



**ARADEL HOLDINGS PLC
LAGOS, NIGERIA**

**UNAUDITED CONSOLIDATED FINANCIAL
STATEMENTS FOR THE SIX MONTHS
ENDED 30 JUNE 2024**

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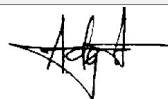
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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

₩ '000	Notes	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
		30-June-24	30-June-23	30-June-24	30-June-23
Revenue	4	167,149,578	55,838,369	268,314,455	74,494,347
Cost of sales	5	(67,617,423)	(15,939,747)	(105,467,968)	(24,700,510)
Gross profit		99,532,155	39,898,622	162,846,487	49,793,837
Other income/ (loss)	6	28,317,104	(12,341,928)	7,525,645	(13,290,116)
General and administrative expenses	7	(13,059,064)	(4,255,027)	(20,102,848)	(6,679,762)
Operating profit		114,790,195	23,301,667	150,269,284	29,823,959
Finance income	8	2,710,224	953,370	5,981,114	1,748,141
Finance costs	8	(4,087,680)	(4,030,678)	(7,426,549)	(5,493,126)
Net Finance cost		(1,377,456)	(3,077,308)	(1,445,435)	(3,744,985)
Share of profit of an associate	15	9,373,668	(893,019)	13,455,090	1,794,894
Profit before taxation		122,786,407	19,331,340	162,278,939	27,873,868
Tax expense	26	(40,375,218)	(13,270,200)	(57,852,645)	(14,731,719)
Profit after taxation		82,411,189	6,061,140	104,426,294	13,142,149
Profit attributable to:					
Equity holders of the parent		81,974,168	5,605,759	104,130,462	12,357,486
Non-controlling interest		437,021	455,381	295,832	784,663
		82,411,189	6,061,140	104,426,294	13,142,149
Other comprehensive income:					
<i>Other comprehensive income item that may be reclassified to profit or loss in subsequent years (net of tax):</i>					
Foreign currency translation difference		53,034,367	141,399,825	259,976,983	146,502,210
Share of other comprehensive income of associate accounted for using the equity method	15	43,221,888	89,275,862	172,754,152	96,164,929
Net gain on equity instruments at fair value through other comprehensive income		393,370	664,560	495,800	692,572
Other comprehensive income for the year, net of tax		96,649,625	231,340,247	433,226,935	243,359,711
Total comprehensive income for the year		179,060,814	237,401,387	537,653,229	256,501,860
Total comprehensive income attributable to:					
Equity holders of the parent		178,177,362	234,540,553	535,234,705	253,214,684
Non-controlling interest		883,452	2,860,834	2,418,524	3,287,176
Basic earnings per share	11	₩379.35	₩27.9	₩480.69	₩60.5

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

THE GROUP			
₦ '000	Notes	30-Jun-24	30-Jun-23
Assets			
Non-current assets			
Property, plant and equipment	12	633,556,499	383,427,621
Intangible assets	13	1,279,560	1,211,772
Financial assets	14	4,554,390	4,051,382
Investment in associate	15	456,442,538	270,233,296
Total non-current assets		1,095,832,987	658,924,071
Current assets			
Inventories	17	22,394,618	15,973,244
Trade and other receivables	18	51,483,776	53,523,077
Prepayments	19	469,178	82,606
Financial assets	14	1,029,287	312,802
Cash and Bank	20	420,432,992	194,618,761
Total current assets		495,809,851	264,510,490
Total assets		1,591,642,838	923,434,561
Equity and liabilities			
Shareholders' equity			
Share capital		2,172,422	2,172,422
Share premium		22,819,670	22,819,670
Translation reserve		892,957,466	462,349,023
Fair value reserve of financial assets at FVOCI		3,024,587	2,528,787
Retained earnings		276,228,523	209,029,238
Non-controlling interests		8,163,965	5,745,441
Total shareholders' equity		1,205,366,633	704,644,581
Non-current liabilities			
Borrowings	22	52,959,420	44,350,154
Deferred tax liabilities	16	56,942,051	18,386,481
Decommissioning liabilities	23	108,571,820	65,161,229
Total non-current liabilities		218,473,291	127,897,864
Current liabilities			
Trade and other payables	25	84,053,675	57,076,608
Contract liabilities	24	718,805	1,771,922
Taxation	26	55,449,670	14,421,838
Borrowings	22	27,580,764	17,621,748
Total current liabilities		167,802,914	90,892,116
Total liabilities		386,276,205	218,789,980
Total equity & liabilities		1,591,642,838	923,434,561



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



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE GROUP

₹ '000	Issued capital	Share premium	Translation reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Non - controlling interests	Total equity
Balance at 1 January 2023	2,172,422	22,819,670	129,499,711	266,922	170,402,942	1,603,967	326,765,634
Profit for the year					12,357,486	784,663	13,142,149
Foreign currency translation difference			143,999,697	-		2,502,513	146,502,210
Net gain on equity instruments at fair value through other comprehensive income				692,572		-	692,572
Share of other comprehensive income of associate accounted for using the equity method	-	-	96,164,929	-	-	-	96,164,929
Total comprehensive income for the year	-	-	240,164,626	692,572	12,357,486	3,287,176	256,501,860
Balance at 30 June 2023	2,172,422	22,819,670	369,664,337	959,494	182,760,428	4,891,143	583,267,494
Balance at 1 January 2024	2,172,422	22,819,670	462,349,023	2,528,787	209,029,238	5,745,441	704,644,581
Profit for the year	-	-	-	-	104,130,462	295,832	104,426,294
Foreign currency translation difference	-	-	257,854,291	-	-	2,122,692	259,976,983
Net gain on equity instruments at fair value through other comprehensive income	-	-	-	495,800	-	-	495,800
Share of other comprehensive income of associate accounted for using the equity method	-	-	172,754,152	-	-	-	172,754,152
Total comprehensive income for the year	-	-	430,608,443	495,800	104,130,462	2,418,524	537,653,229
Dividends to equity holders of the company	-	-	-	-	(36,931,177)	-	(36,931,177)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	-	(36,931,177)	-	(36,931,177)
Balance at 30 June 2024	2,172,422	22,819,670	892,957,466	3,024,587	276,228,523	8,163,965	1,205,366,633

