



**ARADEL HOLDINGS PLC  
LAGOS, NIGERIA**

**UNAUDITED CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE  
PERIOD ENDED 30 JUNE 2023**

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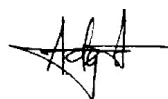
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## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| FOR THE PERIOD ENDED 30 JUNE 2023   |       | THE GROUP                   |                             | THE GROUP    |              |
|---|-------|-----------------------------|-----------------------------|--------------|--------------|
| ₦ '000  | Notes | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23    | 30-Jun-22    |
| Revenue   | 3     | 55,838,369                  | 14,765,436                  | 74,494,347   | 23,458,946   |
| Cost of sales   | 4     | (15,939,747)                | (3,426,710)                 | (24,700,510) | (13,813,546) |
| Gross profit  |       | 39,898,622                  | 11,338,726                  | 49,793,837   | 9,645,400    |
| Other income  | 5     | 78,563                      | (182,143)                   | 78,563       | 232,961      |
| General and administrative expenses   | 6     | (16,675,518)                | (2,624,817)                 | (20,048,441) | (4,725,188)  |
| Operating profit  |       | 23,301,667                  | 8,531,766                   | 29,823,959   | 5,153,173    |
| Finance income  | 7     | 953,370                     | 197,945                     | 1,748,141    | 247,392      |
| Finance costs   | 7     | (4,030,678)                 | (684,286)                   | (5,493,126)  | (1,241,083)  |
| Net Finance (cost)/income   |       | (3,077,308)                 | (486,341)                   | (3,744,985)  | (993,691)    |
| Share of profit of an associate   | 14    | (893,019)                   | (473,368)                   | 1,794,894    | 3,384,735    |
| Profit before taxation  |       | 19,331,340                  | 7,572,057                   | 27,873,868   | 7,544,217    |
| Tax credit / (expense)  | 24    | (13,270,200)                | (2,329,707)                 | (14,731,719) | (2,745,227)  |
| Profit after taxation   |       | 6,061,140                   | 5,242,350                   | 13,142,149   | 4,798,990    |
| Profit/(Loss) attributable to:  |       |                             |                             |              |              |
| Equity holders of the parent  |       | 5,605,759                   | 4,880,390                   | 12,357,486   | 4,483,153    |
| Non-controlling interest  |       | 455,381                     | 361,960                     | 784,663      | 315,837      |
|   |       | 6,061,140                   | 5,242,350                   | 13,142,149   | 4,798,990    |
| Other comprehensive income:   |       |                             |                             |              |              |
| <i>Other comprehensive income item that may be reclassified to profit or loss in subsequent years (net of tax):</i> |       |                             |                             |              |              |
| Foreign currency translation difference   |       | 141,399,825                 | (481,461)                   | 146,502,210  | 1,328,990    |
| Share of other comprehensive income of associate accounted for using the equity method                              | 14    | 89,275,862                  | (962,306)                   | 96,164,929   | (189,028)    |
| Net gain / (loss) on equity instruments at fair value through other comprehensive income                            |       | 664,560                     | -                           | 692,572      | -            |
| Other comprehensive income for the year, net of tax   |       | 231,340,247                 | (1,443,767)                 | 243,359,711  | 1,139,962    |
| Total comprehensive income for the year   |       | 237,401,387                 | 3,798,583                   | 256,501,860  | 5,938,952    |
| Total comprehensive income attributable to:   |       |                             |                             |              |              |
| Equity holders of the parent  |       | 236,469,267                 | 3,624,334                   | 255,247,681  | 5,621,276    |
| Non-controlling interest  |       | 932,120                     | 174,249                     | 1,254,179    | 317,676      |
| Basic earnings per share  | 10    | ₦27.9                       | ₦24.13                      | ₦60.5        | ₦22.09       |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

| THE GROUP                                       |       |                    |                    |
|---|-------|--------------------|--------------------|
| ₦ '000  | Notes | 30-Jun-23          | 31-Dec-22          |
| <b>Assets</b>                                   |       |                    |                    |
| <b>Non-current assets</b>                       |       |                    |                    |
| Property, plant and equipment                   | 11    | 392,711,990        | 223,695,294        |
| Intangible assets                               | 12    | 570,081            | 467,553            |
| Deferred tax assets                             | 15    | 8,759,220          | 12,759,803         |
| Financial assets                                | 13    | 5,582,943          | 2,204,353          |
| Investment in associate                         | 14    | 230,492,303        | 132,532,480        |
| <b>Total non-current assets</b>                 |       | <b>638,116,537</b> | <b>371,659,483</b> |
| <b>Current assets</b>                           |       |                    |                    |
| Inventories                                     | 16    | 18,984,475         | 9,370,788          |
| Trade and other receivables                     | 17    | 38,131,500         | 31,542,918         |
| Prepayments                                     | 18    | 126,343            | 99,316             |
| Cash and Bank                                   | 19    | 126,749,851        | 60,709,032         |
| <b>Total current assets</b>                     |       | <b>183,992,169</b> | <b>101,722,054</b> |
| <b>Total assets</b>                             |       | <b>822,108,706</b> | <b>473,381,537</b> |
| <b>Equity and liabilities</b>                   |       |                    |                    |
| <b>Shareholders' equity</b>                     |       |                    |                    |
| Share capital                                   |       | 2,172,422          | 2,172,422          |
| Share premium                                   |       | 22,819,670         | 22,819,670         |
| Translation reserve                             |       | 369,664,337        | 129,499,711        |
| Fair value reserve of financial assets at FVOCI |       | 959,494            | 266,922            |
| Retained earnings                               |       | 182,760,428        | 170,402,942        |
| Non-controlling interests                       |       | 4,891,143          | 1,603,967          |
| <b>Total shareholders' equity</b>               |       | <b>583,267,494</b> | <b>326,765,634</b> |
| <b>Non-current liabilities</b>                  |       |                    |                    |
| Borrowings                                      | 21    | 46,100,610         | 36,022,680         |
| Decommissioning liabilities                     | 22    | 112,956,968        | 64,489,699         |
| <b>Total non-current liabilities</b>            |       | <b>159,057,578</b> | <b>100,512,379</b> |
| <b>Current liabilities</b>                      |       |                    |                    |
| Trade and other payables                        | 23    | 43,088,123         | 23,868,226         |
| Taxation  | 24    | 17,124,777         | 4,509,948          |
| Borrowings                                      | 21    | 19,570,734         | 17,725,350         |
| <b>Total current liabilities</b>                |       | <b>79,783,634</b>  | <b>46,103,524</b>  |
| <b>Total liabilities</b>                        |       | <b>238,841,212</b> | <b>146,615,903</b> |
| <b>Total equity &amp; liabilities</b>           |       | <b>822,108,706</b> | <b>473,381,537</b> |



