



Challenger Energy Group PLC

**Interim Financial Statements
For the six months ended 30 June 2022**

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022

		Six months ended 30 June 2022 (Unaudited) \$ 000's	Six months ended 30 June 2021 (Unaudited) \$ 000's	Year ended 31 December 2021 (Audited) \$ 000's
	Note			
Net petroleum revenue		2,680	2,305	4,360
Cost of sales		(2,522)	(3,188)	(6,121)
Gross profit/(loss)		158	(883)	(1,761)
Administrative expenses		(4,720)	(4,768)	(9,098)
Impairment charges		-	(416)	(7,416)
Operating foreign exchange losses		(1,378)	(283)	(17)
Operating loss		(5,940)	(6,350)	(18,292)
Other income	2	8,567	-	256
Finance income	2	1,927	1	7
Finance costs		(275)	(5,480)	(5,630)
Profit/(loss) before taxation		4,279	(11,829)	(23,659)
Income tax expense		-	8	(38)
Profit/(loss) for the year attributable to equity holders of the parent company		4,279	(11,821)	(23,697)
Other comprehensive income/(expense)				
Exchange differences on translation of foreign operations		1,105	(469)	(148)
Other comprehensive income/(expense) for the year net of taxation		1,105	(469)	(148)
Total comprehensive income/(expense) for the year attributable to equity holders of the parent company		5,384	(12,290)	(23,845)
Earnings/(loss) per share (cents)				
Basic and diluted *		0.1	(2.19)	(3.6)

* Earnings/loss per share for the six-month period to 30 June 2022 and 30 June 2021 is stated after the effects of the 1 for 10 share consolidation which took effect on 28 May 2021.

All operations are considered to be continuing (see note 3).

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

		At 30 June 2022 (Unaudited) \$ 000's	At 30 June 2021 (Unaudited) \$ 000's	At 31 December 2021 (Audited) \$ 000's
	Note			
Assets				
Non-current assets				
Intangible exploration and evaluation assets	4	94,389	96,020	94,405
Goodwill	4	4,610	4,610	4,610
Tangible assets	5	21,874	26,152	22,748
Right of use assets	6	6	40	14
Investment in associate		-	47	-
Escrow and abandonment funds		1,601	1,344	1,564
Deferred tax asset		6,998	8,065	6,929
Total non-current assets		129,478	136,278	130,270
Current assets				
Trade and other receivables		5,428	4,518	4,274
Inventories		270	177	259
Restricted cash		434	946	560
Cash and cash equivalents		5,308	6,957	1,555
Total current assets		11,440	12,598	6,648
Total assets		140,918	148,876	136,918
Liabilities				
Current liabilities				
Trade and other payables	7	(11,985)	(22,792)	(23,537)
Lease liabilities		(27)	(65)	(36)
Borrowings		(77)	(286)	(643)
Total current liabilities		(12,089)	(23,143)	(24,216)
Non-current liabilities				
Borrowings		(147)	(890)	(187)
Provisions		(6,164)	(6,283)	(6,294)
Deferred tax liability		(7,009)	(8,065)	(6,941)
Total non-current liabilities		(13,320)	(15,238)	(13,422)
Total liabilities		(25,409)	(38,381)	(37,638)
Net assets		115,509	110,495	99,280
Shareholders' equity				
Called-up share capital	8	2,540	218	218
Share premium reserve	8	180,272	171,411	171,734
Share based payments reserve		5,411	5,295	5,312
Retained deficit		(97,102)	(89,505)	(101,381)
Foreign exchange reserve		1,104	(322)	(1)
Convertible debt option reserve		-	114	114
Other reserves		23,284	23,284	23,284
Total equity attributable to equity holders of the parent company		115,509	110,495	99,280

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

These Interim Financial Statements were approved and authorised for issue by the Board of Directors on 29 September 2022 and signed on its behalf by:

