20	19,325,433	36	-	-	17,743	1
- Deferred taxation	14,005,649	23	(12,259,608)	(23)	-	-	-	-
- Revenue reserve	15,140,431	25	29,403,017	54	799,379	74	2,142,153	86
	60,571,995	**100**	**54,119,984**	**100**	**1,073,795**	**100**	**2,468,767**	**100**

The value added represents the wealth created through the use of the Company's assets by its employees, Management and Board. This statement shows the allocation of that wealth to employees, providers of finance, shareholders and that retained for the future creation of more wealth.

NIGER DELTA EXPLORATION & PRODUCTION PLC

FIVE-YEAR FINANCIAL SUMMARY

THE GROUP

Statement of Comprehensive income

	YEAR ENDED				
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	66,109,481	51,567,661	32,528,716	45,958,897	39,051,588
	=======	=======	=======	=======	=======
Profit/(loss) before taxation	33,262,991	20,180,264	16,753,617	20,592,161	29,333,101
Taxation	(18,122,560)	9,222,753	42,446	(1,094,580)	8,090,996
Profit after taxation	15,140,431	29,403,017	16,796,063	19,497,581	37,424,097
Basic earnings per share	₦69.69	₦135.35	₦77.31	₦89.75	₦206.3
Final dividend per share	₦7*	₦17	₦17	₦17	₦13
Return on equity	5%	10%	7%	11%	23%

*This is proposed dividend subject to ratification at the AGM

Statement of financial position

	AS AT				
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
	₦'000	₦'000	₦'000	₦'000	₦'000
Assets					
Property, plant and equipment	223,695,294	195,808,634	162,335,461	123,284,761	94,253,254
Intangible assets	467,553	779,671	29,782	51,561	51,767
Deferred tax assets	12,759,803	25,416,645	12,097,476	9,395,284	9,032,380
Investments in associates	132,532,480	116,663,243	99,313,414	74,896,272	65,890,629
Financial assets	2,204,353	2,180,659	1,416,729	1,140,644	446,018
Total current assets	101,722,054	36,584,317	27,786,158	27,777,916	30,052,028
	--------------	--------------	--------------	--------------	--------------
	473,381,537	**377,433,169**	**302,979,020**	**236,546,438**	**199,726,076**
	========	========	========	========	========
Equity and liabilities					
Share capital	2,172,422	2,172,422	2,172,422	2,172,422	1,814,084
Share premium	22,819,670	22,819,670	22,819,670	22,819,670	13,008
Translation reserve	129,499,711	103,743,694	82,103,621	39,260,936	32,456,006
Deposit for shares	-	-	-	-	23,165,000
Fair value reserve of financial assets at FVOCI	266,922	595,290	(580,616)	(68,932)	121,637
Retained earnings	170,402,941	160,420,021	132,476,687	119,362,166	102,222,889
Non-controlling interests	1,603,967	1,483,095	1,339,668	985,469	-
Total non current liabilities	100,512,379	58,692,959	41,024,968	34,787,877	13,929,963
Total current liabilities	46,103,525	27,506,018	21,622,600	17,226,830	26,003,489
	--------------	--------------	--------------	--------------	--------------
	473,381,537	**377,433,169**	**302,979,020**	**236,546,438**	**199,726,076**
	========	========	========	========	========

NIGER DELTA EXPLORATION & PRODUCTION PLC

FIVE-YEAR FINANCIAL SUMMARY

THE COMPANY

Statement of Comprehensive income

	YEAR ENDED				
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	-	-	-	-	-
	========	========	========	========	========
Profit/(loss) before taxation	1,071,573	2,450,913	1,765,287	7,429,419	3,007,336
Taxation	(272,194)	(308,760)	(108,066)	2,429	(28,946)
Profit after taxation	799,379	2,142,153	1,657,221	7,431,848	2,978,390
Basic earnings per share	₦3.68	₦9.86	₦7.63	₦34.21	₦16.42
Final dividend per share	₦7*	₦20*	₦17	₦17	₦13
Return on equity	2%	4%	3%	16%	7%

*This is proposed dividend subject to ratification at the AGM

Statement of financial position

	AS AT				
	31-Dec-22	31-Dec-21	31-Dec-20	31-Dec-19	31-Dec-18
	₦'000	₦'000	₦'000	₦'000	₦'000
Assets					
Property, plant and equipment	3,928,799	4,176,704	2,517,742	1,897,675	2,703,136
Intangible assets	-	-	15,110	27,045	32,162
Investments in associates	7,810,062	7,810,062	7,810,062	7,810,062	7,810,062
Investments in subsidiaries	15,734,227	15,452,665	15,452,665	15,389,666	97,003
Financial assets	1,852,291	2,180,659	1,004,753	801,462	157,637
Total current assets	26,376,406	28,386,300	26,685,741	23,800,788	35,291,056
	-------------	-------------	-------------	-------------	-------------
	55,701,785	**58,006,390**	**53,486,073**	**49,726,698**	**46,091,056**
	========	========	========	========	========
Equity and liabilities					
Share capital	2,172,422	2,172,422	2,172,422	2,172,422	1,814,084
Share premium	22,819,670	22,819,670	22,819,670	22,819,670	13,008
Translation reserve	8,794,966	7,701,621	5,452,921	-	-
Deposit for shares	-	-	-	-	23,165,000
Fair value reserve of financial assets at FVOCI	266,922	595,290	(580,616)	(68,932)	121,637
Retained earnings	17,806,357	21,351,822	20,730,365	22,766,262	17,692,718
Total non current liabilities	-	-	-	-	-
Total current liabilities	3,841,448	3,365,565	2,891,311	2,037,276	3,284,609
	-------------	-------------	-------------	-------------	-------------
	55,701,785	**58,006,390**	**53,486,073**	**49,726,698**	**46,091,056**
	========	========	========	========	========

1 TOTAL PROVED AND PROBABLE RECOVERABLE RESERVES

Estimated Quantities of Total Proved and Probable (2P) Oil, Condensate and Natural Gas Liquid Reserves (million barrels of oil equivalent) in the Ogbele field.