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

THE GROUP			
₺ '000	Notes	30-Jun-24	30-Jun-23
Profit before taxation		162,278,939	27,873,868
Adjustments:			
Interest expense	8	7,426,549	5,493,126
Interest income	8	(5,981,114)	(1,748,141)
Dividend received	6	(137,110)	(78,081)
Exchange (gain)/loss	6	(6,863,230)	13,368,679
Share of profit from associate	15	(13,455,090)	(1,794,894)
Hedge cost in PorL	14.1	2,033,446	850,213
Depreciation of property, plant and equipment	10	39,458,735	10,592,956
Stock adjustment	5	(6,893,915)	(1,472,931)
Operating cash flows before movement in working capital		177,867,210	53,084,795
Movement in working capital:			
Decrease in trade and other receivables		2,039,301	16,020,052
(Increase)/Decrease in prepayments		(386,572)	44,682
Decrease/(Increase) in inventory		472,541	(536,184)
Increase in restricted cash		(8,059,446)	(5,325,768)
Decrease in trade and other payables		(1,368,392)	(12,938,227)
Decrease in contract liabilities		(1,053,117)	-
Cash generated by operating activities		169,511,525	50,349,350
Tax paid	26	(4,085,494)	(615,488)
Net cash flows from operating activities		165,426,031	49,733,862
Investing activities			
Interest received	8	5,981,114	1,748,141
Dividend received	6	137,110	78,081
Purchase of property, plant and equipment	12&13	(49,211,670)	(14,135,083)
Purchase of financial assets	14.1	(2,618,408)	(2,463,675)
Net cash flows used in investing activities		(45,711,854)	(14,772,536)
Financing activities			
Dividend paid		(36,931,177)	-
Interest paid	22	(4,680,090)	(1,995,879)
Repayment of borrowing	22	(14,570,294)	(29,842,756)
Additional borrowings	22	-	7,703,800
Issue of Bond	22	-	10,318,000
Net cash flows used in financing activities		(56,181,561)	(13,816,835)
Increase in cash and cash equivalents		63,532,616	21,144,491
Cash and cash equivalents - Beginning of year	20	183,008,535	55,520,654
Exchange rate effects on cash and cash equivalents		154,222,169	39,570,560
Cash and cash equivalents - End of period	20	400,763,320	116,235,705

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. REPORTING ENTITY

Aradel Holdings Plc ("the Company") was incorporated on 25 March 1992. The consolidated financial statements of the Company as at and for the six (6) months ended 30 June 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 statement of profit and loss and other comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- Notes to the financial statements

1.3. FINANCIAL PERIOD

These consolidated financial statements cover the period from 1 January 2024 to 30 June 2024 with comparative figures for the financial year from 1 January 2023 to 30 June 2023 except for the statement of financial position which has comparative figures as at 31 December 2023.

1.4. BASIS OF PREPARATION

The consolidated 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, 2023.

Statement of compliance

The consolidated financial statements of Aradel Holdings Plc, and all of its subsidiaries ("the Group") have been prepared in compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS.

Basis of measurement

The consolidated and separate financial statements are prepared under the historical cost convention, except for certain financial instruments which are measured at amortised cost. The functional currency is Dollar and presentation currency is in both Dollar and Naira.

The preparation of the consolidated and separate financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

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 (₦1470.19) at the reporting date;
- income and expenses for each profit or loss statement are translated using the exchange 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.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) New standards, interpretations and amendments to existing standards that are effective for the current year

The Group has considered the following standards and amendments for the first time in its reporting period commencing 1 January 2024. Their adoption has not had any material impact on the disclosures or amounts reported in these financial statements.

Amendments to IAS 1 – Presentation of Financial Statements – Classification of Liabilities as Current or Non-current. The group has adopted the amendments to IAS 1 for the first time in the current year.

Amendments to IAS 1 Presentation of Financial Statements—Non-current Liabilities with Covenants. The group has adopted the amendments to IAS 1 for the first time in the current year.

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

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback. The group has adopted the amendments to IAS 16 for the first time in the current year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

(b) New standards, interpretations and amendments to existing standards issued but not yet effective.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt this standard, if applicable, when it becomes effective.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - effective date yet to be set by the Board.

All other accounting policies are consistent with what was reported in the latest Audited Financial Statements.

3. SEGMENT REPORTING

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

3.1. SEGMENT REPORTING/(LOSS) DISCLOSURE

₦ '000	Crude Oil	Gas	Refined Products	Investment Properties	Total Reportable Segment	Eliminations	Consolidation
30 June 2024							
Revenue	221,263,556	50,515,028	85,369,835	50,380	357,198,799	(88,884,344)	268,314,455
Cost of sales	(93,798,355)	(22,827,926)	(75,786,743)	(3,820)	(192,416,844)	86,948,876	(105,467,968)
Gross profit	127,465,201	27,687,102	9,583,092	46,560	164,781,955	(1,935,468)	162,846,487
Other income/(loss)	7,341,999	2,254,189	(318,617)	-	9,277,571	(1,751,926)	7,525,645
General and administrative expenses	(22,678,881)	(301,077)	(761,747)	(48,537)	(23,790,242)	3,687,394	(20,102,848)
Operating profit	112,128,319	29,640,214	8,502,728	(1,977)	150,269,284	-	150,269,284
Finance income	4,344,215	175	1,636,724	-	5,981,114	-	5,981,114
Finance costs	(6,391,482)	(263,016)	(772,051)	-	(7,426,549)	-	(7,426,549)
Share of profit from associate	13,455,090	-	-	-	13,455,090	-	13,455,090
Profit before taxation	123,536,142	29,377,373	9,367,401	(1,977)	162,278,939	-	162,278,939
Tax expense	(45,237,551)	(8,803,184)	(3,405,573)	(406,337)	(57,852,645)	-	(57,852,645)
Profit after taxation	78,298,591	20,574,189	5,961,828	(408,314)	104,426,294	-	104,426,294
30 June 2023							
Revenue	51,146,272	6,558,302	31,227,484	51,090	88,983,148	(14,488,801)	74,494,347
Cost of sales	(22,794,280)	(1,920,208)	(14,042,969)	-	(38,757,457)	14,056,947	(24,700,510)
Gross profit	28,351,992	4,638,094	17,184,515	51,090	50,225,691	(431,854)	49,793,837
Other income/(loss)	(3,069,249)	(705,137)	(9,372,583)	-	(13,146,969)	(143,147)	(13,290,116)
General and administrative expenses	(6,119,700)	(164,837)	(915,280)	(54,946)	(7,254,763)	575,001	(6,679,762)
Operating profit	19,163,043	3,768,120	6,896,652	(3,856)	29,823,959	-	29,823,959
Finance income	973,600	-	774,541	-	1,748,141	-	1,748,141
Finance costs	(4,284,320)	(289,670)	(919,136)	-	(5,493,126)	-	(5,493,126)
Share of profit from associate	1,794,894	-	-	-	1,794,894	-	1,794,894
Profit before taxation	17,647,217	3,478,450	6,752,057	(3,856)	27,873,868	-	27,873,868
Tax expense	(13,963,442)	(393,778)	(366,305)	(8,194)	(14,731,719)	-	(14,731,719)
Profit after taxation	3,683,775	3,084,672	6,385,752	(12,050)	13,142,149	-	13,142,149

NOTES TO THE CONDENSED CONSOLIDATED 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 June 2024							
Total Asset	1,152,671,346	177,705,042	318,214,328	9,620,969	1,658,211,685	(66,568,847)	1,591,642,838
Total Liabilities	283,862,226	48,471,512	103,154,482	1,316,592	436,804,812	(50,528,607)	386,276,205
31 December 2023							
Total Asset	725,306,564	144,861,527	196,284,414	6,170,457	1,072,622,962	(149,188,401)	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

*Crude oil includes the carrying amount of investment in associate.

