Jadestone Energy

2022 Annual Report

Our corporate purpose

We are an upstream oil and gas company operating in the Asia-Pacific region. We aim to deliver value for our stakeholders by acquiring and maximising the life of fields which are already in production, as well as developing discovered and fully appraised gas resources which can help satisfy domestic energy demand and support regional economic growth.

We believe this strategy is fit for the energy transition, as existing fields and discoveries can fulfil global hydrocarbon demand without requiring new resource additions through exploration. By investing to increase production and improve asset infrastructure we provide good stewardship, which will also result in lower overall upstream GHG emissions, a reduced environmental impact, and is consistent with our pledge of Net Zero Scope 1 and 2 GHG emissions[1] from our operated assets by 2040.

Our strategy is predicated on our values of respect, integrity, safety, results-oriented, sustainability and passion.

2022 Business Performance

2P Reserves (mmboe)
2022:
64.8
2021: 44.7

Production (boe/d)
2022:
11,487
2021: 12,545

Realised oil price (US$/boe)
2022:
103.9
2021: 74.3

Revenue (US$ million)
2022:
421.6
2021: 340.2

Production costs (US$ million)
2022:
250.7
2021: 212.0

Adjusted EBITDAX[1] (US$ million)
2022:
161.9
2021: 142.2

Profit/(loss) after tax (US$ million)
2022:
8.5
2021: (17.7)

Capital expenditure (US$ million)
2022:
82.9
2021: 86.0

Net cash[2] (US$ million)
2022:
123.3
2021: 117.9

1 Jadestone defines Net Zero Scope 1 and 2 greenhouse gas ("GHG") emissions as the state reached when its emissions are reduced in line with the goals of the Paris Agreement, and any remaining emissions that cannot be further reduced are fully neutralised by like-for-like permanent removals. Jadestone is currently working on a detailed Net Zero roadmap, which will include interim GHG emissions reduction targets prior to 2040.

2 Alternative performance measure – please see Financial Review on pages 31 to 37 for calculation.

Chair's statement

Dennis McShane | Non-Executive Chair

Dear shareholder,

Welcome to Jadestone's 2022 Annual Report. 2022 was a year of two halves for Jadestone. We had a robust start with strong operating performance, a reengaged M&A market and a liquidity position at mid-year which was significant enough to justify a buyback programme. The second half was dominated by the shut-down, inspection of and repairs to the Montara Venture FPSO. The extended shut-in, and the resultant impact on our operating performance and financial position, has been a huge disappointment to all of our stakeholders and overshadowed positive progress elsewhere in our portfolio during 2022.

The decision to shut-in Montara was a difficult, but necessary one, in order to expedite the inspection and repairs of the FPSO's oil cargo tanks. The guiding principle of your Board throughout this process was our duty to all stakeholders, from employees, communities, shareholders and regulators, to ensure the safety, structural integrity and fitness for service of the FPSO over the remaining life of the Montara field. The Board worked closely with the executive team, providing support and oversight of repair activities and engagement with regulatory authorities. Jadestone's employees worked tirelessly to restart production as soon and as safely as possible, with this activity delivered without any serious incidents or accidents, testament to the Group's safety-first mindset. The issues experienced at Montara also enabled us to thoroughly test and strengthen our FPSO management systems and processes. The Board understands the disappointment of shareholders during this period, and is committed to embedding lessons learnt into our operating disciplines going forward.

The Board remains confident in Jadestone's strategy and business model, in particular its ability to deliver on the strategic objective of becoming a leading upstream independent in the Asia-Pacific region, primarily through acquisition-led growth. I am pleased to report that we continued to execute this strategy, principally through the acquisition of an interest in the CWLH fields offshore Australia and the remaining 10% interest in the Akatara project, both in 2022, and an interest in the Sinphuhorm field onshore Thailand in early 2023. We also delivered organic growth, with the successful Stag infill drilling programme in late 2022. The Akatara gas field development in Indonesia remains on budget and schedule for first gas in the first half of 2024 – a key driver of our near-term growth. All this activity is geared towards delivering greater diversification in our portfolio, thereby reducing the impact of any asset on the Group's performance. Progress, albeit slow, is being made on a commercial framework to allow the development of our Vietnam assets to move forward. Finally, we terminated the Maari acquisition given little clarity or engagement from the New Zealand government on how to move this transaction forward.

Our operational performance in 2022 was delivered against a backdrop of significant upheaval in energy markets. The immediate aftermath of Russia's war on Ukraine saw benchmark oil and gas prices spiral higher. More than a year later, prices have moderated somewhat, although remain well supported by OPEC discipline and the structural theme of underinvestment in upstream supply capacity. With demand for oil and gas remaining resilient, oil and gas prices are, based on the current futures pricing, expected to stay at elevated levels for the foreseeable future.

High oil prices and production in the first half of 2022 delivered record cash balances of US$162 million at 30 June 2022. This facilitated a 10% increase in the interim 2022 dividend to US$3.0 million and the repurchase of 20.2 million shares by January 2023 at a cost of US$17.9 million. However, and notwithstanding the successful closing of a new reserves-based loan ("RBL") in May 2023, the impact of the Montara shut-in on our financial position, the significant planned investment programme over the second half of 2022 and 2023, and the evolution of the RBL debt availability over 2023 and 2024, required us to put in place additional financing for the business to underpin the near-term growth of the business. As a result, on 6 June 2023, we announced a US$50 million financing, underwritten by our largest shareholder Tyrus Capital Event S.à.r.l ("Tyrus"), including an equity placing to existing and new investors, followed by an open offer to allow retail participation. We also agreed a US$35 million standby working capital facility with Tyrus. In parallel, the Board has decided against recommending a final 2022 dividend, in keeping with our dividend policy of prioritising organic reinvestment while maintaining a conservative capital structure. While we understand that these decisions may come as a disappointment to many shareholders, prioritising the continued growth of the Company is the right thing to do. We look forward to resuming returns to shareholders once excess liquidity and balance sheet strength have been restored.

We continue to believe that Jadestone's strategy is fit for the energy transition in our chosen markets of Southeast Asia and Australia. Upstream companies will have a key role to play in delivering essential energy, ensuring a just energy transition with the lowest possible environmental impact. During 2022, we pledged to Net Zero Scope 1 & 2 GHG emissions from our operated assets by 2040, and we are currently working on the detailed asset-level decarbonisation plans which will underpin this pledge.

As first disclosed in the 2021 Annual Report, the Board decided that an independent third-party should be engaged to undertake its annual evaluation review. Socia was subsequently commissioned and delivered a report to the Board in December 2022, which confirmed that the Board meets the principles of the QCA Code, the Group's chosen corporate governance code. Please refer to the Corporate Governance section of this report for more detail on the Socia review.

During the year, we welcomed Jenifer Thien to the Board as a Non-Executive Director. Jenifer's familiarity with implementing sustainability programmes will be valuable as we navigate the energy transition. We also welcomed Bert-Jaap Dijkstra to the Board as Chief Financial Officer in 2022. Board gender diversity increased from 13% to 22% at the end of 2022, evidence of our commitment to fostering diversity across Jadestone.

I want to assure our shareholders that the Board is clear on the importance of restoring confidence in the Montara asset and Jadestone's wider operating model. This, and continuing to lay the foundations for further accretive growth, are our key objectives in 2023. I would like to thank Jadestone's employees, management and directors for their efforts this year, as well as our shareholders, who have also supported us during this difficult period and provided valuable feedback and engagement.

Dennis McShane
Non-Executive Chair
6 June 2023

Chief Executive Officer's review

A. Paul Blakeley | Executive Director, President and Chief Executive Officer

While Jadestone achieved several notable successes during 2022 in line with strategy, the shut-in at Montara during the second half weighed heavily on our overall operational and financial performance for the year. However, the resulting repair activity on the Montara Venture FPSO, will underpin the delivery of the substantial remaining value we see at Montara. Through the CWLH, additional Lemang PSC and Sinphuhorm acquisitions, and organic investment, principally at the Akatara gas development, we will deliver significant growth in the near-term, keeping us on the path towards delivery of our strategic objective of being a leading independent in the Asia-Pacific upstream sector.

2022: Montara overshadows portfolio progress

During the year, we produced 11,487 boe/d, an 8% decrease on 2021, falling short on original guidance issued in February 2022. A 45% fall in production at Montara, primarily due to the field being shut in from mid-August through year-end 2022, offset a full-year of the PenMal Assets acquired in 2021 and the contribution of the CWLH assets from completion of the acquisition in November 2022. At Stag, we successfully drilled two infill wells at the field in the final quarter of 2022, one of which was the longest well drilled by Jadestone to date. Initial delivery from these was in line with expectations and provides increased confidence in several additional infill well locations earmarked for potential future drilling. We also saw good performance from the operated PenMal Assets, where uptime at the two main facilities on the PM323 and PM329 PSCs increased year-on-year, reducing aggregated production declines by 40%. Production at the previously non-operated PenMal Assets was curtailed, with the FPSO being taken out of service prematurely and remaining shut-in since February 2022. Subsequently, Jadestone has assumed operatorship of these licences, and is currently exploring whether a redevelopment opportunity exists.

Development activity was focused on the Akatara gas field onshore Indonesia. The final investment decision was taken in June 2022, which allowed us to award the EPCI contract, giving the green light for an acceleration in activity at the field. The project remains on track and budget for first gas in the first half of 2024. Furthermore, subsurface analysis of the Akatara field highlights that the in-place gas resource is likely larger than first thought, which may allow for incremental gas sales at premium prices. In Vietnam, progress towards monetising the significant gas resource at the Nam Du and U Minh discoveries remained frustratingly slow, though during the second half of 2022 the Vietnam government mandated the end user to commence gas sales negotiations directly with Jadestone. This gas resource is of strategic importance and the sole option to prolong supply to the Ca Mau power station in southern Vietnam.

Delivering inorganic growth

The highlight of our business development activity during 2022 was the acquisition of a 16.67% interest in the CWLH fields offshore Western Australia. Though a small non-operated interest, we believe it highly likely that we can acquire further interests in the asset over time, through which we would seek to exercise greater influence over future work activity, in particular accessing the significant resource and value upside we see in the asset.

The positive impact of the CWLH acquisition, and the potential for further growth there, offset the termination of the Maari acquisition. In 2023 to date, we have seen a significant increase in M&A activity in the region and hope to take advantage of opportunities which fit our screening criteria.

Montara – a disappointing year, but significant value remains in this core asset for Jadestone.

Our operational performance during 2022 was impacted by the shut-in of production at the Montara Project from August to year-end due to a small leak in a crude oil storage tank and an integrity issue in a water ballast tank within the FPSO. Montara also experienced unscheduled downtime in the first quarter of 2022 due to a faulty engine core in the gas reinjection compressor. Jadestone has significant experience in the management and maintenance of mature assets, and while we have invested over US$250 million into Montara since we became operator of the asset in 2019, it was frustrating to have this happen in a part of the vessel we were about to enter as part of the approved maintenance cycle. Through our tank maintenance and repair programme, as well as a thorough review and upgrade of our FPSO maintenance processes and procedures, we have taken significant steps to minimise the likelihood of extended periods of unplanned downtime in the future. While the Montara field remains important to our business, the CWLH, Lemang PSC and Sinphuhorm acquisitions, as well as the planned start-up of the Akatara gas field in the first half of 2024, will reduce Montara's impact on our operational and financial performance. I would like to thank everyone at Jadestone involved in the Montara repair programme, both onshore and offshore, for their hard work and dedication during this challenging period.

Reserves and resources

Jadestone delivered significant reserves growth and reserve replacement in 2022, with independently evaluated 2P reserves of 64.8 mmboe at year-end, a 45% increase from the 44.7 mmboe at year-end 2021. The primary drivers of the increase were the initial reserve booking from the Akatara gas field following final investment decision in June 2022, and the contribution from booking the Group's net share of CWLH 2P reserves at year-end. These additions, and minor revisions elsewhere in the portfolio, resulted in a near six-fold replacement of production during 2022.

Well positioned for the energy transition

There is pressure on publicly-listed upstream companies to prioritise balance sheet strength and shareholder returns above production growth. However, resilient demand for oil and gas and tightening energy supply markets, is in turn supporting high prices, and placing a significant burden on consumers, at a time of high levels of inflation in the global economy.

The profile of mid-life and maturing upstream assets inevitably results in a higher emissions intensity than new fields. However, it is much better, in our view, to have these assets fulfilling energy demand, rather than creating new sources of significant GHG emissions through greenfield exploration and development that could span decades into the future. This stance is aligned with the IEA's Net Zero scenario, which emphasises that continued investment in existing upstream assets is necessary to meet energy demand. Furthermore, it is a favourable outcome, in our view, to have maturing assets stewarded by Jadestone, a publicly-listed company with a commitment to transparency, robust governance and a Net Zero target, rather than ownership where similar levels of scrutiny, transparency and a commitment to reduce GHG emissions may not apply.

During 2022, our Scope 1 & 2 GHG emissions, as per operational control approach, totalled 489,126 tonnes of CO_2 equivalent. Please refer to pages 13 to 14 of the Strategic Report for a detailed review of our GHG emissions performance during the year.

It is increasingly clear that a just and orderly transition to a low-carbon energy system requires investment in upstream supply capacity for many years to come, while minimising its environmental impact. Jadestone intends to meet this challenge head on, and to that end in 2022 pledged to deliver Net Zero Scope 1 & 2 GHG emissions from its operated assets by 2040. Since making this pledge, we have analysed the GHG profile of our operated assets, associated emissions abatement opportunities, and their potential cost, with a view to setting our detailed asset level decarbonisation pathways later in 2023.

High oil prices drive record revenues and robust cash generation

Jadestone realised a record average price of US$103.85/bbl for its oil sales during 2022, a 40% increase on 2021, driven by a 35% increase in the average lifted Brent price and a more than doubling of the average premium to Brent. In particular, Stag averaged a US$22.78/bbl premium to Brent across the three liftings during the year, as the field's heavy sweet crude remained in high demand as a bunker fuel in the shipping industry.

This increase in realised oil price more than compensated for the year-on-year fall in production and liftings, delivering record annual revenues for Jadestone of US$422 million, a 24% increase on the US$340 million in 2021. Production costs increased 18% year-on-year, primarily due to a full-year of the PenMal Assets and the CWLH acquisition accounting. On an underlying basis, which management believes gives a more comparable view year-on-year, production costs were broadly unchanged. Revenue growth more than offset the increase in reported production costs to deliver adjusted EBITDAX of US$162 million, up 14% from US$142 million in 2021, and a net profit of US$9 million, compared to a US$17 million loss in 2021.

The trends highlighted above led to an increase in operating cashflow (before working capital movements) of US$158 million, a 73% increase year-on-year from the US$91 million in 2021. Capital expenditures totalled US$83 million, (2021: US$56 million) slightly below the lower end of the guidance range, primarily due to the phasing of procurement activity at the Akatara gas development. Other notable cash movements during the year were an initial payment of US$41 million into the decommissioning trust fund for the CWLH assets, as well as US$28 million of insurance proceeds relating to a shut-in of the Skua-11 well between Q2 2020 and Q4 2021.

Robust business performance in the first half of 2022 resulted in an enhancement of Jadestone's shareholder returns. The interim dividend was increased by 10% to US$ 3.0 million and in August 2022, Jadestone instigated a share buyback programme, which as at May 2023 has returned an additional US$18 million to shareholders.

Recent events and outlook

In January 2023, we announced the acquisition of an initial stake in the Sinphuhorm gas field onshore Thailand – a modest addition to our portfolio, but one which establishes a new country entry and positions us for further Thailand acquisition opportunities in the future. Production from Montara resumed in March 2023. The phased restart plan has made good progress, with initial production focused on a subset of wells prior to commissioning of the FPSO gas system in late-April 2023 which allowed additional wells to be brought onstream. Since then, production has averaged approximately c.6,800 bbls/d, with a peak during this period of c.7,200 bbls/d.

In May 2023, we were very pleased to close a new reserves-based lending facility with four international banks, providing significant debt capability in support of our strategy as a responsible operator in the Asia-Pacific region. The lending banks recognised that our strategy fits well within the energy transition, and will work closely with us to ensure we deliver on environmental and operating performance objectives. However, the impact of the Montara shut-in on our financial position, the significant planned investment over the 18 month period to the end of 2023, and the evolution of RBL debt availability over 2023 and 2024, led us to a decision that new funding was required to underpin delivery of key projects, particularly Akatara. Consequently, on 6 June 2023, we announced a US$50 million financing, underwritten by our largest shareholder Tyrus Capital Event S.à.r.l ("Tyrus"), including an equity placing to existing and new investors, followed by an open offer to allow retail participation. We also agreed a US$35 million standby working capital facility with Tyrus. Consistent with our dividend policy, which emphasises a priority on growth while maintaining a conservative capital structure, the Board has decided not to recommend a final dividend in respect of 2022. The reinforcement of the balance sheet at this point will de-risk the delivery of our organic growth profile. With a return to routine operations at Montara and the onset of production at Akatara in the first half of 2024, we expect net debt to peak at the end of 2023 and the balance sheet to exhibit a deleveraging trend by the end of 2024. This will be a key step in restoring the balance sheet strength which has been a hallmark of the Jadestone investment case in the past and reenabling shareholder returns.

During 2023, we will continue the important work of minimising the environmental impact of operations, most notably through the workstreams supporting our pledge to Net Zero by 2040.

Our production averaged just over 10,000 boe/d for the first three months of 2023, and is expected to average 13,500 – 17,000 boe/d between April and December 2023. Underlying operating costs for 2023 are expected to be in the range US$180-210 million and we will spend an estimated US$110-140 million in capital expenditure, a record investment for a second year, with the Akatara development project accounting for approximately 70%.

While 2022 was a most challenging year for us at Montara, there were also many highlights which will bring growth and add significant value going forward. I remain convinced that our approach to fulfilling energy demand through efficient investment into existing producing fields will be a winning strategy, and there there is significant opportunity to build on the successes already achieved. My thanks go out to all Jadestone's employees for their efforts in 2022 and who continue to work incredibly hard to underpin the future success of the company.

A. Paul Blakeley
Executive Director, President and Chief Executive Officer
6 June 2023

Market overview

Oil markets

The majority of Jadestone's current production is crude oil. During 2022, the Company did not hedge any of its production, and as a result, realised oil prices were based on market conditions at the time of sale. Furthermore, Jadestone's oil production sells at a varying differentials to Brent depending on demand for crudes with certain characteristics.

Brent oil prices averaged $98.94/bbl in 2022, a 40% increase on 2021. In the early part of 2022, benchmark prices continued to strengthen, indicating a tight oil market amid further relaxations of COVID-19 pandemic restrictions. However, prices leapt in February 2022 following Russia's invasion of Ukraine and stayed elevated for several months, reflecting fears of disruption to the global supply of oil. In the second half of 2022, prices softened, signalling concerns about the global economy due to an inflation surge which, in part, was caused by the upswing in global energy prices earlier in the year. At least part of the tightness in global energy markets and ensuing high prices has been attributed to a structural trend of under-investment in upstream supply, over several years.

Several of these factors continued to impact oil prices in early 2023. While oil prices are expected to be supported by low inventory levels inflation and related high interest rates continue to cloud the global macroeconomic outlook.

Supply chain inflation and equipment lead times

During 2022, there were significant increases in upstream industry costs, against a backdrop of embedded inflation more widely in the global economy.

S&P Global, whose broad-based indices track changes in upstream costs, estimates that upstream capital costs increased by 11% in 2022, while upstream operating costs rose by 12%.

In 2022, Jadestone experienced some cost increases across its operations, driven primarily by the rising cost of logistical support (helicopters and supply vessels), in turn driven by rising fuel costs on the back of higher oil prices. The Group is also seeing increasing lead times for specialised equipment.

In Malaysia, Indonesia and Vietnam, the impact of cost inflation is substantially offset by the cost recovery mechanism embedded within the PSC structure.

The Akatara field development is largely unaffected due to the fixed price nature of the EPCI contract.

In 2023, we expect to see further inflation impacts, particularly the cost of offloading tankers, and revised logistics contracts.

Jadestone expects to see an impact on the cost of near-term drilling campaigns due to inflation in rig rates. Where possible, the Group will aim to mitigate these increases through efficient planning and optimisation of drilling campaigns and by participating in consortia to purchase goods and services.

Regional M&A activity

Jadestone aims to become a leading Asia-Pacific independent upstream company primarily through identifying, acquiring, developing and operating assets throughout the Asia-Pacific region. As a result, the Group's growth trajectory will be influenced, to a large extent, by broader trends in M&A activity within the Asia-Pacific region.

Jadestone continues to believe that there is likely to be a healthy M&A market in Asia-Pacific in the near-to-medium term, underpinned by the sell-down of mid-life/mature oil assets by larger companies to support energy transition strategies. During 2022, Jadestone closed the acquisition of a non-operated interest in the CWLH fields offshore Australia and the acquisition of the remaining 10% interest in the Lemang PSC.

In early 2023, Jadestone closed the acquisition of a non-operated interest in the Sinphuhorm gas field onshore Thailand, giving the Group a platform to expand its footprint in Thailand over time.

Asia-Pacific energy markets

The Asia-Pacific region continues to consume significantly more oil and gas than it produces. According to the IEA, the Asia-Pacific region produced 22% of its own oil needs in 2021, and 70% of its gas consumption. This import dependency is likely to remain in the future, with the IEA forecasting, under different climate scenarios, that the Asia-Pacific region will produce 11-22% of its oil demand and 58-70% of its gas demand over the 2030-2050 period.

Despite the significant growth in the global liquefied natural gas market in recent years, Asia-Pacific regional demand for gas is expected to stay robust as countries look to monetise their indigenous resources, deliver economic growth, jobs, taxes and reduce imported emissions.

Similarly, while crude oil is a global commodity, security of supply is an increasingly important factor for oil markets in light of geopolitical turmoil in 2022, with consumers in the region spreading their imports over several countries to avoid dependency on any particular producer.

In this context and to maximise economic output, Jadestone anticipates that many countries in Asia- Pacific will continue to promote and support their domestic upstream industries, complementing Jadestone's strategy of maximising the output from existing oil fields.

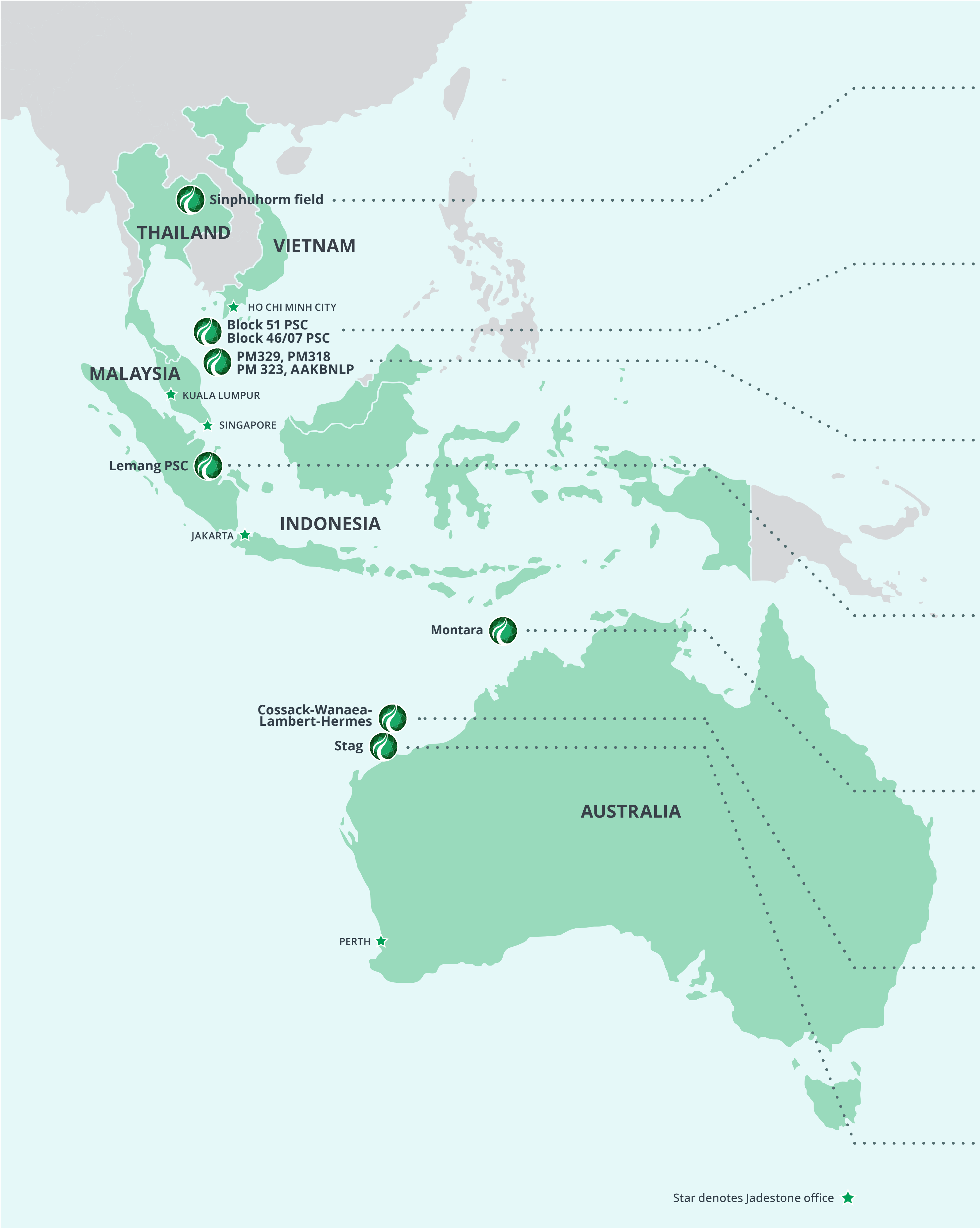
Availability of finance

Upstream companies require continuous access to funding to develop, produce and maximise the value of their assets.

In recent years, traditional providers of finance to the upstream industry, particularly large banks, have come under pressure from their own stakeholders to cut back and/or restrict lending to the upstream sector as part of their own Net Zero ambitions.

Notwithstanding, Jadestone has seen support from banks for its responsible upstream operator strategy of maximising recovery from existing assets, in line with the IEA's Net Zero scenario.

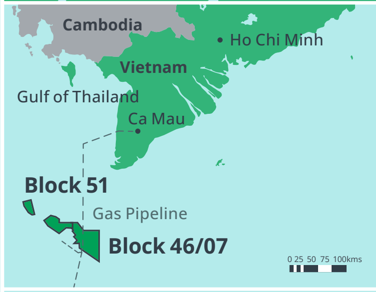
Jadestone has, in recent years, funded its business through cash flow and balance sheet cash resources. To part fund a period of significant development activity, Jadestone closed an RBL facility in May 2023, which saw good support from four international banks.



Thailand

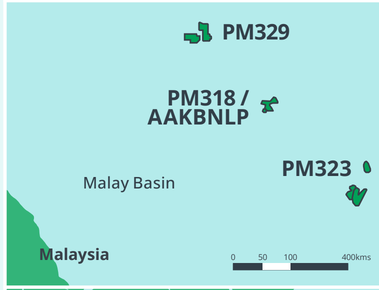
Field: Sinphuhorm
Status: Producing
Working interest: 9.52%, non-operated
Gross acreage: 232km²
Location: Khorat Basin

Discovery: Dong Mun
Status: Pre-development
Working interest: 27.2%, operated (through APICO)
Gross acreage: 32km²
Location: Khorat Basin



Block 51 and Block 46/07 PSCs, Vietnam

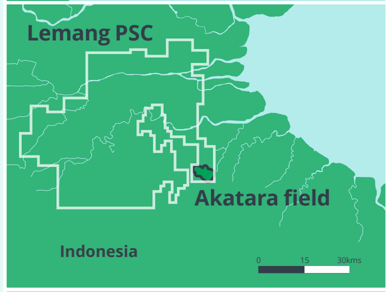
Discoveries: Nam Du, U Minh and Tho Chu
Status: Pre-development
Working interest: 100%, operated
Gross acreage: Block 51 – 887km², Block 46/07 – 2,622km²
Location: Malay-Tho Chu Basin
Water depth: Block 51 – 64 metres, Block 46/07 – 48 metres



Peninsular Malaysia, Malay Basin

Fields: East Belumut, West Belumut and Chermingat (PM323 PSC)
East Piatu (PM329 PSC)
Status: Producing
Working interest: PM323 - 60%, operated
PM329 - 70%, operated
Gross acreage: PM323 & PM329 - 1,691km²
Water depth: 63-72 metres

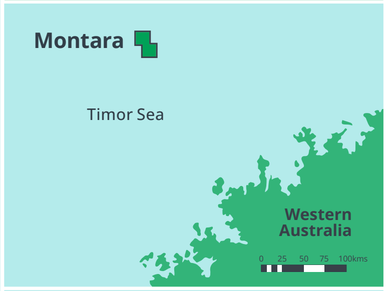
Fields: Penara, North Lukut and Puteri (PM318 & AAKBNLP PSCs)
Status: Non -producing
Working interest: 100%, operated
Gross acreage: 1,698km²
Water depth: 70 metres



Lemang PSC, Indonesia

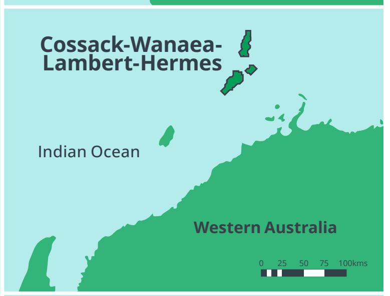
Field: Akatara
Status: In development
Working interest: 100%*, operated
Gross acreage: 743km²
Location: South Sumatra Basin

* Pre local government back-in right of up to 10%



Montara Project

Fields: Montara, Swift/ Swallow, Skua
Status: Producing
Working interest: 100%, operated
Gross acreage: 672km²
Location: Timor Sea, offshore Western Australia
Water depth: 77 metres



CWLH

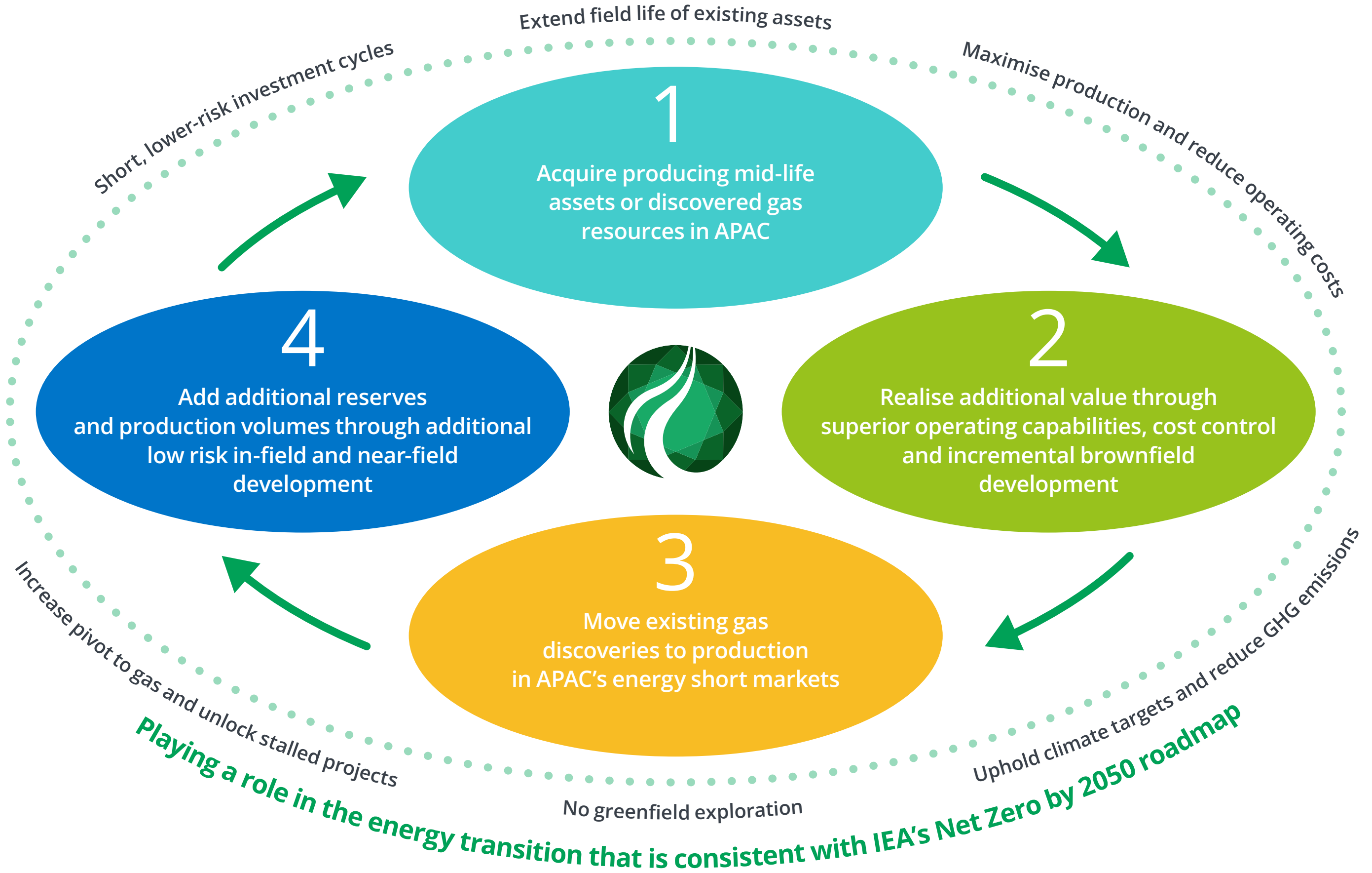
Fields: Cossack, Wanaea, Lambert, Hermes
Status: Producing
Working interest: 16.67%, non-operated
Gross acreage: 160km²
Location: North Carnarvon Basin, offshore Western Australia
Water depth: 157 metres

Stag

Field: Stag
Status: Producing
Working interest: 100%, operator
Gross acreage: 160km²
Location: Carnarvon Basin, offshore Western Australia
Water depth: 47 metres

Business model and strategy

Jadestone pursues an acquisition-led growth strategy with a focus on mid-life and maturing upstream assets and/or discovered gas resource capable of being commercialised within a short time frame. The geographic focus is the Asia-Pacific region, where Jadestone's management team has significant experience, and which is expected to provide a positive investment climate for upstream companies, given the region is currently a net importer of oil and gas against a backdrop of an increasing focus on energy security.



The assets we target for acquisition are those where Jadestone believes it can create value through additional capital investment across commodity price cycles to unlock reserves upside and improve operating performance. This is complemented by organic growth activity, principally through infill drilling on the Group's oil assets and development of gas discoveries in Indonesia and Vietnam.

Jadestone believes that with the application of its deep knowledge of the Asia-Pacific upstream oil and gas industry, a rigorous technical approach, proven operating capabilities and reduced competition for target assets, it can execute this strategy successfully and deliver benefits to all stakeholders.

The typical profile of Jadestone's counterparties in asset transactions are larger upstream companies for whom mid-life producing assets are natural divestment candidates to fund their own energy transition strategies. As a result, the energy transition is likely to bring more opportunities, increasing the likelihood that Jadestone's strategy will be successful.

Jadestone recognises that the upstream industry is a key source of GHG emissions, the main cause of climate change, which in turn has a negative effect on the planet and its people. However, the energy transition is likely to be one where oil and gas will remain important in the global energy mix until a low carbon energy system is sufficiently developed, to ensure basic energy needs are met in as an efficient way as possible.

The Group's strategy for maximising reserves from existing producing oil and gas fields explicitly precludes frontier exploration, which Jadestone believes is unnecessary in the scenario where oil and gas demand is declining as low-carbon energy takes a greater share of the primary energy mix. This position is in line with the International Energy Agency's Net Zero scenario, which emphasises that continued investment in existing upstream supply is necessary to meet energy demand.

Moreover, Jadestone believes that the energy transition should be just and orderly, with developing and vibrant economies in Asia-Pacific not being disadvantaged relative to their developed peers. Through employment, significant new expenditure with suppliers, payments to host governments and community outreach programmes, Jadestone contributes directly to increasing prosperity and economic growth in its core areas of operations.

Jadestone believes that it can continue to execute its growth strategy for the benefit of all stakeholders, while minimising the impact on the environment through careful stewardship and efficient operations.

Sustainability at Jadestone

Jadestone's strategic approach to embedding sustainability throughout its business is overseen by the Board and supporting sub-committees.

The ESG framework sets out priority areas that we focus on in order to meet local energy demand in a safe and responsible way, whilst seeking to maximise social and economic benefits for people associated with our operations. The ESG framework was refreshed in 2022 to reflect the themes that most often intersect with Jadestone's business, and where it believes it can make the biggest contribution. The framework was developed in a consultative manner and included consideration of the United Nations Sustainable Development Goals ("UN SDGs") and the IPIECA SDG Roadmap for the Oil and Gas Sector.

This section provides a high-level overview of Jadestone's approach to ESG. The detail of Jadestone's ESG performance is reported in the 2022 Sustainability Report.

Refer to 2022 Sustainability Report

ESG framework

Strategic pillar	**Energy transition** *Achieving Net Zero by 2040 in support of the Paris agreement and in line with the IEA's guidance*	**Responsible operator** *Striving to improve environmental performance whilst ensuring safe and reliable operations*	**Benefitting stakeholders** *Building a strong and diverse organisation whilst fostering community prosperity around own activities*
	Corporate governance: Further strengthen governance and business ethics standards and practices		
2023 ESG aspirations and targets	• Deliver intermediate Net Zero target and roadmap • Continue to enhance climate disclosures, informed by the TCFD framework[1] • Ensure robust GHG & ESG data systems and processes across assets	• Continue to improve environmental performance across key areas of impact • Ensure safe operations, targeting zero life altering events and Tier 1 process safety events • Maintain support from regulators and target zero material[2] enforcement notices	• Strive for improved employee engagement and alignment with Group values • Deliver community development programmes in operating countries
UN SDGs alignment			

1 Task Force on Climate-Related Financial Disclosures.
2 That result in activity cessation.

ESG highlights

Net Zero by 2040 firm pledge	**Local economies** taxes and royalty payments doubled	**GHG review** asset-level screening	**>95%** planned safety critical integrity maintenance completed
Scope 3 calculated for material categories	**Board diversity** female representation increased	**Zero** violations of anti-bribery and anti-corruption laws	**94%** local nationals employed
30% increase in community engagement budget	**Business ethics** policies strengthened	**Solar power** piloted at the Akatara site	**Biodiversity** action plan commitment for the Akatara site

Governance and business ethics

Effective governance at Jadestone requires that Board members and the leadership team understand their roles and responsibilities. It also means that the right policies and procedures are in place which promote individual and group accountability, ethical and responsible decision making and effective risk management. Jadestone has embedded appropriate governance systems to ensure that the Board and Jadestone's leadership have oversight of critical ESG issues and enterprise-level risks, such as climate change, safety, incident preparedness and community impacts. Our ESG governance approach is discussed in more detail in the section on Climate-related financial disclosures on pages 15 to 22.

Jadestone takes a strong position on ethical matters, with zero tolerance for fraud, bribery and corruption. The Code of Conduct Policy was updated in 2022 and reflects Jadestone's commitment to a culture of honesty, integrity and accountability, and which extends expectations of exceptional standard of conduct to its business partners too.

Energy transition

As an upstream oil and gas company focused on acquiring and maximising the life of fields already in production, as well as developing discovered gas resources, Jadestone is well-positioned to play an important role in the Asia-Pacific region in the context of the energy transition. As oil and gas peers divest their mid-life and maturing upstream assets, Jadestone is well placed to be the steward of those assets through to the end of field life. We believe this strategy is fit for the energy transition, as existing fields and discoveries can fulfill global hydrocarbon demand without requiring new resource additions through exploration. This position is informed by the IEA Net Zero by 2050 scenario, which precludes the need for new oil fields whilst stressing the necessity of continued investment in existing assets.

IEA's World Energy Outlook 2022 – global oil demand in its climate scenarios

The IEA's recently updated scenarios (2022 World Energy Outlook) propose three alternative outlooks for global oil demand:

- **Stated Policies Scenario ("STEPS"):** global oil demand rebounds and surpasses 2019 levels by 2023, despite high prices; demand peaks in the mid-2030s at 103 million barrels per day (mb/d). Rising demand and declining output from existing sources of production mean that new conventional upstream projects are required to ensure that supply and demand stay in balance. Around US$ 470 billion annual upstream investment is spent on average to 2030, which is 50% more than has been invested in recent years.
- **Announced Pledges Scenario ("APS"):** stronger policy action brings forward the peak in oil demand to the mid-2020s. Whilst oil demand is lower than in STEPS, there is still a need for new conventional projects, and US$ 380 billion is invested annually on average to 2030.
- **Net Zero Emissions by 2050 Scenario ("NZE"):** faster global action to cut emissions means oil demand never returns to its 2019 level and falls to 75 mb/d by 2030. Declining fossil fuel demand can be met without the need for the development of new oil fields, but with continued investment in existing assets (e.g., for example through the use of infill drilling), and this requires US$ 300 billion annual average upstream investment to 2030.

Furthermore, the IEA reflects on the repercussions of Russia's military conflict in Ukraine leading to a volatile oil price environment and energy security concerns. In order to alleviate these pressures, the IEA emphasises that *"Projects with shorter lead times and quick payback periods – such as tight oil and projects to extend production from existing fields – are better candidates for making good any short-term shortfalls in supply. They play an important role in all our scenarios".*

Jadestone's business strategy is informed by the IEA's insights. The Group continues to test its portfolio resilience in all three scenarios as outlined on pages 20 to 21.

Net Zero roadmap and progress made

completed

1. **Business-as-usual inventory baseline**
   - Asset-level forecasts of GHG drivers
   - GHG forecast methodology

completed

2. **GHG emission reduction options**
   - Screening matrix of generic reduction opportunities ranked
   - Identification, assessment and prioritisation using marginal abatement cost curves

pending

3. **Feasibility studies of shortlisted options**
   - Techno-economic feasibility studies completed to shortlist GHG mitigations
   - GHG mitigations included in work plans and budgets

Net Zero roadmap
- Alternative GHG forecast and interim target
- Cost-effective GHG emission reduction pathway

Net Zero roadmap

Managing the GHG trajectory of mature assets

When acquiring mid-life producing assets, Jadestone pursues additional capital investment opportunities to maximise reserves recovery, and improve operating performance, whilst striving to mitigate GHG emissions. Jadestone is cognisant of the emissions trajectory of mature assets as well as the existing constraints for implementing GHG reduction strategies. Emissions during the decline phase of the asset life are typically higher than during normalised midlife operations, when equipment is sized to run at optimal efficiency. With production in decline, this results in high emissions intensity that is on an upward trend, as, for example, more power is required to produce fewer barrels. The alternative to maximising production from existing oil assets would be the development of long-lead time greenfield projects, which is not aligned with the IEA's Net Zero scenario (as discussed previously). Whilst initially having lower emissions intensities, such developments would lock in absolute emissions over timelines that, in the context of the global carbon budget, are not aligned with the Paris target.

Jadestone is focused on reducing the business-as-usual absolute GHG emissions profile of the acquired assets, and delivering an improved, mitigated GHG profile, subject to techno-economic feasibility studies.

In June 2022, Jadestone committed to achieve Net Zero Scope 1 and 2 GHG emissions for its operated assets by no later than 2040. To that end, Jadestone partnered with a reputable consultancy to put workstreams in motion to deliver a Net Zero roadmap by the end of 2023. Throughout 2022, workshops were conducted with Jadestone's operational and engineering teams to review and rank the most applicable options, which were then shortlisted through a screening matrix. Factors such as technical complexity, site constraints, project cost and GHG reduction potential were included in the final prioritisation.

At the top of this page is a snapshot of progress made in 2022, with the key achievement being the identification of GHG reduction options for all of the assets we operated during the year. We continue to assess these potential options for implementation and are well on track to finalise the details of the roadmap by the end of 2023.

Refer to 2022 Sustainability Report, section Net Zero roadmap

Net Zero roadmap and business growth

Jadestone believes that its strategy of maximising recovery from existing oil assets and commercialising existing gas discoveries has strong merits in the context of the energy transition, as discussed on the previous page. As Jadestone takes on operatorship of assets, it inherits the associated GHG emissions. It pledges to integrate the newly acquired assets into its Net Zero roadmap, in line with the GHG Protocol's guidance. The approach to integrating operated acquisitions involves:

- **Screening new business development opportunities.** Due diligence involves reviewing historical and forecast GHG emissions, requesting undertaken and planned mitigations from the incumbent operator and reviewing GHG forecasts in the context of planned field activity. Climate regulation in the given jurisdiction is also reviewed as part of the process;
- **GHG abatement opportunities are reviewed after transfer of operatorship ("TOO").** A similar process, as outlined above in relation to existing assets, will be undertaken after TOO: desktop reviews followed by feasibility studies for shortlisted options; and
- **Integration of associated GHG emissions into the Net Zero baseline and the interim targets.**

In relation to Jadestone's non-operated assets, while these are not covered by the Group's Net Zero pledge, Jadestone commits to working with its partners to reduce Scope 1 and 2 GHG emissions on its non-operated assets, either existing or acquired in the future.

GHG emissions and Streamlined Energy and Carbon Reporting

Jadestone continues to report and consolidate its GHG emissions on an operational control basis, reporting 100% of GHG emissions from operated sites, regardless of the working interest. In 2022, Jadestone included Scope 1 GHG emissions for its Malaysia operated assets for the first time, following the acquisition of PenMal Assets in the second half of 2021. In 2022, the Group's Scope 1 GHG emissions amounted to 488,951 tonnes CO_2-e. When compared to full-year 2021 GHG emissions[1] of 649,770 tonnes CO_2-e, the Group's 2022 GHG emissions were circa 25% lower year-on-year, largely due to the suspension of Montara operations for part of the year. Jadestone's indirect, Scope 2 GHG emissions from the consumption of purchased electricity across its offices and warehouses account for less than 1% of its total GHG footprint[2]. Jadestone does not consume any purchased electricity at any of its operated sites.

As detailed within the Directors' Report of this Annual Report, the Group has voluntarily elected to report Scope 1 and 2 GHG emissions from its operated assets and regional offices under the Streamlined Energy and Carbon Reporting ("SECR") framework. The data in the following table represents 100% operational control of Jadestone's Australian and PenMal Assets. Jadestone has no operations in the UK[3], its emissions and energy use are therefore nil.

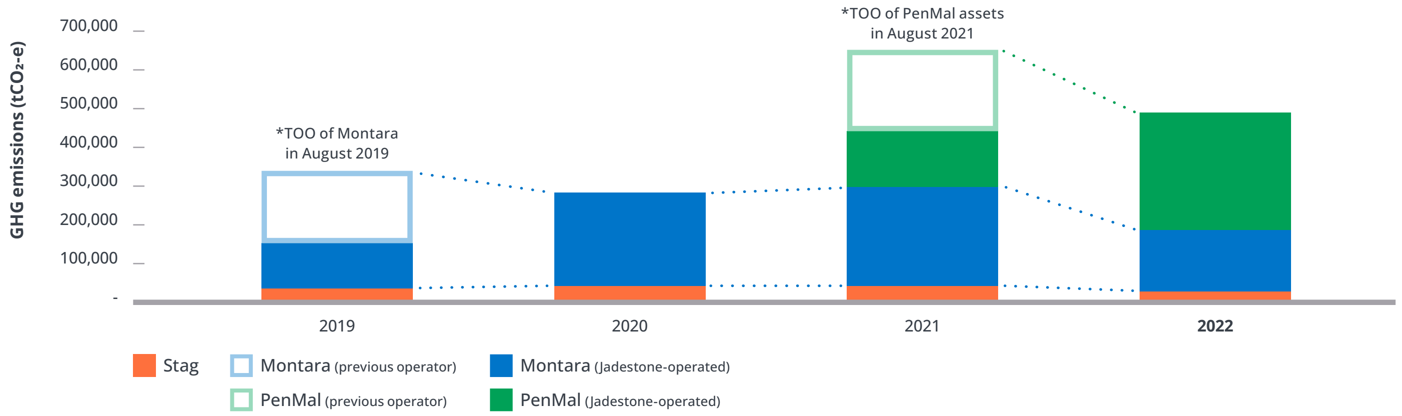
The GHG emissions section of the 2022 Sustainability Report details Jadestone's approach to managing energy use and GHG emissions, and discusses energy efficiency measures taken at its operated sites.

1 Including the period when PenMal Assets were operated by the previous operator for comparative purposes.
2 Defined as sum of Scope 1 and 2.
3 With the exception of one employee working in home office mode.

Jadestone reports and consolidates its GHG emissions on an operational control basis. GHG emissions for Jadestone's business are defined and calculated using methodologies consistent with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Jadestone calculates its GHG emissions according to the local regulatory framework in the country of operations, an approach validated by a third party, following a review of the relevant international frameworks and standards for GHG accounting as well as industry practice. In an absence of such regulatory framework, the API Compendium of Greenhouse Gas Emissions methodologies (2021) and its emission factor method are applied.

Consequently, for Australia operations, Jadestone continues to calculate its GHG emissions in accordance with the Australian National Greenhouse and Energy Reporting (Measurement) Determination 2008. In Malaysia, GHG data for the Peninsular Malaysia ("PenMal") operated assets is prepared in accordance with the requirements of the local industry regulator, which is aligned with the API Compendium.

Scope 1 GHG emissions, 2019–2022[1] (100% operational control), including the annualised impact of acquisitions and transfer of operatorship in 2019 and 2021



Streamlined Energy and Carbon Reporting – operational control

Metrics	Units	2022	2021[2]	2020	2019[3]
Total Scope 1 and 2 emissions from operated entities and offices					
Total Scope 1 emissions	tCO_2-e	488,951	440,987 (649,770)	280,328	149,702[4] (342,699)
Total Scope 2 emissions[5]	tCO_2-e	175	185[5]	190[5]	174
Total Scope 1 and 2 emissions	tCO_2-e	489,126	441,165 (649,956)	280,509	149,580 (342,872)
Upstream GHG intensity[6]	$kgCO_2$-e/boe	99	92 (100)	67	56 (69)
Energy use by operated entities and offices[7]					
Direct energy: Fuel consumption	MWh	1,119,973	772,248 (1,240,456)	462,934	198,884 (289,579)
Indirect energy: Electricity consumption (offices)	MWh	299	303	311	240
Total direct and indirect energy consumption	MWh	1,120,272	772,551 (1,240,754)	463,245	199,124 (289,819)

1 Including PenMal 2021 GHG emissions and the period under the previous operator (see green outline).
2 2021 data has been restated to include data from the PenMal Assets where operational control commenced in August 2021. Data in brackets represents full calendar year including performance under previous operator to allow comparisons on a like-for-like basis.
3 2019 performance reported includes data for the time period where Jadestone was the operator of relevant assets. Data in parentheses represents a full calendar year of data, including the period under previous operator.
4 Minor restatement of data to include fugitive emissions. Previously reported at 149,417 tCO_2-e.
5 Represents electricity used at Jadestone offices. Data restated due to revised emissions factors.
6 Includes direct, Scope 1 GHG emissions, excluding Scope 2 related to offices.
7 Direct energy is energy generated onsite by the facility. Indirect energy defined as that generated and purchased offsite.

Climate-related financial disclosures

As Jadestone is not currently subject to the Financial Conduct Authority Listing Rules, it is not required to make disclosures consistent with the TCFD recommendations or report against the TCFD recommendations on a "comply or explain" basis and has not done so in 2022.

Jadestone has used the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD") to inform its approach to managing and disclosing climate-related risks and opportunities, as outlined in this section. Over time, we expect the requirement to make disclosures consistent with the TCFD recommendations on a "comply or explain" basis, will be applicable to a much broader range of companies, including those listed on the AIM market, and as such we will continue to develop and enhance our climate-related disclosures.

GOVERNANCE

Disclose the organisation's governance around climate-related risks and opportunities.

TCFD recommendation	Summary of approach	Reference
a. Describe the board's oversight of climate-related risks and opportunities. b. Describe management's role in assessing and managing climate-related risks and opportunities.	• The Board and its committees have oversight of climate-related risks and opportunities, with areas of accountability formalised through terms of reference. • The Board delegates day-to-day management of the business to the CEO, who, supported by the CFO, directs the management team to manage climate-related issues. • As an example, throughout 2022, the Board and management were engaged regularly during the development of the Net Zero strategy.	**Annual Report** Strategic Report, Climate-related financial disclosures, pages 15 to 21; **Sustainability Report** Governance and business ethics, pages 9 to 10.

STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.

TCFD recommendation	Summary of approach	Reference
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term. b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	• Jadestone sees two categories of transition risks as most relevant to its business: stakeholder and reputational risks as well as policy and regulatory risks. It also recognises a major opportunity that the trend of majors and/or peers divesting assets presents to Jadestone. • Risk impacts have been quantified where feasible with risk metrics defined and mitigations and accountability assigned. • Jadestone undertook a Group climate scenario analysis for the second time for its whole portfolio of assets, reflecting IEA's scenarios as per the 2022 WEO, that represent temperature outcomes of 1.7 and 1.5°C. Carbon costs, as forecasted under these scenarios, have been applied in line with the expected regulatory developments as well as a decrease in hydrocarbon pricing.	**Annual Report** Strategic Report, Climate-related financial disclosures, pages 15 to 21.

RISK MANAGEMENT

Disclose how the organisation identifies, assesses, and manages climate-related risks.

TCFD recommendation	Summary of approach	Reference
a. Describe the organisation's processes for identifying and assessing climate-related risks. b. Describe the organisation's processes for managing climate-related risks. c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	• Climate-related transition risks and opportunities are managed within the Group risk register framework, supported by regional risk workshops, as part of the country Climate Change Working Group ("CCWG"). • Regional analysis is followed by a leadership CCWG workshop with risks assessed from the Group-level perspective. • The most relevant climate-related risks are reflected in the Group's principle risk framework under the umbrella risk "Climate change transition risks". • Following a high-level portfolio screening of potential physical climate risks, initial insights into the asset exposure to a set of hazards such as cyclones, extreme heat and flooding was established. Moving onwards, physical risk analysis will be integrated into the overall climate risk process, where transition risks are considered by the regional teams in tandem with the physical risks.	**Annual Report** Strategic Report, Climate-related financial disclosures, pages 15 to 21; Strategic Report, Risk Management, principal risks and uncertainties, pages 25 to 27.

METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

TCFD recommendation	Summary of approach	Reference
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks. c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	• As part of the risk assessment, key risks and opportunities were assigned metrics to monitor risk exposure and effectiveness of mitigating actions. • Jadestone reports its Scope 1 and 2 GHG emissions on an operational control basis. Scope 3 emissions for select categories have been quantified for all operating assets in 2022. • Jadestone continues to work on its Net Zero roadmap, to deliver on the Net Zero by 2040 pledge. This work will be completed by end of 2023, when interim targets will be defined.	**Annual Report** Strategic Report, Climate-related financial disclosures, pages 15 to 21; Strategic Report, Net Zero roadmap, page 13; **Sustainability Report** Energy transition, GHG emissions pages 18 to 21.