	YEAR ENDED				
	2022	2021	2020	2019	2018
Total Hydrocarbon					
Reserves (Liquids+Gas):					
At beginning of year	14.78	86.17	85.45	88.36	87.8
Revision	3.81	(66.48)	4.14	2.05	4.45
Production	(2.62)	(4.92)	(3.42)	(4.96)	(3.89)
	-------	-------	-------	-------	-------
At end of year	15.97	14.78	86.17	85.45	88.36
	====	====	====	====	====

NIGER DELTA EXPLORATION & PRODUCTION PLC
Lagos, Nigeria

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022
(IN US DOLLARS)

NIGER DELTA EXPLORATION & PRODUCTION PLC

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	THE GROUP		THE COMPANY	
		31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Revenue	3	156,140	128,747	-	-
Cost of sales	4	(56,223)	(89,856)	-	-
Gross profit		**99,917**	**38,891**	**-**	**-**
Other income	5	193	12,342	604	3,900
General and administrative expenses	6	(31,276)	(21,554)	(1,522)	(1,781)
Operating profit		**68,834**	**29,679**	**(918)**	**2,119**
Finance income	7	4,614	4,150	3,449	3,880
Finance costs	7	(8,157)	(8,187)	-	-
Net Finance (cost)/income		**(3,543)**	**(4,037)**	**3,449**	**3,880**
Share of profit of an associate	14	12,984	24,492	-	-
Profit before taxation		**78,275**	**50,134**	**2,531**	**5,999**
Tax (expense)/credit	24	(42,803)	23,009	(643)	(771)
Profit after taxation		**35,472**	**73,143**	**1,888**	**5,228**
Profit/(Loss) attributable to:					
Equity holders of the parent		33,579	72,995	1,888	5,228
Non-controlling interest		1,893	148	-	-
		35,472	**73,143**	**1,888**	**5,228**
Net gain/loss on equity instruments at fair value through other comprehensive income		(1,149)	2,631	(1,149)	2,631
Other comprehensive income for the year, net of tax		**(1,149)**	**2,631**	**(1,149)**	**2,631**
Total comprehensive income for the year		**34,323**	**75,774**	**739**	**7,859**
Total comprehensive income attributable to:					
Equity holders of the parent		**32,430**	**75,626**	**739**	**7,859**
Non-controlling interest		**1,893**	**148**	**-**	**-**
Basic earnings per share	10	**$0.16**	**$0.34**	**$0.01**	**$0.02**

The accompanying notes and significant accounting policies form an integral part of these financial statements

NIGER DELTA EXPLORATION & PRODUCTION PLC

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		THE GROUP		THE COMPANY	
	Notes	**31-Dec-22 $'000**	**31-Dec-21 $'000**	**31-Dec-22 $'000**	**31-Dec-21 $'000**
Assets					
Non-current assets					
Property, plant and equipment	11	498,708	474,126	8,759	10,113
Intangible assets	12	1,043	1,888	-	-
Deferred tax assets	15	28,447	61,543	-	-
Financial assets	13	4,914	5,279	4,129	5,279
Investment in associate	14	295,469	282,485	50,000	50,000
Investment in subsidiaries	25	-	-	51,355	50,853
Total non-current assets		**828,581**	**825,321**	**114,243**	**116,245**
Current assets					
Inventories	16	20,891	11,996	-	-
Trade and other receivables	17	70,292	45,026	54,574	62,555
Prepayments	18	222	496	77	68
Cash and Cash equivalents	19	135,343	31,012	6,676	6,015
Total current assets		**226,748**	**88,530**	**61,327**	**68,638**
Total assets		**1,055,329**	**913,851**	**175,570**	**184,883**
Equity and liabilities					
Shareholders' equity					
Share capital	20	19,316	19,316	19,316	19,316
Share premium	20	78,955	78,955	78,955	78,955
Deposit for shares	-	-	-	-	-
Translation reserve	29	-	-	-	-
Fair value reserve of financial assets at FVOCI	26	(878)	271	(878)	271
Retained earnings		625,977	602,850	69,607	78,189
Non-controlling interest	27	4,721	3,348	-	-
Total shareholders' equity		**728,091**	**704,740**	**167,000**	**176,731**
Non-current liabilities					
Borrowings	21	80,708	33,174	-	-
Decommissioning liabilities	22	143,773	109,322	-	-
Total non-current liabilities		**224,481**	**142,496**	**-**	**-**
Current liabilities					
Trade and other payables	23	53,185	41,503	7,927	7,381
Taxation	24	10,055	6,550	643	771
Borrowings	21	39,517	18,562	-	-
Total current liabilities		**102,757**	**66,615**	**8,570**	**8,152**
Total liabilities		**327,238**	**209,111**	**8,570**	**8,152**
Total equity & liabilities		**1,055,329**	**913,851**	**175,570**	**184,883**

The accompanying notes and significant accounting policies form an integral part of these financial statements

The financial statements on pages xx to xx were approved and authorised for issue by the Board of Directors on May 2023 and signed on its behalf by:

Mr. Adegbola Adesina	Mr. Gbite Falade	Ladi Jadesimi
Chief Finance Officer	Chief Executive Officer	Chairman
FRC/2021/001/00000024579	FRC/2021/003/00000025055	FRC/2015/OIDN/00000006637