Adegbola Adesina  
Chief Financial Officer  
FRC/2021/001/00000024579



Adebite Falade  
Chief Executive Officer  
FRC/2021/003/00000025055

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 JUNE 2023

THE GROUP

| ₹ '000   | Issued capital | Share premium | Translation reserve | Fair value reserve of financial assets at FVOCI | Retained earnings | Non - controlling interests | Total equity |
|--|----------------|---------------|---------------------|---|-------------------|-----------------------------|--------------|
| 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   |                |               |                     |   | 4,483,153         | 315,837                     | 4,798,990    |
| Foreign currency translation difference  |                |               | 1,687,089           | 469   |                   | (358,568)                   | 1,328,990    |
| Share of other comprehensive income of associate accounted for using the equity method   | -              | -             | -                   | -   | -                 | -                           | -            |
| Total comprehensive income for the year  | -              | -             | 1,687,089           | 469   | 4,483,153         | (42,731)                    | 6,127,980    |
| Balance at 30 June 2022  | 2,172,422      | 22,819,670    | 105,430,783         | 595,759   | 164,903,174       | 1,440,364                   | 297,362,172  |
| Balance at 1 January 2023  | 2,172,422      | 22,819,670    | 129,499,711         | 266,922   | 170,402,942       | 1,603,967                   | 326,765,634  |
| Profit / loss for the year   | -              | -             | -                   | -   | 12,357,486        | 784,663                     | 13,142,149   |
| Foreign currency translation difference  | -              | -             | 143,999,697         | -   | -                 | 2,502,513                   | 146,502,210  |
| Net gain / (loss) on equity instruments at fair value through other comprehensive income | -              | -             | -                   | 692,572   | -                 | -                           | 692,572      |
| Share of other comprehensive income of associate accounted for using the equity method   | -              | -             | 96,164,929          | -   | -                 | -                           | 96,164,929   |
| Total comprehensive income for the year  | -              | -             | 240,164,626         | 692,572   | 12,357,486        | 3,287,176                   | 256,501,860  |
| Balance at 30 June 2023  | 2,172,422      | 22,819,670    | 369,664,337         | 959,494   | 182,760,428       | 4,891,143                   | 583,267,494  |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| FOR THE PERIOD ENDED 30 JUNE 2023                       |       | THE GROUP    |             |
|---|-------|--------------|-------------|
| ₦ '000  | Notes | 30-Jun-23    | 30-Jun-22   |
| Profit before taxation                                  |       | 27,873,868   | 7,544,217   |
| <b>Adjustments:</b>                                     |       |              |             |
| Interest expense  | 7     | 5,493,126    | 1,250,715   |
| Interest income   | 7     | (1,748,141)  | (249,312)   |
| Dividend received                                       | 5     | (78,081)     | -           |
| Exchange (gain)/loss                                    | 5     | 13,368,679   | (234,769)   |
| Share of profit from associate                          | 14    | (1,794,894)  | (3,411,004) |
| Loss on Financial Asset at FV through PorL              | 20    | 850,213      | -           |
| Depreciation of property, plant and equipment           | 9     | 10,592,956   | 7,272,431   |
| Stock adjustment  | 4     | (1,472,931)  | 249,312     |
| Operating cash flows before movement in working capital |       | 55,084,795   | 99,316      |
| Movement in working capital:                            |       |              |             |
| Decrease in trade and other receivables                 |       | 16,020,052   | 12,421,590  |
| Decrease in prepayments                                 |       | 44,682       | 113,437     |
| (Increase)/Decrease in inventory                        |       | (536,184)    | (68,561)    |
| (Decrease)/Increase in trade and other payables         |       | (12,938,227) | 2,143,668   |
| Cash generated by operating activities                  |       | 55,675,118   | 20,229,211  |
| Tax paid  | 24    | (615,488)    | (705,968)   |
| Net cash flows from operating activities                |       | 55,059,630   | 19,523,243  |
| <b>Investing activities</b>                             |       |              |             |
| Interest received                                       | 7     | 1,748,141    | 249,312     |
| Dividend received                                       | 5     | 78,081       | -           |
| Purchase of property, plant and equipment               | 11    | (14,095,794) | (3,004,625) |
| Purchase of intangible assets                           | 12    | (39,289)     | 176,180     |
| Proceeds from (purchase)/disposal of financial assets   |       | (2,463,675)  | -           |
| Net cash (used in) / from investing activities          | 21    | (14,772,536) | (2,579,133) |
| <b>Financing activities</b>                             |       |              |             |
| Interest paid   |       | (1,995,879)  | (861,373)   |
| Repayment of borrowing                                  | 21    | (29,842,756) | (3,740,096) |
| Additional borrowings                                   |       | 7,703,800    | -           |
| Issue of Bond   | 21    | 10,318,000   | -           |
| Net cash flows used in financing activities             |       | (13,816,835) | (4,601,469) |
| Increase/(decrease) in cash and cash equivalents        |       | 26,470,259   | 12,342,641  |
| Cash and cash equivalents - Beginning of year           | 19    | 60,709,032   | 12,808,210  |
| Exchange rate effects on cash and cash equivalents      |       | 39,570,560   | 38,827      |
| Cash and cash equivalents - End of year                 | 19    | 126,749,851  | 25,189,678  |

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

Aradel Holdings Plc (“the Company”) was incorporated on 25 March 1992. The consolidated financial statements of the Company as at and for the period ended 30 June 2023 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 and natural gas.

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 financial statements are drawn up in United States Dollar and Nigerian Naira in accordance with International Financial Reporting Standards (IFRS) Accounting presentation.

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

### 1.3. Financial Period

These consolidated financial statements cover the period from 1 January 2023 to 30 June 2023 with comparative figures for the financial year from 1 January 2022 to 30 June 2022 except for the statement of financial position which has comparative figures as at 31 December 2022.

### 1.4. Basis of preparation

#### Statement of compliance

The consolidated financial statements of Aradel Holdings 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 (IFRS IC) 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 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

(a) New standards, interpretations and amendments to existing 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 this standard, if applicable, when it becomes effective.

Amendments to 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 - *effective date yet to be set by the Board*

All other accounting policies are consistent with what was reported in the latest Audited Financial Statements.

## 3. REVENUE

### Disaggregated revenue information

| ₦ '000               | THE GROUP                   |                             | THE GROUP         |                   |
|----------------------|-----------------------------|-----------------------------|-------------------|-------------------|
|                      | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23         | 30-Jun-22         |
| <b>Segments</b>      |                             |                             |                   |                   |
| Crude Oil            | 35,893,356                  | -                           | 39,597,549        | -                 |
| Refined Products     | 17,837,834                  | 13,666,533                  | 31,227,484        | 20,602,393        |
| Gas                  | 2,107,179                   | 1,098,903                   | 3,669,314         | 2,856,553         |
| <b>Total revenue</b> | <b>55,838,369</b>           | <b>14,765,436</b>           | <b>74,494,347</b> | <b>23,458,946</b> |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

Refined products include Diesel, Dual Purpose Kerosene, Heavy Fuel Oil, Marine Diesel, Naphtha & Heavy Fuel Oil

| N '000                                      | THE GROUP                   |                             | THE GROUP  |            |
|---|-----------------------------|-----------------------------|------------|------------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23  | 30-Jun-22  |
| <b>Geographical markets</b>                 |                             |                             |            |            |
| Within Nigeria                              | 55,838,369                  | 14,765,436                  | 74,494,347 | 23,458,946 |
| Outside Nigeria                             | -                           | -                           | -          | -          |
| Total revenue from contracts with customers | 55,838,369                  | 14,765,436                  | 74,494,347 | 23,458,946 |
| <b>Timing of revenue recognition</b>        |                             |                             |            |            |
| Goods transferred at a point in time        | 55,838,369                  | 14,765,436                  | 74,494,347 | 23,458,946 |
| Goods transferred over time                 | -                           | -                           | -          | -          |
| Total revenue from contracts with customers | 55,838,369                  | 14,765,436                  | 74,494,347 | 23,458,946 |

### 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.

| N '000                   | THE GROUP  |           |
|--------------------------|------------|-----------|
|                          | 30-Jun-23  | 30-Jun-22 |
| <b>Contract balances</b> |            |           |
| Trade receivables        | 20,366,344 | 2,405,149 |

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.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 4. COST OF SALES

| N '000                                    | THE GROUP                   |                             | THE GROUP         |                   |
|---|-----------------------------|-----------------------------|-------------------|-------------------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23         | 30-Jun-22         |
| Consultancy fee                           | 295,662                     | 250,353                     | 547,529           | 508,391           |
| Crude oil handling charges                | 4,991,222                   | 340,946                     | 7,618,176         | 1,149,548         |
| Depreciation and amortisation (Note 9)    | 5,279,030                   | 2,899,690                   | 10,086,877        | 6,828,432         |
| Exploration costs                         | -                           | 8,659                       | -                 | 8,659             |
| Flowstation expenses                      | 362,651                     | 52,888                      | 489,210           | 145,549           |
| Materials, supplies and pollution control | 604,058                     | 102,837                     | 858,406           | 134,416           |
| Repairs and maintenance                   | 335,366                     | 107,663                     | 557,169           | 208,634           |
| Royalties to FGN                          | 2,293,910                   | (134,442)                   | 3,824,993         | 2,813,672         |
| Statutory expenses                        | 47,127                      | -                           | 51,572            | -                 |
| Staff costs (Note 8)                      | 1,006,284                   | 894,516                     | 2,139,509         | 1,768,853         |
| Stock adjustment                          | 724,437                     | (1,096,400)                 | (1,472,931)       | 247,392           |
| <b>Total</b>                              | <b>15,939,747</b>           | <b>3,426,710</b>            | <b>24,700,510</b> | <b>13,813,546</b> |

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 period.

