



**ARADEL HOLDINGS PLC
LAGOS, NIGERIA**

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

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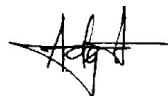
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 SEPTEMBER 2023		THE GROUP		THE GROUP	
₦ '000	Notes	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Revenue	4	48,554,143	12,861,221	123,048,490	36,320,167
Cost of sales	5	(28,044,849)	(71,428)	(52,745,359)	(13,884,974)
Gross profit		20,509,294	12,789,793	70,303,131	22,435,193
Other income	6	224,118	143,143	302,681	376,104
General and administrative expenses	7	(10,363,074)	(2,457,867)	(30,411,515)	(6,871,315)
Operating profit		10,370,338	10,475,069	40,194,297	15,939,982
Finance income	8	1,867,754	159,602	3,615,895	406,994
Finance costs	8	(4,726,541)	(1,581,659)	(10,219,667)	(3,134,482)
Net Finance (cost)/income		(2,858,787)	(1,422,057)	(6,603,772)	(2,727,488)
Share of profit of an associate	15	1,986,575	648,474	3,781,469	4,033,209
Profit before taxation		9,498,126	9,701,486	37,371,994	17,245,703
Tax credit / (expense)	25	(3,482,539)	(7,407,506)	(18,214,258)	(10,152,733)
Profit after taxation		6,015,587	2,293,980	19,157,736	7,092,970
Profit/(Loss) attributable to:					
Equity holders of the parent		6,387,188	1,792,072	18,744,673	6,275,225
Non-controlling interest		(371,601)	501,908	413,063	817,745
		6,015,587	2,293,980	19,157,736	7,092,970
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		(2,767,211)	8,142,036	143,734,999	9,471,026
Share of other comprehensive income of associate accounted for using the equity method	15	(330,271)	5,808,174	95,834,658	5,619,146
Net gain / (loss) on equity instruments at fair value through other comprehensive income		1,471,425	-	2,163,997	-
Other comprehensive income for the year, net of tax		(1,626,057)	13,950,210	241,733,654	15,090,172
Total comprehensive income for the year		4,389,530	16,244,190	260,891,390	22,183,142
Total comprehensive income attributable to:					
Equity holders of the parent		5,095,969	15,744,121	260,343,650	21,365,397
Non-controlling interest		(706,439)	500,069	547,740	817,745
Basic earnings per share	11	₦27.69	₦10.56	₦88.19	₦32.65

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023

THE GROUP			
₦ '000	Notes	30-Sep-23	30-Sep-22
Assets			
Non-current assets			
Property, plant and equipment	12	385,774,531	223,695,294
Intangible assets	13	1,226,172	467,553
Deferred tax assets	16	6,536,766	12,759,803
Financial assets	14	5,665,761	2,204,353
Investment in associate	15	232,148,607	132,532,480
Total non-current assets		631,351,837	371,659,483
Current assets			
Inventories	17	17,808,326	9,370,788
Trade and other receivables	18	14,205,916	31,542,918
Prepayments	19	132,227	99,316
Cash and Bank	20	141,674,011	60,709,032
Total current assets		173,820,480	101,722,054
Total assets		805,172,317	473,381,537
Equity and liabilities			
Shareholders' equity			
Share capital		2,172,422	2,172,422
Share premium		22,819,670	22,819,670
Translation reserve		366,910,494	129,499,711
Fair value reserve of financial assets at FVOCI		2,430,919	266,922
Retained earnings		181,544,138	170,402,942
Non-controlling interests		4,175,904	1,603,967
Total shareholders' equity		580,053,547	326,765,634
Non-current liabilities			
Borrowings	22	43,122,527	36,022,680
Decommissioning liabilities	23	113,815,687	64,489,699
Total non-current liabilities		156,938,214	100,512,379
Current liabilities			
Trade and other payables	24	42,219,531	23,868,226
Taxation	25	8,665,463	4,509,948
Borrowings	22	17,295,562	17,725,350
Total current liabilities		68,180,556	46,103,524
Total liabilities		225,118,770	146,615,903
Total equity & liabilities		805,172,317	473,381,537



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



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 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	-	-	-	-	6,275,225	817,745	7,092,970
Foreign currency translation difference	-	-	9,955,396	(478,118)	-	(6,252)	9,471,026
Share of other comprehensive income of associate accounted for using the equity method	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	9,955,396	(478,118)	6,275,225	811,493	16,563,996
Dividends to equity holders of the company	-	-	-	-	(4,344,844)	-	(4,344,844)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	-	(4,344,844)	-	(4,344,844)
Balance at 30 September 2022	2,172,422	22,819,670	113,699,090	117,172	162,350,402	2,294,588	303,453,344
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	-	-	-	-	18,744,673	413,063	19,157,736
Foreign currency translation difference	-	-	141,576,125	-	-	2,158,874	143,734,999
Net gain / (loss) on equity instruments at fair value through other comprehensive income	-	-	-	2,163,997	-	-	2,163,997
Share of other comprehensive income of associate accounted for using the equity method	-	-	95,834,658	-	-	-	95,834,658
Total comprehensive income for the year	-	-	237,410,783	2,163,997	18,744,673	2,571,937	260,891,390
Dividends to equity holders of the company	-	-	-	-	(7,603,477)	-	(7,603,477)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	(7,603,477)	-	(7,603,477)
Balance at 30 September 2023	2,172,422	22,819,670	366,910,494	2,430,919	181,544,138	4,175,904	580,053,547

