



Westmount Energy Limited

**Interim Report
For the six months ended
31 December 2021**

COMPANY INFORMATION

Directors	G Walsh (Chairman) D R King T P O’Gorman D Corcoran
Secretary and Registered Office	Stonehage Fleming Corporate Services Limited No 2, The Forum, Grenville Street St Helier Jersey JE1 4HH Channel Islands
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CHAIRMAN'S REVIEW

2021 Highlights

- **Groundwork continues for the next drilling campaigns on the Kaieteur and Canje blocks via detailed analysis and integration of sub-surface data acquired in the 2020-2021 drilling campaign and the reassessment of play and prospect risks**
- **Environmental permitting process is ongoing at the Guyanese EPA with respect to potential new drilling programs on the Canje and Kaieteur blocks from 2022**
- **High quality reservoirs identified in first drilling campaign on Kaieteur and Canje blocks – but no standalone commercial discoveries to date**
- **Tanager-1 Discovery contains gross 65.3 MMbbls (42.7 MMbbls Net to Kaieteur Block) contingent resources (2C, unrisks)² in high quality Maastrichtian reservoir – but is non-commercial as a standalone development**
- **Cash balance of £1.1M at 31st December 2021; no debt**
- **Sector consolidation manoeuvres – proposed ‘all paper’ acquisition of JHI Associates Inc. by Eco (Atlantic) Oil & Gas Ltd.**

Although the COVID-19 pandemic continued to ebb and flow throughout the second half of 2021 a rapid global economic recovery was underway by year end, sparking tightening supply chains, increased inflationary pressures and rising interest rates. Within the oil sector these forces translated into robust demand, struggling supply even within the OPEC+ disciplinary framework and dwindling stockpiles. With the booming demand for oil and gas, accentuated in part by poor regional performance of some renewable sources of energy, outpacing supply, prices continued to surge with Brent settling above USD\$91/bbl by the end of January 2022. All of this prior to the emergence of geopolitical turmoil sparked by the Russian invasion of Ukraine on the 24 February 2022, with increased volatility and oil price rises accelerating thereafter, briefly touching USD\$140/bbl for Brent in early March. Oil prices continue to rally on the back of coordinated sanctions imposed by western governments and businesses, including an outright ban on Russian energy imports by the US administration, a phasing out of Russian oil imports by the UK before year end and ongoing discussions within the EU where some members risk considerable economic pain if such a ban is agreed.

During the second half of the year Guyana has continued its journey towards becoming a significant oil producing nation with rapidly progressing offshore developments, including the expected installation of at least six Floating Production Storage and Offloading (FPSO) units on the Stabroek Block by 2027 (with a production capacity of more than 1 million BOPD) and the potential for up to 10 FPSOs based upon the current discovered resource inventory of in excess of 10 billion barrels of oil equivalent.^{1,2} Three of these FPSOs are already operating or are under construction – with the Liza Phase 1 (Destiny FPSO) expected to reach a production rate of 140,000 BOPD during 2022 (20,000 BOPD above nameplate capacity), Liza Phase 2 (Unity FPSO) on stream since February 2022 with ramp-up to its full production capacity of 220,000 BOPD expected later in the year and with a third field development, Payara (Prosperity FPSO), also with 220,000 BOPD capacity, on track for start-

CHAIRMAN'S REVIEW (CONTINUED)

up in 2024. In addition, the Stabroek consortium has submitted a fourth development plan for government and regulatory review, with respect to the Yellowtail discoveries, targeting a gross production capacity of 250,000 BOPD and first oil in 2025. A number of follow-on developments are also envisaged, including a fifth project centred on the Uaru discovery¹, subject to government approvals and project sanctioning.