Governance

Board oversight of climate-related risks and opportunities

Jadestone's Board of Directors has a primary responsibility to foster the short, medium and long-term success of the Group and be accountable to its shareholders. The Board and its committees have oversight of climate-related risks and opportunities, which are relevant to the Group's ability to deliver shareholder value. The responsibilities of the Committees as they pertain to climate are summarised below with further detail included in the Corporate Governance report.

The Health, Safety, Environment and Climate ("HSEC") Committee assists the Board in meeting its oversight responsibilities relating to the operational impacts of ESG topics. Its role is to ensure that management has designed and implemented effective health, safety, social, environmental, and climate risk programmes, as well as controls and reporting systems.

The Governance and Nomination Committee oversees corporate governance practices, reviews membership and nominations to the Board and ensures continued development programmes are in place for all Directors, including in relation to the ESG agenda.

Following a decision in late-2021 to complement the Board's existing skillset, diversity, and regional experience of ESG practices, Jenifer Thien was appointed as an independent Non-Executive Director in April 2022, joining the HSEC and Governance and Nomination Committees. Jenifer brings significant experience in leading sustainability programmes in major corporations, including climate change expertise.

The Audit Committee ensures proper and timely disclosure of material financial information and reviews all material matters affecting the risks and financial position of the Group, which includes monitoring of the Group's responses to climate risk and ESG disclosures generally. In 2022, the Audit Committee reviewed the Group's inaugural climate scenario analysis and ESG disclosures.

The Remuneration Committee determines executive remuneration including approval of executive incentive schemes, which incorporate ESG performance objectives. In 2022, ESG performance objectives, which form part of the CEO's performance contract, increased in weighting from 20% to 25%, and included objectives pertaining to GHG emissions reviews as well as development of a Net Zero roadmap.

The Disclosure Committee oversees timely and accurate disclosures as required to meet the Group's legal and regulatory obligations, including sustainability and climate-related disclosures.

Jadestone's ESG and climate governance structure: Board level

Board of Directors

Retains overall accountability for the strategic direction and performance of the Group and in doing so acts on behalf of its stakeholders

ESG remit: overseeing control and accountability systems designed to ensure appropriate standards are met in relation to health, safety, environment, and climate-related impacts as well as social responsibility and governance of the Group.

Board Committees

Assists the Board to discharge its responsibilities across:

Health, Safety, Environment and Climate ("HSEC") Committee	**Governance and Nomination Committee**	**Audit Committee**	**Remuneration Committee**	**Disclosure Committee**

How the Board considered climate-related matters in 2022

Climate-related risks and opportunities were discussed at each of the four Board meetings held in 2022. In addition, the Board receives monthly updates on most significant ESG developments that include updates on climate-related workstreams as well as emerging climate risks or topics. The Board, supported by the HSEC Committee, jointly facilitated the following actions:

Strategy

- During the March 2022 Board meeting, recommendations from an expert consultancy on strategic options for Jadestone's Net Zero approach, as well as results of peer benchmarking, were reported to the Board, and supported the Board's decision to announce its Net Zero by 2040 pledge in June 2022;
- Engagements with lending banks and investors on GHG emissions management in the context of business strategy were relayed to the Board and informed the Net Zero strategy endorsed by the Board;
- Following the announcement of the Net Zero pledge, progress of Net Zero roadmap development was reviewed by the Board each quarter, with a more detailed oversight by the HSEC Committee.

Expenditure and investments

- A business development opportunity, as a way of mitigating Jadestone's future GHG emissions profile, was reviewed by the Board for strategic fit;
- Analysis of the GHG emissions performance of all prospective M&A opportunities were presented to the Board as part of the acquisition due diligence process.

Risk Management

- Consideration of climate risk exposure as part of biannual Group risk register review;
- Sustainability disclosures and climate scenario analysis were approved by the Audit Committee.

Performance

- Monthly ESG-related updates regarding key projects and developments;
- Group GHG performance dashboard reviewed quarterly in the HSEC Committee and Board meetings;
- Review of ESG performance, including climate mitigations and the progress made in the development of the Net Zero roadmap on a quarterly basis.

Corporate Governance

- Approval and review of several key governance-related policies in 2022, including the new Climate Policy.

Management's role in assessing and managing climate-related risks and opportunities.

The Board delegates day-to-day management of the business of the Group to the CEO. The CEO is responsible for the identification and assessment of climate risks and opportunities, defining the strategy and approving action plans suitable to control and mitigate identified risks. The CEO is supported by the CFO in discharging Jadestone's climate responsibilities as they relate to financial materiality. The CEO and CFO engage with the Board on all actions related to climate change and the energy transition.

The CEO leads senior management in delivering the Jadestone strategy and annual work plan and budget. Jadestone has allocated internal resources to manage the wide array of climate change issues, including the ESG Manager, HSE Manager and regional HSE teams, Legal and Regulatory team, Investor Relations Manager, Country Managers, Subsurface, Operations, Commercial and Supply Chain functions. These responsibilities include such matters as GHG emissions reporting and management, mitigation and adaptation, impacts of climate-related legislation, and GHG-related operational issues.

Jadestone's Climate Change Working Group ("CCWG") is the main forum for driving forward the Group's response to climate change and manage the interdisciplinary inputs from across the business. The CCWG is organised at an operational/country and Group/leadership levels.

External subject matter experts are commissioned to provide specific expertise across the climate agenda. In 2022 this involved several Net Zero workstreams being progressed with a reputable global environmental consultancy. Jadestone's ESG and climate governance structure at the management level is summarised below.

Jadestone's ESG and climate governance structure: management level

Executive Directors: CEO and CFO

Executive Directors hold the ultimate responsibility for the formation, delivery and execution of the Group's strategy

Ultimate responsibility and accountability for the Group's approach to climate change and management of ESG risks and opportunities lies with the CEO.

The CEO is supported by the CFO, with particular regard to the growing financial materiality aspects of climate change and ESG agenda.

Management team

The management team is responsible for the delivery of strategy in accordance with the requirements of the Board

ESG topics are managed through internal resources, reporting directly to the CEO and providing updates to the Board on a regular basis. These responsibilities also cover climate risk mitigation and adaptation, emissions management and other related operational issues.

Climate Change Working Group	**Country HSE committees**	**Country operational forum**	**Community engagement forum**	**Legal and governance forum**

How the management considered climate-related matters in 2022

The leadership CCWG includes senior leaders from Jadestone's management team, including the CEO and CFO, and representatives of Finance, Risk & Strategy, HSE, Investor Relations, Subsurface, Legal and ESG functions. Its remit is to act as a focal point for managing climate-related risks and opportunities as they relate to the Group. The country CCWGs are set up in respective operating countries (Australia, Malaysia, Indonesia), bringing together expertise form across key functions such as Operations, Subsurface, HSE, ESG, Commercial and Legal. These country-level CCWGs are tasked with identifying and managing significant climate issues as they relate to the country operations.

Net Zero roadmap

- In the first quarter of 2022, the leadership CCWG met twice to review the results of an external analysis of Net Zero strategic options as well as peer benchmarking, leading to a recommendation to the Board and resulting in the announcement of the Net Zero by 2040 pledge in June 2022;
- Throughout the second half of 2022, the leadership CCWG convened three times to monitor the progress of the Net Zero workstreams, commissioned to develop the Net Zero roadmap.
- Concurrently, the country CCWG sessions were held throughout the year at least every other month with respective country teams, focused on GHG emission performance across operated assets, GHG accounting methodologies and review of mitigation options. A number of these sessions were facilitated by a third party, with final results reported back to the leadership CCWG.

Climate risk

Climate risk analysis informed by the TCFD recommendations was undertaken in the second half of 2022, with a deep-dive analysis of climate risks emerging in operating countries, including a review of mitigation options for their effectiveness. These sessions were conducted through the country CCWGs and culminated in the Group-level climate risk session in November 2022, with conclusions incorporated into the Group risk register.

Governance

Oversight of the development of a new Climate Policy, approved by the leadership CCWG.

Performance

Improved asset-level GHG emissions reporting provided to the management team on a monthly basis as of 2022.

Strategy

Climate-related risks and opportunities identified over the short, medium and long-term

For the purposes of the Group's climate-related disclosures, granular transition risks identified in a bottom-up process (see page 21) have been grouped into two main themes: reputational and policy risks. These risk themes represent developments that have the potential to significantly impact Jadestone's ability to execute its strategy. This does not necessarily mean that these risks have materialised in practice, but instead, reflects the key risks that could affect Jadestone's business and are therefore subject to management's attention, with ongoing mitigations being implemented to minimise potential exposure to levels that are acceptable by the Board and the management. Similarly, Jadestone sees opportunities being brought about by the energy transition dynamics in the region of focus. Jadestone's assessment of the potential impacts of climate-related risks and opportunities is outlined in the following tables.

In monitoring the delivery of its strategy, the Board and the management team consider climate-related risks and opportunities across three time horizons:

- **Short-term ("ST"):** up to 2024
- **Medium term ("MT"):** 2025 - 2032
- **Long-term ("LT"):** beyond 2033

⌃ Risk has increased during the year «» No change in the risk over the year

Transition risk	Potential impact	Mitigations	Risk metric
Stakeholder and reputation risks			
Access to finance Change in year ⌃ **Time frame:** ST-MT	• Restricted availability of debt financing and/or equity impacting the ability to execute the strategy; might lead to higher interest rates and/or higher cost of equity.	• Transparent, robust climate disclosures that communicate Jadestone's strategic positioning; • Net Zero roadmap with interim targets, including progress updates; • Proactive engagement with financial institutions; and • Prudent financial management (limited leverage).	Debt availability, Cost of capital
Shareholder action Change in year «» **Time frame:** ST-MT	• If Group climate strategy is not in step with shareholder expectations, this might lead to activism and/or divestment, potentially resulting in downward pressure on the share price.	• Transparent, robust climate disclosures that communicate Jadestone's strategic positioning; • Net Zero roadmap with interim targets, including progress updates; and • Proactive engagement with the investment community.	Shareholder monitoring, Share price performance
Policy and regulatory risks			
Carbon pricing and more stringent GHG reduction standards enacted by governments. Change in year ⌃ **Time frame:** ST-MT	• Increased operating cost and/or capex for GHG reduction options; • Further incentive to reduce emissions; and • Curtailed field life if standards can't be met.	• Monitor policy changes in core jurisdictions/regions (please see page 22, regarding recent regulatory developments in Australia); • Deliver emission reduction projects to reduce exposure; and • Annual climate scenario analysis that includes carbon pricing impacts.	Carbon cost per barrel, Capex to decarbonise, Marginal cost abatement, Scope 1 GHGs (actual vs. forecast)
Overarching energy transition risk			
Decrease in hydrocarbon price due to the impacts of energy transition on supply and demand Change in year «» **Time frame:** MT-LT	• Undermines investment case and strategy; • Negative impact on share price; and • Potential to accelerate repayments on any outstanding debt.	• Focus on Southeast Asia market, where energy demand is projected to increase according to most forecasts; and • Annual climate scenario exercise where impacts of lower oil price outlook are modelled.	Operating cash flow impacts, Portfolio diversification, including increased pivot to gas (with fixed price)

Transition opportunity	Potential impact	Management actions	Opportunity metric
Opportunity to serve major Asian growth markets from existing mid-life assets as majors and/or peers divest assets Change in year ⌃ **Time frame:** ST-MT	• Increasing M&A opportunity set of mid-life assets allows Jadestone to position itself as a preferred buyer, committed to upholding climate targets; and • Asian markets receive crude oil and natural gas from existing fields in line with IEA's Net Zero by 2050 roadmap, whilst minimising GHGs.	• Clearly defined business strategy that is centred around mid-life assets, and which prioritises GHG mitigations; • Focus on improving emissions performance of fields compared to previous operators; and • Net Zero roadmap with interim targets.	M&A opportunity pipeline
New business growth opportunities presented by the energy transition Change in year «» **Time frame:** MT-LT	• Opportunity to diversify and expand into technologies that stand to play a role in the energy transition.	• Monitoring of low-carbon technologies and business ventures in the core region; and • Engagement with industry associations, regulators and business partners on energy transition.	Number of opportunities presented to the Board

In 2022, the Group has made the following progress with regard to implementing risk mitigations:

✓ Achieved
⟳ Ongoing

Climate risk mitigations	Status	Progress in 2022
• Transparent, robust climate disclosures that communicate Jadestone's strategic positioning	Achieved	• Jadestone reviewed its strategic positioning in the energy transition context, as described in section Energy transition, page 12.
• Net Zero roadmap with interim targets, including progress updates	Ongoing	• Net Zero roadmap continues to be developed and will be completed by the end of 2023. For status as of 2022, see page 13.
• Proactive engagement with the financial institutions	Achieved	• Jadestone has been maintaining close relationships with several international lending banks, which culminated in the arrangement and closing of an RBL in May 2023. During this process, there was frequent engagement with the lending banks on the Group's ESG performance and profile
• Proactive engagement with the shareholders	Achieved	• Frequent direct and indirect dialogue is maintained via the Investor Relations manager or at the CEO and CFO level, where energy transition is a standing topic.
• Prudent financial management (limited leverage)	Achieved	• Jadestone funded its 2022 operating and capital expenditure without any debt requirement and ended 2022 with a higher cash balance than the end-2021.
• Monitor policy changes in core jurisdictions/regions	Achieved	• Regulatory developments are monitored by country teams and new changes were reviewed in the regional CCWG risk workshops, highlighting new reforms in Australia, as discussed on page 22.
• Deliver GHG emission reductions projects to reduce exposure	Ongoing	• Potential GHG emission reduction options have been identified in 2022 and are subject to detailed techno-economic feasibility studies in 2023 (see page 13).
• Annual climate scenario analysis that includes carbon impacts	Achieved	• Climate scenario was refreshed in 2022 to include more robust GHG forecasts, updated IEA scenarios and most recent understanding of carbon taxes. See pages 20 to 21.
• Focus on Southeast Asia market	Achieved	• Clear focus of the business strategy as evidenced by current portfolio and recent acquisitions.

Physical risks
Whilst maintaining focus on managing business exposure to transition risks, Jadestone recognises that adaptation to physical risks is an increasingly challenging task facing the whole of society. As average temperatures rise, climate science finds that acute hazards such as heat waves and floods grow in frequency and severity, and chronic hazards, such as drought and rising sea levels, intensify.

Following a high-level portfolio screening of potential physical climate risks that may affect Jadestone's assets, key physical hazards have been identified for infrastructure type. As climate hazards manifest locally, potential risk relevance was further established based on local climate data in different temperature scenario outcomes, as per the Intergovernmental Panel on Climate Change ("IPCC"). The screening provided initial insights into the exposure of Jadestone assets to a set of hazards such as cyclones, extreme heat and flooding.

Moving forward, physical risk analysis will be integrated into the overall climate risk process, where transition risks are considered by regional teams in tandem with the physical risks.

Impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning, (including the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario)

Climate scenario approach
Whilst some impacts of climate change are apparent in the short-term, the most significant effects of climate change are likely to emerge over the medium to longer-term and their timing and magnitude are uncertain. Consequently, Jadestone has undertaken a climate scenario analysis to help explore the resilience of its business to a range of external policy, economic, market and technological conditions that may lead to different temperature outcomes, depending on the pace of the energy transition. Jadestone has focused its analysis on possible changes to oil prices as a result of the energy transition's impact on oil demand as well as the potential impact of tighter carbon-related regulations through additional carbon costs.

Similar to the analysis included in the 2021 Annual Report, scenarios described by the IEA in its 2022 World Energy Outlook, representing the "gold standard" among investors, policymakers and other key stakeholders, formed the basis for Jadestone's approach:

- **Stated Policies Scenario ("STEPS")**, which assumes latest policies and targets already announced by governments are enacted, but that there is no further policy development on climate change beyond them, which results in an average temperature rise of 2.5°C above pre-industrial levels by 2100;
- **Announced Pledges Scenario ("APS")**, which assumes that all aspirational targets announced by governments are met on time and in full, including their long-term Net Zero and energy access goals, and estimates an average temperature rise of 1.7°C by 2100; and
- **Net Zero Emissions Scenario ("NZE")**, which maps out a trajectory consistent with limiting the temperature increase to less than 1.5 °C in 2100, alongside universal access to modern energy by 2030.

The oil prices modelled for each of the three climate scenarios are based on the IEA 2022 WEO, which forecasts the price of oil (in real terms) in 2030 and 2050. Between 2023 and 2025, Jadestone models an oil price assumption based on external forecasts, including futures and consensus oil prices, as well as third-party consultants. A linear interpolation is then applied to establish oil price forecasts between 2025-2030 and 2030-2050.

Estimating carbon costs in each of the three scenarios followed a similar approach. The CO_2 prices for the three climate scenarios in 2030, 2040 and 2050 from the IEA WEO 2022 were applied, augmenting the forecasts where country-specific climate policy developments were more mature. In particular, Jadestone's analysis now assumes that carbon costs apply to its Australian assets in scope, on the basis that the Safeguard Mechanism Reform Bill (the "Safeguard Mechanism") has been passed into law effective 1 July 2023. The modelling results will be fine-tuned over the course of 2023 to reflect the recent Safeguard Mechanism reforms. It should be noted that there are a significant number of assumptions and uncertainties around carbon costs and how these may develop over time within the various jurisdictions in which Jadestone is active. The scenarios are by no means a prediction of the future and the results of the climate scenario analysis should not be interpreted as such.

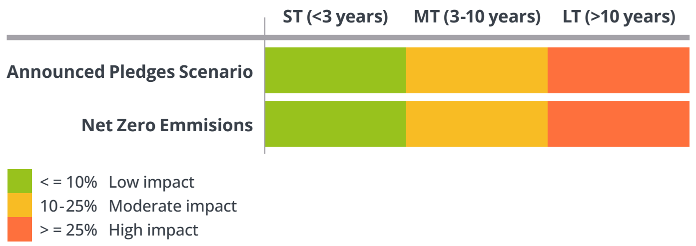
The STEPS scenario is underpinned by policies and targets already announced by governments, and therefore in Jadestone's view represents the current base case outlook for the impact on energy demand. Consequently, it is utilised as Jadestone's base case for the purposes of modelling the impact of the APS and NZE scenarios on the Group's portfolio, which forecast faster declines (vs. STEPS) in demand for oil as part of the energy transition.

Discussion of results
Jadestone defines financial resilience as the ability to fund planned activity across its existing portfolio in periods of lower oil prices without compromising the Group's financial strength. In practice, this means generating sufficient cash flows from its assets to fund, along with existing cash resources and external sources of finance, planned operating costs, capital investment and abandonment spend while delivering acceptable returns.

Jadestone adopts a flexible financial framework, assessing planned activity over a multi-year period and the associated funding requirement. As a result, and in the context of the climate scenario analysis, Jadestone believes that operating cash flow ("OCF") is the most appropriate metric on which to judge resilience, as this will directly impact its ability to fund planned activity.

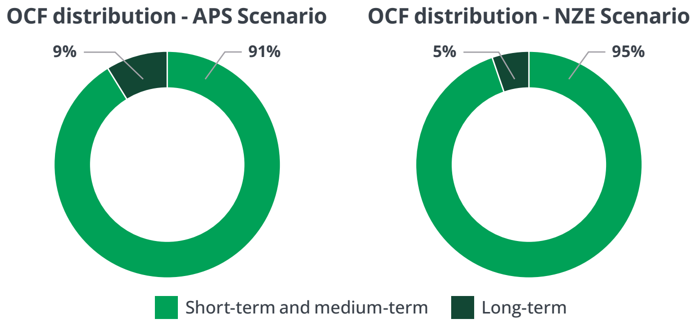
The impact on operating cash flow of the climate scenarios against the base case of the STEPS scenario is displayed in the table below, split out over the short-term, medium-term and long-term time periods (as defined on page 18).

Climate scenario results - operating cash flow impacts versus base case STEPS scenario



The scenario analysis suggests that Jadestone would see a negative impact on operating cash flow in most scenarios, although the impact is only significant in the NZE and APS climate scenario over the long-term time horizon (i.e. more than 10 years from now).

Furthermore, it should also be noted that the majority of the operating cash flows assessed in this analysis were in the short-term and medium-term time horizons, as illustrated in the following chart, mitigating the overall impact of the NZE scenario on Jadestone's business.



The carbon tax assumptions in the scenario analysis were applied to an unmitigated GHG emissions profile of the Group's current asset portfolio, and therefore do not take into account any initiatives which may be taken to reduce or offset these emissions over the time horizons analysed. This was a deliberate step to set a baseline as the Group intends to run the climate scenario analysis with a mitigated case once any initiatives are matured and finalised over the course of 2023 and beyond. Furthermore, lower oil price scenarios may result in a deflationary environment for Jadestone's purchased goods and services, which is not reflected in the scenario analysis, and which may also offset the impact of reduced cash flows.

Over the time periods assessed in the scenario analysis, natural gas, both through domestic production and imports, is likely to play an increasingly important role as a transition fuel in several Asia-Pacific energy markets. This trend underpins Jadestone's strategic aim to increase the share of gas in its portfolio by acquiring and/or developing regional gas assets. In early 2023, Jadestone started to deliver on this objective by acquiring an interest in the Sinphuhorm field onshore Thailand in early 2023, where operations have a Scope 1 and 2 GHG intensity estimated at 7.5kg/boe of CO_2-e, significantly lower than the global upstream average. In addition, the Group is developing the Akatara gas field onshore Indonesia with first production expected in the first half of 2024. Jadestone's growing gas portfolio will also increase portfolio diversification and will reduce the sensitivity of the Group's financial performance to oil prices. Finally, the Group is taking proactive steps to manage its exposure to climate-related risks, as outlined in its Net Zero approach on page 13. Jadestone is a nimble business that is able to adapt its strategic approach in response to external changes in the business environment, which is carefully monitored though the Group's risk management process. To provide context and linkage between Jadestone's climate scenario analysis and its financial statements, the value of the Group's oil and gas properties was tested on the NZE scenario oil and carbon pricing, set out above. The resulting sensitivity was above the carrying value of the Group's oil and gas properties at year-end 2022, and therefore would not result in an impairment. Please refer to Note 3c in the Group's consolidated financial statements for more information.

Risk management

Process of identifying, assessing and managing climate related risks
The Group manages its principal risks in line with its Risk Management Policy, maintaining a Group risk register, along with a systematic process for the identification, assessment and management of material risks, including definition of accountability, with owners of mitigating actions assigned. The Risk Management Policy is owned by the CEO, who delegates responsibility to the CFO, country nanagers, and functional heads including the Group Operations Manager.

The Board regularly reviews the principal risks and defines the key performance indicators based on acceptable risk levels. The Board undertakes a full review of the risk matrix at least twice per year.

Climate-related risks and opportunities are managed within the Group risk register framework, supported by detailed regional transition climate risk and opportunity workshops, as part of the country CCWGs. This bottom-up approach ensures that geographical nuances to the energy transition context, including regulatory developments, are well understood and appreciated before informing a corporate view of risk exposure. A standardised approach is applied year-on-year, with the review facilitated by an expert climate risk consultant. Regional analysis is followed by a leadership CCWG workshop, where the results of country groups are prioritised from Group-level perspective. Risks that may impact the business in the short to medium-term are prioritised over those that may manifest themselves over longer timeframes, also taking into account business relevance and life of the assets.

"Climate change – transition risks" is one of the principal risks identified within Jadestone's strategic risk profile, which is reflective of the transition risks listed on page 18. Identified mitigation actions are assigned ownership across key functions and progress and effectiveness is tested during the risk register review.

Metrics and targets

Metrics used by the Group to help monitor progress on the climate risk mitigations are summarised on page 18. Quantifiable metrics have been elected where feasible, with qualitative actions of equal importance, particularly in relation to the Net Zero roadmap delivery. Jadestone is completing the underlying workstreams to deliver a Net Zero roadmap by the end of 2023, as outlined on page 13.

Scope 1 and 2 GHG emissions are disclosed on page 14 of this report. A detailed GHG performance overview of Scope 1, 2 and 3 GHG emissions is included in the 2022 Sustainability Report.

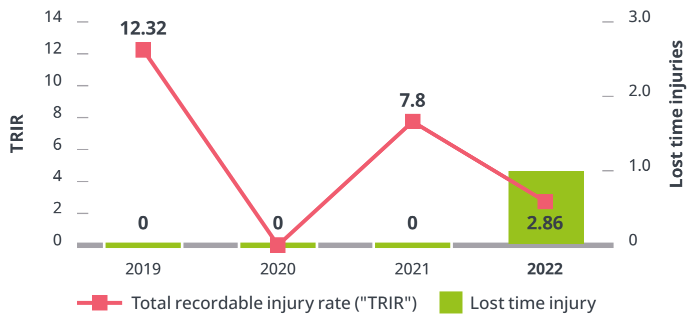
Refer to 2022 Sustainability Report

Responsible operator

Responsible operatorship is at the cornerstone of Jadestone's ability to deliver on its strategy of acquiring mid-life assets and goes beyond the "licence to operate" considerations. This section provides an update on how the Group performed in 2022 across health, safety and environment impacts, including regulatory management and asset integrity.

The Group's priority remains the health and safety of its staff, contractors and communities in which it operates, along with ensuring that any negative environmental impacts from operations are minimised. Levels of activity increased significantly in 2022, working over 1.7 million man hours[1] (2021: 0.39 million work hours), and with the total recordable injury rate ("TRIR") at 2.86, a significant improvement on the previous year. Overall, the Group has had no major events resulting in significant environmental impact. Regrettably, one lost time injury was suffered by a contractor in 2022, who has since made a full recovery. A detailed investigation was completed, with corrective actions including engineering controls implemented to prevent reoccurrence.

Occupational health and safety performance, 2019–2022



1 Man hours represent Jadestone permanent employees, contractors and consultants as well as subcontractors

At the Akatara gas development within the Lemang PSC, Indonesia, work commenced to prepare the site for construction of the gas processing plant, following final investment decision on the project in June 2022. Jadestone is working closely with the EPCI contractor to ensure that robust HSE management practices are implemented and monitored. In 2022, 0.6 million manhours were worked at the Akatara development site without a recordable injury, including high-risk activities such as pile driving, earth moving and general construction activities. Senior management, from both Jadestone and the EPCI contractor, visited the site on a monthly basis, with a key focus on HSE performance during those visits.

As an upstream operator in the APAC region, Jadestone is subject to numerous sustainability-related regulations and an often rapidly changing regulatory environment. Compliance is facilitated by legal advice in the respective countries of operations as well as through such functions as HSE, which ensure compliance with operational requirements. Direct and proactive engagement with regulators is key to Jadestone's licence to operate.

In 2022, Jadestone received two regulatory enforcement notices, a General Direction and Environmental Prohibition Notice, both related to an oil leak at the Montara Project, offshore Australia. In June 2022, three to five cubic metres of crude oil was released to sea during a routine oil transfer between cargo tanks onboard the Montara Venture FPSO. The leak was successfully stopped within 10 minutes and the Australian Regulator, NOPSEMA, was notified. The released oil had fully dispersed naturally within 24 hours. NOPSEMA issued a Prohibition Notice requiring Jadestone to assess the fitness for service of any tank capable of holding petroleum and undertake any appropriate remediation works prior to loading into that tank.

Production operations resumed in July but were then shut in again in August 2022 after an additional defect was identified in a ballast water tank on the FPSO. NOPSEMA issued a General Direction in September, requiring an independent third party undertake a management system gap analysis, and provide advice on the remediation plans developed by Jadestone, and confirm operational readiness of the facility. The General Direction was lifted on 8 February 2023, followed by a systematic restart programme that commenced on 23 March.

In 2022, the Australian government launched a consultation over the Safeguard Mechanism in order to align it with Australia's climate targets. The existing mechanism provided a framework for Australia's largest emitters (facilities with more than 100,000 tonnes of CO_2-e per annum) to measure, report and manage their emissions below an emissions limit (baseline). The proposed changes are to commence on 1 July 2023 and will introduce a required reduction in emissions of 4.9% per annum. Jadestone's Montara Project falls under the Safeguard Mechanism and will be subject to the new reforms. The Group is evaluating the impacts of the scheme on its operations, Net Zero roadmap and acquisition strategy. Please refer to pages 20 to 21 for more details on how potential carbon costs may impact Jadestone's business as explored in the climate scenario analysis.

Similarly in Australia, the Tipakalippa[1] court decision has had wide-ranging implications on how energy and mining companies approach negotiations with indigenous groups. Jadestone has been working with the industry regulator to ensure that its consultation practices are fit for purpose and has revisited its Environmental Approvals Stakeholder Engagement Strategy to reflect the court decision.

Benefitting stakeholders

Jadestone understands that its business relies on positive contributions from employees, business partners, communities and, more broadly, society and the environment at large in order to operate effectively and create value. It strives to deliver positive socio-economic outcomes for local communities in operating countries and to provide productive employment, and high standards of worker health, safety and well-being.

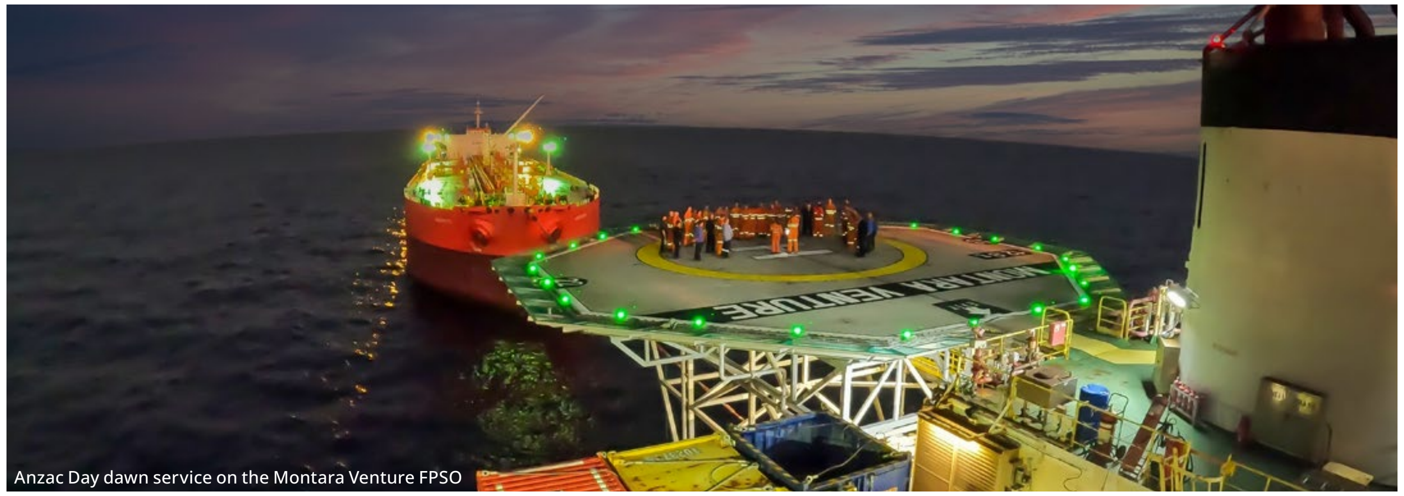
Workforce management and diversity continues to be a material ESG topic for Jadestone. During 2022, the Group continued to grow its asset base, which is reflected in a 10% increase in total workforce numbers[2] year on year, largely driven by the expansion of activities in Indonesia. In 2022, 94% of Jadestone permanent employees represented local talent, exceeding the target of 90%, reflective of the deliberate effort to bring employment opportunities to the communities where Jadestone operates.

In terms of gender balance, 18% of Jadestone's employees are female, a slight increase from 2021. At the Board level, an increase of female representation to 22% (from 13%) was achieved with the addition of Jenifer Thien to the Board in April 2022. Overall, gender statistics are reflective of the common challenge of gender diversity for most oil and gas operators. During 2022, Jadestone had no reported incidents of discrimination.

In 2022, the Group has increased its budget for community activities by 30%, developing a needs-driven initiative in each country of operations.

Refer to 2022 Sustainability Report for a more detailed discussion of Jadestone's performance across the key areas of ESG

1 Relates to the Australian Federal Court decision in *Tipakalippa v National Offshore Petroleum Safety and Environmental Management Authority*, 21 September 2022.
2 Includes permanent employees, contractors and consultants.


Anzac Day dawn service on the Montara Venture FPSO

Key performance indicators

Each year, Jadestone's Board agrees a performance contract with the CEO, which contains key objectives aligned to the Group's strategic aims, and key performance indicators ("KPIs") which measure the degree of success in achieving these objectives.

These key objectives and KPIs are cascaded down through the business, ensuring there is a clear understanding, accountability and alignment among all employees, how they are measured, how each business area contributes and how the outcome will impact annual compensation.

The outcome of the CEO's 2022 performance contract, and the detail of the CEO's 2023 performance contract, are summarised in the Remuneration Committee report on pages 54 to 61.

The following table provides an overview of the outcomes of the 2022 performance measures.

Performance measure	Commentary
Achieve 2022 operation targets	• Group production in 2022 was below original target due to the shut-ins of production at Montara and PM318 and AAKBNLP PSCs in Malaysia. • Adjusted operating cost per boe exceeded target due to the shut-ins described above. • Capital expenditure and outcomes were delivered in line with target.
Deliver continuous improvement in ESG performance	• Safety targets were met, with both the total recordable injury ratio and recordable incidents below plan. • Completed review of Scope 1 and 2 GHG emissions reduction opportunities. • Net Zero by 2040 pledge announced. • The number of enforcement notices exceeded the target due to the two received in respect of the Montara leak of oil to sea in June 2022.
Deliver per share accretive growth	• The targets for reserve additions and production growth through acquisitions were partially met. • The value creation target was met based on the terms of the CWLH acquisition announced in July 2022.
Create sustainable shareholder value	• The objective of delivering a significant increase in the share price while outperforming the peer group was not met. • Post-tax operating cashflow in 2022 was below target but within the range of outcomes.


2022 Stag infill drilling campaign

Section 172 statement

Under the Companies Act 2006, Jadestone is required to include, within the Strategic Report, a statement reporting how the Directors have had regard to the matters set out in section 172 (1) (a) to (f) when performing their duties.

Section 172 of the Companies Act 2006 ("section 172", or "s172")
A director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a. the likely consequences of any decision in the long term;
b. the interests of the company's employees;
c. the need to foster the company's business relationships with suppliers, customers and others;
d. the impact of the company's operations on the community and the environment;
e. the desirability of the company maintaining a reputation for high standards of business conduct; and
f. the need to act fairly as between members of the company.

Jadestone's Board of Directors has a primary responsibility to foster the short and long-term success of the Group and be accountable to its shareholders. These responsibilities are set out in detail in the Board of Directors Charter (the "Charter") which can be viewed on Jadestone's website. The Charter explicitly recognises and incorporates the section 172 duties required of Jadestone's Directors. The Charter includes, inter alia, the following responsibilities:

- adopting and periodically reviewing the Group's long-term objectives and a commercial strategic planning process for the Group (s172 (a))
- considering the balance of interests between shareholders, employees, other stakeholders and the community (s172 (a) – (f))
- ensuring that workforce policies and practices are consistent with the Group's values and support the long-term sustainable success of the Group (s172 (a) and (b))
- approving and acting as the guardian of the Group's corporate values, including the implementation of a Code of Conduct policy for the Group (s172 (c) and (e))
- overseeing control and accountability systems designed to ensure appropriate standards are met in relation to health, safety, environmental (including climate), social responsibility and governance of the Group s172 (s172 (d))
- receiving reports on views of shareholders and ensuring effective communication with shareholders and key stakeholders (s172 (c) and (f))

In support of exercising their section 172 duties, the Directors receive:

- monthly updates which include a summary of health and safety, environmental and operational performance, as well as financial, legal, regulatory and shareholder developments;
- a detailed monthly financial report;
- detailed briefings in advance of regular Board meetings and also prior to key decisions (for example business development opportunities);
- an annual briefing from the Company's Nominated Adviser on the AIM Rules for Companies 2021; and
- where appropriate, external legal advice.

The Group has adopted the Quoted Companies Alliance Corporate Governance Code 2018, with the annual compliance statement to the QCA Code principles contained on pages 41 to 45 of this report. Detailed information on how Jadestone's Board assesses, monitors and mitigates the environmental footprint of its business, as well the Group's approach to responsible operatorship and community engagement, can be found within the Sustainability Review on pages 11 to 22 and the HSEC Committee Report on pages 64 to 65.

The following summarises key activities and decisions made by Jadestone's Directors in 2022 in support of their s172 duties:

Montara shut-in and Technical Committee formation
Following the shut-in of the Montara fields in August 2022 and recognising the importance of the asset to operational and financial performance, but also an obligation to all stakeholders to ensure the safety and integrity of Montara operations, Jadestone's Board established a special Technical Committee. This action was taken in order to provide additional support, advice and challenge to management during the Montara Venture FPSO hull and tank remediation work.

The decision of the Board to establish the Technical Committee was directly linked to the importance of the Montara asset to Jadestone, in particular the contribution of the asset to the Group's financial performance, in turn underpinning the ability of the Group to deliver additional organic and inorganic growth. In establishing the Technical Committee and during its business, the members touched on topics related to employees (for example ensuring safety was the key consideration during an intensive period of oil tank inspection and repair) and maintaining relationships with the regulatory authorities in Australia. There was also a focus on ensuring no further loss of containment at Montara (demonstrating regard for the Group's impact on the environment), as well the reputational consequences of the multi-month shut in at the field (demonstrating regard for high standards of business conduct).

Net Zero pledge
Jadestone's Directors recognise the need for action to arrest the impact of rising temperatures caused by human activities and support the view that, as a result, the world's energy mix must diversify towards a low-carbon future. The Directors continue to assess the Group's business model in this context, and believe that the Group's strategy is well-positioned to succeed, as it focuses on fulfilling future hydrocarbon demand from existing fields and discoveries, rather than greenfield exploration. The Group intends to deliver this strategy while ensuring that environmental impacts are minimised. Consequently, the Directors endorsed a pledge of Net Zero Scope 1 and 2 emissions from the Group's operated assets by 2040.

In endorsing the Group's energy transition strategy and Net Zero pledge, the Board is promoting the longer-term success of the Company through anticipating a longer-term decline in fossil fuel demand and ensuring that the Group's strategy can succeed in such a scenario. The Net Zero pledge also implicitly recognises the impact of the Group's operations on the environment through the release of greenhouse gas emissions, but also the need for further investment in hydrocarbon production to ensure a just transition and energy security and economic benefits for the communities and countries in which it operates.

Third-party Board effectiveness evaluation
To ensure that Jadestone's Board can exercise its responsibilities and carry out its duties effectively (including those required by section 172), the Chair commissioned an external review of the Board and its Committees during 2022.

The decision to undertake a third-party evaluation, and the recommendations resulting from it, will ensure the Group's governance structure continues to improve, supporting the delivery of strategy and the longer-term success of the Group. Acting on the recommendations of the third-party review should result in greater direct dialogue between the Board, employees, shareholders and all stakeholders, in turn providing direct feedback and allowing these views to be reflected in future decision making.

Risk management, principal risks and uncertainties

The Board is responsible for the Group's risk appetite and monitoring the principal risks to which it is exposed. The Board delegates responsibility for managing the risks to the senior management team which assesses the principal and emerging risks and the associated response to accept, transfer or mitigate the risk. The Board conducts bi-annual, or more frequent reviews in response to changing market conditions, in order to ensure the risks are acceptable when balanced against the business objectives.

The senior management team maintains a risk assessment framework which provides a structure for all areas of the business to assess their risks. The identified principal risks are assessed and recorded in the corporate risk matrix which details the risk and its impact on the business in the short, medium and long-term.

The principal risks currently recognised, and their mitigating actions, are detailed below. It should be noted that there may be additional risks unknown to the Group and/or other risks that have currently been assessed as less material, but which may develop into material risks in the future.

⋀ Risk has increased during the year ⋁ Risk has decreased over the year «» No change in the risk over the year

Risk	Risk description	Select mitigations
Business development opportunities **Risk Owner:** EVP Business Development Change in year «»	The Group seeks to acquire producing (or near production) assets that complement its current portfolio. If there are limited business development opportunities that fit the Group's strict acquisition criteria, this may restrict the ability to grow the business. A persistent lack of business development success may result in negative investor confidence, in turn impacting funding availability. Poor due diligence or unfavourable transaction terms may add low quality assets or unexpected liabilities to the Group.	The risk remains unchanged compared to prior year as the controls in place ensure only appropriate opportunities are pursued. The Group is committed to grow via acquisitions, so the risk remains a principal risk for the group. The Group reviews a significant number of business development opportunities within its core region on an annual basis. In addition to the auction processes that are available to the market, the Group actively pursues bi-lateral transactions to expand the M&A opportunity set. If an opportunity complements the portfolio and supports the achievement of business objectives, it will be progressed to a formal due diligence review. The Group's senior management team has extensive knowledge and experience in the region with the necessary skills and experience to evaluate potential business opportunities that align with the Group's strategic focus. Additional third-party expertise is sought for select key disciplines, if required. Acquisition opportunities are only progressed if they create shareholder value by generating returns in excess of the Group's hurdle rate.
Availability of capital to fund business activities and investment in organic and inorganic growth **Risk Owner:** CFO Change in year ⋀	The Group's business model requires access to capital (debt and/or equity) to fund the Group's business activities, including investment in development assets and acquisition related investments. A change in sentiment towards funding of upstream oil & gas production and development could impact the Group's ability to access capital, the cost of this capital and any other terms under which capital is obtained.	The Group targets a capital structure with a conservative level of leverage. The Group intends to use debt funding in support of strategic acquisitions and organic development opportunities. In general, the availability of debt is dependent on investors and lenders' changing sentiment towards oil and gas companies, especially in light of sustainability trends. The Group has pledged to achieve its Net Zero Scope 1 and 2 greenhouse gas emissions from its operated assets by 2040, and is progressing the work around defining the pathway to this target. Its strategic position as a responsible operator of mid-life field assets is informed by the IEA's guidance around optimising producing assets rather than investing in greenfield developments. The Board and management deploy a disciplined approach to the allocation of capital across the portfolio. Strong long-term relationships are sought and maintained with both major international financial institutions lending to upstream oil & gas companies and leading institutions investing in the equity of the same companies.
Climate change transition risks **Risk Owner:** ESG & Sustainability Manager Change in year ⋀	Climate change is requiring the energy system to undergo a transition towards lower carbon energy sources. Jadestone's most relevant transition risks in the short to medium term include reputational and stakeholder pressures as well as policy changes through carbon pricing mechanisms or GHG emissions standards. The potential impacts of these risks, if unmitigated, may affect Jadestone's ability to fund its growth or lead to higher operating costs, with impacts further detailed on pages 18 to 19. In 2022, the world has witnessed geopolitical instability that has led to increased hydrocarbon pricing levels, whilst bringing the issue of energy security to the forefront. Overall, however, stakeholder pressure with regard to climate action has continued within the industry.	With a strategy of acquiring and maximising the life of fields already in production, as well as developing discovered gas resources, Jadestone is well positioned to play an important role in energy transition as majors and/or peers divest their mid-life assets. Jadestone's strategic positioning as a responsible operator of existing assets is informed by the IEA's Net Zero by 2050 Roadmap. Jadestone monitors the developments impacting its exposure to transition risks in a structured approach and manages the key transition risks through targeted mitigations including: • Transparent, robust GHG emissions and climate-related disclosures that communicate Jadestone's strategic positioning; • Net Zero roadmap with interim targets, underpinned by a decarbonisation plan; and • Proactive engagement with financial stakeholders and investment community. Energy transition-related policy developments are monitored in core regions and potential implications on the business are evaluated and reflected in the Group's financial modelling. In Jadestone's operating region more specifically, new policy changes are being enacted in Australia (through reforms to the Safeguard Mechanism, see page 22) and initial evaluation of the pending reforms have been incorporated into the 2022 Group climate scenario analysis. Please refer to pages 18 to 19 for more details on how Jadestone identifies, monitors and manages climate-related risks.

Risk	Risk description	Select mitigations
Oil price risk **Risk Owner:** CFO Change in year	The Group's earnings are dependent on commodity prices, which are influenced by supply and demand trends and geopolitical events. A prolonged decline in oil prices would have a negative impact on revenues, margins, profitability and cashflows of the Group. A sustained period of low oil prices would adversely impact the Group's liquidity, investment and expansion plans. In addition, it could also adversely impact commercial reserves and asset values.	The commodity price risk remains the same as the prior year as short term commodity prices have decreased but the risk remains high due to the uncertain economic outlook with elevated inflation, risk of recession, uncertainty around OPEC activity and the impact from the Russian/Ukraine conflict. The Company can deploy commodity price hedging to mitigate the exposure to fluctuations in oil prices during periods of elevated capital expenditure. Hedging will likely be required when debt is obtained to support the ability to service this debt in the future in case of adverse movements in the oil price. During the formulation of the annual work plan & budget and three-year plan, different scenarios are considered which include a range of oil price outcomes and cost profiles to establish the potential impact on Group revenues, profitability and cashflows. The Group seeks to diversify its asset portfolio and reduce exposure to commodity price fluctuation through fixed price gas contracts, including the Akatara gas and liquids project in Indonesia and the Nam Du/U Minh gas development project in Vietnam.
Decommissioning regulatory risk **Risk Owner:** Regional Operations Manager Change in year **NEW**	The asset retirement obligations, including future estimated decommissioning costs and timing of decommissioning activities, are based on judgements, estimates and assumptions that may differ from the actual expenditure when it is incurred. The asset retirement obligation estimate is based upon current legislation, industry best practice, timing and prevailing decommissioning technologies. There is a risk that any element of the judgement may prove to be incorrect, potentially negatively impacting business performance. The risk has increased this year as there is an increasing regulatory focus to ensure operators have sufficient financial capability to fund all their decommissioning commitments as and when they fall due. Any future changes in legislation could require capital to be paid earlier for decommissioning activities, restricting cashflows and the availability of funds for business activities and investments.	The Group reviews and updates its decommissioning obligations at least annually, and estimates are subsequently reviewed by third-party experts. The annual review process is on a three-year cycle based on a detailed bottom-up cost assessment followed by two years of top-down assessments. This ensures at least once every three years the portfolio of assets has a full detailed cost assessment performed that is independently and resources by a third-party expert. Legislative changes are monitored, and changes discussed with relevant bodies including regulators and industry bodies. From time to time, the Group obtains independent legal opinions, as required. When reviewing acquisition opportunities, any required acceleration of funding of decommissioning liabilities generally decreases the net present value of the opportunity, which is incorporated in the Group's purchase price consideration.
Health, safety, and environment ("HSE") risks **Risk Owner:** Regional HSE Manager Change in year	The nature of our operations and location of key producing assets offshore Malaysia and Australia means HSE is a key priority for the Board and senior management team. An unsafe working environment and the failure to observe appropriate HSE standards could result in personal injury, fatality and/or reputational damage. The consequence of a failure to manage HSE risk could result in penalties, increased costs and the potential loss of the Group's license to operate.	There has been no change in the potential impact or likelihood of the HSE risks due to the nature of our operations and the environments in which the group operates. The Board's HSEC committee oversees and sets standards for the Group, to drive accountability and commitment throughout the organisation. The Group targets zero lost time incidents. Any lost time or near miss incidents are investigated and any and all lessons learnt implemented promptly throughout the Group, alongside active monitoring of HSE leading and lagging indicators. The Group is committed to maintaining robust health and safety procedures, including procedures in place to respond to unexpected operational incidents. The Group's HSE management system includes environmental impact statements, environmental plans, oil spill response and other emergency plans and operational safety cases.
Inflationary pressures and timelines **Risk Owner:** CFO Change in the year **NEW**	The Group's financial performance may be adversely impacted by uncertain macroeconomic conditions including inflation and supply chain disruptions generating unanticipated additional costs and time delays on the delivery of material projects for the group. This is a new risk as a result of changes in the macroeconomic conditions as the Group experiences increased production costs for materials and longer lead times for delivery of materials and equipment. A high inflationary environment impacts critical judgements as management is required to make assessments, estimates and assumptions regarding future activities, which if incorrect could result in an under-estimation of future liabilities and provisions.	The Group maintains a focus on its cost structure and cost efficiency. The group maintains a system of key financial controls across the business to monitor cost trends and apply mitigations where required and possible. Forecasts are regularly updated, including applying scenarios and potential mitigations. The audit committee regularly reviews liquidity, funding, and financial performance.

Risk	Risk description	Select mitigations
IT resiliency and continuity **Risk Owner:** Regional IT Manager Change in year	The reliance on IT systems, networks and processes continues to evolve and as the Group grows and develops, the connectivity of networks and systems becomes more complex. A cyber security breach could impact operations resulting in a financial loss and/or the disclosure of confidential information resulting in financial loss, corporate reputational damage and/or legal exposure for the Group.	The likelihood and impact increased during the year and the Group continues to enhance its security systems and processes in order to minimise business disruption. Extensive data and server backups are performed regularly. The Group's IT redundancy strategy is applied to critical systems and network. The most up to date security software is maintained, and support and training is provided to all staff to minimize the exposure of security threats. Network and critical system penetration tests are also performed to measure and ensure an appropriate level of protection. Multi-Factor Authentication (MFA) has been enabled for IT systems with the required functionality, Multi-Factor Authentication (MFA) has been enabled for all IT systems with the required functionality. Plus, hard disk encryption was rolled out across the Group as a further preventative control. The Group continues to enhance its security systems with plans to implement Mobile Device Management and other data protection solutions scheduled for implementation in the near term.
Operating performance **Risk Owner:** Regional Operations Manager Change in year	The Group is focused on producing assets and aims to bring discovered hydrocarbons into production rapidly. In the case of mid-life and/or mature producing assets there is a risk that operational performance will decline through lower production, increased costs and/or deteriorating infrastructure reliability/uptime.	The risk increased during the year following the Montara incident and the associated impacts on production and production repairs. The Group deploys a mid-life field operating philosophy, which closely monitors reservoir, well and plant performance while continuously seeking operating efficiencies and reinvestment opportunities to increase recovery rates and the production life of each field. The Group operates a continuous improvement mindset, designed to identify cost saving opportunities that lower the cost base across Group operations and offices. The Group is focused on building a diverse and resilient portfolio, to minimize the risk of over exposure to the performance of individual assets.
Significant oil spill **Risk Owner:** Country Managers Change in year **NEW**	The nature of our operations with mature assets and fields will always have an inherent risk of a significant incident occurring including a loss of containment or large oil spill. The nature of our current business portfolio means that we are reliant on relatively few mature assets. A release of gas or liquids from an integrity breach could result in a prolonged production outage and potentially significant environment damage. Any environmental or loss of production incident could negatively impact business performance and cashflows through fines, penalties, remediation and business disruption. This is a new risk this year as the Group experienced a small loss of containment at the Montara FPSO during the year, any reoccurrence or major oil spill would impact the group's reputation and their license to operate.	The Group maintains detailed policies and procedures covering corrosion strategy management, emergency response and various maintenance programmes to ensure the integrity of our assets. There are periodic FPSO planned shutdowns to carry out required inspections, maintenance, repairs and modifications to ensure and protect our asset integrity. This includes assurance and compliance management (including class) undertaken on all assets. Senior management visits and inspections of operated offshore assets are undertaken regularly to demonstrate commitment and adherence to policy and procedures. Independently verified safety cases are in place on all operated assets. Detailed crisis management and emergency response processes are in place which are regularly tested.
Capital execution activity **Risk Owner:** Country Managers Change in year	The Group is dependent on the successful execution of strategic projects in Indonesia and Vietnam. Developing large capital projects in complex business environments generates multiple challenges for engineering, technology and skilled labour availability, any cost over-runs or project delays would negatively impact the business performance and the achievement of objectives and targets. The Akatara project is in the development phase with first gas anticipated in early 2024, any significant cost over-runs or time delays would negatively impact the project economics and financial returns of the group. The Nam Du/ U Minh project is subject to government approval and FID but remains a material project for the group and significant delays or inflationary pressures will impact the economics of the project.	There has been no material change in the likelihood or impact of the risk, and project economics and execution are a key feature of the long term strategy for the Group. The Board and management seek out regular dialogue with national oil companies, regulators, and other government bodies to ensure acceptance and approvals are obtained as soon as possible. Projects are tailored to local market conditions, including with regard to supply and price. Project economics are assessed with multiple sensitivities to identify critical challenges, including contingency planning for potential project failures. Management regularly provides strategic updates and project status to shareholders and other stakeholders.
Regulatory infringement **Risk Owner:** Country Managers Change in year	The Group's key assets are located in politically stable countries, but there is always the possibility of governmental or regulatory changes which could negatively impact the business.	There has been no material change in the likelihood or impact of the risk but due to the nature the risk remains a principal risk for the group. The Group maintains positive relationships with governments and key stakeholders, and actively monitors the political and regulatory environment within each of the countries and regions in which it operates. Jadestone operates as a good corporate citizen, including in accordance with PSC and tax regulations. New assets are assessed for political risk, and the potential negative impacts that could arise on the Group.
Development & recovery of reserves **Risk Owner:** Country Managers Change in year	The Group is currently dependent on a small number of producing assets. A reserve write down may impact business performance and corporate reputation. The company operates mid to late life assets and low oil prices or prolonged field shutdowns requiring high cost remediation could accelerate the end of field life impacting recoverable reserves.	There has been no material change in the likelihood or business impact and potential reserve write downs continue to be a principal risk. The majority of the Group's reserves are in production. Reserves are assessed by reference to actual performance data, reducing the uncertainty range and risk of a write down. Internal technical reserves reviews ensure a high quality submission. All assets are either audited or reviewed on an annual basis. The group places a strong emphasis on subsurface analysis and have centralised its subsurface teams in order to develop a centre of excellence to manage the asset portfolio and evaluate new opportunities across the region.

Operational review

Producing assets

Australia

Montara Project

The Montara Project, in production licences AC/L7 and AC/L8, is located 254 km offshore Western Australia, in water depth of approximately 77 metres. The Montara Project comprises three separate fields being Montara, Skua and Swift/Swallow, which are produced through an owned FPSO, the Montara Venture.

As at 31 December 2022, the Montara assets had 2P reserves of 18.5mmbbls (31 December 2021: 20.9mmbbls), 100% net to Jadestone.

The fields produce light sweet crude (42° API, 0.067% mass sulphur), which typically sells for average Dated Brent plus the average Tapis differential in the month of lifting. The premium in 2022 ranged between US$3.53/bbl to US$6.19/bbl, with an average premium of US$4.70/bbl.

Since acquiring a 100% interest in the Montara Project, the Group has invested over US$250.0 million in the field, incorporating significant amounts on repair and refurbishment of the Montara Venture, including well repairs and the drilling of the Montara H6 well. However, reduced offshore manning levels and then limited inter-state travel resulting from the COVID-19 pandemic slowed the pace of cargo tank inspection and repair activity onboard the FPSO in 2020 and 2021.

In June 2022, during routine production and crude oil cargo operations onboard the Montara Venture, approximately three to five cubic metres of oil was released to sea from a small hole in the bottom of cargo tank 2C, which while still in class, had seen a delay to its scheduled maintenance activity due to the COVID-19 impact referred to above. A temporary repair was effected in order to remove the remaining oil from tank 2C and key stakeholders, including the Australia offshore regulator NOPSEMA, were notified. Production was safely reinstated in early July 2022, although was shut-in again in August after a further defect in ballast water tank 4S was detected. At this point, the Group took the decision to shut-in production at Montara to prioritise tank inspection and repairs.