4. REVENUE

Disaggregated revenue information

₦ '000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Segments				
Crude Oil	127,045,798	35,893,356	171,138,750	39,597,549
Refined Products	31,464,513	17,837,834	81,699,207	31,227,484
Gas	8,639,267	2,107,179	15,476,498	3,669,314
Total revenue	167,149,578	55,838,369	268,314,455	74,494,347

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

₦ '000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Geographical markets				
Within Nigeria	32,141,572	18,655,551	77,548,370	33,581,475
Outside Nigeria	135,008,006	37,182,818	190,766,085	40,912,872
Total revenue from contracts with customers	167,149,578	55,838,369	268,314,455	74,494,347
Timing of revenue recognition				
Goods transferred at a point in time	167,149,578	55,838,369	268,314,455	74,494,347
Goods transferred over time	-	-	-	-
Total revenue from contracts with customers	167,149,578	55,838,369	268,314,455	74,494,347

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

Sale of Natural Gas

The performance obligation is satisfied at a point in time when the gas have been delivered at the buyer's delivery point for gas and is generally due within 30 to 90 days from the date of issue of invoice.

Sale of Refined Products

The performance obligation is satisfied at a point in time, when the product is lifted by the customer/distributor and payment is generally due within 0 to 30 days.

₦ '000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Contract balances	2,117,290	13,431,604.35	49,269,686	20,366,344
Trade receivables	(129,901)	-	718,805	-

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

₦ '000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Consultancy fee	748,058	295,662	1,397,791	547,529
Crude oil handling charges	19,807,797	4,991,222	36,328,273	7,618,176
Depreciation and amortisation (Note 10)	21,898,014	5,279,030	38,200,170	10,086,877
Flowstation expenses	69,323	362,651	266,727	489,210
Materials, supplies and pollution control	1,554,714	604,058	2,277,656	858,406
Repairs and maintenance	1,136,389	335,366	1,187,374	557,169
Royalties to FGN	11,384,838	2,293,909	22,940,151	3,824,993
Statutory expenses	150,588	47,127	202,880	51,572
Staff costs (Note 9)	7,524,072	1,006,285	9,560,861	2,139,509
Stock adjustment	3,343,630	724,437	(6,893,915)	(1,472,931)
Total	67,617,423	15,939,747	105,467,968	24,700,510

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

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

6. OTHER (LOSS)/INCOME

₦ '000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Dividend received from Financial Assets	137,110	78,081.00	137,110	78,081.00
Fee income	84,742	482.00	525,305	482.00
Exchange gain/(loss)	28,095,252	(12,420,491.00)	6,863,230	(13,368,679)
Total	28,317,104	(12,341,928)	7,525,645	(13,290,116)

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

7. GENERAL AND ADMINISTRATIVE EXPENSES

₦ '000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Bank charges	819,267	102,341	921,237	153,752
Community development expenses	206,675	77,184	389,698	130,617
Depreciation and amortisation	667,661	300,860	1,258,565	506,079
Directors' fees	276,734	123,357	368,246	148,932
Fuel and utilities	182,126	197,510	221,345	214,963
Information technology expenses	817,266	542,376	991,138	593,799
Insurance	540,154	231,788	1,002,942	500,777
Permits, registrations and subscriptions	551,802	276,043	834,181	529,214
Professional fees	1,187,946	479,747	2,003,707	819,366
Repairs and maintenance	795,202	52,235	1,187,395	144,594
Staff costs (Note 9)	5,015,612	670,848	6,373,907	1,426,179
Training	41,504	18,521	100,333	31,329
Travelling	622,473	66,622	1,015,973	141,220
Hedging expense	690,839	850,213	2,033,446	850,213
Other expenses	643,803	265,382	1,400,735	488,728
Total	13,059,064	4,255,027	20,102,848	6,679,762

Other expenses consist of catering, donations, printing and stationery, and other related administrative costs incurred during the period.

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

8. FINANCE COST AND INCOME

₦ '000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Interest expense:				
Bank borrowings	2,891,154	2,604,543	4,798,519	3,423,986
Coupon on Bond	351,333	695,015	867,720	695,015
Provisions: unwinding of discount (Note 23)	845,193	731,120	1,760,310	1,374,125
Total finance cost	4,087,680	4,030,678	7,426,549	5,493,126
Finance income:				
Interest income	2,710,224	953,370	5,981,114	1,748,141
Total finance income	2,710,224	953,370	5,981,114	1,748,141
Net finance costs	(1,377,456)	(3,077,308)	(1,445,435)	(3,744,985)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

9. STAFF COST

N '000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Included in cost of sales:				
Salaries and other staff costs	7,524,072	1,006,284	9,560,861	2,139,509
Included in general and administrative expenses:				
Salaries and other staff costs	5,015,612	1,350,648	6,373,907	1,426,179
Total	12,539,684	2,356,932	15,934,768	3,565,688

10. DEPRECIATION AND AMORTISATION

N '000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Included in cost of sales:				
Depreciation of oil and gas properties	21,898,014	5,279,030.00	38,200,170	10,086,877
Included in general and administrative expenses:				
Depreciation of other property, plant and equipment	324,455	210,955.00	593,761	335,458
Amortisation of intangible assets	343,206	89,694.00	664,804	170,621
Total in general and administrative expenses	667,661	300,649	1,258,565	506,079
Total	22,565,675	5,579,679	39,458,735	10,592,956

11. EARNINGS PER SHARE

Basic - GROUP

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued and fully paid as at the end of the period.