In parallel with the development of the already discovered resource offshore Guyana, the multi-billion barrels undiscovered upside in the basin continues to attract aggressive exploration investment, driven by large prospects, low breakeven costs, low carbon emissions and the energy transition dynamics. In October 2021, on the back of a string of exploration successes, estimates of gross discovered resources on the Stabroek Block were revised upwards to approximately 10 billion barrels of oil equivalent. The preceding exploration drilling 'purple patch' included discoveries at Redtail-1, Yellowtail-2, Uaru-2, Mako-2, Longtail-3, Turbot-2, Whiptail-1, Whiptail-2, Pinktail-1 and Cataback-1 bringing the total number of reported significant discoveries to date on the Stabroek Block to twenty-one. This successful run has continued into the new year with two further discoveries (Fangtooth-1 and Lau Lau-1) announced in early January 2022.² The positive outcome at Fangtooth-1 is of particular significance as this was the first well dedicated to a deep exploration target in the Stabroek area, with the results indicating the potential for commercial exploitation of the deeper plays and offering encouragement for the drilling of deep targets elsewhere in the basin, including on the Kaieteur and Canje Blocks. Furthermore, a follow-up well, Tarpon-1, has been spudded on Stabroek circa 100 kms to the northwest of the Liza Field targeting Lower Campanian clastics and a deeper Jurassic carbonate play. This is one of 12 exploration and appraisal wells scheduled for drilling on the Stabroek Block in 2022² – signalling continued aggressive evaluation of the multi-billion barrels exploration potential in the basin within fixed prospecting licence timeframes.

Separately, in January 2022, the Joint Venture of CGX Energy Inc. and Frontera Energy Corporation reported the Kawa-1 discovery located in the north of the Corentyne Block. This well was spudded in a water depth of 355 metres and drilled to a Total Depth of 6,578 metres. Wireline logging indicates that the well encountered 61m of net hydrocarbon bearing reservoirs within Maastrichtian, Campanian, Santonian and Coniacian intervals. Reservoir fluids are uncertain as MDT fluid samples were not obtained from the well, though the presence of liquid hydrocarbons has been interpreted in the Santonian reservoir, from other analyses.³ Kawa-1 was plugged and abandoned and the commercial potential of the discovery has yet to be determined. The Joint Venture is planning to follow-up with the Wei-1 exploration well, in the second half of 2022, targeting stacked Campanian and Santonian channel sandstone reservoirs.

In the Surinamese sector, the Total/Apache consortium has increased the number of discoveries on Block 58 from four to five with the announcement of the Krabdagu-1 discovery in February 2022⁴. Prior stacked reservoir discoveries on Block 58 reported generally light oil and gas-condensate pay in shallower Campanian reservoirs overlying light oil pay in deeper Santonian reservoirs - pointing towards some potential challenges around valorization of large associated gas volumes. The Krabdagu-1 well encountered 90 metres of net oil pay in good quality Maastrichtian and Campanian reservoirs and is currently undergoing flow testing. Total, as operator, continues to focus on appraisal of the shallower Maastrichtian-Campanian

CHAIRMAN'S REVIEW (CONTINUED)

reservoirs with a view to progression towards FID for the initial standalone oil development on Block 58. Results at Sapakara South-1 appraisal well, drilled 4 kms east of the Sapakara-1 discovery well, were announced in November 2021 - confirming the presence of 30m net high-quality black oil in Maastrichtian-Campanian sandstones which flowed 4,800 BOPD during a restricted flow test, with analysis indicating a connected in-place resource of more than 400 MMbbls in a single reservoir. However, disappointing Maastrichtian-Campanian appraisal outcomes were reported during the period on the eastern side of Kwaskwasi and at Keskesi South-1.⁴ In addition, during November 2021, the Total/Apache consortium reported a non-commercial discovery at the Bonboni-1 exploration well in the north of Block 58. This well encountered high quality water bearing reservoirs in the primary Maastrichtian-Campanian targets though a single Maastrichtian sandstone contained 16m of net oil pay with an estimated 25°API oil gravity.