In September 2022, NOPSEMA issued a General Direction to the Company, which required Jadestone to engage an independent reviewer to undertake a gap recognition review, and assure the Group's remediation plans and operational readiness prior to the restart of production operations at Montara. DNV, the world's leading maritime classification society and an independent expert in risk management and assurance, was subsequently engaged as the independent reviewer and a report submitted to NOPSEMA in January 2023. NOPSEMA's review of the independent report was subsequently concluded and the General Direction lifted in February 2023. The Group's policies and procedures relating to FPSO tank inspection and repair and corrosion management have been strengthened as a result of this process.

Following successful completion of tank inspection and repair activities, as well as scheduled four-yearly maintenance activities, a phased production restart campaign commenced in March 2023. Initially, the Montara H6 well and Skua-10 and 11 wells were brought online in different configurations, with average production of 4,700 bbls/d over a 19 day period while works continued to commission the gas compression system on the FPSO, including specialist welding repairs to a reboiler.

There was a controlled shutdown of the Montara Project in April 2023 as a precautionary measure due to the impact of Cyclone Ilsa. The facility was successfully remanned and production recommenced after a four-day period.

Oil is currently being produced into oil tank 5C, with oil tank 6C due to be returned to service shortly, with the remaining oil tanks due to come back online sequentially following planned detailed inspection and any required repairs. To provide operational flexibility during this period, an offtake tanker has been contracted for a three month period and will be stationed nearby the Montara Venture until sufficient oil storage capacity is available. This is expected to result in an incremental cost of c.US$2.0 million per month.

The gas compression system on the Montara Venture was restarted in late April 2023, which allowed for additional production wells to be brought back online. Since gas compression was restored, Montara production has averaged approximately 6,800 bbls/d, with a peak of 7,200 bbls/d during this period.

As previously announced, absent any unplanned downtime, but including eight days of scheduled downtime in October 2023 for a compressor service and assuming well and subsurface performance in line with expectations, the Group expects Montara production to average approximately 6,000 bbls/d between April and December 2023. Montara Project oil production will become constrained by increasing gas production from Montara field reservoir until the installation of further compression on the Montara Venture, which remains in the planning phase.

Montara production averaged 4,227 bbls/d in 2022 (2021: 7,647 bbls/d), with the difference, in part, due to declines but more materially due to the production shut-in described above. Prior to the shut-in, production during H1 2022 was 7,509 bbls/d compared to 7,269 bbls/d in H1 2021.

There were five liftings in 2022, resulting in total sales of 1.7 mmbbls of crude oil compared to 3.0 mmbbls from six liftings in 2021.


Montara Venture FPSO

Stag oilfield

The Stag oilfield, in production licence WA-15-L, is located 60 km offshore Western Australia in a water depth of approximately 47 metres.

As at 31 December 2022, the field contained total proved plus probable reserves of 12.1mmbbls (31 December 2021: 12.6mmbbls), 100% net to Jadestone.

The Stag oilfield produces heavy sweet crude (18° API, 0.14% mass sulphur), which historically sells at a premium to Dated Brent. The premium in 2022 ranged between US$21.88/bbl to US$23.72/bbl with an average premium of US$ 22.78/bbl. The most recent lifting in February 2023 was agreed at a premium of US$19.10/bbl.

Production was 2,176 bbls/d in 2022 compared to 2,359 bbls/d in 2021. This decrease was predominately the result of a May 2022 shut down to perform planned pressure vessel inspections, which occur every three years.

During H2 2022, the Stag 50H and 51H infill wells were successfully drilled, completed and brought online in November 2022, generating additional production of approximately 600 bbls/d during December 2022.

There were four liftings in 2022 for total sales of 0.8 mmbbls, compared to 1.0 mmbbls in 2021 from the same number of liftings.

North West Shelf Project

The Cossack, Wanaea, Lambert and Hermes oil fields (the "North West Shelf Project" or "CWLH Assets") are located 115km offshore Western Australia in production licences WA-3-L, WA-9-L, WA-11-L and WA-16-L situated in water depths of 80-130 metres.

On 28 July 2022, the Group executed a sale and purchase agreement ("SPA") with BP Developments Australia Pty Ltd to acquire BP's non-operated 16.67% working interest in the CWLH Assets for a total initial headline cash consideration of US$20.0 million, and certain subsequent contingent and decommissioning payments. The acquisition completed on 1 November 2022, following the satisfaction of all conditions precedent. In May 2023, the Group received approval from the National Offshore Petroleum Titles Administrator ("NOPTA") for the dealing and registration on the petroleum titles relating to the acquired interest.

As at 31 December 2022, the CWLH Assets contained total proved plus probable reserves of 5.1mmbbls, net to Jadestone.

The economic effective date of the acquisition was 1 January 2020, meaning that the Group was entitled to the net cash generated between the economic effective date and completion. As a result, the Group received a net cash of US$7.0 million. Under the SPA and just prior to closing, the Group paid US$41.0 million in cash into a decommissioning trust fund held and managed by the operator. The last two instalments of US$20.5 million each will be paid before 31 December 2023 following NOPTA approval of title transfer in May 2023.

The average production since the completion date of 1 November 2022 was 2,290 bbls/d, net to Jadestone's working interest. On an annualised basis, this was equivalent to 383 bbls/d net to Jadestone in 2022.

Jadestone lifted one cargo following completion of the acquisition, resulting in sales of 0.7 mmbbls in 2022.


Okha FPSO, CWLH fields

Malaysia

PM 323, PM329, PM318 and AAKBNLP PSCs

The PenMal Assets consist of four PSCs, two of which (PM323 and PM329 PSCs) have been operated by the Group since acquisition of the PenMal Assets. PM318 and AAKBNLP PSCs were non-operated during 2022, with the Group subsequently assuming operatorship of these PSCs in April 2023. The Group has a 70% interest in PM329, which contains the East Piatu field, and a 60% interest in PM323, which contains the East Belumut, West Belumut and Chermingat fields, with these PSCs located approximately 230km northeast of Terengganu in shallow water.

During 2022, the Group had a 50% non-operated working interest in the PM318 and AAKBNLP PSCs. These two PSCs are located in the same region as PM323 and PM329.

As at 31 December 2022, the PenMal Assets contained total proved plus probable reserves of 8.9mmboe (31 December 2021: 11.2mmboe), net to Jadestone. This did not include any contribution from the PM318 and AAKBNLP PSCs.

The PM323 and PM329 PSCs produce light sweet crude that is blended to Tapis grade (43° API, 0.04% mass sulphur). The premium in 2022 ranged between US$0.96/bbl to US$14.41/bbl with an average premium realised of US$6.38/bbl. The most recent lifting in April 2023 was agreed at a premium of US$4.68/bbl.

In 2022, average production from the PenMal Assets was 3,884 bbls/d of oil and 4,908 mscf/d of gas, or 4,702 boe/d, net to Jadestone's working interest. In 2021, the average production after taking ownership in August 2021 was 5,377 bbls/d of oil and 4,084 mscf/d of gas, or 6,057 boe/d. The decrease of 1,355boe/d was the result of natural decline and production from the PM318 and AAKBNLP PSCs being shut-in from February 2022 due to the class suspension of the FPSO which served the assets , which also resulted in an impairment at year-end (see page 32).

Jadestone assumed operatorship of PM318 and AAKBNLP in April 2023 following the decision of the previous operator to withdraw. Jadestone believes there may be significant remaining reserves on the licences and is evaluating redevelopment options for the PSCs.

There were 13 liftings from the PenMal Assets in 2022, resulting in total oil sales of 0.8 mmboe and total gas sales of 1.8 mmscf, compared to total oil sales of 0.6 mmboe and total gas sales of 0.6 mmcf in 2021 achieved between the date of acquisition up to 2021 year end.

Pre-production assets

Indonesia

Lemang PSC

The Lemang PSC is located onshore Sumatra, Indonesia. The PSC contains the Akatara field, which has been substantially de-risked with 11 wells drilled into the structure, plus three years of oil production history, up until the field ceased oil production in December 2019. Jadestone is redeveloping the Akatara field to supply gas, condensate and LPGs for local and regional use.

The Akatara gas field has been independently estimated to contain gross 2P reserves (pre local government back-in right) of 71.1 bcf of sales gas, 2.2 mmbbls of condensate and 8.4 mmboe of LPG, equating to a combined 22.5 mmboe of resource. Following completion of the Hexindo acquisition (see below) Jadestone currently has a 100% interest in the Lemang PSC, with the local government retaining a back-in right of up to 10%, which is expected to be exercised prior to first gas.

On 1 December 2021, a gas sales agreement was signed between Jadestone and PT Pelayanan Listrik Nasional Batam, as buyer.

On 6 June 2022, the Group announced that a final investment decision had been taken on the Akatara field development following the necessary approvals by the Indonesian upstream regulator. The Group awarded the engineering, procurement, construction and installation contract on 3 June 2022 and development activities commenced. As at 7 April 2023, the Akatara development project is approximately 28.3% complete and first gas remains on schedule for the first half of 2024.

On 23 November 2022, the Group completed the acquisition of the remaining 10% interest in the Lemang PSC. The 10% interest was acquired through the execution of a Settlement and Transfer Agreement between the Group and PT Hexindo Gemilang Jaya ("Hexindo"). In return for the transfer of Hexindo's 10% stake, the Group paid a cash consideration of US$0.5 million and released Hexindo from previously unpaid amounts relating to Hexindo's interest in the Lemang PSC.

Vietnam

Block 51 and Block 46/07 PSCs

Jadestone holds a 100% operated working interest in the Block 46/07 and Block 51 PSCs, both in shallow water in the Malay Basin, offshore southwest Vietnam.

The two contiguous blocks hold three discoveries: the Nam Du gas field in Block 46/07 and the U Minh and Tho Chu gas/condensate fields in Block 51, with aggregate 2C contingent resources assessed at 93.9 mmboe.

The Tho Chu discovery in Block 51 is currently under a suspended development area status. A request for an extension to the Tho Chu suspended development area status has been submitted to the industry regulator and is expected to be granted in due course.

Jadestone continues to negotiate with the proposed buyer of gas from its offshore discoveries, aiming to sign a heads of agreement in the near-term for gas sales from the Nam Du/U Minh development. Following a gas sales agreement, the Group would work to finalise the field development plan and submit this for approval - a key step towards commercialising this significant and strategic resource. Development of this resource would lessen Vietnam's future dependence on expensive LNG imports and would contribute towards the country's energy transition and stated goal of Net Zero greenhouse gas emissions by 2050.

Akatara gas processing plant construction

Financial review

The following table provides selected financial information of the Group, which was derived from, and should be read in conjunction with, the consolidated financial statements for the year ended 31 December 2022.

USD'000 except where indicated	2022	2021 Restated[1]
Sales volumes, barrels of oil equivalent (boe)	4,326,770	4,663,397
Production, boe/d	11,487	12,545
Realised oil price per barrel of oil equivalent (US$/boe)[2]	103.85	74.34
Realised gas price per thousand standard cubic feet (US$/mscf)	1.63	1.61
Revenue	421,602	340,194
Production costs	(250,700)	(211,896)
Adjusted operating cost per barrel of oil equivalent (US$/boe)[3]	37.49	26.22
Adjusted EBITDAX[3]	161,929	142,242
Unit depletion, depreciation & amortisation (US$/boe)	10.80	13.67
Impairment of assets	(13,534)	-
Profit/(Loss) before tax	62,540	(4,293)
Profit/(Loss) after tax	8,522	(17,073)
Earnings/(Loss) per ordinary share: basic & diluted (US$)	0.02	(0.04)
Operating cash flows before movement in working capital	158,148	91,249
Capital expenditure	82,876	55,996
Net cash[3]	123,329	117,865

Benchmark commodity price and realised price

The average Brent price incorporated into the Group's liftings was US$101.32/bbl in 2022, an increase of 43% compared to the US$70.91/bbl achieved in 2021.

The actual average realised price in 2022 increased in line with the benchmark price, by 40% to US$103.85/bbl, compared to US$74.34/bbl in 2021. The average realised premium for the year was US$7.81/bbl, compared to US$3.39/bbl in 2021. All producing assets saw an increase in premium, with Stag averaging US$22.78/bbl (2021: US$11.20/bbl), Montara US$4.70/bbl (2021: US$1.14/bbl) and the PenMal Assets US$6.67/bbl (2021: US$1.62/bbl).

The premiums have subsequently reduced from their peak in Q3 2022 with the most recent liftings in 2023 achieving a premium of US$19.10/bbl at Stag and US$4.68/bbl at the PenMal Assets.

Production and liftings

The Group produced an average of 11,487 boe/d in 2022, compared to 12,545 boe/d in 2021. Production decreased predominately due to the shut-in of Montara from mid-August 2022 to mid-March 2023.

Montara production declined 45% to 4,227 bbl/d in 2022 from 7,647 bbl/d in 2021 due to the shut-in of production from mid-August 2022 to mid-March 2023 following a decision to suspend operations to focus on FPSO hull and tank repairs. Stag production in 2022 was 2,176 bbl/d, a decrease from 2021 of 2,359 bbls/d predominately due to a once-in-every-three-year routine shut down. Lower production at Stag and Montara was partly offset by a full year of production from the PenMal Assets of 4,702 boe/d in 2022 compared to 2,539 boe/d in 2021, and the acquisition of the CWLH Assets contributing an annualised production of 383 bbls/d. The production rate from the CWLH Assets since acquisition on 1 November 2022 was 2,290 bbl/d.

The Group had 22 liftings during the year (2021: 17), mainly due to a full year of production and liftings from the PenMal Assets in 2022 compared to 2021 when the assets were owned for part of the year. Total Group sales of 4.3 mmboe in 2022 included lifted volumes of 0.7 mmbbls from the CWLH Assets, a decrease compared to 4.7 mmboe in 2021 due to the lower production at Montara and the previously non-operated PenMal Assets.

Revenue

The Group generated revenue of US$421.6 million in 2022, an increase of 24% compared to 2021 of US$340.2 million. This represents the highest revenue ever recorded by the Group. The increase of US$81.4 million was predominately due to:

- Higher average realised prices in 2022, compared to 2021, contributing an additional US$150.8 million;
- A reduction in lifted volumes year-on-year resulting in decreased revenue of US$128.2 million (excluding price effects);
- The acquisition of the CWLH Assets in November 2022, which contributed US$56.6 million; and
- PenMal Assets generating higher gas revenue of US$2.1 million compared to US$1.0 million in 2021.

1 Restatements explained in Note 45 of the Group's consolidated financial statements.
2 Realised oil price represents the actual selling price inclusive of premium.
3 Adjusted operating cost per boe, adjusted EBITDAX and net cash are non-IFRS measures and are explained in further detail on the Non-IFRS Measures section from pages 35 to 37.

Production costs

Production costs increased by 18% in 2022 to US$250.7 million, from US$211.9 million in 2021, predominately due to:

- The acquisition of the CWLH Assets in November 2022 incurred production costs of US$37.7 million. This production cost is impacted by the accounting treatment of underlift at acquisition. This underlift of 315kbbls was recorded at fair value of US$27.3 million based on the market oil price of US$86.68/bbl. Please refer to Note 5 of the Group's consolidated financial statements for further details. The actual production cost per barrel was US$20.58/bbl, being the actual cash cost since the acquisition on 1 November 2022;
- Full year operations at the PenMal Assets, compared to five months in 2021, caused an increase in production costs by US$31.8 million which included a full year of supplementary payments with an increase of US$16.3 million, as a result of realised prices exceeding the PSC escalated base price;
- Production costs at Montara decreased by US$18.9 million reflecting the higher-than-normal workover costs at Skua-10 and 11 in 2021, partly offset by higher repairs and maintenance and logistics costs in 2022. The total repairs and maintenance costs directly associated with the FPSO hull and tank repairs were US$3.8 million; and
- Stag production costs decreased by US$11.8 million year-on-year predominately due to a decrease in workover activities in 2022.

Adjusted unit operating cost per barrel of oil equivalent was US$37.49/boe (2021: US$26.22/boe) (see Non-IFRS measures section below in this section). The increase in adjusted unit operating cost reflects the reduction in production at Montara and the previously non-operated PenMal Assets.

Depletion, depreciation and amortisation ("DD&A")

DD&A charges were US$61.8 million during the year, compared to US$80.2 million in 2021, predominately due to the lower production at Montara, resulting in a decrease of US$20.2 million. The reduction was partly offset by additional depletion charges at the CWLH Assets of US$1.7 million, since the date of acquisition of 1 November 2022.

Depreciation of the Group's right-of-use assets increased to US$13.0 million in 2022 from US$11.2 million in 2021, primarily due to an extension of a two-year lease for airport services to replace an expired lease.

The depletion cost on a unit basis was US$10.80/boe in 2022 (2021: US$13.67/boe), due to the lower depletion per unit of production at the PenMal Assets. The unit depletion cost in 2022 was US$1.76/boe compared to US$3.87/boe in 2021. This was due to the absence of production from the previously non-operated PSCs which incurs a higher unit depletion rate.

The combined depletion cost per unit at both Stag and Montara increased to US$17.35/bbl from US$16.16/bbl in 2021 due to the capital expenditures spent in 2021. The CWLH Assets recorded a unit depletion cost of US$12.36/bbl.

Staff costs

Total staff costs in 2022 were US$55.3 million (2021: US$51.8 million), comprising US$26.1 million (2021: US$26.8 million) in relation to offshore employees, recorded under production costs, and US$29.2 million (2021: US$25.1 million) for office-based employees. The average number of employees during the year was 369 (2021: 278), with the additional staff costs and headcount year-on-year predominately associated with the PenMal Assets following completion of the acquisition in August 2021.

Other expenses

Other expenses decreased in 2022 to US$22.3 million (2021: US$26.2 million). The variance of US$3.9 million was predominately due to:

- Reduction of non-recurring costs by US$3.6 million compared to 2021. In 2022, the Group incurred non-recurring costs of US$1.6 million, relating to the acquisition of CWLH Assets, business development and various other one-off projects. In comparison, the Group incurred total non-recurring costs of US$5.2 million in 2021, which included internal reorganisation costs of US$1.1 million, acquisition costs of US$0.8 million associated with the PenMal Assets, and other business development related expenses of US$3.3 million;
- The 2021 costs included a fair value loss on commodity swaps of US$4.6 million related to hedge contracts. The Group had no hedging in 2022;
- Assets written off reduced US$4.9 million to US$0.2 million in 2022 due to the prior year impairment of exploration assets.
- Net foreign exchange loss of US$0.4 million in 2022 (2021: US$1.0 million);
- Additional contingent payments related to the future Dated Brent prices and Saudi CP prices associated with the Lemang PSC of US$7.3 million were recognised in 2022; and
- Higher provisions for slow-moving materials and spares on hand in 2022 of US$3.8 million (2021: US$2.6 million).

Other income

Other income of US$28.0 million was generated during 2022 compared to US$7.7 million in 2021, due to:

- Insurance claim receipts of US$18.0 million compensating for loss of Montara production related to drilling activities at Skua-10 and 11 in 2021;
- Rebate income of US$5.0 million (2021: US$4.5 million) arose from the sublease of right-of-use assets under the Group's helicopter lease contract; and
- Net foreign exchange gains of US$0.5 million (2021: US$2.5 million).

Impairment

In 2022, the Group recorded an impairment of US$13.5 million associated with the oil and gas properties of the previously non-operated PenMal Assets, following the decision by the previous operator to shut-in production after the FPSO class suspension in February 2022. The impairment of US$13.5 million comprised US$6.9 million of oil and gas properties written off and US$6.6 million associated with the 2022 year-end revaluation of decommissioning estimates embedded in the ARO provision.

As at 31 December 2022, the fields were shut-in and management does not expect to restart production in 2023 while the Group is exploring strategic alternatives, including a potential redevelopment of the PM318 and AAKBNLP PSCs.

Taxation

The tax charge of US$54.0 million in 2022 (2021: US$12.8 million) includes a current tax charge of US$27.1 million (2021: US$7.3 million) and a deferred tax charge of US$26.9 million (2021: US$5.4 million).

The tax paid during the year included US$18.5 million of corporate tax payments and a PRRT tax refund of US$1.1 million in Australia, plus US$15.7 million of petroleum income tax ("PITA") in Malaysia.

The weighted average effective tax rate based on profit jurisdictions was 56% (2021: 49%). The consolidated Group effective tax rate was 86% (2021: -198%) as loss making jurisdictions negatively impacted profit before tax. The profit before tax from Australia and Malaysia was US$87.6 million (2021: US$15.3 million), which was impacted by corporate, development and exploration losses of US$25.0 million (2021: US$19.6 million). The corporate tax losses are not recognised as deferred tax as there is not sufficient certainty that taxable income will be realised in the future.

USD'000	2022	2021 Restated[1]
Profit before tax	62,540	(4,293)
Expected effective tax rate	56%	49%
Tax at the country level effective rate	**35,022**	**(2,103)**
Effect of different tax rates in loss making jurisdictions	13,934	11,167
Malaysia PITA tax losses on previously non-operated PSCs	8,742	6,298
Utilisation of PRRT credits	(21,661)	(2,845)
PRRT tax refunded	(1,121)	(1,374)
Capital gain tax from acquisition of CWLH Assets	1,486	-
Australian decommissioning levy	336	196
Non-deductible expenses	938	3,226
Deferred tax permanent differences	9,645	(3,176)
PRRT permanent differences	7,032	3,371
Adjustment in respect to prior years	(335)	(1,980)
Tax charge for the year	**54,018**	**12,780**

Australian taxes

The Australian corporate income tax rate is 30% and PRRT is 40%, which is cash based and income tax deductible. The combined standard effective tax rate is 58%, while the actual effective tax rate of 46% was lower predominately due to the utilisation of PRRT credits brought forward at Montara. As at year-end, Montara and the CWLH Assets have US$3.5 billion and US$535.5 million of unutilised carried forward PRRT credits, respectively. Both assets are not expected to incur any PRRT over their remaining economic lives.

Malaysian taxes

Malaysian petroleum income tax is a PSC based tax on petroleum operations at the rate of 38%. There are no other material taxes in Malaysia. The Group incurred losses from the previously non-operated PSCs (PM318 / AAKBNLP) as a result of ceasing production in February 2022, which resulted in a tax non-deductible impairment of US$13.5 million. There has been a significant increase in deferred tax permanent taxable difference which predominately relates to changes in the ARO estimates at year-end, which won't be tax deductible at the end of the field life when the Group commences decommissioning activities, due to insufficient estimated taxable income.

1 Restatements explained in Note 45 of the Group's consolidated financial statements.

Reconciliation of net cash

US$'000	2022	2022	2021	2021
Cash and cash equivalents at the beginning of year		**117,865**		**89,441**
Revenue	421,602		340,194	
Other operating income	26,485		6,030	
Production costs	(250,700)		(206,523)	
Staff costs	(28,247)		(24,117)	
General and administrative expenses	(10,992)		(18,962)	
Operating cash flows before movements in working capital		**158,148**		**96,622**
Movement in working capital		37,219		18,808
Net tax paid		(33,130)		(11,834)
Purchases of intangible exploration assets, oil and gas properties, and plant and equipment[1]		(82,628)		(55,920)
Cash received on acquisition of CWLH Assets		5,750		-
Placement of decommissioning trust fund for CWLH Assets		(41,000)		-
Cash paid for acquisition of 10% interest of Lemang PSC		(500)		-
Net cash inflows from acquisition of PenMal Assets		-		9,219
Other investing activities		881		80
Shares repurchased		(16,070)		-
Dividends paid		(9,216)		(7,745)
Repayment of lease liabilities		(13,914)		(12,972)
Repayment of borrowings		-		(7,296)
Other financing activities		(76)		(538)
Total cash and cash equivalent at the end of year		**123,329**		**117,865**

1 Total capital expenditure was US$82.9 million (2021: US$56.0 million), comprising total capital expenditure paid of US$82.6 million (2021: US$55.9 million), plus accrued capital expenditure of US$0.3 million (2021: US$0.1 million).

Non-IFRS measures

The Group uses certain performance measures that are not specifically defined under IFRS, or other generally accepted accounting principles. These non-IFRS measures comprise adjusted operating cost per barrel of oil equivalent (adjusted opex/boe), adjusted EBITDAX, debt and net cash.

The following notes describe why the Group has selected these non-IFRS measures.

Adjusted operating costs per barrel of oil equivalent (Adjusted opex/boe)

Adjusted opex/boe is a non-IFRS measure used to monitor the Group's operating cost efficiency, as it measures operating costs to extract hydrocarbons from the Group's producing reservoirs on a unit basis.

Adjusted opex/boe is defined as total production costs excluding oil inventories movement and underlift/overlift, write down of inventories, workovers (to facilitate better comparability period to period) and non-recurring repair and maintenance. It includes lease payments related to operational activities, net of any income earned from right-of-use assets involved in production, and excludes transportation costs, PenMal Asset supplementary payments, DD&A and short-term COVID-19 subsidies.

The adjusted production costs are then divided by total produced barrels of oil equivalent for the prevailing period to determine the unit operating cost per barrel of oil equivalent.

USD'000 except where indicated	2022	2021
Production costs (reported)	250,700	211,896
Adjustments		
Lease payments related to operating activity[1]	13,687	10,619
Underlift, overlift and crude inventories movement[2]	(39,436)	(15,053)
Workover costs[3]	(10,190)	(67,006)
Other income[4]	(5,030)	(4,512)
Non-recurring repair and maintenance[5]	(13,761)	(6,593)
Transportation costs	(8,341)	(1,231)
PenMal Assets supplementary payments and Australian royalties[6]	(26,381)	(8,255)
PenMal non-operated assets FPSO rectification costs[7]	(4,056)	
Australian Government JobKeeper scheme	-	196
Adjusted production costs	**157,192**	**120,061**
Total production (barrels of oil equivalent)	4,192,618	4,578,962
Adjusted operating costs per barrel of oil equivalent	**37.49**	**26.22**

1 Lease payments related to operating activities are lease payments considered to be operating costs in nature, including leased helicopters for transporting offshore crews. These lease payments are added back to reflect the true cost of production.

2 Underlift, overlift and crude inventories movement are added back to the calculation to match the full cost of production with the associated production volumes (i.e., numerator to match denominator).

3 Workover costs are excluded to enhance comparability. The frequency of workovers can vary significantly, across periods.

4 Other income represents the rental income from a helicopter rental contract (a right-of-use asset) to a third party.

5 Non-recurring repair and maintenance costs in 2022 predominately related to Montara Skua-11 repair works, gas compressor solar engine change out and tank repairs following the shut-in of Montara in August 2022.

6 The supplementary payments are required under the terms of PSCs based on Jadestone's profit oil after entitlements between the government and joint venture partners. The Australian royalties were related to local decommissioning cost recovery levy plus royalties payable to the local state government arising previously from the acquisition of the CWLH Assets.

7 PenMal non-operated assets FPSO rectification costs refer to the costs incurred to repair the FPSO BUK at the PM318 and AAKBNLP PSCs following its suspension in February 2022.

Adjusted EBITDAX

Adjusted EBITDAX is a non-IFRS measure which does not have a standardised meaning prescribed by IFRS. This non-IFRS measure is included because management uses the information to analyse cash generation and financial performance of the Group.

Adjusted EBITDAX is defined as profit from continuing activities before income tax, finance costs, interest income, DD&A, other financial gains, non-recurring expenses and exploration assets write-offs.

The calculation of adjusted EBITDAX is as follow:

USD'000	2022	2021 Restated[1]
Revenue	421,602	340,194
Production cost	(250,700)	(211,896)
Administrative staff costs	(29,218)	(25,068)
Impairment of assets	(13,534)	-
Other expenses	(22,305)	(26,181)
Other income, excluding interest income	27,152	7,602
Other financial gains	1,904	266
Unadjusted EBITDAX	**134,901**	**84,917**
Non-recurring		
Net loss from oil price derivatives	-	4,633
Impairment of assets	13,534	-
Non-recurring opex[2]	20,534	53,096
Intangible exploration assets written off	-	5,260
Insurance claim receipts[3]	(17,977)	(10,333)
Change in provision – Lemang PSC contingent payments	7,333	-
Fair value loss on contingent considerations	1,920	438
Others[4]	1,684	4,231
	27,028	**57,325**
Adjusted EBITDAX	**161,929**	**142,242**

1 Restatements explained in Note 45 of the Group's consolidated financial statements.
2 Includes one-off major maintenance/well intervention activities, in particular the Montara Skua-11 repair works, gas compressor solar engine change out and storage tank repairs after the Montara production shut-in since mid-August 2022.
3 Represents insurance claim received at Montara for the compensation for the loss of production relating to the Skua-11 well in 2020. The 2021 insurance claim receipt was received at Montara and related to the well control claim for the Skua-11 well workovers.
4 Includes business development costs, external funding sourcing costs, transition team costs relating to the terminated Maari acquisition and internal reorganisation costs.

Debt

As at 31 December 2022, the Group had no outstanding borrowings (2021: US$nil).

As part of its previously announced plan to arrange an RBL, on 17 February 2023, the Group entered into a US$50.0 million Interim Facility with two international banks. The Interim Facility has a term of nine months and carries an initial margin of 450 basis points over SOFR, which steps up in the event repayment occurs more than three months after closing. Subsequently, US$28.5 million of the Interim Facility was drawn principally to fund the acquisition of a 9.52% interest in the Sinphuhorm gas field in February 2023, with the remaining US$21.5 million was utilised to fund the next US$20.5 million instalment of the CWLH abandonment trust funding and related Interim Facility expenses. The Interim Facility was repaid on 1 June 2023 from the RBL facility obtained by the Group in May 2023.

On 19 May 2023, the Group announced that it had signed a new US$200.0 million RBL facility with the RBL Banks. The RBL facility provides for an uncommitted accordion of US$160.0 million, subject to incremental availability of bank debt. The RBL facility was closed on 22 May 2023, following satisfaction of the conditions precedent.

The RBL facility has a four-year tenor and is subject to bi-annual redeterminations to determine available debt capacity, which will vary over time depending on several parameters including oil prices, operating performance, hedging, future acquisitions and abandonment estimates. Under current assumptions, borrowing capacity under the RBL facility is constrained prior to the Akatara field being integrated as a producing asset, after which it will increase significantly. The Group and the RBL Banks can initiate additional redeterminations when appropriate. The borrowing base is secured over by the Group's assets being Montara, Stag, CWLH Assets, Sinphuhorm gas field, PenMal Assets' PM323 and PM329 PSCs and Lemang PSC.

The RBL facility pays interest at 450 basis points over the secured overnight financing rate, plus the applicable credit spread. The Group will also pay customary arrangement and commitment fees. The facility incorporates standard terms and conditions for RBL facility, including a parent company financial covenant of maximum total debt of 3.5 times annual EBITDAX plus the assets under the RBL facility are required to hold a total minimum liquidity balance of US$15.0 million and cover forward looking capital expense for two quarters.

The RBL facility was initially used to repay the US$50.0 million Interim Facility, which was fully drawn on 22 May 2023. The RBL facility will also fund the Group's operations and capital investment programme, particularly the Akatara gas project onshore Indonesia.

As part of the RBL, the Group has commenced its hedging programme and intends to progressively increase to approximately 50% of its forecasted production from October 2023 to September 2025. As of the signing date, the Group entered into oil price swap contracts for 3,494,000 bbls, representing approximately 32% of its forecasted future production between October 2023 to September 2025, at a weighted average price of US$70.66/bbl. The Group continues to monitor oil prices and will enter into additional hedging contracts when considered appropriate in the coming months to align with the RBL commitment.

The Company has agreed an equity fundraising, comprising an underwritten placing, and subscription, pursuant to which it expects to issue 92,312,691 new ordinary shares, together with a director placing and subscription for 1,769,135 new ordinary shares, in each case at 45 pence per share, to raise aggregate net proceeds of US$50.0 million. The Company has also launched an open offer of up to 14,887,039 new ordinary shares, at 45 pence per share, to raise additional proceeds of up to EUR8.0 million (up to US$8.6 million).

In support of the equity fundraising, the Company has entered into an up to US$50.0 million equity underwrite debt facility agreement with Tyrus Capital Event S.à.r.l, the Company's largest shareholder. The equity underwrite facility will reduce pro-rata to the total funds raised from the equity fundraising and the open offer and therefore is expected to reduce to zero. However, to the extent the facility does not reduce to zero, it will mature with a bullet repayment on 31 December 2024, will bear interest at 13.5% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties. Further details are disclosed in the Note 43 of the consolidated financial statements.

In addition, the Company has entered into a committed standby working capital facility with Tyrus Capital Event S.à.r.l for a facility size of up to US$35.0 million. The standby working capital facility will reduce pro-rata to the total funds raised from the equity fundraising and the open offer in excess of US$50.0 million. The facility will mature with a bullet repayment on 31 December 2024. The facility bears interest of 15% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties.

Net cash

Net cash is a non-IFRS measure which does not have a standardised meaning prescribed by IFRS. Management uses this measure to analyse the financial strength of the Group. This measure is used to ensure capital is managed effectively in order to support ongoing operations, and whether additional funds are required.

USD'000	2022	2021
Cash and cash equivalents, representing net cash of the Group	123,329	117,865

Net cash is defined as the sum of cash and cash equivalents and restricted cash, less outstanding borrowings, of which there were none at 31 December 2022 and 2021.


Crew change, PenMal Assets

Corporate governance report

Chair's corporate governance statement

As the Chair of Jadestone, it is my responsibility to work with my fellow Directors to ensure that the Group embraces good corporate governance and delivers the highest standards. Strong corporate governance helps to underpin the foundations of a solid and successful business. The Board seeks to embed good corporate governance throughout the business, from the executive level to in-country operations.

Jadestone is committed to upholding high standards of governance and responsible, social and ethical behaviour. The Group has implemented a Code of Conduct Policy that applies to all employees and contractors, and which provides a framework of principles for conducting business, dealing with other employees, clients and suppliers, and reflects Jadestone's commitment to a culture of honesty, integrity and accountability. Jadestone has a set of core values: respect, integrity, safety, results-orientated, sustainability and passion. Each employee is expected to make a commitment to these values, and to contribute to protecting and enhancing the Group's reputation. Jadestone's core values underpin the work the business does, and they form the foundation of its Code of Conduct Policy.

A copy of the Group's key governance documents, including the Code of Conduct Policy and other policies, and the Articles of Association, are available on Jadestone's website at www.jadestone-energy.com/sustainability-2020/key-policies/.

In line with the AIM Rules, Jadestone adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code") in 2020. Following the completion of the Group's internal reorganisation in April 2021, Jadestone Energy plc became the new ultimate holding company of the Group.

As a UK company, Jadestone Energy plc is in compliance with the QCA Code. The Board recognises the value and importance of high standards of corporate governance, and believes that the QCA Code provides an appropriate framework for a company of Jadestone's size and stage of development.

In line with the Company's commitment to high standards of corporate governance, the Board, in 2022, engaged an independent expert who undertook an effectiveness review and evaluation of the Board's performance, its Committees and each individual Director. The evaluation, by Socia Ltd ("Socia"), involved attendance at Board and Committee meetings, a review of corporate governance policies and procedures, and one-on-one interviews with all Directors and selected senior management. Socia concluded that: *"In the opinion of this review the Jadestone Energy Board takes its governance responsibilities seriously and operates in a professional manner, compliant with the QCA Governance Principles as they apply to this business. The Board currently provides effective governance of the organisation and is actively engaged in developing its governance arrangements further."* The evaluation delivered several recommendations to facilitate this development. The Board has considered the results of the evaluation and, through the Governance and Nominations Committee, will carry forward the recommendations. Further details of the Board evaluation can be found on pages 62 to 63.

The Group constantly seeks to improve its corporate governance practices to reflect the QCA Code, as illustrated in the Board's continued focus during 2022 on a range of ESG issues. The Board of Directors' Charter specifically recognises the Board's responsibility over ESG related matters. Relevant committee mandates include responsibility for monitoring and ensuring performance of climate-related and social responsibilities.

The Board is responsible to Jadestone's shareholders for the leadership, control and management of the Group. The Board is responsible for the long-term success of the Group and for ensuring its appropriate management and operation in pursuit of its objectives. The Board is in constant communication and meets regularly. The Directors are all identified on pages 50 to 51, together with a summary of their current and past experience and skills. Whilst there is a formal schedule of matters specifically reserved for consideration by the Board, as identified on page 44, the Executive Directors have the responsibility for specific functional aspects of the Group's affairs. The Board currently comprises nine Directors, of whom two are executive and seven are non-executive. Jenifer Thien was appointed as a Non-Executive Director effective 7 April 2022 and Bert-Jaap Dijkstra joined Jadestone as an Executive Director and CFO effective 22 August 2022. The Board has established an Audit Committee, a HSEC Committee, a Governance and Nominations Committee, a Remuneration Committee and a Disclosure Committee as further described on page 44. Each committee's terms of reference can be found on Jadestone's website. In September 2022, the Board formed a special Technical Committee to provide additional support, advice and challenge to management during the Montara Venture FPSO hull and tank remediation work. See page 24 (Section 172 statement) for additional information.

The report below provides a high-level overview of how the Group has applied the principles of the QCA Code throughout 2022. I am pleased to report that the Group complies with the disclosure requirements of the QCA Code.

Jadestone's corporate governance culture will continue to be regularly benchmarked against the QCA Code, with any developments and changes communicated to shareholders.

Jadestone publishes on its website a Joint Modern Slavery Statement pursuant to both Section 54 of the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018, which sets out the steps that Jadestone has taken, and continues to take, to ensure no modern slavery or human trafficking occurs within its supply chains or business.

As we reflect on the successes and challenges of 2022, I look forward to continuing to build upon our existing values and to ensuring that sound corporate governance growth will be built on strong foundations of respect and integrity, to the benefit of all our stakeholders.

Dennis McShane
Board Chair
6 June 2023

Principles of corporate governance

The Board fully endorses the importance of good corporate governance and applies the corporate governance code in the form issued by the QCA in April 2018. The Board views the QCA Code as an appropriate, recognised governance code for a company of Jadestone's size, structure and AIM listing.

The QCA Code identifies ten principles of corporate governance for companies to apply and against which companies must publish certain specified disclosures. The Group has committed to apply these ten principles within its business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders.
2. Seek to understand and meet shareholder needs and expectations.
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.
5. Maintain the Board as a well-functioning, balanced team led by the chair.
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.
8. Promote a corporate culture that is based on ethical values and behaviours.
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Application of QCA Code principles

PRINCIPLE ONE

Establish a strategy and business model which promote long-term value for shareholders

Jadestone is a leading independent upstream oil and gas production and development company in the Asia-Pacific region. The Group aims to grow primarily through acquisitions and is focused on creating value through identifying, acquiring, developing and operating assets within select parts of the Asia-Pacific region. The Group aims to leverage the significant experience and track-record of its management team to maximise value from Jadestone's existing asset base through production and cost optimisation, and on identifying acquisitions that offer significant value both at the time of purchase and through potential organic development and reinvestment.

The Board believes this strategy and business model are consistent with the energy transition and positions Jadestone as a responsible operator, as the Group can play a role in fulfilling oil and gas demand from existing oil fields and gas discoveries during the transition to a low-carbon energy system.

The Board believes this strategy can generate, over time, significant shareholder returns, primarily through capital growth.

The Group's strategy and business model are further detailed in the Strategic Report on page 10. The Board regularly reviews the Group's strategy and considers annual work plans, budgets, and potential acquisitions in light of the strategy.

PRINCIPLE TWO

Seek to understand and meet shareholder needs and expectations

Jadestone is committed to effective communication and constructive dialogue with its shareholders and the investment community. Jadestone actively strives to understand and meet shareholder needs and expectations. Jadestone endeavours to ensure members of the Board and the executive team are highly accessible to shareholders. Jadestone offers direct lines of access to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), and where necessary, the Chair and other Non-Executive Directors.

Furthermore, Jadestone has dedicated spokespersons for investors, including an Investor Relations Manager and has two retained corporate brokers, with mandates that include coordinating corporate access for shareholders, and eliciting feedback from the investment community on corporate developments and news flow. The Investor Relations Manager actively manages and improves on the shareholder communications plan with guidance from the CEO, CFO and Chair.

In 2022, webcast presentations accompanied financial results disclosures and the announcement of major acquisitions. As part of the webcast presentations, live question and answer sessions allowed participants to engage directly with the CEO and CFO.

The contact details of Jadestone's Investor Relations Manager and public relations adviser can be found on the Group's website at the following link: www.jadestone-energy.com/contact/.

Shareholder feedback

Jadestone regularly meets with shareholders and prospective investors through investor conferences and roadshows, as well as ad hoc individual meetings. Through these interactions, which take the form of both one-on-one and group meetings, the Board and executive team form and maintain relationships with investors and obtain feedback from shareholders on the Group's strategy, execution and performance. During 2022, these interactions were increasingly in person, as COVID-19 pandemic-related travel and engagement restrictions receded. Further, with one of the Non-Executive Directors ("NED") directly connected to a significant shareholder, the Board regularly receives feedback on strategy and performance from a shareholder perspective.

Information

Jadestone provides regular updates to shareholders in the form of guidance announcements, operations updates, and the release of half-yearly and annual financial and operating results. These disclosures are designed to set expectations and to provide reviews of performance against those expectations. In accordance with its continuous disclosure obligations, Jadestone will provide updates when internal forecasts differ materially from publicly disclosed expectations, and announce price-sensitive business developments without delay.

Shareholder advisory bodies

Jadestone maintains ongoing relationships with multiple shareholder advisory bodies, including during the off-season cycle in the second half of each calendar year, to enable feedback regarding proposals either put to, or to be put to, shareholders for voting at annual meetings.

Annual general meeting

The annual general meeting ("AGM") is the main forum for dialogue between the Board and the Company's shareholders, and all shareholders are encouraged to attend and participate. The 2022 AGM was attended by the CEO, the Chair, several other NEDs and senior management. Shareholders in attendance engaged directly with these individuals, posing questions and delivering feedback.

PRINCIPLE THREE

Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that the long-term success of the Group is reliant upon the efforts of its employees, shareholders, contractors, suppliers, regulators and other stakeholders. With an expanding operating footprint in the Asia-Pacific region, Jadestone recognises the importance of a comprehensive stakeholder management strategy to successfully and considerately operate in this diverse range of countries.

In addition, the Group engages with its key stakeholders through various channels, dependent on the nature of the relationship, and values the feedback it receives from those stakeholders. For example, in 2022, Jadestone conducted an employee engagement survey which assisted the Group with gauging employee attitudes towards several matters. The Group takes every opportunity to ensure that, where possible, the views of its stakeholders are considered and acted upon when these are believed likely to bring material benefit to the success and integrity of the Group's business activities.

Jadestone has published on its website a joint Modern Slavery Statement pursuant to both Section 54 of the UK Modern Slavery Act 2015 and the Australian Modern Slavery Act 2018. This Statement sets out the steps that Jadestone has taken, and is continuing to take, to ensure no modern slavery or human trafficking occurs within its supply chains or business. A copy of Jadestone's Modern Slavery Statement is available at https://www.jadestone-energy.com/wp-content/uploads/2022/05/20220512-JEP-Modern-Slavery-Statement.pdf.

For the latest update on Jadestone's key stakeholder consultation and engagement activities in 2022, please refer to the Stakeholder Management section in the 2022 Sustainability Report. The Section 172 statement contained within the Strategic Report sets out how Jadestone's Directors have taken into account the interests of stakeholders when performing their statutory duty to promote the success of the Group during 2022, while the Sustainability Review within the Strategic Report sets out the Group's governance approach to climate risks and opportunities.

PRINCIPLE FOUR

Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is ultimately responsible for managing Jadestone's risk appetite and exposure, and delegates to management the task of identifying, managing and monitoring the risks faced by the business. Jadestone has in place a risk management framework which assists the Board in identifying, assessing, and mitigating the risks faced by the Group to an acceptable level. This is reviewed on an ongoing basis and actions are taken as needed to reduce the risks to an acceptable level, as required. The Board undertakes a bi-annual assessment of the risks and their potential impact on the current business plan and longer-term operational strategy.

Jadestone's risk management process is aligned with the requirements of ISO 31000 and addresses risk management at three levels: business, facility and task. The Group's risk management framework is also discussed in the Audit Committee report and the "Risk management, principal risks and uncertainties" section of the Strategic Report on pages 25 to 27.

The Board holds at least one formal strategy review annually. In addition, the Board regularly identifies opportunities for growth, both organic and inorganic, in the form of possible acquisitions.

PRINCIPLE FIVE

Maintain the Board as a well-functioning, balanced team led by the Chair

Board composition and independence

The Board composition experienced change in 2022. Jenifer Thien was appointed as a Non-Executive Director effective 7 April 2022. Daniel Young stepped down as an Executive Director and CFO effective 29 April 2022. Bert-Jaap Dijkstra was appointed as an Executive Director and CFO effective 22 August 2022. Following Bert-Jaap's appointment 2022, the Board comprised nine Directors. These included the Non-Executive Chair, the Group's President and CEO, the Group's CFO and six additional Non-Executive Directors. More than half of the Board is independent when accounting for the independent Non-Executive Chair and four further independent Non-Executive Directors. In 2022, both A. Paul Blakeley and Bert-Jaap Dijkstra were Executive Directors and considered to be full time employees. A. Paul Blakeley was not considered to be independent due to his role as President and CEO, and Bert-Jaap Dijkstra was not considered to be independent due to his role as CFO.

In the Board's judgement, six of the seven Non-Executive Directors, namely Dennis McShane (Chair), Robert Lambert, Jenifer Thien, Iain McLaren, Cedric Fontenit and Lisa Stewart are considered independent. David Neuhauser, a Non-Executive Director, is not considered to be independent as a result of his managerial responsibilities with a material shareholder of the Company, Livermore Partners LLC.

The skills and experience of the Non-Executive Directors vary across disciplines, each enhancing the Board's independent oversight of the Group's business. The Directors' biographies on pages 50 to 51 speak to their relevant skills and experience.

The Group has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the external commitments and interests of its Directors, and changes to those commitments and interests are reported to and, where appropriate, agreed with the rest of the Board. All the Directors have access to independent legal advice in addition to the "Company Secretary". Any Director may take independent professional advice at the Group's expense in the furtherance of their duties.

The Board is supported by its committees being Audit, Governance and Nomination, Remuneration, Health , Safety, Environment and Climate, and Disclosure. In 2022, a Technical Committee was established on temporary basis to provide additional support, advice and challenge to management during the Montara Venture FPSO hull and tank remediation work. The composition of both the Audit Committee and the Remuneration Committee are fully independent. Directors are all individuals of high-calibre and most have many years' experience in the oil and gas industry. The details of Board and committee meetings during 2022, as well as director attendance, is disclosed in the Directors' Report and the committee reports later in this section.

The Board is of the view that it is appropriately resourced to meet its statutory duties and comply with the QCA Code. The composition of the Board is reviewed regularly to ensure it has the appropriate level of skills and experience as the Group continues to grow. The appointment of Jenifer Thien in April 2022 expanded the Board's gender diversity, its range of experience in the areas of governance and social matters, and represented the first NED based within the Asia-Pacific region.

Non-Executive Directors are advised on appointment that they are expected to devote such time, individual circumstances permitting, as is necessary for the proper performance of their duties, which is expected to be not less than three days per month, based on preparation for and attendance at:

- Scheduled Board meetings;
- The Annual General Meeting;
- Site visits;
- Meetings of Non-Executive Directors;
- Meetings with shareholders;
- Director education/training; and
- Meetings as part of the Board evaluation process.

Non-Executive Directors are also advised that this time commitment may increase if they become a committee member or chair, or if they are given additional responsibilities.

PRINCIPLE SIX

Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board covers a wide range of experience and skills. To meet the requirements of an independent upstream oil and gas production and development company, these experiences and skills must cover knowledge of financial, legal, operational, technical and sustainability matters, plus experience of risk management and growth in both the independent E&P sector and public capital markets. In particular, during 2022, the Board strengthened its skills, capability and knowledge in the area of ESG and sustainability through the appointment of Jenifer Thien as a Non-Executive Director. The Board had also considered the finance and management roles held by Bert-Jaap Dijkstra in his previous professional experience before appointing him as CFO and Executive Director.

The Board believes that its current balance of skills reflects a very broad range of commercial and professional skills across geographies and industries. Further, each of the Directors has experience in public markets. Details of the Directors' experience and areas of expertise are outlined on pages 50 to 51.

The Board considers and reviews the requirement for continued professional development. The Board undertakes to ensure that its awareness of developments in corporate governance and regulatory frameworks is current, as well as remaining knowledgeable of any industry-specific updates. The Company's Nominated Adviser and other external advisers, including legal counsel, also support this development by providing guidance and updates as required.

Each of the Directors, both executive and non-executive, has considerable experience and all have demonstrated skills which are complementary, independent and sufficient to cover the requirements of the Board. As the Group continues to grow its asset base, the Governance and Nomination Committee will continue to monitor Board composition to ensure that it has the appropriate mix of experience, skills, personal qualities and capabilities. This includes a commitment to diversity where possible. With Jenifer Thien's appointment, female representation on the Board is 22%, an improved ratio from 13% in 2021. The Governance and Nomination Committee is charged with increasing diversity at the Board level and within senior management.

The Company Secretary is responsible for ensuring that Board procedures are complied with and that governance matters are addressed by the Group. All Directors have direct access to the Company Secretary and are able to take independent legal advice. The Board has considered the guidelines under the QCA Code with regard to the key responsibilities of a Senior Independent Director ("SID"), taking into account additional facts, including the role of the Board Chair, the size of the Board, the existence and experience of the Deputy Chair, the number of independent Non-Executive Directors, and the channels of communication amongst the Company's Executive, Non-Executive Directors and shareholders. In light of the foregoing, the Board has determined that the appointment of a SID is not required, though the matter is reviewed regularly.

PRINCIPLE SEVEN

Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

A Board matrix helps guide the assessment of the skills and diversity of the Directors and highlights any potential skill gaps to address. The Board considers that its effectiveness and the individual performance of Directors is vital to the success of the Company. The Board currently conducts an annual internal review. This process is led by the Governance and Nomination Committee and involves, in part, each Board member completing a self assessment. Recent appointments to the Board reflect findings from internal reviews, such as an increased focus on sustainability. In addition, an external Board review was conducted by an independent expert as further described below. Further details on the Board and Committee performance evaluation are outlined in the Governance and Nomination Committee Report on pages 62 to 63.

Directors are re-appointed by shareholders at the Company's AGM pursuant to the Company's Articles of Association, while taking into consideration the provisions of the QCA Code, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Directors serving for a term beyond nine years).

In line with the requirements of the QCA Code, the Group, in 2022, engaged an independent expert to conduct an external Board review. The objectives of the review were to (i) provide an opportunity for the Board to reflect on its current performance and identify improvements in its capability and ways of working, in order to ensure that it meets the future demands of the Group's business; and (ii) give confidence to stakeholders that the current Board operations and governance meet best practices as outlined in the QCA Code.

The findings of the review demonstrated that the Board governance meets the requirements of the principles of the QCA Code as it applies to the particular remit of the Board. The review also noted that the Board is positively engaged in work to further develop its corporate governance arrangements to match the needs of Jadestone's evolving business. The review did not identify any significant areas of concern with regard to compliance.

The review provided recommendations for improvement to the governance system so that Board governance is fully fit for the future of Jadestone's business. The recommendations build on and affirm the changes that the Board is already implementing and/or considering, including (i) enhancing the review of the strategy implementation plan and principal risks; (ii) continuing to develop the governance mechanism by improving information flows; and (iii) managing the engagement and communication with shareholders and other stakeholders. Additional details on the Board and Committee performance evaluation are outlined in the Governance and Nomination Committee Report on pages 62 to 63.

PRINCIPLE EIGHT

Promote a corporate culture that is based on ethical values and behaviours

The Board is responsible for the management, or for supervising the management, of the Group's business and affairs. In supervising the conduct of the business, the Board, through the CEO, sets the standards of conduct for the Group. The application of details of the Group's corporate governance, including business ethics and integrity, are set out on page 12 of this report and pages 9-10 of the 2022 Sustainability Report, which is available from Jadestone's website.

The Group's values of respect, integrity, safety, results-oriented, sustainability and passion foster a culture of accountability, efficiency and innovation which support the Group's mission and promote a corporate culture based on ethical behaviours and conduct. These values are enshrined in written policies and working practices, including the Code of Conduct Policy, which is applied by all Group employees. The Code of Conduct Policy provides a framework of principles for conducting business, dealing with other employees, clients and suppliers, and reflects the Group's commitment to a culture of honesty, integrity and accountability. Following a review by subject matter specialists, both internal and external, the Code of Conduct Policy and other governance related policies were reviewed and updated in 2022. These other policies included the Anti-Bribery and Anti-Corruption Policy, Human Rights Policy and Whistleblower Policy which can be accessed at Key Policies - Jadestone Energy (jadestone-energy.com). Further details on this review can be found under Principle Nine below.

An open culture is encouraged across the Group, with regular communications to staff regarding progress. The senior management team regularly monitors the Group's cultural environment and seeks to address any concerns that may arise, escalating these to Board level as necessary. The Board also receives regular written updates from the senior management team which include workforce related matters.

As set out in the Code of Conduct Policy, employees are encouraged to talk to their supervisor, line manager or other appropriate personnel should they have concerns over any ethical matters. Following the policy review mentioned above, the Company retained an independent service provider for the reporting of concerns or complaints over ethical matters (i.e., a whistleblower line). This provides an additional channel for employees to communicate concerns and one by which confidentiality may be maintained.

PRINCIPLE NINE

Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Board has a primary responsibility to foster the short and long-term success of the Group and is accountable to its shareholders.

Reserved matters for the Board
The Board is responsible for the direction and overall performance of the Group with an emphasis on strategy, policy, financial results, compliance matters and good governance. The matters reserved for the Board include, amongst others:

- setting the Group's purpose, values and standards;
- reviewing and approving the Group's strategy and annual plans for achievement;
- monitoring compliance with significant policies and procedures, including health and safety;
- oversight of communications and timely disclosure;
- ensuring the integrity of internal controls and management of risks, including regular risk reviews;
- approving the Group's annual and interim reports and accounts; and
- overseeing control and accountability systems designed to ensure appropriate standards are met in relation to health, safety, environmental (including climate), social responsibility and governance of the Group.

In addition to the above, the Board has approved a set of financial delegations of authority to ensure clarity throughout the business concerning the distinction between financial matters which require Board approval and those that can be delegated to senior management.

Board committees
The Board delegates specific responsibilities to the Board committees. Each committee has Board approved terms of reference which describe the committee's responsibilities and the framework by which those responsibilities are fulfilled. The terms of reference for each committee were last reviewed and updated in 2021 to align with the QCA Code. During the calendar year 2022, the Board operated five standing committees: Audit, Governance and Nomination, Remuneration, Health, Safety, Environment and Climate and Disclosure. A summary of the roles, responsibilities, composition and 2022 activities of each of these committees can be found at pages 52 to 67.