### 5. OTHER INCOME

| N '000                                  | THE GROUP                   |                             | THE GROUP     |                |
|---|-----------------------------|-----------------------------|---------------|----------------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23     | 30-Jun-22      |
| Dividend received from Financial Assets | 78,081                      | -                           | 78,081        | -              |
| Fee income                              | 482                         | -                           | 482           | -              |
| Unrealised exchange gain                | -                           | (182,143)                   | -             | 232,961        |
| <b>Total</b>                            | <b>78,563</b>               | <b>(182,143)</b>            | <b>78,563</b> | <b>232,961</b> |

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

### 6. GENERAL AND ADMINISTRATIVE EXPENSES

| N '000                                   | THE GROUP                   |                             | THE GROUP  |           |
|--|-----------------------------|-----------------------------|------------|-----------|
|  | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23  | 30-Jun-22 |
| Bank charges                             | 102,341                     | 347,007                     | 153,752    | 368,614   |
| Community development expenses           | 77,184                      | -                           | 130,617    | -         |
| Depreciation and amortisation            | 300,860                     | 273,725                     | 506,079    | 387,993   |
| Directors' fees                          | 123,357                     | 93,523                      | 148,932    | 103,080   |
| Exchange loss                            | 12,420,491                  | -                           | 13,368,679 | -         |
| Fuel and utilities                       | 197,510                     | 22,508                      | 214,963    | 44,531    |
| Information technology expenses          | 542,376                     | 242,053                     | 593,799    | 346,349   |
| Insurance                                | 231,788                     | 185,458                     | 500,777    | 517,874   |
| Permits, registrations and subscriptions | 276,043                     | 49,101                      | 529,214    | 98,132    |
| Professional fees                        | 479,747                     | 279,726                     | 819,366    | 632,087   |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 6. General and administrative expenses cont'd.

| ₦ '000                  | THE GROUP                   |                             | THE GROUP         |                  |
|-------------------------|-----------------------------|-----------------------------|-------------------|------------------|
|                         | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23         | 30-Jun-22        |
| Repairs and maintenance | 52,235                      | 105,202                     | 144,594           | 204,511          |
| Staff costs (Note 8)    | 670,848                     | 596,343                     | 1,426,179         | 1,179,235        |
| Training                | 18,521                      | 35,447                      | 31,329            | 37,109           |
| Travelling              | 66,622                      | 68,800                      | 141,220           | 129,881          |
| Catering                | 185,267                     | 92,700                      | 322,927           | 209,046          |
| Other expenses          | 930,328                     | 233,224                     | 1,016,014         | 466,746          |
| <b>Total</b>            | <b>16,675,518</b>           | <b>2,624,817</b>            | <b>20,048,441</b> | <b>4,725,188</b> |

### 7. FINANCE COST AND INCOME

| ₦ '000                                      | THE GROUP                   |                             | THE GROUP          |                  |
|---|-----------------------------|-----------------------------|--------------------|------------------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23          | 30-Jun-22        |
| <b>Interest expense:</b>                    |                             |                             |                    |                  |
| Bank borrowings                             | 2,604,543                   | 492,821                     | 3,423,986          | 854,739          |
| Coupon on Bond                              | 695,015                     | -                           | 695,015            | -                |
| Provisions: unwinding of discount (Note 22) | 731,120                     | 191,465                     | 1,374,125          | 386,344          |
| Finance cost                                | 4,030,678                   | 684,286                     | 5,493,126          | 1,241,083        |
| <b>Total finance cost</b>                   | <b>4,030,678</b>            | <b>684,286</b>              | <b>5,493,126</b>   | <b>1,241,083</b> |
| <b>Finance income:</b>                      |                             |                             |                    |                  |
| Interest income                             | 953,370                     | 197,945.00                  | 1,748,141          | 247,392          |
| Finance income                              | 953,370                     | 197,945                     | 1,748,141          | 247,392          |
| <b>Net (finance costs)/finance income</b>   | <b>(3,077,308)</b>          | <b>(486,341)</b>            | <b>(3,744,985)</b> | <b>(993,691)</b> |

### 8. STAFF COST

| ₦ '000                                     | THE GROUP                   |                             | THE GROUP        |                  |
|--|-----------------------------|-----------------------------|------------------|------------------|
|  | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23        | 30-Jun-22        |
| <b>Included in cost of sales:</b>          |                             |                             |                  |                  |
| Salaries and other staff costs             | 1,006,284                   | 894,515.40                  | 2,139,509        | 1,768,853        |
| <b>Included in general admin expenses:</b> |                             |                             |                  |                  |
| Salaries and other staff costs             | 670,848                     | 596,343.40                  | 1,426,179        | 1,179,235        |
| <b>Total</b>                               | <b>1,677,132</b>            | <b>1,490,859</b>            | <b>3,565,688</b> | <b>2,948,088</b> |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 9. DEPRECIATION AND AMORTISATION

| N '000  | THE GROUP                   |                             | THE GROUP         |                  |
|---|-----------------------------|-----------------------------|-------------------|------------------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23         | 30-Jun-22        |
| <b>Included in cost of sales:</b>                   |                             |                             |                   |                  |
| Depreciation of oil and gas properties              | 5,279,030                   | 2,899,690                   | 10,086,877        | 6,828,432        |
| <b>Included in general admin expenses:</b>          |                             |                             |                   |                  |
| Depreciation of other property, plant and equipment | 210,955                     | (859)                       | 335,458           | 111,326          |
| Amortisation of intangible assets                   | 89,694                      | (21)                        | 170,621           | 2,062            |
| Total in general admin expenses                     | 300,649                     | (880)                       | 506,079           | 113,388          |
| <b>Total</b>  | <b>5,579,679</b>            | <b>2,898,811</b>            | <b>10,592,956</b> | <b>6,941,820</b> |

### 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 ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

| N '000  | THE GROUP                   |                             | THE GROUP         |                  |
|---|-----------------------------|-----------------------------|-------------------|------------------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23         | 30-Jun-22        |
| Profit attributable to equity holders of the Group  | 6,061,140                   | 5,242,350                   | 13,142,149        | 4,798,990        |
| <b>Total</b>  | <b>6,061,140</b>            | <b>5,242,350</b>            | <b>13,142,149</b> | <b>4,798,990</b> |
| Weighted average number of ordinary shares in issue | 217,242,218                 | 217,242,218                 | 217,242,218       | 217,242,218      |
| Basic and diluted earnings per share(N)             | 27.90                       | 24.13                       | 60.50             | 22.09            |

### 11. PROPERTY, PLANT AND EQUIPMENT

| N '000                              | THE GROUP          |                    |
|-------------------------------------|--------------------|--------------------|
|                                     | 30-Jun-23          | 31-Dec-22          |
| Oil and gas properties (11a)        | 330,248,039        | 199,632,891        |
| Other property, plant and equipment | 6,921,864          | 2,354,348          |
| Asset under development             | 55,542,087         | 21,708,055         |
| <b>Total</b>                        | <b>392,711,990</b> | <b>223,695,294</b> |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 11a. THE GROUP

| ₦ '000                            | OIL AND GAS PROPERTIES | OTHER PROPERTY, PLANT AND EQUIPMENT | ASSETS UNDER DEVELOPMENT | TOTAL       |
|-----------------------------------|------------------------|-------------------------------------|--------------------------|-------------|
| <b>Cost:</b>                      |                        |                                     |                          |             |
| Balance at 1 January 2022         | 275,412,216            | 6,776,892                           | 29,755,763               | 311,944,871 |
| Translation difference            | 23,715,505             | 450,375                             | 2,562,293                | 26,728,173  |
| Reclassifications                 | 16,934,557             | 28,259                              | (16,962,815)             | 1           |
| Additions                         | 2,144,518              | 289,765                             | 7,630,284                | 10,064,567  |
| Write-offs                        | -                      | -                                   | (1,277,470)              | (1,277,470) |
| Changes in decommissioning assets | 14,611,516             | -                                   | -                        | 14,611,516  |
| Disposal                          | -                      | (97,335)                            | -                        | (97,335)    |
| Balance at 31 December 2022       | 332,818,312            | 7,447,956                           | 21,708,055               | 361,974,323 |
| Balance at 1 January 2023         | 332,818,312            | 7,447,956                           | 21,708,055               | 361,974,323 |
| Translation difference            | 240,104,410            | 8,590,286                           | 22,410,624               | 271,105,320 |
| Additions                         | 2,191,370              | 481,016                             | 11,423,408               | 14,095,794  |
| Balance at 30 June 2023           | 575,114,092            | 16,519,258                          | 55,542,087               | 647,175,437 |
| <b>Depreciation:</b>              |                        |                                     |                          |             |
| Balance at 1 January 2022         | 111,773,725            | 4,362,512                           | -                        | 116,136,237 |
| Translation difference            | 10,285,063             | 390,685                             | -                        | 10,675,748  |
| Depreciation for the year         | 11,126,633             | 437,746                             | -                        | 11,564,379  |
| Disposal                          | -                      | (97,335)                            | -                        | (97,335)    |
| Balance at 31 December 2022       | 133,185,421            | 5,093,608                           | -                        | 138,279,029 |
| Balance at 1 January 2023         | 133,185,421            | 5,093,608                           | -                        | 138,279,029 |
| Translation difference            | 101,593,755            | 4,168,328                           | -                        | 105,762,083 |
| Depreciation for the year         | 10,086,877             | 335,458                             | -                        | 10,422,336  |
| Balance at 30 June 2023           | 244,866,053            | 9,597,394                           | -                        | 254,463,447 |
| <b>Net book value:</b>            |                        |                                     |                          |             |
| At 30 June 2023                   | 330,248,039            | 6,921,864                           | 55,542,087               | 392,711,990 |
| At 31 December 2022               | 199,632,891            | 2,354,348                           | 21,708,055               | 223,695,294 |