Eytan Uliel
Director

Simon Potter
Director

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Six months ended 30 June 2022 (Unaudited) \$ 000's	Six months ended 30 June 2021 (Unaudited) \$ 000's	Year ended 31 December 2021 (Audited) \$ 000's
Cash flows from operating activities			
Profit/(loss) before taxation	4,279	(11,829)	(23,659)
(Increase)/decrease in trade and other receivables	(539)	(388)	772
(Decrease) in trade and other payables	(1,188)	(4,801)	(5,105)
(Increase) in inventories	(11)	(5)	(87)
Impairment of tangible and intangible assets	-	416	7,416
Depreciation of property, plant and equipment	1,077	1,690	2,944
Depreciation of right of use asset	9	57	86
Loss on disposal of investment in associate	-	-	47
Loss on disposal of property, plant and equipment	10	-	11
Amortisation	16	150	263
Share settled payments	1,113	638	644
Other income	(8,567)	-	(256)
Finance income	(1,927)	(1)	(7)
Finance costs	275	5,480	5,630
Share based payments	99	67	84
Income tax received/(paid)	-	9	(99)
Foreign exchange loss on operating activities	1,378	283	17
Net cash outflow from operating activities	(3,976)	(8,234)	(11,299)
Cash flows from investing activities			
Purchase of property, plant and equipment	(212)	(2,140)	(5,385)
Proceeds from sale of property, plant and equipment	5	-	36
Payments for exploration and evaluation assets	-	(13,595)	(13,745)
Decrease in restricted cash	125	1	386
Other income received	-	-	256
Interest received	-	1	7
Net cash outflow from investing activities	(82)	(15,733)	(18,445)
Cash flows from financing activities			
Issue of ordinary share capital	8,508	14,532	14,456
Share issue costs	-	(410)	(19)
Principal elements of lease payments	(9)	(40)	(86)
Interest payable on lease liabilities	-	(5)	(7)
Finance costs	(265)	(2,427)	(2,575)
Repayment of borrowings	(144)	(248)	(648)
Proceeds of borrowings	-	2,259	2,259
Net cash inflow from financing activities	8,090	13,661	13,380
Net increase in cash and cash equivalents	4,032	(10,306)	(16,364)
Effects of exchange rate changes on cash and cash equivalents	(279)	(599)	57
Cash and cash equivalents at beginning of period	1,555	17,862	17,862
Cash and cash equivalents at end of period	5,308	6,957	1,555

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	Called up share capital	Share premium reserve	Share based payments reserve	Retained deficit	Foreign exchange reserve	Convertible debt option reserve	Other reserves	Total Equity
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Group								
At 1 January 2022	218	171,734	5,312	(101,381)	(1)	114	23,284	99,280
Loss for the period	-	-	-	4,279	-	-	-	4,279
Currency translation differences	-	-	-	-	1,105	-	-	1,105
Total comprehensive expense	-	-	-	4,279	1,105	-	-	5,384
Issue of ordinary shares	2,322	8,538	-	-	-	-	-	10,860
Realisation of conversion feature	-	-	-	-	-	(114)	-	(114)
Share based payments	-	-	99	-	-	-	-	99
Total contributions by and distributions to owners of the Company	2,322	8,538	99	-	-	(114)	-	10,845
Balance at 30 June 2022	2,540	180,272	5,411	(97,102)	1,104	-	23,284	115,509

	Called up share capital	Share premium reserve	Share based payments reserve	Retained deficit	Foreign exchange reserve	Convertible debt option reserve	Other reserves	Total Equity
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Group								
At 1 January 2021	123	152,717	5,228	(77,684)	147	396	23,284	104,211
Loss for the period	-	-	-	(11,821)	-	-	-	(11,821)
Currency translation differences	-	-	-	-	(469)	-	-	(469)
Total comprehensive expense	-	-	-	(11,821)	(469)	-	-	(12,290)
Issue of ordinary shares	95	18,694	-	-	-	-	-	18,789
Recognition of conversion feature	-	-	-	-	-	505	-	505
Realisation of conversion feature	-	-	-	-	-	(787)	-	(787)
Share based payments	-	-	67	-	-	-	-	67
Total contributions by and distributions to owners of the Company	95	18,694	67	-	-	(282)	-	18,576
Balance at 30 June 2021	218	171,411	5,295	(89,505)	(322)	114	23,284	110,495

STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Called up share capital	Share premium reserve	Share based payments reserve	Retained deficit	Foreign exchange e reserve	Convertible debt option reserve	Other reserves	Total Equity
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
Group								
As at 31 December 2019	61	96,157	4,868	(63,692)	-	-	23,284	60,678
Loss for the year	-	-	-	(13,992)	-	-	-	(13,992)
Currency translation differences	-	-	-	-	147	-	-	147
Total comprehensive expense	-	-	-	(13,992)	147	-	-	(13,845)
Share capital issued	62	56,560	-	-	-	-	-	56,622
Recognition of conversion feature	-	-	-	-	-	396	-	396
Share based payments	-	-	360	-	-	-	-	360
Total contributions by and distributions to owners of the Company	62	56,560	360	-	-	396	-	57,378
As at 31 December 2020	123	152,717	5,228	(77,684)	147	396	23,284	104,211
Loss for the year	-	-	-	(23,697)	-	-	-	(23,697)
Currency translation differences	-	-	-	-	(148)	-	-	(148)
Total comprehensive expense	-	-	-	(23,697)	(148)	-	-	(23,845)
Share capital issued	95	19,017	-	-	-	-	-	19,112
Recognition of conversion feature	-	-	-	-	-	505	-	505
Realisation of conversion feature	-	-	-	-	-	(787)	-	(787)
Share based payments	-	-	84	-	-	-	-	84
Total contributions by and distributions to owners of the Company	95	19,017	84	-	-	(282)	-	18,914
As at 31 December 2021	218	171,734	5,312	(101,381)	(1)	114	23,284	99,280

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 20 JUNE 2022**1 Basis of preparation**

The financial statements have been prepared on the historical cost basis, except for the measurement of certain assets and financial instruments at fair value as described in the accounting policies below.

The financial statements have been prepared on a going concern basis, refer to the Going Concern section below for more details.

The financial statements are presented in United States dollars (\$) and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

Basis of consolidation

The financial statements incorporate the results of the Company and its subsidiaries (the "Group") using the acquisition method. Control is achieved where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Inter-company transactions and balances between Group companies are eliminated in full.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

The investment in associate (an entity over which the Group had significant influence) had been recorded at cost and had not been adjusted to reflect the Group's 25% share of the net profits/losses and assets/liabilities of the associate from the date of acquisition to the balance sheet date as it was deemed immaterial. Pursuant to commercial negotiations in relation to the associate during 2021, the Group relinquished its interest in the associate for nil consideration and does not hold any further interest in this associate at 30 June 2022 and at 31 December 2021.

Going Concern

These financial statements have been prepared by the Directors on a going concern basis, which assumes that the Group and Company will continue in operation for the foreseeable future.

At 30 June 2022, the Group and Company had \$5.3 million and \$4.2 million in unrestricted cash funding.

During the reporting period, the Group and Company completed a comprehensive restructuring and recapitalisation exercise which resulted in:

- i) the Group and Company raising approximately £7.3 million (or approximately \$10 million) (before expenses) via the issue of new shares, to fund certain payments to creditors as part of the agreed discounted payment plan, as well as to fund a work programme for 2022;
- ii) a substantial reduction in balance sheet payables, debts and potential liability exposures, that would have reasonably required settlement in cash, from approximately \$23.5 million as of 31 December 2021 to approximately \$2.5 million, being the estimated liabilities amount that would be required for settlement in cash by the Group in the foreseeable future. The substantial majority of liability settlements took place during the reporting period; and
- iii) the Company reducing its net current liability position from approximately \$10.1 million at 31 December 2021 to a net current asset position of approximately \$4.1 million at 30 June 2022 as a result of the settlements made during the reporting period.

