ARADEL HOLDINGS PLC
LAGOS, NIGERIA

UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

CONTENTS

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		THE GROUP		THE COMPANY	
₦ '000	Notes	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Revenue	4	581,022,345	221,142,379	-	-
Cost of sales	5	(261,213,488)	(78,810,337)	(209,105)	(85,074)
Gross profit		319,808,857	142,332,042	(209,105)	(85,074)
Other (loss)/income	6	31,746,135	(7,974,518)	4,496,277	40,262,145
Impairment writeback/(loss) on financial assets and contract assets	8	(241,522)	64,201	-	-
General and administrative expenses	7	(53,839,456)	(20,365,389)	(2,534,625)	(992,722)
Operating profit		297,474,014	114,056,336	1,752,547	39,184,349
Finance income	9	15,958,982	6,609,865	2,250,451	3,450,101
Finance costs	9	(23,031,256)	(11,724,050)	(8,669,071)	(1,798,905)
Net Finance (cost)/income		(7,072,274)	(5,114,185)	(6,418,620)	1,651,196
Share of profit of an associate	16	31,199,053	3,221,500	-	-
Profit/(loss) before taxation		321,600,793	112,163,651	(4,666,073)	40,835,545
Tax expense	27	(73,815,286)	(58,425,952)	22,158	-
Profit/(loss) after taxation		247,785,507	53,737,699	(4,643,915)	40,835,545
Profit attributable to:					
Equity holders of the parent		246,695,999	52,747,040	(4,643,915)	40,835,545
Non-controlling interest		1,089,508	990,659	-	-
		247,785,507	53,737,699	(4,643,915)	40,835,545
Other comprehensive income:					
Other comprehensive income item that may be reclassified to profit or loss in subsequent years (net of tax):					
Foreign currency translation difference		314,534,198	201,520,811	96,908,108	8,471,221
Other comprehensive income item that will not be reclassified to profit or loss in subsequent years (net of tax):					
Share of other comprehensive income of associate accounted for using the equity method	16	192,096,530	134,479,316	-	-
Net gain / (loss) on equity instruments at fair value through other comprehensive income	15	5,731,843	2,261,865	5,731,843	2,261,865
Other comprehensive income for the year, net of tax		512,362,571	338,261,992	102,639,951	10,733,086
Total comprehensive income for the year		760,148,078	391,999,691	317,296,450	189,269,447
Total comprehensive income attributable to:					
Equity holders of the parent		757,021,074	387,858,217	97,996,036	51,568,631
Non-controlling interest		3,127,004	4,141,474	-	-
Basic earnings per share	12	₦57.03	₦12.37	(₦1.07)	₦9.40

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

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

		THE GROUP		THE COMPANY	
₦ '000	Notes	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Assets					
Non-current assets					
Property, plant and equipment	13	682,927,467	383,427,621	-	-
Intangible assets	14	1,251,000	1,211,772	-	-
Financial assets	15	42,920,626	4,051,382	42,920,626	4,051,382
Investment in associate	16	489,533,711	270,233,296	7,810,062	7,810,062
Investment in subsidiaries	28	-	-	15,734,227	15,734,227
Total non-current assets		1,216,632,804	658,924,071	66,464,915	27,595,671
Current assets					
Inventories	18	47,837,593	15,973,244	-	-
Trade and other receivables	19	57,424,969	53,523,077	21,511,746	62,242,194
Prepayments	20	332,982	82,606	8,470	3,765
Financial assets	15	496,045	312,802	-	-
Cash and Cash equivalents	21	422,206,116	194,618,761	74,355,599	23,300,123
Total current assets		528,297,705	264,510,490	95,875,815	85,546,082
Total assets		1,744,930,509	923,434,561	162,340,730	113,141,753
Equity and liabilities					
Shareholders' equity					
Share capital	22	2,172,422	2,172,422	2,172,422	2,172,422
Share premium	22	22,819,670	22,819,670	22,819,670	22,819,670
Translation reserve	31	966,942,255	462,349,023	114,174,295	17,266,187
Fair value reserve of financial assets at FVOCI	32	8,260,630	2,528,787	8,260,630	2,528,787
Retained earnings		384,035,305	209,029,238	(31,812,689)	44,521,158
Total equity attributable to equity holders of the company		1,384,230,282	698,899,140	115,614,328	89,308,224
Non-controlling interests	38	8,655,016	5,745,441	-	-
Total shareholders' equity		1,392,885,298	704,644,581	115,614,328	89,308,224
Non-current liabilities					
Borrowings	23	40,945,047	44,350,154	11,138,717	11,131,874
Deferred tax liabilities	17	53,121,517	18,386,481	-	-
Decommissioning liabilities	24	39,085,787	65,161,229	-	-
Total non-current liabilities		133,152,351	127,897,864	11,138,717	11,131,874
Current liabilities					
Trade and other payables	26	109,268,964	57,076,608	4,261,016	12,123,460
Contract liabilities	25	1,792,993	1,771,922	-	-
Taxation	27	52,376,680	14,421,838	-	578,195
Borrowings	23	55,454,223	17,621,748	31,326,669	-
Total current liabilities		218,892,860	90,892,116	35,587,685	12,701,655
Total liabilities		352,045,211	218,789,980	46,726,402	23,833,529
Total equity & liabilities		1,744,930,509	923,434,561	162,340,730	113,141,753

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

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

Ladi Jadesimi
Chairman
FRC/2014/OIDN/00000006637

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

THE GROUP

₦ '000	Issued capital	Share premium	Translation reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total equity attributable to equity holders of the company	Non - controlling interests	Total equity
Balance at 1 January 2023	2,172,422	22,819,670	129,499,711	266,922	170,402,942	325,161,667	1,603,967	326,765,634
Profit for the year	-	-	-	-	52,747,040	52,747,040	990,659	53,737,699
Foreign currency translation difference	-	-	198,369,996	-		198,369,996	3,150,815	201,520,811
Net loss on equity instruments at fair value through other comprehensive income	-	-	-	2,261,865	-	2,261,865	-	2,261,865
Share of other comprehensive income of associate accounted for using the equity method	-	-	134,479,316	-	-	134,479,316	-	134,479,316
Total comprehensive income for the year	-	-	332,849,312	2,261,865	52,747,040	387,858,217	4,141,474	391,999,691
Dividends to equity holders of the company	-	-	-	-	(14,120,744)	(14,120,744)	-	(14,120,744)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	-	(14,120,744)	(14,120,744)	-	(14,120,744)
Balance at 31 December 2023	2,172,422	22,819,670	462,349,023	2,528,787	209,029,238	698,899,140	5,745,441	704,644,581
Balance at 1 January 2024	2,172,422	22,819,670	462,349,023	2,528,787	209,029,238	698,899,140	5,745,441	704,644,581
Profit for the year	-	-	-	-	246,695,999	246,695,999	1,089,508	247,785,507
Foreign currency translation difference	-	-	312,496,702	-	-	312,496,702	2,037,496	314,534,198
Net gain / (loss) on equity instruments at fair value through other comprehensive income	-	-	-	5,731,843	-	5,731,843	-	5,731,843
Share of other comprehensive income of associate accounted for using the equity method	-	-	192,096,530	-	-	192,096,530	-	192,096,530
Total comprehensive income for the year	-	-	504,593,232	5,731,843	246,695,999	757,021,074	3,127,004	760,148,078
Dividends to equity holders of the company	-	-	-	-	(71,689,932)	(71,689,932)	-	(71,689,932)
Distribution to NCI holders	-	-	-	-	-	-	(217,429)	(217,429)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	(71,689,932)	(71,689,932)	(217,429)	(71,907,361)
Balance at 31 December 2024	2,172,422	22,819,670	966,942,255	8,260,630	384,035,305	1,384,230,282	8,655,016	1,392,885,298

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

THE COMPANY

₦ '000	Issued capital	Share premium	Translation reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total equity
Balance at 1 January 2023	2,172,422	22,819,670	8,794,966	266,922	17,806,357	51,860,337
Profit for the year	-	-	-	-	40,835,545	40,835,545
Foreign currency translation difference	-	-	8,471,221	-	-	8,471,221
Net gain / (loss) on equity instruments at fair value through other comprehensive income	-	-	-	2,261,865	-	2,261,865
Total comprehensive income for the year	-	-	8,471,221	2,261,865	40,835,545	51,568,631
Dividends to equity holders of the company	-	-	-	-	(14,120,744)	(14,120,744)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	-	(14,120,744)	(14,120,744)
Balance at 31 December 2023	2,172,422	22,819,670	17,266,187	2,528,787	44,521,158	89,308,224
Balance at 1 January 2024	2,172,422	22,819,670	17,266,187	2,528,787	44,521,158	89,308,224
Loss for the year	-	-	-	-	(4,643,915)	(4,643,915)
Foreign currency translation difference	-	-	96,908,108	-	-	96,908,108
Net gain / (loss) on equity instruments at fair value through other comprehensive income	-	-	-	5,731,843	-	5,731,843
Total comprehensive income for the year	-	-	96,908,108	5,731,843	(4,643,915)	97,996,036
Dividends to equity holders of the company	-	-	-	-	(71,689,932)	(71,689,932)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	(71,689,932)	(71,689,932)
Balance at 31 December 2024	2,172,422	22,819,670	114,174,295	8,260,630	(31,812,689)	115,614,328

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

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

		THE GROUP		THE COMPANY	
₦ '000	Notes	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Profit/(loss) before taxation		321,600,793	112,163,651	(4,666,073)	40,835,545
Adjustments:					
Interest expense	9	23,031,256	11,724,050	8,669,071	1,798,905
Interest income	9	(15,958,982)	(6,609,865)	(2,250,451)	(3,450,101)
Dividend received	6	(165,681)	(74,370)	(3,766,257)	(74,370)
Realized Exchange loss	6	28,987,902	8,385,795	8,583,034	89,260
Unrealized exchange gain	6	(4,693,759)	-	(4,665,967)	-
Share of profit from associate	16	(31,199,053)	(3,221,500)	-	-
Loss on Financial Asset at FV through PorL	15.1	5,053,017	1,076,754	-	-
Hedge cost written off	15.1	(2,379,673)	1,161,067	-	-
Depreciation of property, plant and equipment	11	75,634,507	14,903,855	-	-
Amortisation of intangible assets	11	1,002,829	382,414	-	-
Allowance for expected credit loss/Impairment allowance	8	241,522	(64,201)	-	-
Provision no longer required - ARO	6	(45,296,575)	-	-	-
Bad debt wrtten off	19	3,421,599	-	-	-
Stock adjustment	5	(27,646,991)	1,053,072	-	-
Asset write-off	13	-	1,434,889	-	-
Operating cash flows before movement in working capital		331,632,711	142,315,611	1,903,357	39,199,239
Movement in working capital:					
(Increase)/Decrease in trade and other receivables		(7,565,013)	(17,937,956)	40,730,448	(30,725,915)
Decrease/(Increase) in prepayments		(250,376)	16,710	(4,705)	30,736
Increase in inventory		(4,217,358)	(7,655,528)	-	-
(Increase) / Decrease in restricted cash		5,515,060	(6,421,848)	5,620,288	(3,238,039)
Increase in trade and other payables		17,281,117	33,398,567	60,533,548	6,535,909
Increase in contract liabilities		21,071	1,771,922	-	-
Cash generated by operating activities		342,417,212	145,487,478	108,782,936	11,801,930
Tax paid	27	(27,098,398)	(6,487,142)	(964,181)	-
Net cash flows from operating activities		315,318,814	139,000,336	107,818,755	11,801,930
Investing activities					
Interest received	9	15,911,387	6,609,865	2,202,856	3,450,101
Dividend received	6	4,160,849	74,370	3,766,257	74,370
Purchase of property, plant and equipment	13	(136,770,495)	(48,861,490)	-	(321,982)
(Purchase)/Sale from disposal of financial assets	15.1	(35,456,680)	(2,875,350)	(32,720,740)	-
Net cash (used in) / from investing activities		(152,154,939)	(45,052,605)	(26,751,627)	3,202,489
Financing activities					
Dividend paid to holders of the parent		(71,689,932)	(14,120,744)	(71,689,932)	(14,120,744)
Dividend paid to NCI holders		(217,429)	-	-	-
Interest paid	23	(9,444,797)	(5,453,185)	(1,734,185)	(985,031)
Repayment of borrowing	23	(32,439,025)	(49,420,631)	-	-

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS CONT'D

		THE GROUP		THE COMPANY	
₦ '000	Notes	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Financing activities					
Additional borrowing	23	-	8,993,900	-	-
Issue of bond	23	-	10,318,000	-	10,318,000
Loan from related party		24,281,086	-	24,281,086	-
Net cash flows used in financing activities		(89,510,097)	(49,682,660)	(49,143,031)	(4,787,775)
Decrease in cash and cash equivalents		73,653,778	44,265,071	31,924,097	10,216,644
Cash and cash equivalents - Beginning of year	21	183,008,535	55,520,654	17,679,835	611,776
Exchange rate effects on cash and cash equivalents		159,448,637	83,222,810	24,751,667	6,851,415
Cash and cash equivalents - End of year	21	416,110,950	183,008,535	74,355,599	17,679,835

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

NOTES TO THE CONSOLIDATED AND SEPARATE 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 year ended 31 December 2024 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 and separate statement of profit and loss and other comprehensive income
- Consolidated and separate statement of financial position
- Consolidated and separate statement of changes in equity
- Consolidated and separate statement of cash flows
- Notes to the consolidated and separate financial statements

Supplementary information

A summary of the financial statements have been presented in United States Dollars.

1.3. FINANCIAL PERIOD

These consolidated financial statements cover the period from 1 January 2024 to 31 December 2024 with comparative figures for the financial year from 1 January 2023 to 31 December 2023.

1.4. BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and Financial Reporting Council of Nigeria Act, 2011.

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 (IFRIC) 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 or at fair value. The functional currency is Dollar and presentation currency is in both Dollar and Naira.

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

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 and underlying assumptions are continually evaluated and are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2. MATERIAL ACCOUNTING POLICY INFORMATION

ADOPTION OF NEW AND REVISED IFRS STANDARDS

(a) New standards, interpretations and amendments to existing standards adopted by the Group

The Group has considered the following standards and amendments for the first time in its reporting period commencing 1 January 2024:

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The group has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

The amendments have no significant impact on the Group's consolidated and the separate financial statements.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current

The group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments have no significant impact on the Group's consolidated and the separate financial statements.

Amendments to IAS 1 Presentation of Financial Statements — Non-current Liabilities with Covenants

The group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period.