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2023		THE GROUP	
₦ '000	Notes	30-Sep-23	30-Sep-22
Profit before taxation		37,371,994	17,245,703
Adjustments:			
Interest expense	8	10,219,667	3,134,482
Interest income	8	(3,615,895)	(406,994)
Dividend received	6	(94,116)	-
Exchange (gain)/loss	7	17,689,070	(376,104)
Share of profit from associate	15	(3,781,469)	(4,033,209)
Loss on Financial Asset at FV through PorL	21	2,062,408	-
Depreciation of property, plant and equipment	10	22,147,358	9,500,290
Stock adjustment	5	(454,311)	(1,463,927)
Asset write-off	12	2,271,554	-
Operating cash flows before movement in working capital		83,816,260	23,600,241
Movement in working capital:			
Decrease in trade and other receivables		39,831,762	(1,542,524)
Decrease in prepayments		38,438	104,269
(Increase)/Decrease in inventory		(1,146,990)	(482,720)
(Decrease)/Increase in trade and other payables		(17,938,100)	(105,039)
Cash generated by operating activities		104,601,370	21,574,227
Tax paid	25	(5,899,649)	422,683
Net cash flows from operating activities		98,701,721	21,996,910
Investing activities			
Interest received	8	3,615,895	406,994
Dividend received	6	94,116	-
Purchase of property, plant and equipment		(32,503,942)	(5,341,434)
Proceeds from (purchase)/disposal of financial assets		(2,457,726)	(1,647,462)
Net cash (used in) / from investing activities		(31,251,657)	(6,581,902)
Financing activities			
Dividend paid		(7,603,477)	(4,344,844)
Interest paid		(4,724,947)	(2,547,994)
Repayment of borrowing	22	(40,380,787)	(5,507,571)
Additional borrowings	22	7,687,600	36,319,080
Issue of Bond	22	10,318,000	-
Net cash flows used in financing activities		(34,703,611)	23,918,671
Increase/(decrease) in cash and cash equivalents		32,746,453	39,333,679
Cash and cash equivalents - Beginning of year	20	60,709,032	12,808,210
Exchange rate effects on cash and cash equivalents		48,218,526	2,797,205
Cash and cash equivalents - End of year	20	141,674,011	54,939,094

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 September 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 September 2023 with comparative figures for the financial year from 1 January 2022 to 30 September 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. SEGMENT REPORTING

Business segments are based on the Group’s internal organisation and management reporting structure. The Group’s operations cover four (4) segments—Crude Oil, Gas, Refinery & Investment Properties. Some intersegment transactions were prevalent amongst the reporting segments during the reporting period under consideration, hence the eliminations necessary to achieve proper consolidation. Management remains committed to continuous value creation and accretion of the reserves. The reporting segments of the Group derive their revenues within Nigeria only & goods are transferred at a point in time. The segment reports are also in line with the Group’s accounting policies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

3.1. SEGMENT REPORTING/(LOSS) DISCLOSURE

₦ '000	Crude Oil	Gas	Refined Products	Investment Properties	Total Reportable Segment	Eliminations	Consolidation
30 SEPTEMBER 2023							
Revenue	79,651,359	12,559,193	60,833,484	79,011	153,123,047	(30,074,557)	123,048,490
Cost of sales	(44,302,615)	(3,668,646)	(35,130,767)	(31,372)	(83,133,400)	30,388,041	(52,745,359)
Gross profit	35,348,744	8,890,547	25,702,717	47,639	69,989,647	313,484	70,303,131
Other income	616,980	-	-	-	616,980	(314,299)	302,681
General and administrative expenses	(15,224,289)	(646,725)	(14,477,407)	(65,648)	(30,414,069)	2,554	(30,411,515)
Operating profit	20,741,435	8,243,822	11,225,310	(18,009)	40,192,558	1,739	40,194,297
Finance income	2,375,545	-	1,240,931	-	3,616,476	(581)	3,615,895
Finance costs	(6,188,967)	(523,445)	(1,310,065)	-	(8,022,477)	(2,197,190)	(10,219,667)
Share of profit from associate	-	-	-	-	-	3,781,469	3,781,469
Profit before taxation	16,928,013	7,720,377	11,156,176	(18,009)	35,786,557	1,585,437	37,371,994
Tax expense	(11,181,156)	(4,030,120)	(2,829,275)	(173,707)	(18,214,258)	-	(18,214,258)
Profit after taxation	5,746,857	3,690,257	8,326,901	(191,716)	17,572,299	1,585,437	19,157,736
30 SEPTEMBER 2022							
Revenue	18,111,870	3,739,755	32,580,412	64,284	54,496,321	(18,176,154)	36,320,167
Cost of sales	(12,279,121)	(2,034,554)	(17,656,872)	(24,628)	(31,995,175)	18,110,201	(13,884,974)
Gross profit	5,832,749	1,705,201	14,923,540	39,656	22,501,146	(65,953)	22,435,193
Other income	386,958	-	34,229	-	421,187	(45,083)	376,104
General and administrative expenses	(6,190,904)	(163,215)	(552,260)	(42,578)	(6,948,957)	77,642	(6,871,315)
Operating profit	28,803	1,541,986	14,405,509	(2,922)	15,973,376	(33,394)	15,939,982
Finance income	174,486	-	232,508	-	406,994	-	406,994
Finance costs	(2,063,774)	(133,578)	(937,130)	-	(3,134,482)	-	(3,134,482)
Share of profit from associate	-	-	-	-	-	4,033,209	4,033,209
Profit before taxation	(1,860,485)	1,408,408	13,700,887	(2,922)	13,245,888	3,999,815	17,245,703
Tax expense	(3,374,087)	(696,691)	(6,069,849)	(12,105)	(10,152,732)	(1)	(10,152,733)
Profit after taxation	(5,234,572)	711,717	7,631,038	(15,027)	3,093,156	3,999,814	7,092,970