Following the restructuring and recapitalisation, the Directors have prepared a cash flow forecast which anticipates the Group and Company being able to continue in operation for at least the next twelve months from the date of this report.

The cash flow forecast includes underlying assumptions and estimates, including oil price, sustained production from the Group's producing fields in Trinidad and Tobago along with certain incremental production from the intended work programme, reliability of reserves estimates and renewal of licences upon expiry.

In addition, the projections assume offsetting of certain tax liabilities and deferral of certain historical liabilities in Trinidad and Tobago that the Directors believe are either not likely to require settlement in cash or are capable of being deferred and settled on long-dated payment terms so as to not require material amounts of cash during the forecast period.

Certain of these items are outside of the Group and Company's control and unfavourable actual outcomes may materially and adversely affect the Group's cash resources and cast significant doubt on the Group and the Company's ability to continue as a going concern. In such an event, the Group and the Company may be required to implement certain other measures including, but not limited to,

- i) raising additional third-party capital in form of equity, debt or other instruments of a similar nature, and / or
- ii) undertake cost reduction, and / or
- iii) sell certain assets of the Group,

and a successful outcome of such measures cannot be guaranteed.

These financial statements do not include the adjustments that would result if the Group or the Company were unable to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2022 (CONTINUED)**2 Other income and Finance income**

Other income and Finance income predominantly comprise haircuts secured from the Group's historical creditors and a secured financier, as part of negotiated settlements agreed pursuant to the Group's restructuring and recapitalisation exercise.

3 Turnover and segmental analysis

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Board has determined there is a single operating segment: oil and gas exploration, development and production. However, there are three geographical segments: Trinidad & Tobago & Suriname (operating), The Bahamas (operating) and The Isle of Man, UK, Uruguay, Spain, Saint Lucia, Cyprus, Netherlands & USA (all non-operating).

The segment including Trinidad & Tobago has been reported as the Group's direct oil and gas producing and revenue generating operating segment. The Bahamas segment includes the Bahamian exploration licences on which drilling activities were conducted in 2020 and 2021. The non-operating segment including the Isle of Man (the Group's parent), which provides management service to the Group and entities in Uruguay, Saint Lucia, Cyprus, Spain, the Netherlands, and the U.S.A. all of which are non-operating in that they either hold investments, or are dormant, or in the case of Uruguay had not yet commenced operations as of the year-end. Their results are consolidated and reported on together as a single segment.

Six months to 30 June 2022

	Operating Trinidad & Suriname \$'000	Operating Bahamas \$'000	Non-Operating Entities (*) \$'000	Total \$'000
Operating profit/(loss) by geographical area				
Net petroleum revenue (**)	2,680	-	-	2,680
Operating profit/(loss)	(1,316)	(127)	(4,497)	(5,940)
Other income	1,937	-	6,630	8,567
Finance (charges)	(86)	-	(189)	(275)
Finance income	1	-	1,926	1,927
Profit/(loss) before taxation	536	(127)	3,870	4,279
Other information				
Depreciation, amortisation and impairment	1,079	5	18	1,102
Capital additions	203	-	8	211
Segment assets				
Tangible and intangible assets	22,196	93,971	4,712	120,879
Deferred tax asset	6,998	-	-	6,998
Abandonment fund	1,601	-	-	1,601
Trade and other receivables	3,860	516	1,052	5,428
Inventories	270	-	-	270
Restricted cash	380	-	54	434
Cash	986	4	4,318	5,308
Consolidated total assets	36,291	94,491	10,136	140,918
Segment liabilities				
Trade and other payables	(9,704)	(1,049)	(1,232)	(11,985)
Borrowings	(224)	-	-	(224)
Deferred tax liability	(7,009)	-	-	(7,009)
Lease liabilities	-	(21)	(6)	(27)
Provisions	(3,825)	-	(2,339)	(6,164)
Consolidated total liabilities	(20,762)	(1,070)	(3,577)	(25,409)