However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments have no significant impact on the Group's consolidated and the separate financial statements.

Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

The amendments have no significant impact on the Group's consolidated and the separate financial statements.

(b) New and revised IFRS Accounting Standards in issue 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 these standards, if applicable, when they become effective.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not. The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The Group anticipates that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The Group anticipates that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:
- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

A subsidiary has public accountability if:
- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The Group does not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has power or control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of the entity's return. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. In the separate financial statement, investment in subsidiaries is measured at cost less accumulated impairments. Investment in subsidiary is impaired when its recoverable amount is lower than its carrying value. The Group considers all facts and circumstances', including the size of the Group's voting rights relative to the size and dispersion of other vote holders in the determination of control.

Step acquisition
If the acquirer increases an existing equity interest so as to achieve control of the acquiree, the previously held equity interest is remeasured at acquisition-date fair value and any resulting gain or loss is recognised in profit or loss.

Contingent consideration
Among the items recognised will be the acquisition-date fair value of contingent consideration. Changes to contingent consideration resulting from events after the acquisition date are recognised in profit or loss

Non Controlling Interest (NCI)
The acquirer can elect to measure the components of NCI in the acquiree
- that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in liquidation either at fair value, or
- at the NCI's proportionate share of the net assets.

Acquisition-related costs are expensed as incurred. The excess of the consideration transferred, the amount of any controlling interest in the acquiree, and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss statement.

Inter-company transactions, amounts, balances and income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from transactions that are recognised in assets are also eliminated. Accounting policies and amounts of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Disposal of subsidiaries
When the Company ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Investment in Associates
Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the change in the associate's net assets after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group and Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit/(loss) and other comprehensive income of associates in the statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising in investments in associates are recognised in the statement of profit or loss.

In the separate financial statements of the Company, Investment in associates are measured at cost less impairment. Investment in associate is impaired when its recoverable amount is lower than its carrying value.

(iv) Foreign currency translation
These consolidated and seperate financial statements are presented in Nigerian Naira. The Group's functional currency is United States Dollars. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(v) Transactions and balances in Group entities
Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing on the dates of the transactions or the date of valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of profit or loss.

All other foreign exchange gains and losses are presented in the profit or loss statement within 'other (losses)/gains – net'. Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through OCI, are included in other comprehensive income.

(vi) Consolidation of Group entities
The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position items presented, are translated at the closing rate at the reporting date;
- income and expenses for each profit or loss statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions);
- all resulting exchange differences are recognised in other comprehensive income.

(d) Interests in joint arrangements
IFRS defines joint control as the contractually agreed sharing of control over an economic activity, and this exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the "venturers").

A joint operation (JO) involves joint control and often joint ownership by the Group and other venturers of assets contributed to, or acquired for the purpose of, the joint venture, without the formation of a corporation, partnership or other entity.

A joint operator accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRS applicable to the particular asset, liability, revenue and expense. The acquisition of an interest in a joint operation in which the activity constitutes a business should be accounted for using the principles of IFRS 3.

When joint control ceases to exist, The Group determines which entity controls the investment and accounts for the investment in accordance to IFRS 10. Where control ceases entirely, the investment is accounted for in line with IAS 39 or IAS 28.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(e) Oil and natural gas exploration, evaluation and development expenditure

Oil and natural gas exploration, evaluation and development expenditure is accounted for using the "successful efforts method of accounting". Costs incurred prior to obtaining legal rights to explore are expensed immediately to the statement of profit or loss.

(i) Pre-licence costs
Pre-licence costs are expensed in the period in which they are incurred.

(ii) Licence and property acquisition costs
Exploration licence and leasehold property acquisition costs are capitalised within intangible assets and are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine, that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing.

If no future activity is planned, the carrying value of the licence and property acquisition costs is written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

(iii) Exploration and evaluation costs

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

Geological and geophysical costs are recognised in profit or loss as incurred.

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as an intangible asset.

All such capitalised costs are subject to technical, commercial and Management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

When proved reserves of oil and natural gas are identified and development is sanctioned by Management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties. No amortisation is charged during the exploration and evaluation phase.

For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at the carrying value of the asset given up and no gain or loss is recognized.

(iv) Development costs

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within oil and gas properties.

(f) Property, plant and equipment (including Oil and gas properties).

(i) Initial recognition

Oil and gas properties and other property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, excluding land.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation, and for qualifying assets (where applicable), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a lease is also included within property, plant and equipment.

When a development project moves into the production stage, the capitalisation of certain construction/development costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to oil and gas property asset additions, improvements or new developments.

(ii) Depreciation/amortisation

Oil and gas properties are depreciated/amortised on a unit-of-production basis over the total proved plus probable (2P) reserves of the field concerned, except in the case of assets whose useful life is shorter than the lifetime of the field, in which case the straight-line method is applied. Rights and concessions are depleted on the unit-of-production basis over the total proved developed and undeveloped reserves of the relevant area. The unit-of-production rate calculation for the depreciation/amortisation of field development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

Other property, plant and equipment (excluding land) are generally depreciated on a straight-line basis over their estimated useful lives. Property, plant and equipment held under lease are depreciated over the shorter of lease term and estimated useful life.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in "other income" in profit or loss when the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation/amortisation are reviewed at each reporting period, and adjusted prospectively if necessary.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Useful lives

The useful lives of the assets are estimated as follows:

Asset	Useful life
Buildings	25 years
Plant and machinery	4 - 50 years
Office equipment	4 years
Furniture and Fittings	4 years
Motor vehicles	4 years
Gas Plant	40 years

Project equipment and civil works are depreciated using the unit of production method.

Assets under Construction (AUC) are not depreciated. Ongoing projects, drilling campaigns, and facilities projects are aggregated under AUC and settled in the relevant class of property, plant and equipment when the project is completed and the asset is available for use."

(iii) Disposal

The proceeds on disposal of an item of property, plant and equipment or an intangible asset is recognised initially at its fair value by the Group. However, if payment for the item is deferred, the consideration received is recognised initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognised as interest revenue. Any part of the consideration that is receivable in the form of cash is treated as a definition of a financial asset and is accounted for at amortised cost.

(iv) Major maintenance, inspection and repairs

Expenditure on major maintenance refits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset, that was separately depreciated and is now written off, is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period to the next inspection. All other day-to-day repairs and maintenance costs are expensed as incurred.

(g) Intangible assets

Intangible assets include software and license

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight line basis over their useful lives) and accumulated impairment losses, if any. Sofware and Licenses are amortised over 4 years.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised. Instead the related expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(h) Impairment of non-financial assets (excluding goodwill and indefinite life intangibles)

The Group assesses at each reporting date whether there is an indication that an asset (or cash-generating unit (CGU)) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, The Group estimates the asset's or CGU's recoverable amount. Recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets, in which case, the asset is tested as part of a larger CGU to it belongs.

Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount. In calculating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset/CGU. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of The Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover the period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flow after the fifth year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Impairment losses of continuing operations, including impairment of inventories, are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets/CGUs excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, The Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's / CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset / CGU does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset/CGU in prior years. Such a reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase and is recognised through other comprehensive income.

(i) Financial assets

(i) Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and The Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which The Group has applied the practical expedient, The Group initially measures a financial asset at its fair value plus – in the case of a financial asset not at fair value through profit or loss – transaction costs. Trade receivables that do not contain a significant financing component or for which The Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that The Group commits to purchase or sell the asset.

ii) Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortised cost (debt instruments)
This category is the most relevant to The Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade and other receivables, and corporate bonds.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, The Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes unquoted equity securities which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on unquoted equity securities are also recognised as other income in the statement of profit or loss when the right of payment has been established.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Interest income
For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available for sale, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from The Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) The Group has transferred substantially all the risks and rewards of the asset, or (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, The Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, The Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that The Group could be required to repay.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that The Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, The Group applies a simplified approach in calculating ECLs. Therefore, The Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment using the loss rate model.

The Group considers a financial asset in default when contractual payments are 45 days past due. However, in certain cases, The Group may also consider a financial asset to be in default when internal or external information indicates that The Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The decision to write-off is determined based on management's estimate of expected cash recoveries after considering the historical pattern of the receivable.

(j) Financial liabilities, excluding derivative financial instruments, and equity instruments

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include borrowings, trade and other payables.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification as described below.

Amortised Cost
This is the category most relevant to the Group. After initial recognition, trade and other payables, and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

(iii) Derecognition

A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

(k) Derivative financial instruments

The Group uses derivative financial instruments such as put options to hedge against its oil price risk. The Group entered an economic crude oil hedge contract to insure the Group's revenue against adverse oil price movement. At the inception of the hedge relationship, the Group initially recognised the hedge at fair value on the date the contract is entered and subsequently remeasured to their fair value at the end of each reporting period. Any gains or losses arising from changes in the fair value of the hedge are recognised within operating profit in profit or loss for the period.

The company has elected not to account for the derivative under hedge accounting.

(l) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(m) Cash and Cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less, but exclude any restricted cash which is not available for use by the Group and therefore is not considered highly liquid – for example cash set aside to cover rehabilitation obligations.

(n) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
a)In the principal market for the asset or liability OR b)In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis,
The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of producing and refining crude oil is accounted for on a weighted average basis. Inventory include include crude (including the volume held up in pipes) ,refined products and spares/consumables.

Net realisable value of crude oil and refined products is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The cost of crude oil and refined products is the purchase cost, cost of refining, including the appropriate proportion of depreciation, depletion and amortisation and overheads based on normal capacity.

(p) Leases

The group assesses whether a contract is, or contains, a lease, at inception of the contract. A contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for payments to be made to the owners (lessors) is accounted for as a lease. The group only has short-term leases and leases of low value assets.

The group as lessee
The Group elected to apply the short-term lease exemption under IFRS 16 for leases with terms of 12 months or less and leases of low-value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The group as lessor
The Group's subsidiary acts as a lessor to related entities under short-term lease agreements. Lease income from these arrangements is eliminated in the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

(q) Provisions

(i) General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain, and it is then measured at the lower of the related provision or fair value of the reimbursement. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in profit or loss.

(ii) Decommissioning liability

The Group recognises a decommissioning liability when it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and gas assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory are expensed as incurred.

Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment, in line with IFRIC 1.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, shall not exceed the carrying amount of that asset. If it does, any excess over the carrying value is taken immediately to profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying value of the asset, The Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the revised oil and gas assets net of decommissioning provisions exceeds the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discounted liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as a finance cost.

The Group recognises the deferred tax asset regarding the temporary difference on the decommissioning liability and the corresponding deferred tax liability regarding the temporary difference on a decommissioning asset.

(r) Income taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group and its subsidiary operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised, using the temporary difference approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

(iii) Royalties, resource rent tax and revenue-based taxes

In addition to corporate income taxes, The Group's financial statements also include and recognize as taxes on income, other types of taxes on net income which are calculated based on oil and gas production.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Royalties, resource rent taxes and revenue-based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government authority and the amount payable is based on taxable income – rather than based on quantity produced or as a percentage of revenue – after adjustment for temporary differences. For such arrangements, current and deferred income tax is provided on the same basis as described above for other forms of income tax.

Obligations arising from royalty arrangements and other types of taxes, that do not satisfy these criteria, are recognised as current provisions and included in cost of sales. The revenue taxes payable by Aradel Holdings Plc do not meet the criteria for IAS 12 and are thus recognised as part of cost of sales.

(iv) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:
- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(s) Revenue recognition

Revenue is measured based on the consideration to which the group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The group recognises revenue when it transfers control of a product or service to a customer.

The Group has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Group reasonably expects that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Group has been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue stream detailed below.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in another section.

Sale of crude oil
Revenue from the sale of oil and petroleum products is recognized when control of the product has been transferred to the customer.This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of crude oil, the entity considers the existence of significant financing components and consideration payable to the customer (if any).

Significant financing component
Using the practical expedient in IFRS 15, the entity does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Sale of Gas
The Group provides gas processing, marketing and transportation services. The Group recognises revenue from gas sale when control of the product has been transferred to the buyer. This generally occurs when the gas have been delivered at the buyer's delivery point for gas. The normal credit term is between 30-45 days upon delivery.

Sale of Refined Products
Revenue from the sale of refined products is recognized when control of the product has been transferred to the customer/distributor. This generally occurs when the product is lifted by the customer/distributor. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of diesel,the entity considers the existence of significant financing components and consideration payable to the customer (if any). There are no credit terms for the sale of refined products as the Group receives upfront payment (downpayment) for the refined products before they are lifted by the customer/distributor.

Variable considerations
Consideration would be variable if an entity's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

- Customer usage : Certain contracts have range of possible transaction prices arising from different customer usages. The Group uses the expected value method to estimate the volume of goods the customer will utilise because this method best predicts the amount of variable consideration to which the Group will be entitled. Using the practical expedient in IFRS 15, the Group has elected to recognise revenue based on the amount invoiced to the customer since the Group has a right to consideration from its customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Consideration payable to a customer
Consideration payable to a customer includes penalties that the Group expects to pay to its customer if it does not deliver the Adjusted Annual Contract Quantity or delivers off-specification gas. The consideration payable to a customer is accounted for as a reduction of the transaction unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.

The Group recognise the reduction of revenue when (or as) the following events occur:
- the entity recognises revenue for the transfer of the related goods or services to the customer; and
- the entity pays or promises to pay the consideration (even if the payment is conditional on a future event). That promise might be implied by the entity's customary business practices.

(t) Cost of sales

Cost of sales includes the cost of crude oil , gas inventory , refined products inventory (including depreciation, amortization and impairment charges), costs related to transportation, impairment, the allowance for doubtful accounts and inventory write downs.

(u) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to profit or loss when the qualifying asset impacts profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(v) Finance income and costs

Finance income
Finance income is recorded in the statement of profit or loss as it accrues, utilizing the effective interest rate (EIR). This rate precisely discounts estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, if applicable, to the amortized cost of the financial instrument. The calculation of finance income considers all contractual terms of the financial instrument, along with any fees or incremental costs directly related to the instrument and forming an integral part of the effective interest rate (EIR), excluding future credit losses.

Finance cost
Finance costs includes borrowing costs, interest expense calculated using the effective interest rate method, finance charges in respect of lease liabilities, the unwinding of the effect of discounting provisions, and the amortisation of discounts and premiums on debt instruments that are liabilities.

(w) Employee benefits

i. Retirement benefit liabilities
The Group currently has only defined contribution plans. Its defined benefits plan was discontinued in 2016. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis in accordance with the Pension Reform Act 2014.