NIGER DELTA EXPLORATION & PRODUCTION PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY
THE GROUP

	Issued capital $'000	Share premium $'000	Translation reserve $'000	Fair value reserve of financial assets at FVOCI $'000	Deposit for shares $'000	Retained earnings $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 January 2021	19,316	78,955	-	(2,360)	-	533,857	3,200	632,968
Profit / (Loss) for the year	-	-	-	-	-	72,995	148	73,143
Foreign currency translation difference	-	-	-	-	-	-	-	-
Share of other comprehensive income of associate accounted for using the equity method	-	-	-	2,631	-	-	-	2,631
Net loss on equity instruments at fair value through other comprehensive income	-	-	-		-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**2,631**	**-**	**72,995**	**148**	**75,774**
Issue of shares	-	-	-	-	-	-	-	-
Dividends to equity holders of the company	-	-	-	-	-	(4,002)	-	(4,002)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	-	-	(4,002)	-	(4,002)
Balance at 31 December 2021	**19,316**	**78,955**	**-**	**271**	**-**	**602,850**	**3,348**	**704,740**
Balance at January 2022	19,316	78,955	-	271	-	602,850	3,348	704,740
Profit for the year	-	-	-	-	-	33,579	1,893	34,970
Transfer of Shares (NDRE)	-	-	-	-	-	18	(520)	(502)
Foreign currency translation difference	-	-	-	-	-	-	-	-
Net gain on equity instruments at fair value through other comprehensive income	-	-	-	(1,149)	-	-	-	(1,149)
Share of other comprehensive income of associate accounted for using the equity method	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,149)	-	33,597	1,373	33,319
Dividends to equity holders of the company	-	-	-	-	-	(10,470)		(10,470)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	-	(10,470)	-	(10,470)
						-		
Balance at 31 December 2022	**19,316**	**78,955**	**-**	**(878)**	**-**	**625,977**	**4,721**	**728,091**

NIGER DELTA EXPLORATION & PRODUCTION PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

THE COMPANY	**Issued capital**	**Share premium**	**Fair value reserve of financial assets at FVOCI**	**Retained earnings**	**Total equity**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 January 2021	19,316	78,955	(2,360)	76,963	172,874
Profit for the year				5,228	5,228
Net loss on equity instruments at fair value through other comprehensive income	-	-	2,631		2,631
Total comprehensive income for the year	**-**	**-**	**2,631**	**5,228**	**7,859**
Dividends to equity holders of the company	-	-	-	(4,002)	(4,002)
Total contributions by and distributions to owners of the company, recognised directly in equity	**-**	**-**	**-**	**(4,002)**	**(4,002)**
Balance at 31 December 2021	**19,316**	**78,955**	**271**	**78,189**	**176,731**
Balance at January 2022	19,316	78,955	271	78,189	176,731
Profit for the year	-	-	-	1,888	1,888
Net gain on equity instruments at fair value through other comprehensive income	-	-	(1,149)	-	(1,149)
Total comprehensive income for the year	-	-	(1,149)	1,888	739
Dividends to equity holders of the company	-	-	-	(10,470)	(10,470)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	(10,470)	(10,470)
Balance at 31 December 2022	**19,316**	**78,955**	**(878)**	**69,607**	**167,000**

NIGER DELTA EXPLORATION & PRODUCTION PLC

STATEMENT OF CASH FLOWS

	Notes	THE GROUP 31-Dec-22 $'000	THE GROUP 31-Dec-21 $'000	THE COMPANY 31-Dec-22 $'000	THE COMPANY 31-Dec-21 $'000
Profit before taxation		78,275	50,134	2,531	5,999
Adjustments:					
Interest expense	7	8,157	8,187	-	-
Interest income	7	(4,614)	(4,150)	(3,449)	(3,880)
Dividend received	5	(125)	(122)	(125)	(3,825)
Exchange gain	5	-	(7,605)	(474)	(68)
Share of profit from associate	14	(12,984)	(24,492)	-	-
Loss on Financial Asset at FV through PorL	13	2,174	-	-	-
Depreciation of property, plant and equipment	9	27,318	47,523	-	4
Amortisation of intangible assets	9	845	690	-	40
Allowance for expected credit loss/Impairment allowance	6.3	28	71	-	-
Provision no longer required	5	-	(4,589)	-	-
Gain on disposal of equipment	5	(10)	(21)	(0)	-
Stock adjustment	4	(7,727)	(2,522)	-	-
Asset write-off	11	2,848	114	-	-
Operating cash flows before movement in working capital		**94,185**	**63,218**	**(1,517)**	**(1,730)**
Movement in working capital:					
(Increase)/Decrease in trade and other receivables		(25,294)	4,928	10,448	(361)
Decrease/(Increase) in prepayments		274	272	(9)	41
(Increase)/Decrease in inventory		(1,168)	(461)	-	-
Increase in trade and other payables		11,983	16,817	1,020	134
Cash generated by operating activities		**79,980**	**84,774**	**9,942**	**(1,916)**
Tax paid	24	(6,219)	(1,037)	(771)	(303)
Net cash flows from / (used in) operating activities		**73,761**	**83,737**	**9,171**	**(2,219)**
Investing activities					
Interest received	7	4,614	4,150	3,449	3,880
Dividend received	5	125	3,825	125	3,825
Purchase of property, plant and equipment	11	(22,438)	(45,926)	(1,113)	(3,557)
Proceeds from disposal of assets		10	21	-	(2)
Additional investment in subsidiary	25	-	-	(502)	-
Purchase/Sale from disposal of financial assets		(2,959)	1,085	1	(1)
Net cash (used in) / provided by investing activities		**(20,648)**	**(36,845)**	**1,960**	**4,145**
Financing activities					
Dividend paid		(10,470)	(4,002)	(10,470)	(4,002)
Interest paid		(7,847)	(6,121)	-	-
Repayment of borrowing	21	(13,945)	(29,216)	-	-
Additional borrowing	21	84,000	10,000	-	-
Net cash flows used in from financing activities		**51,218**	**(29,339)**	**(10,470)**	**(4,002)**
Increase/(decrease) in cash and cash equivalents		104,331	17,553	661	(2,076)
Cash and cash equivalents - Beginning of year	19	31,012	13,459	6,015	8,091
Cash and cash equivalents - End of year	19	**135,343**	**31,012**	**6,676**	**6,015**

The accompanying notes and significant accounting policies form an integral part of these financial statements

3 Revenue

3.1 Disaggregated revenue information

	THE GROUP		THE COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Segments	$'000	$'000	$'000	$'000
Crude Oil	32,319	88,859	-	-
Diesel	49,852	9,825	-	-
Gas	12,349	13,305	-	-
Heavy Fuel Oil (HFO)	9,116	2,648	-	-
Naphtha	-	1,460	-	-
Dual Purpose Kerosene (DPK)	44,310	7,836	-	-
Marine Diesel Oil (MDO)	8,194	4,814	-	-
Total revenue	**156,140**	**128,747**	**-**	**-**
Geographical markets				
Within Nigeria	156,140	128,747	-	-
Outside Nigeria	-	-	-	-
Total revenue from contracts with customers	**156,140**	**128,747**	**-**	**-**
Timing of revenue recognition				
Goods transferred at a point in time	156,140	128,747	-	-
Goods transferred over time	-	-	-	-
Total revenue from contracts with customers	**156,140**	**128,747**	**-**	**-**

Performance obligations

Information about the Group's performance obligations are summarised below:

Sale of Crude Oil

The performance obligation is satisfied at a point in time when the product is physically transferred into a vessel, pipe or other delivery mechanism and is generally due within 30 to 45 days from the date of issue of invoice.