Additionally, the Board organises temporary committees on an ad hoc basis. For example, following the pause of production at the Montara facility in Q3 2022, the Board established a technical committee. In part, this committee was mandated to ensure sufficient resources were allocated to safely complete the repairs and other activities necessary to resume production at Montara. The committee received weekly updates from, and met up to two times per month with, personnel managing the activities. In turn, the technical committee kept the Board apprised of progress.

Governance Processes
In 2022, the Group engaged Control Risks, an external specialist firm, to undertake a review of Jadestone business ethics and compliance policies to identify gaps and areas for improvement, principally from a UK market perspective. The Group implemented the majority of recommendations including, amongst others, updating the Code of Conduct Policy and the Whistleblower Policy, and adopting a new Investigation Policy and new External Grievance Procedure to provide clear distinction between the handling of internal and external complaints. Consequently, Jadestone has engaged Safecall, an independent services provider to receive whistleblower complaints on a confidential and, if applicable, anonymous basis. Effective January 2023, the Audit Committee's mandate was expanded to include specific provisions related to the Whistleblower Policy and the Investigation Policy. The Audit Committee now explicitly retains responsibility for supervising relevant investigations and appropriate follow up action.

Furthermore, Jadestone has adopted a separate Human Rights Policy which, while cross-referring to the Code of Conduct Policy and the Environmental, Social and Governance ("ESG") Policy, addresses human rights more broadly, of which modern slavery is one component. In addition, it was noted that the Group has issued its annual modern slavery statement since 2021 to meet requirements under UK and Australia legislation. As part of the 2022 policy review, the Group has also updated its ESG Policy, the Climate Policy, the Gifts, Entertainment and Hospitality Guidelines, and the Anti-Bribery and Anti-Corruption Policy.

PRINCIPLE TEN

Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to ensuring that it communicates with shareholders and other stakeholders in a transparent and timely manner, and believes that by doing so it demonstrates the importance it places upon the views of all stakeholders. The Company's methods for maintaining a dialogue with shareholders and other relevant stakeholders is set out in Principles Two and Three above. The Group's annual financial and operational performance, in addition to reports from each of the Board committees, is summarised in this Annual Report.

Shareholders are encouraged to attend the AGM and to ask questions. Outcomes of votes cast by shareholders will be disclosed in a clear, transparent and timely manner. Shareholders vote to fix the number of directors and elect the directors to hold office until the next AGM or until their successors are elected or appointed. In addition, shareholders vote to appoint the Group's auditor, and to authorise the Board to determine the auditor's remuneration. The Group receives reports from shareholder advisory bodies, reviews their findings and meets with them to discuss shareholder matters. The Board takes the view that, if there is a resolution passed at a general meeting of shareholders with 20% votes against, the Group will seek to understand the reason for the result and, where appropriate, take suitable action.

In addition, the Company has set out its Section 172 disclosures in the Strategic Report on page 24. The Section 172 statement describes how the directors have considered the interests and likely consequences of any decisions on the Group's employees, suppliers, customers, community and the environment, in accordance with the Directors' statutory duties.

Directors' report

The Directors present their Annual Report on the affairs of the Group and the audited Group and consolidated financial statements of Jadestone Energy plc for the year ended 31 December 2022.

Incorporation and listing

Jadestone Energy is a public listed company was incorporated and registered in England and Wales on 22 January 2021 under the Companies Act 2006, with its head office located in Singapore. The Company's shares were admitted to trading on the AIM market on 26 April 2021, as part of the corporate reorganisation by which the Company became the ultimate parent company of the Group (the "Reorganisation"). This Annual Report, including the Financial Statements, are prepared and presented with Jadestone Energy plc as the parent company of the Group for the financial year 2022.

Adoption of QCA code

At the time of the Reorganisation, Jadestone Energy plc adopted the QCA Code and currently applies corporate governance practices to reflect the QCA Code, which are similar to the practices adopted by the Group. The Group prepares a corporate governance statement at least annually to explain how it has applied the QCA Code and to identify any areas in which the Group's governance structures and practices differ from the expectations set by the QCA Code.

BCSC order

Following the delisting of Jadestone Energy Inc's shares from the TSX Venture Exchange on 24 March 2020, the Company continued as a reporting issuer in the Provinces of British Columbia and Alberta. During that period, satisfaction of its disclosure obligations under the AIM Rules and applicable UK legislation satisfied remaining Canadian requirements.

In March 2022, the Company applied to the British Columbia Securities Commission ("BCSC"), as its then principal regulator in Canada, to cease to be a reporting issuer in British Columbia and Alberta, the Company's two Canadian reporting jurisdictions. The BCSC, by way of an Order, granted the relief which was then disclosed by the Company on 6 April 2022. As a result, the Company was no longer classified as a designated foreign issuer under Canadian securities regulations and was no longer required to file financial statements and other continuous disclosure documents with the Canadian securities regulatory authorities. The application was justified by the very low and decreasing level of Canadian based shareholding in the Company (estimated at 0.09% at the time of the application), and has resulted in efficiency improvements and cost reductions.

Jadestone will continue to comply with all relevant UK regulatory and disclosure requirements.

Principal activities

Jadestone is an independent oil and gas production and development company focused on the Asia-Pacific region. The Group has an acquisitive strategy and is focused on growth and creating value through identifying, acquiring, developing and operating assets throughout the Asia-Pacific region.

Jadestone currently has a portfolio of oil and gas production, development and exploration assets in Australia, Malaysia, Thailand, Indonesia and Vietnam. The Group is focused on creating value through leveraging the significant experience and track-record of its management team to maximise value from Jadestone's existing asset base through production and cost optimisation, and on identifying acquisitions that offer significant value both at the time of purchase and through potential organic development and/or reinvestment. The Directors believe this strategy and business model are consistent with the energy transition and positions Jadestone as a responsible operator, as the Group can play a role in fulfilling oil and gas demand from existing oil fields and gas discoveries during the transition to a low-carbon energy system.

The Board believes this strategy can generate, over time, significant shareholder returns, primarily through capital growth.

Business review and future developments

A review of the business and the future developments of the Group is included in the Strategic Report (including the Chair's statement, Chief Executive Officer's review, Business model and strategy, Financial review and Operational review) (all of which, together with the Corporate Governance report, are considered as part of the audit report and incorporated by reference into this Directors' Report).

The Directors continue to review and evaluate strategic acquisition opportunities recommended by senior management, which align with the strategy and requirements of the Group.

Streamlined Energy and Carbon Reporting

Legislation introduced in 2018 requires UK companies to report on GHG emissions and energy use from 2019 onwards (Streamlined Energy and Carbon Reporting, or "SECR"). As Jadestone is listed on the AIM market, the Group is only required to disclose its GHG emissions and energy use within the UK and its offshore areas. The Group has no operations within the UK or its offshore areas, and has only one employee located within the UK, hence its emissions and energy footprint within the country are immaterial.

However, given the strategic importance of the Group's GHG emissions and energy use to its stakeholders, Jadestone has elected to report in line with the SECR requirements for main market UK-listed companies, which covers, *inter alia*, annual global GHG emissions and underlying global energy use. These SECR disclosures for 2022 have been included within the Sustainability Review of the Strategic Report.

Dividend

Since 2020, the Board has provided direct returns to shareholders by way of a dividend. The Board prioritises growth and a strong balance sheet. If both conditions are met, the Group intends to pay and grow dividends over time, in line with underlying cash flow generation.

In light of the Group's strong financial position at the midpoint of 2022, the Company paid out an interim dividend on 14 October 2022 of US$3.0 million (0.65 US cents/share), an increase of 10% over the Company's interim dividend of US$2.8 million paid in October 2021.

With the Group's cash balances having declined significantly in the second half of 2022 and early 2023 due to the extended Montara shut-in during the period, and a need to manage obligations under the RBL facility signed in May 2023 and prioritise spending on the Akatara development and Malaysia infill drilling later in 2023, the Board decided not to recommend a final dividend for 2022.

Share buyback

On 2 August 2022, the Company launched its first share buyback programme (the "Programme") in accordance with authority granted by shareholders at the Company's Annual General Meeting on 30 June 2022 (the "AGM"). Stifel Nicolaus Europe Limited conducted the Programme and repurchased the Company's ordinary shares of £0.001 each on the Company's behalf. The maximum pecuniary amount of the Programme is US$25 million and, in line with the authority granted to the Company at the AGM, the Programme will not exceed 46,574,528 Ordinary Shares. As of the publication date of this report, under the Programme, the Company has repurchased 20.2 million Ordinary Shares at an average price of £0.76 per Ordinary Share, for an aggregate amount of US$17.9 million. While the Company has launched the Programme, there is no certainty on the volume of shares that may be acquired, nor any certainty on the pace and quantum of acquisitions. The Board has considered, and will continue to consider, tender offers as a way of enhancing shareholder returns.

Share capital

Details of shares issued by the Company during the period are set out in Note 30 to the Consolidated Financial Statements.

Financial instruments

The Group's financial risk management objectives and policies are discussed in Note 39 to the Consolidated Financial Statements.

2022 Board and committee attendance

The table below provides a summary of Directors' attendance at Board and committee meetings for the period from 1 January 2022 to 31 December 2022.

Name and positions held in the Company	Board	Audit Committee	Governance and Nomination Committee	Remuneration Committee	HSEC Committee	Disclosure Committee
A. Paul Blakeley Director, President and CEO	6 of 6	N/A	2 of 2	N/A	3 of 3	1 of 1
Bert-Jaap Dijkstra[1] Director and CFO	3 of 3	N/A	N/A	N/A	N/A	1 of 1
Dennis McShane Director and Chair	6 of 6	N/A	2 of 2	2 of 2	N/A	N/A
Robert Lambert Director and Deputy Chair	6 of 6	3 of 3	N/A	N/A	3 of 3	N/A
Iain McLaren Director	6 of 6	3 of 3	2 of 2	2 of 2	N/A	N/A
David Neuhauser Director	6 of 6	N/A	N/A	N/A	N/A	N/A
Cedric Fontenit[2] Director	6 of 6	N/A	2 of 2	2 of 2	N/A	N/A
Lisa A. Stewart Director	6 of 6	3 of 3	N/A	N/A	3 of 3	N/A
Jenifer Thien[3] Director	5 of 5	N/A	1 of 1	1 of 1	2 of 2	N/A

1 Bert-Jaap Dijkstra was appointed Director and Chair of the Disclosure Committee on 22 August 2022.
2 Cedric Fontenit stepped down from the position as Chair of the Remuneration Committee upon the appointment of Jenifer Thien.
3 Jenifer Thien was appointed as Director and Chair of the Remuneration Committee on 7 April 2022.

Board Meetings:
10 March 2022, 4 May 2022, 1 June 2022, 29 June 2022, 15 September 2022, 8 December 2022. See each of the Board committee reports for schedule of meetings in 2022.

Directors and their interests

The Directors, who served throughout the year and up to the date of this report, except as noted, were as follows:

- Dennis McShane (Independent Non-Executive Chair)
- A. Paul Blakeley (Executive Director, President and CEO)
- Daniel Young (Executive Director and CFO) [1]
- Bert-Jaap Djikstra (Executive Director and CFO) [2]
- Robert Lambert (Independent Non-Executive Deputy Chair)
- Cedric Fontenit (Independent Non-Executive Director)
- Iain McLaren (Independent Non-Executive Director)
- Lisa A. Stewart (Independent Non-Executive Director)
- Jenifer Thien (Independent Non-Executive Director) [3]
- David Neuhauser (Non-Executive Director)

The Directors who held office at the end of the 2022 financial year had the following interests in the ordinary shares of the Company:

Director	Interest at 1 January 2022 or date of appointment	Interest as at 31 December 2022
A. Paul Blakeley	4,232,798	4,232,798
Bert-Jaap Djikstra	Nil	Nil
Dennis McShane	453,651	453,651
Robert Lambert	153,919	153,919
Iain McLaren	166,208	169,564
David Neuhauser	32,319,167[4]	31,393,094[4]
Cedric Fontenit	200,000[5]	200,000[5]
Lisa A. Stewart	Nil	Nil
Jenifer Thien	Nil	Nil

1 Stepped down as CFO and Executive Director on 29 April 2022.
2 Appointed 22 August 2022.
3 Appointed 7 April 2022.
4 Mr. Neuhauser does not own any ordinary shares of the Company directly but, as managing director of Livermore Partners LLC, exercises control or direction over the ordinary shares beneficially owned by Livermore Partners LLC.
5 Mr. Fontenit owns 200,000 ordinary shares of the Company directly. He also holds indirect beneficial interest in the Company through 443.5565 units of a fund managed by Tyrus Capital S.A.M. (the "Fund") holding an interest in the ordinary shares of the Company. However, Mr. Fontenit does not exercise control or direction over the Fund's holding in the Company.

No rights to subscribe for shares in, or debentures of, Group companies, were granted to any of the Non-Executive Directors or their immediate families, or exercised by them, during the 2022 financial year.

Details of share awards that have been granted to the Executive Directors in calendar year 2022 under the Group's Stock Option Plan in addition to details of awards to Executive Directors in calendar year 2022 under the Performance Share Plan and the Restricted Share Plan are included in the Remuneration Committee report on pages 54 to 61. During the calendar year 2022, no Non-Executive Directors received any awards under the Group's long-term incentive plans.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity is currently in force. The Group also purchased and maintained throughout the financial period directors' and officers' liability insurance in respect of itself and its Directors.

Political donations

The Group did not make any political donations nor incur any political expenditures to candidates or political campaigns during the period.

Conflicts of interest

There are no potential conflicts of interest between any duties owed by the Directors to the Group and their private interests and/or other duties, nor any arrangements or understandings with any of the shareholders of the Group, customers, suppliers or others pursuant to which any Director was selected to be a Director. The Group performs regular tests to ensure awareness of any future potential conflicts of interest and related party transactions. Directors are required to declare any additional or changed interests as they arise. In the event a conflict should arise, the relevant Director does not take part in decision making related to the conflict. In March 2022, A. Paul Blakeley recused himself when the Board approved the LTIP grants of which he was a recipient.

Related party transactions

There were no related party transactions to which the Group was a party during the period, save as disclosed in Note 44 of the Consolidated Financial Statements.

Substantial shareholders

The following table sets out, to the best of the Company's knowledge, its significant shareholders as at 30 April 2023.

Shareholder	Number of ordinary shares as at 30 April 2023	% interest as at 30 April 2023
Tyrus Capital	118,122,188	26.46
Fidelity International	43,615,034	9.77
Baillie Gifford	39,195,875	8.78
Livermore Partners	31,393,094	7.03
Odey Asset Management	29,327,162	6.57
Invesco	15,882,974	3.56
Premier Miton Investors	15,245,749	3.42
Canaccord Genuity Wealth Management	13,450,000	3.01

Share dealing code

The Group adopted a code for share dealings (the "Dealing Code") appropriate for an AIM company, in compliance with Rule 21 of the AIM Rules and with the Market Abuse Regulation. The Dealing Code applies to the Directors, members of the senior management team and other relevant employees of the Group.

Corporate governance policies

The Board reviewed and updated several key governance policies in 2022, including the Code of Conduct Policy, the Anti-Bribery and Anti-Corruption Policy, the Whistleblower Policy, the Climate Policy, the Environmental, Social and Governance Policy and the Human Rights Policy. The Group's key governance policies are available on the Group's website. The Board, assisted by senior management, reviews and refines Group policies on a regular schedule.

Risk management

Risk management is integral to all of the Group's activities. Each member of senior management is responsible for continuously monitoring and managing risk within the relevant business areas. Every material decision is preceded by an evaluation of applicable business risks. Reports on the Group's risk exposure and reviews of its risk management are regularly undertaken and presented to the Board. The Directors conduct a review of the Group's risk register bi-annually. Additional details regarding the Group's risk management can be found on pages 25 to 27.

Workforce diversity and disability statement

Jadestone has a Diversity Policy (accessible at https://www.jadestone-energy.com/wp-content/uploads/2023/04/Diversity-Policy.pdf). It sets out Jadestone's approach to equality and diversity, its commitment to promoting a culture that actively values diversity, and recognises that people from different backgrounds and experiences can bring valuable insights to the workplace and enhance its work practices. Jadestone considers diversity to mean celebrating difference, valuing everyone and recognising that each person is an individual with visible and non-visible differences. Jadestone's talent acquisition process considers diversity and gender equality to ensure it develops and maintains an inclusive workforce that is representative of the places it operates in, and brings a range of knowledge, skills and perspectives to the business. Jadestone will not tolerate any acts of unlawful or unfair discrimination (including harassment) committed against an employee, contractor or job applicant because of a protected characteristic, including disabilities. Jadestone also commits to adapt its organisation and adapt working practices to include everyone and will not tolerate any discrimination on the basis of work pattern (i.e., part-time working, fixed-term contract, flexible working).

Stakeholder engagement

Please see the section 172 statement on page 24 of this report for how the Company's Directors had regard to the interests of employees, suppliers, customers and other stakeholders during the year.

Annual general meeting

The Company's AGM will be held in London, England on 22 June 2023. Full details of the proposals to be addressed at the AGM are set out in a separate Notice of AGM. Shareholders are invited to complete the proxy form received either by post or vote electronically in accordance with the notes contained within the Notice of AGM. The Notice of AGM and the Proxy Form are available on the Group's website at https://www.jadestone-energy.com/aim/notices/.

Registrar

Jadestone Energy plc's share registrar in respect of its ordinary shares traded on AIM is Computershare Investor Services plc. Contact details can be found on the Group's website.

Independent auditor

Having reviewed the independence and effectiveness of the auditor, the Audit Committee has recommended to the Board that Deloitte Ireland LLP ("Deloitte") be reappointed. Deloitte has expressed its willingness to be reappointed as auditor. A resolution to appoint Deloitte, as auditor of Jadestone Energy plc, will be put to the shareholders at the AGM.

Additional disclosures

Supporting information that is relevant to the Directors' Report, which is incorporated by reference into this Directors' Report, can be found throughout this Annual Report. For considerations of post balance sheet events, please refer to Note 43 in the Consolidated Financial Statements within this Annual Report.

Going concern

The Consolidated Financial Statements have been prepared under the going concern assumption, which presumes the Group will be able to meet its obligations as they fall due during the going concern period. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are described in the Financial Review on pages 31 to 37. In addition, Note 2 to the financial statements on page 84 includes: the Group's objectives and processes for managing its capital, its financial risk management mitigants; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group's assessment of the going concern assumption and viability has considered the Group's financial position, available facilities and forecast compliance with covenants, and capital expenditure commitments. These are underpinned by assumptions in respect of production based on the Group's approved 2023 work plan and budget, and oil price. The Board regularly reviews the updated liquidity projections of the Group. The detailed going concern and viability analysis, including sensitivity analysis and stress testing, were presented to the Audit Committee and the Board in May 2023. This analysis was considered and challenged prior to approval of the audited 2022 full year results. After appropriate consideration, including the analysis referenced here and in Note 2 to the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence over the going concern period.

Director confirmations

Each of the Directors, whose name and functions are listed in the Directors' Report, confirms that, to the best of their knowledge:

- The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and International Financial Reporting Standards as issued by the International Accounting Standards Board and in conformity with the requirements of the Companies Act 2006; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that it faces.

Corporate governance statement

The Group currently complies with the QCA Code and a more detailed compliance statement is provided at pages 41 to 45.

Disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This Annual Report was approved by the Board of Directors and authorised for issue on 6 June 2023.

On behalf of the Board

A. Paul Blakeley
Executive Director,
President and Chief Executive Officer

6 June 2023

Akatara gas processing facility site

Board of Directors

A. Paul Blakeley OBE

Executive Director, President and Chief Executive Officer

Appointed: Executive Chairman June 7, 2016 / President and CEO June 15, 2017 by Jadestone Energy Inc. | Executive Director, President and CEO January 22, 2021 by the Company

Committee Memberships: HSEC Committee, Disclosure Committee; and Governance and Nomination Committee

Paul commenced a role at Jadestone in June 2016. Paul holds a BSc. from Bedford College, University of London. Paul has over 40 years' energy experience, including over 20 years at Talisman Energy Inc ('Talisman'). As Executive Vice President, Asia-Pacific & Middle East at Talisman, Paul led the building of Talisman's portfolio in Asia-Pacific to become the largest upstream independent in the region.

Paul has a long track record of acquiring production and managing commercial and operational risks, while overseeing investment to further enhancing value through follow-on development activity.

Current external roles: None.

Bert-Jaap Dijkstra

Executive Director and Chief Financial Officer

Appointed: Executive Director and CFO August 22, 2022 by the Company

Committee Memberships: Disclosure Committee (Chair)

Bert-Jaap joined Jadestone in August 2022. He has 25 years of experience in finance roles, most recently as Group Treasurer and Head of Investor Relations with SBM Offshore, where he built significant experience of equity and debt capital markets. Bert-Jaap was directly responsible for managing all financing activities for SBM Offshore, including structuring c.US$5 billion in project financings and managing financial risk, optimisation of funding sources and corporate finance. He was voted best investor relations professional for the energy services sector in the 2019 Extel and in the 2020 and 2021 Institutional Investor surveys.

Prior to his employment at SBM Offshore, Bert-Jaap held various finance roles in European commercial real estate and with Royal Dutch Shell, where he lived and worked for a period in Southeast Asia as Finance and Planning Manager. Bert-Jaap holds a MSc degree (with honours) from Wageningen University. He is a Chartered Management Accountant and completed an MBA in Financial Management from MIT Sloan School of Management.

Current external roles: None.

Dennis McShane

Independent Non-Executive Director, Chairman

Appointed: December 10, 2017 by Jadestone Energy Inc.| April 23, 2021 by the Company

Committee Memberships: Governance and Nomination Committee (Chair) and Remuneration Committee

Dennis has over 40 years' experience in finance, oil and gas, and mining sectors in the US, Europe, Africa, and Australia. Dennis has been involved in numerous transformational corporate transactions both as director and advisor. He currently serves as an Executive Director of The Advertising Checking Bureau, Inc., and previously he was the Executive Director of Strategy for Ophir Energy, Plc having previously served as a Senior Independent Director during its Initial Public Offering (IPO), and Director of Finance and Strategy leading the IPO of Ferrexpo, Plc. Dennis was also previously a Managing Director with JP Morgan Chase and Co.

Current external roles: None.

Robert Lambert

Independent Non-Executive Director, Deputy Chairman

Appointed: May 5, 2011 by Petra Petroleum Inc. (former name of Jadestone Energy Inc.) | April 23, 2021 by the Company

Committee Memberships: HSEC Committee (Chair) and Audit Committee

Robert has over 50 years' experience in the international petroleum exploration and production business. Robert is MBA-qualified and previously held numerous operational and management positions during his career with Conoco Inc. from 1978 to 2004. Robert contributes his extensive experience in commercial and operational risk management in upstream oil & gas to the Jadestone Board.

Current external roles: Hillcrest Energy Technologies Ltd.

Lisa Stewart

Independent Non-Executive Director

Appointed: December 1, 2019 by Jadestone Energy Inc. | April 23, 2021 by the Company

Committee Memberships: HSEC Committee and Audit Committee

Lisa has over 40 years of experience in the upstream oil and gas industry in engineering and senior management positions. Currently, Lisa is a Director of Cottera Energy Inc., Director of Western Midstream Partners LP, and Executive Chair of Sheridan Production Partners LLC. Previously, Lisa served as President and Chief Executive Officer of Sheridan Production Company LLC. Lisa was an Executive Vice President of El Paso Corporation, President of El Paso E&P, and Director of Talisman Energy Inc. Prior to her time at El Paso, Lisa spent 20 years at Apache, including extensive experience in Asia-Pacific, leaving in January 2004 as Executive Vice President with responsibility for reservoir engineering, business development, land, environmental, health & safety, and corporate purchasing.

Current external roles:
Cottera Energy Inc. | Western Midstream Partners LP | Sheridan Production Partners LLC.

Jenifer Thien

Independent Non-Executive Director

Appointed: April 7, 2022 by the Company

Committee Memberships: Remuneration Committee (Chair), Governance and Nomination Committee and HSEC Committee

Jenifer is the Founder and Principal of Grit and Pace, through which she advises corporations on Environmental, Social and Governance strategy and what it takes to drive change in supply chain, procurement and operational excellence. Currently, Jenifer is an Independent Non-executive Director of UEM Edgenta Berhad and AEON Co. (M) Berhad. She has over 30 years of international senior executive experience in the consumer-packaged goods industry and had the opportunity to live and work in several countries across Asia and the US throughout her career. This includes 25 years with Mars, Incorporated, where she last served as the Global Chief Procurement Officer. Jenifer has successfully led complex business transformation and sustainability programmes through her deep understanding of the business enterprise, the ability to mobilise required capabilities, as well as intensive stakeholder engagement.

Current external roles: UEM Edgenta Berhad AEON Co. (M) Berhad.

Cedric Fontenit

Independent Non-Executive Director

Appointed: June 7, 2016 by Jadestone Energy Inc. | April 23, 2021 by the Company

Committee Memberships: Remuneration Committee, and Governance and Nomination Committee

Cedric has extensive experience in advising on M&A, financing and structuring investments gained from his 20-year career in the investment banking and hedge fund industries. Cedric is co-founder and currently managing partner of Amavia Capital, a private investment firm and the President of Tall Mount SAS. He was previously a senior member of the investment team at Tyrus Capital S.A.M. where he acquired significant investment experience in the oil and gas and mining industries, among others.

Current external roles: None.

Iain McLaren

Independent Non-Executive Director

Appointed: April 21, 2015 by Jadestone Energy Inc. | April 23, 2021 by the Company

Committee Memberships: Audit Committee (Chair), Governance and Nomination Committee and Remuneration Committee

Iain has significant experience in the oil and gas sector and is currently a Director, Chair of the Audit Committee and a member of the Remuneration and Nomination Committees for Wentworth Resources Plc, as well as a Director of Ecofin Global Utilities and Infrastructure Trust Plc. Iain was previously a Senior Independent Director for Capricorn Energy plc (formerly Cairn Energy Plc) and a number of other companies. Iain was the President of the Institute of Chartered Accountants of Scotland, and was a partner in KPMG for 28 years until 2008, bringing extensive experience in public company audit, internal control and risk management.

Current external roles: Ecofin Global Utilities and Infrastructure Trust Plc | Wentworth Resources Plc.

David Neuhauser

Non-Executive Director

Appointed: June 7, 2016 by Jadestone Energy Inc. | April 23, 2021 by the Company

Committee Memberships: None

David has extensive capital markets and M&A experience and is founder and currently CIO of event-driven hedge fund Livermore Partners in Chicago. He is a Non-Executive Director of Amaroq Minerals Ltd. and the Chairman of the Board of Kolibri Global Energy Inc. He has invested in and advised global public companies for the past 21 years and has a strong track record of enhancing intrinsic value through restructuring and strategic initiatives.

Current external roles: Amaroq Minerals Ltd. | Kolibri Global Energy Inc.

Audit Committee report

Committee members and meeting attendance

In 2022, the Audit Committee comprised:

- **Iain McLaren** (Committee Chair)
- **Robert Lambert**
- **Lisa Stewart**

All of whom are independent.

Meeting Attendance:

- **Iain McLaren** 3 out of 3
- **Robert Lambert** 3 out of 3
- **Lisa Stewart** 3 out of 3

Meetings: 31 May 2022 | 30 August 2022 | 22 November 2022

Role of the Committee

The Audit Committee (the "Committee") has oversight of the Group's financial reporting including accompanying narrative, internal controls and risk management systems, compliance, whistleblowing and fraud, as well as external statutory financial audits and independent evaluations of the Group's reserves.

Letter from the Committee Chair

Dear shareholder,

It is my pleasure to present the Audit Committee Report for the year ended 31 December 2022.

Governance

There were no changes in the composition of the Audit Committee during 2022. Chief Financial Officer (CFO), Dan Young, left the Group during the year. A successor was found in Bert-Jaap Dijkstra who started with Jadestone on 22 August 2022. The Chief Financial Officer, the Head of Group Finance and the Australia Finance Manager are invited to attend the meetings of the Committee. The Head of Group Finance serves as the secretary to the Committee. Representatives of the external auditor are invited to attend each regular meeting of the Committee. Additional ad-hoc (virtual) meetings may be organised with relevant Group representatives invited. Other Board and management representatives can attend meetings of the Committee by invitation. The external auditor has unrestricted access to the Committee Chair.

In 2022, the Committee met on three occasions. Meetings are scheduled to allow sufficient time for full discussion of key topics and to enable early identification and resolution of risks and issues. Meetings are aligned with the Group's financial reporting calendar.

Summary of responsibilities

The Committee's detailed responsibilities are described in its terms of reference ("TOR") which are available on the Group's website and include:

a. Monitoring the integrity of the Group's financial statements including its annual (both preliminary and final) and interim financial statements and reviewing significant financial reporting issues and judgments contained within them and reporting any issues to the Board;

b. Overseeing the Group's accounting and financial reporting processes, the Group's internal controls and risk management systems and the resolution of any issues identified by the Group's external auditor;

c. Meeting with the Group's external auditor, along with the Chief Financial Officer and select senior finance managers of the Group, to plan for and to subsequently review the annual audited and interim unaudited financial statements of the Group; and

d. Supervising the Group's reporting of its oil and gas reserves including overseeing the work undertaken by the Group's independent third-party reserves evaluator.

Review of the financial statements

The Audit Committee monitors the integrity of the annual and interim financial statements and reviews the significant financial reporting matters and accounting policies and disclosures in the financial reports. The external auditor attended all Audit Committee meetings during the year.

At the conclusion of the annual audit process the external auditor provides a detailed final report to those charged with governance, including the results of their audit and other audit matters. The Audit Committee evaluates the overall performance of the auditor and recommends their continued appointment to the Board.

Financial reporting

Over the last twelve months the Audit Committee has monitored and reviewed the preparation and issuance of the Group's consolidated audited financial statements and Company audited financial statements for the year ended 31 December 2022, along with the Group's unaudited condensed interim financial statements for the six-month period ended 30 June 2022.

The Audit Committee has remained focused on reviewing material matters affecting the risks and financial position of the Group. Specific focus has been given to the circumstances of the Montara shut-in from August 2022 to March 2023 and the impact of the shut-in on the Group's financial position. The progress towards obtaining a Reserves Based Loan facility and the evolution of Group liquidity was monitored. The risks and financial impacts on the Group from the impacts of the COVID-19 pandemic and continued volatility in oil prices also continued to be assessed.

The Audit Committee also reviewed the external auditor's planning report for the 2022 full year audit, including consideration of the planned scope and audit approach, the materiality level, the auditor's identified items of significant risk and areas of audit focus and auditor independence, among other factors.

The Committee then oversaw the completion of the preparation and finalisation of the issuance of the Group's consolidated audited financial statements for the year ended 31 December 2022. This has included a review and challenge of the financial statements as well as the significant financial reporting issues and judgements contained within them, and a detailed discussion with the auditor of their May 2023 final report to those charged with governance.

Reserves reporting

The Board has continued to delegate to the Audit Committee the oversight, monitoring and review of the Group's oil and gas reserves and resources disclosures.

The Audit Committee has duly overseen the work conducted by management and by the Group's qualified third-party reserves evaluator culminating in the Group's disclosure of year end 2022 reserves on page 144.

Internal controls and risk management

The Audit Committee is responsible for the oversight of the Group's system of internal controls including the risk management framework. The Group's principal risks and uncertainties, which provide a framework for the Committee's focus, are discussed on pages 25 to 27.

Management identifies the key operational and financial processes that exist within the business and has developed an internal risk control framework. This is structured around Group policies and procedures and includes a delegated authority framework.

Compliance, whistleblowing and fraud

The Audit Committee reviews the Group's procedures, systems and controls, including for detecting fraud, for the prevention of bribery, money-laundering, and corporate criminal offence. The Committee receives reports on any non-compliance, of which there were none in 2022.

The Group has a whistleblowing policy in place and the Committee is responsible for overseeing the arrangements and the effectiveness of the processes for this. The policy exists to enable employees to raise any concerns in confidence about wrongdoing or impropriety within the Group. No concerns were raised during 2022. In early 2023, the Group engaged Safecall, an independent services provider, to receive whistleblower complaints on a confidential and, if applicable, anonymous basis.

ESG

Consistent with the evolving reporting requirements associated with climate transition risk, the Audit Committee has monitored the Group's responses to climate risk and ESG disclosures generally and reviewed the Group's climate-related scenarios, analysis and disclosure specifically.

Internal reorganisation

Following the introduction of Jadestone Energy plc as new ultimate holding company of the Group in 2021, the Group commenced its final phase of this reorganisation at the end of 2022. The Group currently does not have business activity in Canada, and it is not planning to have activity in Canada in the future. As such, the Group is moving its business activities from the Canadian sub-holding entities to a Singapore registered entity. The Audit Committee has endorsed the project's execution plan and reviewed the project's objectives and key elements.
The relevant transactions, to be executed at arm's length using third-party expert advice, will be executed and closed in the 2023 financial year.

External Auditor

Under cl. 8.6.2(b) of the TOR, the Company is required to tender out the Group's audit services contract at least once every ten years. This helps to ensure the Group can compare the quality and effectiveness of the services provided by external auditors. Additionally, the external audit lead partner must be rotated after a maximum of five years, cl. 8.6.2(a).

As mentioned in the 2021 Annual Report, the Audit Committee initiated an audit tender in the fourth quarter of 2022. Given the geographic spread of the Group's activities spanning five countries, the Audit Committee judged it appropriate to approach audit firms that could provide the transnational resources required. Five firms were approached to determine whether they were interested in tendering. Following initial consultations, it was established there were insufficient qualified firms to perform a tender. Accordingly, the Audit Committee has decided to postpone a formal tender until 2025, when the present auditor will have completed five years of service. At this time, the Committee will reappraise the audit market and expects to conduct a tender process.

Audit fees and non-audit services by the auditor

Under the Audit Committee TOR, the Group is precluded from engaging Deloitte for any non-audit services across the business. Exceptions to this principle, on a one-off basis, may be considered, but in all cases subject to the Audit Committee's prior approval. This policy is applied on a global basis to all member firms of the Group's auditors. This restriction has been complied with in 2022, as it was in prior years, with no non-audit services and no non-audit fees paid to the auditors. Total fees paid to the auditors were as follows:

US$'000	Twelve months ended 31 December 2021	Twelve months ended 31 December 2022
Total audit fees	828	907
Non audit fees paid to auditors	-	-
Total fees paid to auditors	828	907

Internal audit

The Group currently does not have an internal audit function. The Committee continues to monitor the appropriateness of this as the Group evolves and grows.

Yours sincerely,

Iain McLaren
Non-Executive Director and
Chair of the Audit Committee

6 June 2023

Remuneration Committee report

Committee members and meeting attendance

In 2022 the Remuneration Committee comprised:

- **Jenifer Thien***
- **Cedric Fontenit****
- **Dennis McShane**
- **Iain McLaren**

Meeting Attendance

- **Jenifer Thien** 1 out of 1
- **Cedric Fontenit** 2 out of 2
- **Dennis McShane** 2 out of 2
- **Iain McLaren** 2 out of 2

Meetings: 3 March 2022 | 22 November 2022

* Jenifer Thien - Chair of the Remuneration Committee, effective 1st July 2022.
** Cedric Fontenit - Resigned as Chair of the Remuneration Committee on 1st July 2022.

Role of the Committee

The Remuneration Committee ensures that the remuneration of directors, employees and officers is set appropriately based on industry data, with the goal of attracting, retaining, and motivating key management personnel to ensure the long-term success of the Group.

Key roles and responsibilities

Responsibilities of the Remuneration Committee include (but not limited to):

- Annually reviewing and making recommendations with respect to remuneration, including short-term and long-term incentives of the executive directors and other senior executives;
- Reviewing the appropriateness of and approving any changes to remuneration policies of the Group;
- Obtaining reliable and up-to-date information about remuneration in other companies of comparable size and scope; and
- Overseeing any major changes in employee benefits structures throughout the Group.

Responsibilities of the Remuneration Committee Chair include:

- Setting agendas, chairing committee meetings and ensuring all tasks delegated to the committee are dealt with;
- Where required, leading consultations with shareholders on the Group's remuneration policy;
- Answering questions about remuneration more generally with shareholders.

Responsibilities of all members of the Remuneration Committee include:

- Be independent and willing to justify the decisions of the Remuneration Committee to executive directors and senior management;
- Be willing and able to resist inappropriate demands from executive directors and senior management;
- Be prepared to seek external advice when necessary;
- Be willing to seek and take into consideration the views of shareholders; committing sufficient time to the role to develop the necessary skills and knowledge (including, for example, current market practice, taxation and legal requirements), and to work as part of a small committee;
- Conduct an annual review of remuneration committee advisers, and the fees charged for remuneration committee advice and other services, including review of their independence and potential conflicts of interest; and
- Review the Group's legal obligations, including changes to employment and discrimination law, company law and relevant regulations as well as the effect of any changes to tax law or rates of tax.

Letter from the Committee Chair

Dear shareholder,

On behalf of the Board, I am pleased to present the Remuneration Committee report for the year ended 31 December 2022.

The Remuneration Committee strives to ensure that the level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Group, attract and retain highly talented individuals; whilst ensuring alignment of interests of shareholders and the ongoing generation of shareholder value.

The total remuneration framework for the Group is provided in the first section of this report. This framework was approved by shareholders in May 2019 and includes a three-year transition away from North American remuneration structures to norms and practices typical of a UK-listed entity. As part of this transition, in 2019 Jadestone announced a transition of its long-term incentive (LTI) programme away from time-vested share options to a Performance Share Plan ("PSP"), with a three-year cliff vesting linked to specific stretch performance conditions. The LTI awards made to management in April 2022 comprised of a combination of share options (25%) and performance shares (75%). The April 2022 awards represented the final year in the three-year transition in which share options formed part of the LTI awards for management.

The Remuneration Committee remains focused on ensuring that the LTI programme aligns the interests of senior leaders of the organisation to the interests of shareholders, while at the same time retains and incentivises our top talent. In consultation with Mercer, we continue to review relevant LTI metrics as well as industry best practices to ensure that the LTI programme meets its objectives of performance and retention.

In 2022 and the early part of 2023, other key matters considered by the Remuneration Committee included the following:

i. Reviewed the CEO's 2022 performance agreement, and agreed on outcomes relating to performance pay;
ii. Approved the overall 2022 performance of 35% of the total objectives, as further detailed below;
iii. Reviewed recommendations for salary adjustments for 2023, which consider the impact of inflation and market wage movements across the region, in which we operate;
iv. Approved the 2023 Performance Share Plan metrics. As of the date of publication of the annual report, the Board has not approved grants in 2023 under any of the LTIPs;
v. Reviewed and approved an overall 15% vesting for the 2020 - 2022 Performance Shares Plan cycle; and
vi. Determined the remuneration of the Group's new CFO who commenced employment with the Group in August 2022. (As noted in the 2021 report, the CEO and CFO remuneration packages were previously re-aligned with shareholder's interests for greater transparency to increase the amount of pay which is performance linked).

In conducting its work, the Remuneration Committee sought the support of Mercer, which provided independent advice on governance best practices, long-term incentives and compensation benchmarking. PwC has also provided advice on tax and remuneration as required.

I welcome any feedback from investors on our remuneration arrangements.

Yours sincerely

Jenifer Thien
Non-Executive Director and
Chair of the Remuneration Committee

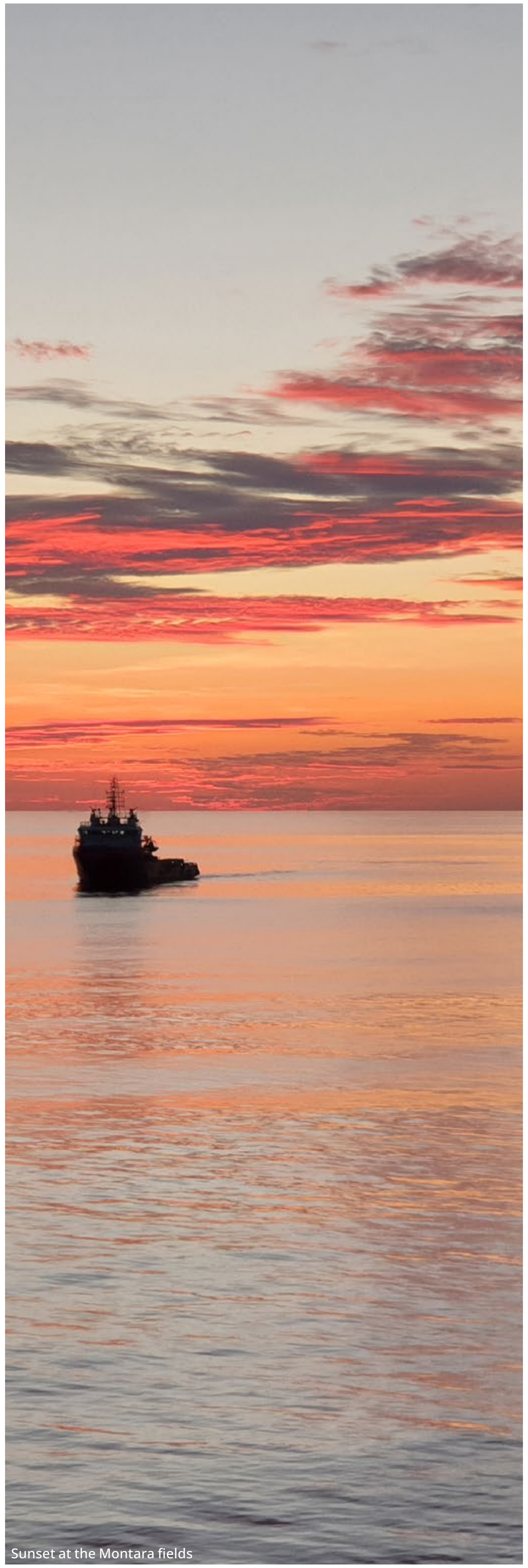
6 June 2023

Total rewards structure

Jadestone's total rewards structure offers a competitive package aligned to the principles of performance and delivery. The Group believes its emphasis on performance pay and long-term incentives, with clear goal-setting, helps to deliver a results-oriented culture that generates exceptional results with visible recognition and rewards in the event of the delivery of agreed objectives.

a. Remuneration at a glance

Total reward component	Detail	Eligible employees
Base salary	To enable the recruitment and retention of individuals who possess the appropriate experience, knowledge, commercial acumen and capabilities required to deliver sustained long-term shareholder value.	All permanent employees
Pension	Aligned to pension standards in the country of jurisdiction.	All permanent employees
Performance pay	Annual performance pay target for eight job bands with performance pay ranging from 0-10% to 0-150%. Annual performance pay depends on both employee and Group performance against agreed KPIs.	All permanent employees
Long-term incentive	The Performance Share Plan is used to retain staff whose contributions are essential to the well-being and prosperity of the Group and to give recognition to executive committee members and any other key roles of strategic significance who contribute to the growth of the Group.	Limited to permanent employees at a senior job band who can most influence corporate outcomes.



Sunset at the Montara fields

b. Executive employment agreements

As CEO, Mr. Blakeley is party to an executive employment agreement which provides that, in the event of a change of control of Jadestone and where notice of termination is given by Jadestone to Mr. Blakeley in connection with such change of control, Mr. Blakeley is entitled to payment in the amount of twenty-four (24) times his monthly salary; two (2) times the annual performance pay target (The annual performance pay target amount is based on the date of notice:

- If the date of notice precedes the date upon which such performance pay amount would have been paid, the Annual Performance Pay Target Amount is based on the year preceding the date of notice, and
- A pro-rata portion of the Annual Performance Pay Target Amount is based on current year until the date of notice)

and an amount equivalent to US$500,000 as compensation for the loss of foreign service allowances and all other benefits over the period of twenty-four (24) months.

Mr. Dijkstra is party to an executive employment agreement which provides that in the event of a change of control of Jadestone and where notice of termination is given by Jadestone to Mr. Dijkstra in connection with such change of control, Mr. Dijkstra is entitled to payment in the amount of twelve (12) times his monthly salary; one (1) times the annual performance pay target (The annual performance pay target amount is based on the date of notice:

- If the date of notice precedes the date upon which such performance pay amount would have been paid, the Annual Performance Pay Target Amount is based on the year preceding the date of notice, and
- A pro-rata portion of the Annual Performance Pay Target Amount is based on current year until the date of notice)

and an amount equivalent to US$180,000 as compensation for the loss of foreign service allowances and all other benefits over the period of twelve (12) months.

c. Illustration of policy application

The following table presents the target and maximum possible for the main components of the total rewards structure for the CEO and CFO.

Reward component	Position	Detail
2022 base salary	CEO CFO	Annual salary of US$650,000[1] Annual salary of US$360,000
Pension allowance	CEO CFO	10% of base salary 10% of base salary
Performance pay	CEO CFO	0 – 150% 0 – 130%
Long-term incentive	CEO CFO	95% of base salary 80% of base salary

1 Under the terms of employment, Mr Blakeley has a right to receive US$50,000 of his annual base salary in the form of restricted share units.
As on the date of publication there has been no grant made to Mr. Blakeley for the year 2023.

a. Total remuneration

The following table sets out the total remuneration, including the value of LTI awards, for both the executive directors and the non-executive directors for 2022, as compared to 2021 and 2020.

Name and position	Year	Salary or fees (US$)	Pension allowance (10% of base salary)	Performance pay (US$)[2]	Committee or meeting fees (US$)	Value of overseas allowance support[4] (US$)	LTI[3] (US$)	Other benefits[5]	Total fixed remuneration	Total variable remuneration	Total remuneration
Executive Directors											
A. Paul Blakeley[1] President and Chief Executive Officer	2022	650,000	65,000	341,250	Nil	280,000	502,254	34,470	1,029,470	843,504	1,872,974
	2021	625,000	62,500	492,375	Nil	356,708	347,763	29,219	1,073,427	840,138	1,913,565
	2020	437,500	55,000	536,250	Nil	443,332	410,062	36,256	972,088	946,312	1,918,400
Bert-Jaap Dijkstra[6] Chief Financial Officer and Chair of Disclosure Committee	2022	130,435	13,043	59,348	Nil	87,291	250,638	3,217	233,986	309,986	543,972
Non-Executive Directors											
Dennis McShane Board Chair and Chair of Governance and Nomination Committee	2022	150,000	Nil	Nil	5,000	Nil	Nil	Nil	155,000	Nil	155,000
	2021	150,000	Nil	Nil	5,000	Nil	Nil	Nil	155,000	Nil	155,000
	2020	114,583	Nil	Nil	4,375	Nil	17,093	Nil	118,958	17,093	136,051
Robert Lambert Deputy Board Chair and Chair of HSEC Committee	2022	80,000	Nil	Nil	15,000	Nil	Nil	Nil	95,000	Nil	95,000
	2021	80,000	Nil	Nil	15,000	Nil	Nil	Nil	95,000	Nil	95,000
	2020	56,667	Nil	Nil	13,125	Nil	11,395	Nil	69,792	11,395	81,187
Iain McLaren Chair of Audit Committee	2022	80,000	Nil	Nil	25,000	Nil	Nil	Nil	105,000	Nil	105,000
	2021	80,000	Nil	Nil	25,000	Nil	Nil	Nil	105,000	Nil	105,000
	2020	56,667	Nil	Nil	21,875	Nil	11,395	Nil	78,542	11,395	89,937
Jenifer Thien Chair of Remuneration Committee	2022	58,681	Nil	Nil	12,335	Nil	Nil	Nil	71,016	Nil	71,016
Lisa Stewart	2022	80,000	Nil	Nil	20,000	Nil	Nil	Nil	100,000	Nil	100,000
	2021	80,000	Nil	Nil	10,000	Nil	Nil	Nil	90,000	Nil	90,000
	2020	56,667	Nil	Nil	17,500	Nil	11,395	Nil	74,167	11,395	85,562
Cedric Fontenit	2022	80,000	Nil	Nil	10,000	Nil	Nil	Nil	90,000	Nil	90,000
	2021	80,000	Nil	Nil	15,000	Nil	Nil	Nil	95,000	Nil	95,000
	2020	56,667	Nil	Nil	9,792	Nil	11,395	Nil	66,459	11,395	77,854
David Neuhauser	2022	80,000	Nil	Nil	Nil	Nil	Nil	Nil	80,000	Nil	80,000
	2021	80,000	Nil	Nil	Nil	Nil	Nil	Nil	80,000	Nil	80,000
	2020	56,667	Nil	Nil	Nil	Nil	11,395	Nil	56,667	11,395	68,062

1 Under the terms of employment, Mr Blakeley has a right to receive US$50,000 of his annual base salary in the form of restricted share units.
2 Performance pay is finalised and approved in March of the year following the prevailing year, based on the achievement of various corporate targets and objectives. The amounts shown in 2022 reflect performance pay paid in 2023 with respect to 2022 performance.
3 LTI represents the market value of the share awards during the year. There have been no awards to the non-executive directors since 2021. An LTI award, in the form of Restricted Share Units (RSUs), was granted to Mr. Dijsktra in 2022 on joining Jadestone as CFO.
4 Overseas allowance support includes international talent allowance, benefits in-kind (housing, schooling, home leave).
5 Other benefits comprise healthcare and life insurance plans.
6 Mr. Dijkstra's remuneration is pro-rated for the year 2022 as he only commenced employment with Jadestone on 20 August 2022.

b. Overseas allowance support

Overseas allowances are provided to individuals on assignment in a host location with the objective of providing market competitive benefits consistent with the role and location of the posting.

Jadestone is a company incorporated in the United Kingdom with shares listed on the AIM market, but the Group operates in Southeast Asia and Australia with offices in Singapore, Australia, Malaysia, Indonesia and Vietnam. The Group does not maintain staffed offices in the UK.

This unique approach, among its listed peers, of locating Jadestone's leadership close to its key assets, ensures management works closely with activities and operations in the Asia-Pacific region, as well as providing coherent and aligned thinking throughout the business. This has an advantage both in managing the day-to-day activities of the Company, as well as being able to interact directly with with key regional and local external stakeholders. It also eliminates the cost of maintaining an office in the UK.

Because the CEO and CFO are foreigners working abroad, aligned with standard market practice, they receive support to recognise the extra costs arising from living in a host location. These allowances are independently reviewed and benchmarked on a periodic basis with Mercer.

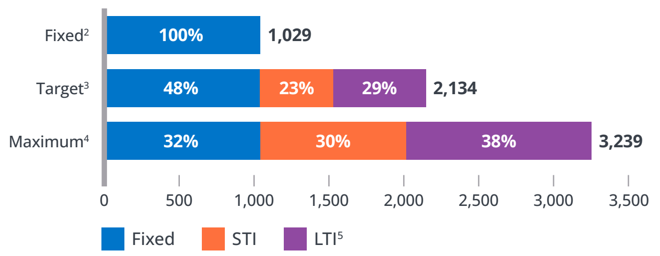
c. Other benefits

The CEO and CFO are provided with private medical insurance and covered under Group insurance plans (Group term life, long-term disability and personal accident).

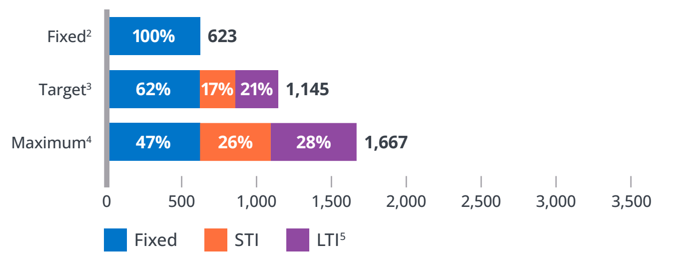
d. Comparison of fixed and variable remuneration

The following charts illustrate the 2022 remuneration mix for the CEO and CFO, based on their prevailing total rewards plan and target outcomes. Note that variable pay, including performance pay and LTI, with respect to a calendar year compensation cycle, is normally determined and granted in the following year.

CEO – 2022 remuneration mix, at target (not actual), in thousands of US dollars[1]



CFO – 2022 remuneration mix, at target (not actual), in thousands of US dollars[1]



1 This is depicting annual remuneration mix at target value and does not reflect actual payout during the year.
2 Fixed pay comprises base salary (including US$50,000 for CEO paid as RSUs), pension allowance, overseas allowance, and other benefits.
3 Target pay comprises fixed pay plus performance pay at target (CFO at 65% and CEO at 75%) and assumed LTI value.
4 Maximum pay comprises fixed pay plus performance pay at maximum pay-out (CFO at 130% and CEO at 150%) and assumed LTI value.
5 Values for performance shares and stock options are based on the independently verified values at the time of the grant. Maximum award to achieve 200% performance outcome requires Jadestone Energy to be at the 80th percentile or higher within Jadestone Energy's peer group for relative TSR and should achieve an absolute TSR of 40% or higher

e. Performance pay

Performance pay is tracked by the Remuneration Committee directly back to the achievement of KPIs set out in the CEO's performance contract. These KPIs are also distilled into the management team's performance evaluation.

The following table summarises the KPIs in the CEO's performance contract and were used to determine performance pay in respect of 2022 and paid in 2023.

Performance measure	Weighting	Key targets summary	Individual key targets weighting	Assessed overall 2022 performance
Achieve 2022 operations targets	30%	Deliver plan production & operating cost targets. Capital programmes and work programmes. Performance improvement targets.	20.0% 5.0% 5.0%	5.0%
Deliver continuous improvement in ESG performance	25%	Maintain top quartile Health & Safety (H&S) Performance. Maintain MSCI ESG Rating at BBB – strive to progress to A. Deliver improving performance on environmental targets. Conduct GHG emission review reducing current Scope 1 and 2 intensity and announce Net Zero Emissions target and strategy. Build a strong, diverse and sustainable organisation. Adhere to top quartile governance standards.	5.0% 5.0% 5.0% 5.0% 2.5% 2.5%	14.0%
Deliver per share accretive growth in the Asia-Pacific region	25%	Maintain delivery of strategic objectives. Complete one or more new accretive acquisitions.	5.0% 20.0%	10.0%
Create sustainable shareholder value	20%	Improve market value and share price. Maintain sustainable funding and leverage. Investor Relations	12.5% 2.5% 5.0%	6.0%
	100%			**35.0%**

Each of these categories contains at least four sub-sections with outcomes for each target assessed by the Remuneration Committee. Performance pay is paid usually 100% in cash with no deferral.

f. LTI awards

LTI grants are subject to a three-year cliff vest. The LTI awards granted to Jadestone employees under the performance share plan are aligned to Group and individual performance and are subject to Board approval. Awards granted under the Group's performance share plan are subject to good/bad leaver, malus and clawback provisions.

LTI performance for 2020-2022 performance cycle

The performance measures set by the Remuneration Committee have not changed since 2020. They incorporate a balance of relative and absolute total shareholder return ("TSR") to reward outperformance vs. peers (relative TSR) and alignment with shareholders (absolute TSR).

Jadestone continues to consider several other performance metrics, but in the context of volatility in the sector share price performance and the oil price, the Remuneration Committee considers that TSR-based metrics continue to offer the most transparent and efficient way to measure and reward long-term performance.

Performance measure 1: absolute TSR (weighting: 30%)

Share price plus dividend, to be set at the start of the performance period and assessed annually. The threshold share price plus dividend has to be equal to or greater than a 10% increase in absolute terms to earn any payout and must be 25% or greater for the target payout.