N '000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Profit attributable to equity holders of the Group	82,411,189	6,061,140	104,426,294	13,142,149
Total	82,411,189	6,061,140	104,426,294	13,142,149
Weighted average number of ordinary shares in issue	217,242,218	217,242,218	217,242,218	217,242,218
Basic and diluted earnings per share(N)	379.35	27.90	480.69	60.50

12. PROPERTY, PLANT AND EQUIPMENT

N '000	THE GROUP	
	30-Jun-24	30-Jun-23
Oil and gas properties	542,523,819	338,322,294
Other property, plant and equipment	12,504,524	7,459,924
Asset under development	78,528,156	37,645,403
Total	633,556,499	383,427,621

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

12a. PROPERTY, PLANT AND EQUIPMENT (THE GROUP)

₦ '000	OIL AND GAS PROPERTIES	OTHER PROPERTY, PLANT AND EQUIPMENT	ASSETS UNDER DEVELOPMENT	TOTAL
Cost:				
Balance at 1 January 2023	332,818,312	7,447,956	21,708,055	361,974,323
Translation difference	334,517,209	8,419,927	18,884,111	361,821,247
Reclassifications	34,382,779	-	(35,326,240)	(943,461)
Transfer	-	-	(3,978,002)	(3,978,002)
Additions	7,961,402	3,014,184	37,792,368	48,767,954
Write-offs	-	-	(1,434,889)	(1,434,889)
Changes in decommissioning assets	(69,275,515)	-	-	(69,275,515)
Balance at 31 December 2023	640,404,187	18,882,067	37,645,403	696,931,657
Balance at 1 January 2024	640,404,187	18,882,067	37,645,403	696,931,657
Translation difference	406,434,120	11,981,094	23,891,767	442,306,981
Additions	31,232,717	961,504	16,990,986	49,185,207
Balance at 30 June 2024	1,078,071,024	31,824,665	78,528,156	1,188,423,845
Depreciation:				
Balance at 1 January 2023	133,185,421	5,093,608	-	138,279,029
Translation difference	154,255,996	6,065,156	-	160,321,152
Depreciation for the year	14,640,476	263,379	-	14,903,855
Balance at 31 December 2023	302,081,893	11,422,143	-	313,504,036
Balance at 1 January 2024	302,081,893	11,422,143	-	313,504,036
Translation difference	195,265,142	7,304,237	-	202,569,379
Depreciation for the year	38,200,170	593,761	-	38,793,931
Balance at 30 June 2024	535,547,205	19,320,141	-	554,867,346
Net book value:				
At 30 June 2024	542,523,819	12,504,524	78,528,156	633,556,499
At 31 December 2023	338,322,294	7,459,924	37,645,403	383,427,621
At 1 January 2023	199,632,891	2,354,348	21,708,055	223,695,294

There are no impairments in Property, Plant, and Equipment during the quarter. The capital commitments in respect of PPE expenditures amounts to ₦54.7 billion (2023: ₦29.3 billion).

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

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

The prior year write off is included in flowstation expenses (note 5) and other expenses (note 7).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

13. INTANGIBLE ASSETS

		THE GROUP
N '000	Intangible Assets	
Cost:		
Balance at 1 January 2023	1,632,074	
Translation difference	1,640,231	
Reclassification	943,460	
Additions	93,537	
Balance at 31 December 2023	4,309,302	
Balance at 1 January 2024	4,309,302	
Translation difference	2,733,734	
Reclassifications	-	
Additions	26,463	
Balance at 30 June 2024	7,069,499	
Amortisation:		
Balance at 1 January 2023	1,164,521	
Translation difference	1,550,595	
Amortisation charge for the year	382,414	
Balance at 31 December 2023	3,097,530	
Balance at 1 January 2024	3,097,530	
Translation difference	2,027,605	
Amortisation charge for the year	664,804	
Balance at 30 June 2024	5,789,939	
Net book value:		
At 30 June 2024	1,279,560	
At 31 December 2023	1,211,772	
At 1 January 2023	467,553	

Intangible assets consists of computer software and licenses used by the entity for recording transactions and reporting purposes. The entity's software has a finite life and is amortised on a straight line basis over the life of the software licenses.

14. FINANCIAL ASSETS

Financial assets include the following:		THE GROUP	
N '000		30-Jun-24	31-Dec-23
Fair value through OCI			
<i>Listed securities:</i>			
Consolidated Hallmark Insurance Plc		4,548,095	4,045,087
<i>Unlisted securities:</i>			
PetroData Management Services Ltd		5,396	5,396
Dharmattan Gas and Power Ltd		899	899
Fair value through Profit or Loss			
Hedge		1,029,287	312,802
Total		5,583,677	4,364,184

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

15. INVESTMENT IN ASSOCIATE - ND WESTERN LIMITED

N '000	THE GROUP	
	30-Jun-24	31-Dec-23
At 1 January	270,233,296	132,532,480
Share of profit	13,455,090	3,221,500
Share of other comprehensive income (net of tax), may not be reclassified to profit or loss in subsequent periods	172,754,152	134,479,316
Carrying amount	456,442,538	270,233,296

16. DEFERRED TAXATION

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

Deferred Tax Liabilities	THE GROUP	
	30-Jun-24	31-Dec-23
N '000		
Deferred tax liabilities		
Accelerated depreciation and amortisation	56,149,911	15,383,043
Decommissioning liabilities	792,140	3,003,438
Total	56,942,051	18,386,481
Deferred taxation		
At start of year	18,386,481	(12,759,803)
Income statement credit	24,601,485	44,003,555
Translation difference	13,954,085	(12,857,271)
Net deferred tax liabilities at end of year	56,942,051	18,386,481
Reflected in the statement of financial position as:		
Deferred tax liabilities	56,942,051	18,386,481
Deferred tax assets	-	-
Net deferred tax liabilities	56,942,051	18,386,481

Deferred taxes are payable in more than one year.

17. INVENTORIES

N '000	THE GROUP	
	30-Jun-24	31-Dec-23
Crude Oil	4,879,397	3,196,572
Refined Products	2,637,727	5,093,707
Materials	14,877,494	7,682,965
Total	22,394,618	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 N1.6 billion (2022: N1.4 billion).

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

18. TRADE AND OTHER RECEIVABLES

N '000	THE GROUP	
	30-Jun-24	31-Dec-23
Trade receivables	49,269,686	51,470,892
Other receivables	2,253,337	2,091,432
	51,523,023	53,562,324
Allowance for expected credit losses	(39,247)	(39,247)
	51,483,776	53,523,077

Trade receivables are non-interest bearing and are generally on 30-90 day terms. Other receivables relate principally to outstanding receivable balance from Nile Delta Company Limited.

19. PREPAYMENTS

N '000	THE GROUP	
	30-Jun-24	31-Dec-23
Prepaid rent	74,086	16,883
Prepaid expenses	19,965	18,294
Prepaid insurance	375,127	47,429
Total	469,178	82,606

20. CASH AND BANK

N '000	THE GROUP	
	30-Jun-24	31-Dec-23
Cash and bank balances	179,753,570	80,763,842
Short term deposits	221,009,750	102,244,693
Cash and cash equivalents for statement of cashflow purposes	400,763,320	183,008,535
Restricted cash	19,669,672	11,610,226
Total Cash and Bank	420,432,992	194,618,761

Cash and cash equivalents comprise balances with less than three months to maturity, including cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities less than three months. Restricted cash relates to cash used as collateral for the BOI & GTB loans.