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2022 (CONTINUED)

3 Turnover and segmental analysis (continued)

Six months to 30 June 2021

	Operating Trinidad & Suriname \$'000	Operating Bahamas \$'000	Non-Operating Entities (*) \$'000	Total \$'000
Operating profit/(loss) by geographical area				
Net petroleum revenue (**)	2,305	-	-	2,305
Operating profit/(loss)	(2,110)	(1,359)	(2,881)	(6,350)
Other income	-	-	-	-
Finance (charges)	(119)	(8)	(5,353)	(5,480)
Finance income	1	-	-	1
Loss before taxation	(2,228)	(1,367)	(8,234)	(11,829)
Other information				
Depreciation, amortisation and impairment	1,817	459	37	2,313
Capital additions	2,136	21,338	3	23,477
Segment assets				
Tangible and intangible assets	28,215	93,880	4,727	126,822
Investment in associate	47	-	-	47
Deferred tax asset	8,065	-	-	8,065
Abandonment fund	1,344	-	-	1,344
Trade and other receivables	3,377	590	551	4,518
Inventories	177	-	-	177
Restricted cash	888	-	58	946
Cash	678	4	6,275	6,957
Consolidated total assets	42,791	94,474	11,611	148,876
Segment liabilities				
Trade and other payables	(8,714)	(931)	(13,147)	(22,792)
Borrowings	(768)	-	(408)	(1,176)
Deferred tax liability	(8,065)	-	-	(8,065)
Lease liabilities	(20)	(40)	(5)	(65)
Provisions	(3,617)	-	(2,666)	(6,283)
Consolidated total liabilities	(21,184)	(971)	(16,226)	(38,381)

(*) Intercompany balances and transactions between Group entities have been eliminated.

(**) Sales revenues were derived from a single customer within each of these operating countries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2022 (CONTINUED)

4 Intangible assets – Group

	Goodwill	Exploration & evaluation assets
	\$ 000's	\$ 000's
<u>Cost</u>		
As at 1 January 2021	7,045	75,372
Additions	-	21,489
Foreign exchange difference on translation	-	(29)
As at 31 December 2021	7,045	96,832
Foreign exchange difference on translation	-	(16)
As at 30 June 2022	7,045	96,816
<u>Accumulated amortisation and impairment</u>		
As at 1 January 2021	2,435	113
Amortisation	-	263
Impairment	-	2,069
Foreign exchange difference on translation	-	(18)
As at 31 December 2021	2,435	2,427
Amortisation	-	16
Foreign exchange difference on translation	-	(16)
As at 30 June 2022	2,435	2,427
<u>Net book value</u>		
As at 30 June 2022	4,610	94,389
As at 31 December 2021	4,610	94,405
As at 31 December 2020	4,610	75,259

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2022 (CONTINUED)

5 Tangible assets

	Oil and gas assets	Property, plant and equipment (*)	Decommissioning costs	Total
	\$ 000's	\$ 000's	\$ 000's	\$ 000's
<u>Cost or Valuation</u>				
As at 1 January 2021	23,398	2,258	1,995	27,651
Additions	5,065	79	241	5,385
Disposals	-	(117)	-	(117)
Foreign exchange difference on translation	(160)	(207)	(11)	(378)
As at 31 December 2021	28,303	2,013	2,225	32,541
Additions	33	178	-	211
Disposals	-	(76)	-	(76)
Foreign exchange difference on translation	19	(195)	1	(175)
As at 30 June 2022	28,355	1,920	2,226	32,501
<u>Accumulated depreciation and impairment</u>				
At 1 January 2021	1,115	616	137	1,868
Depreciation	2,330	346	268	2,944
Disposals	-	(83)	-	(83)
Impairment	3,933	68	1,346	5,347
Foreign exchange difference on translation	(84)	(196)	(3)	(283)
At 31 December 2021	7,294	751	1,748	9,793
Depreciation	859	187	31	1,077
Disposals	-	(61)	-	(61)
Foreign exchange difference on translation	10	(193)	1	(182)
As at 30 June 2022	8,163	684	1,780	10,627
<u>Net book value</u>				
As at 30 June 2022	20,192	1,236	446	21,874
As at 31 December 2021	21,009	1,262	477	22,748
As at 31 December 2020	22,283	1,642	1,858	25,783