There are no impairments in Property, Plant, and Equipment for the period. There are no capital commitments in respect of PPE

### 12. INTANGIBLE ASSETS

|                             |  | THE GROUP         |
|-----------------------------|--|-------------------|
| ₦ '000                      |  | Intangible Assets |
| <b>Cost:</b>                |  |                   |
| Balance at 1 January 2022   |  | 1,502,688         |
| Translation difference      |  | 129,386           |
| Balance at 31 December 2022 |  | 1,632,074         |
| Balance at 1 January 2023   |  | 1,632,074         |
| Translation difference      |  | 1,171,339         |
| Additions                   |  | 39,289            |
| Balance at 30 June 2023     |  | 2,842,702         |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### Intangible Assets Cont'd.

| N '000                           | THE GROUP         |           |
|----------------------------------|-------------------|-----------|
|                                  | Intangible Assets |           |
| <b>Amortisation:</b>             |                   |           |
| Balance at 1 January 2022        |                   | 723,017   |
| Translation difference           |                   | 83,520    |
| Amortisation charge for the year |                   | 357,984   |
| Balance at 31 December 2022      |                   | 1,164,521 |
| Balance at 1 January 2023        |                   | 1,164,521 |
| Translation difference           |                   | 937,479   |
| Amortisation charge for the year |                   | 170,621   |
| Balance at 30 June 2023          |                   | 2,272,621 |
| <b>Net book value:</b>           |                   |           |
| At 30 June 2023                  |                   | 570,081   |
| At 31 December 2022              |                   | 467,553   |

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:<br>N '000 | THE GROUP |           |
|---|-----------|-----------|
|   | 30-Jun-23 | 31-Dec-22 |
| Fair value through OCI                            |           |           |
| <b>Listed securities:</b>                         |           |           |
| Consolidated Hallmark Insurance Plc               | 3,862,685 | 1,845,477 |
| <b>Unlisted securities:</b>                       |           |           |
| PetroData Management Services Ltd                 | 10,785    | 6,252     |
| Dharmattan Gas and Power Ltd                      | 770       | 562       |
| Fair value through Profit or Loss                 |           |           |
| Hedge   | 1,708,703 | 352,062   |
| Total   | 5,582,943 | 2,204,353 |

### 14. INVESTMENT IN ASSOCIATE - ND WESTERN LIMITED

| N '000                 | THE GROUP   |             |
|------------------------|-------------|-------------|
|                        | 30-Jun-23   | 31-Dec-22   |
| At 1 January           | 132,532,480 | 116,663,243 |
| Share of profit        | 1,794,894   | 5,497,494   |
| Translation Difference | 96,164,929  | 10,371,743  |
| Carrying amount        | 230,492,303 | 132,532,480 |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 15. DEFERRED TAXATION

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

| Deferred Tax Assets   | THE GROUP    |              |
|---|--------------|--------------|
|   | 30-Jun-23    | 31-Dec-22    |
| ₦ '000  |              |              |
| Accelerated depreciation and amortisation                   | 10,625,851   | 13,185,962   |
| Tax losses  | -            | 248,536      |
| Total   | 10,625,851   | 13,434,498   |
| <b>Deferred tax liabilities</b>                             |              |              |
| Decommissioning liabilities                                 | 1,866,631    | 674,695      |
| Total   | 1,866,631    | 674,695      |
| <b>Deferred taxation</b>                                    |              |              |
| At start of year  | (12,759,803) | (25,416,645) |
| Income statement credit                                     | 8,248,606    | 14,005,649   |
| Translation difference                                      | (4,248,024)  | (1,348,807)  |
| Net deferred tax assets at end of year                      | (8,759,221)  | (12,759,803) |
| <b>Reflected in the statement of financial position as:</b> |              |              |
| Deferred tax liabilities                                    | 1,866,631    | 674,695      |
| Deferred tax assets   | (10,625,851) | (13,434,498) |
| Net deferred tax assets                                     | (8,759,220)  | (12,759,803) |

Deferred taxes are recoverable in more than one year.

### 16. INVENTORIES

|                  | THE GROUP  |           |
|------------------|------------|-----------|
|                  | 30-Jun-23  | 31-Dec-22 |
| ₦ '000           |            |           |
| Crude Oil        | 212,625    | 342,145   |
| Refined Products | 13,396,138 | 6,276,748 |
| Materials        | 5,375,712  | 2,751,895 |
| Total            | 18,984,475 | 9,370,788 |

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

Refined products inventory include Diesel, Heavy Fuel Oil, Naphtha, Dual Purpose Kerosene & Marine Diesel Oil

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 17. TRADE AND OTHER RECEIVABLES

| N '000                               | THE GROUP  |            |
|--------------------------------------|------------|------------|
|                                      | 30-Jun-23  | 31-Dec-22  |
| Trade receivables                    | 34,082,382 | 17,627,250 |
| Other receivables                    | 349,753    | 233,069    |
| Related party receivables            | 3,699,365  | 13,771,936 |
|                                      | 38,131,500 | 31,632,255 |
| Allowance for expected credit losses | -          | (89,337)   |
|                                      | 38,131,500 | 31,542,918 |

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

### 18. PREPAYMENTS

| N '000            | THE GROUP |           |
|-------------------|-----------|-----------|
|                   | 30-Jun-23 | 31-Dec-22 |
| Prepaid rent      | 21,571    | 13,016    |
| Prepaid expenses  | 25,423    | 45,925    |
| Prepaid insurance | 79,349    | 40,375    |
| Total             | 126,343   | 99,316    |

### 19. CASH AND BANK

| N '000   | THE GROUP   |            |
|--|-------------|------------|
|  | 30-Jun-23   | 31-Dec-22  |
| Cash and bank balances                                       | 80,621,808  | 54,219,237 |
| Short term deposits  | 35,613,897  | 1,301,417  |
| Cash and cash equivalents for statement of cashflow purposes | 116,235,705 | 55,520,654 |
| Restricted cash  | 10,514,146  | 5,188,378  |
| Total Cash and Bank  | 126,749,851 | 60,709,032 |

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 & GTB loans.

### 20. SHARE CAPITAL AND PREMIUM

| Share capital and premium – THE GROUP |                  |                           |                         |                 |
|---------------------------------------|------------------|---------------------------|-------------------------|-----------------|
|                                       | Number of shares | Ordinary shares<br>N '000 | Share premium<br>N '000 | Total<br>N '000 |
| Balance at 1 January 2022             | 217,242,218      | 2,172,422                 | 22,819,670              | 24,992,092      |
| Balance at 31 December 2022           | 217,242,218      | 2,172,422                 | 22,819,670              | 24,992,092      |
| Balance at 30 June 2023               | 217,242,218      | 2,172,422                 | 22,819,670              | 24,992,092      |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 21. BORROWINGS

| ₦ '000                    | THE GROUP         |                   |
|---------------------------|-------------------|-------------------|
|                           | 30-Jun-23         | 31-Dec-22         |
| GTB                       | 42,031,933        | 44,495,427        |
| BOI loan                  | 12,830,679        | 9,145,856         |
| N10B Series I Bond        | 10,318,000        | -                 |
| Petre IPINs               | 490,732           | 106,747           |
| <b>Total</b>              | <b>65,671,344</b> | <b>53,748,030</b> |
| Current                   | 19,570,734        | 17,725,350        |
| Non-current               | 46,100,610        | 36,022,680        |
| <b>Total</b>              | <b>65,671,344</b> | <b>53,748,030</b> |
| At 1 January              | 53,748,030        | 21,210,250        |
| Additional borrowings     | 7,703,800         | 37,678,200        |
| N10B Series I Bond        | 10,318,000        | -                 |
| Repayments                | (29,842,756)      | (6,255,030)       |
| Foreign exchange movement | 21,621,148        | 1,817,039         |
| Accrued interest          | 918,172           | 1,891,984         |
| Remeasurements            | 1,204,950         | (2,594,413)       |
| As at                     | 65,671,344        | 53,748,030        |