The employer contributes 10% while the employee contributes 8% of the qualifying employee's salary.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

ii. Short-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.
Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(x) Share capital

Any consideration received, net of directly attributable transaction costs, is accounted for in equity. The issued share capital is initially translated at the prevailing exchange rate on the transaction date and is not retranslated thereafter.

(y) Earnings per share (EPS) and Dividend distribution

Basic EPS is calculated on the Group's profit or loss after taxation attributable to the parent entity and on the basis of weighted average of issued and fully paid Ordinary Shares at the end of the year.

Diluted EPS is calculated by dividing the profit or loss after taxation attributable to the parent entity by the weighted average number of Ordinary Shares outstanding during the year plus the weighted average number of Ordinary Shares that would be issued on conversion of all the dilutive potential Ordinary Shares (after adjusting for outstanding share awards arising from the share-based payment scheme) into Ordinary Shares.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

(z) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's financial statements in conformity with IFRS requires Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on Management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates if different assumptions were used and different conditions existed.

In particular, the Group has identified the following areas where significant judgments, estimates and assumptions are required, and where if actual results were to differ, may materially affect the financial position or financial results reported in future periods. Further information on each of these and how they impact the various accounting policies are described in the relevant notes to the financial statements.

i. Hydrocarbon reserve and resource estimates

Oil and gas production properties are depreciated on units of production (UOP) basis at a rate calculated by reference to total proved and probable (2P) reserves determined in accordance with Society of Petroleum Engineers rules and incorporating the estimated future cost of developing those reserves. The Group estimates its commercial reserves based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates. Commercial reserves are determined using estimates of oil in place, recovery factors and future oil prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the Production-Sharing Agreements. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs.

As the economic assumptions used may change and as additional geological information is produced during the operation of a field, estimates of recoverable reserves may change. Such changes may impact The Group's reported financial position and results which include:
- The carrying value of exploration and evaluation assets, oil and gas properties, property, and plant and equipmentmay be affected due to changes in estimated future cash flows.
- Depreciation and amortisation charges in profit or loss may change where such charges are determined using the units of production method, or where the useful life of the related assets change.
- Provisions for decommissioning may change - where changes to the reserve estimates affect expectations about when such activities will occur and the associated cost of these activities.
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

ii. Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires Management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

iii. Units of production depreciation of oil and gas assets

Oil and gas properties are depreciated using the units of production (UOP) method over total proved and probable (2P) hydrocarbon reserves. This results in a depreciation/amortisation charge proportional to the depletion of the anticipated remaining production from the field.

Each items' life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves and estimates of future capital expenditure. The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production based on total proved reserves, or future capital expenditure estimates changes.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Changes to prove reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:
- The effect on proved reserves of differences between actual commodity prices and commodity price assumptions.

Or
- Unforeseen operational issues

Changes are accounted for prospectively.

iv. Recoverability of oil and gas assets

The Group assesses each asset or cash generating unit (CGU) (excluding goodwill, which is assessed annually regardless of indicators) every reporting period to determine whether any indication of impairment exists.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term oil prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, decommissioning costs, exploration potential, reserves (see Hydrocarbon reserves and resource estimates above) and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for oil and gas assets is generally determined as the present value of estimated future cash flows arising from the continued use of the assets, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its CGUs as being its operations, which is the lowest level for which cash inflows are largely independent of those of other assets.

v. Decommissioning costs

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents Management's best estimate of the present value of the future decommissioning costs required.

vi. Recovery of deferred income tax assets

Judgment is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgment is also required in determining whether deferred income tax assets are recognised in the statement of financial position. Deferred income tax assets, including those arising from un-utilised tax losses, require Management to assess the likelihood that the Group will generate sufficient taxable earnings in future periods, in order to utilise recognised deferred income tax assets. Assumptions about the generation of future taxable profits depend on Management's estimates of future cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, oil and natural gas prices, reserves, operating costs, decommissioning costs, capital expenditure, dividends and other capital management transactions) and judgment about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred income tax assets recorded at the reporting date could be impacted.

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

vii. Fair value hierarchy

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

ix. Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the customer sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

x. Contingencies

By their nature, contingencies will only be resolved when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

xi. Foreign Currency translation reserve

The Group has used the CBN rate to translate its Dollar currency to its Naira presentation currency. Cumulative exchange difference arising from translation of the Group's results and financial position into the presentation currency is taken to foreign currency translation reserve through other comprehensive income.

Translation of assets and liabilities for each statement of financial position items presented, are translated at the closing rate at the reporting date. Income and expenses for each profit or loss statement are translated using average exchange rates except in a year where there is a significant fluctuation of exchange rates, the group adopts more reflective rates for the translation. In the current year, there were significant fluctuations in the exchange rates and therefore average exchange rates were not considered appropriate.

3. 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 intersegement transactions were prevalent amongst the reporting segments during the reporting period under consideration, hence the eliminations necessary to achieve proper consolidation. Management remains commited 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

3.1. SEGMENT REPORTING/(LOSS) DISCLOSURE

₦ '000	Crude Oil	Gas	Refined Products	Investment Properties	Total Reportable Segment	Eliminations	Consolidation
31 December 2024							
Revenue	484,972,782	79,358,828	187,663,551	118,374	**752,113,535**	(171,091,190)	581,022,345
Cost of sales	221,790,500)	(43,145,536)	(150,202,991)	(134,180)	**(415,273,207)**	154,059,719	(261,213,488)
Gross profit	263,182,282	36,213,292	37,460,560	(15,806)	**336,840,328**	(17,031,471)	319,808,857
Other income/(loss)	47,821,558	6,574,665	(11,183,565)	1,296	**43,213,954**	(11,467,819)	31,746,135
General and administrative expenses	(68,442,237)	(2,032,836)	(4,096,573)	-	**(74,571,646)**	20,490,668	(54,080,978)
Operating profit	242,561,603	40,755,121	22,180,422	(14,510)	**305,482,636**	(8,008,622)	297,474,014
Net finance income/(costs)	(9,944,382)	(38,908)	2,911,016	-	**(7,072,274)**	-	(7,072,274)
Share of profit from associate	-	-	-	-	**-**	31,199,053	31,199,053
Profit before taxation	232,617,221	40,716,213	25,091,438	(14,510)	**298,410,362**	23,190,431	321,600,793
Tax expense	(59,443,903)	(11,116,693)	(3,134,853)	(119,837)	**(73,815,286)**	-	(73,815,286)
Profit after taxation	173,173,318	29,599,520	21,956,585	(134,347)	**224,595,076**	23,190,431	247,785,507
31 December 2023							
Revenue	168,667,178	25,986,066	102,496,615	51,674	**297,201,533**	(76,059,154)	221,142,379
Cost of sales	(64,086,794)	(20,239,404)	(66,279,737)	(136,161)	**(150,742,096)**	71,931,759	(78,810,337)
Gross profit	104,580,384	5,746,662	36,216,878	(84,487)	**146,459,437**	(4,127,395)	142,332,042
Other income/(loss)	37,595,041	7,720	(3,639,123)	-	**33,963,638**	(41,938,156)	(7,974,518)
General and administrative expenses	(22,671,022)	(1,550,361)	(2,145,356)	-	**(26,366,739)**	6,065,551	(20,301,188)
Operating profit	119,504,403	4,204,021	30,432,399	(84,487)	**154,056,336**	(40,000,000)	114,056,336
Net finance income/(costs)	(2,078,065)	(744,408)	(690,507)	-	**(3,512,980)**	(1,601,205)	(5,114,185)
Share of profit from associate	-	-	-	-	**-**	3,221,500	3,221,500
Profit before taxation	117,426,338	3,459,613	29,741,892	(84,487)	**150,543,256**	(38,379,305)	112,163,651
Tax expense	(45,183,731)	(3,465,182)	(9,777,388)	349	**(58,425,952)**	-	(58,425,952)
Profit after taxation	72,242,607	(5,569)	19,964,504	(84,138)	**92,117,404**	(38,379,305)	53,737,699

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

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
31 December 2024							
Total Asset	821,139,916	254,786,316	346,619,941	13,427,793	**1,435,973,966**	308,956,543	**1,744,930,509**
Total Liabilities	321,675,458	36,990,779	146,663,943	2,218,683	**507,548,863**	(155,503,652)	**352,045,211**
31 December 2023							
Total Asset	462,883,330	144,861,527	196,284,414	6,170,457	**810,199,728**	113,234,833	**923,434,561**
Total Liabilities	204,769,376	68,992,431	76,947,636	5,488	**350,714,931**	(131,924,951)	**218,789,980**

4. REVENUE

Disaggregated revenue information

	THE GROUP	
₦ '000	31-Dec-24	31-Dec-23
Segments		
Crude Oil	373,662,426	108,434,522
Gas	28,048,357	10,211,242
Refined Products	179,311,562	102,496,615
Total revenue	581,022,345	221,142,379
Geographical markets		
Within Nigeria	207,359,919	112,707,857
Outside Nigeria	373,662,426	108,434,522
Total revenue from contracts with customers	581,022,345	221,142,379
Timing of revenue recognition		
Goods transferred at a point in time	581,022,345	221,142,379
Goods transferred over time	-	-
Total revenue from contracts with customers	581,022,345	221,142,379

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 has 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.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Contract balances

	THE GROUP	
₦ '000	31-Dec-24	31-Dec-23
Contract balances		
Trade receivables (Note 19)	55,472,874	51,470,892
Contract Liabilities (Note 25)	1,792,993	1,771,922

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract liabilities are considerations received from customers by the Group for which the related goods or services to the customers have not transferred.

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.

5. COST OF SALES

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Crude oil handling charges	97,888,952	28,700,243	-	-
Crude oil-3rd party	9,620,580	-	-	-
Depreciation and amortisation (Note 11)	74,211,101	14,640,476	-	-
Exploration costs	-	124,035	-	-
Operational and Maintenance expenses	22,003,259	9,624,760	209,105	85,074
Royalties & other statutory expenses	53,598,030	17,703,723	-	-
Staff costs (Note 10)	31,538,557	6,964,028	-	-
Stock adjustment	(27,646,991)	1,053,072	-	-
Total	261,213,488	78,810,337	209,105	85,074

Operational and maintenance expenses include field expenses, community development expenses, insurance expense, consultancy fees, repairs and maintenance, and materials and supplies.
Royalties and other statutory expenses includes Royalties due to FGN, NDDC Levy and other statutory expenses.
Stock adjustment relates to the net movement in the value of inventory in the tank in the quarter.

6. OTHER (LOSS)/INCOME

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Crude handling	1,033,123	-	-	-
Dividend received from Financial Assets (note 15)	165,681	74,370	165,681	74,370
Dividend received from Assosiates (note 16)	-	-	3,995,168	-
Distribution from Aradel Energy Limited	-	-	-	30,000,000
Distribution from Aradel Gas Limited	-	-	-	10,000,000
Distribution from Aradel Refineries Limited	-	-	3,600,576	-
Fee income	9,544,899	336,907	651,919	277,035
ARO Provision no longer required	45,296,575	-	-	-
Provision no longer required	-	-	-	-
Realized Exchange loss	(28,987,902)	(8,385,795)	(8,583,034)	(89,260)
Unrealized exchange gain	4,693,759	-	4,665,967	-
Total	31,746,135	(7,974,518)	4,496,277	40,262,145

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

7. GENERAL AND ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Depreciation and amortisation (Note 11)	2,426,235	645,793	-	-
Directors' fees	849,192	431,104	831,740	426,888
Fuel, utilities and travel expenses	2,934,520	1,944,260	40,585	31,594
Permits, licenses and subscription	6,586,966	3,602,132	11,905	8,623
Repairs and maintenance	2,516,254	1,155,439	-	5,493
Staff costs (Note 10)	21,025,704	4,642,685	110,506	178,650
Professional fees	5,527,485	2,089,549	681,572	208,275
Other expenses	11,973,100	5,854,427	858,317	133,199
Total	53,839,456	20,365,389	2,534,625	992,722

7. 1. Other expenses consist of asset written off relating to the south sudan project which is deemed irrecoverable, provisions, donations (see Report of the Directors), 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. CREDIT LOSS EXPENSE

The table below shows the ECL charges on financial instruments for the year recorded in the profit or loss:

	THE GROUP	
₦ '000	31-Dec-24	31-Dec-23
Impairment (charge) /write back on financial assets and contract assets	(241,522)	64,201

9. FINANCE COST AND INCOME

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Interest expense:				
Bank borrowings	15,876,526	4,937,086	6,790,194	108,001
IPIN Interest	3,304,395	1,562,604	-	-
Provisions: unwinding of discount (Note 24)	1,971,458	3,533,456	-	-
Coupon on Bonds	1,878,877	1,690,904	1,878,877	1,690,904
Finance costs	23,031,256	11,724,050	8,669,071	1,798,905
Total finance cost	23,031,256	11,724,050	8,669,071	1,798,905
Finance income:				
Interest income	15,958,982	6,609,865	2,250,451	3,450,101
Net interest income	15,958,982	6,609,865	2,250,451	3,450,101
Finance income	15,958,982	6,609,865	2,250,451	3,450,101
Net (finance costs)/finance income	(7,072,274)	(5,114,185)	(6,418,620)	1,651,196

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

10. STAFF COST

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Included in cost of sales:				
Salaries and other staff costs	31,538,557	6,964,028	-	-
Included in general admin expenses:				
Salaries and other staff costs	21,025,704	4,642,685	110,506	178,650
Total	52,564,261	11,606,713	110,506	178,650
Salaries and other staff costs include the following:				
Salaries	12,546,683	6,972,819	-	-
Defined Contribution expenses	1,433,845	932,395	-	-
Other allowances	38,583,733	3,701,499	110,506	178,650
	52,564,261	11,606,713	110,506	178,650

Other allowances include staff bonus, medical allowances, outstation allwances and casual wages

11. DEPRECIATION AND AMORTISATION

	THE GROUP	
₦ '000	31-Dec-24	31-Dec-23
Included in cost of sales:		
Depreciation of oil and gas properties	74,211,101	14,640,476
Included in general admin expenses:		
Depreciation of other property, plant and equipment	1,423,406	263,379
Amortisation of intangible assets	1,002,829	382,414
Total in general admin expenses	2,426,235	645,793
Total	76,637,336	15,286,269

12. 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 issued and fully paid as at the end of the year

	THE GROUP	
₦ '000	31-Dec-24	31-Dec-23
Profit attributable to equity holders of the Group	247,785,507	53,737,699
Total	247,785,507	53,737,699
Weighted average number of ordinary shares in issue	4,344,844,360	217,242,218
Basic and diluted earnings per share(₦)	₦57.03	₦12.37*

On September 30th, 2024 the Company redenominated the nominal value of all the existing ordinary shares to Fifty kobo (₦0.50) each from Ten Naira (₦10.00) each and sub-divided the outstanding ordinary shares to 4,344,844,360 (Four Billion, Three Hundred and Forty Four Million, Eight Hundred and Forty Four Thousand, Three Hundred and Sixty) ordinary shares of Fifty Kobo (₦0.50) each from 217,242,218 (Two Hundred and Seventeen Million, Two Hundred and Forty Two Thousand, Two Hundred and Eighteen) ordinary shares of Ten Naira (₦10.00) each.