21. SHARE CAPITAL AND PREMIUM

Share capital and premium – THE GROUP				
	Number of shares	Ordinary shares N '000	Share premium N '000	Total N '000
Balance at 1 January 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 30 June 2024	217,242,218	2,172,422	22,819,670	24,992,092

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

22. BORROWINGS

₦ '000	THE GROUP	
	30-Jun-24	31-Dec-23
GTB	55,784,869	39,273,624
BOI loan	12,985,933	11,459,657
N10B Series I Bond	11,662,635	11,131,874
Petre IPINs	106,747	106,747
Total	80,540,184	61,971,902
Current	27,580,764	17,621,748
Non-current	52,959,420	44,350,154
Total	80,540,184	61,971,902
At 1 January	61,971,902	53,748,030
Additional borrowings	-	8,993,900
N10B Series I Bond	-	10,318,000
Repayments	(14,570,294)	(49,420,631)
Repayment of interest	(4,680,090)	(5,453,185)
Foreign exchange movement	31,886,158	35,595,194
Accrued interest	5,617,722	6,365,224
Remeasurements	314,786	1,825,370
As at	80,540,184	61,971,902

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

23. DECOMMISSIONING LIABILITIES

₦ '000	THE GROUP
Balance at 1 January 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:	
Translation difference	41,650,281
Unwinding of discount due to passage of time	1,760,310
Balance at 30 June 2024	108,571,820

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

24. CONTRACT LIABILITIES

N '000	THE GROUP	
	30-Jun-24	31-Dec-23
Down payments received	718,805	1,771,922
	718,805	1,771,922

A contract liability is an entity's 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.

25. TRADE AND OTHER PAYABLES

N '000	THE GROUP	
	30-Jun-24	31-Dec-23
Royalty payable	34,281,422	27,719,265
Sundry creditors	19,553,422	9,048,996
Trade payables	29,431,435	19,826,657
Unclaimed dividend	787,396	481,690
	84,053,675	57,076,608

- 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.

26. TAXATION

N '000	THE GROUP	
	30-Jun-24	31-Dec-23
Hydrocarbon tax	6,253,967	1,880,686
Income tax expense	22,797,937	3,435,553
Education tax	4,199,256	1,166,874
Total current tax	33,251,160	6,483,113
Deferred taxation		
Origination of temporary differences	24,601,485	8,248,606
Total deferred tax	24,601,485	8,248,606
Income tax expense	57,852,645	14,731,719

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

N '000	THE GROUP	
	30-Jun-24	31-Dec-23
At 1 January	14,421,838	4,509,948
Tax paid	(4,085,494)	(6,487,142)
Prior period under/(over) provision	-	998
Income tax charge for the year	33,251,160	14,421,399
Foreign exchange difference	11,862,166	1,976,635
As at	55,449,670	14,421,838

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

27. COMMITMENTS

As at 31 December 2023, the capital commitments in respect of PPE expenditures amounts to ₦54.7 billion (2022: ₦29.3 billion).

28. CONTINGENCIES

The Group has contingent liabilities in respect of legal suits against Aradel Energy Limited as the operator of the Ogbelè oil field. The possible liabilities from these cases amount to ₦1,204 billion (2022: ₦1,200 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.



**ARADEL HOLDINGS PLC
LAGOS, NIGERIA**

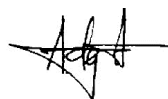
**UNAUDITED CONSOLIDATED
FINANCIAL STATEMENTS FOR THE
SIX MONTHS ENDED 30 JUNE 2024
(IN US DOLLARS)**

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

\$'000	Notes	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
		30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Revenue	2	128,828	113,880	206,212	154,559
Cost of sales	3	(50,950)	(32,145)	(79,903)	(51,248)
Gross profit		77,878	81,735	126,309	103,311
Other Income/(Loss)	4	1,689	(25,506)	(14,215)	(27,574)
General and administrative expenses	5	(10,108)	(8,572)	(15,496)	(13,859)
Operating profit		69,459	47,657	96,598	61,878
Finance income	6	2,336	1,894	4,838	3,627
Finance costs	6	(3,254)	(8,208)	(5,808)	(11,397)
Net Finance cost		(918)	(6,314)	(970)	(7,770)
Share of profit of an associate	13	6,880	(2,137)	10,002	3,724
Profit before taxation		75,421	39,206	105,630	57,832
Tax (expense)/credit	24	(29,637)	1,314	(43,006)	(30,565)
Profit after taxation		45,784	40,520	62,624	27,267
Profit attributable to:					
Equity holders of the parent		45,704	39,610	62,652	25,639
Non-controlling interest		80	910	(28)	1,628
		45,784	40,520	62,624	27,267
Other comprehensive income:					
Net gain / (loss) on equity instruments at fair value through other comprehensive income		154	838	231	899
Other comprehensive income for the year, net of tax		154	838	231	899
Total comprehensive income for the year		45,938	41,358	62,855	28,166
Total comprehensive income attributable to:					
Equity holders of the parent		45,858	40,448	62,883	26,538
Non-controlling interest		80	910	(28)	1,628
Basic earnings per share	9	\$0.21	\$0.19	\$0.29	\$0.13

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

\$'000	Notes	THE GROUP	
		30-Jun-24	30-Jun-23
Assets			
Non-current assets			
Property, plant and equipment	10	430,937	426,318
Intangible assets	11	872	1,348
Financial assets	12	3,255	4,505
Investment in associate	13	310,465	300,463
Total non-current assets		745,529	732,634
Current assets			
Inventories	15	15,232	17,759
Trade and other receivables	16	35,019	59,511
Prepayments	17	279	92
Financial assets	12	700	348
Cash and Bank	18	285,973	216,402
Total current assets		337,203	294,112
Total assets		1,082,732	1,026,746
Equity and liabilities			
Shareholders' equity			
Share capital		19,316	19,316
Share premium		78,955	78,955
Fair value reserve of financial assets at FVOCI		2,772	2,541
Retained earnings		712,866	676,571
Non-controlling interests		5,553	5,581
Total shareholders' equity		819,462	782,964
Non-current liabilities			
Borrowings	20	36,587	49,830
Deferred tax liabilities	14	38,731	20,442
Decommissioning liabilities	21	73,849	72,451
Total non-current liabilities		149,167	142,723
Current liabilities			
Trade and other payables	23	57,138	63,461
Contract Liabilities	22	489	1,970
Taxation	24	37,716	16,035
Borrowings	20	18,760	19,593
Total current liabilities		114,103	101,059
Total liabilities		263,270	243,782
Total equity & liabilities		1,082,732	1,026,746