Exploration drilling results continue to support the presence of multiple plays, quality reservoirs and the potential for stacked-pay drilling opportunities within the basin. Although the Upper Cretaceous Maastrichtian-Campanian Liza play dominates in terms of number of discoveries and discovered volumes to date the deeper Santonian pools on Block 58, in conjunction with the deeper hydrocarbons reported at Liza-3, Tripletail-1, Yellowtail-2, Uaru-2, Turbot-2, Longtail-3, Hassa-1 and Fangtooth-1 on the Strabroek Block, together with the hydrocarbon shows reported at Sapote-1 on the Canje Block, and the logged net pay in the Santonian-Coniacian intervals at Kawa-1 on the Corentyne Block, all suggest an extensive emerging deeper play fairway within the basin. Additional deep drilling with multiple targets is scheduled for 2022 at Beebei Potaro-1 (Repsol, Kanuku Block), at Wei-1 (CGX Energy Inc., Corentyne Block), at Rasper-1 (Apache, Block 53) and at Zanderij-1 (Shell, Block 42) where the operator is targeting the Santonian and deeper intervals.

It is against this backdrop that the hydrocarbon plays and prospect inventories on the Kaieteur and Canje blocks are being reassessed – by integrating the analysis of the extensive core and fluid samples collected during the 2020-2021 drilling campaigns, by updating the regional petroleum system models and by high grading prospects for the next phase of drilling.

Kaieteur Block

The first well on the Kaieteur block, Tanager-1, remains the deepest well drilled in the Guyana-Suriname Basin to date. It was spudded on the 11 August 2020, using the Stena Carron drillship. The well was drilled in a water depth of 2,900 metres and reached a total depth of 7,633 metres circa mid-November 2021. Evaluation of LWD, wireline logging and sampling data confirmed 16 metres of net oil pay (20°API oil) in high-quality sandstone reservoirs of Maastrichtian age. Although high quality reservoirs were also encountered at the deeper Santonian and Turonian intervals, initial interpretation of the reservoir fluids was reported to be equivocal, requiring further analysis – results of which have yet to be disclosed. Post well analysis and integration of the data collected continues with a view to highgrading the next drilling target on the Kaieteur block.

CHAIRMAN'S REVIEW (CONTINUED)

A post-well Netherland, Sewell & Associates Inc. ("NSAI") published CPR (February 14, 2021) indicates that the Tanager-1 Maastrichtian discovery contains a 'Best Estimate' Unrisked Gross (2C) Contingent Oil Resource of 65.3 MMBBLs (Low to High Estimates 17.7 MMBBLs to 131 MMBBLs) – with a 'Best Estimate' Unrisked Net (2C) Contingent Oil Resource attributable to the Kaieteur Block of 42.7 MMBBLs (Low to High Estimates 11.3 MMBBLs to 86 MMBBLs). However, this discovery is currently considered to be non-commercial as a standalone development.

Subsequent to the Tanager-1 discovery, on 24 May 2021, it was announced that Hess Corporation ("Hess") had increased its working interest ("WI") in the Kaieteur Block, offshore Guyana, from 15% to 20% via the farm-down of a 5% WI by Cataleya Energy Limited ("CEL"). Although the details of this farm-in transaction were not disclosed, this farm-in, by one of the Stabroek block partners and a leading player in the Guyana-Suriname basin, suggests confidence in the prospective resource potential of the Kaieteur Block and augurs well for the continuing exploration of the area.

On the 23 August 2021 it was announced that the date for elective nomination, by the operator, of the prospect target for the second well on the Kaieteur Block has been extended by seven months and on the 22 March, 2022 a further extension of the nomination date was agreed to 2 October 2023. The Kaieteur Block partners agreed to this extension to facilitate continuing geological and geophysical analysis by the operator and integration of recent and ongoing deep play drilling program results on adjacent blocks into the Kaieteur prospect nomination decision. Under a farm-in agreement executed with ExxonMobil (operator) in 2016, any drilling consequent to the second well prospect nomination decision will commence within nine months of the nomination date. The operator, as farminee, continues to bear all farmor JV expenses during the prospect nomination extension period.