Performance measure 2: relative TSR (weighting: 70%)

Jadestone's TSR as measured against the TSR of our agreed peer companies. The size of the payout is based on Jadestone's ranking against the TSR outcomes of our peer group.

Jadestone peer group for 2020-2022 performance cycle

Serica Energy	Genel Energy	Senex Energy*	Premier Oil**	EnQuest	TransGlobe Energy*
Horizon Oil	Gulf Keystone	Cooper Energy	Tullow Oil	Pharos Energy	Energean

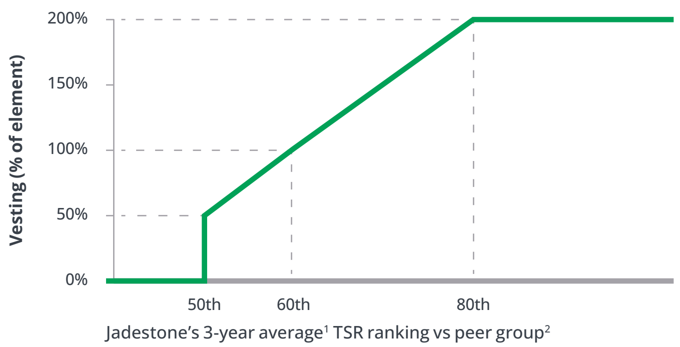
* Senex Energy is no longer considered a peer following the takeover by POSCO in 2021. TransGlobe was also acquired by Vaalco in October 2022.
** Now Harbour Energy.

Parameters for the final assessment of the 2020-2022 performance cycle

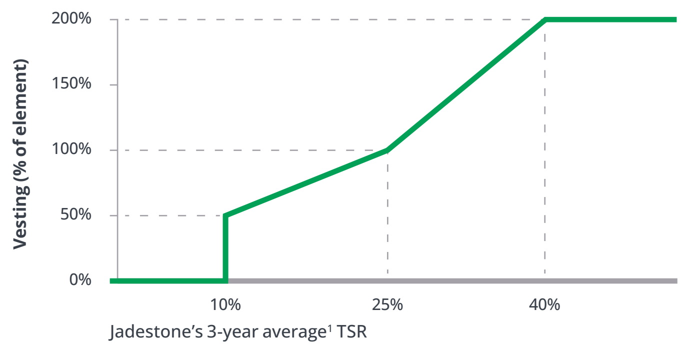
Full Performance Period	1 January 2020 to 31 December 2022
Performance Testing Date	31 December 2022
% of performance period elapsed	100%

The charts below illustrate the relationship between absolute and relative TSR and vesting outcome.

Relative TSR vs. peer group[1] (70% of 2022 awards)



Absolute TSR[1] (30% of 2022 awards)



1. 3-year average TSR is calculated as the average annual TSR over 3 years.

Mercer was commissioned to review Jadestone's relative and absolute TSR performance, in order to provide assessment of the 2020-2022 performance cycle LTI award.

Final assessment: TSR calculation and outcome of the absolute performance measure

Company	TSR
TransGlobe Energy	121.5%
Gulf Keystone	52.1%
Serica Energy	48.6%
Horizon Oil	43.9%
Senex Energy	24.7%
EnQuest	24.5%
Energean	22.9%
Jadestone Energy	**9.8%**
Tullow Oil	(1.3)%
Genel Energy	(1.7)%
Pharos Energy	(2.6)%
Premier Oil	(24.6)%
Cooper Energy	(25.1)%

Jadestone's 3-year average TSR was 9.8%, placing it at the 42nd percentile of the peer group.

Final assessment outcome

	Year 1 TSR (2020)	Year 2 TSR (2021)	Year 3 TSR (2022)	3-year average TSR	Absolute TSR vesting outcome	Absolute TSR vesting outcome
Actual performance to 31 December	(16.1)%	57.5%	(12.2)	9.8%	Below threshold	Below threshold

The Remuneration Committee met and discussed the TSR results and vesting outcomes for 2020-22 Performance Share cycle. Discretion was used to adjust the 3-year average TSR from 9.8% to 10.0%.

As a result, the final outcome of the Absolute TSR element for 2020-22 Performance Shares cycle was 50.0%, and the Relative TSR element was 0%, leading to an overall result of 15.0% vesting as detailed in the table below.

	Vesting outcome	Weight
Absolute TSR element	50.0%	30%
Relative TSR element	0.0%	70%
Overall result	**15.0%**	

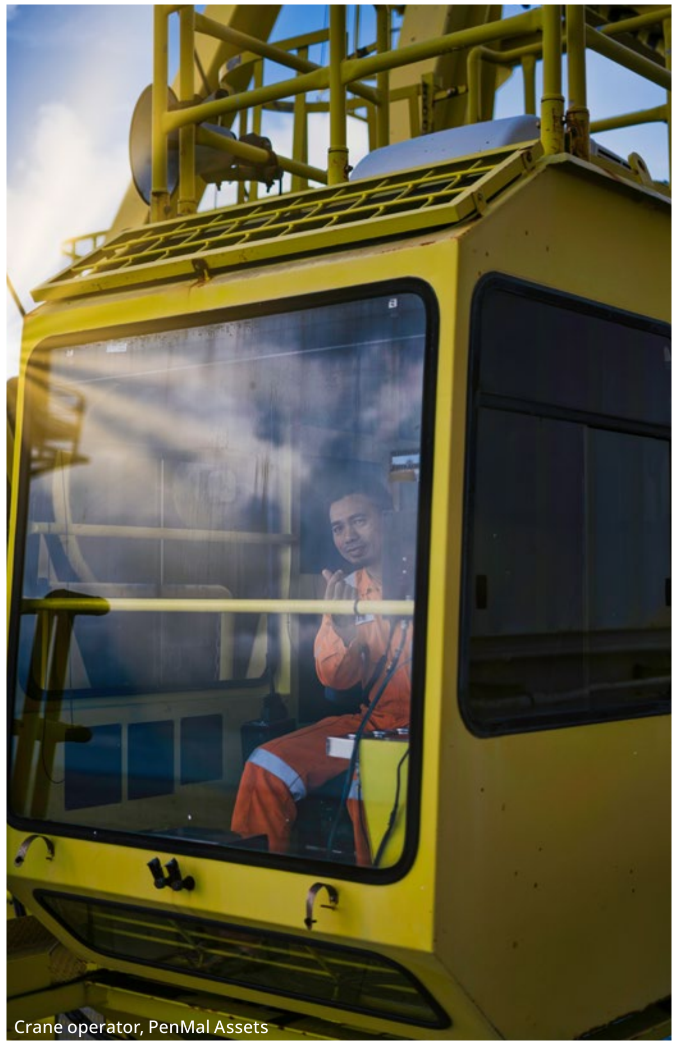
Montara Venture FPSO tank inspection and repair activities

g. Statement of the Board's shareholding interests

Directors are encouraged to acquire a meaningful shareholding interest in the Company; however the Group does not impose mandatory share ownership guidelines. The Committee believes the total rewards policy is appropriate to ensure alignment of interests between the Board and shareholders.

The number of shares held by Directors as at 31 December 2022 are set out in the table below. The number of shares held by Directors as at 1 January 2022 or at date of appointment are detailed in the Directors' report.

Director	Shares owned outright	Interests in share incentive schemes, subject to performance conditions
A. Paul Blakeley Director, President and Chief Executive Officer	4,232,798	6,255,584
Bert-Jaap Dijkstra Director and CFO	Nil	250,000
Dennis McShane Director and Chair	453,651	420,000
Robert Lambert Director and Deputy Chair	153,919	425,000
Iain McLaren Director	169,564	525,000
David Neuhauser Director	31,393,094[1]	275,000
Cedric Fontenit Director	200,000[2]	125,000
Lisa Stewart Director	Nil	125,000
Jenifer Thien Director	Nil	Nil



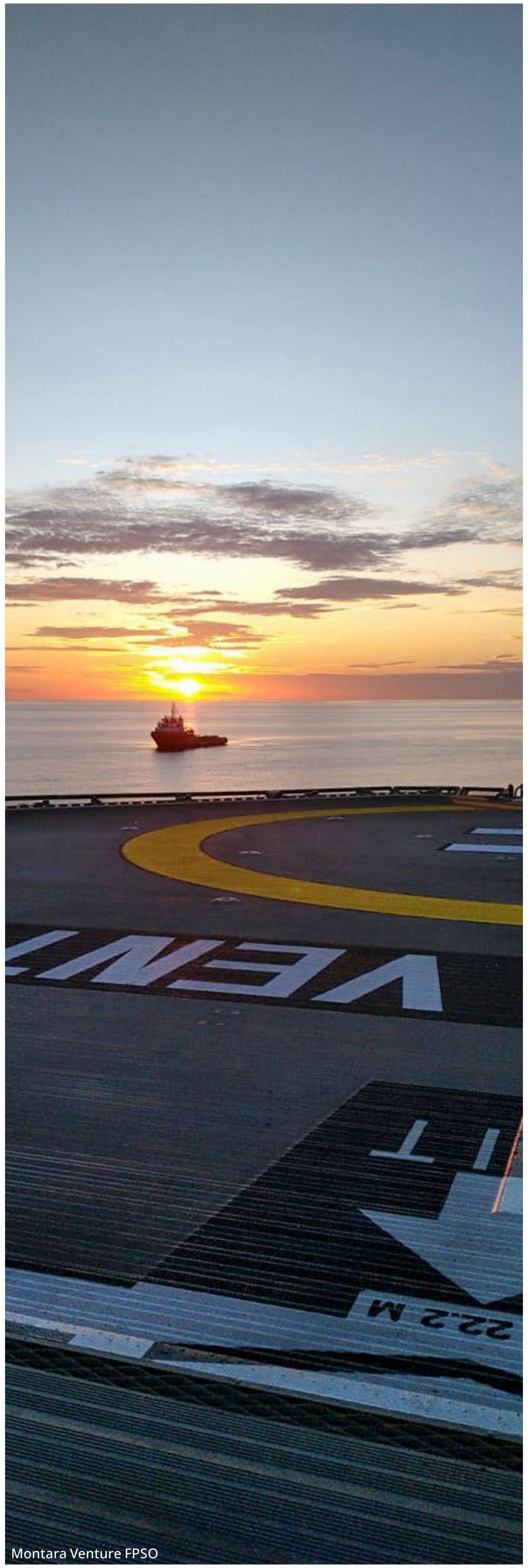
Crane operator, PenMal Assets

1 Mr. Neuhauser does not own any ordinary shares of the Company directly, but as managing director of Livermore Partners LLC, exercises control or direction over the ordinary shares beneficially owned by Livermore Partners LLC.

2 Mr. Fontenit owns 200,000 ordinary shares of the Company directly. He also holds an indirect beneficial interest in the Company through 443.5565 units of a fund managed by Tyrus Capital S.A.M. (the "Fund") holding an interest in the ordinary shares of the Company. However, Mr. Fontenit does not exercise control or direction over the Fund's holding in the Company.

h. KPIs enshrined into CEO's 2023 performance contract

Performance measure	Weighting	Key targets summary
Achieve 2023 operations targets	30%	• Deliver plan production targets • Deliver plan capital programmes
Deliver continuous improvement in ESG performance	25%	• Maintain H&S performance at top quartile • Deliver environmental targets consistent with improving performance • Deliver GHG emissions to within 10% of plan • Build a strong, diverse and sustainable organisation • Maintain top quartile governance standards
Deliver per share accretive growth in Asia-Pacific	25%	• Complete one or more new acquisitions adding an aggregate 7,500 boe/d (value accretive on certain metrics)
Create sustainable shareholder value	20%	• Increase share price by more than 10% above the median of the peer group in 2023 • Maintain sustainable funding & leverage • Investor relations



Montara Venture FPSO

Governance and Nomination Committee report

Committee members and meeting attendance

In 2022 the Governance and Nomination Committee comprised:

- **Dennis McShane** (Committee Chair)
- **Cedric Fontenit**
- **Iain McLaren**
- **Jenifer Thien***
- **A. Paul Blakeley**

Meeting Attendance:

- **Dennis McShane** 2 out of 2
- **Cedric Fontenit** 2 out of 2
- **Iain McLaren** 2 out of 2
- **Jenifer Thien** 1 out of 1
- **A. Paul Blakeley** 2 out of 2

Meetings: 3 March 2022 | 22 November 2022

* Appointed 7 April 2022 as Director and member of the Governance and Nomination Committee

Role of the Committee

The Governance and Nomination Committee ("the Committee") exercises general oversight with respect to the Group's corporate governance practices, to ensure the Board has a strong and responsible leadership together with a wide range of skills, knowledge and experience to support business success and generate long-term shareholder value. It also reviews the qualifications of, and recommends to the Board, proposed nominees for appointment to the Board, and establishes the framework for assessment of the Board performance and evaluation.

Activities during the year

March 2022:

- Considered results of the Board skills matrix, with the Committee determining that there would be an appropriate balance of skills with the addition of Jenifer Thien as a Non-Executive Director.
- Consistent with best practices for a listed company, the Committee recommended an independent review of the Board. Socia was engaged to perform this independent assessment and review.
- The Committee reviewed the leadership team succession plan and the status of the search for the CFO replacement.

November 2022:

- Consideration was given to the preliminary update available from Socia on the Board evaluation.
- The Committee continued to review the leadership succession plan for critical roles in the business and additionally suggested a review of succession planning for Non-Executive Directors.

Letter from the Committee Chair

Dear shareholder,

It is my pleasure to present the Governance and Nomination Committee Report for the year ended 31 December 2022.

The report summarises the objectives and responsibilities of the Committee, the work carried out during 2022, and plans for the 2023.

Principal responsibilities of the Committee

- Oversee the Group's corporate governance practices, including regular reviews of Board mandates and committees, develop and review the Group's corporate governance policies, and assess and prepare an annual statement on the compliance of the Group with the QCA Code;
- Considering succession planning for directors and senior executives, considering tenure on the Board, evolving challenges and opportunities facing the Group, and the skills and expertise required to manage these challenges and opportunities;
- Identifying and nominating candidates for appointment as directors, ensuring rigorous and transparent selection and appraisal procedures, with the ultimate appointment of directors made by the Board based on the recommendations of the Committee;
- Monitoring the structure, size, and composition of the Board as a whole and the committees, making recommendations for changes as may be necessary to achieve an appropriate balance of experience, independence and diversity; and
- Commissioning a Board performance evaluation process annually, reviewing the results and making recommendations.

The terms of reference for the Governance and Nomination Committee are reviewed annually and aligned with the QCA guidelines.

Governance

The Board Chair's Corporate Governance Statement and Compliance Statement to the QCA Code Principles can be found on pages 40 to 45.

Board changes

Jenifer Thien was appointed to the Board as Non-Executive Director in April 2022. The Company announced the appointment of Bert-Jaap Dijkstra, Chief Financial Officer (CFO) and Executive Director in August 2022. Bert-Jaap Dijkstra replaced Daniel Young who left his role as the CFO and an Executive Director at the end of April 2022.

Diversity and inclusion

The Governance and Nomination Committee recognises the importance of building a diverse Board and is focused on continuing to increase diversity at both the Board and senior leadership level within Jadestone.

The Board remains diverse in terms of its culture, nationality, and international experience. The Board's core expertise includes upstream oil and gas, ESG, technical, operational, financial, governance and commercial skills and experience. The Committee will continue to monitor and consider diversity in the context of future Board appointments.

The Board continues to support diversity across the organisation considering national origin, race, ethnicity, gender and sexual orientation to maintain an inclusive workplace. All appointments are made based on merit, experience and performance, whilst actively seeking diversity of skills, gender, and social and ethnic backgrounds. The Committee's oversight role includes ensuring that diversity and inclusion are integrated into the Group's Human Resources standards and recruitment processes.

The Committee maintains its current policy of embracing diversity in its broadest sense, including gender, ethnic and social diversity but without setting formal, measurable objectives.

Succession planning

The Governance and Nomination Committee maintains a comprehensive succession plan for appointments to the Board ensuring there is an appropriate balance of skills and experience that aligns with its strategic aims. The Group's succession plan also includes contingency plans for the sudden or unexpected departure of Executive Directors and other senior roles.

Consequently, the Board has a detailed understanding of talent management and succession planning across the Group, as well as the plan to continually recognise and develop internal talent.

Board and committee performance evaluation

The Board retains overall responsibility for the implementation of its annual performance evaluation. The 2022 evaluation process was undertaken by an independent third-party Socia UK.

Socia's review focused on:

- A comprehensive benchmark of the Board's performance against the principles of the QCA Code;
- Feedback that allows the Board to address any long-standing issues and/or areas for development with recommendations for action;
- Data to encourage improved collaboration across the Board – especially between Executives and Non-Executive Directors;
- A plan of action to improve the contribution of the Board to the changing needs of the business;
- Individual feedback and ongoing support to assist with the implementation of any recommendations from the review; and
- A self-assessment tool for future internal Board reviews.

Yours sincerely,

Dennis McShane
Non-Executive Director and
Chair of the Governance and Nomination Committee

6 June 2023

Health, Safety, Environment and Climate Committee report

Committee members and meeting attendance

In 2022, the Health, Safety, Environment and Climate Committee comprised:

- **Robert Lambert** (Chair)
- **Lisa Stewart**
- **A. Paul Blakeley**
- **Jenifer Thien** *

Meeting Attendance:

Robert Lambert	3 out of 3
Lisa Stewart	3 out of 3
A. Paul Blakeley	3 out of 3
Jenifer Thien	2 out of 2

Meetings: 3 March 2022 | 7 September 2022 | 10 November 2022

* Jenifer Thien joined as a director and a member of the HSEC Committee effective 7 April 2022

Role of the Committee

The Committee assists the Board in obtaining assurance that appropriate policies, controls and systems are in place to effectively manage the health, safety, social, environmental and climate ("HSSEC") risks in relation to the Group's operations and ensure that the Group's activities are planned and executed in a safe and responsible manner. The Committee reports to the Board regarding the Group's HSSEC performance, with the Board holding ultimate responsibility for HSSEC matters, including those related to climate change. The Committee meets at least three times per year and otherwise as required.

Responsibilities of the Committee include:

- formulating the Group's policies and systems for identifying and managing HSSEC risks within Jadestone's operations;
- evaluating the effectiveness of the Group's policies and systems for identifying and managing HSSEC risks within Jadestone operations;
- overseeing the development of the Net Zero roadmap and progress made as per external commitments;
- assessing the policies and systems within the Group for ensuring compliance with HSSEC regulatory requirements;
- assessing the performance of the Group with regard to the impact of HSSEC related decisions, and actions upon employees, communities and other third parties. The Committee also assesses the impact of such decisions and actions on the reputation of the Group;
- on behalf of the Board, receiving reports from management concerning all serious safety-related incidents within the Group and actions taken by management as a result of such incidents;
- evaluating and overseeing, on behalf of the Board, the quality and integrity of any reporting to external stakeholders concerning HSSEC issues;
- ensuring that the Group maintains an appropriate level of engagement in industry HSSEC initiatives;
- reviewing and recommending changes to the HSSEC framework management system annually; and
- reviewing the results of independent audits of the Group's performance in regard to HSSEC matters, and any strategies and action plans developed by management in response to issues raised, and where appropriate making recommendations to the Board concerning the same.

All Committee members were also members of the special Technical Committee established in September 2022 in respect of the Montara shut-in. Please see page 24 for further details of the Technical Committee.

Letter from the Committee Chair

Dear shareholder,

I am pleased to present the Health, Safety, Environmental and Climate Committee Report for the year ended 31 December 2022.

The Committee provides assurance to the Board on occupational health, safety, social, environmental and climate leadership. It is primarily focused on ensuring that the Group's policies related to HSSEC matters are adopted and applied across the Group, and the safety leadership within both management and the workforce is visible and impactful.

In late 2021, the Committee's mandate was expanded to include sustainability and social responsibilities into its remit. The Board believes that the expanded remit is important for the Group given the ever-increasing prominence of HSSEC issues, particularly climate change, on the corporate agenda and the need for the Board and senior management to devote sufficient time to considering these matters in detail.

During 2022, the Committee held three formal meetings to review and discuss matters pertaining to HSSEC issues ensuring that adequate policies related to HSSEC are adopted and applied across the Group and the safety leadership of both management and the workforce is visible and impactful. The Group continually reinforces and implements safe working procedures such as inspection of all instruments and equipment, obtaining the requisite permit-to-work applications, providing training and awareness sessions and above all implementing checks to ensure risks are reduced as low as reasonably practicable. All incidents during the year were investigated and lessons learned as appropriate, and actions to prevent recurrence were implemented.

At the Committee's meeting in September 2022, Socia attended the meeting as an observer for independent Board evaluation. In 2022, the Group undertook a review of Jadestone compliance policies assisted by Control Risks, and effective January 2023, the Group adopted a Climate Change Policy and an updated Environmental, Social and Governance ("ESG") Policy. The Committee also reviewed its terms of reference.

In February 2023, the Group has announced that the General Direction issued by NOPSEMA was closed, following NOPSEMA's review of an independent assessment focusing on Jadestone's systems for managing the structural integrity of the Montara Venture FPSO. The Montara Project resumed production operations in March 2023.

The Group's management and workforce operate within both challenging onshore and offshore environments over multiple jurisdictions. In 2022, processes were improved and deployed to further minimise the risk of COVID-19 infection at all workforce sites. These actions, which included a continuation of onshore staff working from home, when warranted, and reduced offshore crew sizes, were successful at minimising workplace transmission throughout the year.

We continued to strengthen the reviews of key operations and enhanced safety control measures over both production facilities and drilling operations. These improvements were acknowledged within the inspection reports received over the year.

Jadestone continues to enhance its climate-related disclosures, which are informed by the TCFD recommendations. We recognise the value and importance of clear and consistent climate-related disclosures, and over time we will continue to develop and enhance our climate-related disclosures.

In summary, Jadestone remains committed to strong performance in safety management and high health, safety, social, environmental and climate standards.

Accomplishments over the course of 2022

- Achieved high standards of environmental performance;
- Continued to successfully monitor and support the Group's response to COVID-19 challenges in terms of workforce well-being and the safe management of operations;
- Evaluated HSSEC performance against industry standards;
- Assessed regulator feedback and monitored the implementation of recommendations to ensure that required actions are enacted, while also enabling the Board to reflect the latest regulatory views in their decisions;
- Reviewed major and reportable incidents and investigations, then followed up on lessons learned; and
- Reviewed the Group's sustainability and ESG-related communications and performance, including the operational GHG review, Net Zero workstreams, climate workstreams, as well as the composition and preparation for issuance of the Group's 2022 Sustainability Report.

Key activities during the year

During 2022, the Committee reviewed and deliberated the Group's safe and responsible operations, measured against specific metrics, and compliance with regulatory requirements pertaining to health and safety and environment at each committee meeting.

The Committee also addressed several prioritised topics which included:

Process safety

- A review of Jadestone's practices and performance relating to health, safety and environment, including the safe condition and responsible operations of Jadestone's assets, with a focus on both employees and contractors.
- A review of measures completed to improve safety performance and respond to regulator directions, in particular on the General Direction issued by NOPSEMA relating to the Montara Project.
- A review of all major incidents that impacted, or had the potential to impact, Jadestone's safety and environmental performance.
  - The Committee, with input from senior management, reviewed the trends of workplace safety incidents (e.g., medical treatment cases, near misses) within the wider context of pandemic related restrictions and changes to work conditions.
  - Pandemic related risks to the workforce were also assessed, including increased stress from quarantine conditions and extended separation from home. It was noted that such increased stress was identified as a wider industry challenge and not limited to the Group. In fact, Australia's Work Safe Commissioner characterised Jadestone's approach to pandemic related restrictions as "best in class".
- Assessment of Jadestone's overall sustainability performance and provided input to Jadestone's annual reporting and disclosures regarding sustainability.

Climate risk and Net Zero roadmap

- Continued to enhance Jadestone's climate-related reporting; and
- Commissioned an independent party to assist with Net Zero roadmap development; progress of the associated workstreams was reported to the Committee at each meeting.

The 2022 Sustainability Report (available through the Group's website) details the Group's 2022 ESG performance, covering sustainability, environmental management, climate change and greenhouse gas emissions, occupational health and safety and critical incident risk management.

Planned enhancements for 2023

- Finalisation of the Net Zero decarbonisation plan, underpinning Jadestone's Net Zero by 2040 pledge for its operated assets;
- A continued review of the Group's process safety and personal safety; and
- Evaluation of the processes and tools to manage the Group's HSE performance against internal metrics, regulatory requirements and industry standards.

Yours sincerely,

Robert Lambert
Non-Executive Director and
Chair of the Health, Safety, Environment and Climate Committee

6 June 2023

Apprentices on the Stag platform

Disclosure Committee report

Committee members and meeting attendance

In 2022, the Disclosure Committee comprised:

- **Bert-Jaap Dijkstra** (Committee Chair) *
- **A. Paul Blakeley**
- **Neil Prendergast**

Meeting Attendance:

- **Bert-Jaap Dijkstra** 1 out of 1
- **A. Paul Blakeley** 1 out of 1
- **Neil Prendergast** 1 out of 1

Meeting: 24 November 2022

* Bert-Jaap Dijkstra joined as a director and the chair of the Disclosure Committee effective 22 August 2022. Daniel Young served on the Committee until 29 April 2022.

Role of the Disclosure Committee (the "Committee")

The principal role of the Committee is to ensure that adequate procedures, systems and controls are maintained to enable the Group to fully meet its legal and regulatory obligations regarding the timely and accurate identification and disclosure of information arising under the Market Abuse Regulation (EU) No. 596/2014 ("MAR") and the AIM Rules.

The Committee assists the Group in meeting the above requirements and has responsibility for, among other things, determining the disclosure of material information on a timely basis. The Committee also has responsibility for the identification of inside information for the purpose of maintaining the Group's insider lists.

The Committee also ensures the Group takes reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations in this regard, and oversees the appropriateness of disclosures included in the Group's financial and non-financial reporting, which includes sustainability and climate-related disclosures.

Letter from the Committee Chair

Dear shareholder,

I am pleased to present the Disclosure Committee Report for the year ended 31 December 2022.

The Committee was responsible for and monitored the following actions and reviews during the year:

- Trading updates including announcement of Jadestone's first share buyback programme, as further described below.
- Ensuring compliance with the timelines and obligations under the MAR in connection with the share buyback programme, including the submission of necessary filings with UK Companies House and notification to the FCA;
- The maintenance of insider lists;
- The procedures to complete filings for the exercise of share options, including disclosure of changes to total share capital issued;
- The process to ensure compliance with the timelines and obligations under the MAR / part B of the Group's Dealing Code;
- Communication protocols around closed periods; and
- Ensuring that all relevant policies and procedures remained in compliance and up-to-date with MAR, and the AIM Rules.

Share buyback programme

The Committee monitored and reviewed the Group's processes for continuous disclosure, with particular regard to the launch of the share buyback programme as announced by the Group on 2 August 2022 in accordance with the authority granted by shareholders at the Company's Annual General Meeting on 30 June 2022.

The Group entered into a buyback agreement with Stifel Nicolaus Europe Limited ("Stifel") who conducted the Programme and repurchased Jadestone's ordinary shares ("Ordinary Share") on the Group's behalf. The buyback agreement enabled the Group to grant Stifel the authority to enact purchases and make trading decisions concerning the timing of the purchases under the Programme independent of the Group. Therefore, purchases could continue during any closed periods of the Group.

The purpose of the Programme was to reduce the share capital of Jadestone. All of the Ordinary Shares repurchased, to date, have be cancelled.

It was intended that the Programme be conducted within the parameters prescribed by the MAR (as in force in the UK by virtue of the European Union (Withdrawal) Act 2018 and as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019) (the "Regulation"), the Commission Delegated Regulation (EU) 2016/1052 (as in force in the UK by virtue of the European Union (Withdrawal) Act 2018 and as amended by the FCA's Technical Standards (Market Abuse Regulation) (EU Exit) Instrument 2019) (the "Delegated Regulation"). The Company retained the ability to make purchases under the Programme which would exceed the average daily volume limits established by the Delegated Regulation. All decisions to exceed such volume limits were taken following the receipt of external, specialist advice, including from the Company's nominated advisor.

The first share repurchase under the Programme was completed on 2 August 2022.

2023 Priorities

- Assess and advise on the controls and procedures related to the disclosure of ESG data, including climate-related disclosures and the Modern Slavery Statement.

Yours sincerely,

Bert-Jaap Dijkstra
Executive Director and
Chair of the Disclosure Committee

6 June 2023


East Piatu Alpha platform, PenMal Assets

Consolidated and Company financial statements

For the year ended 31 December 2022

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group's financial statements in accordance with International Accounting Standards ("IAS") in conformity with the requirements of the Companies Act 2006 and have elected to prepare the Company's financial statements in accordance with FRS 101 "Reduced Disclosure Framework" and applicable law. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and the Group and of the profit or loss of the Group for the financial year.

In preparing the parent company's financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group's financial statements, IAS 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

This responsibility statement was approved by the Board of Directors on 6 June 2023 and is signed on its behalf by:

Bert-Jaap Dijkstra
Director
6 June 2023

Independent auditor's report to the shareholders of Jadestone Energy plc

Report on the audit of the financial statements

1 OPINION

In our opinion:

- the financial statements of Jadestone Energy plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

The Group financial statements:

- the consolidated statement of profit or loss and other comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 45, including a summary of significant accounting policies as set out in note 2 to the financial statements.

The parent company financial statements:

- the company statement of financial position;
- the company statement of changes in equity;
- the related notes 1 to 13, including a summary of significant accounting policies as set out in note 3 to the financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2 BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3 SUMMARY OF OUR AUDIT APPROACH

Key audit matters

The key audit matters that we identified in the current year were:

- Impairment of oil and gas properties
- Impairment of intangible exploration assets
- Cossack, Wanaea, Lambert, and Hermes (CWLH) acquisition

Within this report, key audit matters are identified as follows:

NEW Newly identified

︽ Increased level of risk

«» Similar level of risk

︾ Decreased level of risk

Materiality

The materiality that we used for the Group financial statements was US$6,775,000 which was determined by using 1.25% of combined intangible exploration assets and oil and gas properties, which was then rounded up to the determined figure.

The materiality that we used for the parent company financial statements was determined by using 1% of the selected benchmark being net assets which was capped at component materiality of US$2,134,125 in order to reduce aggregation risk.

Scoping

We applied a risk-based approach to the audit and weighted the scope towards the revenue generating and asset holding components. The audit work was undertaken and performed by a group audit team based in Ireland and component teams based in Singapore, Australia, Malaysia and Vietnam.

The audit work covered 24 components, of which nine were deemed significant components. These were subject to full scope audits with the remaining components subject to analytical procedures, plus substantive testing of specific balances to ensure appropriate coverage at an account balance and class of transaction level.

Significant changes in our approach

There has been a change in components in scope in the current year to include Jadestone Energy (CWLH) Pty Ltd as a result of the acquisition of an interest in a joint operation. Key audit matters considered in the prior year were broadly aligned with the items identified above however the prior year key audit matter in relation to the Peninsular Malaysia acquisition has been removed as the acquisition accounting was completed in the prior year. A key audit matter has been added in relation to the Cossack, Wanaea, Lambert, and Hermes (CWLH) acquisition in the current year in line with the developments in the Group in the current year to reflect the current year acquisition of an interest in a joint operation.

4 CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the relevant controls relating to the going concern assumption;
- reviewing the Group's financing arrangements including the nature of the facilities and whether the Directors have appropriately considered the repayment terms and financial covenants in place and incorporated them into the cash flow forecasts over the going concern period;
- performing an assessment of the cash resources available to the Group and parent company;
- challenging the forecasts in the Group cash flow forecast model, including:
  - checking the clerical accuracy of the cash flow forecast model;
  - completing an assessment of the consistency of the cash flow forecast model in line with other areas of our audit, such as key inputs relating to future costs, production to other financial and operational information.
  - challenging the Directors as to the reasonableness of commodity pricing assumptions applied to the cash flow forecast model, based on benchmarking to market data and considering the impact of climate change;
- performing a look back analysis of the historical accuracy of forecasts prepared by the Directors;
- assessing the results of the Group and parent company for the period after the reporting date, comparing to budget, in order to assess if there are any other indicators that the business may not be able to continue as a going concern;
- assessing any contradictory evidence as part of our audit work and the impact on the Directors' conclusion;
- assessing the appropriateness of the sensitivity analysis prepared by the Directors; and
- assessing the adequacy of the disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5 KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The removal of the prior year key audit matter of the 'Peninsular Malaysia acquisition' and the addition of the 'Cossack, Wanaea, Lambert, and Hermes (CWLH)' acquisition in the current year reflect the developments in the Group in the current year, being the acquisition of an interest in a joint operation.

5.1. Impairment assessment of oil and gas properties ︽

Key audit matter description

As at 31 December 2022, oil and gas properties had a carrying value of US$456,768k which represents 56% of the Group's total assets. These assets relate to Montara, Stag, Peninsula Malaysia, Lemang and the recently acquired CWLH Assets.

There is a risk of impairment in respect to the Montara and Lemang oil and gas properties with balances of US$222,985k and US$36,935k respectively at year end.

We have identified a key audit matter related to the impairment of oil and gas properties as this is a key area of management estimation in relation to the key assumptions to the impairment assessment and involved a significant allocation of resources and directing efforts of engagement team.

Refer to Notes 2 and 22 to the financial statements for further information.

How the scope of our audit responded to the key audit matter

In order to address this matter we:

- Assessed the design and determined the implementation of management's relevant controls in respect to the accounting for oil and gas properties in line with IFRS.
- Obtained management's impairment assessment and performed the following procedures on the assessment:
  - Reviewed the internal and external factors set out in IAS 36 *Impairment of Assets* and used by management to determine impairment indicators.
  - Assessed the competence, capability and objectivity of management's expert involved in the preparation of the reserve reports underlying management's impairment assessment;
  - Challenged the assumptions used by management in the cash flow projections, including consistency with the cash flows included in the forecast model use in the assessment of going concern;
  - Challenged the reserve reports prepared by management's expert relating to the Group's estimated oil reserves, including involvement of an internal reserves specialist as part of our engagement team, to determine whether there had been a significant change with an adverse effect on the recoverable amount;
  - Challenged management's oil price assumptions used in the cash flow projections against external data, including considering the impact of climate change, to determine whether there had been a significant change with an adverse effect on the recoverable amount;
  - Challenged management's discount rate used to discount cash flows in the impairment assessment , including assignment of a valuation specialist; and
  - Extended inquiries to individuals outside of the accounting department to corroborate management's ability and intent to carry out plans that were relevant to developing the estimate.
- Reviewed the financial statements to ensure all relevant disclosures were appropriately included in relation to oil and gas properties.

Key observations

We are satisfied that the Directors' assessment that no impairment of the Montara and Lemang oil and gas properties is required, is appropriate, albeit we noted that the discount rate used by management lay outside the reasonable range determined by our valuation specialist. We identified a control deficiency which we have separately reported to the Audit Committee on the precision of the management review controls.

5.2. Impairment assessment of intangible exploration assets «»

Key audit matter description

As at 31 December 2022, the Group recorded US$77,928k of intangible exploration assets, which represents 9% of the Group's total assets. These assets relate to the Montara seismic study in Australia and two Vietnamese PSCs: 46/07 and Block 51. The Lemang project received Final Investment Decision (FID) approval during the year and has transferred to oil and gas properties. Extraction at the Vietnamese sites is dependent on government approval and should approval not be granted these assets would be impaired. As a result, there is a risk of impairment in respect to intangible exploration assets.

We have identified a key audit matter related to the impairment of intangible exploration assets as this is a key area of management estimation and involved a significant allocation of resources and directing efforts of engagement team.

Refer to Notes 2 and 21 to the financial statements for further information.

How the scope of our audit responded to the key audit matter	In order to address this matter we have: • Assessed the design and determined the implementation of management's relevant controls in respect to the accounting for intangible exploration assets in line with IFRS. • Reviewed management's assessment of the potential impairment indicators set out in IFRS 6. • Assessed the competence, capability and objectivity of management's expert involved in the preparation of the reserve reports that support recognition of the intangible exploration assets. • Assigned an internal reserves specialist as part of our engagement team to challenge the reserve reports prepared by management's expert relating to the Group's estimated oil reserves to determine whether they indicate the requirement for an impairment review. • Reviewed the Group's budget to evaluate whether management has a plan for the assets, including the funding options for future capital expenditure to be able to realise the future cash flows. • Performed a retrospective review of prior year's work budget and current year's actual activity to determine the reliability of management's plan and budget for the purpose of assessing impairment indicators. • Extended inquiries to individuals outside of the accounting department to corroborate management's ability and intent to carry out plans that are relevant to developing the estimate. • Reviewed the financial statements to ensure all relevant disclosures are appropriately included in relation to intangible exploration assets.
Key observations	We have no observations that impact on our audit in respect of impairment of intangible exploration assets.

5.3. Cossack, Wanaea, Lambert, and Hermes (CWLH) acquisition NEW

Key audit matter description	On 1 November 2022, the Group completed the acquisition of a non-operated 16.67% working interest in the Cossack, Wanaea, Lambert, and Hermes ("CWLH") oil fields development (the "North West Shelf Oil Project") which are assets based in offshore Australia. There is a risk associated with the acquisition accounting in accordance with IFRS 3 *Business Combinations* and IFRS 11 *Joint Arrangements*, given the judgements by management around elements such as the application of the appropriate accounting treatment and the determination of the fair value of contingent consideration, oil and gas properties and asset replacement obligations. We have identified a key audit matter related to the CWLH acquisition as this is a key area of management judgement and estimation and involved a significant allocation of resources and directing efforts of engagement team. Refer to Notes 2 and 18 to the financial statements.
How the scope of our audit responded to the key audit matter	In order to address this matter we have: • Assessed the design and determined the implementation of management's relevant controls around accounting for acquisitions in line with IFRS. • Reviewed the purchase agreement to identify key elements related to the acquisition and assessed whether they are appropriately reflected in the accounting treatment adopted. • Reviewed the measurement of consideration, including contingent consideration, and determination of what is part of the business combination to ensure appropriate recognition in line with IFRS. • Challenged management's assessment of the acquisition including application of IFRS 11 and the concentration test set out in IFRS 3 to determine whether the transaction is a business combination or asset acquisition. • Challenged the appropriateness and fair value of assets and liabilities identified by management, including identifiable intangible assets, with reference to relevant supporting documentation and relevant accounting standards including IFRS 3 and IAS 38 *Intangible Assets*. • Assessed the competence, capability and objectivity of management's expert involved in the valuation of assets and liabilities as part of the acquisition. • Engaged internal reserves and valuation specialists as part of our engagement team to challenge the key assumptions underlying the fair values of identified assets and liabilities, including oil price, discount rate and reserves. • Reviewed the financial statements to ensure all relevant disclosures are appropriately included in relation to the acquisition.
Key observations	We have no observations that impact on our audit in respect of the CWLH acquisition.

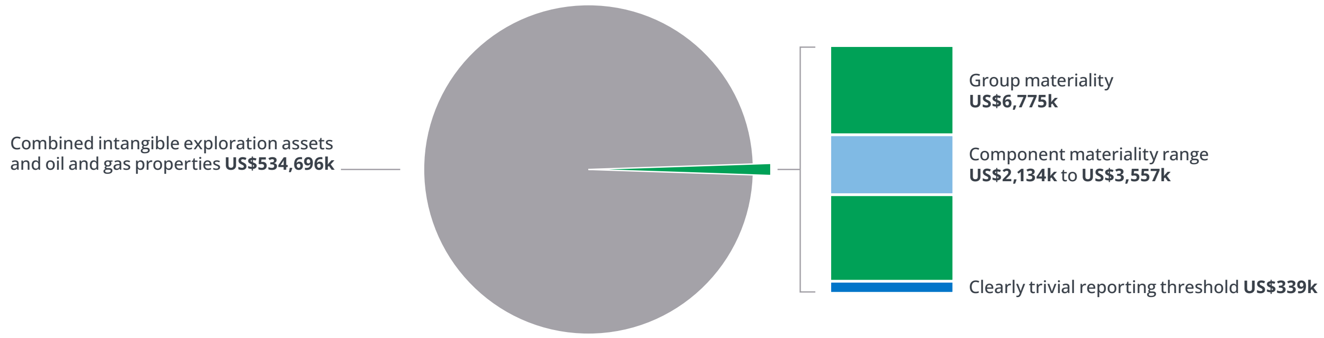
6 OUR APPLICATION OF MATERIALITY

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	US$6,775,000 (2021: US$4,441,000)	US$2,134,125 (2021: US$2,220,500)
Basis for determining materiality	1.25% of combined intangible exploration assets and oil and gas properties, rounded up to the determined figure.	1% of net assets which was reduced to component materiality in order to reduce aggregation risk.
Rationale for the benchmark applied	The benchmark set out above is appropriate because there is a direct correlation with the future economic performance of the Group which is a primary focus of users of the financial statements. This benchmark also tends to be less volatile than other possible benchmarks.	The benchmark set out above is appropriate as it is stable and reflects the limited operations of the parent company given its purpose is to hold investments in subsidiaries which is a focus of users of the financial statements.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2021: 80%) of Group materiality	70% (2021: 80%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered a number of factors. a) our understanding of the entity and its environment and the impact of various macro-economic factors; b) the nature of the business has remained consistent to that of the prior year c) the high degree of centralisation and common processes within the Group's finance function; d) new accounting issues that require significant judgement such as the CWLH acquisition, shut-in of the Montara project and impairment of non-operated contracts; e) the nature, volume and size of corrected and uncorrected misstatements in the prior year audit; f) the likelihood of the prior year misstatements to reoccur in the current year audit; and g) our understanding of the Group's control environment including entity-level controls and consideration of control deficiencies identified.	

6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of US$338,750, (2021: US$222,050) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7 AN OVERVIEW OF THE SCOPE OF OUR AUDIT

7.1. Identification and scoping of components

We determined the scope of our group audit by obtaining an understanding of the Group and its environment and assessing the risks of material misstatement at the group level. The Group consists of 24 components with a presence in 10 jurisdictions. There has been a change in components in scope in the current year to include Jadestone Energy (CWLH) Pty Ltd following the acquisition in the current year.

Nine components were deemed significant components and subject to full scope audits based on financial significance by considering key benchmarks.
1. Jadestone Energy plc;
2. Jadestone Energy Holdings Limited;
3. Jadestone Energy (Australia) Pty Ltd;
4. Jadestone Energy (Eagle) Pty Ltd;
5. Mitra Energy (Vietnam Nam Du) Ltd;
6. Mitra Energy (Vietnam Tho Chu) Ltd;
7. Jadestone Energy (Lemang) Pte Ltd;
8. Jadestone Energy (PM) Inc; and
9. Jadestone Energy (CWLH) Pty Ltd.

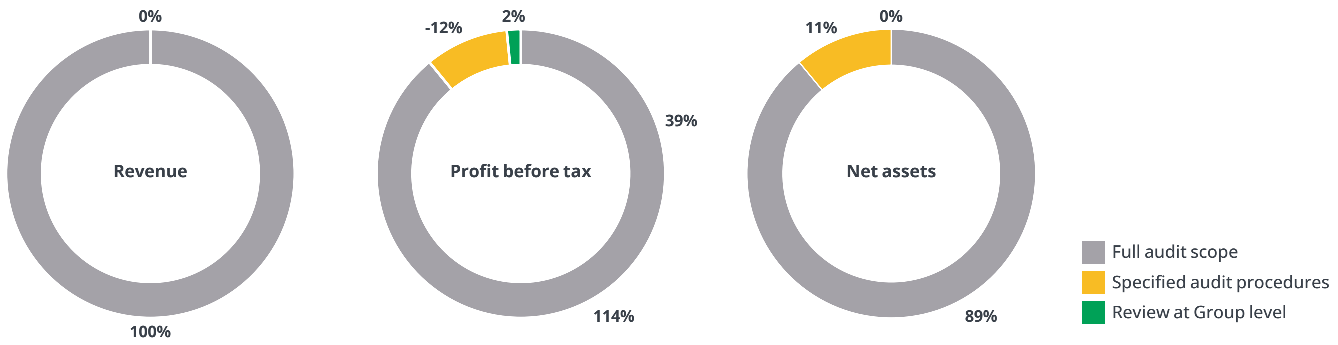
These significant components were located in United Kingdom, Australia, Vietnam, Indonesia and Malaysia and the component materialies ranged from US$2,124,125 to US$3,556,875.

Significant components were subject to a full audit of the component. This scope covered 100% of Group revenue, 114% of the Group's profit before tax and 89% of Group net assets.

Two components were subject to specific audit procedures completed by the group audit team:
1. Jadestone Energy (Singapore) Pte Ltd; and
2. Jadestone Energy Inc.

The scope covered when components subject to specified audit procedures completed by the group audit team are included is 102% of the Group's profit before tax and 100% of the Group's net assets. Scoped out balances are loss making resulting in coverage in excess of 100%.

At the parent company entity level, we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.



7.2. Our consideration of the control environment

We have not relied upon the GITCs (General Information Technology Controls) as part of our audit.

We developed an understanding of key relevant controls for the revenue business cycle. The operating effectiveness of controls was then tested through inquiries of management and staff responsible for the controls and a combination of inspection of documentation, reperformance of the control or observation of the control operating. Without providing an opinion on the effectiveness of the controls, we determined that it was appropriate to rely on the controls for this business cycle.

7.3. Our consideration of climate-related risks

The Group has set out its climate policy and net zero commitment in their sustainability review on pages 11 to 22. The Group have also identified climate change and resulting physical and transition risks as part of their principal risks and uncertainties in the strategic report on pages 11 to 22.

As part of our risk assessment process, we performed the following procedures:
- obtaining an understanding of management's process and controls in considering the impact of climate risks; and
- assessing whether the risks identified by management within their climate-related risk assessment and related documentation were complete

The Group considered the impact of climate change on assumptions used in disclosing critical judgements and key estimates recorded in the financial statements as part of their assessment of future cash flows as stated in Note 2 to the financial statements.

As part of our procedures in respect to the risk identified, we obtained management's climate related risk assessment and made inquiries of management to understand their process for considering the impact of climate-related risks. We have considered the impact of climate change on assumptions used in disclosing critical judgements and key estimates recorded in the financial statements as part of the assessment of future cash flows. Our internal sustainability specialists were engaged to assess the climate-related disclosures and evaluate the consistency of climate-related disclosures included in other information within the financial statements.

We have also read the Group's disclosure of climate-related information in the front half of the annual report, including the sustainability review on pages 11 to 22.

7.4. Working with other auditors

Direction and supervision was provided to component auditors through a combination of:
- issuance of group referral instructions;
- upfront team briefings to all component teams including risk assessment discussions;
- coordination of discussions with internal reserves and valuation specialists involved in work performed by components;
- regular progress calls and ongoing involvement in responding to significant risks;
- component visits to revenue-generating components; and
- detailed workpaper reviews.

8 OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9 RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

10 AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11 EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Director remuneration, bonus levels and performance targets;
- results of our enquiries of management, the Directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance other than the loss of containment of oil that occurred at the Montara Venture FPSO on 17 June 2022 and the subsequent and ongoing investigation by the National Offshore Petroleum Safety and Environmental Management Authority ("NOPSEMA");
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including reserves specialists, valuation specialists, sustainability specialists and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in respect to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, AIM Regulations and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's or parent company's ability to operate or to avoid a material penalty. These included the Group's operating licences, health and safety legislation, anti-bribery legislation and environmental regulations in the locations in which the Group and parent company operates.

11.2. Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Directors, the audit committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with relevant regulatory authorities such as NOPSEMA;
- reviewing the disclosures in note 42 relating to the loss of containment of oil that occurred at the Montara Venture FPSO on 17 June 2022 and the subsequent and ongoing investigation by NOPSEMA;
- understanding the direct and indirect effects of identified areas of non-compliance including making enquiries of legal advisors;
- in addressing the risk of fraud in revenue recognition, we assessed the appropriateness of the revenue recognition criteria for each revenue stream with reference to IFRS 15 *Revenue from Contracts with Customers* and have tested a statistical sample of sales transactions to ensure each performance obligation was satisfied before the allocated revenue was recognised with reference to relevant supporting documentation including evidence of shipment to ensure that they represented valid sales transactions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12 OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

13 MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

13.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14 USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cathal Treacy (Senior statutory auditor), For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Auditor, Deloitte & Touche House, Charlotte Quay, Limerick, Ireland
7 June 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Notes	2022 USD'000	2021 Restated* USD'000
Continuing operations			
Revenue	4 & 40	421,602	340,194
Production costs	5	(250,700)	(211,896)
Depletion, depreciation and amortisation	6	(61,834)	(80,215)
Administrative staff costs	7	(29,218)	(25,068)
Other expenses	10	(22,305)	(26,181)
Impairment of assets	12	(13,534)	-
Other income	13	28,033	7,682
Finance costs	14	(11,408)	(9,075)
Other financial gains	15	1,904	266
Profit/(Loss) before tax		**62,540**	**(4,293)**
Income tax expense	16	(54,018)	(12,780)
Profit/(Loss) for the year		**8,522**	**(17,073)**
Profit/(Loss) per ordinary share			
Basic and diluted (US$)	18	0.02	(0.04)
Profit/(Loss) for the year, representing total comprehensive income for the year		**8,522**	**(17,073)**

* Certain 2021 comparative information has been restated. Please refer to Note 45.

All comprehensive income is attributable to the equity holders of the parent.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Notes	2022 USD'000	2021 Restated* USD'000
ASSETS			
Non-current assets			
Intangible exploration assets	21	77,928	93,241
Oil and gas properties	22	456,768	353,592
Plant and equipment	23	7,318	8,963
Right-of-use assets	24	8,193	13,852
Other receivables and prepayment	28	90,590	48,500
Deferred tax assets	26	9,118	26,389
Cash and cash equivalents	29	676	852
Total non-current assets		**650,591**	**545,389**
Current assets			
Inventories	27	18,911	23,299
Trade and other receivables	28	20,368	32,578
Tax recoverable	16	9,725	9,367
Cash and cash equivalents	29	122,653	117,013
Total current assets		**171,657**	**182,257**
Total assets		**822,248**	**727,646**
EQUITY AND LIABILITIES			
Equity			
Capital and reserves			
Share capital	30	339	358
Share premium account	30	983	201
Merger reserve	32	146,270	146,270
Share-based payments reserve	33	26,907	25,936
Capital redemption reserve	34	21	-
Accumulated losses		(51,787)	(35,023)
Total equity		**122,733**	**137,742**
Non-current liabilities			
Provisions	35	508,539	410,697
Lease liabilities	36	2,880	4,504
Deferred tax liabilities	26	88,406	66,166
Total non-current liabilities		**599,825**	**481,367**
Current liabilities			
Lease liabilities	36	6,227	11,161
Trade and other payables	38	73,752	70,107
Provisions	35	703	930
Tax liabilities		19,008	26,339
Total current liabilities		**99,690**	**108,537**
Total liabilities		**699,515**	**589,904**
Total equity and liabilities		**822,248**	**727,646**

* Certain 2021 comparative information has been restated and reclassified between line items. Please refer to Note 45.

The financial statements were approved by the Board of Directors and authorised for issue on 6 June 2023. They were signed on its behalf by:

Bert-Jaap Dijkstra
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Share capital USD'000	Share premium account USD'000	Merger reserve USD'000	Share-based payments reserve USD'000	Capital redemption reserves USD'000	Accumulated losses USD'000	Total USD'000
As at 1 January 2021	466,979	-	-	24,985	-	(331,322)	160,642
Loss for the year, representing total comprehensive income for the year	-	-	-	-	-	(17,073)	(17,073)
Capital reduction (Note 30)	(467,387)	-	146,270	-	-	321,117	-
Dividends paid (Note 31)	-	-	-	-	-	(7,745)	(7,745)
Share-based payments (Note 8)	-	-	-	951	-	-	951
Shares issued (Note 30)	766	201	-	-	-	-	967
Total transactions with owners, recognised directly in equity	**(466,621)**	**201**	**146,270**	**951**	**-**	**313,372**	**(5,827)**
As at 31 December 2021 (Restated)*	**358**	**201**	**146,270**	**25,936**	**-**	**(35,023)**	**137,742**
Profit for the year, representing total comprehensive income for the year	-	-	-	-	-	8,522	8,522
Dividends paid (Note 31)	-	-	-	-	-	(9,216)	(9,216)
Share-based payments (Note 8)	-	-	-	971	-	-	971
Shares issued (Note 30)	2	782	-	-	-	-	784
Share repurchases (Note 30)	(21)	-	-	-	21	(16,070)	(16,070)
Total transactions with owners, recognised directly in equity	**(19)**	**782**	**-**	**971**	**21**	**(25,286)**	**(23,531)**
As at 31 December 2022	**339**	**983**	**146,270**	**26,907**	**21**	**(51,787)**	**122,733**

* Certain 2021 comparative information has been restated. Please refer to Note 45.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Notes	2022 USD'000	2021 Restated* USD'000
Operating activities			
Profit/(Loss) before tax		62,540	(4,293)
Adjustments for:			
Depletion, depreciation and amortisation	6	61,834	80,215
Impairment of oil and gas properties	12	13,534	-
Finance costs	14	11,408	9,075
Change in provision	10	7,333	-
Allowance for slow moving inventories	10	3,768	2,624
Share-based payments	7	971	951
Unrealised foreign exchange loss/(gain)	10/13	245	(1,838)
Assets written off	10	212	5,332
Accretion income on Australian tax repayment plan	15	(1,904)	-
Reversal of impairment of amount due from joint arrangement partner	13	(912)	-
Interest income	13	(881)	(80)
Reversal of loss on oil derivatives	10	-	(471)
Accretion income on non-current VAT receivables	15	-	(266)
Operating cash flows before movements in working capital		**158,148**	**91,249**
Increase in trade and other receivables		(214)	(6,602)
(Increase)/Decrease in inventories		(1,096)	9,152
(Decrease)/Increase in trade and other payables		(2,471)	21,631
Cash generated from operations		**154,367**	**115,430**
Net tax paid		(33,130)	(11,834)
Net cash generated from operating activities		**121,237**	**103,596**
Investing activities			
Cash received from acquisition of CWLH Assets	18	5,750	-
Cash paid for acquisition of 10% interest of Lemang PSC	19	(500)	-
Cash received from acquisition of Peninsular Malaysia assets	20	-	29,252
Cash paid for acquisition of Peninsular Malaysia assets	20	-	(20,033)
Payment for oil and gas properties	22	(78,938)	(51,380)
Payment for plant and equipment	23	(356)	(682)
Payment for intangible exploration assets	21	(3,334)	(3,858)
Transfer from debt service reserve account	29	-	8,445
Interest received	13	881	80
Net cash used in investing activities		**(76,497)**	**(38,176)**
Financing activities			
Proceeds from issuance of shares	30	784	967
Shares repurchased	30	(16,070)	-
Dividends paid	31	(9,216)	(7,745)
Repayment of borrowings	37	-	(7,296)
Repayment of lease liabilities	37	(13,914)	(12,972)
Interest on lease liabilities paid	37	(769)	(1,222)
Interest on borrowings paid	37	-	(209)
Interest paid		(91)	(74)
Net cash used in financing activities		**(39,276)**	**(28,551)**
Net increase in cash and cash equivalents		**5,464**	**36,869**
Cash and cash equivalents at beginning of the year		117,865	80,996
Cash and cash equivalents at end of the year	29	**123,329**	**117,865**

* Certain 2021 comparative information has been restated and reclassified between line items. Please refer to Note 45.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1 CORPORATE INFORMATION

Jadestone Energy plc (the "Company" or "Jadestone") is an oil and gas company incorporated and registered in England and Wales. The Company's registration number is 13152520. The Company is the ultimate parent company of all Jadestone subsidiaries (the "Group"). These consolidated financial statements have been prepared for the Jadestone Energy Group and reflect the full financial year ended 31 December 2022 in respect of the ultimate parent company in accordance with IFRS (see Note 2).