*The prior year earnings per share was restated for comparability.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Basic – THE COMPANY

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 issued and fully paid as at the end of the year

	THE GROUP	
₦ '000	31-Dec-24	31-Dec-23
(Losss)/Profit attributable to equity holders of the company	(4,643,915)	40,835,545
Weighted average number of ordinary shares in issue	4,344,844,360	217,242,218
Basic and diluted earnings per share(₦)	₦1.07	₦9.40*

On September 30th, 2024 the Company redenominated the nominal value of all the existing ordinary shares to Fifty kobo (₦0.50) each from Ten Naira (₦10.00) each and sub-divided the outstanding ordinary shares to 4,344,844,360 (Four Billion, Three Hundred and Forty Four Million, Eight Hundred and Forty Four Thousand, Three Hundred and Sixty) ordinary shares of Fifty Kobo (₦0.50) each from 217,242,218 (Two Hundred and Seventeen Million, Two Hundred and Forty Two Thousand, Two Hundred and Eighteen) ordinary shares of Ten Naira (₦10.00) each.
*The prior year earnings per share was restated for comparability.

13. PROPERTY, PLANT AND EQUIPMENT

	THE GROUP	
₦ '000	31-Dec-24	31-Dec-23
Oil and gas properties (13a)	669,265,120	375,967,697
Other property, plant and equipment (13b & (13c)	13,662,347	7,459,924
Total	682,927,467	383,427,621

13a. PROPERTY, PLANT AND EQUIPMENT (THE GROUP)

₦ '000	PROJECT EQUIPMENT	CIVIL WORKS	GAS PIPELINE	GAS PLANT FACILITIES	ASSETS UNDER DEVELOPMENT	TOTAL
Cost:						
Balance at 1 January 2023	281,902,316	5,463,688	11,009,927	34,442,381	21,708,055	354,526,367
Translation difference	283,340,940	5,492,187	11,066,125	34,617,957	18,884,111	353,401,320
Reclassifications	32,435,601	231,143	1,716,036	-	(35,326,240)	(943,460)
Additions	6,606,919	379,543	714,116	260,823	37,792,368	45,753,769
Write-offs	-	-	-	-	(1,434,889)	(1,434,889)
Changes in decommisioning assets	(69,275,515)	-	-	-	-	(69,275,515)
Transfer	-	-	-	-	(3,978,002)	(3,978,002)
Balance at 31 December 2023	535,010,261	11,566,561	24,506,204	69,321,161	37,645,403	678,049,590
Balance at 1 January 2024	535,010,261	11,566,561	24,506,204	69,321,161	37,645,403	678,049,590
Translation difference	378,288,180	8,178,057	17,328,374	49,014,933	26,618,824	479,428,368
Reclassifications	94,305,496	3,030,722	-	-	(97,336,218)	-
Additions	31,928,515	1,002,564	156,603	3,079,852	95,552,176	131,719,710
Changes in decommisioning assets	(27,256,536)	-	-	-	-	(27,256,536)
Balance at 31 December 2024	1,012,275,916	23,777,904	41,991,181	121,415,946	62,480,185	1,261,941,132
Depreciation:						
Balance at 1 January 2023	117,608,992	3,785,953	3,248,037	8,542,439	-	133,185,421
Translation difference	136,266,666	4,136,124	3,836,497	10,016,709	-	154,255,996
Depreciation for the year	13,787,697	81,359	403,025	368,395	-	14,640,476
Balance at 31 December 2023	267,663,355	8,003,436	7,487,559	18,927,543	-	302,081,893
Balance at 1 January 2024	267,663,355	8,003,436	7,487,559	18,927,543	-	302,081,893

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

13a. PROPERTY, PLANT AND EQUIPMENT (THE GROUP) CONT'D.

₦ '000	PROJECT EQUIPMENT	CIVIL WORKS	GAS PIPELINE	GAS PLANT FACILITIES	ASSETS UNDER DEVELOPMENT	TOTAL
Translation difference	191,819,045	5,709,847	5,355,870	13,498,256	-	216,383,018
Depreciation for the year	68,154,944	1,352,941	1,639,762	3,063,454	-	74,211,101
Balance at 31 December 2024	527,637,344	15,066,224	14,483,191	35,489,253	-	592,676,012
Net book value:						
At 31 December 2024	484,638,572	8,711,680	27,507,990	85,926,693	62,480,185	669,265,120
At 31 December 2023	267,346,906	3,563,125	17,018,645	50,393,618	37,645,403	375,967,697
At 1 January 2023	164,293,324	1,677,735	7,761,890	25,899,942	21,708,055	221,340,946

There is no impairments of Property, Plant, and Equipment during the year. See Note 22 for assets pledged as collateral for borrowings. The capital commitments in respect of PPE expenditures amounts to ₦45.3 billion (2023: ₦29.3 billion).

The current year reclassification relates to settlement of completed drilling projects from asset under development to project equipment and civil works while the prior year reclassification relates to settlement of completed drilling projects from asset development to project equipment, civil works, gas pipeline and intangible assets.

The prior year transfer relates to movement of some assets from asset under development to other receivables (note 18). Subsequent reconciliation with the counter party on the Asset under development yielded a recoverable balance which has now been reclassified to other receivables.

Prior year write off is included in Operational and maintenance expenses (note 5).

13b. OTHER PROPERTY, PLANT AND EQUIPMENT (THE GROUP)

₦ '000	PLANT AND MACHINERY	FURNITURE AND FITTINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	BUILDING	LAND	TOTAL
Cost:							
Balance at 1 January 2023	754,964	148,061	2,883,314	2,115,866	976,751	569,000	7,447,956
Translation difference	759,014	149,140	2,898,864	2,126,668	-	2,486,241	8,419,927
Additions	348,064	6,296	211,357	-	2,448,467	-	3,014,184
Balance at 31 December 2023	1,862,042	303,497	5,993,535	4,242,534	3,425,218	3,055,241	18,882,067
Balance at 1 January 2024	1,862,042	303,497	5,993,535	4,242,534	3,425,218	3,055,241	18,882,067
Translation difference	1,315,777	213,987	4,237,608	2,999,784	-	2,160,264	10,927,420
Additions	92,119	23,030	1,232,862	1,050,159	2,429,994	-	4,828,164
Balance at 31 December 2024	3,269,938	540,514	11,464,005	8,292,477	5,855,212	5,215,505	34,637,651
Depreciation:							
Balance at 1 January 2023	463,006	107,577	2,564,704	1,818,330	139,991	-	5,093,608
Translation difference	546,730	125,751	2,850,409	1,981,310	560,956	-	6,065,156
Depreciation for the year	58,288	15,158	60,905	114,257	14,771	-	263,379
Balance at 31 December 2023	1,068,024	248,486	5,476,018	3,913,897	715,718	-	11,422,143
Balance at 1 January 2024	1,068,024	248,486	5,476,018	3,913,897	715,718	-	11,422,143
Translation difference	763,215	178,000	3,892,926	2,785,476	510,138	-	8,129,755
Depreciation for the year	214,070	61,265	558,791	480,886	108,394	-	1,423,406
Balance at 31 December 2024	2,045,309	487,751	9,927,735	7,180,259	1,334,250	-	20,975,304
Net book value:							
At 31 December 2024	1,224,629	52,763	1,536,270	1,112,218	4,520,962	5,215,505	13,662,347
At 31 December 2023	794,018	55,011	517,517	328,637	2,709,500	3,055,241	7,459,924
At 1 January 2023	291,958	40,484	318,610	297,536	836,760	569,000	2,354,348

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

13c. OTHER PROPERTY, PLANT AND EQUIPMENT (THE COMPANY)

₦ '000	PLANT AND MACHINERY	FURNITURE AND FITTINGS	OFFICE EQUIPMENT	MOTOR VEHICLES	ASSETS UNDER DEVELOPMENT	TOTAL
Cost:						
Balance at 1 January 2023	20,409	57,962	110,812	37,763	3,928,799	4,155,745
Translation difference	20,513	58,257	111,379	37,957	3,948,958	4,177,064
Additions	-	-	-	-	321,982	321,982
Transfer	-	-	-	-	(8,199,739)	(8,199,739)
Balance at 31 December 2023	40,922	116,219	222,191	75,720	-	455,052
Balance at 1 January 2024	40,922	116,219	222,191	75,720	-	455,052
Translation difference	28,935	82,175	157,104	53,539	-	321,753
Balance at 31 December 2024	69,857	198,394	379,295	129,259	-	776,805
Depreciation:						
Balance at 1 January 2023	20,409	57,962	110,812	37,763	-	226,946
Translation difference	20,513	58,257	111,379	37,957	-	228,106
Balance at 31 December 2023	40,922	116,219	222,191	75,720	-	455,052
Balance at 1 January 2024	40,922	116,219	222,191	75,720	-	455,052
Translation difference	28,935	82,175	157,104	53,539	-	321,753
Balance at 31 December 2024	69,857	198,394	379,295	129,259	-	776,805
Net book value:						
At 31 December 2024	-	-	-	-	-	-
At 31 December 2023	-	-	-	-	-	-
At 1 January 2023	-	-	-	-	3,928,799	3,928,799

The prior year transfer relates to intercompany movement (from Aradel Holdings Plc to Aradel Energy Limited).

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

14. INTANGIBLE ASSETS

	THE GROUP			THE COMPANY	
₦ '000	License	Software	Total	Software	Total
Cost:					
Balance at 1 January 2023	1,121,374	510,700	1,632,074	314,509	314,509
Translation difference	1,127,101	513,130	1,640,231	316,115	316,115
Reclassification	-	943,460	943,460	-	-
Additions		93,537	93,537	-	-
Balance at 31 December 2023	2,248,475	2,060,827	4,309,302	630,624	630,624
Balance at 1 January 2024	2,248,475	2,060,827	4,309,302	630,624	630,624
Translation difference	1,589,825	1,457,487	3,047,312	445,895	445,895
Reclassification	-	-	-	-	-
Additions	-	222,621	222,621		
Balance at 31 December 2024	3,838,300	3,740,935	7,579,235	1,076,519	1,076,519
Amortisation:					
Balance at 1 January 2023	699,623	464,898	1,164,521	314,509	314,509
Translation difference	976,875	573,720	1,550,595	316,115	316,115
Amortisation charge for the year	312,953	69,461	382,414	-	-
Balance at 31 December 2023	1,989,451	1,108,079	3,097,530	630,624	630,624
Balance at 1 January 2024	1,989,451	1,108,079	3,097,530	630,624	630,624
Translation difference	1,351,687	876,189	2,227,876	445,895	445,895
Amortisation charge for the year	497,162	505,667	1,002,829	-	-
Balance at 31 December 2024	3,838,300	2,489,935	6,328,235	1,076,519	1,076,519
Net book value:					
At 31 December 2024	-	1,251,000	1,251,000	-	-
At 31 December 2023	259,024	952,748	1,211,772	-	-
At 1 January 2023	421,751	45,802	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.

The current year reclassification relates to movement of some assets from asset under development to intangible asset.

15. FINANCIAL ASSETS

Financial assets include the following:	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Listed securities:	18,628,793	4,045,087	18,628,793	4,045,087
Unlisted securities:	24,787,878	319,097	24,291,833	6,295
Total	43,416,671	4,364,184	42,920,626	4,051,382
Current	496,045	312,802	-	-
Non-current	42,920,626	4,051,382	42,920,626	4,051,382
Total	43,416,671	4,364,184	42,920,626	4,051,382

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

14.1 Changes in Financial Asset

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Balance at 1 January	4,364,184	2,204,353	4,051,382	1,852,291
Crude Oil Hedge	2,735,940	2,875,350	-	-
FV Loss through PorL	(5,053,017)	(1,076,754)	-	-
Hedge Cost Written off	2,379,673	(1,161,067)	-	-
FGN Bond	4,605,960	-	4,605,960	-
Investment Deposit	24,281,086	-	24,281,086	-
GTB	2,783,535	-	2,783,535	-
Ever Oil & Gas Depot (Harbourview)	1,050,159	-	1,050,159	-
Net gain on equity instruments at fair value through other comprehensive income	5,731,843	2,261,865	5,731,843	2,261,865
Bond Amortization	47,595	-	47,595	-
Foreign Exchange	489,713	(739,563)	369,066	(62,774)
Total	43,416,671	4,364,184	42,920,626	4,051,382

The Group has designated its equity investments as FVOCI on the basis that these are not held for trading. Instead, they are held for medium to long term strategic pruposes. In 2024, the Group received ₦123.9 million (31 Dec 2023: ₦74.4 million) from Consolidated Hallmark Insurance Plc; No dividends (31 Dec 2023: Nil) from Dharmattan Gas and Power Ltd; ₦13.2 million (31 Dec 2023: Nil) from PetroData Management Services Ltd which was recorded in the income statement as other income.

The Group did not dispose of or derecognise any FVOCI equity instruments in 2023. Further disclosures on fair value are made in note 32.

In 2024, the Group entered an economic crude oil hedge contract with an average strike price of $55/bbl for 1.1million barrels at an average premium price of $1.65 . The tenor of the hedge is from September 2024 to August 2025.

A fair value reserve gain of financial assets at FVOCI of ₦5.7 billion (2023: ₦2.2 billion) was recorded in the Group and Company respectively.

