

Petrel Resources plc
Financial Information (Unaudited)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six Months Ended		Year Ended
	30 June 22 unaudited €'000	30 June 21 unaudited €'000	31 Dec 21 audited €'000
Administrative expenses	(140)	(162)	(322)
	-	-	-
OPERATING LOSS	<u>(140)</u>	<u>(162)</u>	<u>(322)</u>
LOSS BEFORE TAXATION	<u>(140)</u>	<u>(162)</u>	<u>(322)</u>
Income tax expense	-	-	-
LOSS FOR THE PERIOD	<u>(140)</u>	<u>(162)</u>	<u>(322)</u>
Other comprehensive income]	-	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE PERIOD	<u><u>(140)</u></u>	<u><u>(162)</u></u>	<u><u>(322)</u></u>
LOSS PER SHARE - basic and diluted	<u><u>(0.09c)</u></u>	<u><u>(0.10c)</u></u>	<u><u>(0.21c)</u></u>

CONDENSED STATEMENT OF FINANCIAL POSITION

	30 June 22 unaudited €'000	30 June 21 unaudited €'000	31 Dec 21 audited €'000
ASSETS:			
NON-CURRENT ASSETS			
Intangible assets	933	932	933
	<u>933</u>	<u>932</u>	<u>933</u>
CURRENT ASSETS			
Trade and other receivables	12	18	25
Cash and cash equivalents	30	255	102
	<u>42</u>	<u>273</u>	<u>127</u>
TOTAL ASSETS	<u>975</u>	<u>1,205</u>	<u>1,060</u>
CURRENT LIABILITIES			
Trade and other payables	(847)	(777)	(792)
	<u>(847)</u>	<u>(777)</u>	<u>(792)</u>
NET CURRENT LIABILITIES	<u>(805)</u>	<u>(504)</u>	<u>(665)</u>
NET ASSETS	<u><u>128</u></u>	<u><u>428</u></u>	<u><u>268</u></u>
EQUITY			
Share capital	1,963	1,963	1,963
Capital conversion reserve fund	8	8	8
Capital redemption reserve	209	209	209
Share premium	21,786	21,786	21,786
Share based payment reserve	27	27	27
Retained deficit	(23,865)	(23,565)	(23,725)
TOTAL EQUITY	<u><u>128</u></u>	<u><u>428</u></u>	<u><u>268</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital €'000	Share Premium €'000	Capital Redemption Reserves €'000	Capital Conversion Reserves €'000	Share based Payment Reserves €'000	Retained Losses €'000	Total Equity €'000
As at 1 January 2021	1,963	21,786	209	8	27	(23,403)	590
Total comprehensive income					-	(162)	(162)
As at 30 June 2021	1,963	21,786	209	8	27	(23,565)	428
Total comprehensive income					-	(160)	(160)
As at 31 December 2021	1,963	21,786	209	8	27	(23,725)	268
Total comprehensive income					-	(140)	(140)
As at 30 June 2022	1,963	21,786	209	8	27	(23,865)	128

CONDENSED CONSOLIDATED CASH FLOW

	Six Months Ended		Year Ended
	30 June 22 unaudited €'000	30 June 21 unaudited €'000	31 Dec 21 audited €'000
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the period	(140)	(162)	(322)
Foreign exchange	2	(8)	(10)
	(138)	(170)	(332)
Movements in Working Capital	68	83	91
CASH USED IN OPERATIONS	(70)	(87)	(241)
NET CASH USED IN OPERATING ACTIVITIES	(70)	(87)	(241)
INVESTING ACTIVITIES			
Payments for exploration and evaluation assets	0	0	(1)
NET CASH USED IN INVESTING ACTIVITIES	0	0	(1)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(70)	(87)	(242)
Cash and cash equivalents at beginning of the period	102	334	334
Exchange gains/(losses) changes on cash and cash equivalent	(2)	8	10
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	30	255	102

Notes:

1. INFORMATION

The financial information for the six months ended 30 June 2022 and the comparative amounts for the six months ended 30 June 2021 are unaudited.

The interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The interim financial statements have been prepared applying the accounting policies and methods of computation used in the preparation of the published consolidated financial statements for the year ended 31 December 2021.

The interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2021, which are available on the Company's website www.petrelresources.com

The interim financial statements have not been audited or reviewed by the auditors of the Group pursuant to the Auditing Practices board guidance on Review of Interim Financial Information.