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



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

THE GROUP

\$'000	Issued capital	Share premium	Fair value reserve of financial assets at FVOCI	Retained earnings	Non - controlling interests	Total equity
Balance at 1 January 2023	19,316	78,955	(878)	625,976	4,721	728,090
Profit for the year	-	-	-	25,639	1,628	27,267
Net gain on equity instruments at fair value through other comprehensive income	-	-	899	-	-	899
Total comprehensive income for the year	-	-	899	25,639	1,628	28,166
Balance at 30 June 2023	19,316	78,955	21	651,615	6,349	756,256
Balance at 1 January 2024	19,316	78,955	2,541	676,571	5,581	782,964
Profit/ (Loss) for the year	-	-	-	62,652	(28)	62,624
Net gain on equity instruments at fair value through other comprehensive income	-	-	231	-	-	231
Total comprehensive income for the year	-	-	231	62,652	(28)	62,855
Dividends to equity holders of the company	-	-	-	(26,357)	-	(26,357)
Total contributions by and distributions to owners of the company recognised directly in equity	-	-	-	(26,357)	-	(26,357)
Balance at 30 June 2024	19,316	78,955	2,772	712,866	5,553	819,462

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

THE GROUP			
\$'000	Notes	30-Jun-24	30-Jun-23
Profit before taxation		105,630	57,832
Adjustments:			
Interest expense	6	5,808	11,397
Interest income	6	(4,838)	(3,627)
Dividend received	4	(98)	(162)
Exchange loss	4	14,651	27,737
Share of profit from associate	13	(10,002)	(3,724)
Hedge cost in PorL	12	1,429	1,764
Depreciation of property, plant and equipment	8	29,333	21,978
Stock adjustment	333	(5,175)	(3,056)
Operating cash flows before movement in working capital		136,738	110,139
Movement in working capital:			
Decrease in trade and other receivables		24,492	20,795
(Increase)/Decrease in prepayments		(187)	58
Decrease/Increase in inventory		7,702	(696)
Increase in restricted cash		(470)	-
Decrease in trade and other payables		(23,667)	(25,028)
Decrease in contract liabilities		(1,481)	-
Cash generated by operating activities		143,127	105,268
Tax paid	24	(3,037)	(1,277)
Net cash flows from / (used in) operating activities		140,090	103,991
Investing activities			
Interest received	6	4,838	3,627
Dividend received	4	98	162
Purchase of property, plant and equipment	10&11	(33,477)	(32,731)
Purchase of financial assets		(1,781)	(3,198)
Net cash (used in) / provided by investing activities		(30,322)	(32,140)
Financing activities			
Dividend paid		(26,357)	-
Interest paid	6	(3,479)	(4,141)
Repayment of borrowing	20	(10,831)	(61,917)
Additional borrowings	20	-	10,000
Issue of Bond	20	-	13,393
Net cash flows used in financing activities		(40,667)	(42,665)
Increase in cash and cash equivalents		69,101	29,186
Cash and cash equivalents - Beginning of year	18	203,493	135,343
Cash and cash equivalents - End of period	18	272,594	164,529

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. SEGMENT REPORTING

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

1.1. SEGMENT REPORTING/(LOSS) DISCLOSURE

\$'000	Crude Oil	Gas	Refined Products	Investment Properties	Total Reportable Segment	Eliminations	Consolidation
30 June 2024							
Revenue	168,225	38,946	70,613	42	277,826	(71,614)	206,212
Cost of sales	(70,963)	(18,196)	(61,083)	(3)	(150,245)	70,342	(79,903)
Gross profit	97,262	20,750	9,530	39	127,581	(1,272)	126,309
Other Loss	(4,643)	(507)	(7,667)	-	(12,817)	(1,398)	(14,215)
General and administrative expenses	(17,266)	(244)	(621)	(35)	(18,166)	2,670	(15,496)
Operating profit	75,353	19,999	1,242	4	96,598	-	96,598
Finance income	3,507	-	1,331	-	4,838	-	4,838
Finance costs	(4,984)	(209)	(615)	-	(5,808)	-	(5,808)
Share of profit from associate	10,002	-	-	-	10,002	-	10,002
Profit before taxation	83,878	19,790	1,958	4	105,630	-	105,630
Tax expense	(33,628)	(6,544)	(2,532)	(302)	(43,006)	-	(43,006)
Profit after taxation	50,250	13,246	(574)	(298)	62,624	-	62,624
30 June 2023							
Revenue	106,117	13,607	64,790	106	184,620	(30,061)	154,559
Cost of sales	(47,293)	(3,984)	(29,136)	-	(80,413)	29,165	(51,248)
Gross profit	58,824	9,623	35,654	106	104,207	(896)	103,311
Other Loss	(6,368)	(1,463)	(19,446)	-	(27,277)	(297)	(27,574)
General and administrative expenses	(12,697)	(342)	(1,899)	(114)	(15,052)	1,193	(13,859)
Operating profit	39,759	7,818	14,309	(8)	61,878	-	61,878
Finance income	2,020	-	1,607	-	3,627	-	3,627
Finance costs	(8,889)	(601)	(1,907)	-	(11,397)	-	(11,397)
Share of profit from associate	3,724	-	-	-	3,724	-	3,724
Profit before taxation	36,614	7,217	14,009	(8)	57,832	-	57,832
Tax expense	(28,971)	(817)	(760)	(17)	(30,565)	-	(30,565)
Profit after taxation	7,643	6,400	13,249	(25)	27,267	-	27,267

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

1.2. SEGMENT ASSETS AND LIABILITIES

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

\$'000	*Crude Oil	Gas	Refined Products	Investment Properties	Total Reportable Segment	Eliminations	Consolidation
30 June 2024							
Total Asset	872,920	167,778	216,445	7,157	1,264,300	(181,569)	1,082,732
Total Liabilities	256,663	32,969	98,772	4,042	392,446	(129,177)	263,270
31 December 2023							
Total Asset	875,375	162,119	218,236	7,389	1,263,119	(236,373)	1,026,746
Total Liabilities	283,243	40,556	99,993	6	423,798	(180,016)	243,782

*Crude oil includes the carrying amount of investment in associate

2. REVENUE

Disaggregated revenue information

\$'000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Segments				
Crude Oil	93,577	74,079	127,305	82,156
Refined Products	29,536	35,594	67,962	64,790
Gas	5,715	4,207	10,945	7,613
Total revenue	128,828	113,880	206,212	154,559

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

\$'000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Geographical markets				
Within Nigeria	28,748	37,128	63,481	69,674
Outside Nigeria	100,080	76,752	142,731	84,885
Total revenue from contracts with customers	128,828	113,880	206,212	154,559
Timing of revenue recognition				
Goods transferred at a point in time	128,828	113,880	206,212	154,559
Goods transferred over time	-	-	-	-
Total revenue from contracts with customers	128,828	113,880	206,212	154,559

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

Sale of Natural Gas

The performance obligation is satisfied at a point in time when the gas have been delivered at the buyer's delivery point for gas and is generally due within 30 to 90 days from the date of issue of invoice.