16. INVESTMENT IN ASSOCIATE - ND WESTERN LIMITED

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
At 1 January	270,233,296	132,532,480	7,810,062	7,810,062
Share of profit	31,199,053	3,221,500	-	-
Share of other comprehensive income(net of tax), may not be reclassified to profit or loss in subsequent periods	192,486,197	134,479,316	-	-
Dividend received	(3,995,168)	-	-	-
Carrying amount	489,533,711	270,233,296	7,810,062	7,810,062

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

17. DEFERRED TAXATION

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

Deferred Tax Liabilities	THE GROUP	
₦ '000	31-Dec-24	31-Dec-23
Deferred tax liabilities		
Accelerated depreciation and amortisation	51,445,778	15,383,043
Decommissioning liabilities	1,675,739	3,003,438
Total	53,121,517	18,386,481
Deferred taxation		
At start of year	18,386,481	(12,759,803)
Income statement credit	20,946,350	44,003,555
Translation difference	13,788,686	(12,857,271)
Net deferred tax liabilities/(assets) at end of year	53,121,517	18,386,481
Reflected in the statement of financial position as:		
Deferred tax liabilities	53,121,517	18,386,481
Deferred tax assets	-	-
Net deferred tax liabilities/(assets)	53,121,517	18,386,481

Deferred taxes are payable in more than one year.

18. INVENTORIES

	THE GROUP	
₦ '000	31-Dec-24	31-Dec-23
Crude Oil	21,995,886	3,196,572
Refined Products	6,778,600	5,093,707
Materials	19,063,107	7,682,965
Total	47,837,593	15,973,244

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. The inventory charged to Cost of sales during the year amounted to N5.4 billion (2023: N1.4 billion).

The net movement in the value of inventory in the tank throughtout year is refective in stock adjustments (note 5) .

19. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Trade receivables	55,472,874	51,470,892	-	-
Other receivables	2,269,696	2,091,432	4,121,633	2,471,272
Related party receivables (Note 34)	-	-	17,390,113	59,770,922
	57,742,570	53,562,324	21,511,746	62,242,194
Allowance for expected credit losses	(317,601)	(39,247)	-	-
	57,424,969	53,523,077	21,511,746	62,242,194

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
As at 1 January	39,247	89,337	-	-
Impairment charge/(write back) on financial assets	241,522	(64,201)	-	-
Translation difference	36,832	14,111	-	-
As at 31 December	317,601	39,247	-	-

Trade receivables are non-interest bearing and are generally on 30-90 day terms.
Other receivables relates principally to receivable from South Sudan.

The charge of allowance for expected credit losses on trade and related party receivables is ₦241.5 million (Group) and Nil for Company (31 Dec 2023: Reversal ₦64.2m - Group & Nil for Company). The charge of expected credit losses arose from reassessment.

20. PREPAYMENTS

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Prepaid rent	958	16,883	-	-
Prepaid expenses	3,496	18,294	-	-
Prepaid insurance	328,528	47,429	8,470	3,765
Total	332,982	82,606	8,470	3,765

21. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Cash and bank balances	217,605,114	80,763,842	58,685,446	17,679,835
Short term deposits	198,505,836	102,244,693	15,670,153	-
Cash and cash equivalents for statement of cashflow purposes	416,110,950	183,008,535	74,355,599	17,679,835
Restricted cash	6,095,166	11,610,226	-	5,620,288
Total Cash and cash equivalents	422,206,116	194,618,761	74,355,599	23,300,123

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 and GT Bank loan.

22. SHARE CAPITAL AND PREMIUM

Share capital and premium – THE GROUP				
	Number of shares	Ordinary shares ₦ '000	Share premium ₦ '000	Total ₦ '000
Balance at 1 January 2023	217,242,218	2,172,422	22,819,670	24,992,092
Balance at 31 December 2023	217,242,218	2,172,422	22,819,670	24,992,092
Balance at 31 December 2024	4,344,844,360	2,172,422	22,819,670	24,992,092
Share capital and premium – THE COMPANY				
Balance at 1 January 2023	217,242,218	2,172,422	22,819,670	24,992,092
Balance at 31 December 2023	217,242,218	2,172,422	22,819,670	24,992,092
Balance at 31 December 2024	4,344,844,360	2,172,422	22,819,670	24,992,092

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

22. SHARE CAPITAL AND PREMIUM CONT'D.

Share premium represents the excess of the market value of the total issued share capital over the nominal value

	Number of shares	Amount (₦ '000)
Authorised Share capital	4,344,844,360	2,172,422
Issued and fully paid-up	4,344,844,360	2,172,422

On September 30th, 2024 the Company redenominated the nominal value of all the existing ordinary shares to Fifty kobo (₦0.50) each from Ten Naira (₦10.00) each and sub-divided the outstanding ordinary shares to 4,344,844,360 (Four Billion, Three Hundred and Forty Four Million, Eight Hundred and Forty Four Thousand, Three Hundred and Sixty) ordinary shares of Fifty Kobo (₦0.50) each from 217,242,218 (Two Hundred and Seventeen Million, Two Hundred and Forty Two Thousand, Two Hundred and Eighteen) ordinary shares of Ten Naira (₦10.00) each. The prior year earnings per share was restated for comparability.

23. BORROWINGS

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
GTB	49,120,544	39,273,624	-	-
BOI loan	4,706,593	11,459,657	-	-
Bond	11,138,777	11,131,874	11,138,777	11,131,874
Loan from related party	31,326,609	-	31,326,609	-
Petre IPINs	106,747	106,747	-	-
Total	96,399,270	61,971,902	42,465,386	11,131,874
Current	55,454,223	17,621,748	31,326,669	-
Non-current	40,945,047	44,350,154	11,138,717	11,131,874
Total	96,399,270	61,971,902	42,465,386	11,131,874
Changes in liabilities arising from financing activities				
At 1 January	61,971,902	61,971,902	11,131,874	-
Additional borrowing	-	8,993,900	-	-
Loan from related party	24,281,086	-	24,281,086	-
Bond	-	10,318,000	-	10,318,000
Repayment of borrowings	(32,439,025)	(49,420,631)	-	-
Repayment of interest	(9,444,797)	(5,453,185)	(1,734,185)	(985,031)
Foreign exchange movement	30,969,819	27,371,322	117,540	-
Accrued interest	21,561,897	6,365,224	8,652,795	1,800,097
Remeasurements	(501,612)	1,825,370	16,276	(1,192)
At 31 December	96,399,270	61,971,902	42,465,386	11,131,874

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

24. DECOMMISSIONING LIABILITIES

₦ '000	THE GROUP
Balance at 1 January 2023	64,489,699
Charged/(credited) to profit or loss:	
Changes in estimated flows	(69,275,515)
Translation difference	66,413,589
Unwinding of discount due to passage of time	3,533,456
Balance at 31 December 2023	65,161,229
Balance at 1 January 2024	65,161,229
Charged/(credited) to profit or loss:	
Provision no longer required	(45,238,257)
Changes in estimated flows	(27,256,536)
Translation difference	44,447,893
Unwinding of discount due to passage of time	1,971,458
Balance at 31 December 2024	39,085,787

The Group makes full provision for the future cost of decommissioning oil & gas production facilities, refining facilities and pipelines on a discounted basis. The decommissioning provision represents the present value of decommissioning costs relating to these assets, which are expected to be incurred up to 2057. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made which Management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the assets cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.The discount rate used in the calculation of the provision as at 31 December 2024 are; Oil 4.19% (31 December 2023 : 3.88%), Gas 4.53% (31 December 2023 : 4.03%), refining facilities 4.78% (31 December 2023 : 4.03%) . The inflation rate used in the calculation of the provision as at 31 December 2024 is 3.02% (31 December 2023 : 4.14%)

25. CONTRACT LIABILITIES

	THE GROUP	
₦ '000	**31-Dec-24**	**31-Dec-23**
Down payments received	1,792,993	1,771,922
	1,792,993	1,771,922

A contract liability is an entitys obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. This will exist when an entity has received consideration but has not transferred the related goods or services to the customer. The Group has recognised a liability in relation to contracts with refined products customers for the delivery of refined products which these customers are yet to receive but which cash consideration have been received by the Group as at the end of the reporting period.

For the purchase of refined products, the terms of payments relating to the contract with customers is advance payments. The refinery operates a 7-days sales cycle which includes product evacuation.

26. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
₦ '000	**31-Dec-24**	**31-Dec-23**	**31-Dec-24**	**31-Dec-23**
Amounts due to related parties	-	-	588,028	11,353,877
Royalty payable	31,016,665	27,719,265	-	-
Sundry creditors	45,038,274	9,048,996	3,125,160	287,893
Trade payables	32,666,197	19,826,657	-	-
Unclaimed dividend	547,828	481,690	547,828	481,690
	109,268,964	57,076,608	4,261,016	12,123,460

-Trade payables are non-interest bearing and are normally settled on 30-day terms . Sundry creditors include IPIN note due and other statutory creditors
-The Directors consider that the carrying amount of trade payables approximates to their fair value.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

27. TAXATION

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Hydrocarbon tax	13,391,104	4,952,827	-	-
Income tax expense	38,246,769	3,198,787	-	-
Minimum tax	938,117	1,271,737	-	-
Education tax	9,379,692	4,998,048	-	-
Under/(over) provision of prior year taxes	(9,086,783)	998	(22,158)	-
Total current tax	52,868,936	14,422,397	(22,158)	-
Deferred taxation				
Origination of temporary differences	20,946,350	44,003,555	-	-
Total deferred tax	20,946,350	44,003,555	-	-
Income tax expense	73,815,286	58,425,952	(22,158)	-

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

	THE GROUP		THE COMPANY	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
At 1 January	14,421,838	4,509,948	578,195	288,362
Tax paid	(27,098,398)	(6,487,142)	(964,181)	-
Prior period under/(over) provision	(9,086,783)	998	(22,158)	-
Income tax charge for the year	61,955,682	14,421,399	-	-
Foreign exchange difference	12,184,341	1,976,635	408,144	289,833
At 31 December	52,376,680	14,421,838	-	578,195

28. SUBSIDIARIES

Aradel Holdings Plc ('the parent') controls the following subsidiaries:

	Effective Ownership interest (%)		
₦ '000		31-Dec-24	31-Dec-23
Aradel Energy Limited	100%	50,000	50,000
Aradel Investments Limited	100%	1,243,205	1,243,205
Aradel Refineries Limited	95.04%	14,431,022	14,431,022
Aradel Gas Limited	100%	10,000	10,000
		15,734,227	15,734,227

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Summarized statement of profit or loss

	Aradel Energy Limited		Aradel Gas Limited		Aradel Refineries Limited		Aradel Investments Limited	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Revenue	484,972,782	168,667,178	79,358,828	25,986,066	187,663,551	102,496,615	118,374	51,674
Cost of sales	(221,581,395)	(64,001,720)	43,145,536)	(20,239,404)	(150,202,991)	66,279,737)	(134,180)	(136,161)
	263,391,387	104,665,458	36,213,292	5,746,662	37,460,560	36,216,878	(15,806)	(84,487)
Other income or Loss	43,325,281	(2,667,104)	6,574,665	7,720	(11,183,565)	(3,639,123)	1,296	-
General and Admin expenses	(65,907,612)	21,678,302)	(2,032,836)	(1,550,361)	(4,096,573)	(2,145,356)	-	-
Net Finance income/ (costs)	(3,525,762)	(3,729,258)	(38,908)	(744,408)	2,911,016	(690,507)	-	-
Profit / (Loss) before taxation	237,283,294	76,590,794	40,716,213	3,459,613	25,091,438	29,741,892	(14,510)	(84,487)
Tax (expense)/credit	(59,466,061)	(45,183,732)	(11,116,693)	(3,465,182)	(3,134,853)	(9,777,388)	(119,837)	349
Profit/(loss) after taxation	177,817,233	31,407,062	29,599,520	(5,569)	21,956,585	19,964,504	(134,347)	(84,138)
Other comprehensive income	70,912,908	95,803,335	76,081,934	29,274,600	63,044,437	63,532,961	3,660,801	4,533,805
Total comprehensive income	248,730,141	127,210,397	105,681,454	29,269,031	85,001,022	83,497,465	3,526,454	4,449,667

Summarised statement of financial position:

	Aradel Energy Limited		Aradel Gas Limited		Aradel Refineries Limited		Aradel Investments Limited	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Assets								
Property plant & equipment	327,544,000	160,467,459	112,301,149	71,482,047	233,216,703	145,637,721	-	-
Intangible assets	1,251,000	1,211,772	-	-	-	-	-	-
Deferred tax assets	5,629,632	7,071,495	-	-	-	-	254,363	214,794
Investment property	-	-	-	-	-	-	9,865,614	5,840,395
Financial assets	496,045	312,802	-	-	-	-	-	-
Investment in Aradel Refineries	1,640,071	1,640,071	-	-	-	-	-	-
Inventories	27,209,004	5,193,311	4,569,858	2,733,575	16,058,731	8,046,358	-	-
Trade and other receivables	50,370,114	43,652,134	131,762,914	69,847,984	(18,807)	2,193,310	3,307,816	115,268
Prepayments	324,512	78,841	-	-	-	-	-	-
Cash and cash equivalents	244,334,808	130,113,692	6,152,395	797,921	97,363,314	40,407,025	-	-
Total assets	658,799,186	349,741,577	254,786,316	144,861,527	346,619,941	196,284,414	13,427,793	6,170,457
Liabilities								
Borrowings	53,933,884	44,710,992	-	-	-	6,129,036	-	-
Deferred tax liabilities	-	-	32,222,427	13,370,743	26,783,085	12,302,027	-	-
Decommissioning liabilities	24,058,839	39,778,877	938,380	9,660,988	14,088,568	15,721,364	-	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Summarised statement of financial position cont'd.:

	Aradel Energy Limited		Aradel Gas Limited		Aradel Refineries Limited		Aradel Investments Limited	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Contract liabilities	-	-	-	-	1,792,993	1,771,922	-	-
Trade and other payables	148,537,234	87,297,453	1,637,567	45,413,495	102,246,155	36,875,632	2,206,645	5,230
Taxation	48,419,097	9,148,525	2,192,405	547,205	1,753,142	4,147,655	12,037	258
Total liabilities	274,949,054	180,935,847	36,990,779	68,992,431	146,663,943	76,947,636	2,218,682	5,488
Equity								
Deposit for shares	-	-	-	-	-	-	1,223,205	1,223,205
Share capital	50,000	50,000	10,000	10,000	10,000	10,000	20,000	20,000
Share premium	-	-	-	-	16,765,000	16,765,000		
Translation reserve	169,299,482	133,703,098	120,568,136	44,486,202	127,639,940	64,595,503	9,577,034	4,533,805
Retained earnings	214,500,650	35,052,632	97,217,401	31,372,894	55,541,058	37,966,275	388,871	387,959
Other reserves	-	-	-	-	-	-	-	-
Total equity	383,850,130	168,805,730	217,795,537	75,869,096	199,955,998	119,336,778	11,209,110	6,164,969
Total liabilities and equity	658,799,186	349,741,577	254,786,316	144,861,527	346,619,941	196,284,414	13,427,792	6,170,457

Summarised statement of cash flows

	Aradel Energy Limited		Aradel Gas Limited		Aradel Refineries Limited		Aradel Investments Limited	
₦ '000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Net cash flows from/ (used in) operating activities	236,143,680	208,016,227	15,254,455	201,614	39,410,016	19,034,651	53,493	75,654
Net cash (used in) / from investing activities	(117,442,004)	(42,316,127)	(9,901,609)	(260,518)	(295,554)	1,462,696	(53,493)	(75,654)
Net cash flows (used in)/generated from financing activities	(26,859,065)	(71,874,426)	-	-	(15,157,211)	(5,120,770)	-	-
Net (decrease)/increase in cash and cash equivalents	91,842,611	93,825,674	5,352,846	(58,904)	23,957,251	15,376,577	-	-

29. COMMITMENTS

As at 31 December 2024, the capital commitments in respect of PPE expenditures amounts to ₦45.3 billion (2023: ₦29.3 billion).