In September 2021, the operator, ExxonMobil, submitted an application for environmental authorization to the Environmental Protection Agency (EPA) to proceed with a 12 well exploration campaign on the Kaieteur Block.

The Kaieteur Block is currently operated by an ExxonMobil subsidiary, Esso Production & Exploration Guyana Limited (35%), with Cataleya Energy Limited ("CEL") (20%), Ratio Guyana Limited ("RGL") (25%) and a subsidiary of Hess Corporation, Hess Guyana (Block B) Exploration Limited (20%) as partners. Westmount retains a holding of approximately 5.3% of the issued share capital of Cataleya Energy Corporation ("CEC") the parent company of CEL and circa 0.04% of the issued share capital of Ratio Petroleum Energy Limited Partnership ("Ratio Petroleum") the ultimate holding entity with respect to RGL.

CHAIRMAN'S REVIEW (CONTINUED)

Canje Block

The first well on the Canje block, Bulletwood-1, was spudded on the 31 December 2020 using the Stena Carron drillship and was completed in early March. The well was safely drilled in a water depth of 2,846 metres to its planned target depth of 6,690 meters. The primary target in the well was a Campanian age confined channel complex. The well encountered quality reservoirs but non-commercial hydrocarbons. There has been limited disclosure of the well results to date as detailed analysis of the data collected is ongoing. However, the initial results confirm the presence of the Guyana-Suriname petroleum system and the potential prospectivity of the Canje Block.

Initial drilling operations at the second well on the Canje block, Jabillo-1, commenced on the 14 March 2021 using the Stena Carron drillship. Previously published information indicated that Jabillo-1 was targeting a Late Cretaceous, Liza-age equivalent, basin floor fan.² After interruption for a brief period of maintenance work on the drillship drilling operations at Jabillo-1 recommenced circa the 5 June 2021 and were completed in early July. The well was safely drilled in a water depth of 2,903 metres to its planned target depth of 6,475 meters. The well did not encounter commercial hydrocarbons.

The third well on the Canje block, Sapote-1, was spudded circa the 29 August 2021, using the Stena DrillMAX drillship, and reached TD in late October 2021. This well is located in the southeast of the Canje Block, approximately 60kms north of the Campanian and Santonian Maka Central-1 stacked pay discovery. The well was safely drilled in a water depth of 2,549 metres to a total depth of 6,758 meters. It encountered non-commercial hydrocarbons in one of the deeper exploration targets.

Westmount holds an indirect interest in the Canje Block as a result of its circa 7.2% interest in the issued share capital of JHI Associates Inc. ("JHI"). The company also holds an additional indirect interest in the Canje Block as a result of its shareholding in Eco (Atlantic) Oil and Ltd. ("EOG") and following the investment in JHI Associates Inc. ("JHI") announced by EOG on the 28 June 2021. Subsequent to this EOG transaction and a previous 2018 farm-out to Total JHI was fully carried/funded for the 2021 three well drilling campaign and is also funded for additional drilling.

On the 14 March 2022, EOG announced that it had signed a Commercially Binding Term Sheet to acquire 100% of JHI, including its wholly owned subsidiary JHI Associates (BVI) Inc., via a cashless transaction.⁵

The Canje Block is currently operated by an ExxonMobil subsidiary, Esso Exploration & Production Guyana Limited (35%), with TotalEnergies E&P Guyana B.V. (35%), JHI Associates (BVI) Inc. (17.5%) and Mid-Atlantic Oil & Gas Inc. (12.5%) as partners.

CHAIRMAN'S REVIEW (CONTINUED)

Orinduik Block

Westmount continues to hold an indirect interest in the Orinduik Block as a result of its circa 0.7% interest in the issued share capital of Eco (Atlantic) Oil and Gas Ltd. ("EOG"). Over the last nine months the focus of the Orinduik Block JV partners has been on the analysis and assimilation of the 2019/20 drilling results and data gathering program, the reprocessing and re-interpretation of the 3D seismic data, and the highgrading of the Cretaceous light oil prospect inventory with a view to target selection for the next drilling campaign on the Orinduik Block.