Sale of Refined Products

The performance obligation is satisfied at a point in time, when the product is lifted by the customer/distributor and payment is generally due within 0 to 30 days.

\$'000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Contract balances				
Trade receivables	(1,916)	29,177	33,530	44,241
Contract Liabilities	(149)	-	489	-

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

Performance obligation for crude oil, refined products and gas are fulfilled once delivery of the products occurs and payments are generally due on crude oil and gas between 30 to 90 days. Payments on refined products are due between 0 to 30 days.

3. COST OF SALES

\$'000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Consultancy fee	622	587	1,119	1,136
Crude oil handling charges	14,236	10,078	26,873	15,806
Depreciation and amortisation	15,926	10,446	28,396	20,928
Flowstation expenses	37	739	188	1,015
Materials, supplies and pollution control	1,186	1,226	1,739	1,781
Repairs and maintenance	866	672	905	1,156
Royalties to FGN	9,492	4,597	18,331	7,936
Statutory expenses	111	97	151	107
Staff costs (Note 8)	5,818	1,968	7,376	4,439
Stock Adjustments	2,656	1,735	(5,175)	(3,056)
Total	50,950	32,145	79,903	51,248

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

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

4. OTHER (LOSS)/INCOME

\$'000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Dividend received from Financial assets	98	162	98	162
Fee income	1	1	338	1
Exchange (Loss)/gain	1,590	(25,669)	(14,651)	(27,737)
Total	1,689	(25,506)	(14,215)	(27,574)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

5. GENERAL AND ADMINISTRATIVE EXPENSES

\$'000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Auditor's remuneration	-	-	-	-
Bank charges	611	207	689	319
Community development expenses	168	154	308	271
Depreciation and amortisation	485	603	937	1,050
Directors' fees	228	253	298	309
Exchange loss	-	-	-	-
Expected credit loss of financial assets	-	-	-	-
Fuel and Utilities	130	408	160	446
Information technology expenses	558	1,120	691	1,232
Insurance	499	452	853	1,039
Permits, registrations and subscriptions	472	546	688	1,098
Professional fees	933	959	1,557	1,700
Repairs and maintenance	656	99	956	300
Staff costs (Note 7)	3,879	1,312	4,918	2,959
Training	36	37	81	65
Travelling	478	130	779	293
Hedging expense	402	-	1,429	-
Other expenses	573	2,292	1,152	2,778
Total	10,108	8,572	15,496	13,859

Other expenses consist of catering, donations, printing and stationery, and other related administrative costs incurred during the period.

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

6. FINANCE COST AND INCOME

\$'000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Interest expense:				
Bank borrowings	2,236	5,317	3,695	7,104
IPIN Interest	-	-	-	-
Coupon on Bond	320	1,442	715	1,442
Provisions: unwinding of discount	698	1,449	1,398	2,851
Finance costs	3,254	8,208	5,808	11,397
Total finance cost	3,254	8,208	5,808	11,397
Finance income:				
Interest income	2,336	1,894	4,838	3,627
Finance income	2,336	1,894	4,838	3,627
Net finance costs	(918)	(6,314)	(970)	(7,770)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

7. STAFF COST

\$'000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Included in cost of sales:				
Salaries and other staff costs	5,818	1,968	7,376	4,439
Included in general and administrative expenses:				
Salaries and other staff costs	3,879	1,312	4,918	2,959
Total in general and administrative expenses	3,879	1,312	4,918	2,959
Total	9,697	3,280	12,294	7,398

8. DEPRECIATION AND AMORTISATION

\$'000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Included in cost of sales:				
Depreciation of oil and gas properties	15,926	10,444	28,396	20,928
Included in general and administrative expenses:				
Depreciation of other property, plant and equipment	237	425	443	696
Amortisation of intangible assets	248	178	494	354
Total in general and administrative expenses	485	603	937	1,050
Total	16,411	11,047	29,333	21,978

9. EARNINGS PER SHARE

Basic - GROUP

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares issued and fully paid as at the end of the period.

\$'000	THE GROUP (3 MONTHS ENDED)		THE GROUP (6 MONTHS ENDED)	
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
Profit attributable to equity holders of the Group	45,784	40,520	62,624	27,267
Total	45,784	40,520	62,624	27,267
Weighted average number of ordinary shares in issue	217,242,218	217,242,218	217,242,218	217,242,218
Basic and diluted earnings per share	\$0.21	\$0.19	\$0.29	\$0.13

10. PROPERTY, PLANT AND EQUIPMENT

\$'000	THE GROUP	
	30-Jun-24	31-Dec-23
Oil and gas properties (10a)	369,017	376,168
Other property, plant and equipment	8,502	8,293
Asset under development	53,414	41,857
Total	430,933	426,318

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

10a. PROPERTY, PLANT AND EQUIPMENT (THE GROUP)

\$'000	OIL AND GAS PROPERTIES	OTHER PROPERTY, PLANT AND EQUIPMENT	ASSETS UNDER DEVELOPMENT	TOTAL
Cost:				
Balance at 1 January 2023	741,987	16,607	48,396	806,990
Translation difference	-	3,758	-	3,758
Reclassifications	38,229	-	(39,278)	(1,049)
Additions	8,852	629	42,020	51,501
Write-offs	-	-	(4,858)	(4,858)
Changes in decommissioning assets	(77,025)	-	-	(77,025)
Transfer	-	-	(4,423)	(4,423)
Balance at 31 December 2023	712,040	20,994	41,857	774,891
Balance at 1 January 2024	712,040	20,994	41,857	774,891
Additions	21,248	654	11,557	33,459
Balance at 30 June 2024	733,288	21,646	53,414	808,348
Depreciation:				
Balance at 1 January 2023	296,924	11,358	-	308,282
Translation difference	3	410	-	413
Depreciation for the year	38,948	933	-	39,881
Balance at 31 December 2023	335,875	12,701	-	348,576
Balance at 1 January 2024	335,875	12,701	-	348,576
Depreciation for the year	28,396	443	-	28,839
Balance at 30 June 2024	364,271	13,144	-	377,415
Net book value:				
At 30 June 2024	369,017	8,502	53,414	430,933
At 31 December 2023	376,170	8,293	41,857	426,320
At 1 January 2023	445,063	5,249	48,396	498,708

There are no impairments in Property, Plant, and Equipment during the year. The capital commitments in respect of PPE expenditures amounts to \$37.2 million (2023: \$32.5 million).