30. CONTINGENCIES

The Group has contingent liabilities in respect of legal suits against Aradel Energy Limited as the operator of the Ogbele oil field. The possible liabilities from these cases amount to ₦2,042 billion (2023: ₦1,204 billion). These have not been incorporated in these financial statements. The directors on the advise of the Group's solicitors are of the opinion that the Group will not suffer any loss from these claims.

31. TRANSLATION RESERVE

Included in translation reserve are share of other comprehensive income of an associate and foreign currency translation reserve.

32. FAIR VALUE RESERVE

This represents the fair value changes in financial assets measured at fair value through other comprehensive income.

33. NON-CONTROLLING INTEREST

Non-Controlling Interests represent the 4.9621% ownership stake in Aradel Refineries Limited held outside the Group. The investment was received as part of the fund-raising efforts for Train 2 & 3 of the refinery.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

34. RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of Aradel Holdings Plc and the subsidiaries listed in the following table:

		% effective equity interest	% effective equity interest
₦ '000		2024	2023
Aradel Energy Limited	Nigeria	100	100
Aradel Gas Limited	Nigeria	100	100
Aradel Investments Limited	Nigeria	100	100
Aradel Refineries Limited	Nigeria	95.04	95.04

Other related parties include ND western Limited, an associate company in which the Group has a 41.667% ownership interest.

The ultimate parent of the Group is Aradel Holdings Plc.

Balances and transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The following transactions were carried out with related parties:

THE GROUP

(a) Sales of goods and services		
Goods	2024	2023
– ND Western Limited (Associate)	Nil	Nil
Rendering of services:		
– Ultimate parent (legal and administration services)	Nil	Nil
Total	Nil	Nil

(b) Purchase of goods and services		
	2024	2023
Rendering of services:		
– Entity controlled by key Management personnel	Nil	Nil
Total	Nil	Nil

(c) Year-end balances arising from sales/purchases of goods/services		
	2024	2023
Receivables from related parties		
ND Western Limited	Nil	Nil

The receivables are unsecured in nature and bear interest at commercial interest rates. No provisions are held against receivables from related parties (2023: nil).

THE COMPANY

(a) Purchase of goods and services		
₦ '000	2024	2023
Purchase of services:		
– Entity under common control (Aradel Investments Limited)	5,919	2,584
Total	5,919	2,584

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

34. RELATED PARTY DISCLOSURES CONT'D.

THE COMPANY

(b) Year-end balances arising from sales/purchases of goods/services		
₦ '000	2024	2023
Receivables		
Aradel Energy Limited	1,096,218	48,980,591
Aradel Gas Limited	1,870,020	10,790,331
Aradel Refineries Limited	14,423,875	-
Total	17,390,113	59,770,922
Payables		
Aradel Investments Limited	(588,028)	(48,785)
Aradel Refineries Limited	-	(11,305,092)
Total	(588,028)	(11,353,877)

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ARADEL HOLDINGS PLC
LAGOS, NIGERIA

UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
(IN US DOLLARS)

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		THE GROUP		THE COMPANY	
$'000	Notes	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Revenue	4	392,667	342,336	-	-
Cost of sales	5	(176,529)	(133,659)	(106)	(162)
Gross profit		216,138	208,677	(106)	(162)
Other (loss)/income	6	21,455	(35,667)	3,039	52,033
Impairment (loss)/ writeback on financial assets and contract assets	8	(163)	224	-	-
General and administrative expenses	7	(36,384)	(34,618)	(1,748)	(1,607)
Operating profit		201,046	138,616	1,185	50,264
Finance income	9	10,786	12,708	1,521	8,069
Finance costs	9	(15,565)	(22,236)	(5,859)	(3,001)
Net Finance (cost)/income		(4,779)	(9,528)	(4,338)	5,068
Share of profit of an associate	16	21,085	4,994	-	-
Profit before taxation		217,352	134,082	(3,153)	55,332
Tax (expense)/credit	27	(49,885)	(64,960)	15	-
Profit after taxation		167,467	69,122	(3,138)	55,332
Profit/(Loss) attributable to:					
Equity holders of the parent		166,730	67,749	(3,138)	55,332
Non-controlling interest		737	1,373	-	-
		167,467	69,122	(3,138)	55,332
Net gain/loss on equity instruments at fair value through other comprehensive income	15	3,541	3,419	3,541	3,419
Other comprehensive income for the year, net of tax		3,541	3,419	3,541	3,419
Total comprehensive income for the year		171,008	72,541	403	58,751
Total comprehensive income attributable to:					
Equity holders of the parent		170,271	71,168	403	58,751
Non-controlling interest		737	1,373	-	-
Basic earnings per share	12	$0.04	$0.02	-$0.001	$0.01

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

		THE GROUP		THE COMPANY	
$'000	Notes	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Assets					
Non-current assets					
Property, plant and equipment	13	444,813	426,318	-	-
Intangible assets	14	815	1,348	-	-
Financial assets	15	27,714	4,505	27,714	4,505
Investment in associate	16	318,848	300,463	50,000	50,000
Investment in subsidiaries	28	-	-	51,355	51,355
Total non-current assets		792,190	732,634	129,069	105,860
Current assets					
Inventories	18	31,157	17,759	-	-
Trade and other receivables	19	37,402	59,511	12,035	100,710
Prepayments	20	218	92	6	4
Financial assets	15	323	348	-	-
Cash and Cash equivalents	21	274,994	216,402	48,429	25,907
Total current assets		344,094	294,112	60,470	126,621
Total assets		1,136,284	1,026,746	189,539	232,481
Equity and liabilities					
Shareholders' equity					
Share capital	22	19,316	19,316	19,316	19,316
Share premium	22	78,955	78,955	78,955	78,955
Fair value reserve of financial assets at FVOCI	31	6,082	2,541	6,082	2,541
Retained earnings		795,891	676,571	56,724	107,272
Total equity attributable to equity holders of the company		900,244	777,383	161,077	208,084
Non-controlling interest	32	6,183	5,581	-	-
Total shareholders' equity		906,427	782,964	161,077	208,084
Non-current liabilities					
Borrowings	23	27,237	49,830	7,255	12,377
Deferred tax liabilities	17	34,599	20,442	-	-
Decommissioning liabilities	24	25,457	72,451	-	-
Total non-current liabilities		87,293	142,723	7,255	12,377
Current liabilities					
Trade and other payables	26	71,163	63,461	803	11,377
Contract liabilities	25	1,168	1,970	-	-
Taxation	27	34,114	16,035	-	643
Borrowings	23	36,119	19,593	20,404	-
Total current liabilities		142,564	101,059	21,207	12,020
Total liabilities		229,857	243,782	28,462	24,397
Total equity & liabilities		1,136,284	1,026,746	189,539	232,481

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

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

Ladi Jadesimi
Chairman
FRC/2014/OIDN/00000006637

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE GROUP

THE GROUP ($'000)	Issued capital	Share premium	Fair value reserve of financial assets at FVOCI	Retained earnings	Total equity attributable to equity holders of the company	Non - controlling interests	Total equity
Balance at 1 January 2023	19,316	78,955	(878)	625,976	723,369	4,721	728,090
Profit / (Loss) for the year	-	-	-	68,262	68,262	860	69,122
Net loss on equity instruments at fair value through other comprehensive income	-	-	3,419	-	3,419	-	3,419
Total comprehensive income for the year	-	-	3,419	68,262	71,681	860	72,541
Dividends to equity holders of the company	-	-	-	(17,667)	(17,667)	-	(17,667)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	(17,667)	(17,667)	-	(17,667)
Balance at 31 December 2023	19,316	78,955	2,541	676,571	777,383	5,581	782,964
Balance at January 2024	19,316	78,955	2,541	676,571	777,383	5,581	782,964
Profit for the year	-	-	-	166,730	166,730	737	167,467
Net gain on equity instruments at fair value through other comprehensive income	-	-	3,541	-	3,541	-	3,541
Total comprehensive income for the year	-	-	3,541	166,730	170,271	737	171,008
Dividends to equity holders of the company	-	-	-	(47,410)	(47,410)	-	(47,410)
Distribution to NCI holders				-		(135)	(135)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	(47,410)	(47,410)	(135)	(47,545)
Balance at 31 December 2024	19,316	78,955	6,082	795,891	900,244	6,183	906,427

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

THE COMPANY ($'000)	Issued capital	Share premium	Fair value reserve of financial assets at FVOCI	Retained earnings	Total equity
Balance at 1 January 2023	19,316	78,955	(878)	69,607	167,000
Profit for the year				55,332	55,332
Net loss on equity instruments at fair value through other comprehensive income	-	-	3,419	-	3,419
Total comprehensive income for the year	-	-	3,419	55,332	58,751
Dividends to equity holders of the company	-	-	-	(17,667)	(17,667)
Total contributions by and distributions to owners of the company, recognised directly in equity	-	-	-	(17,667)	(17,667)
Balance at 31 December 2023	19,316	78,955	2,541	107,272	208,084
Balance at January 2024	19,316	78,955	2,541	107,272	208,084
Profit for the year	-	-	-	(3,138)	(3,138)
Net gain on equity instruments at fair value through other comprehensive income	-	-	3,541	-	3,541
Total comprehensive income for the year	-	-	3,541	(3,138)	403
Dividends to equity holders of the company	-	-	-	(47,410)	(47,410)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	(47,410)	(47,410)
Balance at 31 December 2024	19,316	78,955	6,082	56,724	161,077

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		THE GROUP		THE COMPANY	
$'000	Notes	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Profit before taxation		217,352	134,082	(3,153)	55,332
Adjustments:					
Interest expense	9	15,565	22,236	5,859	3,001
Interest income	9	(10,786)	(12,708)	(1,521)	(8,069)
Dividend received	6	(112)	(168)	(5,245)	(168)
Realized exchange loss	6	19,590	36,417	5,800	533
Unrealized exchange gain	6	(3,172)		(3,153)	
Share of profit from associate	16	(21,085)	(4,994)	-	-
Loss on Financial Asset at FV through PorL	15.1	3,415	1,915	-	-
Hedge Cost Written off	15.1	(1,608)	1,719	-	-
Depreciation of property, plant and equipment	11	51,114	39,881	-	-
Amortisation of intangible assets	11	678	848	-	-
Allowance for expected credit loss/Impairment allowance	8	163	(224)	-	-
Provision no longer required	6	(30,612)	-	-	-
Bad debt written off	7	2,312	-	-	-
Stock adjustment	5	(18,688)	6,241	-	-
Asset write-off	13	-	4,858	-	-
Operating cash flows before movement in working capital		224,126	230,103	(1,413)	50,629
Movement in working capital:					
Decrease/(Increase) in trade and other receivables		19,634	15,428	88,675	(36,642)
Decrease/(Increase) in prepayments		(126)	130	(2)	73
(Increase)/Decrease in inventory		5,290	(3,109)	-	-
(Increase) / Decrease in restricted cash		6,132	(1,342)	6,249	(938)
(Decrease)/Increase in trade and other payables		910	(26,481)	(10,080)	5,583
(Decrease)/Increase in contract liabilities		(802)	1,970	-	-
Cash generated by operating activities		255,164	216,699	83,429	18,705
Tax paid	27	(17,650)	(10,054)	(628)	-
Net cash flows from / (used in) operating activities		237,514	206,645	82,801	18,705
Investing activities					
Interest received	9	10,755	12,708	1,490	8,069
Dividend received	6	2,812	168	5,245	168
Purchase of property, plant and equipment	13	(87,505)	(51,605)	-	(358)
(Purchase)/disposal of financial assets	15	(23,094)	(3,197)	(21,312)	-
Net cash (used in) / provided by investing activities		(97,032)	(41,926)	(14,577)	7,879
Financing activities					
Dividend paid to holders of the parent		(47,410)	(17,667)	(47,410)	(17,667)
Dividend paid to NCI holders		(135)	-	-	-
Interest paid	23	(6,383)	(12,295)	(1,172)	(2,096)
Repayment of borrowing	23	(21,923)	(76,512)	-	-

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS CONT'D

		THE GROUP		THE COMPANY	
$'000	Notes	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Financing activities					
Additional borrowing	23	-	10,000	-	-
Loan from related party	23	15,815		15,815	
Issue of bond	23	-	11,472	-	11,472
Net cash flows used in from financing activities		(60,036)	(85,002)	(32,767)	(8,291)
Increase/(decrease) in cash and cash equivalents		80,446	79,717	35,457	18,293
Cash and cash equivalents - Beginning of year	21	203,493	123,776	19,658	1,365
Exchange rate effects on cash and cash equivalents		(15,722)		(6,686)	
Cash and cash equivalents - End of year	21	268,217	203,493	48,429	19,658

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

3. 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 intersegement transactions were prevalent amongst the reporting segments during the reporting period under consideration, hence the eliminations necessary to achieve proper consolidation. Management remains commited 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.