The Orinduik Block is currently operated by Tullow Guyana B.V. (60%), with TOQAP Guyana B.V. (25%) and EOG (15%) as partners. TOQAP Guyana B.V. is jointly owned by TotalEnergies E&P Guyana B.V. (60%) and Qatar Petroleum (40%).

Portfolio Effect

Westmount's investment strategy has been to provide shareholders exposure to a portfolio of drilling outcomes in the Guyana-Suriname Basin. Since 2019, we have participated, indirectly via our investee companies, in six wells (Jethro-1, Joe-1, Tanager-1, Bulletwood-1, Jabillo-1 and Sapote-1), offshore Guyana, which have yielded three oil discoveries (Jethro, Joe and Tanager), but no standalone commercial success to date. While these initial drilling outcomes are below our expectations for the portfolio, the results provide encouragement and must be viewed in the context of 'large step-out' wells evaluating giant stratigraphic prospects while seeking to establish the perimeter of the multiple Tertiary and Cretaceous play fairways both to the northeast and southwest of the prolific Stabroek block.

In any case, the drilling to date has confirmed the presence of high-quality reservoirs of various stratigraphic ages in the Kaieteur, Canje and Orinduik areas, which are capable of supporting deep-water developments when containing commercial volumes of light oil. Recent public domain presentation and commentary suggests that trap adequacy and hydrocarbon migration/timing are the key exploration risks inferred from these initial drilling results, outwith of the Stabroek Block sweet-spot. These results together with the analysis and synthesis of the extensive well data gathering programs executed by the respective operators should improve understanding of the plays, reduce sub-surface risk and inform prospect selection for the next round of drilling on these blocks. We remain hopeful that the geoscience learning curve combined with the portfolio effect provided by drilling an extended sequence of prospects in this prolific basin will win out over individual prospect risks to yield a commercial discovery. We look forward to the next drilling campaign across these blocks which will commence as soon as the re-evaluation groundwork has been completed. ExxonMobil, the operator of the Kaieteur and Canje blocks, has already submitted an application for environmental authorization to the Environmental Protection Agency (EPA) with respect to potential 12 well drilling programs on both the Kaieteur and Canje blocks.

CHAIRMAN'S REVIEW (CONTINUED)

Investment portfolio summary

As of the 31 December 2021 Westmount had a cash balance of £1.1M and is debt free.

Westmount continues to hold a total of 5,651,270 shares in JHI, representing approximately 7.2% of the issued common shares in JHI as of 28 June 2020.

Westmount continues to hold a total of 567,185 common shares in CEC, representing approximately 5.3% of the issued share capital of CEC as of 10 August 2020.

Westmount continues to hold 1,500,000 shares in EOG, representing approximately 0.75% of the common shares in issue as of 6 September 2021.

Westmount continues to hold 89,653 shares in Ratio Petroleum representing approximately 0.04% of the issued share capital.

The reported financial loss for the period is primarily made up of a non-cash loss on financial assets held at fair value through the profit and loss, some of which is as a result of Foreign Exchange movements on the portfolio Investments when valued at the period end.

The proposed 'all paper' acquisition of JHI by EOG, announced on the 14 March 2022, offers a consideration to JHI shareholders of 1.1994 new common shares in EOG for each JHI share held, which would lead, upon completion, to JHI shareholders holding approximately 34% of the enlarged issued share capital of EOG.⁵ At the time of going to press we are awaiting receipt of an information circular from JHI with further details of the proposed transaction.