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

### 22. DECOMMISSIONING LIABILITIES

| ₦ '000                                       | THE GROUP   |
|--|-------------|
| Balance at 1 January 2022                    | 45,148,655  |
| <b>Charged/(credited) to profit or loss:</b> |             |
| Changes in estimated flows                   | 14,611,516  |
| Translation difference                       | 3,935,769   |
| Unwinding of discount due to passage of time | 793,759     |
| Balance at 31 December 2022                  | 64,489,699  |
| Balance at 1 January 2023                    | 64,489,699  |
| <b>Charged/(credited) to profit or loss:</b> |             |
| Translation difference                       | 47,093,144  |
| Unwinding of discount due to passage of time | 1,374,125   |
| Balance at 30 June 2023                      | 112,956,968 |



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 23. TRADE AND OTHER RECEIVABLES

| N '000                         | THE GROUP  |            |
|--------------------------------|------------|------------|
|                                | 30-Jun-23  | 31-Dec-22  |
| Amounts due to related parties | 55,467     | 77,057     |
| Statutory payable              | 19,882,737 | 11,293,109 |
| Sundry creditors               | 8,917,919  | 3,514,826  |
| Trade payables                 | 13,611,074 | 8,621,670  |
| Unclaimed dividend             | 620,926    | 361,564    |
|                                | 43,088,123 | 23,868,226 |

- 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

| N '000                                     | THE GROUP  |            |
|--|------------|------------|
|  | 30-Jun-23  | 31-Dec-22  |
| Hydrocarbon tax                            | 1,880,686  | -          |
| Income tax expense                         | 3,435,553  | 3,649,708  |
| Education tax                              | 1,166,874  | 467,434    |
| Under/(over) provision of prior year taxes | -          | (231)      |
| Total current tax                          | 6,483,113  | 4,116,911  |
| <b>Deferred taxation</b>                   |            |            |
| Origination of temporary differences       | 8,248,606  | 14,005,649 |
| Total deferred tax                         | 8,248,606  | 14,005,649 |
| Income tax (credit)/expense                | 14,731,719 | 18,122,560 |

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

| N '000                              | THE GROUP  |             |
|-------------------------------------|------------|-------------|
|                                     | 30-Jun-23  | 31-Dec-22   |
| At 1 January                        | 4,509,948  | 2,705,082   |
| Tax paid                            | (615,488)  | (2,633,125) |
| Prior period under/(over) provision | -          | (231)       |
| Income tax charge for the year      | 6,483,113  | 4,117,142   |
| Foreign exchange difference         | 6,747,204  | 321,080     |
| As at                               | 17,124,777 | 4,509,948   |



**ARADEL HOLDINGS PLC  
LAGOS, NIGERIA**

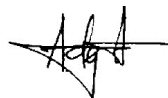
**UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD ENDED  
30 JUNE 2023  
(IN US DOLLARS)**

## CONDENSED CONSOLIDATED OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| \$'000   | Notes | THE GROUP                   |                             | THE GROUP |           |
|--|-------|-----------------------------|-----------------------------|-----------|-----------|
|  |       | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23 | 30-Jun-22 |
| Revenue  | 1     | 113,880                     | 35,973                      | 154,559   | 56,895    |
| Cost of sales  | 2     | (32,145)                    | (8,505)                     | (51,248)  | (33,502)  |
| Gross profit   |       | 81,735                      | 27,468                      | 103,311   | 23,393    |
| Other income   | 3     | 163                         | (434)                       | 163       | 565       |
| General and administrative expenses  | 4     | (34,241)                    | (6,405)                     | (41,596)  | (11,460)  |
| Operating profit   |       | 47,657                      | 20,629                      | 61,878    | 12,498    |
| Finance income   | 5     | 1,894                       | 481                         | 3,627     | 600       |
| Finance costs  | 5     | (8,208)                     | (1,670)                     | (11,397)  | (3,010)   |
| Net Finance (cost)/income  |       | (6,314)                     | (1,189)                     | (7,770)   | (2,410)   |
| Share of profit of an associate  | 12    | (2,137)                     | (1,076)                     | 3,724     | 8,209     |
| Profit before taxation   |       | 39,206                      | 18,364                      | 57,832    | 18,297    |
| Tax credit / (expense)   | 21    | (27,378)                    | (5,658)                     | (30,565)  | (6,658)   |
| Profit after taxation  |       | 11,828                      | 12,706                      | 27,267    | 11,639    |
| Profit/(Loss) attributable to:   |       | 10,918                      | 11,829                      | 25,639    | 10,873    |
| Equity holders of the parent   |       | 910                         | 877                         | 1,628     | 766       |
| Non-controlling interest   |       | 11,828                      | 12,706                      | 27,267    | 11,639    |
| <b>Other comprehensive income:</b>   |       |                             |                             |           |           |
| Net gain / (loss) on equity instruments at fair value through other comprehensive income |       | 838                         | -                           | 899       | -         |
| Other comprehensive income for the year, net of tax                                      |       | 838                         | -                           | 899       | -         |
| Total comprehensive income for the year  |       | 12,666                      | 12,706                      | 28,166    | 11,639    |
| <b>Total comprehensive income attributable to:</b>                                       |       |                             |                             |           |           |
| Equity holders of the parent   |       | 11,756                      | 11,829                      | 26,538    | 10,873    |
| Non-controlling interest   |       | 910                         | 877                         | 1,628     | 766       |
| Basic earnings per share   | 8     | \$0.05                      | \$0.06                      | \$0.13    | \$0.05    |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

| THE GROUP                                       |       |                  |                  |
|---|-------|------------------|------------------|
| \$'000  | Notes | 30-Jun-23        | 31-Dec-22        |
| <b>Assets</b>                                   |       |                  |                  |
| <b>Non-current assets</b>                       |       |                  |                  |
| Property, plant and equipment                   | 9     | 509,764          | 498,708          |
| Intangible assets                               | 10    | 740              | 1,043            |
| Deferred tax assets                             | 13    | 11,370           | 28,447           |
| Financial assets                                | 11    | 7,247            | 4,914            |
| Investment in associate                         | 12    | 299,193          | 295,469          |
| <b>Total non-current assets</b>                 |       | <b>828,314</b>   | <b>828,581</b>   |
| <b>Current assets</b>                           |       |                  |                  |
| Inventories                                     | 14    | 24,643           | 20,891           |
| Trade and other receivables                     | 15    | 49,497           | 70,292           |
| Prepayments                                     | 16    | 164              | 222              |
| Cash and Bank                                   | 17    | 164,529          | 135,343          |
| <b>Total current assets</b>                     |       | <b>238,833</b>   | <b>226,748</b>   |
| <b>Total assets</b>                             |       | <b>1,067,147</b> | <b>1,055,329</b> |
| <b>Equity and liabilities</b>                   |       |                  |                  |
| <b>Shareholders' equity</b>                     |       |                  |                  |
| Share capital                                   |       | 19,316           | 19,316           |
| Share premium                                   |       | 78,955           | 78,955           |
| Fair value reserve of financial assets at FVOCI |       | 21               | (878)            |
| Retained earnings                               |       | 651,615          | 625,976          |
| Non-controlling interests                       |       | 6,349            | 4,721            |
| <b>Total shareholders' equity</b>               |       | <b>756,256</b>   | <b>728,090</b>   |
| <b>Non-current liabilities</b>                  |       |                  |                  |
| Borrowings                                      | 18    | 60,702           | 80,708           |
| Decommissioning liabilities                     | 19    | 146,625          | 143,773          |
| <b>Total non-current liabilities</b>            |       | <b>207,327</b>   | <b>224,481</b>   |
| <b>Current liabilities</b>                      |       |                  |                  |
| Trade and other payables                        | 20    | 55,931           | 53,186           |
| Taxation  | 21    | 22,229           | 10,055           |
| Borrowings                                      | 18    | 25,404           | 39,517           |
| <b>Total current liabilities</b>                |       | <b>103,564</b>   | <b>102,758</b>   |
| <b>Total liabilities</b>                        |       | <b>310,891</b>   | <b>327,239</b>   |
| <b>Total equity &amp; liabilities</b>           |       | <b>1,067,147</b> | <b>1,055,329</b> |