(*) Property, plant and equipment includes leasehold improvements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2022 (CONTINUED)

6 Right of use assets

	Group leased properties	Group motor vehicles	Total Group
	\$ 000's	\$ 000's	\$ 000's
<u>Cost</u>			
As at 1 January 2021	468	62	530
Additions	17	-	17
Disposals	-	(30)	(30)
Foreign exchange difference on translation	(1)	-	(1)
As at 31 December 2021	484	32	516
Additions	-	-	-
Foreign exchange difference on translation	1	-	1
As at 30 June 2022	485	32	517
<u>Accumulated depreciation</u>			
As at 1 January 2021	398	35	433
Depreciation	72	14	86
Disposals	-	(17)	(17)
Foreign exchange difference on translation	-	-	-
As at 31 December 2021	470	32	502
Depreciation	9	-	9
Foreign exchange difference on translation	-	-	-
As at 30 June 2022	479	32	511
<u>Net book value</u>			
As at 30 June 2022	6	-	6
As at 31 December 2021	14	-	14
As at 31 December 2020	70	27	97

7 Trade and other payables

Trade and other payables at 30 June 2022 amount to approximately \$12.0 million reflecting effects of the restructuring exercise that the Group commenced in December 2021.

Trade and other payables include dues, amounting to approximately \$2.5 million in aggregate, that are considered to be of a routine working capital nature, and that are being settled in the ordinary course of business and / or under certain agreed payment plans.

The remainder of trade and other payables are not expected to be required to be settled in cash in the foreseeable future, and with a vast majority of these amounts not expected to require any cash settlement at all, and thus will ultimately, with the passage of time, will cease to be recorded as liabilities. A summary of these is set out below:

- (i) approximately \$4.6 million is in respect of legacy trade and other payables in Trinidad and Tobago which are not expected to require any settlement in cash. This includes dues in relation to one of the Group's dormant licences in Trinidad and Tobago, and which the Group expects to settle by way of negotiation with the Trinidadian Ministry of Energy and Energy Industries ("MEEI"). Specifically, the Group has proposed to MEEI a rebasing of this licence whereby all claimed past dues would be cancelled, the annual licence fees rebased to an appropriate level, and a new future work programme agreed. To the extent a suitable arrangement of this nature cannot be agreed with MEEI, the Company intends to surrender the licence, in which case the subsidiary company holding the licence will be placed into administration, and all liabilities claimed in respect of this licence will be eliminated, without recourse to the Company, as confirmed by a legal opinion;

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2022 (CONTINUED)

7 Trade and other payables (continued)

- (ii) approximately \$3.3 million is in respect of taxes owed in Trinidad and Tobago that the Group expects to settle by way of offset against tax refunds due to the Group in Trinidad and Tobago (\$2.1 million, including under 'Trade and other receivables'). The balance amount relates to a notional estimate of penalties that apply in accordance with the tax laws in Trinidad and Tobago – as at the date of this report these are notional estimates only and have not been levied or assessed, and the Group does not expect that they will be levied or assessed and that ultimately no cash payment will be required as the Group had claimed the benefit of a tax amnesty during the 2021 tax amnesty period implemented by the Trinidad and Tobago tax authorities, with the final resolution of this matter remaining pending; and
- (iii) approximately \$1.6 million is in respect of various dues comprising, i) \$0.5 million is in respect of accruals in relation to restructuring and recapitalisation costs, which are expected to be settled in shares without any cash cost to the Company, ii) \$0.5 million is in respect of potential insurance "top-up" exposure, due to the ultimate cost of the Perseverance-1 well in The Bahamas exceeding the initial estimated cost – however, as at the date of this report no demand for this additional payment has been made and the Group expects that this exposure will not crystallise given that the well was completed safely and without incident over 18 months ago, and iii) \$0.6 million is in respect of accrued licence fee which the Group expects to offset against \$0.5 million refundable advances (included in trade and other receivables) resulting in no material incremental cash exposure to the Group.