The Company's shares are traded on AIM under the symbol "JSE".

The financial statements are expressed in United States Dollars ("US$" or "USD").

The Group is engaged in production, development, exploration and appraisal activities in Australia, Malaysia, Vietnam and Indonesia. The Group's producing assets are in the Vulcan (Montara) basin, Carnarvon (Stag) basin and Cossack, Wanaea, Lambert, and Hermes oil fields, located in offshore of Western Australia, and in the East Piatu, East Belumut, West Belumut and Chermingat fields, located in shallow water in offshore Peninsular Malaysia.

The Company's head office is located at 3 Anson Road, #13-01 Springleaf Tower, Singapore 079909. The registered office of the Company is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR United Kingdom.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in conformity with the requirements of the Companies Act 2006 (the "Act").

The financial statements have been prepared on the historical cost convention basis, except as disclosed in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories*, or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value adjustments are categorised into level 1, 2 or 3, based on the degree to which the inputs to the fair value adjustments are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

During 2022, the Group generated US$121.2 million of cash flow from operating activities and had net cash out flows of US$115.8 million from investing and financing activities, generating an increase in net cash of US$5.5 million to arrive at the year-end cash and cash equivalents of US$123.3 million.

Post year end up to 30 April 2023, the Group maintained a net cash balance between US$14.0 and US$90.0 million after borrowings and trade expenses. The Group made two contingent payments for a total of US$5.0 million, relating to the acquisition of the Cossack, Wanaea, Lambert and Hermes oil field development (the "North West Shelf Project" or "CWLH Assets") and the Peninsular Malaysia assets (the "PenMal Assets") (Notes 18 and 20). Separately, the Group paid US$27.8 million for the acquisition of an interest in Sinphuhorm gas field in February 2023 (Note 43). On 21 March 2023, Montara production restarted with lifting recommencing in June 2023 (Note 43).

On 17 February 2023, the Group entered into an interim loan facility with two international banks for US$50.0 million (the "Interim Facility"). The Interim Facility had a nine-month term ending on 15 November 2023, and was repaid via the reserves-based lending facility ("RBL"), on 1 June 2023 (Note 43).

On 19 May 2023, the Group announced that it had signed a new US$200.0 million RBL facility with a group of four international banks ("the RBL Banks"). The RBL facility provides for an uncommitted accordion of US$160.0 million, subject to incremental availability of bank debt. The RBL facility closed on 22 May 2023, following satisfaction of the conditions precedent (Note 43). The facility tenor is four years, with the final maturity date being the earlier of 31 March 2027 and the projected reserves tail date[1] (which is expected later). The borrowing base includes the Group's main producing assets being Montara, Stag, CWLH, Sinphuhorm, the PenMal Assets' PM323 and PM329 PSCs and the Group's development asset being the Lemang PSC. The Group is required to maintain a parent company financial covenant of consolidated net debt of 3.5 times annual EBITDAX. The entities in the RBL ringfence are required to hold a total minimum liquidity balance of US$15.0 million and cover forward looking capital expense for two quarters (Notes 39 and 43).

The Company has agreed an equity fundraising, comprising an underwritten placing, and subscription, pursuant to which it expects to issue 92,312,691 new ordinary shares, together with a director placing and subscription for 1,769,135 new ordinary shares, in each case at 45 pence per share, to raise aggregate net proceeds of US$50.0 million. The Company has also launched an open offer of up to 14,887,039 new ordinary shares, at 45 pence per share, to raise additional proceeds of up to EUR8.0 million (up to US$8.6 million).

In support of the equity fundraising, the Company has entered into an up to US$50.0 million equity underwrite debt facility agreement with Tyrus Capital Event S.à.r.l, the Company's largest shareholder. The equity underwrite facility will reduce pro-rata to the total funds raised from the equity fundraising and the open offer and therefore is expected to reduce to zero. However, to the extent the facility does not reduce to zero, it will mature with a bullet repayment on 31 December 2024, will bear interest at 13.5% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties. Further details are disclosed in Note 43.

In addition, the Company has entered into a committed standby working capital facility with Tyrus Capital Event S.à.r.l for a facility size of up to US$35.0 million. The standby working capital facility will reduce pro-rata to the total funds raised from the equity fundraising and the open offer in excess of US$50.0 million. The facility will mature with a bullet repayment on 31 December 2024. The facility bears interest of 15% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties.

The Directors have considered the going concern assessment period of up to 31 December 2024 (the "Review Period"). The Group regularly monitors its cash, funding and liquidity position. Near-term cash projections are revised and underlying assumptions reviewed, generally monthly, and longer-term projections are also updated regularly. The Group's latest cash forecast and analysis includes the RBL facility and the equity fundraising amounting to US$50.0 million. It also includes the Equity Underwrite and commitment from Tyrus Capital Event S.à.r.l for a [standby working capital] facility of up to US$35.0 million to generate the 'base case' which includes the Group's current financial position and changes in trading performance based on the current portfolio of assets excluding any future acquisitions.

The Group's cash forecast and scenario analysis is, among other factors, based on commodity prices per the current forward curve taking into account downside risks the associated impacts. In addition, under the RBL the Group will also undertake commodity hedging. Sensitivities were created and included, among others, a reasonably possible low case and high case oil price; and various hedging scenarios for duration and volumes.

Various risking scenarios, such as medium to long-term oil prices which could also be potentially impacted by the transition to a lower carbon economy, costs estimates (including inflation assumptions) for, and phasing of, operating and capital expenditure have been considered. In addition, the Group is also potentially exposed to potential production interruptions such as weather downtime and planned and unplanned shutdowns for workovers and repair and maintenance activities.

The Directors have assessed that based on the near-term cash projections for the Review Period, the Group will have sufficient cash resources in place throughout the Review Period, also after taking into consideration of the various risking scenarios.

Having taken into consideration the above factors, the Directors have reasonable expectation that the Group will continue in operational existence for the going concern period. Accordingly, they adopted the going concern basis in preparing these financial statements.

Adoption of new and revised standards

New and amended IFRS standards that are effective for the current year

In the current year, the Group adopted the following amendment that is effective from the beginning of the year and is relevant to its operations. The adoption of this amendment has not resulted in changes to the Group's accounting policies.

Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IFRS 3	Reference to Conceptual Framework
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to IFRSs	Annual Improvements to IFRS Standards 2018 – 2020

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following amendments to IFRS standards relevant to the Group that have been issued but are not yet effective:

Amendments to IAS 1[2]	Classification of Liabilities as Current or Non-current – Deferral of Effective Date
Amendments to IAS 1[2]	Non-current Liabilities with Covenants
Amendments to IAS 1 and Practice Statement 2[2]	Making Materiality Judgements – Disclosure of Accounting Policies
Amendments to IAS 8[2]	Definition of Accounting Estimates
Amendments to IAS 12[2]	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to IFRS 16[3]	Lease Liability in a Sale and Leaseback

For amendments that are effective from 1 January 2023, the Directors of the Group anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods. For amendments that are effective from 1 January 2024, the Directors of the Group are currently performing an assessment of the impact of these amendments and anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

1 Reserves tail date refers to the last day of the quarter immediately preceding the quarter in which the remaining borrowing base reserves is forecast to be 25 per cent (or less) of the initial approved borrowing base reserves.
2 Effective from 1 January 2023.
3 Effective from 1 January 2024.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries made up to 31 December of each year. Control is achieved where the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

Acquisitions of businesses, including joint operations which are assessed to be businesses, are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Company to the former owners of the acquiree, and equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree, or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer, in accordance with the method in IFRS 2 *Share-based Payment* at the acquisition date; and
- Assets, or disposal groups, that are classified as held for sale in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration, that do not qualify as measurement period adjustments, depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as a liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as at that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one year from acquisition date.

Where an interest in a production sharing contract ("PSC") is acquired by way of a corporate acquisition, the interest in the PSC is treated as an asset purchase unless the acquisition of the corporate vehicle meets the definition of a business and the requirements to be treated as a business combination.

Accounting for transaction that is not a business combination

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an 'asset acquisition'. In such circumstances, the acquirer:

- Identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38) and liabilities assumed; and
- Allocates the cost of acquiring the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase.

Transaction costs in an asset acquisition are generally capitalised as part of the cost of the assets acquired in accordance with applicable standards.

Foreign currency transactions

The Group's consolidated financial statements are presented in USD, which is the parent's functional currency and presentation currency. The functional currencies of subsidiaries are determined based on the economic environment in which they operate.

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income. There is no foreign currency translation reserve created at the Group level as the functional currencies of all subsidiaries are denominated in USD.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS standards applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Changes to the Group's interest in a PSC usually require the approval of the appropriate regulatory authority. A change in interest is recognised when:

- Approval is considered highly likely; and
- All affected parties are effectively operating under the revised arrangement.

Where this is not the case, no change in interest is recognised and any funds received or paid are included in the statement of financial position as contractual deposits.

Exploration and evaluation costs

The costs of exploring for and evaluating oil and gas properties, including the costs of acquiring rights to explore, geological and geophysical studies, exploratory drilling and directly related overheads such as directly attributable employee remuneration, materials, fuel used, rig costs and payments made to contractors are capitalised and classified as intangible exploration assets ("E&E assets").

If no potentially commercial hydrocarbons are discovered, the E&E assets are written off through profit or loss as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried as intangible exploration costs, 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 E&E assets.

All such capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at the end of each reporting period. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When such intent no longer exists, or if there is a change in circumstances signifying an adverse change in initial judgment, the costs are written off.

When commercial reserves of hydrocarbons are determined and development is approved by management, the relevant expenditure is transferred to oil and gas properties. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proved or probable reserves are determined to exist. The determination of proved or probable reserves is dependent on reserve evaluations which are subject to significant judgments and estimates.

Costs related to geological and geophysical studies that relate to blocks that have not yet been acquired, and costs related to blocks for which no commercially viable hydrocarbons are expected, are taken direct to the profit or loss and have been disclosed as exploration expenses.

Oil and gas properties

Producing assets

The Group recognises oil and gas properties at cost less accumulated depletion, depreciation and impairment losses. Directly attributable costs incurred for the drilling of development wells and for the construction of production facilities are capitalised, together with the discounted value of estimated future costs of decommissioning obligations. Workover expenses are recognised in profit or loss in the period in which they are incurred, unless it generates additional reserves or prolongs the economic life of the well, in which case it is capitalised. When components of oil and gas properties are replaced, disposed of, or no longer in use, they are derecognised.

Depletion and amortisation expense

Depletion of oil and gas properties is calculated using the units of production method for an asset or group of assets, from the date in which they are available for use. The costs of those assets are depleted based on proved and probable reserves.

Costs subject to depletion include expenditures to date, together with approved estimated future expenditure to be incurred in developing proved and probable reserves. Costs of major development projects are excluded from the costs subject to depletion until they are available for use.

The impact of changes in estimated reserves is dealt with prospectively by depleting the remaining carrying value of the asset over the remaining expected future production. If reserves estimates are revised downwards, earnings could be affected by higher depletion expense, or an immediate write-down of the property's carrying value.

Depletion amount calculated based on production during the year is adjusted based on the net movement of crude inventories at year end against beginning of the year, i.e., depletion cost for crudes produced but not lifted are capitalised as part of cost of inventories and recognised as depletion expense when lifting occurs.

Asset restoration obligations

The Group estimates the future removal and restoration costs of oil and gas production facilities, wells, pipelines and related assets at the time of installation or acquisition of the assets, and based on prevailing legal requirements and industry practice. In most instances, the removal of these assets will occur many years in the future. The estimates of future removal costs are made considering relevant legislation and industry practice and require management to make judgments regarding the removal date, the extent of restoration activities required, and future removal technologies.

Site restoration costs are capitalised within the cost of the associated assets, and the provision is stated in the statement of financial position at its total estimated present value. These costs are based on judgements and assumptions regarding removal dates, technologies, and industry practice. This estimate is evaluated on a periodic basis and any adjustment to the estimate is applied prospectively. Changes in the estimated liability resulting from revisions to estimated timing, amount of cash flows, or changes in the discount rate are recognised as a change in the asset restoration liability and related capitalised asset restoration cost within oil and gas properties.

The Malaysian and Indonesian regulators require upstream oil and gas companies to contribute to an abandonment cess fund, including making periodic cess payments, throughout the production life of the oil or gas field. The cess payment amount is assessed based on the estimated future decommissioning expenditures. For operated licences, the cess payment paid is classified as non-current receivables as the cess payment paid is reclaimable by the Group in the future following the commencement of decommissioning activities. For non-operated licences, the cess payment paid reduces the asset restoration liability.

An abandonment trust fund was set up as part of the acquisition of the CWLH Assets to ensure there are sufficient funds available for decommissioning activities at the end of field life. The payment paid into the trust fund is classified as non-current receivables as the amount is reclaimable by the Group in the future following the commencement of decommissioning activities.

The change in the net present value of future obligations, due to the passage of time, is expensed as an accretion expense within financing charges. Actual restoration obligations settled during the period reduce the decommissioning liability.

Capitalised asset restoration costs are depleted using the units of production method (see above accounting policy).

Borrowing costs

Borrowing costs are allocated to periods over the term of the related debt, at a constant rate on the carrying amount. Borrowings, as shown on the consolidated statement of financial position, are net of arrangement fees and issue costs, and the borrowing costs are amortised through to the statement of profit or loss and other comprehensive income as finance costs over the term of the debt.

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.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

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 the statement of profit or loss in the period in which they are incurred.

Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets evenly over their estimated useful lives, on the following:

- Computer equipment: 3 years; and
- Fixtures and equipment: 3 years.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Materials and spares which are not expected to be consumed within the next twelve months from the year end are classified as plant and equipment.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If the ownership of the underlying asset in a lease is transferred, or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of oil and gas properties, plant and equipment, right-of-use assets and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its oil and gas properties, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The impairment is determined on each individual cash-generating unit basis (i.e., individual oil or gas field or individual PSC). Where there is common infrastructure that is not possible to measure the cash flows separately for each oil or gas field or PSC, then the impairment is determined based on the aggregate of the relevant oil or gas fields or the combination of two or more PSCs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal ("FVLCOD") and value in use. In assessing 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 for which estimates of future cash flows have not been adjusted. FVLCOD will be assessed on a discounted cash flow basis where there is no readily available market price for the asset or where there are no recent market transactions. Assumptions relating to forecast capital expenditures that enhance the productive capacity can be included in the discounted cash flows model, but only to the extent that a typical market participant would take a consistent view. The post-tax discounted cash flows are compared against the carrying amount of the asset on an after-tax basis; that is, after deducting deferred tax liabilities relating to the asset or group of assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined as follows:

- Petroleum products, comprising primarily of extracted crude oil stored in tanks, pipeline systems and aboard vessels, and natural gas, are valued using weighted average costing, inclusive of depletion expense; and
- Materials, which include drilling and maintenance stocks, are valued at the weighted average cost of acquisition.

Net realisable value represents 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. The Group uses its judgement to determine which costs are necessary to make the sale considering its specific facts and circumstances, including the nature of the inventories. If the carrying value exceeds net realisable value, a write-down is recognised. The write-down may be reversed in a subsequent period if the inventory is still on hand, but the circumstances which caused the write-down no longer to exist.

Provision for slow moving materials and spares are recognised in the "other expenses" (Note 10) line item in profit or loss as they are non-trade in nature.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date basis, where the purchases or sales of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are measured subsequently in their entirety, at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the financial instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and at fair value through other comprehensive income. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in "other income" (Note 13) line item.

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss model comprise trade and other receivables. While cash and bank balances are also subject to the impairment requirements of IFRS 9 *Financial Instruments*, the expected credit loss allowances are not expected to be significant due to the banks have external credit ratings of 'investment grade' in accordance with the globally understood definition.

The Group's trade and other receivables are primarily with counterparties to oil and gas sales, joint arrangement partners and non-trade related parties.

The concentration of credit risk relates to the Group's single customer with respect to oil sales in Australia, and a different single customer for oil and gas sales in Malaysia. Both customers have an A2 credit rating (Moody's). All trade receivables are generally settled 30 days after the sale date. In the event that an invoice is issued on a provisional basis then the final reconciliation is paid within three days of the issuance of the final invoice, largely mitigating any credit risk.

The Group recognises lifetime expected credit loss ("ECL") for trade receivables. The expected credit losses on these financial assets are estimated based on days past due, applying expected non-recoveries for each group of receivables.

The Group measures the loss allowance for other receivables and amounts due from joint arrangement partners at an amount equal to 12 months ECL, as there is no significant increase in credit risk since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's debtors operate, based on consideration of various external sources of actual and forecast economic information plus environment impacts that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available), or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them, as appropriate, to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default, for internal credit risk management purposes, as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses
The measurement of ECL is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default), and the exposure at default. The assessment of the probability of default, and loss given default, is based on historical data adjusted by forward looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, together with any additional amounts expected to be drawn down in the future by the default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract, and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, except for assets for which the simplified approach was used.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership, and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all of the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collaterialised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivables, is recognised in the profit or loss.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost, using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, or when the continuing involvement approach applies, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL.

A financial liability other than a contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities classified as at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in either "other financial gains" (Note 15) or "finance costs" (Note 14) line item in profit or loss.

Financial liabilities measured subsequently at amortised cost
Other financial liabilities are measured subsequently at amortised cost, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised, and the consideration paid and payable, is recognised in profit or loss.

Equity instruments
Ordinary shares issued by the Company are classified as equity and recorded at the par value in the share capital account and the fair value of the proceeds received recorded in the share premium account.

Fair value estimation of financial assets and liabilities
The fair value of current financial assets and liabilities carried at amortised cost, approximate their carrying amounts, as the effect of discounting is immaterial.

Share-based payments
Share-based incentive arrangements are provided to employees, allowing them to acquire shares of the Company.

The fair value of equity-settled options granted is recognised as an employee expense, with a corresponding increase in equity.

Equity-settled share options are valued at the date of grant using the Black-Scholes pricing model, and are charged to operating costs over the vesting period of the award. The charge is modified to take account of options granted to employees who leave the Group during the vesting period and forfeit their rights to the share options. In the case of market-related performance conditions, the Group revises its estimates of the number of equity instruments expected to vest at the end of the reporting period. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date at which the entity obtains the goods or the counterparty renders the service.

Leases
The Group as lessee
The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as personal computers, small items of office furniture and telephones). 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 lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its estimated incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in substance fixed payments).

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease

liability (using the effective interest method), and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

During the year, the Group did not make any such adjustments.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments

made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Impairment of Assets" policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate standalone price of the non-lease components.

Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, and where the effect of the time value of money is material. The provisions held by the Group are asset restoration obligations, contingent payments, employee benefits and incentive scheme, as set out in Note 35.

Retirement benefit obligations

Payments to defined contribution retirement benefit plans are charged as an expense as and when employees have tendered the services entitling them to the contributions. Payments made to state managed retirement benefit schemes, such as Malaysia's Employees Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. The Group does not have any defined benefit plans.

Revenue

Revenue from contracts with customers is recognised in the profit or loss when performance obligations are considered met, which is when control of the hydrocarbons are transferred to the customer.

Revenue from the production of oil and gas, in which the Group has an interest with other producers, is recognised based on the Group's working interest and the terms of the relevant production sharing contracts.

Liquids production revenue is recognised when the Group gives up control of the unit of production at the delivery point agreed under the terms of the sale contract. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism. The amount of production revenue recognised is based on the agreed transaction price and volumes delivered. In line with the aforementioned, revenue is recognised at a point in time when deliveries of the liquids are transferred to customers.

Gas production revenue is meter measured based on the hydrocarbon volumes delivered. The volumes delivered over a calendar month are invoiced based on monthly meter readings. The price is either fixed (gas) or linked to an agreed benchmark (high sulphur fuel oil) in advance. This methodology is considered appropriate as it is normal business practice under such arrangements. In line with the aforementioned, revenue is recognised at a point in time when deliveries of the gas are transferred to the customer.

A receivable is recognised once transfer has occurred, as this represents the point in time at which the right to consideration becomes unconditional, and only the passage of time is required before the payment is due.

Under/Overlift

Offtake arrangements for oil and gas produced in certain of the Group's jointly owned operations may result in the Group not receiving and selling its precise share of the overall production in a period. The resulting imbalance between the Group's cumulative entitlement and share of cumulative production less stock gives rise to an underlift or overlift.

Entitlement imbalances in under/overlift positions and the movements in inventory are included in production costs (Note 5). An overlift liability is measured on the basis of the cost of production and represents a provision for production costs attributable to the volumes sold in excess of entitlement. The underlift asset is measured at the lower of cost and net realisable value, consistent with IAS 2, to represent a right to additional physical inventory. A underlift of production from a field is included in current receivables and an overlift of production from a field is included in current liabilities.

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income, because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted, in countries where the Company and its subsidiaries operate, by the end of the reporting period.

Petroleum resource rent tax (PRRT)

PRRT incurred in Australia is considered for accounting purposes to be a tax based on income. Accordingly, current and deferred PRRT expense is measured and disclosed on the same basis as income tax.

PRRT is calculated at the rate of 40% of sales revenues less certain permitted deductions and is tax deductible for income tax purposes. For Australian corporate tax purposes, PRRT payment is treated as a deductible expense, while PRRT refund is treated as an assessable income. Therefore, for the purposes of calculating deferred tax, the PRRT tax rate is combined with the Australian corporate tax rate of 30% to derive a combined effective tax rate of 28%.

Malaysia Petroleum Income Tax (PITA)

PITA incurred in Malaysia is considered for accounting purposes to be a tax based on income derived from petroleum operations. Accordingly, current and deferred PITA expense is measured and disclosed on the same basis as income tax.

PITA is calculated at the rate of 38% of sales revenues less certain permitted deductions and deferred tax is calculated at the same rate.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not utilised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests, are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted, by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Other taxes

Revenue, expenses, assets, and liabilities are recognised net of the amount of goods and services tax ("GST") or value added tax ("VAT") except:

- When the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST/VAT included.

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

Cash and bank balances

Cash and bank balances comprise cash in hand and at bank, and other short-term deposits held by the Group with maturities of less than three months. Restricted cash and cash equivalents balances are those which meet the definition of cash and cash equivalents but are not available for use by the Group.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgments

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following is the critical judgement, apart from those involving estimates (see below) that management has made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

a) Acquisitions, divestitures and/or assignment of interests

The Group accounts for acquisitions and divestitures by considering if the acquired or transferred interest relates to that of an asset, or of a business as defined in IFRS 3 *Business Combinations* paragraph B7, B8 and Appendix A, in so far as those principles do not conflict with the guidance in IFRS 11 *Joint Arrangements* paragraph 21A. Accordingly, the Group considers if there is the existence of business elements as defined in IFRS 3 (e.g., inputs and substantive processes), or a group of assets that includes inputs and substantial processes that together significantly contribute to the ability to create outputs and providing a return to investors or other economic benefits. The justifications for this assessment on both acquisition of the CWLH Assets and the 10% remaining interest in the Lemang PSC have been set out in Notes 18 and 19, respectively.

b) Impairment of oil and gas properties and intangible exploration assets

The Group assesses each asset or cash-generating unit ('CGU') (excluding goodwill, which is assessed annually regardless of indicators) in each reporting period to determine whether any indication of impairment exists. Assessment of indicators of impairment or impairment reversal and the determination of the appropriate grouping of assets into a CGU or the appropriate grouping of CGUs for impairment purposes require significant management judgement. For example, individual oil and gas properties may form separate CGUs whilst certain oil and gas properties with shared infrastructure may be grouped together to form a single CGU. Alternative groupings of assets or CGUs may result in a different outcome from impairment testing. See Note 12 for details on how these groupings have been determined in relation to the impairment testing of oil and gas properties.

For the intangible exploration assets, the Group takes into consideration the technical feasibility and commercial viability of extracting a mineral resource and whether there is any adverse information that will affect the final investment decision.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Deferred taxes

The Group recognises the net future economic benefit of deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and the carry forward of unutilised tax credits and unutilised tax losses can be utilised accordingly. Assessing the recoverability of deferred income tax, PRRT and PITA assets require the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and 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 tax assets as recorded in the statement of financial position, could be impacted.

The carrying amount of the Group's deferred tax assets are disclosed in Note 26 to the financial statements.

Sensitivity analysis

Sensitivities have been run on the oil price assumption, with a 10% change to the price assumptions used at year end, sourced from independent third party, ERCE being considered a reasonable possible change for the purposes of sensitivity analysis. A 10% decrease/increase in oil price would not result in a change in the deferred tax asset recognised by the Group due to the unrecognised deferred tax assets being associated with the unwinding of provision of asset retirement obligations in the future during the decommissioning period. The Group is not expected to be in taxable profit position during the decommissioning period to enable it to utilise the unrecognised deferred tax assets at year end.

b) Reserves estimates

The Group's estimated reserves are management assessments, and are audited by an independent third party, which involves reviewing various assumptions, interpretations and assessments. These include assumptions regarding commodity prices, exchange rates, future production, transportation costs, climate related risks and interpretations of geological and geophysical models to make assessments of the quality of reservoirs and the anticipated recoveries. Changes in reported reserves can impact asset carrying amounts, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, depletion and amortisation charged to the statement of profit or loss and other comprehensive income, and the calculation of inventory. Based on the analysis performed, management does not expect a 5% increase/decrease in the reserves estimates would significantly impact the carrying amounts of the assets and liabilities of the Group at year end. Management considers 5% movements to the existing reserves a reasonable assumption based on the historical technical adjustments during the annual reserves audit performed by an independent third party.

c) Impairment of oil and gas properties and intangible exploration assets

For the impairment assessment of oil and gas properties, management assesses the recoverable amounts using the FVLCOD approach. The post-tax estimated future cash flows are prepared based on estimated reserves, future production profiles, future hydrocarbon price assumptions and costs. The future hydrocarbon price assumptions used are highly judgemental and may be subject to increased uncertainty given climate change and the global energy transition. Management further takes into consideration the impact of climate change on estimated future commodity prices with the application of the Paris aligned price assumptions.

The carrying amounts of intangible exploration assets, oil and gas properties and right-of-use assets are disclosed in Notes 21, 22 and 24, respectively.

The Group recognises that the climate change and energy transition is likely to impact the demand for oil and gas, thus affecting the future prices of these commodities and the timing of decommissioning activities. This in turn may affect the recoverable amount of the Group's oil and gas properties and intangible exploration assets, and the carrying amount of the asset retirement obligations provision. The Group acknowledges that there is a range of possible energy transition scenarios that may indicate different outcomes for oil prices. There are inherent limitations with scenario analysis and it is difficult to predict which, if any, of the scenarios might eventuate.

The Group has assessed the potential impacts of climate change and the transition to a lower carbon economy in preparing the consolidated financial statements, including the Group's current assumptions relating to demand for oil and gas and their impact on the Group's long-term price assumptions, and also taking into consideration the forecasted long-term prices and demand for oil and gas under the Paris aligned scenarios.

Management will continue to review various price assumptions such as Paris aligned price assumptions and demand in line with the scenarios based on decrease to emissions as the energy transition progresses and will take into consideration in the future impairment assessments. See further disclosures under the Sustainability Review section from pages 11 to 22.

Sensitivity analyses

Management assessed the impact of a change in cash flows in impairment testing arising from a 10% reduction in price assumptions used at year end, sourced from independent third party, ERCE and approved by management. The forecasted price assumptions are US$84.5/bbl in 2023, US$82.1/bbl in 2024, US$79.9/bbl in 2025, US$80.6/bbl in 2026 and an average of US$89.7/bbl from 2027 onwards. Management is of the view that these price assumptions are aligned with the Group's latest internal forecasts, reflecting long-term views of global supply and demand. The price assumptions used are reviewed and approved by management. Based on the analysis performed, management concluded that a 10% price reduction in isolation under the various scenarios would not impact the carrying amount of the Group's oil and gas properties.

Management also assessed the impact of the change in cash flows used in impairment testing arising from the application of the oil price assumptions under the Net Zero Emissions by 2050 Scenario plus the inclusion of carbon cost estimates as disclosed below. The oil prices under the Net Zero Emissions by 2050 Scenario for each asset are as follow:

	2023 US$/bbl	2024 US$/bbl	2025 US$/bbl	2026 US$/bbl	2027 US$/bbl	2028 onwards US$/bbl
Montara	88.3	84.2	81.8	73.8	65.8	45.9
Stag	88.3	84.2	81.8	73.8	65.8	44.6
CWLH Assets	88.3	84.2	81.8	73.8	65.8	46.7
PenMal Assets – PM323 PSC	88.3	84.2	81.8	73.8	65.8	57.8
PenMal Assets – PM329 PSC	88.3	84.2	81.8	73.8	65.8	47.5
Lemang PSC	88.3	84.2	81.8	73.8	65.8	45.3

The carbon costs estimates under the Net Zero Emissions by 2050 Scenario for each asset are as follow:

	2023 US$'000	2024 US$'000	2025 US$'000	2026 US$'000	2027 US$'000	2028 onwards US$'000
Montara	756	3,469	5,566	7,571	9,666	54,536
Stag	-	-	1,715	2,295	2,802	15,415
CWLH Assets	115	427	692	964	1,119	6,855
PenMal Assets – PM323 PSC	572	1,128	1,700	2,176	-	-
PenMal Assets – PM329 PSC	303	597	890	1,182	1,474	15,813
Lemang PSC	-	-	210	555	829	41,257

Based on the analysis performed, the reduction in operating cash flows under the Net Zero Emissions by 2050 Scenario would not result in an impairment on the carrying amount of the Group's oil and gas properties.

The oil price sensitivity analyses above do not, however, represent management's best estimate of any impairments that might be recognised as they do not fully incorporate consequential changes that may arise, such as reductions in costs and changes to business plans, phasing of development, levels of reserves and resources, and production volumes. As an example, as price reduces, it is likely that costs would decrease across the industry. The oil price sensitivity analysis therefore does not reflect a linear relationship between price and value that can be extrapolated.

Management also tested the impact of a 5% (2021: 5%) change to the discount rate used of 8.99% (2021: 10%) for impairment testing of oil and gas properties, and concluded that a 5% increase/decrease in the discount rate will not result in impairment as the net present value of either outcome is above the carrying amount of the Group's oil and gas properties at year end.

d) **Asset restoration obligations**

The Group estimates the future removal and restoration costs of oil and gas production facilities, wells, pipelines and related assets at the time of installation of the assets and reviewed subsequently at the end of each reporting period. In most instances the removal of these assets will occur many years in the future.

The estimate of future removal costs is made considering relevant legislation and industry practice and requires management to make judgments regarding the removal date, the extent of restoration activities required and future costs and removal technologies.

The carrying amounts of the Group's asset restoration obligations is disclosed in Note 35 to the financial statements.

While the transition to a lower carbon economy is currently ongoing, oil and gas demand is expected to remain a key element of the energy mix in the foreseeable future as oil and gas will still remain as one of primary energy sources globally while countries work to reduce emissions gradually over the coming years to achieve stated emission targets.

Therefore, given the useful lives of the Group's current portfolio of oil and gas assets of up to 2040, management does not expect the potential decline on oil prices as a result of climate change and the transition to a lower carbon economy will have a material adverse change to the operating cash flows of the Group during the lives of those assets and thus the carrying amounts of the Group's assets and liabilities will not be significantly impacted, as evidenced by the sensitivity analyses performed using price assumptions under the Net Zero Emissions by 2050 Scenario as disclosed on page 97.

Sensitivity analyses

Sensitivities have been run on the discount rate assumption, with a 1% change being considered a reasonable possible change for the purposes of sensitivity analysis. A 1% reduction in discount rate would increase the liability by US$53.3 million and a 1% increase in discount rate would decrease the liability by US$47.3 million. A 10% increase in current estimated costs would increase the liability by US$45.7 million and a 10% decrease in current estimated costs would decrease the liability by US$45.7 million. A one year deferral to the estimated decommissioning year of each asset as disclosed in Note 35 would decrease the liability by US$5.6 million and an acceleration of one year to the estimated decommissioning year as disclosed in Note 35 would increase the liability by US$5.7 million. Management considers the 1% movement to the discount rate, 10% to the current estimated costs and one year movement to the estimated decommissioning year a reasonable assumption based on the historical adjustments to the risk-free rates, base decommissioning costs and estimated decommissioning year.

4 REVENUE

The Group presently derives its revenue from contracts with customers for the sale of oil and gas products.

In line with the revenue accounting policies set out in Note 2, all revenue is recognised at a point in time.

	2022 USD'000	2021 USD'000
Liquids revenue	418,483	339,210
Gas revenue	3,119	984
	421,602	**340,194**

There was no hedge contract entered into by the Group during the year. In 2021, the Group entered into Australian commodity swap contracts hedging approximately 30% of its planned production for the period January to June. The commodity swap contracts were measured at FVTPL as opposed to hedge accounting, in part because the swap contracts covered a short time span, commenced and matured in the same reporting period. The swap contracts incurred a loss of US$4.6 million during the year which is recorded as other expense (Note 10).

5 PRODUCTION COSTS

	2022 USD'000	2021 Restated* USD'000
Operating costs	100,664	62,399
Workovers	10,190	67,006
Logistics	31,895	20,212
Repairs and maintenance	60,174	44,417
Tariffs and transportation costs	8,341	2,809
Underlift, overlift and crude inventories movement	39,436	15,053
	250,700	**211,896**

Operating costs predominately consists of offshore manpower costs of US$26.1 million (2021: US$26.8 million), chemicals, services, supplies and other production related costs for a total of US$38.3 million (2021: US$21.1 million), Malaysian supplementary payments totalled US$24.5 million (2021: US$8.3 million), insurance of US$4.8 million (2021: US$2.7 million) and non-operated assets production costs of US$3.3 million (2021: US$1.2 million). The Malaysian supplementary payments are payable under the terms of PSCs based on the Group's entitlement to profit from oil and gas. It is calculated at 70% of the excess revenue over the base price of the sale of oil as set out under the terms of PSCs. These supplementary payments are made to PETRONAS.

Underlift, overlift and crude inventories movement resulted in an expense of US$39.4 million (2021: US$15.1 million), mostly related to the CWLH Assets acquired in November 2022. At closing of the acquisition on 1 November 2022, the Group acquired an underlift position with a fair value of US$27.3 million (Note 18). The underlift position was recognised as an expense following a lifting which occurred in the middle of November 2022. At the year end, the Group is in an overlift position of 205,510 bbls (2021: underlift of 88,398 bbls) and accordingly has recognised a production expense of US$6.8 million (2021: production credit of US$1.5 million), measured at the lower of cost and net realisable value of US$32.94/bbl (2021: US$16.77/bbl). The overlift position at 2022 year end will unwind in 2023 based on the subsequent net productions entitled to the Group. The underlift position at 2021 year end had unwound in 2022.

Workovers in current year are recurring in nature. In 2021, the costs included the Montara subsea workovers for the Skua-10 and 11 wells of US$47.2 million, net of insurance claim receivable of US$10.3 million on the well control claim for the Skua-11 well workovers.

Repairs and maintenance in current year include Montara Skua-11 repairment works, solar engine change out and emergency tank repairs. In 2021, the costs included a once-in-every-three-year subsea flowline inspection and Swift North subsea control module change out at Montara and a once-in-five-year changeout of the under-buoy hose at Stag which totalled US$6.6 million.

6 DEPLETION, DEPRECIATION AND AMORTISATION ("DD&A")

	2022 USD'000	2021 USD'000
Depletion and amortisation (Note 22):	45,288	62,586
Depreciation of:		
Plant and equipment (Note 23)	616	508
Right-of-use assets (Note 24)	13,015	11,191
Crude inventories movement	2,915	5,930
	61,834	**80,215**

The depreciation of right-of-use assets in 2021 included US$1.5 million associated with the Skua-10 and 11 workovers.

The crude inventories movement represents additional/reversal of depletion expense recognised during the year based on the net movement of crude inventories at year end against beginning of the year. For the purpose of the consolidated statement of cash flows, this amount has been excluded from the movement in working capital.

The depletion charge is calculated based on units of production and adjusted based on the net movement of crude inventories at year end against beginning of the year. In 2022, the adjustment was for 94,989 bbls of crude inventories at the end of 2022 compared to 274,103 bbls at the end of 2021, mostly due to the cessation of production at Montara since August 2022, which resulted in an additional depletion charge of US$2.9 million.

* Certain 2021 comparative information has been restated. Please refer to Note 45.

7 ADMINISTRATIVE STAFF COSTS

	2022 USD'000	2021 USD'000
Wages, salaries and fees	24,825	21,066
Staff benefits in kind	3,422	3,051
Share-based compensation	971	951
	29,218	**25,068**

The compensations of Directors and key management personnel are included in the above and disclosed separately in Notes 9 and 44, respectively.

8 STAFF NUMBERS AND COSTS

The average number of employees (including Executive Directors) was:	2022 Number	2021 Number
Production	152	125
Technical	206	143
Administration	2	3
Management	9	7
	369	**278**

Staff costs are split between production costs (Note 5) for offshore personnel and administrative staff costs (Note 7) for onshore personnel.

Their aggregate remuneration comprised:	2022 USD'000	2021 USD'000
Wages and salaries	45,548	39,158
Social security costs	199	186
Defined contribution pension costs	3,573	3,177
Share-based compensation	971	951
	50,291	**43,472**
Contractors and consultants costs	4,976	8,363
	55,267	**51,835**

9 DIRECTORS' REMUNERATION AND TRANSACTIONS

	2022 USD'000	2021 USD'000
Directors' remuneration		
Salaries, fees, bonuses and benefits in kind	2,805	3,093
Gains on exercise of options	-	1,259
Amounts receivable under long term incentive plans	341	278
Money purchase pension contributions	78	96
	3,224	**4,726**
Remuneration of the highest paid Director:		
Salaries, fees, bonuses and benefits in kind	1,236	1,516
Gains on exercise of options	-	481
Amounts receivable under long term incentive plans	271	302
Money purchase pension contributions	65	63
	1,572	**2,362**
	Number	**Number**
The number of Directors who:		
Are members of a defined benefit pension scheme	-	-
Are members of a money purchase pension scheme	2	2
Exercised options over shares in the Company	-	2
Had awards receivable in the form of shares under a long-term incentive scheme	2	2

Since 2021, the Non-Executive Directors were not granted any options/shares under the Company's long term incentive plans.

10 OTHER EXPENSES

	2022 USD'000	2021 USD'000
Corporate costs	10,405	11,487
Change in provision – Lemang PSC contingent payments	7,333	-
Allowance for slow moving inventories	3,768	2,624
Assets written off	212	5,332
Net foreign exchange loss	442	950
Loss on valuation of oil derivatives	-	4,633
Other expenses	145	1,155
	22,305	**26,181**

Corporate costs consists of recurring operating expenses of the Group plus certain non-recurring costs such as business development costs of US$1.2 million (2021: US$3.2 million), professional fees in relation to internal reorganisation of US$0.2 million (2021: US$1.1 million) and external funding sourcing of US$0.2 million (2021: nil). The non-recurring corporate costs in 2021 included project transition costs of US$0.9 million.

The change in provision associated with the Lemang PSC contingent payments represents additional contingent payments related to the future Dated Brent prices and Saudi CP prices during the first and second years of production in the Lemang PSC (Note 35).

In 2021, the Group incurred a loss on valuation of oil derivatives that arose from the Australian commodity swap contracts entered for the period January to June. For the purpose of the consolidated statement of cash flows, the US$4.6 million included a reversal of loss on oil derivatives of US$0.5 million from 2020.

The Group has written off the office equipment located in the New Zealand office following the termination of the Maari acquisition in October 2022. The amount in prior year included the write-off of intangible exploration assets of US$5.3 million previously capitalised as they were not expected to generate future economic benefits.

For the purpose of the consolidated statement of cash flows, the net foreign exchange loss reported above in 2022 included a net unrealised loss of US$0.2 million.

11 AUDITOR'S REMUNERATION

The analysis of the auditor's remuneration is as follows:

	2022 USD'000	2021 USD'000
Fees payable to the Company's auditor for the audit of the parent company and Group's consolidated financial statements	517	413
Audit fees of the subsidiaries	390	415
	907	**828**

No fees were paid to the Group's auditors for non-audit services for either the Group or the Company in 2021 or 2022.

The audit fee in prior year represented the actual finalised fee agreed with the auditors.

12 IMPAIRMENT OF ASSETS

	2022 USD'000	2021 USD'000
Impairment of oil and gas properties (Note 22)	13,534	-

The impairment expense of US$13.5 million in current year relates to the oil and gas properties associated with the PenMal Assets's non-operated PSCs, which was treated as a single cash-generating unit, following the decision made by the operator to shut-in production after FPSO class suspension in February 2022. Management does not expect future economic inflows from the non-operated PSCs due to the uncertainty in respect to any potential restart date for production as at the 2022 year end until mutual agreement is reached between the Group and the operator on the future plans of the non-operated PSCs. Accordingly, the value in use of the non-operated PSCs is valued at nil as at the 2022 year end. The impairment was made in relation to the producing asset of the Group located in Southeast Asia as disclosed in Note 40.

On 14 April 2023, the Group signed a Withdrawal Agreement and Operatorship Transfer and Assistance Agreement with the previous operator, which sets out the terms and conditions of the Group's assumption of operatorship and the previous operator's continuing obligations and liabilities with respect to the non-operated PSCs. The Group sees the redevelopment of the non-operated PSCs at a 100% interest as a potentially significant opportunity for the Group. A redevelopment plan is currently being prepared and the Group plans to submit it to the regulator by mid-2023.

13 OTHER INCOME

	2022 USD'000	2021 USD'000
Interest income	881	80
Net foreign exchange gain	341	2,525
Insurance claims receipt	17,977	-
Other income	8,834	5,077
	28,033	**7,682**

Insurance claims receipt in 2022 represents the claim received at Montara for the compensation for the loss of production relating to drilling activities at the two Skua field wells in 2020. These insurance claims were settled and the cash was received in Q4 2022.

Other income consists of rental income from a helicopter rental contract (a right-of-use asset) to a third party of US$5.0 million (2021: US$4.5 million) and US$0.9 million related to income recognised for previously unrecognised amount due from joint arrangement partner.

For the purpose of the consolidated statement of cash flows, the net foreign exchange gain reported above in 2021 included a net unrealised gain of US$1.8 million.

14 FINANCE COSTS

	2022 USD'000	2021 USD'000
Interest expense	5	150
Accretion expense for asset retirement obligations (Note 35)	8,314	5,920
Changes in fair value of:		
PenMal Assets contingent payment (Note 35)	1,571	124
Lemang PSC contingent payments (Note 35)	349	314
Interest expense on lease liabilities	769	1,222
Accretion expense from non-current Lemang PSC VAT receivables	314	-
Other finance costs	86	1,345
	11,408	**9,075**

The second contingent payment arising from the acquisition of the PenMal Assets was recognised in full for an amount of US$3.0 million as at 31 December 2022 (Note 35), resulting in an increase in the provision of US$1.6 million. The amount was therefore recognised as an accrual as at 2022 year end.

The changes in fair value of the provision associated with the Lemang PSC of US$0.3 million represents adjustments to the previous recognised contingent payments, reflecting the effect of the time value of money.

Other finance costs in 2021 included accretion expense of US$1.2 million generated from an Australian Taxation Office ("ATO") 2019 repayment plan of US$43.3 million to support companies impacted by COVID-19. The repayment schedule was between December 2020 and June 2022 but the plan was fully repaid in May 2022.

15 OTHER FINANCIAL GAINS

	2022 USD'000	2021 USD'000
Accretion income from Australian tax repayment plan	1,904	-
Accretion income from non-current Lemang PSC VAT receivables	-	266
	1,904	**266**

Accretion income in 2022 was generated from the Australian Taxation Office ("ATO") 2019 repayment plan due to early settlement by the Group in May 2022.

16 INCOME TAX EXPENSE

	2022 USD'000	2021 Restated* USD'000
Current tax		
Corporate tax charge/(credit)	15,656	(486)
Under/(Over)provision in prior year	666	(270)
	16,322	**(756)**
Australian petroleum resource rent tax ("PRRT")	(1,121)	(1,374)
Malaysian petroleum income tax ("PITA")	11,899	9,469
	27,100	**7,339**
Deferred tax		
Corporate tax	14,149	5,246
PRRT	7,032	3,371
PITA	5,737	(3,176)
	26,918	**5,441**
	54,018	**12,780**

Jadestone Energy plc's tax domicile is Singapore and is subjected to Singapore's domestic corporate tax rate of 17%. Subsidiaries are resident for tax purposes in the territories in which they operate.

The Australian corporate income tax rate is applied at 30% of Australian corporate taxable income. PRRT is calculated at 40% of sales revenue less certain permitted deductions and is tax deductible for Australian corporate income tax purposes.

The Malaysian corporate income tax is applied at 24% on non-petroleum taxable income. PITA is calculated at 38% of sales revenue less certain permitted deductions and is tax deductible for Malaysian corporate income tax purposes.

During the year, Stag recorded a net PRRT expense of US$5.9 million (2021: US$2.0 million).

As at year end, Montara and the CWLH Assets have US$3.5 billion (2021: US$3.4 billion) and US$535.5 million of unutilised carried forward PRRT credits, respectively. Based on management's latest forecasts, the historic accumulated PRRT net losses are larger than cumulative future expected PRRT taxable profits. Accordingly, Montara and the CWLH Assets are not anticipated to incur any PRRT expense in the future of the asset.

The tax recoverable of US$9.7 million as at year end includes of a PITA receivable of US$5.1 million which arose from pre-economic effective date of the PenMal Assets acquisition which will be payable to SapuraOMV following the receipt of a tax refund. The Group has recognised the payable to SapuraOMV as at year end.

The tax expense on the Group's profit/(loss) differs from the amount that would arise using the standard rate of income tax applicable in the countries of operation as explained below:

	2022 USD'000	2021 Restated* USD'000
Profit/(Loss) before tax	**62,540**	**(4,293)**
Tax calculated at the domestic tax rates applicable to the profit/loss in the respective countries (Australia 30%, Malaysia 24% & 38%, Canada 27% and Singapore 17%)	20,292	1,906
Effects of non-deductible expenses	9,513	5,845
Effect of PRRT/PITA tax expense	10,778	8,095
Deferred PRRT/PITA tax expense	12,769	196
Effect of unutilised tax losses recognised as deferred tax asset	-	(2,992)
Under/(Over)provision in prior year	666	(270)
Tax expense for the year	**54,018**	**14,822**

* Certain 2021 comparative information has been restated. Please refer to Note 45.

17 PROFIT/(LOSS) PER ORDINARY SHARE

	2022 USD'000	2021 Restated* USD'000
Profit/(Loss) for the purposes of basic and diluted per share, being the net profit/(loss) for the year attributable to equity holders of the Company	8,522	(17,073)
	Number	**Number**
Weighted average number of ordinary shares for the purposes of basic EPS	461,959,228	463,567,519
Effect of diluted potential ordinary shares – share options	3,876,548	-
Effect of diluted potential ordinary shares – performance shares	334,163	-
Effect of diluted potential ordinary shares – restricted shares	202,823	-
Weighted average number of ordinary shares for the purposes of dilutive EPS	**466,372,762**	**463,567,519**

In 2021, 6,640,985 of weighted average potentially dilutive ordinary shares available for exercise from in the money vested options, associated with share options were excluded from the calculation of diluted EPS, as they are anti-dilutive in view of the loss for the year.

In 2021, 899,306 of weighted average contingently issuable shares associated under the Company's performance share plan based on the respective performance measures up to year end were excluded from the calculation of diluted EPS, as they are anti-dilutive in view of the loss for the year.

In 2021, 140,965 of weighted average contingently issuable shares under the Company's restricted share plan were excluded from the calculation of diluted EPS, as they are anti-dilutive in view of the loss for the year.

Profit/(Loss) per share (US$)	**2022**	**2021 Restated***
- Basic and diluted	0.02	(0.04)

18 ACQUISITION OF INTEREST IN CWLH JOINT OPERATION

18.1 Effective Date and Acquisition Date

On 28 July 2022, the Group executed a sale and purchase agreement ("SPA") with BP Developments Australia Pty Ltd ("BP") to acquire BP's non-operated 16.67% working interest in the Cossack, Wanaea, Lambert and Hermes oil field development (the "North West Shelf Project" or "CWLH Assets"), offshore Australia. The initial cash consideration was US$20.0 million plus two contingent payments of US$2.0 million each if the annual average Dated Brent price is equal to or above US$50/bbl in 2022 and US$60/bbl in 2023. The first contingent payment materialised as at year end and was paid in January 2023. Based on current oil prices and the outlook in the oil market, management believes the second contingent payment (in case Dated Brent price exceeds US$60/bbl) will likely materialise at the end of 2023.

In addition to the consideration and contingent payments, as part of this transaction, the Group is committed to pay a total of US$82.0 million into a decommissioning trust fund administered by the operator of the CWLH Assets. The first tranche of US$41.0 million was paid immediately prior to closing of the acquisition and two further payments of US$20.5 million each are due upon Offshore Petroleum & Greenhouse Gas Storage Act (2006) title registration, or as soon as practical after 31 December 2022, and before 31 December 2023, respectively.

The acquisition completed on 1 November 2022. The acquisition has an economic effective date of 1 January 2020, which meant the Group was entitled to net cash generated since effective date to completion date, resulting in net cash receipts of US$6.9 million at completion on 1 November 2022. On 17 May 2023, the Group received approval from the National Offshore Petroleum Titles Administrator ("NOPTA") for the title transfer.

The legal transfer of ownership and control of the non-operated 16.67% working interest in the CWLH Assets occurred on the date of completion, 1 November 2022 (the "Acquisition Date"). Therefore, for the purpose of calculating the purchase price allocation, management has assessed the fair value of the assets and liabilities associated with the CWLH Assets as at the Acquisition Date.

18.2 Acquisition of a 16.67% non-operated working interest

The CWLH Assets contain inputs (working interest in the CWLH Assets) and processes (existing organised workforce and onshore and offshore infrastructures managed by the operator), which when combined has the ability to contribute to the creation of outputs (oil). Accordingly, the CWLH Assets constitute a business and as a consequence, we have accounted for our acquisition of a 16.67% working interest in those assets using the accounting principles of business combinations accounting as set out in IFRS 3, and other IFRSs as required by the guidance in IFRS 11 paragraph 21A.

A purchase price allocation exercise was performed to identify, and measure at fair value, the assets acquired and liabilities assumed in the business combination. The consideration transferred was measured at fair value. The Group has adopted the definition of fair value under IFRS 13 *Fair Value Measurement* to determine the fair values, by applying Level 3 of the fair value measurement hierarchy.

* Certain 2021 comparative information has been restated. Please refer to Note 45.

18.3 Fair value of consideration

After taking into account various adjustments the net consideration for the CWLH Assets resulted in a cash receipt of US$6.9 million, as set out below:

	USD'000
Asset purchase price	20,000
Closing statement adjustments	(26,953)
Net cash receipts from the acquisition	**(6,953)***

Management assessed the fair value of the two deferred contingent payments by considering the forecasted Dated Brent prices and expects that both contingent payments will materialise. The contingent payment due at the end of 2023 was discounted using the Australian risk-free rate of 3.08%. The total fair value of these contingent payments was calculated at US$3.9 million, representing US$2.0 million and US$1.9 million for the 2022 and 2023 deferred contingent payments, respectively. The assessment of the contingent payments was performed as at 1 November 2022, based on the facts and circumstances existed as at that date. The 2022 payment materialised at year end and the amount was recognised in full as an accrual at year end. The payment was subsequently made in January 2023.

Fair value of purchase consideration	**USD'000**
Asset purchase price	20,000
Closing statement adjustments	(26,953)
Net cash receipts from the acquisition	**(6,953)***
Deferred contingent consideration	3,940
Fair value of purchase consideration	**(3,013)**

The Group considers that the purchase consideration and the transaction terms to be reflective of fair value for the following reasons:

- Open and unrestricted market: there were no restrictions in place preventing other potential buyers from negotiating with BP during the sales process period and there were a number of other interested parties in the formal sale process;
- Knowledgeable, willing but not anxious parties: both the Group and BP are experienced oil and gas operators under no duress to buy or sell. The process was conducted over several months which gave both parties sufficient time to conduct due diligence and prepare analysis to support the transaction; and
- Arm's length nature: the Group is not a related party to BP. Both parties had engaged their own professional advisors. There is no reason to conclude that the transaction was not transacted at arm's length.

18.4 Assets acquired and liabilities assumed at the date of acquisition

During the year, the Group has completed the provisional purchase price assessment ("PPA") to determine the fair values of the net assets acquired within 12 months from the Acquisition Date. The adjusted fair values of the identifiable assets and liabilities as at the Acquisition Date were:

	USD'000
Asset	
Non-current asset	
Oil and gas properties (Note 22)	41,976
Current asset	
Trade and other receivables	27,870*
	69,846
Liabilities	
Non-current liabilities	
Provision for asset retirement obligations (Note 35)	60,158
Deferred tax liabilities	12,593
Current liability	
Trade and other payables	108
	72,859
Net identifiable liabilities assumed	**(3,013)**

* Trade and other receivables consisted of a gross underlift position of 314,078 bbls acquired by the Group, with a fair value of US$27.3 million, measured at the prevailing market price of US$86.68/bbl. The underlift position was recognised as an expense following a lifting which occurred in the middle of November 2022. The balance also included a gross cash overcall position owing by the operator of US$0.6 million as at the acquisition date. The overcall position will be unwound in the future based on the joint arrangement expenditures claim raised by the operator. No loss allowances have been recognised in respect to trade and other receivables.

18.5 Impact of acquisition on the results of the Group

The Group's 2022 results included US$56.6 million of revenue and US$8.2 million of after tax profit attributable to the CWLH Assets.

Acquisition-related costs amounting to US$0.5 million have been excluded from the consideration transferred and have been recognised as an expense in the period, within "other expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Had the business combination been effected at 1 January 2022, and based on the performance of the business during 2022 under BP, the Group would have generated revenues of US$109.6 million and an estimated net profit after tax of US$29.5 million.

19 ACQUISITION OF 10% INTEREST IN LEMANG PSC

19.1 Acquisition date

On 23 November 2022, the Group completed the acquisition of the remaining 10% interest in the Lemang PSC. As a result, Jadestone's interest (pre local government back-in rights) in the Lemang PSC has increased to 100%.