Adegbola Adesina  
Chief Financial Officer  
FRC/2021/001/00000024579



Adebite Falade  
Chief Executive Officer  
FRC/2021/003/00000025055

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### THE GROUP

| \$'000   | Issued capital | Share premium | Fair value reserve of financial assets at FVOCI | Retained earnings | Non - controlling interests | Total equity |
|--|----------------|---------------|---|-------------------|-----------------------------|--------------|
| Balance at 1 January 2022  | 19,316         | 78,955        | 271   | 602,850           | 3,348                       | 704,740      |
| Profit / loss for the year   | -              | -             | -   | 10,873            | 766                         | 11,639       |
| Total comprehensive income for the year  | -              | -             | -   | 10,873            | 766                         | 11,639       |
| Total contributions by and distributions to owners of the company, recognised directly in equity | -              | -             | -   | -                 | -                           | -            |
| Balance at 30 June 2022  | 19,316         | 78,955        | 271   | 613,723           | 4,114                       | 716,379      |
| Balance at 1 January 2023  | 19,316         | 78,955        | (878)   | 625,976           | 4,721                       | 728,090      |
| Profit / loss for the year   | -              | -             | -   | 25,639            | 1,628                       | 27,267       |
| Net gain / (loss) on equity instruments at fair value through other comprehensive income         | -              | -             | 899   | -                 | -                           | 899          |
| Total comprehensive income for the year  | -              | -             | 899   | 25,639            | 1,628                       | 28,166       |
| Balance at 30 June 2023  | 19,316         | 78,955        | 21  | 651,615           | 6,349                       | 756,256      |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| \$'000  | Notes | THE GROUP |           |
|---|-------|-----------|-----------|
|   |       | 30-Jun-23 | 30-Jun-22 |
| Profit before taxation                                  |       | 57,832    | 18,297    |
| <b>Adjustments:</b>                                     |       |           |           |
| Interest expense  | 5     | 11,397    | 3,010     |
| Interest income   | 5     | (3,627)   | (600)     |
| Dividend received                                       | 3     | (162)     | -         |
| Exchange (gain)/loss                                    | 3     | -         | (565)     |
| Share of profit from associate                          | 12    | (3,724)   | (8,209)   |
| Loss on Financial Asset at FV through PorL              | 11    | 1,764     | -         |
| Depreciation of property, plant and equipment           | 7     | 21,978    | 17,502    |
| Stock adjustment  | 2     | (3,056)   | 600       |
| Operating cash flows before movement in working capital |       | 82,402    | 30,035    |
| <b>Movement in working capital:</b>                     |       |           |           |
| Decrease/(Increase) in trade and other receivables      |       | 20,795    | 13,523    |
| Decrease/(Increase) in prepayments                      |       | 58        | 273       |
| (Increase)/Decrease in inventory                        |       | (696)     | (165)     |
| (Decrease)/Increase in trade and other payables         |       | 2,709     | 5,159     |
| Cash generated by operating activities                  |       | 105,268   | 48,825    |

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS CONT'D.

| \$'000  | Notes | THE GROUP |           |
|---|-------|-----------|-----------|
|   |       | 30-Jun-23 | 30-Jun-22 |
| Tax paid  | 21    | (1,277)   | (1,699)   |
| Net cash flows from operating activities              |       | 103,991   | 47,126    |
| <b>Investing activities</b>                           |       |           |           |
| Interest received                                     | 5     | 3,627     | 600       |
| Dividend received                                     | 9     | (33,034)  | (7,231)   |
| Purchase of property, plant and equipment             | 10    | 303       | 424       |
| Purchase of intangible assets                         |       | -         | (118)     |
| Proceeds from (purchase)/disposal of financial assets |       | (3,198)   | -         |
| Net cash (used in) / provided by investing activities |       | (32,140)  | (6,325)   |
| <b>Financing activities</b>                           |       |           |           |
| Interest paid   | 5     | (4,141)   | (2,073)   |
| Repayment of borrowing                                | 18    | (61,917)  | (9,001)   |
| Additional borrowings                                 | 18    | 10,000    | -         |
| Issue of Bond   | 18    | 13,393    | -         |
| Net cash flows used in financing activities           |       | (42,665)  | (11,074)  |
| Increase/(decrease) in cash and cash equivalents      |       | 29,186    | 29,727    |
| Cash and cash equivalents - Beginning of year         | 17    | 135,343   | 31,012    |
| Cash and cash equivalents - End of year               | 17    | 164,529   | 60,739    |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. REVENUE

Disaggregated revenue information

| \$'000           | THE GROUP                   |                             | THE GROUP |           |
|------------------|-----------------------------|-----------------------------|-----------|-----------|
|                  | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23 | 30-Jun-22 |
| <b>Segments</b>  |                             |                             |           |           |
| Crude Oil        | 74,079                      | -                           | 82,156    | -         |
| Refined Products | 35,594                      | 33,275                      | 64,790    | 49,967    |
| Gas              | 4,207                       | 2,698                       | 7,613     | 6,928     |
| Total revenue    | 113,880                     | 35,973                      | 154,559   | 56,895    |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

Refined products include Diesel, Dual Purpose Kerosene, Heavy Fuel Oil, Marine Diesel, Naphtha & Heavy Fuel Oil

| \$'000                                      | THE GROUP                   |                             | THE GROUP |           |
|---|-----------------------------|-----------------------------|-----------|-----------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23 | 30-Jun-22 |
| <b>Geographical markets</b>                 |                             |                             |           |           |
| Within Nigeria                              | 113,880                     | 35,973                      | 154,559   | 56,895    |
| Outside Nigeria                             | -                           | -                           | -         | -         |
| Total revenue from contracts with customers | 113,880                     | 35,973                      | 154,559   | 56,895    |
| <b>Timing of revenue recognition</b>        |                             |                             |           |           |
| Goods transferred at a point in time        | 113,880                     | 35,973                      | 154,559   | 56,895    |
| Goods transferred over time                 | -                           | -                           | -         | -         |
| Total revenue from contracts with customers | 113,880                     | 35,973                      | 154,559   | 56,895    |

### 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.

| \$'000                   | THE GROUP |           |
|--------------------------|-----------|-----------|
|                          | 30-Jun-23 | 30-Jun-22 |
| <b>Contract balances</b> |           |           |
| Trade receivables        | 44,241    | 2,536     |

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.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 2. COST OF SALES

| \$'000                                    | THE GROUP                   |                             | THE GROUP     |               |
|---|-----------------------------|-----------------------------|---------------|---------------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23     | 30-Jun-22     |
| Consultancy fee                           | 587                         | 612                         | 1,136         | 1,233         |
| Crude oil handling charges                | 10,078                      | 842                         | 15,806        | 2,788         |
| Depreciation and amortisation             | 10,446                      | 7,106                       | 20,928        | 16,561        |
| Exploration costs - OPL 227               | -                           | 21                          | -             | 21            |
| Flowstation expenses                      | 739                         | 130                         | 1,015         | 353           |
| Gas flaring                               | -                           | -                           | -             | -             |
| Materials, supplies and pollution control | 1,226                       | 250                         | 1,781         | 326           |
| Repairs and maintenance                   | 672                         | 263                         | 1,156         | 506           |
| Royalties to FGN                          | 4,597                       | (271)                       | 7,936         | 6,824         |
| Statutory expenses                        | 97                          | -                           | 107           | -             |
| Staff costs (Note 8)                      | 1,968                       | 2,186                       | 4,439         | 4,290         |
| Stock adjustment                          | 1,735                       | (2,634)                     | (3,056)       | 600           |
| <b>Total</b>                              | <b>32,145</b>               | <b>8,505</b>                | <b>51,248</b> | <b>33,502</b> |

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.

### 3. OTHER INCOME

| \$'000                                  | THE GROUP                   |                             | THE GROUP  |            |
|---|-----------------------------|-----------------------------|------------|------------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23  | 30-Jun-22  |
| Dividend received from Financial Assets | 162                         | -                           | 162        | -          |
| Fee income                              | 1                           | -                           | 1          | -          |
| Unrealised exchange gain                | -                           | (434)                       | -          | 565        |
| <b>Total</b>                            | <b>163</b>                  | <b>(434)</b>                | <b>163</b> | <b>565</b> |

### 4. GENERAL AND ADMINISTRATIVE EXPENSES

| \$'000                                   | THE GROUP                   |                             | THE GROUP |           |
|--|-----------------------------|-----------------------------|-----------|-----------|
|  | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23 | 30-Jun-22 |
| Bank charges                             | 207                         | 842                         | 319       | 894       |
| Community development expenses           | 154                         | -                           | 271       | -         |
| Depreciation and amortisation            | 603                         | 666                         | 1,050     | 941       |
| Directors' fees                          | 253                         | 227                         | 309       | 250       |
| Exchange loss                            | 25,669                      | -                           | 27,737    | -         |
| Fuel and utilities                       | 408                         | 55                          | 446       | 108       |
| Information technology expenses          | 1,120                       | 589                         | 1,232     | 840       |
| Insurance                                | 452                         | 456                         | 1,039     | 1,256     |
| Permits, registrations and subscriptions | 546                         | 120                         | 1,098     | 238       |
| Professional fees                        | 959                         | 685                         | 1,700     | 1,533     |



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 4. General and administrative expenses cont'd.

| \$'000                  | THE GROUP                   |                             | THE GROUP     |               |
|-------------------------|-----------------------------|-----------------------------|---------------|---------------|
|                         | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23     | 30-Jun-22     |
| Repairs and maintenance | 99                          | 257                         | 300           | 496           |
| Staff costs (Note 8)    | 1,312                       | 1,457                       | 2,959         | 2,860         |
| Training                | 37                          | 86                          | 65            | 90            |
| Travelling              | 130                         | 168                         | 293           | 315           |
| Catering                | 370                         | 227                         | 670           | 507           |
| Other expenses          | 1,921                       | 570                         | 2,108         | 1,132         |
| <b>Total</b>            | <b>34,241</b>               | <b>6,405</b>                | <b>41,596</b> | <b>11,460</b> |

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.