3.2. SEGMENT ASSETS AND LIABILITIES

The assets and Liabilities are disclosed based on the operations of the reporting segments

₦ '000	Crude Oil	Gas	Refined Products	Investment Properties	Total Reportable Segment	Eliminations	Consolidation
30 SEPTEMBER 2023							
Total Asset	396,170,472	143,439,853	190,270,406	4,999,246	734,879,977	70,292,340	805,172,317
Total Liabilities	163,699,754	38,254,266	101,678,504	4,750,168	308,382,692	(83,263,922)	225,118,770
30 SEPTEMBER 2022							
Total Asset	219,487,874	76,955,923	121,497,668	1,721,015	419,662,480	53,719,057	473,381,537
Total Liabilities	96,032,204	20,355,859	85,658,355	5,713	202,052,131	(55,436,228)	146,615,903

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

4. REVENUE

Disaggregated revenue information

N '000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Segments				
Crude Oil	16,343,670	-	55,941,219	-
Refined Products	29,606,000	11,978,019	60,833,484	32,580,412
Gas	2,604,473	883,202	6,273,787	3,739,755
Total revenue	48,554,143	12,861,221	123,048,490	36,320,167

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

N '000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Geographical markets				
Within Nigeria	48,554,143	12,861,221	123,048,490	36,320,167
Outside Nigeria	-	-	-	-
Total revenue from contracts with customers	48,554,143	12,861,221	123,048,490	36,320,167
Timing of revenue recognition				
Goods transferred at a point in time	48,554,143	12,861,221	123,048,490	36,320,167
Goods transferred over time	-	-	-	-
Total revenue from contracts with customers	48,554,143	12,861,221	123,048,490	36,320,167

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-Sep-23	30-Sep-22
Contract balances		
Trade receivables	13,856,899	2,879,551

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.

5. COST OF SALES

N '000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Consultancy fee	402,922	199,570	950,451	707,961
Crude oil handling charges	7,468,774	(620,247)	15,086,950	529,301
Depreciation and amortisation (Note 10)	11,167,545	2,079,942	21,254,422	8,908,374
Exploration costs	-	6,786	-	15,445
Flowstation expenses	529,213	60,661	1,018,423	206,210
Materials, supplies and pollution control	466,183	36,730	1,324,589	171,146
Repairs and maintenance	431,044	61,026	988,213	269,660
Royalties to FGN	4,378,162	(1,525,900)	8,203,155	1,287,772
Statutory expenses	15,819	-	67,391	-
Staff costs (Note 9)	2,166,567	1,484,179	4,306,076	3,253,032
Stock adjustment	1,018,620	(1,711,319)	(454,311)	(1,463,927)
Total	28,044,849	71,428	52,745,359	13,884,974

Crude oil handling charges in Q3 2022 was impacted by the derecognition of an over provision arising from crude oil theft.

Royalties to FGN in Q3 2022 was impacted by a drop in crude oil price

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

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

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

6. OTHER INCOME

N '000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Dividend received from Financial Assets	16,035	-	94,116	-
Fee income	208,083	-	208,565	-
Unrealised exchange gain	-	143,143	-	376,104
Total	224,118	143,143	302,681	376,104

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

7. GENERAL AND ADMINISTRATIVE EXPENSES

N '000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Bank charges	121,042	14,924	274,794	71,798
Community development expenses	235,957	174,990	558,884	384,036
Depreciation and amortisation	386,857	203,923	892,936	591,916
Directors' fees	64,280	17,975	213,212	121,055
Exchange loss	4,320,391	-	17,689,070	-
Fuel and utilities	254,453	22,258	469,416	66,789
Information technology expenses	248,593	83,604	842,392	429,953
Insurance	112,717	119,124	613,494	636,998

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

7. General and administrative expenses cont'd.

N '000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Permits, registrations and sub- scriptions	173,748	50,891	702,962	149,023
Professional fees	621,415	304,208	1,440,781	936,295
Repairs and maintenance	181,906	112,736	326,500	317,247
Staff costs (Note 8)	1,444,925	989,731	2,871,104	2,168,966
Training	40,710	29,680	72,039	66,789
Travelling	236,985	80,504	378,205	210,385
Other expenses	1,919,095	253,319	3,065,726	720,065
Total	10,363,074	2,457,867	30,411,515	6,871,315

"Other expenses consist of fair value loss on crude oil hedge, community development expenses, 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."

8. FINANCE COST AND INCOME

N '000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Interest expense:				
Bank borrowings	3,025,251	1,381,096	6,449,237	2,547,575
Coupon on Bond	590,649	-	1,285,664	-
Provisions: unwinding of discount (Note 23)	1,110,641	200,563	2,484,766	586,907
Finance cost	4,726,541	1,581,659	10,219,667	3,134,482
Total finance cost	4,726,541	1,581,659	10,219,667	3,134,482
Finance income:				
Interest income	1,867,754	159,602	3,615,895	406,994
Finance income	1,867,754	159,602	3,615,895	406,994
Net (finance costs)/finance income	(2,858,787)	(1,422,057)	(6,603,772)	(2,727,488)

9. STAFF COST

N '000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Included in cost of sales:				
Salaries and other staff costs	2,166,566	1,484,179	4,306,076	3,253,032
Included in general admin ex- penses:				
Salaries and other staff costs	1,444,925	989,731	2,871,104	2,168,966
Total	3,611,491	2,473,910	7,177,180	5,421,998

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

10. DEPRECIATION AND AMORTISATION

N '000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Included in cost of sales:				
Depreciation of oil and gas properties	11,167,545	2,079,942	21,254,422	8,908,374
Included in general admin expenses:				
Depreciation of other property, plant and equipment	208,902	215,522	544,360	326,848
Amortisation of intangible assets	177,955	262,589	348,576	264,651
Total in general admin expenses	386,857	478,111	892,936	591,499
Total	11,554,402	2,558,053	22,147,358	9,499,873