The 10% interest was acquired through the execution of a Settlement and Transfer Agreement ("STA") between the Group and PT Hexindo Gemilang Jaya ("Hexindo"). In return for the transfer of Hexindo's 10% stake, the Group released Hexindo from unpaid amounts of US$1.4 million relating to Hexindo's interest in the Lemang PSC, which consisted of US$0.4 million (Note 28) generated since 11 December 2020 when the Group first acquired the 90% working interest in the Lemang PSC up to the STA date of 23 November 2021, plus US$1.0 million which arose prior to 11 December 2020. Additionally, the Group paid a cash consideration of US$0.5 million (inclusive of transfer taxes, which the Group has remitted directly to the Indonesian government).

19.2 Assets acquired and liabilities assumed at the date of acquisition

The assets and liabilities associated with the 10% interest in the Lemang PSC, acquired and assumed as at the date of acquisition, were:

	USD'000
Asset	
Non-current asset	
Oil and gas properties (Note 23)	1,414
VAT receivables	1,338
Current asset	
Trade and other receivables	15
Inventories	26
	2,793
Liabilities	
Non-current liabilities	
Provision for asset retirement obligations (Note 36)	337
Current liability	
Trade and other payables	598
	935
Net identifiable assets acquired	**1,858**

The provision for asset restoration obligations assumed by the Group is associated with historical oil production by Mandala Energy that ceased in 2016, prior to the acquisition of the 90% operated interest by the Group in December 2020. The obligation was assumed following the acquisition, and the decommissioning expenditure is expected to be incurred from 2036, at the end of the life of the planned gas development.

20 ACQUISITION OF SAPURAOMV (PM) INC.

20.1 Effective Date and Acquisition Date

In 2021, the Group executed a sale and purchase agreement ("SPA") with SapuraOMV Upstream (PM) Sdn Bhd ("SapuraOMV") to acquire the entire share capital of SapuraOMV (PM) Inc. for a cash consideration of US$20.0 million, comprising initial price of US$9.0 million, plus contingent payments and customary adjustments of US$11.0 million (see Note 20.3). There were two contingent payments to SapuraOMV of US$3.0 million each related to the annual average Dated Brent price equal or above US$65/bbl in 2021 and US$70/bbl in 2022. The first contingent payment was paid in January 2022 and the second contingent payment was materialised in 2022 and was paid in January 2023.

Subsequent to the acquisition, the name of SapuraOMV (PM) Inc. was changed to Jadestone Energy (PM) Inc. ("JEPM").

20.2 Business acquisition

Management has concluded that the acquisition of JEPM is that of a business as defined in IFRS 3 *Business Combinations*. JEPM contains inputs and processes, which when combined has the ability to contribute to the creation of outputs (oil and gas). Accordingly, the transaction has been accounted for as a business combination.

As a result, the Group has applied the acquisition method of accounting as at the Acquisition Date. A purchase price allocation exercise was performed to identity, and measure at fair value, the assets acquired and liabilities assumed in the business combination. The consideration transferred was measured at fair value. The Group has adopted the definition of fair value under IFRS 13 Fair Value Measurement to determine the fair values, by applying Level 3 of the fair value measurement hierarchy.

20.3 Fair value of consideration transferred

The fair value consideration for the PenMal Assets reflected a net cash receipt of US$9.2 million, as set out below:

Fair value of purchase consideration	**USD'000**
Asset purchase price	9,000
Crude inventory value	3,236
Cash at bank, 1 January 2021	8,091
Closing statement adjustments	(294)
Cash payment on Acquisition Date	**20,033**
Less: cash and bank balances acquired, 1 August 2021	(29,252)
Net cash receipts from the acquisition	**(9,219)**

The crude inventory was measured at the market value and the cash at bank represents the cash on hand, as at the economic effective date of 1 January 2021.

The closing statement adjustments relates to permitted leakages of US$0.3 million of audited intercompany charges that relate to SapuraOMV Group (pre 1 January 2021).

Fair value of purchase consideration	**USD'000**
Asset purchase price	9,000
Crude inventory value	3,236
Cash at bank	8,091
Closing statement adjustments	(294)
Cash payment on Acquisition Date	**20,033**
Working capital adjustment	(1,059)
Deferred contingent consideration	4,305
Fair value of purchase consideration	**23,279**

The Group considers that the purchase consideration and the transaction terms to be reflective of fair value for the following reasons:

- Open and unrestricted market: there were no restrictions in place preventing other potential buyers from negotiating with SapuraOMV during the sales process period and there were a number of other interested parties in the formal sale process;
- Knowledgeable, willing but not anxious parties: both the Group and SapuraOMV are experienced oil and gas operators under no duress to buy or sell. The process was conducted over several months which gave both parties sufficient time to conduct due diligence and prepare analysis to support the transaction; and
- Arm's length nature: the Group is not a related party to SapuraOMV. Both parties had engaged their own professional advisors. There is no reason to conclude that the transaction was not transacted at arm's length.

20.4 Assets acquired and liabilities assumed at the date of acquisition

During the year, the Group has completed the purchase price assessment ("PPA") to determine the fair values of the net assets acquired within the stipulated time period of 12 months from the Acquisition Date, in accordance with IFRS 3. The adjusted fair values of the identifiable assets and liabilities as at the Acquisition Date were:

	USD'000
Asset	
Non-current assets	
Oil and gas properties (Note 22)	21,744
Other receivables	42,092*
Deferred tax assets	10,343
Current assets	
Inventories	2,853
Trade and other receivables	21,276
Tax recoverable	10,226
Cash and bank balances	29,252
	137,786
Liabilities	
Non-current liabilities	
Provision for asset retirement obligations (Note 35)	91,552
Deferred tax liabilities	6,177
Current liability	
Trade and other payables	16,778
	114,507
Net identifiable assets acquired	**23,279**

* Other receivables represent the accumulated CESS paid to the Malaysian regulator for operated licences, which will be reclaimable by the Group in the future following the commencement of decommissioning activities.

20.5 Impact of acquisition on the results of the Group

Included in the Group's revenue and after tax loss in 2021 was US$46.6 million and a profit of US$6.5 million attributable to the PenMal Assets, respectively.

Acquisition-related costs amounting to US$0.7 million have been excluded from the consideration transferred and have been recognised as an expense in the period, within "other expenses" line item in the consolidated statement of profit or loss and other comprehensive income.

Had the business combination been effected at 1 January 2021, and based on the performance of the business during 2021 under SapuraOMV's operatorship, the Group would have generated revenues of US$107.2 million and an estimated net profit after tax of US$29.6 million.

The Directors of the Group consider these "pro-forma" numbers to represent an approximate measure of the performance of the combined Group on an annualised basis and to provide a reference point for comparison in future periods.

21 INTANGIBLE EXPLORATION ASSETS

	USD'000
Cost	
As at 1 January 2021	151,125
Additions	3,934[a]
Change in asset retirement obligations (Note 35)	(44)[b]
Reversal	(6,059)[c]
Written off	(55,715)[d]
As at 31 December 2021	**93,241**
Additions	3,582[a]
Transfer	(18,895)[e]
As at 31 December 2022	**77,928**
Impairment	
As at 1 January 2021	50,455
Written off	(50,455)
As at 31 December 2021 and 31 December 2022	-
Net book value	
As at 1 January 2021	**100,670**
As at 31 December 2021	**93,241**
As at 31 December 2022	**77,928**

(a) For the purpose of the consolidated statement of cash flows, current year expenditure on intangible exploration assets of US$0.3 million remained unpaid as at 31 December 2022 (2021: US$0.1 million).

(b) The change in asset retirement obligations of US$0.04 million in 2021 related to assets at the Lemang PSC.

(c) The US$6.0 million reversal in 2021 related to an overprovision of costs owed to a third party contractor. The overprovision was identified following an assessment of actual costs incurred.

(d) In November 2020, Total, as operator of SC56 voluntarily surrendered a combined 100% interest in SC56 to the Philippines Department of Energy ("DOE"). As a result, the carrying value of US$50.4 million was impaired in Q4 2020. The DOE acknowledged the relinquishment in February 2021 and the exit obligation terms were agreed in June 2021. Accordingly, the carrying value was formally written off in 2021.

The Group had also written off intangible exploration assets of US$5.3 million in 2021 (Note 10).

(e) The transfer relates to the Lemang PSC in Indonesia. On 6 June 2022, a final investment decision was taken at the Akatara gas development project following regulatory approval to award the engineering, procurement, construction and installation contract which established commercial viability. The capitalised cost of US$18.9 million was transferred to development assets as disclosed in Note 22.

22 OIL AND GAS PROPERTIES

	Production assets USD'000	Development assets USD'000	Total USD'000
Cost			
As at 1 January 2021	496,992	-	496,992
Changes in asset restoration obligations (Note 35)	23,894	-	23,894
Acquisition of PenMal Assets (Note 20)	21,744	-	21,744
Additions	52,864	-	52,864*
As at 31 December 2021	**595,494**	**-**	**595,494**
Changes in asset restoration obligations (Note 35)	20,768	7	20,775
Acquisition of CWLH assets (Note 18)	41,976	-	41,976
Acquisition of 10% interest in Lemang PSC (Note 19)	-	1,414	1,414
Additions	62,319	16,619	78,938*
Written off	(3,704)	-	(3,704)**
Transfer	-	18,895	18,895
As at 31 December 2022	**716,853**	**36,935**	**753,788**
Accumulated depletion, amortisation and impairment			
As at 1 January 2021	179,316	-	179,316
Charge for the year	62,586	-	62,586
As at 31 December 2021	**241,902**	**-**	**241,902**
Charge for the year	45,288	-	45,288
Impairment	13,534	-	13,534
Written off	(3,704)	-	(3,704)**
As at 31 December 2022	**297,020**	**-**	**297,020**
Net book value			
As at 1 January 2021	**317,676**	**-**	**317,676**
As at 31 December 2021	**353,592**	**-**	**353,592**
As at 31 December 2022	**419,833**	**36,935**	**456,768**

* The additions in 2022 represents cash paid for the Group's capital expenditure projects. In 2021, the amount consisted of cash payments of US$51.4 million and capitalisation of depreciation of US$1.5 million associated with right-of-use assets in Australia in accordance with IAS 16, both associated with the drilling of the H6 infill well at Montara.

** The written off amount represents the fully depreciated oil and gas properties associated with the Indonesian Ogan Komering PSC of which the PSC had expired in 2018.

23 PLANT AND EQUIPMENT

	Computer equipment USD'000	Fixtures and fittings USD'000	Materials and spares USD'000	Total USD'000
Cost				
As at 1 January 2021	3,104	1,508	-	4,612
Additions	450	232	-	682
Written off	-	(169)	-	(169)
Transfer	-	-	7,209	7,209*
As at 31 December 2021	**3,554**	**1,571**	**7,209**	**12,334**
Additions	204	152	-	356
Written off	(313)	(14)	-	(327)
Transfer	-	-	(1,173)	(1,173)*
As at 31 December 2022	**3,445**	**1,709**	**6,036**	**11,190**
Accumulated depreciation				
As at 1 January 2021	1,657	1,303	-	2,960
Charge for the year	302	206	-	508
Written off	-	(97)	-	(97)
As at 31 December 2021	**1,959**	**1,412**	**-**	**3,371**
Charge for the year	450	166	-	616
Written off	(101)	(14)	-	(115)
As at 31 December 2022	**2,308**	**1,564**	**-**	**3,872**
Net book value				
As at 1 January 2021	**1,447**	**205**	**-**	**1,652**
As at 31 December 2021	**1,595**	**159**	**7,209**	**8,963**
As at 31 December 2022	**1,137**	**145**	**6,036**	**7,318**

* The transfer represents the material and spares that are not expected to be consumed within the next 12 months from the year end. The reclassification amount is net of allowance of slow moving items of US$2.7 million (2021: US$1.9 million).

24 PLANT AND EQUIPMENT

	Transportation and logistics USD'000	Buildings USD'000	Total USD'000
Cost			
As at 1 January 2021	42,345	3,169	45,514
Additions	1,200	1,654	2,854
As at 31 December 2021	**43,545**	**4,823**	**48,368**
Additions	6,701	655	7,356
Written off*	(4,146)	(1,835)	(5,981)
As at 31 December 2022	**46,100**	**3,643**	**49,743**
Accumulated depreciation			
As at 1 January 2021	19,938	1,903	21,841
Charge for the year	11,470*	1,205	12,675**
As at 31 December 2021	**31,408**	**3,108**	**34,516**
Charge for the year	12,224	791	13,015
Written off	(4,146)	(1,835)	(5,981)
As at 31 December 2022	**39,486**	**2,064**	**41,550**
Net book value			
As at 1 January 2021	**22,407**	**1,266**	**23,673**
As at 31 December 2021	**12,137**	**1,707**	**13,852**
As at 31 December 2022	**6,614**	**1,579**	**8,193**

* This represents the write off of expired leases.

** The amount included US$1.5 million which has been capitalised within oil and gas properties as the related right-of-use assets were used as part of the drilling of the H6 infill well at Montara (see Note 22).

Most of the Group's lease liabilities are contracts to lease assets including helicopters, a supply boat, logistic facilities for the Montara field and buildings. The average lease term is 2.8 years.

The maturity analysis of lease liabilities is presented in Note 36.

	2022 USD'000	2021 USD'000
Amount recognised in profit or loss		
Depreciation expense on right-of-use assets	13,015	11,191
Interest expense on lease liabilities	769	1,222
Expenses relating to short-term leases	16,028	63,734
Expense relating to leases of low value assets	68	81

At 31 December 2022, the Group is committed to US$3.0 million of short-term leases (2021: nil).

The total cash outflow in 2022 relate to leases was US$13.9 million (2021: US$13.0 million).

The additions to right-of-use assets during the year represent the extension of the Group's ongoing right-of-use assets, plus a two-year lease for airport services contract to replace an expired lease and a four-and-half-year lease for additional space in the Australian office building.

25 INTERESTS IN OPERATIONS

Details of the operations, of which all are in production except for 46/07 and 51 PSCs offshore Vietnam which are in the exploration stage, while the Lemang PSC is in the development stage, are as follows:

Contract Area	Date of expiry	Held by	Place of operations	Group effective working interest % as at 31 December 2022	2021
Montara oilfield	Indefinite	Jadestone Energy (Eagle) Pty Ltd	Australia	100	100
Stag Oilfield	25 Aug 2039	Jadestone Energy (Australia) Pty Ltd	Australia	100	100
PM329	8 December 2031	Jadestone Energy (PM) Inc.	Malaysia	70	70
PM323	14 June 2028	Jadestone Energy (PM) Inc.	Malaysia	60	60
PM318	24 May 2034	Jadestone Energy (PM) Inc.	Malaysia	50	50
AAKBNLP	24 May 2024	Jadestone Energy (PM) Inc.	Malaysia	50	50
WA-3-L	Indefinite	Jadestone Energy (CWLH) Pty Ltd	Australia	17	-
WA-9-L	15 July 2033	Jadestone Energy (CWLH) Pty Ltd	Australia	17	-
WA-11-L	4 September 2035	Jadestone Energy (CWLH) Pty Ltd	Australia	17	-
WA-16-L	11 September 2039	Jadestone Energy (CWLH) Pty Ltd	Australia	17	-
46/07	29 Jun 2035	Mitra Energy (Vietnam Nam Du) Pte Ltd	Vietnam	100	100
51	10 Jun 2040	Mitra Energy (Vietnam Tho Chu) Pte Ltd	Vietnam	100	100
Lemang	17 Jan 2037	Jadestone Energy (Lemang) Pte Ltd	Indonesia	100	90

26 DEFERRED TAX

The following are the deferred tax liabilities and assets recognised by the Group and movements thereon.

	Australian PRRT USD'000	Malaysian PITA USD'000	Tax depreciation USD'000	Total USD'000
As at 1 January 2021	17,917	-	(56,419)	(38,502)
Charged to profit or loss (Note 16)	(3,371)	3,176	(5,246)	(5,441)
Acquisition of PenMal Assets (Note 20)	-	4,166	-	4,166
As at 31 December 2021 (Restated)*	**14,546**	**7,342**	**(61,665)**	**(39,777)**
Charged to profit or loss (Note 16)	(7,032)	(5,737)	(14,149)	(26,918)
Acquisition of CWLH Assets (Note 18)	(12,593)	-	-	(12,593)
As at 31 December 2022	**(5,079)**	**1,605**	**(75,814)**	**(79,288)**

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2022 USD'000	2021 Restated* USD'000
Deferred tax liabilities	(88,416)	(66,166)
Deferred tax assets	9,118	26,389
	(79,288)	**(39,777)**

* Certain 2021 comparative information has been restated. Please refer to Note 45.

The Group has unutilised PRRT credits of approximately US$3.5 billion (2021: US$3.4 billion) and US$535.5 million available for offset against future PRRT taxable profits in respect of the Montara field and the CWLH Assets, respectively. The PRRT credits remain effective throughout the production licence of Montara and the CWLH Assets. No deferred tax asset has been recognised in respect of these PRRT credits, due to management's projections that the historic accumulated PRRT net losses are larger than cumulative future expected PRRT taxable profits. As PRRT credits are utilised based on a last-in-first-out basis, the unutilised PRRT credits of approximately US$3.5 billion (2021: US$3.4 billion) and US$535.5 million with respect to Montara and the CWLH Assets are not expected to be utilised and are therefore not recognised as a deferred tax asset.

27 INVENTORIES

	2022 USD'000	2021 USD'000
Materials and spares	18,236	13,590
Less: allowance for slow moving (Note 10)	(6,334)	(3,639)
	11,902	**9,951**
Crude oil inventories	7,009	13,348
	18,911	**23,299**

28 TRADE AND OTHER RECEIVABLES

	2022 USD'000	2021 Restated* USD'000
Current assets		
Trade receivables	6,332	9,143
Prepayments	3,119	3,770
Other receivables and deposits	4,859	13,281
Amount due from joint arrangement partners (net)	4,268	2,203
Underlift crude oil inventories	107	1,482
GST/VAT receivables	1,683	2,699
	20,368	**32,578**
Non-current assets		
Other receivables	83,192	41,726
Prepayment	-	2,000
VAT receivables	7,398	4,774
	90,590	**48,500**
	110,958	**81,078**

Trade receivables arise from revenues generated from the Group's respective sole customer in Australia and Malaysia. The average credit period is 30 days (2021: 30 days). All outstanding receivables as at 31 December 2022 and 2021 have been recovered in full in 2023 and 2022, respectively.

Other receivables under the current asset in 2021 consisted of insurance claim receivable of US$10.3 million on the well control claim for the Skua-11 well workovers. The cash amount was received in June 2022.

Amount due from joint arrangement partners of US$4.3 million (2021: US$1.8 million) represents cash calls receivable from the Malaysian joint arrangement partner, net of joint arrangement expenditures. The amount is unsecured, with a credit period of 15 days. A notice of default will be served to the joint arrangement partner if the credit period is exceeded, which will become effective seven days after service of such notice if the outstanding amount remains unpaid. Interest of 3% per annum will be imposed on the outstanding amount, starting from the effective date of default. The outstanding receivable was received in 2023.

The amount due from joint arrangement partners in 2021 also included a cash call receivable of US$0.4 million due from the Indonesian joint arrangement partner, Hexindo. The amount was unsecured, with a credit period of 7 days. A notice of default will be served to the joint arrangement partner if the credit period is exceeded, which will become effective seven days after service of such notice if the outstanding amount remains unpaid. An interest at SONIA[1] plus 3% per annum will be imposed on the outstanding amount, starting from the effective date of default. Following the completion of the 10% interest acquisition, the Group released Hexindo from the unpaid cash call receivable (Note 19).

Non-current other receivables represent the accumulated cess payment paid to the Malaysian regulator for the operated licences and an abandonment trust fund set up following the acquisition of the CWLH Assets. The Malaysian PSCs require upstream operators to contribute periodic cess payments to a cess abandonment fund throughout the production life of the upstream oil and gas assets, while the abandonment trust fund was set up as part of the acquisition of the CWLH Assets. The payments made were to ensure there are sufficient funds available for decommissioning expenditures activities at the end of the fields' life. The cess payment amount is assessed based on the estimated future decommissioning expenditures.

* Certain 2021 comparative information has been restated. Please refer to Note 45.

1 Sterling Overnight Index Average rate

The non-current VAT receivables are associated with the Lemang PSC. It is classified as a non-current asset as the recovery of the VAT receivables is dependent on the share of revenue entitlement by the Indonesian government after the commencement of gas production, which is expected to occur in the first half of 2024.

There are no trade receivables older than 30 days. The credit risk associated with the trade receivables is disclosed in Note 39.

29 CASH AND BANK BALANCES

	2022 USD'000	2021 Reclassified* USD'000
Cash and bank balances, representing cash and cash equivalents in the consolidated statement of cash flows, presented as:		
Non-current	676	852
Current	122,653	117,013
	123,329	**117,865**

The non-current cash and cash equivalents represents the restricted cash balance of US$0.4 million (2021: US$0.4 million) and US$0.3 million (2021: US$0.5 million) in relation to a deposit placed for bank guarantee with respect to the PenMal Assets and Australian office building, respectively. The bank guarantees are expected to be in place for a period of more than twelve months. Accordingly, reclassification was made to 2021 comparatives to classify the amount as a non-current asset as disclosed in Note 45, as a result of the the April 2022 IFRIC Agenda item "Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7 *Statement of Cash Flows*).

In 2021, for the purpose of the consolidated statement of cash flows, the transfer from debt service reserve account represented a restricted cash balance of US$7.4 million which was deposited into a debt service reserve account ("DSRA") under the Group's previous reserve based lending arrangement. The DSRA was released on 31 March 2021, upon the repayment of the final balance outstanding on the loan. The Group also had a restricted cash balance in 2020 of US$1.0 million, placed with the Indonesian regulator in relation to a joint study agreement ("JSA"). The amount was released to the Group during Q3 2021 upon the completion of the JSA.

30 SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

	No. of shares	Share capital USD'000	Share premium account USD'000
Issued and fully paid			
As at 1 January 2021	461,842,811	466,979	-
Issued during the year	3,238,427	766	201
Capital reduction, at £0.499 each	-	(467,387)	-
As at 31 December 2021 (Restated)*	**465,081,238**	**358**	**201**
Issued during the year	1,446,108	2	782
Share repurchases	(18,173,683)	(21)	-
As at 31 December 2022	**448,363,663**	**339**	**983**

On 4 May 2021, the High Court of Justice, Business and Property Court, Companies Court in England and Wales approved the reduction of share capital of the Company pursuant to section 648 of the Act by cancelling the paid-up capital of the Company to the extent of 49.9 pence on each ordinary share of £0.50 in the issued share capital of the Company. The effective date of the capital reduction was 6 May 2021.

On 2 August 2022, the Company announced the launch of a share buyback programme (the "Programme") in accordance with the authority granted by the shareholders at the Company's annual general meeting on 30 June 2022. The maximum amount of the Programme was US$25.0 million, and the Programme will not exceed 46,574,528 ordinary shares.

As at 31 December 2022, the Company had acquired 18.2 million shares at a weighted average cost of £0.76 per share, resulting in an accumulated total expenditure of US$16.1 million. The total nominal value of the shares repurchased was US$20,779. All shares repurchased were cancelled.

As at 31 December 2022, the Company did not have a liability in respect to the remaining unutilised amount of US$8.9 million under the Programme as the Company had full discretion over the number of shares to be repurchased.

On 19 January 2023, the Company paused the share buyback programme. A total of 20.2 million shares had been acquired for a total accumulated expenditure of US$17.9 million up to 18 January 2023.

During the year, employee share options of 1,446,108 were exercised and issued at an average price of GB£ 0.42 per share (2021: 3,238,427; GB£0.33 per share).

The Company has one class of ordinary share. Fully paid ordinary shares with par value of £0.001 per share carry one vote per share without restriction, and carry a right to dividends as and when declared by the Company.

* Certain 2021 comparative information has been restated and reclassified between line items. Please refer to Note 45.

31 DIVIDENDS

The parent company has sufficient distributable reserves to declare dividends. The distributable reserves were created at the Company level through the reduction of share capital of the Company in May 2021 (Note 8 of Company level financial statements). The dividends declared were in compliance with the Act.

On 20 September 2022, the Directors declared a 2022 interim dividend of 0.65 US cents/share, equivalent to a total distribution of US$3.0 million. The dividend was paid on 11 October 2022.

On 6 June 2022, the Directors recommended a final 2021 dividend of 1.34 US cents/share, equivalent to a total distribution of US$6.2 million, or US$9.0 million in respect of total 2021 dividends. The dividend was approved by shareholders on 30 June 2022 and paid on 5 July 2022.

On 9 September 2021, the Directors declared a 2021 interim dividend of 0.59 US cents/share, equivalent to a total distribution of US$2.8 million. The dividend was paid on 1 October 2021.

On 11 June 2021, the Directors declared the second interim 2020 dividend of 1.08 US cents/share, equivalent to a total distribution of US$5.0 million, or US$7.5 million in respect of total 2020 dividends. The dividend was paid on 30 June 2021.

32 MERGER RESERVE

The merger reserve arose from the difference between the carrying value and the nominal value of the shares of the Company, following completion of the internal reorganisation in 2021.

33 SHARE-BASED PAYMENTS RESERVE

The total expense arising from share-based payments of US$1.0 million (2021: US$1.0 million) was recognised as 'administrative staff costs' (Note 7) in profit or loss for the year ended 31 December 2022.

On 15 May 2019, the Company adopted, as approved by the shareholders, the amended and restated stock option plan, the performance share plan, and the restricted share plan (together, the "LTI Plans"), which establishes a rolling number of shares issuable under the LTI Plans up to a maximum of 10% of the Company's issued and outstanding ordinary shares at any given time. Options under the stock option plan will be exercisable over periods of up to 10 years as determined by the Board.

33.1 Share options

Management has applied the Black-Scholes option-pricing model, with the following assumptions, was used to estimate the fair value of the options at the date of grant:

	Options granted on	
	9 March 2022	**18 March 2021**
Risk-free rate	1.34% to 1.38%	0.49% to 0.61%
Expected life	5.5 to 6.5 years	5.5 to 6.5 years
Expected volatility[1]	63.0% to 66.7%	65.2% to 67.6%
Share price	GB£ 1.01	GB£ 0.65
Exercise price	GB£ 0.92	GB£ 0.77
Expected dividends	1.96%	1.79%

33.2 Performance shares

The performance measures for performance shares incorporate both a relative and absolute total shareholder return ("TSR") calculation on a 70:30 basis to compare performance vs. peers (relative TSR) and to ensure alignment with shareholders (absolute TSR).

Relative TSR: measured against the TSR of peer companies; the size of the pay out is based on Jadestone's ranking against the TSR outcomes of peer companies.

Absolute TSR: share price target plus dividend to be set at the start of the performance period and assessed annually; the threshold share price plus dividend has to be equal to or greater than a 10% increase in absolute terms to earn any pay out at all, and must be 25% or greater for target pay out.

1 Expected volatility was determined by calculating the average historical volatility of the daily share price returns over a period commensurate with the expected life of the awards for a group of ten peer companies.

A Monte Carlo simulation model was used by an external specialist, with the following assumptions to estimate the fair value of the performance shares at the date of grant:

	Performance shares granted on	
	9 March 2022	18 March 2021
Risk-free rate	1.39%	0.06%
Expected volatility[1]	53.1%	51.4%
Share price	GB£ 1.01	GB£ 0.77
Exercise price	N/A	N/A
Expected dividends	1.71%	2.64%
Post-vesting withdrawal date	N/A	N/A
Early exercise assumption	N/A	N/A

33.3 Restricted shares

Restricted shares are granted to certain senior management personnel as an alternative to cash under exceptional circumstances and to provide greater alignment with shareholder objectives. These are shares that vest three years after grant, assuming the employee has not left the Group. They are not eligible for dividends prior to vesting.

The following assumptions were used to estimate the fair value of the restricted shares at the date of grant, discounting back from the date they will vest and excluding the value of dividends during the intervening period:

	Restricted shares granted on		
	22 August 2022	9 March 2022	18 March 2021
Risk-free rate	1.73%	1.39%	0.08%
Share price	GB£ 0.90	GB£ 1.01	GB£ 0.77
Expected dividends	1.73%	1.71%	2.64%

The following table summarises the options/shares under the LTI plans outstanding and exercisable as at 31 December 2022:

			Shares Options			
	Performance shares	Restricted shares	Number of options	Weighted average exercise price GB£	Weighted average remaining contract life	Number of options exercisable
As at 1 January 2021	683,200	101,063	25,192,842	0.40	7.78	12,212,827
New options/share awards issued	1,136,512	50,570	2,852,631	0.77	9.21	-
Vested during the year	-	-	-	0.42	6.92	3,776,672
Accelerated vesting during the year	-	-	198,687	0.55	8.39	198,687
Exercised during the year	-	-	(3,238,427)	0.33	-	(3,238,427)
Cancelled during the year	(332,819)	-	(3,690,244)	0.46	-	(1,539,905)
As at 31 December 2021	**1,486,893**	**151,633**	**21,315,489**	**0.45**	**7.16**	**11,409,854**
New options/share awards issued	1,385,013	293,655	1,023,561	0.92	9.19	-
Vested during the year	-	-	-	0.50	6.27	2,010,007
Accelerated vesting during the year	-	-	1,354,702	0.46	6.45	1,354,702
Exercised during the year	-	-	(1,446,108)	0.42	-	(1,446,108)
Cancelled during the year	(147,906)	-	(120,854)	0.50	-	(891,270)
As at 31 December 2022	**2,724,000**	**445,288**	**22,176,790**	**0.48**	**6.33**	**12,437,185**

	Number of options	Range of exercise price GB£	Weighted average exercise price GB£	Weighted average remaining contract life
Share options exercisable as at 31 December 2021	11,409,854	0.26 - 0.99	0.38	6.18
Share options exercisable as at 31 December 2022	12,437,185	0.26 - 0.99	0.41	5.46

1 Expected volatility was determined by calculating Jadestone's average historical volatility of each trading day's log growth of TSR over a period between the grant date and the end of the performance period.

34 CAPITAL REDEMPTION RESERVE

The capital redemption reserve arose from the Programme launched by the Company in August 2022. It represents the par value of the shares purchased and cancelled by the Company under the Programme (Note 30).

35 PROVISIONS

	Asset restoration obligations (a) USD'000	Contingent payments (b) USD'000	Employees benefits (c) USD'000	Others USD'000	Total USD'000
As at 1 January 2021	283,749	4,436	896	-	289,081
Charged to profit or loss	-	-	-	202	202
Acquisition of PenMal Assets (Note 20)	91,552	4,305	-	-	95,857
Accretion expense (Note 14)	5,921	-	-	-	5,921
Changes in discount rate assumptions (Notes 21, 22 and 28)	23,179	-	-	-	23,179
Payment/Utilised	-	(3,000)	(52)	-	(3,052)
Fair value adjustment (Note 14)	-	438	-	-	438
Reversal (Note 13)	-	-	-	-	-
As at 31 December 2021 (Reclassified)*	**404,401**	**6,179**	**844**	**202**	**411,626**
Charged/(Credited) to profit or loss	-	-	122	(202)	(80)
Acquisition of CWLH Assets (Note 18)	60,158	1,940	-	-	62,098
Acquisition of 10% interest in Lemang PSC (Note 19)	337	-	-	-	337
Accretion expense (Note 14)	8,314	-	-	-	8,314
Changes in discount rate assumptions (Note 22)	20,775	-	-	-	20,775
Payment/Utilised	-	-	(81)	-	(81)
Change in provision (Note 10)	-	7,333	-	-	7,333
Fair value adjustment – Lemang PSC (Note 14)	-	349	-	-	349
Fair value adjustment – PenMal Assets (Note 14)	-	1,571	-	-	1,571
Reclassification	-	(3,000)	-	-	(3,000)
As at 31 December 2022	**493,985**	**14,372**	**885**	**-**	**509,242**
As at 31 December 2021 (Reclassified)*					
Current	-	-	728	202	930
Non-current	404,401	6,179	116	-	410,696
	404,401	**6,179**	**844**	**202**	**411,626**
As at 31 December 2022					
Current	-	-	703	-	703
Non-current	493,985	14,372	182	-	508,539
	493,985	**14,372**	**885**	**-**	**509,242**

(a) The Group's asset restoration obligations ("ARO") comprise the future estimated costs to decommission each of the Montara, Stag, Lemang PSC, PenMal Assets and CWLH Assets.

The carrying value of the provision represents the discounted present value of the estimated future costs. Current estimated costs of the ARO for each of the Montara, Stag, Lemang PSC, PenMal Assets and CWLH Assets have been escalated to the estimated date at which the expenditure would be incurred, at an assumed blended inflation rate. The estimates for each asset are a blend of assumed US and respective local inflation rates to reflect the underlying mix of US dollar and respective local dollar denominated expenditures. The present value of the future estimated ARO for each of the Montara, Stag, Lemang PSC, PenMal Assets and CWLH Assets has then been calculated based on a blended risk-free rate. The base estimate ARO for Montara, Stag, Lemang PSC and PenMal Assets remains largely unchanged from 2021. The ARO of CWLH Assets was assessed in 2022, based on its share of the future estimated decommissioning expenditure at the end of field life according to the Group's 16.67% non-operating working interest. The blended inflation rates and risk-free rates used, plus the estimated decommissioning year of each asset are as follows:

		Blended inflation rate		Blended risk-free rate		
No.	Asset	2022	2021	2022	2021	Estimated decommissioning year
1.	Montara	3.01%	2.06%	3.97%	1.77%	2033
2.	Stag	2.62%	2.12%	4.01%	1.91%	2036
3.	Lemang PSC	2.93%	2.82%	6.43%	5.96%	2036
4.	PenMal Assets	2.46% - 2.48%	2.05% - 2.07%	3.48% - 4.02%	2.81% - 3.24%	2024 onwards
5.	CWLH Assets	3.05%	-	3.94%	-	2032

* Certain 2021 comparative information has been reclassified between line items. Please refer to Note 45.

In 2019, Jadestone Energy (Eagle) Pty Ltd, a wholly owned subsidiary of the Company entered into a deed poll with the Australian Government with regard to the requirements of maintaining sufficient financial capacity to ensure Montara's asset restoration obligations can be met when due. The deed states that the Group is required to provide a financial security in favour of the Australian Government when the aggregate remaining net after tax cash flow of the Group is below 1.25 times of the Group's estimated decommissioning costs.

Following the enactment of the Offshore Petroleum and Greenhouse Gas Storage Amendment (Titles Administration and Other Measures) Act 2021 which, amongst other things, enhanced the decommissioning framework applying to offshore assets in Australia, on 29 March 2023 Jadestone Energy (Australia) Pty Ltd, Jadestone Energy (Eagle) Pty Ltd and Jadestone Energy (CWLH) Pty Ltd, each wholly owned subsidiaries of the Company, entered into a deed poll with the Australian Government with regard to the requirements of maintaining sufficient financial capacity to ensure that each of Montara's, Stag's and CWLH's asset restoration obligations can be met when due. The deed states that the Group is required to provide financial security in favour of the Australian Government when the aggregate remaining net after-tax cash flow of the Group is below 1.25 times of the Group's estimated decommissioning liabilities net of any residual value, tax benefits, and other financial assurance committed by the Group for such purposes. This deed poll replaced the previous deed poll entered into by Jadestone Energy (Eagle) Pty Ltd in respect of the Montara asset in 2019. The Group does not expect to provide financial security under the deed poll this year based on the financial capacity assessment.

The Malaysian and Indonesian regulators require upstream oil and gas companies to contribute to an abandonment cess fund, including making monthly cess payments, throughout the production life of the oil or gas field. The cess payment amount is assessed based on the estimated future decommissioning expenditures. The cess payment paid for non-operated licences reduces the asset restoration liability. The Malaysian abandonment cess fund only covers the decommissioning costs related to the oil and gas facilities. The Group has recognised ARO provisions for the estimated decommissioning costs of the wells in the PSCs.

An abandonment trust fund was set as part of the acquisition of the CWLH Assets to ensure there are sufficient funds available for decommissioning activities at the end of field life. The payment paid into to the trust fund is classified as non-current receivables as the amount is reclaimable by the Group in the future following the commencement of decommissioning activities.

(b) A contingent payment of US$1.4 million payable to SapuraOMV for the PenMal Assets acquisition was recognised in full at US$3.0 million at the 2022 year end as materialised and was reclassified as accrual due to the average Dated Brent price in 2022 exceeding US$70/bbl. The contingent payment was paid in January 2023.

The fair value of the contingent payments payable to Mandala Energy Lemang Pte Ltd for the Lemang PSC acquisition are valued at US$12.4 million as at 31 December 2022 (2021: US$4.8 million) for the trigger events as disclosed below. The increase in provision represents the recognition of additional contingent payments which are associated with the Saudi CP and Dated Brent prices.

No.	Trigger event	Consideration	Management's rationale
1.	First gas date	US$5.0 million	This contingent payment is virtually certain as it will be payable when gas production in the Lemang PSC is commenced.
2.	The accumulated VAT receivables reimbursements which are attributable to the unbilled VAT in the Lemang PSC as at the Closing Date, exceeding an aggregate amount of US$6.7 million on a gross basis	US$0.7 million	Management estimated that the accumulated receipts of VAT reimbursements received will exceed US$6.7 million on a gross basis.
3.	First gas date on or before 31 March 2023	US$3.0 million	Not payable as the trigger event has expired. First gas is scheduled in first half of 2024.
4.	Total actual Akatara Gas Project "close out" costs set out in the AFE(s) approved pursuant to a joint audit by SKK MIGAS and BPKP is less than, or within 2% of the "close out" development costs set out in the approved revised plan of development for the Akatara Gas Project	US$3.0 million	The Akatara Gas Project has not been sanctioned as at year end due to ongoing preparation of project approval documentation. It is unknown if the future close out costs will be less than or within 2% of the budgeted amount and it is unable to be reliably measured as at year end.
5.	The average Saudi CP in the first year of operation is higher than US$620/MT	US$3.0 million	The average Saudi CP is expected to be above US$620/MT in 2024, with the first gas is anticipated to be in H1 2024. The contingent payment will be due for payment within 15 business days of the occurrence of the trigger event if it falls due.
6.	The average Saudi CP in the second year of operation is higher than US$620/MT	US$2.0 million	The average Saudi CP is expected to be above US$620/MT in 2025, the second year of production. The contingent payment will be due for payment within 15 business days of the occurrence of the trigger event if it falls due.
7.	The average Dated Brent price in the first year of operation is higher than US$80/bbl	US$2.5 million	The average Dated Brent price is expected to be above US$80/bbl in 2024, with the first gas is anticipated to be in H1 2024. The contingent payment will be due for payment within 15 business days of the occurrence of the trigger event if it falls due.
8.	The average Dated Brent price in the second year of operation is higher than US$80/bbl	US$1.5 million	The average Dated Brent price is expected to be above US$80/bbl in 2025, the second year of production. The contingent payment will be due for payment within 15 business days of the occurrence of the trigger event if it falls due.
9.	A plan of development for the development of a new discovery made, as a result of the remaining exploration well commitment under the PSC, is approved by the relevant government entity.	US$3.0 million	There are no prospects or leads presently selected for the exploration well commitment. As at year end, it is not probable that this contingent consideration trigger will be met.
10.	The plan of development described in item 9 above is approved by the relevant government entity and is based on reserves of no less than 8.4mm barrels (on a gross basis).	US$8.0 million	There are no prospects or leads presently selected for the exploration well commitment. As at year end, it is not probable that this contingent consideration trigger will be met.

(c) Included in the provision for employee benefits is provision for long service leave which is payable to employees on a pro-rata basis after 7 years of employment and is due in full after 10 years of employment.

36 LEASE LIABILITIES

	2022 USD'000	2021 USD'000
Presented as:		
Non-current	2,880	4,504
Current	6,227	11,161
	9,107	**15,665**
Maturity analysis of lease liabilities based on undiscounted gross cash flows:		
Year 1	6,649	12,247
Year 2	2,261	3,440
Year 3	426	209
Year 4	334	221
Year 5	-	233
Future interest charge	(563)	(685)
	9,107	**15,665**

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

37 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows, as cash flows from financing activities.

The cash flows represent the repayment of borrowings and lease liabilities, in the consolidated statement of cash flows.

	Reserved based lending facility USD'000	Lease liabilities USD'000
As at 1 January 2021	7,296	25,783
Financing cash flows	(7,296)	(12,972)
New lease liabilities	-	2,854
Interest paid	150	(1,222)
Non-cash changes - interest	(150)	1,222
As at 31 December 2021	**-**	**15,665**
Financing cash flows	-	(13,914)
New lease liabilities	-	7,356
Interest paid	-	769
Non-cash changes - interest	-	(769)
As at 31 December 2022	**-**	**9,107**

38 TRADE AND OTHER PAYABLES

	2022 USD'000	2021 Reclassified* USD'000
Trade payables	13,606	
Other payables	8,643	26,847
Accruals	36,757	7,627
Contingent payments	5,000	30,716
Malaysian supplementary payment payables	855	3,000
Amount due to joint arrangement partner	1,269	1,907
Overlift crude oil inventories	7,357	-
GST/VAT payables	265	-
	73,752	**70,107**

* Certain 2021 comparative information has been reclassified between line items. Please refer to Note 45.

Trade payables, other payables and accruals principally comprise amounts outstanding for trade and non-trade related purchases and ongoing costs. The average credit period taken for purchases is 30 days (2021: 30 days). For most suppliers, no interest is charged on the payables in the first 30 days from the date of invoice. Thereafter, interest may be charged on outstanding balances at varying rates of interest. The Group has financial risk management policies in place to ensure that all payables are settled within the pre-agreed credit terms.

Contingent payments in the current year consist of US$3.0 million payable to SapuraOMV, being the second contingent payment arose from the acquisition of the PenMal Assets (Notes 20 and 35). The payment was made in January 2023. The Group is obliged to pay to a contingent payment of US$2.0 million to BP which arose from the acquisition of the CWLH Assets (Note 18) as the annual average Brent crude price in 2022 exceeded US$50/bbl. The payment was made in January 2023. The contingent payment in the prior year represented the first contingent payment of US$3.0 million payable to SapuraOMV as the annual average Brent crude price in 2021 exceeded US$65/bbl. The payment was made in January 2022.

The overlift crude oil inventories represent entitlement imbalances at 2022 year end of 205,510 bbls and 31,076 bbls at the CWLH Assets and PenMal Assets, respectively. The overlift liabilities are measured at cost of US$32.92/bbl and US$19.07/bbl for both assets, respectively. The overlift position at 2022 year end will unwind in 2023 based on the subsequent net productions entitled to the Group.

39 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

Financial assets and liabilities

Current assets and liabilities

Management considers that due to the short-term nature of the Group's current assets and liabilities, the carrying amounts equate to their fair value.

Non-current assets and liabilities

The carrying amount of non-current assets and liabilities approximates their fair values due to the carrying amount representing the actual cash paid.

	2022 USD'000	2021 Restated* USD'000
Financial assets		
At amortised cost		
Trade and other receivables, excluding prepayments, GST/VAT receivables and underlift crude oil inventories	98,651	66,353
Cash and bank balances	123,329	117,865
	221,980	**184,218**
Financial liabilities		
At amortised cost		
Trade and other payables, excluding GST/VAT payables and overlift crude oil inventories	61,130	70,097
Lease liabilities	9,107	15,665
Contingent consideration for Lemang PSC acquisition	12,432	4,750
Contingent consideration for CWLH Assets acquisition	3,940	-
Contingent consideration for PenMal Assets acquisition	3,000	1,429
	89,609	**91,941**

Fair values are based on management's best estimates, after consideration of current market conditions. The estimates are subjective and involve judgment, and as such may deviate from the amounts that the Group realises in actual market transactions.

Commodity price risk

The Group's earnings are affected by changes in oil prices. The Group manages this risk by monitoring oil prices and potentially entering into commodity hedges against fluctuations in oil prices if and when considered appropriate. The Group does not enter into speculative hedges. The Group may enter into hedging arrangements as required under a reserves based lending facility. The Group had hedging in place associated with its RBL which were fully settled in 2021.

There was no hedge contract in place nor entered into by the Group in 2022.

Montara

In December 2020, the Group entered into a commodity swap arrangement to hedge 31% of its planned production volumes from January to March 2021, to provide downside oil price protection. The swap price was set at US$49/bbl.

On 16 February 2021, the Group entered into a commodity swap arrangement to further hedge 31% of its planned production volumes from April to June 2021. The swap price was set at US$61.40/bbl.

* Certain 2021 comparative information has been restated. Please refer to Note 45.

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between United States Dollars ("US Dollar") and foreign currencies will affect the fair value or future cash flows of the Group's financial assets or liabilities presented in the consolidated statement of financial position as at year end.

Cash and bank balances are generally held in the currency of likely future expenditures to minimise the impact of currency fluctuations. It is the Group's normal practice to hold the majority of funds in US Dollars, in order to match the Group's revenue and expenditures.

In addition to US Dollar, the Group transacts in various currencies, including Australian Dollar, Malaysian Ringgit, Vietnamese Dong, Indonesian Rupiah, Singapore Dollar, New Zealand Dollar and British Pound Sterling.

Foreign currency sensitivity

Material foreign denominated balances were as follows:

	2022 USD'000	2021 USD'000
Cash and bank balances		
Australian Dollars	11,086	6,027
Malaysian Ringgit	5,336	4,622
Trade and other receivables		
Australian Dollars	4,789	2,706
Malaysian Ringgit	42,392	41,774
Trade and other payables		
Australian Dollars	32,767	43,219
Malaysian Ringgit	12,422	15,094

A strengthening/weakening of the Australian dollar and Malaysian Ringgit by 10%, against the functional currency of the Group, is estimated to result in the net carrying amount of Group's financial assets and financial liabilities as at year end increasing/decreasing by approximately US$1.8 million (2021: decreasing/increasing by US$0.4 million), and which would be credited/charged (2021: charged/credited) to the consolidated statement of profit or loss.

Interest rate risk

The Group's interest rate exposure arises from some of its cash and bank balances. The Group's other financial instruments are non-interest bearing or fixed rate, and are therefore not subject to interest rate risk.

The Group holds some of its cash in interest bearing accounts and short-term deposits. Interest rates currently received are at relatively low levels. Accordingly, a downward interest rate movement would not cause significant exposure to the Group.

Credit risk

Credit risk represents the financial loss that the Group would suffer if a counterparty in a transaction fails to meet its obligations in accordance with the agreed terms.

The Group actively manages its exposure to credit risk, granting credit limits consistent with the financial strength of the Group's counterparties and respective sole customer in Australia and Malaysia, requiring financial assurances as deemed necessary, reducing the amount and duration of credit exposures, and close monitoring of relevant accounts.

The Group trades only with recognised, creditworthy third parties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month ("12m") or lifetime ECL	Gross carrying amount (i) USD'000	Loss allowance USD'000	Net carrying amount USD'000
2022							
Cash and bank balances	29	n.a	Performing	12m ECL	123,329	-*	123,329
Trade receivables	28	n.a	(i)	Lifetime ECL	6,332	-*	6,332
Other receivables and deposits	28	n.a	Performing	12m ECL	4,859	-*	4,859
Amount due from joint arrangement partners (net)	28	n.a	Performing	12m ECL	4,268	-*	4,268
Non-current other receivables	28	n.a	Performing	12m ECL	83,192	-*	83,192
2021							
Cash and bank balances	29	n.a	Performing	12m ECL	117,865	-*	117,865
Trade receivables	28	n.a	(i)	Lifetime ECL	9,143	-*	9,143
Other receivables	28	n.a	Performing	12m ECL	13,281	-*	13,281
Amount due from joint arrangement partners (net)	28	n.a	Performing	12m ECL	2,203	-*	2,203
Non-current other receivables	28	n.a	Performing	12m ECL	41,726	-*	41,726

* The amount is negligible.

(i) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using specific identification, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of specific identification.

As at 31 December 2022, total trade receivables amounted to US$6.3 million (2021: US$9.1 million). The balance in 2022 and 2021 had been fully recovered in 2023 and 2022, respectively.

The concentration of credit risk relates to the Group's single customer with respect to oil sales in Australia, and a different single customer for oil and gas sales in Malaysia. Both customers have an A2 credit rating (Moody's). All trade receivables are generally settled 30 days after sale date. In the event that an invoice is issued on a provisional basis, the final reconciliation is paid within 3 to 14 days from the issuance of the final invoice, largely mitigating any credit risk.

The Group recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated based on days past due, by applying a percentage of expected non-recoveries for each group of receivables. As at year end, ECL from trade receivables are expected to be insignificant.

The Group measures the loss allowance for other receivables and amount due from joint arrangement partners at an amount equal to 12-months ECL, as there is no significant increase in credit risk since initial recognition. ECL for other receivables are expected to be insignificant.

The credit risk on cash and bank balances is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies. The banks are also regulated locally, and with no history of default.

The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet all of its financial obligations as they become due. This includes the risk that the Group cannot generate sufficient cash flow from producing assets, or is unable to raise further capital in order to meet its obligations.

The Group manages its liquidity risk by optimising the positive free cash flow from its producing assets, on-going cost reduction initiatives, merger and acquisition strategies, bank balances on hand and in case appropriate, lending.

The Group's net profit after tax for the year was US$8.5 million (2021: loss after tax of US$17.1 million). Operating cash flows before movements in working capital and net cash generated from operating activities for the year ended 31 December 2022 was US$158.1 million and US$121.2 million (2021: US$91.2 million and US$103.6 million) respectively. The Group's net current assets remained positive at US$72.0 million as at 31 December 2022 (2021: US$73.7 million).

On 17 February 2023, the Group entered into an interim loan facility with two international banks for US$50.0 million (the "Interim Facility"). The Interim Facility had an initial margin of 450 basis points over secured overnight financing rate, which stepped up to 500 basis points after three months from closing. The Interim Facility had a nine-month term ending on 15 November 2023, and was repaid via the reserves-based lending facility ("RBL"), on 1 June 2023.

On 19 May 2023, the Group announced that it had signed a new US$200.0 million RBL facility with a group of four international banks ("the RBL Banks"). The RBL facility provides for an uncommitted accordion of US$160.0 million, subject to incremental availability of bank debt. The RBL facility closed on 22 May 2023, following satisfaction of the conditions precedent (Note 43). The facility tenor is four years, with the final maturity date being the earlier of 31 March 2027 and the projected reserves tail date[1] (which is expected later). The borrowing base includes the Group's main producing assets being Montara, Stag, CWLH, Sinphuhorm, the PenMal Assets' PM323 and PM329 PSCs and the Group's development asset being the Lemang PSC. The Group is required to maintain a parent company financial covenant of consolidated net debt of 3.5 times annual EBITDAX. The entities in the RBL ringfence are required to hold a total minimum liquidity balance of US$15.0 million and cover forward looking capital expense for two quarters.

The RBL imposes restrictions on the ability of the Group to freely utilise the cashflows generated by the borrowing base assets for purposes that are not connected with the borrowing base assets or the RBL. It is therefore necessary of the Group to maintain two separate cash pools, a) cash balances within the RBL facility ("RBL Cash Pool") and b) cash balances outside the RBL facility, which comprise cash held by the entities that are not part of the RBL facility including the corporate G&A, Malaysia Technical Office and Singapore, the Vietnamese exploration assets and the previously non-operated PenMal Assets (PM318 and AAKBNLP PSCs) ("Corporate Cash Pool"). The distribution of cash out of the RBL Cash Pool is allowed provided that certain tests are met, such as (i) the maintenance of two quarters principal, interest and fees in a separate debt service reserve account and (ii) the maintenance of the minimum cash balance within the RBL Cash Pool.

The Company has agreed an equity fundraising, comprising an underwritten placing, and subscription, pursuant to which it expects to issue 92,312,691 new ordinary shares, together with a director placing and subscription for 1,769,135 new ordinary shares, in each case at 45 pence per share, to raise aggregate net proceeds of US$50.0 million. The Company has also launched an open offer of up to 14,887,039 new ordinary shares, at 45 pence per share, to raise additional proceeds of up to EUR8.0 million (up to US$8.6 million).

In support of the equity fundraising, the Company has entered into an up to US$50.0 million equity underwrite debt facility agreement with Tyrus Capital Event S.à.r.l, the Company's largest shareholder. The equity underwrite facility will reduce pro-rata to the total funds raised from the equity fundraising and the open offer and therefore is expected to reduce to zero. However, to the extent the facility does not reduce to zero, it will mature with a bullet repayment on 31 December 2024, will bear interest at 13.5% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties.

In addition, the Company has entered into a committed standby working capital facility with Tyrus Capital Event S.à.r.l for a facility size of up to US$35.0 million. The standby working capital facility will reduce pro-rata to the total funds raised from the equity fundraising and the open offer in excess of US$50.0 million. The facility will mature with a bullet repayment on 31 December 2024. The facility bears interest of 15% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties.

Further details are disclosed in the Going Concern section in Notes 2 and 43.

1 Reserves tail date refers to the last day of the quarter immediately preceding the quarter in which the remaining borrowing base reserves is forecast to be 25 per cent (or less) of the initial approved borrowing base reserves.

Non-derivative financial liabilities

The following table details the expected contractual maturity for non-derivative financial liabilities with agreed repayment periods. The table below is based on the undiscounted contractual maturities of the financial liabilities, including interest, that will be paid on those liabilities, except where the Group anticipates that the cash flow will occur in a different period. The adjustment column represents the estimated future cash flows attributable to the instrument included in the maturity analysis, which are not included in the carrying amount of the financial liabilities on the consolidated statement of financial position, namely interest expense.

	Weighted average effective interest rate %	On demand or within 1 year USD'000	Within 2 to 5 years USD'000	More than 5 years USD'000	Adjustments USD'000	Total USD'000
2022						
Non-interest bearing						
Trade and other payables, excluding contingent payments, GST/VAT payables and overlift crude oil inventories	-	61,130	-	-	-	61,130
Contingent consideration for Lemang PSC acquisition	-	-	12,432	-	-	12,432
Contingent consideration for CWLH Assets acquisition	-	2,000	1,940	-	-	3,940
Contingent consideration for PenMal Assets acquisition	-	3,000	-	-	-	3,000
Fixed interest rate instruments	-					
Lease liabilities	6.031	6,649	3,021	-	(563)	9,107
		72,779	**17,393**	**-**	**(563)**	**89,609**
2021 (Reclassified)*						
Non-interest bearing						
Trade and other payables, excluding contingent payments, GST/VAT payables	-	70,097	-	-	-	70,097
Contingent consideration for Lemang PSC acquisition	-	-	4,750	-	-	4,750
Fixed interest rate instruments	-	-	1,429	-	-	1,429
Lease liabilities						
Variable interest rate instruments	5.847	12,247	4,103	-	(685)	15,665
		81,327	**10,282**	**-**	**(685)**	**91,941**

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets assists in understanding the Group's liquidity position and phasing of net assets and liabilities, as the Group's liquidity risk is managed on a net asset and liability basis. The table is based on the undiscounted contractual maturities of the financial assets, including interest that will be earned on those assets, except where the Group anticipates that the cash flow will occur in a different period. The adjustment column represents the estimated future cash flows attributable to the instrument included in the maturity analysis, which are not included in the carrying amount of the financial assets on the consolidated statement of financial position, namely interest income.

* Certain 2021 comparative information has been reclassified between line items. Please refer to Note 45.