Summary/Outlook

Notwithstanding unprecedented volatility, some forecasters are predicting USD\$185/bbl by year end if Russian supply continues to be disrupted though price rises in the near term might be tempered via 'demand destruction' and/or a revived Iran nuclear deal and/or the re-emergence of COVID-19 regional lockdowns in China. Longer term the conflicting challenges of growing the global energy supply by about 20 percent over the next 20 years while reaching net zero emissions by 2050 is being undermined by underinvestment in the oil and gas sector. As the 'unintended consequences' in 2021 have shown energy transition is complex and multi-dimensional which suggests that reliable sources of energy such as low cost, low carbon oil and gas that can be rapidly commercialised, will have a role to play in the energy system for decades to come.

Drilling activity in the Guyana-Suriname basin continues to accelerate driven by the industry's focus on 'advantaged barrels' as a result of the unique combination of prospect sizes, reservoir quality, low carbon intensity and low breakeven metrics (\$25/bbl-\$35/bbl), that is available offshore Guyana. While the initial drilling outcomes from the Westmount portfolio have yet to deliver a standalone commercial discovery, the results to date provide encouragement and must be viewed in the context of initial 'large step-out' wells evaluating giant stratigraphic prospects while seeking to establish the perimeter of the multiple play fairways both to the northeast and southwest of the prolific Stabroek block. We are also heartened by the industry's continuing appetite for exploration acreage in the Guyana-Suriname basin – such as the Hess 5% farm-in on the Kaieteur Block (post Tanager-1) and the award of three blocks in the Surinamese Shallow Offshore Bid Round 2020/21 to Chevron (Block 5) and TotalEnergies + Qatar Petroleum (Blocks 6 and 8). Furthermore, the applications for environmental

CHAIRMAN'S REVIEW (CONTINUED)

authorisation submitted to the Guyanese EPA by ExxonMobil the operator of the Canje and Kaieteur blocks augurs well for potentially extensive new drilling programs on these blocks after the re-evaluation groundwork is completed.

Westmount's strategy remains one of offering shareholders exposure to high impact drilling outcomes. Our primary investee companies CEC, JHI and EOG are well funded for participation in near term drilling opportunities. Consolidation manoeuvres may bring book value realignment while offering risk diversification and exposure to multiple additional high impact drilling events. In this context, and in spite of the access challenges, your Board remains focused on investment opportunities and deployment of capital that gives additional exposure to drilling in emerging basins. There are likely to be more consolidation opportunities amongst the junior players within the Guyana-Suriname Basin, as exploration matures and in response to risk management demands of investor capital.

Gerard Walsh

Chairman

28 March 2022

Notes

¹ ExxonMobil 2022 Investor Day Presentation.

² Hess 4 Quarter 2021 Conference Call Remarks.

³ CGX Energy Inc. News Releases 2 March 2022 and 4 March 2022.

⁴ APA Corporation News Releases 29 July, 29 September and 16 November 2021; 21 February 2022.

⁵ Eco (Atlantic) Oil & Gas Ltd. News Release 14 March 2022.

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	<i>Six months ended 31 December 2021 (unaudited) £</i>	<i>Six months ended 31 December 2020 (unaudited) £</i>	<i>Year ended 30 June 2021 (audited) £</i>
Net loss on financial assets held at fair value through profit or loss	(6,895,191)	(954,021)	(692,288)
Net (loss) / gain on financial liabilities held at fair value through profit or loss	—	(13,370)	103,205
Finance costs	—	(21,980)	(33,702)
Administration expenses	(128,466)	(165,217)	(267,397)
FX gain / (loss)	4,187	(89,482)	(100,160)
Share options expense	(12,938)	(998)	(25,877)
Operating loss	<u>(7,032,408)</u>	<u>(1,245,068)</u>	<u>(1,016,219)</u>
Loss before tax	(7,032,408)	(1,245,068)	(1,016,219)
Tax	—	—	—
Comprehensive loss for the period / year	<u>(7,032,408)</u>	<u>(1,245,068)</u>	<u>(1,016,219)</u>
Basic loss per share (pence)	<u>(4.88)</u>	<u>(0.91)</u>	<u>(0.72)</u>
Diluted loss per share (pence)	<u>(4.87)</u>	<u>(0.91)</u>	<u>(0.69)</u>

All results are derived from continuing operations.