11. 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 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Profit attributable to equity holders of the Group	6,015,587	2,293,980	19,157,736	7,092,970
Total	6,015,587	2,293,980	19,157,736	7,092,970
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)	27.69	10.56	88.19	32.65

12. PROPERTY, PLANT AND EQUIPMENT

N '000	THE GROUP	
	30-Sep-23	30-Sep-22
Oil and gas properties (12a)	349,124,665	199,632,891
Other property, plant and equipment	6,856,572	2,354,348
Asset under development	29,793,294	21,708,055
Total	385,774,531	223,695,294

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

12a. THE GROUP

₺ '000	OIL AND GAS PROPERTIES	OTHER PROPERTY, PLANT AND EQUIPMENT	ASSETS UNDER DEVELOPMENT	TOTAL
Cost:				
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	237,592,381	8,234,749	14,762,557	260,589,687
Reclassifications	30,779,613	-	(31,612,949)	(833,336)
Additions	4,322,738	921,743	27,207,185	32,451,666
Write-offs	-	-	(2,271,554)	(2,271,554)
Balance at 30 September 2023	605,513,044	16,604,448	29,793,294	651,910,786
Depreciation:				
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	101,948,536	4,109,907	-	106,058,443
Depreciation for the year	21,254,422	544,361	-	21,798,783
Balance at 30 September 2023	256,388,379	9,747,876	-	266,136,255
Net book value:				
At 30 September 2023	349,124,665	6,856,572	29,793,294	385,774,531
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 during the year. There are no capital commitments in respect of PPE expenditures. "The current year reclassification relates to movement of some assets from asset under development to project equipment and intangible asset"

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

13. INTANGIBLE ASSETS

N '000	THE GROUP	
	Intangible Assets	
Cost:		
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		1,165,443
Reclassifications		833,336
Additions		52,276
Balance at 30 September 2023		3,683,129
Amortisation:		
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		943,860
Amortisation charge for the year		348,576
Balance at 30 September 2023		2,456,957
Net book value:		
At 30 September 2023		1,226,172
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.

14. FINANCIAL ASSETS

Financial assets include the following: N '000	THE GROUP	
	30-Sep-23	31-Dec-22
Fair value through OCI		
Listed securities:		
Consolidated Hallmark Insurance Plc	5,322,125	1,845,477
Unlisted securities:		
PetroData Management Services Ltd	10,763	6,252
Dharmattan Gas and Power Ltd	769	562
Fair value through Profit or Loss		
Hedge	332,104	352,062
Total	5,665,761	2,204,353

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

15. INVESTMENT IN ASSOCIATE - ND WESTERN LIMITED

N '000	THE GROUP	
	30-Sep-23	31-Dec-22
At 1 January	132,532,480	116,663,243
Share of profit	3,781,469	5,497,494
Translation Difference	95,834,658	10,371,743
Carrying amount	232,148,607	132,532,480

16. DEFERRED TAXATION

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

Deferred Tax Assets	THE GROUP	
	30-Sep-23	31-Dec-22
N '000		
Accelerated depreciation and amortisation	9,331,209	13,185,962
Tax losses	-	248,536
Total	9,331,209	13,434,498
Deferred tax liabilities		
Decommissioning liabilities	2,794,443	674,695
Total	2,794,443	674,695
Deferred taxation		
At start of year	(12,759,803)	(25,416,645)
Income statement credit	11,607,581	14,005,649
Translation difference	(5,384,544)	(1,348,807)
Net deferred tax assets at end of year	(6,536,766)	(12,759,803)
Reflected in the statement of financial position as:		
Deferred tax liabilities	2,794,443	674,695
Deferred tax assets	(9,331,209)	(13,434,498)
Net deferred tax assets	(6,536,766)	(12,759,803)

Deferred taxes are recoverable in more than one year.

17. INVENTORIES

N '000	THE GROUP	
	30-Sep-23	31-Dec-22
Crude Oil	4,136,698	342,145
Refined Products	7,600,730	6,276,748
Materials	6,070,898	2,751,895
Total	17,808,326	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.

18. TRADE AND OTHER RECEIVABLES

N '000	THE GROUP	
	30-Sep-23	31-Dec-22
Trade receivables	13,856,899	17,627,250
Other receivables	349,017	233,069
Related party receivables	-	13,771,936
	14,205,916	31,632,255
Allowance for expected credit losses	-	(89,337)
	14,205,916	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.

19. PREPAYMENTS

N '000	THE GROUP	
	30-Sep-23	31-Dec-22
Prepaid rent	26,138	13,016
Prepaid expenses	26,907	45,925
Prepaid insurance	79,182	40,375
Total	132,227	99,316

20. CASH AND BANK

N '000	THE GROUP	
	30-Sep-23	31-Dec-22
Cash and bank balances	64,167,628	54,219,237
Short term deposits	67,014,347	1,301,417
Cash and cash equivalents for statement of cashflow purposes	131,181,975	55,520,654
Restricted cash	10,492,036	5,188,378
Total Cash and Bank	141,674,011	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.

21. SHARE CAPITAL AND PREMIUM

Share capital and premium – THE GROUP				
	Number of shares	Ordinary shares N '000	Share premium N '000	Total 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.