It is also noted that, following the completion of the restructuring and recapitalisation, the Company has no remaining financial debt and the vast majority of the liability position across the Group as detailed above is at the level of subsidiary undertakings, without recourse to the Company.

8 Share capital – Group & Company

Called up, allotted, issued and fully paid ordinary shares of 0.0002p each	Number of shares	Nominal value	Share premium
		\$ 000's	\$ 000's
At 1 January 2021	4,506,673,349	123	152,717
At 1 January 2021 after capital reorganisation	450,667,335	123	152,717
Shares issued at average price of 1.9p per share	19,687,500	5	5,106
Shares issued at average price of 0.27p per share	13,500,000	4	515
Shares issued at average price of 0.15p per share	14,938,577	4	300
Shares issued at average price of 3.5p per share	196,688,957	55	8,689
Shares issued at average price of 3.5p per share	74,658,600	21	3,665
Shares issued at average price of 0.15p per share	19,111,423	5	391
Shares issued at average price of 0.15p per share	7,270,522	1	351
At 31 December 2021	796,522,914	218	171,734
At 1 January 2022	796,522,914	218	171,734
Shares issued at average price of 0.1p per share	691,401,490	185	739
Shares issued at average price of 0.1p per share	3,480,645,475	919	3,366
Shares issued at average price of 0.1p per share	4,651,629,600	1,218	4,433
At 30 June 2022	9,620,199,479	2,540	180,272
	Number of shares	Nominal value	Share premium
		\$ 000's	\$ 000's
At 31 December 2020	450,667,335	123	152,717
At 31 December 2021	796,522,914	218	171,734
At 30 June 2022	9,620,199,479	2,540	180,272

During the period, 8,823 million shares were issued (2021: 339 million).

At the end of the period, the number of shares in issue comprised 9,620 million ordinary shares (2021: 789 million).

During the period, transaction costs for issued share capital totalled \$748,777 (2021: \$754,068), these amounts were allocated to share premium.

The total authorised number of ordinary shares at 30 June 2022 was 50,000,000,000 shares with a par value of 0.02 pence per share (2021: 2,000,000,000 shares of 0.02 pence per share). All issued shares of 0.02 pence are fully paid.

NOTES TO THE FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 JUNE 2022 (CONTINUED)

9 Share based payments reserve**Options and warrants**

Share options have been granted to Directors, selected employees and consultants to the Company.

The Group had no legal or constructive obligation to repurchase or settle any options in cash. Movements in the number of share options and warrants outstanding during the year are as follows:

	Average exercise price per share	No. Options & Warrants
At 1 January 2022	12.81p	96,797,894
Expired	35p	(9,375,000)
Cancelled	10.23	(73,803,215)
Granted	0.14p	1,536,559,485
Exercised	-	-
As at 30 June 2022	0.24p	1,550,179,164
Exercisable at end of period	0.01p	816,559,485

The fair value of the warrants and options granted in the period was estimated using the Black Scholes model.

10 Events after reporting date

There were no material events which took place following the reporting date which require disclosure in these Interim Financial Statements except that on 15 July 2022 Mr. Tim Eastmond resigned as the Chief Financial Officer and an Executive Director of the Company for personal reasons and Mr. Gagan Khurana, the Group's Chief Commercial Officer assumed the role of acting Chief Financial Officer in addition to his commercial duties.

11 Other Information

The financial information set out above does not constitute the Group's statutory accounts for the period ended 31 December 2021 but is derived from those accounts.

A copy of this interim statement is available on the Company's website: www.cegplc.com