The Company had no items of other comprehensive income during the period/year.

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	<i>31 December 2021 (unaudited) £</i>	<i>31 December 2020 (unaudited) £</i>	<i>30 June 2021 (audited) £</i>
ASSETS			
Non-current assets			
Financial assets at fair value through profit or loss	7,570,440	13,766,866	14,465,631
	<u>7,570,440</u>	<u>13,766,866</u>	<u>14,465,631</u>
Current assets			
Other receivables	4,519	1,106	4,441
Cash and cash equivalents	1,094,101	2,245,047	1,218,922
	<u>1,098,620</u>	<u>2,246,153</u>	<u>1,223,363</u>
Total assets	<u><u>8,669,060</u></u>	<u><u>16,013,019</u></u>	<u><u>15,688,994</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	39,070	55,885	39,534
Derivative financial instruments	—	146,703	—
Borrowings	—	414,699	—
	<u>39,070</u>	<u>617,287</u>	<u>39,534</u>
Total liabilities	<u><u>39,070</u></u>	<u><u>617,287</u></u>	<u><u>39,534</u></u>
EQUITY			
Share capital	16,652,482	16,652,482	16,652,482
Share option account	482,608	444,791	469,670
Retained earnings	(8,505,100)	(1,701,541)	(1,472,692)
Total equity	<u><u>8,629,990</u></u>	<u><u>15,395,732</u></u>	<u><u>15,649,460</u></u>
Total liabilities and equity	<u><u>8,669,060</u></u>	<u><u>16,013,019</u></u>	<u><u>15,688,994</u></u>

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	<i>Share capital account</i> £	<i>Share option account</i> £	<i>Retained earnings</i> £	<i>Total equity</i> £
As at 1 July 2020	13,955,623	443,793	(456,473)	13,942,943
Comprehensive Income				
Loss for the year ended 30 June 2021	—	—	(1,016,219)	(1,016,219)
Share issue	2,696,859	—	—	2,696,859
Transactions with owners				
Share options expense	—	25,877	—	25,877
As at 30 June 2021	16,652,482	469,670	(1,472,692)	15,649,460
Comprehensive Income				
Loss for the period ended 31 December 2021	—	—	(7,032,408)	(7,032,408)
Transactions with owners				
Share options expense	—	12,938	—	12,938
As at 31 December 2021	16,652,482	482,608	(8,505,100)	8,629,990
	<i>Share capital account</i> £	<i>Share option account</i> £	<i>Retained earnings</i> £	<i>Total equity</i> £
As at 1 July 2019	5,829,872	444,846	(344,980)	5,929,738
Comprehensive Income				
Loss for the year ended 30 June 2021	—	—	(111,493)	(111,493)
Share issue	8,125,751	—	—	8,125,751
Transactions with owners				
Share options expense	—	(1,053)	—	(1,053)
As at 30 June 2021	13,955,623	443,793	(456,473)	13,942,943

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	<i>Six months ended 31 December 2021 (unaudited) £</i>	<i>Six months ended 31 December 2020 (unaudited) £</i>	<i>Year ended 30 June 2021 (audited) £</i>
Cash flows from operating activities			
Total comprehensive loss for the period / year	(7,032,408)	(1,245,068)	(1,016,219)
<i>Adjustments for:</i>			
Net loss on financial assets at fair value through profit or loss	6,895,191	954,021	692,288
Net loss / (gain) on financial liabilities at fair value through profit or loss	—	13,370	(103,205)
Interest on borrowings	—	21,980	33,702
Share options expense	12,938	998	25,877
Movement in other receivables	(78)	(1,106)	(4,441)
Movement in trade and other payables	(464)	9,479	(6,874)
Purchase of investments	—	(2,997,161)	(737,334)
Proceeds from sale of investments	—	356,011	356,011
Net cash out flow from operating activities	<u>(124,821)</u>	<u>(2,887,476)</u>	<u>(760,194)</u>
Cash flows from financing activities			
Repayment of convertible loan notes	—	—	(456,548)
Proceeds from issue of ordinary shares	—	2,696,859	—
Net cash generated from financing activities	<u>—</u>	<u>2,696,859</u>	<u>(456,548)</u>
Net decrease in cash and cash equivalents	(124,821)	(190,617)	(1,216,742)
Cash and cash equivalents at the beginning of the period / year	<u>1,218,922</u>	<u>2,435,664</u>	<u>2,435,664</u>
Cash and cash equivalents at the end of the period / year	<u><u>1,094,101</u></u>	<u><u>2,245,047</u></u>	<u><u>1,218,922</u></u>