22. BORROWINGS

₦ '000	THE GROUP	
	30-Sep-23	31-Dec-22
GTB	39,217,523	44,495,427
BOI loan	10,774,171	9,145,856
N10B Series I Bond	10,318,000	-
Petre IPINs	108,395	106,747
Total	60,418,089	53,748,030
Current	17,295,562	17,725,350
Non-current	43,122,527	36,022,680
Total	60,418,089	53,748,030
At 1 January	53,748,030	21,210,250
Additional borrowings	7,687,600	37,678,200
N10B Series I Bond	10,318,000	-
Repayments	(40,380,787)	(6,255,030)
Foreign exchange movement	26,035,292	1,817,039
Accrued interest	1,557,554	1,891,984
Remeasurements	1,452,400	(2,594,413)
As at	60,418,089	53,748,030

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

23. DECOMMISSIONING LIABILITIES

₦ '000	THE GROUP
Balance at 1 January 2022	45,148,655
Charged/(credited) to profit or loss:	
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
Charged/(credited) to profit or loss:	
Translation difference	46,841,222
Unwinding of discount due to passage of time	2,484,766
Balance at 30 September 2023	113,815,687

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

24. TRADE AND OTHER RECEIVABLES

	THE GROUP	
₦ '000	30-Sep-23	31-Dec-22
Amounts due to related parties	97,633	77,057
Statutory payable	20,081,549	11,293,109
Sundry creditors	9,429,610	3,514,826
Trade payables	11,925,774	8,621,670
Unclaimed dividend	684,965	361,564
	42,219,531	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.

25. TAXATION

	THE GROUP	
₦ '000	30-Sep-23	31-Dec-22
Hydrocarbon tax	744,210	-
Income tax expense	4,496,630	2,490,805
Minimum tax	-	-
Education tax	1,365,837	371,513
Under/(over) provision of prior year taxes	-	-
Amount of previously unused tax losses	-	-
Total current tax	6,606,677	2,862,318
Deferred taxation		
Origination of temporary differences	11,607,581	7,290,415
Total deferred tax	11,607,581	7,290,415
Income tax (credit)/expense	18,214,258	10,152,733

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

	THE GROUP	
₦ '000	30-Sep-23	31-Dec-22
At 1 January	4,509,948	2,705,082
Tax paid	(5,899,649)	(2,633,125)
Prior period under/(over) provision	-	(231)
Income tax charge for the year	6,606,677	4,117,142
Foreign exchange difference	3,448,487	321,080
As at	8,665,463	4,509,948



ARADEL HOLDINGS PLC
LAGOS, NIGERIA

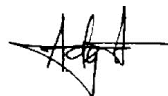
UNAUDITED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED
30 SEPTEMBER 2023
(IN US DOLLARS)

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

\$'000	Notes	THE GROUP		THE GROUP	
		3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Revenue	2	57,243	30,114	211,802	87,009
Cost of sales	3	(39,542)	239	(90,790)	(33,263)
Gross profit		17,701	30,353	121,012	53,746
Other income	4	358	336	521	901
General and administrative expenses	5	(10,751)	(5,777)	(52,347)	(16,461)
Operating profit		7,308	24,912	69,186	38,186
Finance income	6	2,597	375	6,224	975
Finance costs	6	(6,194)	(3,723)	(17,591)	(7,509)
Net Finance (cost)/income		(3,597)	(3,348)	(11,367)	(6,534)
Share of profit of an associate	13	2,785	1,453	6,509	9,662
Profit before taxation		6,496	23,017	64,328	41,314
Tax credit / (expense)	22	(787)	(17,664)	(31,352)	(24,322)
Profit after taxation		5,709	5,353	32,976	16,992
Profit/(Loss) attributable to:					
Equity holders of the parent		6,626	4,160	32,265	15,033
Non-controlling interest		(917)	1,193	711	1,959
		5,709	5,353	32,976	16,992
Other comprehensive income:					
Net gain / (loss) on equity instruments at fair value through other comprehensive income		1,910	-	2,809	-
Other comprehensive income for the year, net of tax		1,910	-	2,809	-
Total comprehensive income for the year		7,619	5,353	35,785	16,992
Total comprehensive income attributable to:					
Equity holders of the parent		8,536	4,160	35,074	15,033
Non-controlling interest		(917)	1,193	711	1,959
Basic earnings per share	9	\$0.03	\$0.02	\$0.15	\$0.08

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

\$'000	Notes	THE GROUP	
		30-Sep-23	31-Dec-22
Assets			
Non-current assets			
Property, plant and equipment	10	501,814	498,708
Intangible assets	11	1,595	1,043
Deferred tax assets	14	8,503	28,447
Financial assets	12	7,370	4,914
Investment in associate	13	301,978	295,469
Total non-current assets		821,260	828,581
Current assets			
Inventories	15	23,165	20,891
Trade and other receivables	16	18,479	70,292
Prepayments	17	172	222
Cash and Bank	18	184,289	135,343
Total current assets		226,105	226,748
Total assets		1,047,365	1,055,329
Equity and liabilities			
Shareholders' equity			
Share capital		19,316	19,316
Share premium		78,955	78,955
Fair value reserve of financial assets at FVOCI		1,931	(878)
Retained earnings		648,197	625,976
Non-controlling interests		5,432	4,721
Total shareholders' equity		753,831	728,090
Non-current liabilities			
Borrowings	19	56,794	80,708
Decommissioning liabilities	20	148,051	143,773
Total non-current liabilities		204,845	224,481
Current liabilities			
Trade and other payables	21	54,919	53,186
Taxation	22	11,272	10,055
Borrowings	19	22,498	39,517
Total current liabilities		88,689	102,758
Total liabilities		293,534	327,239
Total equity & liabilities		1,047,365	1,055,329