### 5. FINANCE COST AND INCOME

| \$'000                            | THE GROUP                   |                             | THE GROUP      |                |
|-----------------------------------|-----------------------------|-----------------------------|----------------|----------------|
|                                   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23      | 30-Jun-22      |
| <b>Interest expense:</b>          |                             |                             |                |                |
| Bank borrowings                   | 5,317                       | 1,202                       | 7,104          | 2,073          |
| Coupon on Bond                    | 1,442                       | -                           | 1,442          | -              |
| Provisions: unwinding of discount | 1,449                       | 468                         | 2,851          | 937            |
| <b>Finance costs</b>              | <b>8,208</b>                | <b>1,670</b>                | <b>11,397</b>  | <b>3,010</b>   |
| <b>Total finance cost</b>         | <b>8,208</b>                | <b>1,670</b>                | <b>11,397</b>  | <b>3,010</b>   |
| <b>Finance income:</b>            |                             |                             |                |                |
| Interest income                   | 1,894                       | 481                         | 3,627          | 600            |
| <b>Finance income</b>             | <b>1,894</b>                | <b>481</b>                  | <b>3,627</b>   | <b>600</b>     |
| <b>Net finance costs</b>          | <b>(6,314)</b>              | <b>(1,189)</b>              | <b>(7,770)</b> | <b>(2,410)</b> |

### 6. STAFF COST

| \$'000   | THE GROUP                   |                             | THE GROUP    |              |
|--|-----------------------------|-----------------------------|--------------|--------------|
|  | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23    | 30-Jun-22    |
| <b>Included in cost of sales:</b>                |                             |                             |              |              |
| Salaries and other staff costs                   | 1,968                       | 2,186                       | 4,439        | 4,290        |
| <b>Included in general admin ex-<br/>penses:</b> |                             |                             |              |              |
| Salaries and other staff costs                   | 1,312                       | 1,457                       | 2,959        | 2,860        |
| <b>Total in general admin expenses</b>           | <b>1,312</b>                | <b>1,457</b>                | <b>2,959</b> | <b>2,860</b> |
| <b>Total</b>                                     | <b>3,280</b>                | <b>3,643</b>                | <b>7,398</b> | <b>7,150</b> |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 7. DEPRECIATION AND AMORTISATION

| \$'000  | THE GROUP                   |                             | THE GROUP     |               |
|---|-----------------------------|-----------------------------|---------------|---------------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23     | 30-Jun-22     |
| <b>Included in cost of sales:</b>                   |                             |                             |               |               |
| Depreciation of oil and gas properties              | 10,444                      | 7,106                       | 20,928        | 16,561        |
| <b>Included in general admin expenses:</b>          |                             |                             |               |               |
| Depreciation of other property, plant and equipment | 425                         | -                           | 696           | 270           |
| Amortisation of intangible assets                   | 178                         | -                           | 354           | 5             |
| Total in general admin expenses                     | 603                         | -                           | 1,050         | 275           |
| <b>Total</b>  | <b>11,047</b>               | <b>7,106</b>                | <b>21,978</b> | <b>16,836</b> |

### 8. 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 ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.

| \$'000  | THE GROUP                   |                             | THE GROUP     |               |
|---|-----------------------------|-----------------------------|---------------|---------------|
|   | 3 months ended 30 June 2023 | 3 months ended 30 June 2022 | 30-Jun-23     | 30-Jun-22     |
| Profit attributable to equity holders of the Group  | 11,828                      | 12,706                      | 27,267        | 11,639        |
| <b>Total</b>  | <b>11,828</b>               | <b>12,706</b>               | <b>27,267</b> | <b>11,639</b> |
| Weighted average number of ordinary shares in issue | 217,242,218                 | 217,242,218                 | 217,242,218   | 217,242,218   |
| Basic and diluted earnings per share(₹)             | \$0.05                      | \$0.06                      | \$0.13        | \$0.05        |

### 9. PROPERTY, PLANT AND EQUIPMENT

| \$'000                                     | THE GROUP      |                |
|--|----------------|----------------|
|  | 30-Jun-23      | 30-Jun-22      |
| <b>Oil and gas properties (11a)</b>        | <b>428,676</b> | <b>445,063</b> |
| <b>Other property, plant and equipment</b> | <b>8,979</b>   | <b>5,249</b>   |
| Asset under development                    | 72,097         | 48,396         |
| <b>Total</b>                               | <b>509,752</b> | <b>498,708</b> |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 9a. FINANCE COST AND INCOME

| \$'000                            | OIL AND GAS PROPERTIES | OTHER PROPERTY, PLANT AND EQUIPMENT | ASSETS UNDER DEVELOPMENT | TOTAL   |
|-----------------------------------|------------------------|-------------------------------------|--------------------------|---------|
| <b>Cost:</b>                      |                        |                                     |                          |         |
| Balance at 1 January 2022         | 666,874                | 16,411                              | 72,050                   | 755,335 |
| Translation difference            | -                      | (296)                               | -                        | (296)   |
| Reclassifications                 | 37,754                 | 63                                  | (37,817)                 | -       |
| Additions                         | 4,781                  | 646                                 | 17,011                   | 22,438  |
| Write-offs                        | -                      | -                                   | (2,848)                  | (2,848) |
| Changes in decommissioning assets | 32,575                 | -                                   | -                        | 32,575  |
| Disposal                          | -                      | (217)                               | -                        | (217)   |
| Balance at 31 December 2022       | 741,984                | 16,607                              | 48,396                   | 806,987 |
| Balance at 1 January 2023         | 741,984                | 16,607                              | 48,396                   | 806,987 |
| Translation difference            | -                      | 3,838                               | -                        | 3,838   |
| Additions                         | 4,545                  | 998                                 | 23,701                   | 29,244  |
| Changes in decommissioning assets | 1                      | -                                   | -                        | 1       |
| Balance at 31 March 2023          | 746,530                | 21,443                              | 72,097                   | 840,070 |
| <b>Depreciation:</b>              |                        |                                     |                          |         |
| Balance at 1 January 2022         | 270,646                | 10,563                              | -                        | 281,209 |
| Translation difference            | -                      | (26)                                | -                        | (26)    |
| Depreciation for the year         | 26,280                 | 1,038                               | -                        | 27,318  |
| Disposal                          | -                      | (217)                               | -                        | (217)   |
| Balance at 31 December 2022       | 296,926                | 11,358                              | -                        | 308,284 |
| Balance at 1 January 2023         | 296,926                | 11,358                              | -                        | 308,284 |
| Translation difference            | -                      | 411                                 | -                        | 411     |
| Depreciation for the year         | 20,928                 | 696                                 | -                        | 21,624  |
| Balance at 30 June 2023           | 317,854                | 12,465                              | -                        | 330,319 |
| <b>Net book value:</b>            |                        |                                     |                          |         |
| At 30 June 2023                   | 428,676                | 8,978                               | 72,097                   | 509,751 |
| At 31 December 2022               | 445,063                | 5,249                               | 48,396                   | 498,708 |

There are no impairments in Property, Plant, and Equipment during the year. There are no capital commitments in respect of PPE

### 10. INTANGIBLE ASSETS

|                             |  | THE GROUP         |
|-----------------------------|--|-------------------|
| \$'000                      |  | Intangible Assets |
| <b>Cost:</b>                |  |                   |
| Balance at 1 January 2022   |  | 3,639             |
| Balance at 31 December 2022 |  | 3,639             |
| Balance at 1 January 2023   |  | 3,639             |
| Additions                   |  | 51                |
| Balance at 30 June 2023     |  | 3,690             |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### Intangible Assets Cont'd.

|                                  |                   | THE GROUP |
|----------------------------------|-------------------|-----------|
| \$'000                           | Intangible Assets |           |
| <b>Amortisation:</b>             |                   |           |
| Balance at 1 January 2022        |                   | 1,751     |
| Amortisation charge for the year |                   | 845       |
| Balance at 31 December 2022      |                   | 2,596     |
| Balance at 1 January 2023        |                   | 2,596     |
| Amortisation charge for the year |                   | 354       |
| Balance at 30 June 2023          |                   | 2,950     |
| <b>Net book value:</b>           |                   |           |
| At 30 June 2023                  |                   | 740       |
| At 31 December 2022              |                   | 1,043     |

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.