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

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.

The prior year write off is included in flowstation expenses (note 5) and other expenses (note 7).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

11. INTANGIBLE ASSETS

\$'000	THE GROUP	
	Intangible Assets	
Cost:		
Balance at 1 January 2023		3,639
Reclassifications		1,049
Additions		104
Balance at 31 December 2023		4,792
Balance at 1 January 2024		4,792
Reclassifications		-
Additions		18
Balance at 30 June 2024		4,810
Amortisation:		
Balance at 1 January 2023		2,596
Amortisation charge for the year		848
Balance at 31 December 2023		3,444
Balance at 1 January 2024		3,444
Amortisation charge for the year		494
Balance at 30 June 2024		3,938
Net book value:		
At 30 June 2024		872
At 31 December 2023		1,348
At 1 January 2023		1,043

Intangible assets consists of computer software and licenses used by the entity for recording transactions and reporting purposes. The entity's software has a finite life and is amortised on a straight line basis over the life of the software licenses.

12. FINANCIAL ASSETS

Financial assets include the following:	THE GROUP	
	30-Jun-24	31-Dec-23
\$'000		
Fair value through OCI		
<i>Listed securities:</i>		
Consolidated Hallmark Insurance Plc	3,248	4,498
<i>Unlisted securities:</i>		
PetroData Management Services Ltd	6	6
Dharmattan Gas and Power Ltd	1	1
Fair value through Profit or Loss		
Hedge	700	348
Total	3,955	4,853
Current	700	348
Non Current	3,255	4,505
Total	3,955	4,853

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

12. HEDGE

Financial assets include the following:	THE GROUP	
	30-Jun-24	31-Dec-23
\$'000		
At 1 January	348	785
Additions	1,781	3,197
Hedge cost in PorL	(1,429)	(3,634)
Current Value	700	348

13. INVESTMENT IN ASSOCIATE - ND WESTERN LIMITED

	THE GROUP	
	30-Jun-24	31-Dec-23
\$'000		
At 1 January	300,463	295,469
Share of profit	10,002	4,994
Carrying amount	310,465	300,463

14. DEFERRED TAXATION

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

Deferred Tax Liabilities	THE GROUP	
	30-Jun-24	31-Dec-23
\$'000		
Accelerated depreciation and amortisation	38,102	15,594
Decommissioning liabilities	629	4,848
Total	38,731	20,442
Deferred taxation		
At start of year	20,442	(28,447)
Income statement charge	18,288	48,926
Translation difference	1	(37)
Net deferred tax liabilities at end of year	38,731	20,442
Reflected in the statement of financial position as:		
Deferred tax liabilities	38,731	20,442
Deferred tax assets	-	-
Net deferred tax liabilities	38,731	20,442

Deferred taxes are payable in more than one year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

15. INVENTORIES

	THE GROUP	
\$'000	30-Jun-24	31-Dec-23
Crude Oil	3,319	3,554
Refined Products	1,794	5,663
Materials	10,119	8,542
Total	15,232	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 \$1.1 million (2023: \$2.5 million).

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

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

16. TRADE AND OTHER RECEIVABLES

	THE GROUP	
\$'000	30-Jun-24	31-Dec-23
Trade receivables	33,530	57,230
Other receivables	1,533	2,325
	35,063	59,555
Allowance for expected credit losses	(44)	(44)
	35,019	59,511

Trade receivables are non-interest bearing and are generally on 30-90 day terms. Other receivables relate principally to outstanding receivables balance from Nile Delta Company Limited.

17. PREPAYMENTS

	THE GROUP	
\$'000	30-Jun-24	31-Dec-23
Prepaid rent	10	19
Prepaid expenses	14	20
Prepaid insurance	255	53
Total	279	92

18. CASH AND BANK

	THE GROUP	
\$'000	30-Jun-24	31-Dec-23
Cash and bank balances	122,267	89,810
Short term deposits	150,327	113,683
Cash and cash equivalents for statement of cashflow purposes	272,594	203,493
Restricted cash	13,379	12,909
Total Cash and Bank	285,973	216,402

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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

19. SHARE CAPITAL AND PREMIUM

	NUMBER OF SHARES	ORDINARY SHARES (\$'000)	SHARE PREMIUM (\$'000)	SHARE TOTAL (\$'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 30 June 2024	217,242,218	19,316	78,955	98,271

20. BORROWINGS

	THE GROUP	
\$'000	30-Jun-24	31-Dec-23
GTB	37,944	43,667
BOI loan	8,833	12,742
N10B Series I Bond	7,933	12,377
Petre IPINs	637	637
Total	55,347	69,423
Current	18,760	19,593
Non-current	36,587	49,830
Total	55,347	69,423
Changes in liabilities arising from financing activities		
At 1 January	69,423	120,225
Additional borrowings	-	10,000
N10B Series I Bond	-	11,472
Repayment of principal	(10,831)	(76,512)
Repayment of interest	(3,479)	(12,295)
Foreign exchange movement	(4,176)	-
Accrued interest	4,176	13,707
Remeasurements	234	2,826
As at	55,347	69,423

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

21. DECOMMISSIONING LIABILITIES

\$'000	THE GROUP
Balance at 1 January 2022	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:	
Unwinding of discount due to passage of time	1,398
Balance at 30 June 2024	73,849

22. CONTRACT LIABILITIES

\$'000	THE GROUP	
	30-Jun-24	31-Dec-23
Down payments received	489	1,970
	489	1,970

A contract liability is an entity's 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.

23. TRADE AND OTHER PAYABLES

\$'000	THE GROUP	
	30-Jun-24	31-Dec-23
Royalty payable	23,318	30,822
Sundry creditors	13,265	10,059
Trade payables	20,019	22,044
Unclaimed dividend	536	536
	57,138	63,461

- 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS CONT'D.

24. TAXATION

\$'000	THE GROUP	
	30-Jun-24	31-Dec-23
Hydrocarbon tax	4,649	3,902
Income tax expense	16,947	7,128
Education tax	3,122	2,421
Total current tax	24,718	13,451
Deferred taxation		
Origination of temporary differences	18,288	17,114
Total deferred tax	18,288	17,114
Income tax (credit)/expense	43,006	30,565
The movement in the current and petroleum income tax liability is as follows:		
At 1 Jan	16,035	10,055
Tax paid	(3,037)	(10,054)
Income tax charge for the year	24,718	16,034
As at	37,716	16,035



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Holdings