Sale of Natural Gas

The performance obligation is satisfied at a point in time when the gas have been delivered at the buyer's delivery point for gas and is generally due within 30 to 90 days from the date of issue of invoice.

Sale of Refined Products

The performance obligation is satisfied at a point in time, when the product is lifted by the customer/distributor and payment is generally due within 0 to 30 days.

	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Contract balances	$'000	$'000	$'000	$'000
Trade receivables	39,280	11,988	-	-

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Performance obligation for crude oil, refined products and gas are fulfilled once delivery of the products occurs and payments are generally due on crude oil and gas between 30 to 90 days. Payments on refined products are due between 0 to 30 days.

4 Cost of sales

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Consultancy fee	2,236	12,765	-	-
Crude oil handling charges	3,122	8,478	-	-
Depreciation and amortisation (Note 9)	26,280	46,546	-	-
Exploration costs - OPL 227	378	114	-	-
Flowstation expenses	38	1,611	-	-
Materials, supplies and pollution control	11,149	620	-	-
Repairs and maintenance	492	576	-	-
Royalties to FGN	8,264	11,492	-	-
Statutory expenses	39	107	-	-
Staff costs (Note 8)	11,952	10,069	-	-
Stock Adjustments	(7,727)	(2,522)	-	-
Total	**56,223**	**89,856**	**-**	**-**

Consultancy fee include provisions for advisory, technical and drilling services.

Stock adjustment relates to the net movement in the value of inventory in the tank in the year.

Exploration costs refer to the one-off costs of the appraisal well drilled in the shallow offshore OPL 227 block. Management considers it prudent to write off these costs as it is not currently probable that these costs will be recovered from the asset.

5 Other income

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Dividend received from Financial assets (note 13)	125	122	125	122
Dividend received from Associate (note 14)	-	-	-	3,703
Fee income	58	5	5	5
Gain on disposal of property, plant and equipment	10	21	-	2
Provision no longer required	-	4,589	-	-
Unrealised exchange gain	-	7,605	474	68
Total	**193**	**12,342**	**604**	**3,900**

Fee income relates to income from trading activities outside the normal course of business

6 General and administrative expenses

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Auditor's remuneration (Note 6.2)	190	230	91	116
Bank charges	246	260	3	111
Community development expenses	703	750	41	248
Depreciation and amortisation (Note 9)	1,883	1,667	-	44
Directors' fees	538	469	535	469
Exchange loss	2,816	-	-	-
Expected credit loss of financial assets (note 13)	28	71	-	-
Fuel and Utilities	670	248	7	5
Information technology expenses	1,180	1,236	2	38
Insurance	1,925	1,926	248	183
Permits, registrations and subscriptions	722	540	42	28
Professional fees	3,439	2,686	432	477
Repairs and maintenance	2,206	2,410	-	1
Staff costs (Note 8)	7,968	6,713	5	-
Training	206	86	10	1
Travelling	1,322	462	8	22
Other expenses (Note 6.1)	5,234	1,800	98	38
Total	**31,276**	**21,554**	**1,522**	**1,781**

6.1 Other expenses consist of donations, printing and stationery, and other related administrative costs incurred during the year. Professional fees consist of cleaning service, advisory services, security service, legal fees and registrar management fee.

6.2 Deloitte & Touche offered only audit services in the year 2022 and 2021

6.3 Credit loss expense

The table below shows the ECL charges on financial instruments for the year recorded in the profit or loss:

	Group		*Company*	
	31-Dec-22 $'000	*31-Dec-21 $'000*	*31-Dec-22 $'000*	*31-Dec-21 $'000*
Debt instruments measured at amortised costs - trade receivables (note 17)	28	71	-	-
	28	**71**	**-**	**-**

7 Finance cost and income

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Interest expense:				
Bank borrowings	6,314	7,491	-	-
IPIN Interest	(33)	97	-	-
Provisions: unwinding of discount (Note 22)	1,876	599	-	-
Finance costs	**8,157**	**8,187**	**-**	**-**
Finance income:				
Interest income	4,614	4,101	3,449	3,880
Write off	-	-	-	-
Net interest income	4,614	4,101	3,449	3,880
Coupon on Bonds	-	49	-	-
– Remeasurement of borrowings at amortised cost	-	-	-	-
Finance income	**4,614**	**4,150**	**3,449**	**3,880**
Net finance costs	**(3,543)**	**(4,037)**	**3,449**	**3,880**

The finance income write-off relates to the current interest income that are deemed irrecoverable

8 Staff costs

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Included in cost of sales:				
Salaries and other staff costs	11,952	10,069	-	-
Included in general admin expenses:				
Salaries and other staff costs	7,968	6,713	5	-
Total in general admin expenses	7,968	6,713	5	-
Total	**19,920**	**16,782**	**5**	**-**

9 Depreciation and amortisation

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Included in cost of sales:				
Depreciation of oil and gas properties	26,280	46,546	-	-
Included in general admin expenses:				
Depreciation of other property, plant and equipment	1,038	977	-	4
Amortisation of intangible assets	845	690	-	40
Total in general admin expenses	1,883	1,667	-	44
Total	**28,163**	**48,213**	**-**	**44**