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	-	-	-	15,033	1,959	16,992
Total comprehensive income for the year	-	-	-	15,033	1,959	16,992
Dividends to equity holders of the company	-	-	-	(10,470)	-	(10,470)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	(10,470)	-	(10,470)
Balance at 30 September 2022	19,316	78,955	271	607,413	5,307	711,262
Balance at 1 January 2023	19,316	78,955	(878)	625,976	4,721	728,090
Profit / loss for the year	-	-	-	32,265	711	32,976
Net gain / (loss) on equity instruments at fair value through other comprehensive income	-	-	2,809	-	-	2,809
Total comprehensive income for the year	-	-	2,809	32,265	711	35,785
Dividends to equity holders of the company	-	-	-	(10,044)	-	(10,044)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	(10,044)	-	(10,044)
Balance at 30 September 2023	19,316	78,955	1,931	648,197	5,432	753,831

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

\$'000	Notes	THE GROUP	
		30-Sep-23	31-Dec-22
Profit before taxation		64,328	41,314
Adjustments:			
Interest expense	6	17,591	7,509
Interest income	6	(6,224)	(975)
Dividend received	4	(162)	-
Exchange loss/(gain)	4	-	(901)
Share of profit from associate	13	(6,509)	(9,662)
Loss on Financial Asset at FV through PorL	12	3,550	-
Depreciation of property, plant and equipment	8	38,122	22,759
Amortisation of intangible assets	8	-	-
Allowance for expected credit loss/Impairment allowance		-	-
Provision no longer required	4	-	-
Gain on disposal of equipment	4	-	-
Stock adjustment	3	(782)	(3,507)
Asset write-off		3,910	-
Operating cash flows before movement in working capital		113,824	56,537

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS CONT'D.

\$'000	Notes	THE GROUP	
		30-Sep-23	30-Sep-22
Movement in working capital:			
Decrease in trade and other receivables		51,813	8,024
Decrease/(Increase) in prepayments		50	263
Increase in inventory		(1,492)	(457)
Increase in trade and other payables		1,698	(2,083)
Cash generated by operating activities		165,893	62,284
Tax paid	22	(10,155)	(6,173)
Net cash flows from / (used in) operating activities		155,738	56,111
Investing activities			
Interest received	6	6,224	975
Dividend received	4	162	
Purchase of property, plant and equipment		(45,690)	(12,796)
(Purchase)/disposal of financial assets		(3,197)	(2,469)
Net cash (used in) / provided by investing activities		(42,501)	(14,290)
Financing activities			
Dividend paid		(10,044)	(10,470)
Interest paid	6	(8,133)	(6,104)
Repayment of borrowing	19	(69,507)	(13,194)
Additional borrowings	19	10,000	84,000
Issue of Bond	19	13,393	-
Net cash flows used in from financing activities		(64,291)	54,232
Increase/(decrease) in cash and cash equivalents		48,946	96,053
Cash and cash equivalents - Beginning of year	18	135,343	31,012
Cash and cash equivalents - End of year	18	184,289	127,065

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SEGMENT REPORTING

Business segments are based on the Group's internal organisation and management reporting structure. The Group's operations cover 4 segments- Crude Oil, Gas, Refinery & Investment Properties. Some intersegment transactions were prevalent amongst the reporting segments during the reporting period under consideration, hence the eliminations necessary to achieve proper consolidation. Management remains committed to continuous value creation and accretion of the reserves. The reporting segments of the Group derive their revenues within Nigeria only & goods are transferred at a point in time. The segment reports are also in line with the Group's accounting policies

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1.1. SEGMENT REPORTING/(LOSS) DISCLOSURE

\$'000	Crude Oil	Gas	Refined Products	Investment Properties	Total Reportable Segment	Eliminations	Consolidation
30 SEPTEMBER 2023							
Revenue	137,103	21,618	104,712	136	263,569	(51,767)	211,802
Cost of sales	(76,258)	(6,315)	(60,470)	(54)	(143,097)	52,306	(90,790)
Gross profit	60,845	15,303	44,242	82	120,472	539	121,012
Other income	1,062	-	-	-	1,062	(541)	521
General and administrative expenses	(26,205)	(1,113)	(24,920)	(113)	(52,351)	5	(52,347)
Operating profit	35,702	14,190	19,322	(31)	69,183	3	69,186
Finance income	4,089	-	2,136	-	6,225	(1)	6,224
Finance costs	(10,653)	(901)	(2,255)	-	(13,809)	(3,782)	(17,591)
Share of profit from associate	-	-	-	-	-	6,509	6,509
Profit before taxation	29,138	13,289	19,203	(31)	61,599	2,729	64,328
Tax expense	(19,246)	(6,937)	(4,870)	(299)	(31,352)	-	(31,352)
Profit after taxation	9,892	6,352	14,333	(330)	30,247	2,729	32,976
30 SEPTEMBER 2022							
Revenue	43,389	8,959	78,050	154	130,552	(43,543)	87,009
Cost of sales	(29,416)	(4,874)	(42,299)	(59)	(76,648)	43,385	(33,263)
Gross profit	13,973	4,085	35,751	95	53,904	(158)	53,746
Other income	927	-	82	-	1,009	(108)	901
General and administrative expenses	(14,831)	(391)	(1,323)	(102)	(16,647)	186	(16,461)
Operating profit	69	3,694	34,510	(7)	38,266	(80)	38,186
Finance income	418	-	557	-	975	-	975
Finance costs	(4,944)	(320)	(2,245)	-	(7,509)	-	(7,509)
Share of profit from associate	-	-	-	-	-	9,662	9,662
Profit before taxation	(4,457)	3,374	32,822	(7)	31,732	9,582	41,314
Tax expense	(8,083)	(1,669)	(14,541)	(29)	(24,322)	-	(24,322)
Profit after taxation	(12,540)	1,705	18,281	(36)	7,410	9,582	16,992

1.2. SEGMENT ASSETS AND LIABILITIES

The assets and Liabilities are disclosed based on the operations of the reporting segments