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

1. Accounting Policies

Basis of accounting

The interim financial statements have been prepared in accordance with the International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company’s annual financial statements for the year ended 30 June 2021. The annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

The same accounting policies and methods of computation are followed in the interim financial statements as in the Company’s annual financial statements for the year ended 30 June 2021.

2. Investments

	<i>Six months ended 31 December 2021 (unaudited) £</i>	<i>Six months ended 31 December 2020 (unaudited) £</i>	<i>Year ended 30 June 2021 (audited) £</i>
Argos Resources Limited, at market value	12,400	21,300	27,300
Cost, 1,000,000 shares	310,775	310,775	310,775
(31 December 2020: 1,000,000 shares, 30 June 2021: 1,000,000 shares)			
Cataleya Energy Corporation, at market value	4,204,032	4,149,230	4,105,846
Cost, 567,185 shares	4,518,215	4,518,215	4,518,215
(31 December 2020: 567,185, 30 June 2021: 567,185 shares)			
Eco Atlantic Oil & Gas Oil Limited, at market value	273,000	348,000	433,500
Cost, 1,500,000 shares	240,000	240,000	240,000
(31 December 2020: 1,500,000 shares, 30 June 2021: 1,500,000 shares)			
JHI Associates Inc, at market value	3,072,878	9,245,741	9,884,072
Cost, 5,651,270 shares	7,770,027	7,355,249	7,770,027
31 December 2020: 5,363,770 shares, 30 June 2021: 5,651,270 shares)			

**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021 (CONTINUED)**

2. Investments (continued)

	<i>Six months ended 31 December 2021 (unaudited) £</i>	<i>Six months ended 31 December 2020 (unaudited) £</i>	<i>Year ended 30 June 2021 (audited) £</i>
Ratio Petroleum Energy Limited Partnership shares, at market value	8,130	—	14,913
Cost, 89,653 shares	22,256	—	22,256
(31 December 2020: nil shares, 30 June 2021: 89,653 shares)			
Ratio Petroleum Energy Limited Partnership warrants, at market value	—	2,595	—
Cost, nil warrants	—	48,200	—
(31 December 2020: 89,653 warrants, 30 June 2021: nil warrants)			
Total market value	<u>7,570,440</u>	<u>13,766,866</u>	<u>14,465,631</u>
Total cost	<u>12,861,273</u>	<u>12,472,439</u>	<u>12,861,273</u>
Total fair value adjustment	<u>(5,290,833)</u>	<u>1,294,427</u>	<u>1,604,358</u>
Reverse prior year fair value adjustment	<u>(1,604,358)</u>	<u>(2,191,025)</u>	<u>(2,191,024)</u>
Current period fair value movement	<u>(6,895,191)</u>	<u>(896,598)</u>	<u>(586,666)</u>
Realised loss	<u>—</u>	<u>(57,423)</u>	<u>(105,622)</u>
Unrealised loss	<u>(6,895,191)</u>	<u>(896,598)</u>	<u>(586,666)</u>
Current period income statement impact	<u>(6,895,191)</u>	<u>(954,021)</u>	<u>(692,288)</u>