10 Earnings per share

Basic - The GROUP

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

	31-Dec-22 $'000	31-Dec-21 $'000
Profit attributable to equity holders of the Group	35,472	73,143
	31-Dec-22 Number	**31-Dec-21 Number**
Weighted average number of ordinary shares in issue	**217,242,218**	**217,242,218**
	31-Dec-22	**31-Dec-21**
Basic and diluted earnings per share ($)	**$0.16**	**$0.34**

Basic – THE COMPANY

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

	31-Dec-22 $'000	31-Dec-21 $'000
Profit attributable to equity holders of the company	1,888	5,228
	31-Dec-22 Number	**31-Dec-21 Number**
Weighted average number of ordinary shares in issue	217,242,218	217,242,218
	31-Dec-22	**31-Dec-21**
Basic and diluted earnings per share ($)	**$0.01**	**$0.02**

11 Property, plant and equipment

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Oil and gas properties (11a)	493,459	468,278	-	-
Other property, plant and equipment (11b & 11c)	5,249	5,848	8,759	10,113
Total	498,708	474,126	8,759	10,113

11a THE GROUP

OIL AND GAS PROPERTIES	**Project equipment $'000**	**Civil works $'000**	**Gas pipeline $'000**	**Gas plant facilities $'000**	**Assets under development $'000**	**Total $'000**
Cost:						
Balance at 1 January 2021	334,749	9,986	24,225	75,385	201,680	646,025
Exchange difference	157,563	-	-	538	(160,601)	(2,500)
Reclassifications	12,369	218	108	853	31,085	44,633
Additions	-	-	-	-		-
Write-offs	50,880	-	-	-	(114)	50,766
Changes in decommisioning assets		-	-	-	-	-
Balance at 31 December 2021	**555,561**	**10,204**	**24,333**	**76,776**	**72,050**	**738,924**
Balance at 1 January 2022	555,561	10,204	24,333	76,776	72,050	738,924
Reclassifications	35,981	1,773	-	-	(37,817)	(63)
Additions	4,354	204	213	10	17,011	21,792
Write-offs	-	-	-	-	(2,848)	(2,848)
Changes in decommisioning assets	32,575	-	-	-	-	32,575
Balance at 31 December 2022	**628,474**	**12,181**	**24,546**	**76,786**	**48,396**	**790,380**
Depreciation:						
Balance at 1 January 2021	195,292	7,677	5,937	15,194	-	224,100
Translation difference		-	-	-	-	-
Depreciation for the year	43,331	585	714	1,916	-	46,546
Balance at 31 December 2021	**238,623**	**8,262**	**6,651**	**17,110**	**-**	**270,646**
Balance at 1 January 2022	238,623	8,262	6,651	17,110	-	270,646
Depreciation for the year	23,577	179	590	1,934	-	26,280
Balance at 31 December 2022	**262,198**	**8,440**	**7,241**	**19,045**	**-**	**296,924**
Net book value:						
At 31 December 2022	**366,276**	**3,741**	**17,305**	**57,741**	**48,396**	**493,459**
At 31 December 2021	**316,938**	**1,942**	**17,682**	**59,666**	**72,050**	**468,278**
At 1 January 2021	139,457	2,309	18,288	60,191	201,680	421,925

There are no impairments in Property, Plant, and Equipment during the year. See Note 21 for assets pledged as collateral for borrowings. There are no capital commitments in respect of PPE expenditures.

Write off is included in cost of sales and General and administrative expenses (Note 4 and 6)

11b THE GROUP
OTHER PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery $'000	Furniture and Fittings $'000	Office equipment $'000	Motor vehicles $'000	Building $'000	Land $'000	Total $'000
Cost:							
Balance at 1 January 2021	1,707	280	5,580	4,228	2,572	1,499	15,866
Translation difference	-	-	-	-	(209)	(121)	(330)
Additions	14	29	577	671	2	-	1,293
Reclassification	-	-	-	-	-	-	-
Disposals	(118)	-	(20)	(280)	-	-	(418)
Balance at 31 December 2021	**1,603**	**309**	**6,137**	**4,619**	**2,365**	**1,378**	**16,411**
Balance at 1 January 2022	1,603	309	6,137	4,619	2,365	1,378	16,411
Translation difference	-	-	-	-	(187)	(109)	(296)
Additions	81	101	270	194	-	-	646
Reclassification	-	-	63	-	-	-	63
Disposals		(80)	(42)	(95)	-	-	(217)
Balance at 31 December 2022	**1,684**	**330**	**6,428**	**4,718**	**2,178**	**1,269**	**16,607**
Depreciation:							
Balance at 1 January 2021	929	276	4,851	3,682	291	-	10,029
Translation difference	-	-	-	-	(25)	-	(25)
Depreciation for the year	115	7	459	359	37	-	977
Disposal	(118)	-	(20)	(280)	-	-	(418)
Balance at 31 December 2021	**926**	**283**	**5,290**	**3,761**	**303**	**-**	**10,563**
Balance at 1 January 2022	926	283	5,290	3,761	303	-	10,563
Translation difference	-	-	-	-	(26)	-	(26)
Depreciation for the year	107	37	470	389	35	-	1,038
Disposal		(80)	(42)	(95)	-	-	(217)
Balance at 31 December 2022	**1,033**	**240**	**5,718**	**4,055**	**312**	**-**	**11,358**
Net book value:							
At 31 December 2022	**651**	**90**	**710**	**663**	**1,866**	**1,269**	**5,249**
At 31 December 2021	**677**	**26**	**847**	**858**	**2,062**	**1,378**	**5,848**
At 1 January 2021	**778**	**4**	**729**	**546**	**2,281**	**1,499**	**5,837**