3.1. SEGMENT REPORTING/(LOSS) DISCLOSURE

$'000	Crude Oil	Gas	Refined Products	Investment Properties	Total Reportable Segment	Eliminations	Consolidation
Revenue	327,754	53,632	126,826	80	508,292	(115,625)	392,667
Cost of sales	(149,857)	(29,159)	(101,377)	-	(280,393)	103,864	(176,529)
Gross profit	177,897	24,473	25,449	80	227,899	(11,761)	216,138
Other income or loss	32,319	4,443	(7,552)	1	29,211	(7,756)	21,455
General and administrative expenses	(46,286)	(1,374)	(2,901)	(91)	(50,652)	14,105	(36,547)
Operating profit	163,930	27,542	14,996	(10)	206,458	(5,412)	201,046
Finance income	7,889	-	2,897	-	10,786	-	10,786
Finance costs	(14,609)	(26)	(930)	-	(15,565)	-	(15,565)
Share of profit from associate	-	-	-	-	-	21,085	21,085
Profit before taxation	157,210	27,516	16,963	(10)	201,679	15,673	217,352
Tax expense	(40,173)	(7,513)	(2,118)	(81)	(49,885)	-	(49,885)
Profit after taxation	117,037	20,003	14,845	(91)	151,794	15,673	167,467
31 December 2023							
Revenue	250,199	37,643	156,993	80	444,915	(102,579)	342,336
Cost of sales	(104,977)	(26,831)	(99,042)	-	(230,850)	97,191	(133,659)
Gross profit	145,222	10,812	57,951	80	214,065	(5,388)	208,677
Other income	40,601	-	126	3,430	44,157	(79,824)	(35,667)
General and administrative expenses	(37,024)	(1,661)	(28,679)	(210)	(67,574)	33,180	(34,394)
Operating profit	148,799	9,151	29,398	3,300	190,648	(52,032)	138,616
Finance income	10,347	-	2,361	-	12,708	-	12,708
Finance costs	(13,704)	(1,201)	(3,549)	-	(18,454)	(3,782)	(22,236)
Share of profit from associate	-	-	-	-	-	4,994	4,994
Profit before taxation	145,442	7,950	28,210	3,300	184,902	(50,820)	134,082
Tax expense	(50,235)	(3,853)	(10,871)	(1)	(64,960)	-	(64,960)
Profit after taxation	95,207	4,097	17,339	3,299	119,942	(50,820)	69,122

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

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 December 2024							
Total Asset	622,942	165,891	225,766	8,746	1,023,345	112,939	1,136,284
Total Liabilities	208,106	24,324	95,522	1,445	329,397	(99,540)	229,857
31 December 2023							
Total Asset	624,912	162,119	218,236	7,389	1,012,656	14,090	1,026,746
Total Liabilities	283,243	40,556	99,993	6	423,798	(180,016)	243,782

4. REVENUE

Disaggregated revenue information

	THE GROUP	
$'000	31-Dec-24	31-Dec-23
Segments		
Crude Oil	252,529	170,017
Gas	18,956	15,326
Refined Products	121,182	156,993
Total revenue	392,667	342,336
Geographical markets		
Within Nigeria	140,138	172,319
Outside Nigeria	252,529	170,017
Total revenue from contracts with customers	392,667	342,336
Timing of revenue recognition		
Goods transferred at a point in time	392,667	342,336
Goods transferred over time	-	-
Total revenue from contracts with customers	392,667	342,336

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 made in advance.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

	THE GROUP	
$'000	31-Dec-24	31-Dec-23
Contract balances		
Trade receivables (Note 19)	36,131	39,280
Contract Liabilities (Note 25)	1,168	1,970

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract liabilities are considerations received from customers by the Group for which the related goods or services to the customers have not transferred.

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.

5. COST OF SALES

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Crude oil handling charges	66,156	39,880	-	-
Crude oil purchase (third party)	6,502	-	-	-
Depreciation and amortisation (Note 11)	50,152	38,948	-	-
Operational and maintenance expenses	14,871	13,397	106	162
Royalties and other statutory expenses	36,223	24,482	-	-
Staff costs (Note 10)	21,313	10,711	-	-
Stock Adjustments	(18,688)	6,241	-	-
Total	176,529	133,659	106	162

Operational and maintenance expenses include field expenses, community development expenses, insurance expense, repairs and maintenance, and materials & supplies.

Royalties and other statutory expenses includes Royalties due to FGN, NDDC Levy and other statutory expense.

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

6. OTHER (LOSS)/INCOME

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Crude handling	698	-	-	-
Dividend received from Financial assets (note 15)	112	168	112	168
Dividend received from Assosiate (note 16)	-	-	2700	-
Distribution from Aradel Energy Limited	-	-	-	39,024
Distribution from Aradel Gas Limited	-	-	-	13,008
Distribution from Aradel Refineries Limited	-	-	2,433	-
Fee income	6,451	582	441	366
Provision no longer required	30,612	-	-	-
Realized exchange loss	(19,590)	(36,417)	(5,800)	(533)
Unrealized exchange gain	3,172	-	3,153	-
Total	21,455	(35,667)	3,039	52,033

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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

7. GENERAL AND ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Depreciation and amortisation (Note 10)	1,640	1,781	-	-
Directors' fees	574	658	562	651
Fuel, utilities and travelling	1,984	2,702	28	65
Permits, registrations and subscriptions	1,141	3,004	8	2
Professional fees	3,781	3,430	459	380
Repairs and maintenance	1,702	1,844	-	8
Staff costs (Note 10)	14,209	7,141	74	352
Other expenses	11,353	14,058	617	149
Total	36,384	34,618	1,748	1,607

7.1. Other expenses consist of training fees, hedging expenses, bank charges, information technology expenses, and other related administrative costs incurred during the year.

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

8. CREDIT LOSS EXPENSE

The table below shows the ECL charges on financial instruments for the year recorded in the profit or loss:

	THE GROUP	
$'000	31-Dec-24	31-Dec-23
Impairment (charge) / write back on finalcial assets and contract assets (note 19)	(163)	224
	(163)	224

9. FINANCE COST AND INCOME

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Interest expense:				
Bank borrowings	10,730	12,037	4,589	242
IPIN Interest	2,233	1,737	-	-
Provisions: unwinding of discount (Note 24)	1,332	5,703	-	-
Coupon on Bonds	1,270	2,759	1,270	2,759
Finance costs	15,565	22,236	5,859	3,001
Total finance cost	15,565	22,236	5,859	3,001
Finance income:				
Interest income	10,786	12,708	1,521	8,069
Net interest income	10,786	12,708	1,521	8,069
Finance income	10,786	12,708	1,521	8,069
Net finance costs/income	(4,779)	(9,528)	(4,338)	5,068

The finance income write-off relates to the current interest income that are deemed irrecoverable

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

10. STAFF COST

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Included in cost of sales:				
Salaries and other staff costs	21,313	10,711	-	-
Included in general and administrative expenses:				
Salaries and other staff costs	14,209	7,141	74	352
Total	35,522	17,852	74	352
Salaries and other staff costs include the following:				
Salaries	8,765	11,866	-	-
Defined Contribution expenses	1,414	1,502	-	-
Other allowances	25,343	4,484	74	352
	35,522	17,852	74	352

11. DEPRECIATION AND AMORTISATION

	THE GROUP	
$'000	31-Dec-24	31-Dec-23
Included in cost of sales:		
Depreciation of oil and gas properties	50,152	38,948
Included in general admin expenses:		
Depreciation of other property, plant and equipment	962	933
Amortisation of intangible assets	678	848
Total in general admin expenses	1,640	1,781
Total	51,792	40,729

12. 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 issued and fully paid as at the end of the year.

	THE GROUP	
$'000	31-Dec-24	31-Dec-23
Profit attributable to equity holders of the Group	167,467	69,122
Weighted average number of ordinary shares in issue	4,344,844,360	217,242,218
Basic and diluted earnings per share	$0.039	$0.016*

On September 30th, 2024 the Company redenominated the nominal value of all the existing ordinary shares to Fifty kobo (₦0.50) each from Ten Naira (₦10.00) each and sub-divided the outstanding ordinary shares to 4,344,844,360 (Four Billion, Three Hundred and Forty Four Million, Eight Hundred and Forty Four Thousand, Three Hundred and Sixty) ordinary shares of Fifty Kobo (₦0.50) each from 217,242,218 (Two Hundred and Seventeen Million, Two Hundred and Forty Two Thousand, Two Hundred and Eighteen) ordinary shares of Ten Naira (₦10.00) each.

*The prior year earnings per share was restated for comparability.

Basic – THE COMPANY

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 issued and fully paid as at the end of the year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

Basic – THE COMPANY	THE GROUP	
$'000	31-Dec-24	31-Dec-23
(Loss)/Profit attributable to equity holders of the Group	(3,138)	55,332
Weighted average number of ordinary shares in issue	4,344,844,360	217,242,218
Basic and diluted earnings per share	$0.0007	$0.0127*

On September 30th, 2024 the Company redenominated the nominal value of all the existing ordinary shares to Fifty kobo (₦0.50) each from Ten Naira (₦10.00) each and sub-divided the outstanding ordinary shares to 4,344,844,360 (Four Billion, Three Hundred and Forty Four Million, Eight Hundred and Forty Four Thousand, Three Hundred and Sixty) ordinary shares of Fifty Kobo (₦0.50) each from 217,242,218 (Two Hundred and Seventeen Million, Two Hundred and Forty Two Thousand, Two Hundred and Eighteen) ordinary shares of Ten Naira (₦10.00) each.

*The prior year earnings per share was restated for comparability.

13. PROPERTY, PLANT AND EQUIPMENT (THE GROUP)

	THE GROUP	
$'000	31-Dec-24	31-Dec-23
Oil and gas properties (13a)	435,913	418,025
Other property, plant and equipment (13b & 13c)	8,900	8,293
Total	444,813	426,318

13a. OIL AND GAS PROPERTIES (THE GROUP)

$'000	Project equipment	Civil works	Gas pipeline	Gas plant facilities	Assets under development	Total
Cost:						
Balance at 1 January 2023	628,474	12,181	24,546	76,786	48,396	790,380
Reclassifications	36,064	257	1,908	-	(39,278)	(1,049)
Additions	7,346	422	794	290	42,020	50,872
Write-offs	-	-	-	-	(4,858)	(4,858)
Changes in decommisioning assets	(77,025)	-	-	-	-	(77,025)
Transfer	-	-	-	-	(4,423)	(4,423)
Balance at 31 December 2023	594,859	12,860	27,248	77,076	41,857	753,897
Balance at 1 January 2024	594,859	12,860	27,248	77,076	41,857	753,897
Reclassifications	61,424	1,974	-	-	(63,398)	-
Additions	20,796	653	102	2,006	62,236	85,793
Changes in decommisioning assets	(17,753)	-	-	-	-	(17,753)
Balance at 31 December 2024	659,326	15,487	27,350	79,082	40,695	821,937
Depreciation:						
Balance at 1 January 2023	262,198	8,440	7,241	19,045	-	296,924
Translation difference	1	1	1	-	-	3
Depreciation for the year	35,406	458	1,084	2,000	-	38,948
Balance at 31 December 2023	297,605	8,899	8,326	21,045	-	335,875

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

13a. OIL AND GAS PROPERTIES (THE GROUP) CONT'D.

$'000	Project equipment	Civil works	Gas pipeline	Gas plant facilities	Assets under development	Total
Balance at 1 January 2024	297,605	8,899	8,326	21,045	-	335,875
Depreciation for the year	46,060	914	1,108	2,070	-	50,152
Translation difference	1	-	(1)	-	-	-
Balance at 31 December 2024	343,666	9,813	9,433	23,115	-	386,027
Net book value:						
At 31 December 2024	315,660	5,674	17,917	55,967	40,695	435,913
At 31 December 2023	297,254	3,961	18,922	56,031	41,857	418,025
At 1 January 2023	366,276	3,741	17,305	57,741	48,396	493,459

There are no impairments in Property, Plant, and Equipment during the year. See Note 30 for assets pledged as collateral for borrowings. The capital commitments in respect of PPE expenditures amounts to $29.5 million (2023: $32.5 million).

The current year reclassification relates to settlement of completed drilling projects from asset under development to project equipment and civil works while the prior year reclassification relates to settlement of completed drilling projects from asset development to project equipment, civil works, gas pipeline and intangible assets.

The prior year transfer relates to movement of some assets from asset under development to other receivables (note 19). Subsequent reconciliation with the counter party on the Asset under development yielded a recoverable balance which has now been reclassified to other receivables.

The prior year write off is included in Operational and maintenance expenses (note 5).

13b. OTHER PROPERTY, PLANT AND EQUIPMENT(THE GROUP)

$'000	Plant and machinery	Furniture and Fittings	Office equipment	Motor vehicles	Building	Land	Total
Cost:							
Balance at 1 January 2023	1,684	330	6,428	4,718	2,178	1,269	16,607
Translation difference	-	-	-	-	1,630	2,128	3,758
Additions	387	7	235	-	-	-	629
Balance at 31 December 2023	2,071	337	6,663	4,718	3,808	3,397	20,994
Balance at 1 January 2024	2,071	337	6,663	4,718	3,808	3,397	20,994
Translation difference	-	-	-	-	1	-	1
Additions	60	15	803	684	5	-	1,567
Balance at 31 December 2024	2,131	352	7,466	5,402	3,814	3,397	22,562
Depreciation:							
Balance at 1 January 2023	2,131	240	5,718	4,055	312	-	11,358
Translation difference	-	-	-	(1)	411	-	410
Depreciation for the year	155	36	371	298	73	-	933
Balance at 31 December 2023	1,188	276	6,089	4,352	796	-	12,701
Balance at 1 January 2024	1,188	276	6,089	4,352	796	-	12,701
Translation difference	-	-	(1)	-	-	-	(1)
Depreciation for the year	145	41	378	325	73	-	962
Balance at 31 December 2024	1,333	317	6,466	4,677	869	-	13,662
Net book value:							
At 31 December 2024	798	35	1,000	725	2,945	3,397	8,900
At 31 December 2023	883	61	574	366	3,012	3,397	8,293
At 1 January 2023	651	90	710	663	1,866	1,269	5,249

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

13c. OTHER PROPERTY, PLANT AND EQUIPMENT(THE COMPANY)

$'000	Plant and machinery	Furniture and Fittings	Office equipment	Motor vehicles	Assets under development	Total
Cost:						
Balance at 1 January 2023	46	129	247	84	8,759	9,265
Additions	-	-	-	-	358	358
Transfer	-	-	-	-	(9,117)	(9,117)
Balance at 31 December 2023	46	129	247	84	-	506
Balance at 1 January 2024	46	129	247	84	-	506
Balance at 31 December 2024	46	129	247	84	-	506
Depreciation:						
Balance at 1 January 2023	46	129	247	84	-	506
Balance at 31 December 2023	46	129	247	84	-	506
Balance at 1 January 2024	46	129	247	84	-	506
Balance at 31 December 2024	46	129	247	84	-	506
Net book value:						
At 31 December 2024	-	-	-	-	-	-
At 31 December 2023	-	-	-	-	-	-
At 1 January 2023	-	-	-	-	8,759	8,759

The prior year transfer relates to intercompany movement (from Aradel Holdings Plc to Aradel Energy Limited).