2. No dividend is proposed in respect of the period.

3. GOING CONCERN

The Group incurred a loss for the period of €140,055 (2021: loss of €322,077) and had net current liabilities of €804,979 (2021: €664,924) at the statement of financial position date. These conditions as well as those noted below, represent a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern.

Included in current liabilities is an amount of €812,531 (2021: €767,531) owed to key management personnel in respect of remuneration due at the statement of financial position date. Key management have confirmed that they will not seek settlement of these amounts in cash for a period of at least one year after the date of approval of the financial statements or until the Group has generated sufficient funds from its operations after paying its third party creditors.

The Group and Company had a cash balance of €29,806 (2021: €101,843) at the statement of financial position date. The directors have prepared cashflow projections for a period of at least twelve months from the date of approval of these financial statements which indicate that additional finance may be required to fund working capital requirements and develop existing projects. As the Group is not revenue or cash generating it relies on raising capital from the public market.

These conditions as well as those noted below, represent a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern.

As in previous years the Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements and believe the going concern basis is appropriate for these financial statements. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

4. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted earnings per share is computed by dividing the loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following table sets out the computation for basic and diluted earnings per share (EPS):

	30 June 22	30 June 21	31 Dec 21
	€	€	€
Loss per share – Basic and Diluted	(0.09c)	(0.10c)	(0.21c)

Basic and diluted loss per share

The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

	€'000	€'000	€'000
Loss for the period attributable to equity holders	(140)	(162)	(322)
Denominator	Number	Number	Number
for basic and diluted EPS	157,038,467	157,038,467	157,038,467

Basic and diluted loss per share are the same as the effect of the outstanding share options is anti-dilutive.

5. INTANGIBLE ASSETS

	30 June 22	30 June 21	31 Dec 21
	€'000	€'000	€'000
Exploration and evaluation assets:			
Opening balance	933	932	932
Additions	-	-	1
Impairment	-	-	-
Closing balance	933	932	933

Exploration and evaluation assets relate to expenditure incurred in exploration in Ghana. The directors are aware that by its nature there is an inherent uncertainty in Exploration and evaluation assets and therefore inherent uncertainty in relation to the carrying value of capitalized exploration and evaluation assets.

During 2018 the Group resolved the outstanding issues with the Ghana National Petroleum Company (GNPC) regarding a contract for the development of the Tano 2A Block. The Group has signed a Petroleum Agreement in relation to the block and this agreement awaits ratification by the Ghanaian government.

Relating to the remaining exploration and evaluation assets at the financial year end, the directors believe there were no facts or circumstances indicating that the carrying value of the intangible assets may exceed their recoverable amount and thus no impairment review was deemed necessary by the directors. The realisation of these intangible assets is dependent on the successful discovery and development of

economic reserves and is subject to a number of significant potential risks, as set out below:

- Licence obligations;
- Exchange rate risks;
- Uncertainty over development and operational costs;
- Political and legal risks, including arrangements with Governments for licences, profit sharing and taxation;
- Foreign investment risks including increases in taxes, royalties and renegotiation of contracts;
- Financial risk management;
- Going concern and
- Ability to raise finance.

Regional Analysis	30 Jun 22	30 Jun 21	31 Dec 21
	€'000	€'000	€'000
Ghana	933	932	933
	<u> </u>	<u> </u>	<u> </u>

6. SHARE CAPITAL

	2022	2021
	€'000	€'000
Authorised:		
800,000,000 ordinary shares of €0.0125	10,000	10,000
	<u> </u>	<u> </u>

Issued and fully paid

	2022			2021		
	Number	Share Capital	Share Premium	Number	Share Capital	Share Premium
		€'000	€'000		€'000	€'000
At 1 January	157,038,467	1,963	21,786	157,038,467	1,963	21,786
Share issue	-	-	-	-	-	-
At end of period	<u>157,038,467</u>	<u>1,963</u>	<u>21,786</u>	<u>157,038,467</u>	<u>1,963</u>	<u>21,786</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Movements in issued share capital

There was no movement in the issued share capital of the company in the current or prior year.

7. POST BALANCE SHEET EVENTS

There are no material post balance sheets events affecting the Group.

8. The Interim Report for the six months to 30th June 2022 was approved by the Directors on 26 September 2022.

9. The Interim Report will be available on the Company's website at www.petrelresources.com.