### 11. FINANCIAL ASSETS

| Financial assets include the following:  |  | THE GROUP |           |
|--|--|-----------|-----------|
| \$'000                                   |  | 30-Jun-23 | 31-Dec-22 |
| <b>Fair value through OCI</b>            |  |           |           |
| <i>Listed securities:</i>                |  |           |           |
| Consolidated Hallmark Insurance Plc      |  | 5,014     | 4,114     |
| <i>Unlisted securities:</i>              |  |           |           |
| PetroData Management Services Ltd        |  | 14        | 14        |
| Dharmattan Gas and Power Ltd             |  | 1         | 1         |
| <b>Fair value through Profit or Loss</b> |  |           |           |
| Hedge                                    |  | 2,218     | 785       |
| Total                                    |  | 7,247     | 4,914     |

### 12. INVESTMENT IN ASSOCIATE - ND WESTERN LIMITED

|                 |  | THE GROUP |           |
|-----------------|--|-----------|-----------|
| \$'000          |  | 30-Jun-23 | 31-Dec-22 |
| At 1 January    |  | 295,469   | 282,485   |
| Share of profit |  | 3,724     | 12,984    |
| Carrying amount |  | 299,193   | 295,469   |

### 13. DEFERRED TAXATION

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

| Deferred Tax Assets                       |  | THE GROUP |           |
|---|--|-----------|-----------|
| \$'000                                    |  | 30-Jun-23 | 31-Dec-22 |
| Accelerated depreciation and amortisation |  | 13,793    | 29,455    |
| Tax losses                                |  | -         | 587       |
| Total                                     |  | 13,793    | 30,042    |

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### Deferred taxation cont'd.

| Deferred Tax Assets   | THE GROUP       |                 |
|---|-----------------|-----------------|
|   | \$'000          |                 |
|   | 30-Jun-23       | 31-Dec-22       |
| <b>Deferred tax liabilities</b>                             |                 |                 |
| Accelerated depreciation and amortisation                   | -               | -               |
| Decommissioning liabilities                                 | 2,423           | 1,595           |
| <b>Total</b>  | <b>2,423</b>    | <b>1,595</b>    |
| <b>Deferred taxation</b>                                    |                 |                 |
| At start of year  | (28,447)        | (61,543)        |
| Income statement charge/(credit)                            | 17,114          | 33,079          |
| Translation difference                                      | (37)            | 17              |
| <b>Net deferred tax assets at end of year</b>               | <b>(11,370)</b> | <b>(28,447)</b> |
| <b>Reflected in the statement of financial position as:</b> |                 |                 |
| Deferred tax liabilities                                    | 2,423           | 1,595           |
| Deferred tax assets   | (13,793)        | (30,042)        |
| <b>Net deferred tax assets</b>                              | <b>(11,370)</b> | <b>(28,447)</b> |

Deferred taxes are recoverable in more than one year.

### 14. INVENTORIES

|                  | THE GROUP     |               |
|------------------|---------------|---------------|
|                  | \$'000        |               |
|                  | 30-Jun-23     | 31-Dec-22     |
| Crude Oil        | 276           | 763           |
| Refined Products | 17,389        | 13,993        |
| Materials        | 6,978         | 6,135         |
| <b>Total</b>     | <b>24,643</b> | <b>20,891</b> |

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.

Refined products inventory include Diesel, Heavy Fuel Oil, Naphtha, Dual Purpose Kerosene & Marine Diesel Oil

### 15. TRADE AND OTHER RECEIVABLES

|                                      | THE GROUP     |               |
|--------------------------------------|---------------|---------------|
|                                      | \$'000        |               |
|                                      | 30-Jun-23     | 31-Dec-22     |
| Trade receivables                    | 44,241        | 39,280        |
| Other receivables                    | 454           | 520           |
| Related party receivables            | 4,802         | 30,703        |
| Allowance for expected credit losses | -             | (211)         |
|                                      | <b>49,497</b> | <b>70,292</b> |

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 16. PREPAYMENTS

| \$'000            | THE GROUP  |            |
|-------------------|------------|------------|
|                   | 30-Jun-23  | 31-Dec-22  |
| Prepaid rent      | 28         | 29         |
| Prepaid expenses  | 33         | 103        |
| Prepaid insurance | 103        | 90         |
| <b>Total</b>      | <b>164</b> | <b>222</b> |

### 17. CASH AND BANK

| \$'000   | THE GROUP      |                |
|--|----------------|----------------|
|  | 30-Jun-23      | 31-Dec-22      |
| Cash and bank balances                                       | 104,652        | 120,875        |
| Short term deposits  | 46,229         | 2,901          |
| Cash and cash equivalents for statement of cashflow purposes | 150,881        | 123,776        |
| Restricted cash  | 13,648         | 11,567         |
| <b>Total Cash and Bank</b>                                   | <b>164,529</b> | <b>135,343</b> |

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 & GTB loans.

### 18. BORROWINGS

| N '000  | THE GROUP     |                |
|---|---------------|----------------|
|   | 30-Jun-23     | 31-Dec-22      |
| GTB   | 54,560        | 99,198         |
| BOI loan  | 16,655        | 20,390         |
| N10B Series I Bond  | 14,254        | -              |
| Petre IPINs   | 637           | 637            |
| <b>Total</b>  | <b>86,106</b> | <b>120,225</b> |
| Current   | 25,404        | 39,517         |
| Non-current   | 60,702        | 80,708         |
| <b>Total</b>  | <b>86,106</b> | <b>120,225</b> |
| <b>Changes in liabilities arising from financing activities</b> |               |                |
| At 1 January  | 120,225       | 51,736         |
| Additional borrowings   | 10,000        | 84,000         |
| N10B Series I Bond  | 13,393        | -              |
| Repayments  | (61,917)      | (13,945)       |
| Accrued interest  | 1,905         | 4,218          |
| Remeasurements  | 2,500         | (1,690)        |
| <b>As at</b>  | <b>86,106</b> | <b>120,225</b> |

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

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

### 19. DECOMMISSIONING LIABILITIES

| \$'000                                       | THE GROUP |
|--|-----------|
| Balance at 1 January 2022                    | 109,322   |
| Charged/(credited) to profit or loss:        | -         |
| 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   |
| Balance at 1 January 2023                    | 143,773   |
| <b>Charged/(credited) to profit or loss:</b> |           |
| Additional obligations incurred              | -         |
| Changes in estimated flows                   | 1         |
| Unwinding of discount due to passage of time | 2,851     |
| Balance at 30 June 2023                      | 146,625   |

### 20. TRADE AND OTHER RECEIVABLES

| \$'000                         | THE GROUP |           |
|--------------------------------|-----------|-----------|
|                                | 30-Jun-23 | 31-Dec-22 |
| Amounts due to related parties | 72        | 139       |
| Statutory payable              | 25,809    | 25,177    |
| Sundry creditors               | 11,576    | 7,843     |
| Trade payables                 | 17,668    | 19,221    |
| Unclaimed dividend             | 806       | 806       |
|                                | 55,931    | 53,186    |

- 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.

### 21. TAXATION

| \$'000   | THE GROUP |           |
|--|-----------|-----------|
|  | 30-Jun-23 | 31-Dec-22 |
| Hydrocarbon tax  | 3,902     | -         |
| Income tax expense   | 7,128     | 8,620     |
| Education tax  | 2,421     | 1,104     |
| Total current tax  | 13,451    | 9,724     |
| Deferred taxation  |           |           |
| Origination of temporary differences   | 17,114    | 33,079    |
| Total deferred tax   | 17,114    | 33,079    |
| Income tax (credit)/expense  | 30,565    | 42,803    |
| <b>The movement in the current and petroleum income tax liability is as follows:</b> |           |           |
| At 1 Jan   | 10,055    | 6,550     |
| Tax paid   | (1,277)   | (6,219)   |
| Income tax charge for the year   | 13,451    | 9,724     |
| As at  | 22,229    | 10,055    |



aradel  
Holdings