14. INTANGIBLE ASSETS

	THE GROUP			THE COMPANY	
$'000	License	Software	Total	Software	Total
Cost:					
Balance at 1 January 2023	2,500	1,139	3,639	701	701
Transfer (note 13b)	-	1,049	1,049	-	-
Additions	-	104	104		-
Balance at 31 December 2023	2,500	2,292	4,792	701	701
Balance at 1 January 2024	2,500	2,292	4,792	701	701
Additions	-	145	145	-	-
Balance at 31 December 2024	2,500	2,437	4,937	701	701
Amortisation:					
Balance at 1 January 2023	1,470	1,126	2,596	701	701
Amortisation charge for the year	694	154	848	-	-
Balance at 31 December 2023	2,164	1,280	3,444	701	701
Balance at 1 January 2024	2,164	1,280	3,444	701	701
Amortisation charge for the year	336	342	678	-	-
Balance at 31 December 2024	2,500	1,622	4,122	701	701

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

14. INTANGIBLE ASSETS CONT'D.

	THE GROUP			THE COMPANY	
₦ '000	License	Software	Total	Software	Total
Net book value:					
At 31 December 2024	-	815	815	-	-
At 31 December 2023	336	1,012	1,348	-	-
At 1 January 2023	1,030	13	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.

15. FINANCIAL ASSETS

Financial assets include the following:	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Listed securities:	11,892	4,498	11,892	4,498
Unlisted securities:	16,145	355	15,822	7
Total	28,037	4,853	27,714	4,505
Current	323	348	-	-
Non-current	27,714	4,505	27,714	4,505
Total	28,037	4,853	27,714	4,505

Changes in Financial assets	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
At 1 January	4,853	4,914	4,505	4,129
Crude Oil Hedge	1,782	3,197	-	-
FV Loss through PorL	(3,415)	(1,915)	-	-
Hedge Cost Written off	1,608	(1,719)	-	-
FGN Bond	3,000	-	3,000	-
GTB	1,813	-	1,813	-
Ever Oil & Gas Depot (Harbourview)	684	-	684	-
Investment Deposit	15,815	-	15,815	
FX Loss on Financial Assets	(1,675)	(3,043)	(1,675)	(3,043)
Net gain on equity instruments at fair value through other comprehensive income	3,541	3,419	3,541	3,419
Bond Amortization	31	-	31	-
Current Value	28,037	4,853	27,714	4,505

The Group has designated its equity investments as FVOCI on the basis that these are not held for trading. Instead, they are held for medium to long term strategic pruposes. In 2024, the Group received $83,768 (2023: $115,138) from Consolidate Hallmark Insurance Plc; No dividends (2023: Nil) from Dharmattan Gas and Power Ltd; $8,894 (2023: bonus/right issue) from PetroData Management Services Ltd which was recorded in the income statement as other income.

The Group did not dispose off or derecognise any FVOCI equity instruments in 2023. Further disclosures on fair value are made in note 34.

In 2024, the Group entered an economic crude oil hedge contract with an average strike price of $55/bbl for 1,080,000 barrels at an average premium price of $1.65. The tenor of the hedge is from September 2024 to August 2025.

A fair value reserve gain of financial assets at FVOCI of $3.5 million (2023: $3.4 million) was recorded in the Group and Company respectively.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

16. INVESTMENT IN ASSOCIATE - ND WESTERN LIMITED

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
At 1 January	300,463	295,469	50,000	50,000
Share of profit	21,085	4,994	-	-
Dividend received	(2,700)	-	-	-
Carrying amount	318,848	300,463	50,000	50,000

17. DEFERRED TAXATION

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

Deferred Tax Liabilities	THE GROUP	
$'000	31-Dec-24	31-Dec-23
Deferred tax liabilities		
Accelerated depreciation and amortisation	33,467	15,594
Decommissioning liabilities	1,132	4,848
Total	34,599	20,442
Deferred taxation		
At start of year	20,442	(28,447)
Income statement charge	14,156	48,926
Translation difference	1	(37)
Net deferred tax liabilities/(assets) at end of year	34,599	20,442
Reflected in the statement of financial position as:		
Deferred tax liabilities	34,599	20,442
Net deferred tax liabilities/(assets)	34,599	20,442

Deferred taxes are payable in more than one year.

18. INVENTORIES

	THE GROUPP	
$'000	31-Dec-24	31-Dec-23
Crude Oil	14,327	3,554
Refined products	4,414	5,663
Materials	12,416	8,542
Total	31,157	17,759

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. The inventory charged to Cost of sales during the year amounted to $2.5m (2023: $2.5m).

The net movement in the value of inventory in the tank throughtout year is refective in stock adjustments (note 5) .

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

19. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Trade receivables	36,131	57,230	-	-
Other receivables	1,478	2,325	708	2,743
Related party receivables (note 29)	-	-	11,327	97,967
	37,609	59,555	12,035	100,710
Allowance for expected credit losses	(207)	(44)	-	-
	37,402	59,511	12,035	100,710

Set out below is the movement in the allowance for expected credit losses of trade and other receivables:

	THE GROUP	
$'000	31-Dec-24	31-Dec-23
As at 1 January	44	211
Impairment (write back)/charge on financial assets	163	(224)
Translation difference	-	57
As at 31 December	207	44

Trade receivables are non-interest bearing and are generally on 30-90 day terms.

Other receivables relates principally to receivable from South Sudan.

The charge of allowance for expected credit losses on trade and related party receivables is $163,000 (Group) and Nil for Company (31 Dec 2022: Reversal $224,000 - Group & Nil for Company).The charge of expected credit losses arose from reassessment.

20. PREPAYMENTS

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Prepaid rent	1	19	-	-
Prepaid expenses	2	20	-	-
Prepaid insurance	215	53	6	4
Total	218	92	6	4

21. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Cash and bank balances	138,924	89,810	38,223	19,658
Short term deposits	129,293	113,683	10,206	-
Cash and cash equivalents for statement of cashflow purposes	268,217	203,493	48,429	19,658
Restricted cash	6,777	12,909	-	6,249
Total Cash and Bank	274,994	216,402	48,429	25,907

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 and GT Bank loan.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

22. SHARE CAPITAL AND PREMIUM

THE GROUP	NUMBER OF SHARES	ORDINARY SHARES	SHARE PREMIUM	SHARE TOTAL
		($'000)	($'000)	($'000)
Balance at 1 January 2023	217,242,218	19,316	78,955	98,271
Balance at 31 December 2023	217,242,218	19,316	78,955	98,271
Balance at 31 December 2024	4,344,844,360	19,316	78,955	98,271

On September 30th, 2024 the Company redenominated the nominal value of all the existing ordinary shares to Fifty kobo (₦0.50) each from Ten Naira (₦10.00) each and sub-divided the outstanding ordinary shares to 4,344,844,360 (Four Billion, Three Hundred and Forty Four Million, Eight Hundred and Forty Four Thousand, Three Hundred and Sixty) ordinary shares of Fifty Kobo (₦0.50) each from 217,242,218 (Two Hundred and Seventeen Million, Two Hundred and Forty Two Thousand, Two Hundred and Eighteen) ordinary shares of Ten Naira (₦10.00) each.

THE COMPANY	NUMBER OF SHARES	ORDINARY SHARES	SHARE PREMIUM	SHARE TOTAL
		($'000)	($'000)	($'000)
Balance at 1 January 2023	217,242,218	19,316	78,955	98,271
Balance at 31 December 2023	217,242,218	19,316	78,955	98,271
Balance at 31 December 2024	4,344,844,360	19,316	78,955	98,271

Share premium represents the excess of the market value of the total issued share capital over the nominal value.

	NUMBER OF SHARES	AMOUNT
		($'000)
Authorised Share capital	4,344,844,360	19,316
Issued and fully paid-up	4,344,844,360	19,316

On September 30th, 2024 the Company redenominated the nominal value of all the existing ordinary shares to Fifty kobo (₦0.50) each from Ten Naira (₦10.00) each and sub-divided the outstanding ordinary shares to 4,344,844,360 (Four Billion, Three Hundred and Forty Four Million, Eight Hundred and Forty Four Thousand, Three Hundred and Sixty) ordinary shares of Fifty Kobo (₦0.50) each from 217,242,218 (Two Hundred and Seventeen Million, Two Hundred and Forty Two Thousand, Two Hundred and Eighteen) ordinary shares of Ten Naira (₦10.00) each.

23. BORROWINGS

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
GTB	31,994	43,667	-	-
BOI loan	3,066	12,742	-	-
Bond	7,255	12,377	7,255	12,377
Loans from related party	20,404	-	20,404	-
Petre IPINs	637	637	-	-
Total	63,356	69,423	27,659	12,377
Current	36,119	19,593	20,404	-
Non-current	27,237	49,830	7,255	12,377
Total	63,356	69,423	27,659	12,377

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

23. BORROWINGS CONT'D.

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Changes in liabilities arising from financing activities				
At 1 January	69,423	120,225	12,377	-
Additional borrowing	-	10,000	-	-
N10B Series 1 Bond	-	11,472	-	11,472
Loans from related party	15,815	-	15,815	-
Repayment of principal	(21,923)	(76,512)	-	-
Repayment of interest	(6,383)	(12,295)	(1,172)	(2,096)
Foreign exchange movement	(7,809)	-	(5,638)	-
Accrued interest	14,572	13,707	6,266	3,002
Remeasurements	(339)	2,826	11	(1)
At 31 December	63,356	69,423	27,659	12,377

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

24. DECOMMISSIONING LIABILITIES

$'000	THE GROUP
Balance at 1 January 2023	143,773
Charged/(credited) to profit or loss:	
Changes in estimated flows	(77,025)
Unwinding of discount due to passage of time	5,703
Balance at 31 December 2023	72,451
Balance at 1 January 2024	72,451
Charged/(credited) to profit or loss:	
Provision no longer required	(30,573)
Changes in estimated flows	(17,753)
Unwinding of discount due to passage of time	1,332
Balance at 31 December 2024	25,457

The Group makes full provision for the future cost of decommissioning oil & gas production facilities, refining facilities and pipelines on a discounted basis. The decommissioning provision represents the present value of decommissioning costs relating to these assets, which are expected to be incurred up to 2057. These provisions have been created based on the Group's internal estimates. Assumptions based on the current economic environment have been made which Management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual decommissioning costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of decommissioning is likely to depend on when the assets cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.The discount rate used in the calculation of the provision as at 31 December 2024 are; Oil 4.19% (31 December 2023 : 3.88%), Gas 4.53% (31 December 2023 : 4.03%), refining facilities 4.78% (31 December 2023 : 4.03%) . The inflation rate used in the calculation of the provision as at 31 December 2024 is 3.02% (31 December 2023 : 4.14%)

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

25. CONTRACT LIABILITIES

	THE GROUP	
$'000	31-Dec-24	31-Dec-23
Down payments received	1,168	1,970
	1,168	1,970

A contract liability is an entitys obligation to transfer goods or services to a customer for which the entity has received consideration from the customer. This will exist when an entity has received consideration but has not transferred the related goods or services to the customer. The Group has recognised a liability in relation to contracts with refined products customers for the delivery of refined products which these customers are yet to receive but which cash consideration have been received by the Group as at the end of the reporting period.

For the purchase of refined products, the terms of payments relating to the contract with customers is advance payments. The refinery operates a 7-days sales cycle which includes product evacuation.

26. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Amounts due to related parties	-	-	383	10,522
Royalty payable	20,202	30,822	-	-
Sundry creditors	29,328	10,059	63	319
Trade payables	21,276	22,044	-	-
Unclaimed dividend	357	536	357	536
	71,163	63,461	803	11,377

- Trade payables are non-interest bearing and are normally settled on 30-day terms . Sundry creditors include IPIN note due and other statutory creditors.
- The Directors consider that the carrying amount of trade payables approximates to their fair value.

27. TAXATION

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
Hydrocarbon tax	9,050	5,507	-	-
Income tax expense	25,848	3,556	-	-
Minimum Tax	634	1,414	-	-
Education tax	6,339	5,557	-	-
Under/(Over) provision of prior year taxes	(6,142)	-	(15)	-
Total current tax	35,729	16,034	(15)	-
Deferred taxation				
Origination of temporary differences	14,156	48,926	-	-
Total deferred tax	14,156	48,926	-	-
Income tax expense	49,885	64,960	(15)	-

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS CONT'D.

27. TAXATION CONT'D.

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

	THE GROUP		THE COMPANY	
$'000	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
At 1 Jan	16,035	10,055	643	643
Tax paid	(17,650)	(10,054)	(628)	-
Prior period under/(over) provision	(6,142)	-	(15)	-
Income tax charge for the year	41,871	16,034	-	-
At 31 December	34,114	16,035	-	643

28. SUBSIDIARIES

Aradel Holdings Plc ('the parent') controls the following subsidiaries:

	Ownership interest		
$'000		31-Dec-24	31-Dec-23
Aradel Energy Limited	100%	300	300
Aradel Investments Limited	100%	4,097	4,097
Aradel Refineries Limited	95.04%	46,894	46,894
Aradel Gas Limited	100%	64	64
		51,355	51,355

29. RELATED PARTY DISCLOSURES

Year-end balances arising from sales/purchases of goods/services	THE GROUP	
$'000	31-Dec-24	31-Dec-23
Receivables from related parties		
ND Western Limited	-	-
Year-end balances arising from sales/purchases of goods/services	**THE COMPANY**	
Receivables from related parties		
Aradel Energy Limited	714	83,116
Aradel Gas Limited	1,218	14,851
Aradel Refineries Limited	9,395	-
Total	11,327	97,967
Payables to related parties		
Aradel Investments Limited	(383)	(380)
Total	(383)	(380)

30. COMMITMENTS

As at 31 December 2023, the capital commitments in respect of PPE expenditures amounts to $29.5 million (2023: $32.5 million).

31. FAIR VALUE RESERVE

This represents the fair value changes in financial assets measured at fair value through other comprehensive income.

32. NON-CONTROLLING INTEREST

Non-Controlling Interests represent the 4.9621% ownership stake in Aradel Refineries Limited held outside the Group. The investment was received as part of the fund-raising efforts for Train 2 & 3 of the refinery.

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Holdings