11c THE COMPANY
OTHER PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery $'000	Furniture and Fittings $'000	Office equipment $'000	Motor vehicles $'000	Assets under development $'000	Total $'000
Cost:						
Balance at 1 January 2021	105	129	247	84	6,630	7,195
Additions	-	-	-	-	3,559	3,559
Transfer	-	-	-	-	(76)	(76)
Disposals	(59)	-	-	-	-	(59)
Balance at 31 December 2021	**46**	**129**	**247**	**84**	**10,113**	**10,619**
Balance at 1 January 2022	46	129	247	84	10,113	10,619
Additions	-	-	-	-	1,113	1,113
Transfer	-	-	-	-	(2,467)	(2,467)
Disposals	-	-	-	-	-	-
Balance at 31 December 2022	**46**	**129**	**247**	**84**	**8,759**	**9,265**
Depreciation:						
Balance at 1 January 2021	105	126	246	84	-	561
Depreciation for the year	-	3	1	-	-	4
Disposal	(59)	-	-	-	-	(59)
Balance at 31 December 2021	**46**	**129**	**247**	**84**	**-**	**506**
Balance at 1 January 2022	46	129	247	84	-	506
Depreciation for the year	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Balance at 31 December 2022	**46**	**129**	**247**	**84**	**-**	**506**
Net book value:						
At 31 December 2022	**-**	**-**	**-**	**-**	**8,759**	**8,759**
At 31 December 2021	**-**	**-**	**-**	**-**	**10,113**	**10,113**

12 Intangible assets

	THE GROUP			THE COMPANY	
	License $'000	Software $'000	Total $'000	Software $'000	Total $'000
Cost:					
Balance at 1 January 2021	-	1,139	1,139	701	701
Transfer (note 11b)	2,500	-	2,500	-	-
Balance at 31 December 2021	**2,500**	**1,139**	**3,639**	**701**	**701**
Balance at 1 January 2022	2,500	1,139	3,639	701	701
Transfer (note 11b)	-	-	-	-	-
Balance at 31 December 2022	**2,500**	**1,139**	**3,639**	**701**	**701**
Amortisation:					
Balance at 1 January 2021	-	1,059	1,059	661	661
Transfer (note 11b)	-	2	2	-	-
Amortisation charge for the year	625	65	690	40	40
Balance at 31 December 2021	**625**	**1,126**	**1,751**	**701**	**701**
Balance at 1 January 2022	625	1,126	1,751	701	701
Amortisation charge for the year	845	-	845	-	-
Balance at 31 December 2022	**1,470**	**1,126**	**2,596**	**701**	**701**
Net book value:					
At 31 December 2022	**1,030**	**13**	**1,043**	**-**	**-**
At 31 December 2021	**1,875**	**13**	**1,888**	**-**	**-**
At 1 January 2021	**-**	**80**	**80**	**40**	**40**

Intangible assets consists of computer software and licenses used by the entity for recording transactions and reporting purposes. The entity's software has a finite life and is amortised on a straight line basis over the life of the software licenses.

13 Financial assets

Financial assets include the following:

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Fair value through OCI				
Listed securities:				
Consolidated Hallmark Insurance Plc	4,114	5,269	4,114	5,269
Unlisted securities:				
PetroData Management Services Ltd	14	9	14	9
Dharmattan Gas and Power Ltd	1	1	1	1
Fair value through Profit or Loss				
Hedge	785	-	-	-
Total	**4,914**	**5,279**	**4,129**	**5,279**

	31-Dec-22	31-Dec-21
Hedge	**$'000**	**$'000**
Cost	2,959	-
FV Loss through PorL	(1,247)	-
Hedge Cost Written off	(928)	-
Current Value	**785**	**-**

The Group has designated its equity investments as FVOCI on the basis that these are not held for trading. In 2022, the Group received no dividends (2021: $296) from Dharmattan Gas and Power Ltd; $5,668 (2021: $Nil) from PetroData Management Services Ltd; $117,100 (2021: $121,015) from Consolidate Hallmark Insurance Plc which was recorded in the income statement as other income.

The Group did not dispose off or derecognise any FVOCI equity instruments in 2022. Further disclosures on fair value are made in note 33.

In 2022, the Group entered an economic crude oil hedge contract with an average strike price of $55/bbl (2021: Nil) for 1,345,000 barrels (2021: Nil) at a cost of $2.9 million (2021: Nil).

14 Investment in associate - ND Western Ltd

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
At 1 January	282,485	261,696	50,000	50,000
Share of profit	12,984	24,492	-	-
Dividend received	-	(3,703)	-	-
Carrying amount	**295,469**	**282,485**	**50,000**	**50,000**

The summarised financial statements of ND Western Limited are presented below;

Summarised statement of financial position	**31-Dec-22 $'000**	**31-Dec-21 $'000**
Current assets	256,370	231,949
Non current asset	725,089	797,882
Current liabilities	(175,321)	(217,489)
Non-current liabilities	(97,019)	(134,384)
Net assets	709,119	677,958
NDEP's share of net assets	295,469	282,485

Summarised profit or loss statement	**31-Dec-22 $'000**	**31-Dec-21 $'000**
Revenue	225,272	302,219
Other income	32,229	3,316
Operating and Admin expenses	(176,549)	(158,740)
Net finance costs	(23,103)	(35,533)
Profit before taxation	57,849	111,262
Income tax	(26,688)	(52,481)
Profit after taxation	31,161	58,781
Other comprehensive income	-	-
Total comprehensive income	31,161	58,781
Proportion of Group's ownership	41.667%	41.667%
Group's share of profit for the year	12,984	24,492
Group's share of other comprehensive income	-	-

The principal place of business of ND Western Ltd is Nigeria and it is accounted for using the equity method. Dividend received from the associate in the year 2022: Nil (2021: $3.3m). 41.667% is the holding of the Group in ND Western.

15 Deferred taxation

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	THE GROUP		THE COMPANY	
Deferred tax assets	**31-Dec-22 $'000**	**31-Dec-21 $'000**	**31-Dec-22 $'000**	**31-Dec-21 $'000**
Accelerated depreciation and amortisation	29,455	60,052	-	-
Tax losses	587	2,000	-	-
Total	30,042	62,052	-	-
Deferred tax liabilities				
Accelerated depreciation and amortisation	-	-	-	-
Decommissioning liabilities	1,595	509	-	-
Total	**1,595**	**509**	**-**	**-**
Deferred taxation				
At start of year	(61,543)	(31,877)	-	-
Income statement charge/(credit)	33,079	(29,685)	-	-
Translation difference	17	19		
Tax (charged)/credited directly to equity	-	-		
Net deferred tax assets at end of year	**(28,447)**	**(61,543)**	**-**	**-**
Reflected in the statement of financial position as:				
Deferred tax liabilities	1,595	509	-	-
Deferred tax assets	(30,042)	(62,052)	-	-
Net deferred tax assets	**(28,447)**	**(61,543)**	**-**	**-**

Deferred taxes are recoverable in more than one year.