\$'000	Crude Oil	Gas	Refined Products	Investment Properties	Total Reportable Segment	Eliminations	Consolidation
30 SEPTEMBER 2023							
Total Asset	515,337	186,586	247,503	6,503	955,929	91,436	1,047,365
Total Liabilities	212,940	49,761	132,263	6,179	401,143	(107,607)	293,534
30 SEPTEMBER 2022							
Total Asset	523,343	175,970	270,865	3,837	974,015	81,314	1,055,329
Total Liabilities	223,606	45,496	169,961	13	439,076	(111,837)	327,239

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

2. REVENUE

Disaggregated revenue information

\$'000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Segments				
Crude Oil	14,135	-	96,291	-
Refined Products	39,922	28,083	104,712	78,050
Gas	3,186	2,031	10,799	8,959
Total revenue	57,243	30,114	211,802	87,009

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 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Geographical markets				
Within Nigeria	57,243	30,114	211,802	87,009
Outside Nigeria	-	-	-	-
Total revenue from contracts with customers	57,243	30,114	211,802	87,009
Timing of revenue recognition				
Goods transferred at a point in time	57,243	30,114	211,802	87,009
Goods transferred over time	-	-	-	-
Total revenue from contracts with customers	57,243	30,114	211,802	87,009

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-Sep-23	30-Sep-22
Contract balances		
Trade receivables	18,025	6,660

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.

3. COST OF SALES

\$'000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Consultancy fee	500	463	1,636	1,696
Crude oil handling charges	10,163	(1,520)	25,969	1,268
Depreciation and amortisation	15,657	4,780	36,585	21,341
Exploration costs - OPL 227	-	16	-	37
Flowstation expenses	738	141	1,753	494
Gas flaring	-	-	-	-
Materials, supplies and pollution control	499	84	2,280	410
Repairs and maintenance	545	140	1,701	646
Royalties to FGN	6,184	(3,739)	14,120	3,085
Statutory expenses	9	-	116	-
Staff costs (Note 8)	2,973	3,503	7,412	7,793
Stock adjustment	2,274	(4,107)	(782)	(3,507)
Total	39,542	(239)	90,790	33,263

Crude oil handling charges in Q3 2022 was impacted by the derecognition of an over provision arising from crude oil theft

Royalties to FGN in Q3 2022 was impacted by a drop in crude oil price

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

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

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

4. OTHER INCOME

\$'000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Dividend received from Financial Assets	-	-	162	-
Fee income	358	-	359	-
Unrealised exchange gain	-	336	-	901
Total	358	336	521	901

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

5. GENERAL AND ADMINISTRATIVE EXPENSES

\$'000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Bank charges	154	54	473	172
Catering	292	413	962	920
Depreciation and amortisation	487	477	1,537	1,418
Directors' fees	58	40	367	290
Exchange loss	2,711	-	30,448	-
Fuel and Utilities	362	52	808	160
Information technology expenses	218	190	1,450	1,030
Insurance	17	270	1,056	1,526
Permits, registrations and sub- scriptions	112	119	1,210	357
Professional fees	780	710	2,480	2,243
Repairs and maintenance	262	264	562	760
Staff costs (Note 7)	1,983	2,336	4,942	5,196
Training	59	70	124	160
Travelling	358	189	651	504
Other expenses	2,898	593	5,277	1,725
Total	10,751	5,777	52,347	16,461

"Other expenses consist of fair value loss on crude oil hedge, community development expenses, donations, printing and stationery, and other related administrative costs incurred during the year.

Professional fees consist of cleaning service, advisory services, security service, legal fees and registrar management fee."

6. FINANCE COST AND INCOME

\$'000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Interest expense:				
Bank borrowings	3,997	3,254	11,101	6,103
Coupon on Bond	771	-	2,213	-
Provisions: unwinding of discount	1,426	469	4,277	1,406
Finance costs	6,194	3,723	17,591	7,509
Total finance cost	6,194	3,723	17,591	7,509
Finance income:				
Interest income	2,597	375	6,224	975
Finance income	2,597	375	6,224	975
Net finance costs	(3,597)	(3,348)	(11,367)	(6,534)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

7. STAFF COST

\$'000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Included in cost of sales:				
Salaries and other staff costs	2,973	3,503	7,412	7,793
Included in general admin expenses:				
Salaries and other staff costs	1,983	2,336	4,942	5,196
Total	4,956	5,839	12,354	12,989

8. DEPRECIATION AND AMORTISATION

\$'000	THE GROUP		THE GROUP	
	3 months ended 30 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Included in cost of sales:				
Depreciation of oil and gas properties	15,657	4,780	36,585	21,341
Included in general admin expenses:				
Depreciation of other property, plant and equipment	241	603	937	783
Amortisation of intangible assets	246	539	600	634
Total in general admin expenses	487	1,142	1,537	1,417
Total	16,144	5,922	38,122	22,758

9. 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 Sept 2023	3 months ended 30 Sept 2022	30-Sep-23	30-Sep-22
Profit attributable to equity holders of the Group	5,709	5,353	32,976	16,992
Total	5,709	5,353	32,976	16,992
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(₹)	\$0.03	\$0.02	\$0.15	\$0.08

10. PROPERTY, PLANT AND EQUIPMENT

\$'000	THE GROUP	
	30-Sep-23	30-Sep-22
Oil and gas properties (10a)	454,135	445,063
Other property, plant and equipment	8,893	5,249
Asset under development	38,755	48,396
Total	501,783	498,708

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

10a. THE GROUP

\$'000	OIL AND GAS PROPERTIES	OTHER PROPERTY, PLANT AND EQUIPMENT	ASSETS UNDER DEVELOPMENT	TOTAL
Cost:				
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	-	3,794	-	3,794
Reclassifications	40,038	-	(41,122)	(1,084)
Additions	5,623	1,198	35,391	42,212
Write-offs	-	-	(3,910)	(3,910)
Changes in decommissioning assets	1	-	-	1
Balance at 30 September 2023	787,646	21,599	38,755	848,000
Depreciation:				
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	36,585	937	-	37,522
Balance at 30 September 2023	333,511	12,706	-	346,217
Net book value:				
At 30 September 2023	454,135	8,893	38,755	501,783
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 expenditures. "The current year reclassification relates to movement of some assets from asset under development to project equipment and intangible asset"

11. INTANGIBLE ASSETS

		THE GROUP
\$'000		Intangible Assets
Cost:		
Balance at 1 January 2022		3,639
Balance at 31 December 2022		3,639
Balance at 1 January 2023		3,639
Reclassifications		1,084

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

Intangible Assets Cont'd.

\$'000	THE GROUP	
	Intangible Assets	
Additions	68	
Balance at 30 June 2023	4,791	
Amortisation:		
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	600	
Balance at 30 September 2023	3,196	
Net book value:		
At 30 September 2023	1,595	
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.

12. FINANCIAL ASSETS

Financial assets include the following:	THE GROUP	
	30-Sep-23	30-Sep-22
\$'000		
Fair value through OCI		
<i>Listed securities:</i>		
Consolidated Hallmark Insurance Plc	6,923	4,114
<i>Unlisted securities:</i>		
PetroData Management Services Ltd	14	14
Dharmattan Gas and Power Ltd	1	1
Fair value through Profit or Loss		
Hedge	432	785
Total	7,370	4,914

13. INVESTMENT IN ASSOCIATE - ND WESTERN LIMITED

\$'000	THE GROUP	
	30-Sep-23	30-Sep-22
At 1 January	295,469	282,485
Share of profit	6,509	12,984
Carrying amount	301,978	295,469

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

14. DEFERRED TAXATION

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

Deferred Tax Assets	THE GROUP	
	30-Sep-23	30-Sep-22
\$'000		
Accelerated depreciation and amortisation	12,138	29,455
Tax losses	-	587
Total	12,138	30,042
Deferred tax liabilities		
Accelerated depreciation and amortisation	-	-
Decommissioning liabilities	3,635	1,595
Total	3,635	1,595
Deferred taxation		
At start of year	(28,447)	(61,543)
Income statement charge/(credit)	19,980	33,079
Translation difference	(36)	17
Net deferred tax assets at end of year	(8,503)	(28,447)
Reflected in the statement of financial position as:		
Deferred tax liabilities	3,635	1,595
Deferred tax assets	(12,138)	(30,042)
Net deferred tax assets	(8,503)	(28,447)

Deferred taxes are recoverable in more than one year.

15. INVENTORIES

	THE GROUP	
	30-Sep-23	30-Sep-22
\$'000		
Crude Oil	5,381	763
Refined Products	9,887	13,993
Materials	7,897	6,135
Total	23,165	20,891

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

16. TRADE AND OTHER RECEIVABLES

	THE GROUP	
	30-Sep-23	30-Sep-22
\$'000		
Trade receivables	18,025	39,280
Other receivables	454	520
Related party receivables	-	30,703
Allowance for expected credit losses	-	(211)
	18,479	70,292

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.

17. PREPAYMENTS

\$'000	THE GROUP	
	30-Sep-23	30-Sep-22
Prepaid rent	34	29
Prepaid expenses	35	103
Prepaid insurance	103	90
Total	172	222

18. CASH AND BANK

\$'000	THE GROUP	
	30-Sep-23	30-Sep-22
Cash and bank balances	83,469	120,875
Short term deposits	87,172	2,901
Cash and cash equivalents for statement of cashflow purposes	170,641	123,776
Restricted cash	13,648	11,567
Total Cash and Bank	184,289	135,343

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.

19. BORROWINGS

N '000	THE GROUP	
	30-Sep-23	30-Sep-22
GTB	51,014	99,198
BOI loan	14,015	20,390
N10B Series I Bond	14,122	-
Petre IPINs	141	637
Total	79,292	120,225
Current	22,498	39,517
Non-current	56,794	80,708
Total	79,292	120,225
Changes in liabilities arising from financing activities		
At 1 January	120,225	51,736
Additional borrowings	10,000	84,000
N10B Series I Bond	13,393	-
Repayments	(69,507)	(13,945)
Accrued interest	2,681	4,218
Remeasurements	2,500	(1,690)
As at	79,292	120,225

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.

20. 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
Charged/(credited) to profit or loss:	
Additional obligations incurred	-
Changes in estimated flows	1
Unwinding of discount due to passage of time	4,277
Balance at 30 September 2023	148,051

21. TRADE AND OTHER RECEIVABLES

\$'000	THE GROUP	
	30-Sep-23	30-Sep-22
Amounts due to related parties	127	139
Statutory payable	26,122	25,177
Sundry creditors	12,266	7,843
Trade payables	15,513	19,221
Unclaimed dividend	891	806
	54,919	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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

21. TAXATION

\$'000	THE GROUP	
	30-Sep-23	30-Sep-22
Hydrocarbon tax	1,281	-
Income tax expense	7,740	5,967
Education tax	2,351	890
Total current tax	11,372	6,857
Deferred taxation		
Origination of temporary differences	19,980	17,465
Total deferred tax	19,980	17,465
Income tax (credit)/expense	31,352	24,322
The movement in the current and petroleum income tax liability is as follows:		
At 1 Jan	10,055	6,550
Tax paid	(10,155)	(6,219)
Income tax charge for the year	11,372	9,724
As at	11,272	10,055



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Holdings