16 Inventories

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	**31-Dec-21 $'000**	**31-Dec-22 $'000**	**31-Dec-21 $'000**
Crude Oil	763	5,311	-	-
Diesel	1,199	507	-	-
Heavy Fuel Oil (HFO)	4,070	530	-	-
Naphtha	6,409	322	-	-
Dual Purpose Kerosene (DPK)	1,614	284	-	-
Marine Diesel Oil (MDO)	701	76	-	-
Materials	6,135	4,966	-	-
Total	**20,891**	**11,996**	**-**	**-**

There were no write-downs of inventory during the year and all inventory balances are current in nature. Inventory balances will be turned over within 12 months after the financial year.

17 Trade and other receivables

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	**31-Dec-21 $'000**	**31-Dec-22 $'000**	**31-Dec-21 $'000**
Trade receivables	39,280	11,988	-	-
Other receivables	520	205	416	205
Related party receivables	30,703	33,070	54,158	62,350
	70,503	45,263	54,574	62,555
Allowance for expected credit losses	(211)	(237)	-	-
	70,292	**45,026**	**54,574**	**62,555**

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	2022 $'000	2021 $'000	2022 $'000	2021 $'000
As at 1 January	237	167	-	-
(Write back)/Provision for expected credit losses	(28)	71	-	-
Translation difference	2	(1)	-	-
As at 31 December	**211**	**237**	**-**	**-**

Trade receivables are non-interest bearing and are generally on 30-90 day terms. Other receivables relate principally to receivables from Community Trust.

Allowance for expected credit losses on trade and related party receivables is $211,000 (Group) and Nil for Company (31 Dec 2021: $237,000 - Group & Nil for Company).The write back of expected credit losses arose from reassessment. See note 33b for credit risk disclosures.

18 Prepayments	**THE GROUP**		**THE COMPANY**	
	31-Dec-22 $'000	**31-Dec-21 $'000**	**31-Dec-22 $'000**	**31-Dec-21 $'000**
Prepaid rent	29	70	-	-
Prepaid expenses	103	220	-	2
Prepaid insurance	90	206	77	66
Other prepayments	-	-	-	-
Total	**222**	**496**	**77**	**68**

Other prepayments include prepaid internet access

19 Cash and Bank

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Cash and bank balances	110,670	19,226	1,016	357
Short term deposits	2,901	396	349	347
Cash and cash equivalents for statement of cashflow purposes	**113,571**	**19,622**	**1,365**	**704**
Restricted cash	21,772	11,390	5,311	5,311
Total Cash and Bank	**135,343**	**31,012**	**6,676**	**6,015**

Cash and cash equivalents comprise balances with less than three months to maturity, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months. Restricted cash relates to cash used as collateral for the BOI loan.

20 Share capital and premium

Share capital and premium – THE GROUP

	Number of shares	Ordinary shares ($'000)	Share premium ($'000)	Total ($'000)
Balance at 1 January 2021	217,242,218	19,316	78,955	98,271
– Issue of shares	-	-	-	-
Balance at 31 December 2021	**217,242,218**	**19,316**	**78,955**	**98,271**
Balance at 1 January 2022	217,242,218	19,316	78,955	98,271
- Issue of shares	-	-	-	-
Balance at 31 December 2022	**217,242,218**	**19,316**	**78,955**	**98,271**

Share capital and premium – THE COMPANY

	Number of shares	Ordinary shares ($'000)	Share premium ($'000)	Total ($'000)
Balance at 1 January 2021	217,242,218	19,316	78,955	98,271
– Issue of shares	-	-	-	-
Balance at 31 December 2021	**217,242,218**	**19,316**	**78,955**	**98,271**
Balance at 1 January 2022	217,242,218	19,316	78,955	98,271
- Issue of shares	-	-	-	-
Balance at 31 December 2022	**217,242,218**	**19,316**	**78,955**	**98,271**

Share premium arose as a result of the issue of shares above par value.

	Number of shares	Amount ($'000)
Authorised Share capital	275,000,000	27,500
Issued and fully paid-up	217,242,218	19,316

21 Borrowings

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
GTB	99,198	24,823	-	-
BOI loan	20,390	26,276	-	-
Petre IPINs	637	637	-	-
Total	**120,225**	**51,736**	**-**	**-**
Current	39,517	18,562	-	-
Non-current	80,708	33,174	-	-
Total	**120,225**	**51,736**	**-**	**-**

Participating Investment Notes (Petre IPINs)

On 9th May 2003, by a Share Purchase Agreement ("SPA"), Niger Delta Exploration & Production Plc (NDEP) acquired all the shares of Niger Delta Petroleum Resources Limited of which the net consideration was paid to the then existing shareholders by issuing ordinary shares in NDEP of a total value of US$ 2,113,738 at an agreed price of of US$ 0.30 per share and the issue of NDPR Participating Investment Notes of $ 1.00 each to a value of US$ 2,113,738 at an agreed price of $1.00 per note. They are entitled to cashflow distributions.

Guaranty Trust Bank Plc (GTB)

An additional GTB loan facility of $84million was secured and drawdown in August 2022. The longstanding previous GTB loan facility was secured in November 2018. $15million and $45million of the facility were drawndown in 2018 and 2019 respecively. The loan is repayable every quarter, starting from February 2019 to November 2023. It is secured by: all assets debenture on fixed and floating assets of NDPR in Ogbele Field; floating charge on the crude oil produced from the acreage operated by NDPR in OML 54, assignment and domiciliation of crude oil sales proceeds to GTB; charge over collection accounts and corporate guarantee of NDEP Plc for the full facility amount and interest thereon. Interest is payable at 11% and 11.15% per annum.

Bank of Industry (BOI)

BOI loan represents a $25million facility from the Bank of Industry, obtained in October 2018. It is repayable monthly, over 6 years, with a one-year moratorium on principal. It is secured by a Bank Guarantee from Access Bank. Interest is payable at 9% per annum. A 6-months moratorium was granted on principal payments, however, the interest payable was reduced to 7% for a year.

BOI loan also represents an additional $10million facility from the Bank of Industry, obtained in February 2021. It is repayable monthly, over 5 years. It is secured by a Bank Guarantee from First City Monument Bank (FCMB). Interest is payable at 8% per annum. A concession of a reduced interest rate to 6% per annum was given for an initial period of 6 months which was further extended for another 6 months as well as a 6 months moratorium for principal payments.

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the end of the reporting period are as follows:

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
6-12 months	39,517	18,562	-	-
1-5 years	80,708	33,174	-	-
Over 5 years	-	-	-	-
Total	**120,225**	**51,736**	**-**	**-**

The carrying amounts and fair value of the borrowings are as follows:

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Carrying amount:				
Borrowings	120,225	51,736	-	-
Fair value:				
Borrowings	123,072	48,785	-	-

The fair values are based on cash flows discounted using a rate based on the current borrowing rate of 11% and 11.15% for GTB, 6% and 9% for BOI. They are classified as level 2 fair values in the fair value hierarchy.

Changes in liabilities arising from financing activities

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
At 1 January	51,736	69,485	-	-
Additional borrowing	84,000	10,000	-	-
Repayments	(13,945)	(29,216)	-	-
Accrued interest	4,218	218	-	-
Remeasurements	(5,784)	1,249	-	-
At 31 December	**120,225**	**51,736**	**-**	**-**

Remeasurements are non-cashflow and relate to the effects of carrying borrowings at amortised cost using the effective interest rate method.

22 Decommissioning liabilities

	THE GROUP $'000	THE COMPANY $'000
Balance at 1 January 2021	**57,843**	**-**
Charged/(credited) to profit or loss:	**-**	
Changes in estimated flows	50,880	-
Exchange difference	-	-
Unwinding of discount due to passage of time	599	-
Balance at 31 December 2021	**109,322**	**-**
Balance at 1 January 2022	**109,322**	**-**
Charged/(credited) to profit or loss:		
Additional obligations incurred	-	-
Changes in estimated flows	32,575	-
Exchange difference	-	-
Unwinding of discount due to passage of time	1,876	-
Balance at 31 December 2022	**143,773**	**-**

The Group makes full provision for the future cost of decommissioning oil & gas production facilities, refining facilities and pipelines on a discounted basis. The decommissioning provision represents the present value of decommissioning costs relating to these assets, which are expected to be incurred up to 2057. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made which Management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, 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 assets cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.The discount rate used in the calculation of the provision as at 31 December 2022 is 3.97% (31 December 2021 : 1.90%). The inflation rate used in the calculation of the provision as at 31 December 2022 is 8.01% (31 December 2021 : 4.69%)

23 Trade and other payables

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Accruals	-	-	-	-
Amounts due to related parties	139	-	-	-
Crude due to third party	-	-	-	-
Royalty payable	25,177	16,333	3	-
Sundry creditors	7,842	6,171	1,758	974
Trade payables	19,221	17,869	5,360	5,277
Unclaimed dividend	806	1,130	806	1,130
	53,185	**41,503**	**7,927**	**7,381**

- Trade payables are non-interest bearing and are normally settled on 30-day terms . Sundry creditors include accrued IPIN note dues, and staff payables.

- The Directors consider that the carrying amount of trade payables approximates to their fair value.

24 Taxation

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Petroleum profit tax	-	3,771	-	-
Income tax expense	8,620	1,918	580	630
Minimum Tax	-	66	-	-
Education tax	1,104	921	63	141
Total current tax	**9,724**	**6,676**	**643**	**771**
Deferred taxation				
Origination of temporary differences	33,079	(29,685)	-	-
Total deferred tax	33,079	(29,685)	-	-
Income tax (credit)/expense	**42,803**	**(23,009)**	**643**	**771**

The movement in the current and petroleum income tax liability is as follows:

	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
At 1 Jan	6,550	911	771	303
Tax paid	(6,219)	(1,037)	(771)	(303)
Income tax charge for the year	9,724	6,676	643	771
At 31 December	**10,055**	**6,550**	**643**	**771**

Reconciliation of effective tax rate	THE GROUP		THE COMPANY	
	31-Dec-22 $'000	31-Dec-21 $'000	31-Dec-22 $'000	31-Dec-21 $'000
Profit before income tax	**78,275**	**50,134**	**2,531**	**5,999**
Income tax using the weighted average domestic corporation tax rate	17,221	32,587	759	1,687
Minimum Tax	-	66	-	-
Net origination of temporary differences	33,079	(29,685)	-	-
Education tax levy	1,104	921	63	141
Non-taxable income	41	(12,579)	(179)	(1,057)
Disallowed expenses	21,863	35,850	-	-
Recognition of previously unrecognised tax incentives	(27,061)	(33,102)	(0)	-
Recognition of previously unrecognised tax losses	(587)	(1,147)	-	-
Share of profit from associate taxed at source	(2,856)	(15,920)	-	-
Total income tax expense/(credit) in income statement	**42,803**	**(23,009)**	**643**	**771**

25 Subsidiaries

The Niger Delta Exploration and Production Company('the parent') controls the following subsidiaries:

		31-Dec-22	31-Dec-21
	Ownership interest	**$'000**	**$'000**
Niger Delta Petroleum Resources Limited (NDPR)	100%	300	300
ND Properties Limited (NDPL)	100%	4,097	4,097
ND Refineries Limited (NDRE)	95%	46,894	46,392
ND Gas Limited (ND Gas)	100%	64	64
		51,355	**50,853**

26 Fair value reserve

This represents the fair value changes in financial assets measured at fair value through other comprehensive income.

27 Non-Controlling Interest

Non-Controlling Interests represent the 4.9621% ownership stake in ND Refineries Ltd held outside the Group. The investment was received as part of the fund-raising efforts for Train 2 & 3 of the refinery.