	Weighted average effective interest rate %	On demand or within 1 year USD'000	Within 2 to 5 years USD'000	More than 5 years USD'000	Adjustments USD'000	Total USD'000
2022						
Non-interest bearing						
Trade and other receivables, excluding prepayments, GST/VAT receivables and underlift crude oil inventories	-	15,459	83,192	-	-	98,651
Variable interest rate instruments						
Cash and bank balances	-*	122,653	676	-	-*	123,329
		138,112	**83,868**	**-**	**-***	**221,980**
2021						
Non-interest bearing						
Trade and other receivables, excluding prepayments, GST/VAT receivables and underlift crude oil inventories	-	24,627	41,726		-	66,353
Variable interest rate instruments						
Cash and bank balances	-*	117,013	852	-	-*	117,865
		141,640	**42,578**		**-***	**184,218**

* The effect of interest is not material.

Capital management

The Group manages its capital structure and makes adjustments to it, based on funding requirements of the Group combined with sources of funding available to the Group, in order to support the acquisition, exploration and development of resource properties and the ongoing (investment in) operations of its producing assets. Given the nature of the Group's activities, the Board of Directors works with management to ensure that capital is managed effectively, and the business has a sustainable future.

The capital structure of the Group represents the equity of the Group, comprising share capital, merger reserve, share-based payment reserve and capital redemption reserve, as disclosed in Notes 30, 32, 33 and 34, respectively.

To carry-out planned asset acquisitions, exploration and development, and to pay for administrative costs, the Group may utilise excess cash generated from its ongoing operations and may utilise its existing working capital, position and will work to raise additional debt and/or equity funding should that be necessary.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable. There were no changes in the Group's approach to capital management during the year ended 31 December 2022. The Group is not subject to externally imposed capital requirements.

	2022 USD'000	2021 USD'000
Cash and cash equivalents, representing net cash	123,329	117,865

The Group's overall strategy towards its capital structure remained unchanged from 2021.

Fair value measurements

The Group discloses fair value measurements by level of the following fair value measurement hierarchy:

i. Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

ii. Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly (Level 2); and

iii. Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Financial assets/financial liabilities	Fair value (USD'000) as at 2022 Assets	2022 Liabilities	2021 Assets	2021 Liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Others - contingent consideration from Lemang PSC acquisition								
1) Contingent consideration (Note 35)	-	12,432	-	4,750	Levels 1 and 3	Based on the nature and the likelihood of the occurrence of the trigger events. Fair value is estimated, taking into consideration the estimated future gas production schedule (Q1 2024), forecasted Dated Brent oil prices of US$86.83/bbl in 2024 and US$82.23/bbl in 2025 and Saudi CP prices of US$714.35/MT in 2024 and US$676.50/MT in 2025, as well as the effect of the time value of money.	Gas production schedule could be deferred depending on the on-going progress of the development activities. Expected future oil price volatility is based on an analysis of Dated Brent oil prices and Saudi CP prices movements.	A change in gas production schedule or significant decrease in Dated Brent oil prices and Saudi CP prices in the future would result to the reversal of the contingent payments recognised.

A one year deferral to the estimated gas production date would decrease the liability by US$0.4 million.

Financial assets/financial liabilities	2022 Assets	2022 Liabilities	2021 Assets	2021 Liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Others - contingent consideration from CWLH Assets acquisition								
2) Contingent consideration (Notes 18, 35 and 38)	-	3,940	-	-	Level 1	Based on the nature and the likelihood of occurrence of the trigger event. Fair value is estimated using 2023 Dated Brent oil price forecasts of US$89.41/bbl at the end of the reporting period and taking into account the time value of money and volatility of oil prices.	Expected future oil price volatility is based on an analysis of Dated Brent oil prices movements.	A significant decrease in Dated Brent oil prices in 2023 would result to the reversal of the contingent payments recognised.
Others - contingent consideration from PenMal Assets acquisition								
3) Contingent consideration (Notes 20 and 38)	-	3,000	-	4,429	Level 1	Based on the actual average Dated Brent prices in 2022 of US$101.32/bbl.	-	-

40 SEGMENT INFORMATION

Information reported to the Group's Chief Executive Officer (the chief operating decision maker) for the purposes of resource allocation is focused on two reportable/business segments driven by different types of activities within the upstream oil and gas value chain, namely producing assets and secondly development and exploration assets. The geographic focus of the business is on Southeast Asia ("SEA") and Australia.

Revenue and non-current assets information based on the geographical location of assets respectively are as follows:

	Producing assets Australia USD'000	Producing assets SEA USD'000	Exploration/ development SEA USD'000	Corporate USD'000	Total USD'000
2022					
Revenue					
Liquids revenue	328,863	89,620	-	-	418,483
Gas revenue	-	3,119	-	-	3,119
	328,863	**92,739**	**-**	**-**	**421,602**
Production cost	(189,041)	(61,659)	-	-	(250,700)
DD&A	(57,835)	(3,405)	(235)	(359)	(61,834)
Administrative staff costs	(13,839)	(4,073)	(2,020)	(9,286)	(29,218)
Other expenses	(8,872)	(1,877)	(8,188)	(3,368)	(22,305)
Impairment	-	(13,534)	-	-	(13,534)
Other income	24,226	2,718	965	124	28,033
Finance costs	(6,698)	(2,033)	(903)	(1,774)	(11,408)
Other financial gains	1,904	-	-	-	1,904
Profit/(Loss) before tax	**78,708**	**8,876**	**(10,381)**	**(14,663)**	**62,540**
Additions to non-current assets	110,405	582	23,266	69	134,322
Non-current assets	424,017	101,835	115,390	231	641,473
2021 (Restated)*					
Revenue					
Liquids revenue	293,566	45,644	-	-	339,210
Gas revenue	-	984	-	-	984
	293,566	**46,628**	**-**	**-**	**340,194**
Production cost	(182,001)	(29,895)	-	-	(211,896)
DD&A	(75,848)	(3,621)	(281)	(465)	(80,215)
Administrative staff costs	(13,364)	(1,433)	(1,612)	(8,659)	(25,068)
Other expenses	(14,970)	(2,466)	(5,875)	(2,870)	(26,181)
Other income	7,038	9	76	559	7,682
Finance costs	(7,452)	(875)	(503)	(245)	(9,075)
Other financial gains	-	-	266	-	266
Profit/(Loss) before tax	**6,969**	**8,347**	**(7,929)**	**(11,680)**	**(4,293)**
Additions to non-current assets	57,130	64,117	4,744	183	126,174
Non-current assets	367,451	59,892	90,938	719	519,000

Non-current assets as shown here comprises oil and gas properties, intangible exploration assets, right-of-use assets, other receivables and prepayment and plant and equipment used in corporate offices. Deferred tax assets are excluded from the segmental note but included in the Group's consolidated statement of financial position.

Revenue arising from producing assets relates to the Group's single customer with respect to oil sales in Australia, and a different single customer for oil and gas sales in Malaysia. There is an active market for the Group's oil and gas.

* Certain 2021 comparative information has been restated. Please refer to Note 45.

41 FINANCIAL CAPITAL COMMITMENTS

Certain PSCs and service concessions have firm capital commitments. The Group has the following outstanding minimum commitments:

SEA portfolio PSC operational commitments

	2022 USD'000	2021 USD'000
Not later than one year	400	400
One to five years	19,284	12,000
More than 5 years	3,016	10,700
	22,700	**23,100**

The SEA portfolio PSC operational commitments as at 31 December 2022 amounted to US$17.3 million (2021: US$ 17.3 million), and relates to the minimum work commitment outstanding for the Block 46/07 PSC and the Lemang PSC. The operational commitments also include training commitment of US$5.4 million (2021: US$5.8 million), for the Block 46/07 PSC, Block 51 PSC and the PenMal Assets.

Work commitment

Under the terms of the Block 46/07 PSC, Jadestone is committed to drill one more appraisal well on the block. The Group plans to drill an appraisal well on the Nam Du field to facilitate transition of 3C resource to 2C status. This well would be retained for future use as a Nam Du gas producer. The current exploration phase expires on 29 June 2024. If necessary, the Group will request an extension to this deadline to align drilling of the appraisal well with development of the Nam Du/U Minh gas fields.

As part of the acquisition under the terms of the Lemang PSC, the Group, as the operator, has inherited unfulfilled work commitments of US$7.3 million consisting of one exploration well and a 3D seismic programme. The work commitments should have been completed during the exploration phase of the PSC by the previous owner. It has been agreed with the Indonesian regulator that the work commitments can be completed after first gas in 2024 but before the end of 2026.

Training commitment

Under the terms of the Block 46/07 PSC and Block 51 PSC, the Group commits to pay an annual training commitment amount of US$0.4 million to Petrovietnam until the expiration of the respective PSC licence. The training commitment amount is for the purpose of developing the local employees in the oil and gas industry.

As part of the acquisition under the terms of the PenMal Assets, the Group has inherited net training commitments of US$0.3 million and US$0.1 million for PM323 PSC and PM318 PSC, respectively. Funds provided with respect to this training commitment are applied to the development of local employees in the oil and gas industry. The training commitments are required to be completed before the expiration of the respective PSC.

Capital commitments

The Group has the following capital commitments for expenditure that were contracted for at the end of the reporting year but not recognised as liabilities for Stag and Montara:

	2022 USD'000	2021 USD'000
Not later than one year	310	5,254

The capital commitment of US$0.3 million as at 2022 year end predominately arose from the installation of produced water treatment unit and subsea control system upgrade at Montara, which are expected to be completed by end of 2023. The 2021 capital commitment of US$5.3 million mainly related to long leads for 50H and 51H drilling programme at Stag, which were completed during 2022.

42 CONTINGENT LIABILITY

On 17 June 2022, a loss of containment of between three and five cubic metres of oil occurred at the Montara Venture FPSO. The facility was shut-in immediately and the incident was reported to the local regulator. The local regulator has commenced an investigation into the incident for potential breach of the local regulations. The investigation is ongoing as at year end and is anticipated to continue throughout 2023. It is too early to reliably estimate the outcome of the investigation and if any prosecution will eventuate.

43 EVENTS AFTER THE END OF THE REPORTING PERIOD

Acquisition of interest in Sinphuhorm gas field

On 19 January 2023, the Group has executed a sale and purchase agreement with Salamander Energy (S.E. Asia) Limited (the "Seller"), an affiliate of PT Medco Energi Internasional Tbk, to acquire the Seller's interest in three legal entities, which collectively own a 9.52% non-operated interest in the producing Sinphuhorm gas field and a 27.2% interest in the Dong Mun gas discovery onshore northeast Thailand. The acquisition was completed on 23 February 2023, for a cash consideration of US$27.9 million post closing adjustments. The effective date of the transaction is 1 January 2022.

New debt facility

On 17 February 2023, the Group announced that it has closed a US$50.0 million debt facility ("Interim Facility") with two international banks. The closing of the Interim Facility forms part of the previously announced plan to arrange an RBL, which is a key element of the Group's medium-term financing strategy to fund development capital at the Indonesian Akatara Gas Project and further growth through merger and acquisition.

The Interim Facility has a term of nine months and carries an initial margin of 450 basis points over secured overnight financing rate, which steps up in the event repayment occurs more than three months after closing. The Interim Facility was repaid on 1 June 2023 from the RBL facility obtained by the Group in May 2023.

Montara operations update

Production at Montara was restarted on 21 March 2023. In a carefully planned restart programme, production has increased following a systematic restart of production wells and FPSO topsides processes. Since the gas reinjection system on the Montara Venture FPSO was restarted in late April 2023, production from the field has averaged approximately 6,800 bbls/d, with a peak during that period of c.7,200 bbls/d.

Closing of US$200.0 million RBL facility

On 19 May 2023, the Group announced that it had signed a new US$200.0 million RBL facility with the RBL Banks. The RBL facility provides for an uncommitted accordion of US$160.0 million, subject to incremental availability of bank debt. The RBL facility was closed on 22 May 2023, following satisfaction of the conditions precedent.

The RBL facility has a four-year tenor and is subject to bi-annual redeterminations to determine available debt capacity, which will vary over time depending on several parameters including oil prices, operating performance, hedging, future acquisitions and abandonment estimates. Under current assumptions, borrowing capacity under the RBL facility is constrained prior to the Akatara field being integrated as a producing asset, after which it will increase significantly. The Group and the RBL Banks can initiate additional redeterminations when appropriate. The borrowing base is secured over by the Group's assets being Montara, Stag, CWLH Assets, Sinphuhorm gas field, PenMal Assets' PM323 and PM329 PSCs and Lemang PSC.

The RBL facility pays interest at 450 basis points over the secured overnight financing rate, plus the applicable credit spread. The Group will also pay customary arrangement and commitment fees. The facility incorporates standard terms and conditions for RBL facility, including a parent company financial covenant of maximum total debt of 3.5 times annual EBITDAX plus the assets under the RBL facility are required to hold a total minimum liquidity balance of US$15 million and cover forward looking capital expense for two quarters.

The RBL facility was initially used to repay the US$50.0 million Interim Facility, which was fully drawn on 22 May 2023. The RBL facility will also fund the Group's operations and capital investment programme, particularly the Akatara gas project onshore Indonesia.

As part of the RBL, the Group has commenced its hedging programme and intends to progressively increase to approximately 50% of its forecasted production from October 2023 to September 2025. As of the signing date, the Group entered into oil price swap contracts for 3,494,000 bbls, representing approximately 32% of its forecasted future production between October 2023 to September 2025, at a weighted average price of US$70.66/bbl. The Group continues to monitor oil prices and will enter into additional hedging contracts when considered appropriate in the coming months to align with the RBL commitment.

Placement of additional shares and issue of warrants

On 6 June 2023, the Company agreed an equity fundraising, comprising an underwritten placing of an additional 94,081,826 ordinary shares at a share price of 45 pence and will be structured as set out below:

- a placing of 92,312,691 new ordinary shares to existing and new institutional shareholders; and
- a subscription of 1,769,135 new ordinary shares by directors.

At the same time, an incremental open offer of up to EUR8.0 million (up to US$8.6 million) was made to offer pre-emptive rights to existing shareholders who have not participated in the placing an ability to acquire shares at the offer price.

In support of the equity fundraising, the Company has entered into an up to US$50.0 million equity underwrite debt facility agreement with Tyrus Capital Event S.à.r.l, the Company's largest shareholder. The equity underwrite facility will reduce pro-rata to the total funds raised from the equity fundraising and the open offer and therefore is expected to reduce to zero. However, to the extent the facility does not reduce to zero, it will mature with a bullet repayment on 31 December 2024, will bear interest at 13.5% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties.

As part of the underwritten placing of additional ordinary shares, the Company has also entered into a warrant instrument with Tyrus Capital Event S.à.r.l for 30 million ordinary shares at an exercise price of 50 pence per share. The warrants are exercisable within 36 months from the date of issuance. The warrants are transferrable subject to customary restrictions.

Committed standby working capital facility

On 6 June 2023, the Company entered into a committed standby working capital facility with Tyrus Capital Event S.à.r.l for a facility size of up to US$35.0 million. The standby working capital facility will reduce pro-rata to the total funds raised from the equity fundraising and the open offer in excess of US$50.0 million. The facility will mature with a bullet repayment on 31 December 2024. The facility bears interest of 15% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties.

44 RELATED PARTY TRANSACTIONS

Internal reorganisation

During the comparative period, on 23 April 2021, pursuant to the internal reorganisation, a transfer of beneficial interest agreement was entered into between Jadestone Energy Inc. ("JEI"), Jadestone Energy Holdings Limited ("JEHL") and Daniel Young, the former Chief Financial Officer. Under the transfer of beneficial interest agreement, JEI transferred the beneficial interest in 100,000 of the Company's shares to Daniel Young, with a corresponding reduction in the issuance of any new JEP shares due to Daniel Young in exchange for his existing JEI shares transferred to JEHL.

The purpose of this transfer was to ensure that the adjusted total outstanding number of Jadestone Energy plc shares of 463,649,477 at the completion of the internal reorganisation was exactly equal to the number of outstanding Jadestone Energy Inc. shares of 463,649,477 immediately prior to the completion of the reorganisation.

Compensation of key management personnel

	2022 USD'000	2021 USD'000
Short-term benefits	7,492	8,179
Other benefits	2,029	1,295
Share-based payments	810	713
	10,331	**10,187**

The total remuneration of key management members in 2022 (including salaries and benefits) was US$10.3 million (2021: US$10.2 million) and recognised as part of the Group's administrative staff costs as disclosed in Note 7.

Compensation of Directors

	Short-term benefits[(a)] USD'000	Other benefits[(a)] USD'000	Share-based payments USD'000	Total compensation USD'000
2022				
A. Paul Blakeley	1,236	-	271	1,507
Bert-Jaap Dijkstra	268	23	35	326
Dennis McShane	155	-	6	161
Iain McLaren	105	-	4	109
Robert Lambert	95	-	4	99
Cedric Fontenit	90	-	4	94
Lisa Stewart	100	-	13	113
David Neuhauser	80	-	4	84
Jenifer Thien	71	-	-	71
Daniel Young	229	353	-	582
	2,429	**376**	**341**	**3,146**
2021				
A. Paul Blakeley	1,367	148	302	1,817
Daniel Young	748	210	(75)	883
Dennis McShane	155	-	10	165
Iain McLaren	105	-	7	112
Robert Lambert	95	-	7	102
Cedric Fontenit	95	-	7	102
Lisa Stewart	90	-	13	103
David Neuhauser	80	-	7	87
	2,735	358	278	3,371

(a) Short-term benefits comprise salary, director fee as applicable, performance pay, pension and other allowances. Other benefits comprise benefits-in-kind.

45 RESTATEMENT AND RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures in the consolidated financial statements of the Group have been restated arising from a change in accounting policy as well as reclassifications to conform to the presentation in the current period and to better reflect the nature of the respective items in the Group's consolidated financial statements.

The prior year restatement made was in relation to the change in accounting policy on the measurement of under/overlift, from recorded at the prevailing market price to recorded at the lower of cost and net realisable value as disclosed in Note 2.

The reclassifications made in the consolidated statement of financial position are related to the restricted cash held by the Group in relation to deposits placed for bank guarantees with respect to the PenMal Assets and Australian office buildings as a result of the April 2022 IFRIC Agenda item "Demand Deposits with Restrictions on Use arising from a Contract with a Third Party (IAS 7 *Statement of Cash Flows*). Additionally, the Group reclassed the fair value proceeds received from the issuance of shares to share premium account, plus incentive scheme payable the Group's employees are now recognised as an accrual. The reclassifications do not have impact on the consolidated statement or profit or loss and other comprehensive income and consolidated statement of cash flows.

The reclassifications made in the consolidated statement of cash flows are related to the interest paid, which now classified in accordance to its nature of activities. The reclassifications do not have impact on the consolidated statement or profit or loss and other comprehensive income and consolidated statement of financial position.

The restatements and reclassifications impact the following items:

	As previously reported USD'000	Restatements and reclassifications USD'000	As restated and reclassified USD'000
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021			
Production costs	(206,523)	(5,373)	(211,896)
Income tax expense	(14,822)	2,042	(12,780)
Consolidated statement of financial position as at 31 December 2021			
Deferred tax assets	25,278	1,111	26,389
Trade and other receivables	37,951	(5,373)	32,578
Cash and cash equivalents – non-current	-	852	852
Cash and cash equivalents - current	117,865	(852)	117,013
Share capital	559	(201)	358
Share premium account	-	201	201
Accumulated losses	31,692	3,331	(35,023)
Deferred tax liabilities	(67,097)	931	(66,166)
Provisions - current	(1,947)	1,017	(930)
Trade and other payables	(69,090)	(1,017)	(70,107)
Consolidated statement of cash flows for the year ended 31 December 2021			
Profit/(Loss) before tax	1,080	(5,373)	(4,293)
Increase in trade and other receivables	(11,975)	5,373	(6,602)
Interest paid – operating activities	(1,505)	1,505	-
Interest paid – financing activities	-	(74)	(74)
Interest on lease liabilities paid – financing activities	-	(1,222)	(1,222)
Interest on borrowings paid – financing activities	-	(209)	(209)

COMPANY STATEMENT OF FINANCIAL POSITION
(Company Registration Number: 13152520)
as at 31 December 2022

	Notes	2022 USD'000	2021 Restated* USD'000
ASSETS			
Non-current asset			
Investment in subsidiaries	5	26,838	25,905
Loan to a subsidiary	7	252,485	365,598
Total non-current asset		**279,323**	**391,503**
Current assets			
Amount owing by subsidiaries	7	32,521	4,812
Prepayments		20	-
Cash and cash equivalents		18,814	2,912
Total current assets		**51,355**	**7,724**
Total assets		**330,678**	**399,227**
EQUITY AND LIABILITIES			
Equity			
Capital and reserves			
Share capital	8	339	358
Share premium account	8	983	201
Merger reserve		61,068	61,068
Share-based payment reserve	10	26,907	25,936
Capital redemption reserve		21	-
Retained earnings		232,984	306,408
Total equity		**322,302**	**393,971**
Liabilities			
Current liabilities			
Other payables and accruals	11	851	212
Amount owing to a subsidiary	7	7,525	5,044
Total current liabilities		**8,376**	**5,256**
Total liabilities		**8,376**	**5,256**
Total equity and liabilities		**330,678**	**399,227**

During the year, the Company made a loss after tax of US$48.1 million (2021: US$7.0 million loss).

* Certain 2021 comparative information has been restated. Please refer to Note 13.

The financial statements were approved by the Board of Directors and authorised for issue on 6 June 2023. They were signed on its behalf by:

Bert-Jaap Dijkstra
Director

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Share capital USD'000	Share premium account USD'000	Capital redemption reserve USD'000	Share-based payments reserve USD'000	Merger reserve USD'000	Retained earnings USD'000	Total USD'000
As at incorporation date, 22 January 2021	68	-	-	-	-	-	68
Transfer of share-based payment reserve to the Company following internal reorganisation	-	-	-	25,493	-	-	25,493
Share-based compensation:							
Company	-	-	-	31	-	-	31
Subsidiaries	-	-	-	412	-	-	412
Dividends paid (Note 9)	-	-	-	-	-	(7,745)	(7,745)
Shares issued	321,407	201	-	-	61,068	-	382,676
Capital reduction	(321,117)	-	-	-	-	321,117	-
Total transactions with owners	**290**	**201**	**-**	**25,936**	**61,068**	**313,372**	**400,867**
Loss and total comprehensive income for the period	-	-	-	-	-	(6,964)	(6,964)
As at 31 December 2021 (Restated)*	**358**	**201**	**-**	**25,936**	**61,068**	**306,408**	**393,971**
Share-based compensation:							
Company	-	-	-	38	-	-	38
Subsidiaries	-	-	-	933	-	-	933
Dividends paid (Note 9)	-	-	-	-	-	(9,216)	(9,216)
Shares issued	2	782	-	-	-	-	784
Shares repurchases	(21)	-	21	-	-	(16,070)	(16,070)
Total transactions with owners	**(19)**	**782**	**21**	**971**	**-**	**(25,286)**	**(23,531)**
Loss and total comprehensive income for the year	-	-	-	-	-	(48,123)	(48,123)
As at 31 December 2022	**339**	**983**	**21**	**26,907**	**61,068**	**232,984**	**322,302**

* Certain 2021 comparative information has been restated. Please refer to Note 13.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

1 CORPORATE INFORMATION

The Company is incorporated and registered in England and Wales. The Company's head office is located at 3 Anson Road, #13-01 Springleaf Tower, Singapore 079909. The registered office of the Company is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR United Kingdom.

The Company's ordinary shares are listed on AIM, a market regulated by the London Stock Exchange plc.

The principal activity of the Company is that of investment holding in the production and exploration of oil and gas.

2 BASIS OF PREPARATION

The Company meets the definition of a qualifying entity under FRS 100, and as such these financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). The financial statements have been prepared under the historical cost convention.

As permitted by s408 of the Companies Act 2006 the Company has elected not to present its own statement of profit or loss and other comprehensive income for the period. The loss attributable to the Company is disclosed in the footnote to the Company's statement of financial position. The auditor's remuneration for the audit is disclosed in Note 11 to the consolidated financial statements. The Company has also applied the following disclosure exemptions under FRS 101:

- paragraphs 45(b) and 46 to 52 of IFRS 2 *Share-based Payment* (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined), as equivalent disclosures are included within the consolidated financial statements;
- all requirements of IFRS 7 *Financial Instruments: Disclosures*, as equivalent disclosures are included in the consolidated financial statements;
- paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement* (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- paragraph 38 of IAS 1 *Presentation of Financial Statements* - the requirement to disclose comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1 (a reconciliation of the number of shares outstanding at the beginning and end of the period); and
  - paragraph 73(e) of IAS 16 *Property, Plant and Equipment* (reconciliations between the carrying amount at the beginning and end of the period).
- IAS 7 *Statement of Cash Flows*;
- paragraphs 30 and 31 of IAS 8 A*ccounting Policies, Changes in Accounting Estimates and Errors* (the requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective); and
- paragraph 17 of IAS 24 *Related Party Disclosures* (key management compensation), and the other requirements of that standard to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

3 ACCOUNTING POLICIES

The Company's accounting policies are aligned with the Group's accounting policies as set out within the consolidated financial statements, with the addition of the following:

Investment in subsidiaries

Investments in subsidiaries are held at cost less any accumulated provision for impairment losses. Investment in subsidiaries also consist of capital contribution by the Company to its subsidiaries by assuming the ownership of the LTIP awards previously granted by the former parent company of the Group.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following is the critical judgement and estimate that the management has made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

- **Recoverability of the loan to a subsidiary, Jadestone Energy Holdings Ltd**

  The recoverability of the loan is based on the evaluation of expected credit loss. A considerable amount of estimation uncertainty exists in assessing the ultimate realisation of the loan, including the past collection history from Jadestone Energy Holdings Ltd ("JEHL") plus estimation of the future profitability of JEHL, with its sole source of income being dividend income to be received from JEHL's subsidiaries. Accordingly, the management exercised judgement in estimating the future profitability of the oil and gas operations held by the JEHL's subsidiaries.

  In estimating the future profitability of the JEHL's subsidiaries, management estimated the available reserves owned by the subsidiaries and performed sensitivity analysis on the estimated reserves as disclosed in Note 3 of the consolidated financial statements. Management concluded that the subsidiaries will be able to declare sufficient dividend income to JEHL based on the estimated reserves and also after taking into the account the sensitivity analysis.

  Management also considered the future hydrocarbon prices in determining the future profitability of the JEHL's subsidiaries. The future hydrocarbon price assumptions used are highly judgemental and may be subject to increased uncertainty given climate change and the global energy transition. Management further takes into consideration the impact of climate change on estimated future commodity prices with the application of the Paris aligned price assumptions as disclosed in Note 3 of the consolidated financial statements. Based on the analysis performed, the potential future reduction on the hydrocarbon prices as impacted by the climate change and the global energy transition will not significantly impact the future operating cash flows of the subsidiaries. Accordingly, management estimates that the subsidiaries will be able to declare sufficient dividend income to JEHL.

5 INVESTMENT IN SUBSIDIARIES

	2022 USD'000	2021 USD'000
Unquoted share, at cost	-*	-*
Share-based payment:		
At beginning of year/As at incorporation date	25,905	-
Transfer of share-based payment reserve to the Company following internal reorganisation	-	25,493
Share-based compensation at subsidiaries during the year/period	933	412
At end of year/period	**26,838**	**25,905**
	26,838	**25,905**

* Rounded to the nearest thousand.

Details of the direct and indirect investments the Company holds are as follows:

Name of the company	Place of incorporation	% voting rights and ordinary shares held 2022	% voting rights and ordinary shares held 2021	Nature of business
Direct				
Jadestone Energy Holdings Ltd (1)	England and Wales	100	100	Investment holdings
Indirect				
Jadestone Energy (Australia) Pty Ltd (2)	Australia	100	100	Production of oil & gas
Jadestone Energy (Australia Holdings) Pty Ltd (2)	Australia	100	100	Investment holdings
Jadestone Energy (CWLH) Pty Ltd (2)	Australia	100	100	Production of oil & gas
Jadestone Energy (Eagle) Pty Ltd (2)	Australia	100	100	Production of oil & gas
Jadestone Energy Inc. (3)	Canada	100	100	Investment holdings
Jadestone Energy International Holdings Inc. (3)	Canada	100	100	Investment holdings
Jadestone Energy (Lemang) Pte Ltd (4)	Singapore	100	100	Exploration
Jadestone Energy Ltd (5)	Bermuda	100	100	Investment holdings
Jadestone Energy (New Zealand) (6) Ltd	New Zealand	100	100	Production of oil & gas
Jadestone Energy (New Zealand Holdings) Ltd (6)	New Zealand	100	100	Investment holdings
Jadestone Energy (Ogan Komering) Ltd (7) *	Canada	100	100	Production of oil & gas
Mitra Energy (Philippines SC- 56) Ltd (5)	Bermuda	100	100	Exploration
Mitra Energy (Philippines SC- 57) Ltd (8)	BVI	100	100	Exploration
Jadestone Energy (PM) Inc. (9)	Bahamas	100	100	Production of oil & gas
Jadestone Energy (Singapore) Pte Ltd (4)	Singapore	100	100	Investment holdings
Jadestone Energy Sdn Bhd (10)	Malaysia	100	100	Administration
Jadestone Energy UK Services Ltd (1)	England and Wales	100	100	Administration
Jadestone Energy (Vietnam) Pte Ltd (4)	Singapore	100	100	Exploration
Mitra Energy (Indonesia Bone) Ltd (8) **	BVI	-	100	Exploration
Mitra Energy (Vietnam 05-1) Pte Ltd (4) ***	Singapore	100	100	Exploration
Mitra Energy (Vietnam Nam Du) Pte Ltd (4)	Singapore	100	100	Exploration
Mitra Energy (Vietnam Tho Chu) Pte Ltd (4)	Singapore	100	100	Exploration

Registered office addresses:
(1) 6th Floor, 60 Gracechurch Street, London, EC3V 0HR United Kingdom
(2) Atrium Building Level 2, 168-170 St Georges Terrace, Perth WA 6000, Australia
(3) 10th Floor, 595 Howe St., Vancouver BC, V6C 2T5, Canada
(4) 3 Anson Road #13-01, Springleaf Tower, Singapore 079909
(5) 3rd Floor - Par la Ville Place, 14 Par la Ville Road, Hamilton HM08, Bermuda
(6) Bell Gully, 171 Featherston Street, Wellington Central, Wellington, 6011, New Zealand
(7) 29 Tuscany Hills Bay NW, Calgary, Alberta, T3L2G5, Canada
(8) TMF (BVI) Ltd, Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands
(9) H&J Corporate Services Ltd, Ocean Centre, Montagu Foreshore, East bay Street, P.O. Box N-3247, Nassau, Bahamas
(10) Level 15-2, Bangunan Imperial Court, Jalan Sultan Ismail, 50250, Kuala Lumpur, Malaysia
* Jadestone Energy (Ogan Komering) Ltd has been dissolved on 10 Mar 2023.
** Mitra Energy (Inodnesia Bone) Ltd has been dissolved on 13 Apr 2022.
*** Mitra Energy (Vietnam 05-1) Pte Ltd has been dissolved on 9 Mar 2023.

6 STAFF NUMBER AND COSTS

The Company has one (2021: one) employee during the year.

The aggregate remuneration comprised:

	2022 Number	2021 Number
Wages and salaries	141	104
Social security costs	38	4
Defined contribution pension costs	-	-
	179	**108**

7 RELATED PARTY TRANSACTIONS

The Company does not enter into new loan with its subsidiary during the year. In 2021, the Company entered into a loan with its subsidiary, Jadestone Energy Holdings Limited, for the purpose of recovering the amount of the consideration shares issued by the Company to former Jadestone Energy Inc. shareholders as part of the internal reorganisation exercise which was completed on 23 April 2021. The loan is non-interest bearing and repayable on demand or at any time, as agreed with the Company, before 21 April 2031.

Amount owing by subsidiaries are mainly related to payments on behalf, and a receipt on behalf of the Company by a subsidiary for the proceeds from issuance of shares during the period. The amount owing by subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

Amount owing to a subsidiary is mainly related to advances received for the purpose of depositing the funds into the Company's bank account. The amount owing to subsidiaries are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

During the year, the Company entered into the following transactions with:

	2022 USD'000	2021 USD'000
Loan to a subsidiary		
At beginning of the year/As at incorporation date	365,598	-
Loan provided during the year/period	-	382,555
Repayment during the year/period	(68,284)	(12,967)
Unrealised foreign exchange differences	(44,829)	(3,990)
At end of the year/period	**252,485**	**365,598**
Subsidiaries		
Advances	31,971	23,856
Repayment received	(4,200)	(19,033)
Payment on behalf by	(61)	(12)

8 SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

	No. of shares	Share capital USD'000	Share premium account USD'000
Issued and fully paid			
As at incorporation date, 22 January 2021, at £1 each	50,000	68	-
Sub-division of shares, at £0.50 each	50,000	-	-
Ordinary shares issued during the period, at £0.50 each	464,981,238	321,407	201
Capital reduction, at £0.499 each	-	(321,117)	-
As at 31 December 2021 (Restated)*	**465,081,238**	**358**	**201**
Issued during the year	1,446,108	2	782
Share repurchases	(18,173,683)	(21)	-
As at 31 December 2022	**448,363,663**	**339**	**983**

On 6 April 2021, the Company sub-divided its ordinary shares into 100,000 units of share, at £0.50 each.

On 4 May 2021, the High Court of Justice, Business and Property Court, Companies Court in England and Wales approved the reduction of share capital of the Company pursuant to section 648 of the Act by cancelling the paid-up capital of the Company to the extent of 49.9 pence on each ordinary share of £0.50 in the issued share capital of the Company. The effective date of the capital reduction was 6 May 2021.

On 2 August 2022, the Company announced the launch of a share buyback programme (the "Programme") in accordance with the authority granted by the shareholders at the Company's annual general meeting on 30 June 2022. The maximum amount of the Programme was US$25.0 million, and the Programme will not exceed 46,574,528 ordinary shares.

As at 31 December 2022, the Company had acquired 18.2 million shares at a weighted average cost of £0.76 per share, resulting in an accumulated total of US$16.1 million. The total nominal value of the shares repurchased was US$20,779. All shares repurchased were cancelled.

As at 31 December 2022, the Company did not have a liability in respect to the remaining unutilised amount of US$8.9 million under the Programme as the Company had full discretion over the number of shares to be repurchased.

On 19 January 2023, the Company paused the share buyback programme. A total of 20.2 million shares had been acquired for a total accumulated expenditure of US$17.9 million up to 18 January 2023.

During the year, employee share options of 1,446,108 were exercised and issued at an average price of GB£ 0.42 per share (2021: 3,238,427; GB£0.33 per share).

The Company has one class of ordinary share. Fully paid ordinary shares with par value of £0.001 per share carry one vote per share without restriction, and carry a right to dividends as and when declared by the Company.

* Certain 2021 comparative information has been restated. Please refer to Note 13.

9 DIVIDENDS

The Company has sufficient distributable reserves to declare dividends. The distributable reserves were created through the reduction of share capital of the Company in May 2021 (Note 8 of Company level financial statements). The dividends declared were in compliance with the Act.

On 20 September 2022, the Directors declared a 2022 interim dividend of 0.65 US cents/share, equivalent to a total distribution of US$3.0 million. The dividend was paid on 11 October 2022.

On 6 June 2022, the Directors recommended a final 2021 dividend of 1.34 US cents/share, equivalent to a total distribution of US$6.2 million, or US$9.0 million in respect of total 2021 dividends. The dividend was approved by shareholders on 30 June 2022 and paid on 5 July 2022.

On 9 September 2021, the Directors declared a 2021 interim dividend of 0.59 US cents/share, equivalent to a total distribution of US$2.8 million. The dividend was paid on 1 October 2021.

On 11 June 2021, the Directors declared the second interim 2020 dividend of 1.08 US cents/share, equivalent to a total distribution of US$5.0 million, or US$7.5 million in respect of total 2020 dividends. The dividend was paid on 30 June 2021.

10 SHARE-BASED PAYMENTS RESERVE

The total expense arising from share-based payments of US$0.1 million (2021: US$0.1 million) was recognised in profit or loss for the year ended 31 December 2022.

On 15 May 2019, the Company adopted, as approved by the shareholders, the amended and restated stock option plan, the performance share plan, and the restricted share plan (together, the "LTI Plans"), which establishes a rolling number of shares issuable under the LTI Plans up to a maximum of 10% of the Company's issued and outstanding ordinary shares at any given time. Options under the stock option plan will be exercisable over periods of up to 10 years as determined by the Board.

10.1 Share options

Management has applied the Black-Scholes option-pricing model, with the following assumptions, was used to estimate the fair value of the options at the date of grant:

	Options granted on	
	9 March 2022	18 March 2021
Risk-free rate	1.34% to 1.38%	0.49% to 0.61%
Expected life	5.5 to 6.5 years	5.5 to 6.5 years
Expected volatility[1]	63.0% to 66.7%	65.2% to 67.6%
Share price	GB£ 1.01	GB£ 0.65
Exercise price	GB£ 0.92	GB£ 0.77
Expected dividends	1.96%	1.79%

10.2 Performance shares

The performance measures for performance shares incorporate both a relative and absolute total shareholder return ("TSR") calculation on a 70:30 basis to compare performance vs. peers (relative TSR) and to ensure alignment with shareholders (absolute TSR).

Relative TSR: measured against the TSR of peer companies; the size of the pay out is based on Jadestone's ranking against the TSR outcomes of peer companies.

Absolute TSR: share price target plus dividend to be set at the start of the performance period and assessed annually; the threshold share price plus dividend has to be equal to or greater than a 10% increase in absolute terms to earn any pay out at all, and must be 25% or greater for target pay out.

A Monte Carlo simulation model was used by an external specialist, with the following assumptions to estimate the fair value of the performance shares at the date of grant:

	Performance shares granted on	
	9 March 2022	18 March 2021
Risk-free rate	1.39%	0.06%
Expected volatility[2]	53.1%	51.4%
Share price	GB£ 1.01	GB£ 0.77
Exercise price	N/A	N/A
Expected dividends	1.71%	2.64%
Post-vesting withdrawal date	N/A	N/A
Early exercise assumption	N/A	N/A

1 Expected volatility was determined by calculating the average historical volatility of the daily share price returns over a period commensurate with the expected life of the awards for a group of ten peer companies.

2 Expected volatility was determined by calculating Jadestone's average historical volatility of each trading day's log growth of TSR over a period between the grant date and the end of the performance period.

10.3 Restricted shares

Restricted shares are granted to certain senior management personnel as an alternative to cash under exceptional circumstances and to provide greater alignment with shareholder objectives. These are shares that vest three years after grant, assuming the employee has not left the Group. They are not eligible for dividends prior to vesting.

The following assumptions were used to estimate the fair value of the restricted shares at the date of grant, discounting back from the date they will vest and excluding the value of dividends during the intervening period:

	Restricted shares granted on		
	22 August 2022	9 March 2022	18 March 2021
Risk-free rate	1.73%	1.39%	0.08%
Share price	GB£ 0.90	GB£ 1.01	GB£ 0.77
Expected dividends	1.73%	1.71%	2.64%

The following table summarises the options/shares under the LTI plans outstanding and exercisable as at 31 December 2022:

	Performance shares	Restricted shares	Shares Options: Number of options	Weighted average exercise price GB£	Weighted average remaining contract life	Number of options exercisable
As at 1 January 2021	683,200	101,063	25,192,842	0.40	7.78	12,212,827
New options/share awards issued	1,136,512	50,570	2,852,631	0.77	9.21	-
Vested during the year	-	-	-	0.42	6.92	3,776,672
Accelerated vesting during the year	-	-	198,687	0.55	8.39	198,687
Exercised during the year	-	-	(3,238,427)	0.33	-	(3,238,427)
Cancelled during the year	(332,819)	-	(3,690,244)	0.46	-	(1,539,905)
As at 31 December 2021	**1,486,893**	**151,633**	**21,315,489**	**0.45**	**7.16**	**11,409,854**
New options/share awards issued	1,385,013	293,655	1,023,561	0.92	9.19	-
Vested during the year	-	-	-	0.50	6.27	2,010,007
Accelerated vesting during the year	-	-	1,354,702	0.46	6.45	1,354,702
Exercised during the year	-	-	(1,446,108)	0.42	-	(1,446,108)
Cancelled during the year	(147,906)	-	(120,854)	0.50	-	(891,270)
As at 31 December 2022	**2,724,000**	**445,288**	**22,176,790**	**0.48**	**6.33**	**12,437,185**

	Number of options	Range of exercise price GB£	Weighted average exercise price GB£	Weighted average remaining contract life
Share options exercisable as at 31 December 2021	11,409,854	0.26 - 0.99	0.38	6.18
Share options exercisable as at 31 December 2022	12,437,185	0.26 - 0.99	0.41	5.46

11 OTHER PAYABLES

	2022 USD'000	2021 USD'000
Other payables	456	1
Accruals	395	211
	851	**212**

12 EVENTS AFTER THE END OF THE REPORTING PERIOD

Acquisition of interest in Sinphuhorm gas field

On 19 January 2023, the Group has executed a sale and purchase agreement with Salamander Energy (S.E. Asia) Limited (the "Seller"), an affiliate of PT Medco Energi Internasional Tbk, to acquire the Seller's interest in three legal entities, which collectively own a 9.52% non-operated interest in the producing Sinphuhorm gas field and a 27.2% interest in the Dong Mun gas discovery onshore northeast Thailand. The acquisition was completed on 23 February 2023, for a headline cash consideration of US$27.8 million post customary closing adjustments. The effective date of the transaction is 1 January 2022.

New debt facility

On 17 February 2023, the Group announced that it has closed a US$50.0 million debt facility ("Interim Facility") with two international banks. The closing of the Interim Facility forms part of the previously announced plan to arrange a reserves-based lending facility ("RBL"), which is a key element of the Group's medium-term financing strategy to fund development capital at the Indonesian Akatara Gas Project and further growth through merger and acquisition.

The Interim Facility has a term of nine months and carries an initial margin of 450 basis points over secured overnight financing rate, which steps up in the event repayment occurs more than three months after closing. The Interim Facility was repaid on 1 June 2023 from the RBL facility obtained by the Group in May 2023.

Montara operations update

Production at Montara was restarted on 21 March 2023. In a carefully planned restart programme, production has increased following a systematic restart of production wells and FPSO topsides processes. Since the gas reinjection system on the Montara Venture FPSO was restarted in late April 2023, production from the field has averaged approximately 6,800 bbls/d, with a peak during that period of c.7,200 bbls/d.

Closing of US$200.0 million RBL facility

On 19 May 2023, the Group announced that it had signed a new US$200.0 million RBL facility with the RBL Banks. The RBL facility provides for an uncommitted accordion of US$160.0 million, subject to incremental availability of bank debt. The RBL facility was closed on 22 May 2023, following satisfaction of the conditions precedent.

The RBL facility has a four-year tenor and is subject to bi-annual redeterminations to determine available debt capacity, which will vary over time depending on several parameters including oil prices, operating performance, hedging, future acquisitions and abandonment estimates. Under current assumptions, borrowing capacity under the RBL facility is constrained prior to the Akatara field being integrated as a producing asset, after which it will increase significantly. The Group and the RBL Banks can initiate additional redeterminations when appropriate. The borrowing base is secured over by the Group's assets being Montara, Stag, CWLH Assets, Sinphuhorm gas field, PenMal Assets' PM323 and PM329 PSCs and Lemang PSC.

The RBL facility pays interest at 450 basis points over the secured overnight financing rate, plus the applicable credit spread. The Group will also pay customary arrangement and commitment fees. The facility incorporates standard terms and conditions for RBL facility, including a parent company financial covenant of maximum total debt of 3.5 times annual EBITDAX plus the assets under the RBL facility are required to hold a total minimum liquidity balance of US$15 million and cover forward looking capital expense for two quarters.

The RBL facility was initially used to repay the US$50.0 million Interim Facility, which was fully drawn on 22 May 2023. The RBL facility will also fund the Group's operations and capital investment programme, particularly the Akatara gas project onshore Indonesia.

As part of the RBL, the Group has commenced its hedging programme and intends to progressively increase to approximately 50% of its forecasted production from October 2023 to September 2025. As of the signing date, the Group entered into oil price swap contracts for 3,494,000 bbls, representing approximately 32% of its forecasted future production between October 2023 to September 2025, at a weighted average price of US$70.66/bbl. The Group continues to monitor oil prices and will enter into additional hedging contracts when considered appropriate in the coming months to align with the RBL commitment.

Placement of additional shares and issue of warrants

On 6 June 2023, the Company agreed an equity fundraising, comprising an underwritten placing of an additional 94,081,826 ordinary shares at a share price of 45 pence and will be structured as set out below:

- a placing of 92,312,691 new ordinary shares to existing and new institutional shareholders; and
- a subscription of 1,769,135 new ordinary shares by directors.

At the same time, an incremental open offer of up to EUR8.0 million (up to US$8.6 million) was made to offer pre-emptive rights to existing shareholders who have not participated in the placing an ability to acquire shares at the offer price.

In support of the equity fundraising, the Company has entered into an up to US$50.0 million equity underwrite debt facility agreement with Tyrus Capital Event S.à.r.l, the Company's largest shareholder. The equity underwrite facility will reduce pro-rata to the total funds raised from the equity fundraising and the open offer and therefore is expected to reduce to zero. However, to the extent the facility does not reduce to zero, it will mature with a bullet repayment on 31 December 2024, will bear interest at 13.5% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties.

As part of the underwritten placing of additional ordinary shares, the Company has also entered into a warrant instrument with Tyrus Capital Event S.à.r.l for 30 million ordinary shares at an exercise price of 50 pence per share. The warrants are exercisable within 36 months from the date of issuance. The warrants are transferrable subject to customary restrictions.

Committed standby working capital facility

On 6 June 2023, the Company entered into a committed standby working capital facility with Tyrus Capital Event S.à.r.l for a facility size of up to US$35.0 million. The standby working capital facility will reduce pro-rata to the total funds raised from the equity fundraising and the open offer in excess of US$50.0 million. The facility will mature with a bullet repayment on 31 December 2024. The facility bears interest of 15% on drawn amounts and 5% on undrawn amounts and can be repaid or cancelled without penalties.

13 RESTATEMENT OF COMPARATIVE FIGURES

Certain comparative figures in the financial statements of the Company have been restated to conform to the presentation in the current period and to better reflect the nature of the respective items in the Company's financial statements.

The restatement made in the statement of financial position is related to the fair value proceeds received from the issuance of shares, which is recorded in the share premium account.

The restatement impacts the following items:

	As previously reported USD'000	Restatement USD'000	As reclassified USD'000
Statement of financial position as at 31 December 2021			
Share capital	559	(201)	358
Share premium account	-	201	201

Additional information

Oil and gas reserves and resources

Total Proved plus Probable Reserves[1] (net, mmboe)

	Australia	Malaysia[2]	Indonesia[2]	Total Group
Opening balance, 1 January 2022	**33.5**	**11.2**	**-**	**44.7**
Acquisitions	5.1	-	-	5.1
Transfer from 2C resources	-	-	16.8	16.8
Technical revisions	(0.5)	(0.6)	3.5	2.4
Production	(2.5)	(1.7)	-	(4.2)
Ending balance, 31 December 2022	**35.6**	**8.9**	**20.3**	**64.8**

As at 31 December 2022, the Group had proved plus probable oil reserves ("2P Reserves") of 64.8 mmboe, a 45% increase compared with 31 December 2021 and a near six-fold replacement of production in the year. The primary drivers of the significant increase in reserves were the reclassification of 2C Contingent Resources from the Akatara gas field development in Indonesia to 2P Reserves following a final investment decision in June 2022, as well as the acquisition of the 16.67% interest in the producing CWLH fields offshore Australia, which completed in November 2022. Jadestone completed the acquisition of an interest in the Sinphuhorm gas field onshore Thailand, adding a further 4.1 mmboe of 2P Reserves, after the period end and was therefore not included in end-2022 reserves calculation.

ERCE independently evaluated the Group's year-end 2022 reserves.

Total 2C Contingent Resources[3] (net, mmboe)

	Australia	Malaysia	Indonesia[2]	Vietnam[2]	Total Group
Opening balance, 1 January 2022	**-**	**-**	**16.8**	**93.9**	**110.7**
Acquisitions	-	-	-	-	-
Transfer to 2P reserves	-	-	(16.8)	-	(16.8)
Technical revisions	6.5	-	3.9	-	10.4
Ending balance, 31 December 2022	**6.5**	**-**	**3.9**	**93.9**	**104.3**

The Group's best case contingent resources ("2C resources") decreased slightly from 110.7 mmboe in 2021 to 104.3 mmboe in 2022. The reclassification of the Akatara gas development contingent resources to 2P reserves was partially offset by the inclusion of the Group's share of contingent resources associated with the potential life extension of, and infill drilling on, the CWLH Assets, as well as additional Akatara upside potential identified in excess of the volumes covered under the gas sales agreement.

1 Proven and Probable Reserves for Jadestone's assets have been prepared in accordance with the June 2018 SPE/WPC/AAPG/ SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System ("PRMS") as the standard for classification and reporting.

2 Assumes oil equivalent conversion factor of 6,000 scf/boe.

3 Contingent Resources based on ERCE estimates as at 31 December 2022, except for Vietnam 2C resources which are based on ERCE Competent Person's Report effective 31 December 2017.

Licence interests

Country/licences	Acreage	Field/discovery	Region	Location	Water depth	Operator	Working interest
AUSTRALIA							
AC/L7, ACL8	672km²	Montara, Swift/ Swallow, Skua	Timor Sea	Offshore	77 metres	Jadestone	100%
WA-15-L	160km²	Stag	Carnarvon Basin	Offshore	47 metres	Jadestone	100%
WA-3-L, WA-9-L, WA-11-L, WA-16-L	160km²	Cossack, Wanaea, Hermes, Lambert	North Carnarvon Basin	Offshore	157 metres	Woodside Energy	16.67%
MALAYSIA							
PM323 PSC	1,304km²	East Belamut, Chermingat, West Belamut	Malay Basin	Offshore	72 metres	Jadestone	60%
PM329 PSC	387km²	East Piatu	Malay Basin	Offshore	63 metres	Jadestone	70%
PM318/AAKBNLP PSCs	1,698km²	North Lukut, Penara, Puteri	Malay Basin	Offshore	70 metres	Jadestone	100%
INDONESIA							
Lemang PSC	743km²	Akatara	South Sumatra	Onshore	n/a	Jadestone	100%[1]
THAILAND							
EU5, EU-1	232km²	Sinphuhorm	Khorat Basin	Onshore	n/a	PTTEP	9.52%
L27/43	32km²	Dong Mun	Khorat Basin	Onshore	n/a	APICO	27.2%
VIETNAM							
Block 46/07 PSC	2,622km²	Nam Du	Malay /Tho Chu Basin	Offshore	48 metres	Jadestone	100%
Block 51 PSC	887km²	U Minh, Tho Chu	Malay /Tho Chu Basin	Offshore	64 metres	Jadestone	100%

1 * Pre local government back-in right of up to 10%.

Report on payments to governments

This report sets out details of the payments made to governments by Jadestone Energy Plc and its subsidiary undertakings for the year ended 31 December 2022.

This information is required under the Disclosure and Transparency Rules of the UK Financial Conduct Authority and is provided in accordance with Jadestone's interpretation of the Industry Guidance issued for the UK's Report on Payments to Governments Regulations 2014, as amended in December 2015 (the "Regulations").

The Regulations require payments to governments to be disclosed on the following basis:

- **Categories**
  - **i.** production entitlements;
  - **ii.** taxes levied on the income, production or profits of companies (excluding taxes levied on consumption such as value added taxes, personal income taxes or sales taxes);
  - **iii.** royalties;
  - **iv.** dividends (other than where paid to the government as an ordinary shareholder which is paid on the same terms as the other ordinary shareholders);
  - **v.** signature, discovery and production bonuses;
  - **vi.** licence/rental fees; and
  - **vii.** payments for infrastructure improvements.
- Single payments of less than GBP86,000 need not be disclosed in the report, nor does any payment forming part of a series of related payments within a financial year where the total amount is less than GBP86,000.
- Where payments in kind are made to a government, the report must state their value and, where applicable, the volume of those payments.
- 'government' means any national, regional or local authority of a country, and includes a department, agency or undertaking that is a subsidiary undertaking where the authority is the parent undertaking.

The following table sets out the Group's payments to governments for 2022 based on the principles above. All figures are in US dollars.

US$		Fees	Taxes	Royalties	Totals
	Stag	531,346	-	39,940	571,286
	Montara	770,906	-	-	770,906
	CWLH	-	-	-	-
	Non-project related	-	18,509,764	-	18,509,764
Total Australia		1,302,252	18,509,764	39,940	19,851,956
	PM323	-	3,260,715	8,965,952	12,226,667
	PM329	-	5,937,591	16,876,759	22,814,350
	PM318	-	449,402	80,651	530,053
	AAKBNLP	-	449,402	111,698	561,100
Total Malaysia		-	10,097,110	26,035,061	36,132,171
	Lemang PSC	227,864	-	-	227,864
Total Indonesia		227,864	-	-	227,864
	Block 46/07	200,000	-	-	200,000
	Block 51	200,000	-	-	200,000
Total Vietnam		400,000	-	-	400,000
Totals		1,930,116	28,606,874	26,075,001	56,611,990

2022 Annual report glossary

2C resources, 2C	best estimate contingent resource, being quantities of hydrocarbons which are estimated, on a given date, to be potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable
2P reserves, 2P	the sum of proved and probable reserves, reflecting those reserves with 50% probability of quantities actually recovered being equal or greater to the sum of estimated proved plus probable reserves
AAKBNLP	Abu, Abu Kecil, Bubu, North Lukut, and Penara oilfields
AIM	Alternative Investment Market
the AIM Rules	the AIM Rules for Companies 2021
AGM	annual general meeting
APAC	the Asia-Pacific region
API	American Petroleum Institute gravity
APS	Announced Pledges Scenario
bbl	barrel
bbls/d	barrels per day
BCSC	British Columbia Securities Commission
the Board	the board of directors of Jadestone Energy plc
boe/d	barrels of oil equivalent per day
carbon dioxide equivalent (or CO_2-e)	standard unit used to compare and account for emissions from various GHGs based on their global warming potential
CCWG	Climate Change Working Group
CEO	Chief Executive Officer
CFO	Chief Financial Officer
the Company	Jadestone Energy plc
COVID-19	an infectious disease caused by the SARS-CoV-2 virus
CWLH	Cossack, Wanaea, Lambert, Hermes
DD&A	depletion, depreciation and amortisation
direct energy	energy generated onsite at Company facilities
the Directors	the directors of Jadestone Energy plc
E&P	exploration and production
EBITDAX	earnings before interest tax, depreciation, amortisation and exploration expense
emissions intensity	emissions intensity
EPCI	engineering, procurement, construction and installation
ERCE	ERC Equipoise Limited
ESG	environmental, social and governance
FID	final investment decision
FPSO	floating production storage and offloading vessel
fugitive emissions	losses, leaks and other releases of gases such as methane and carbon dioxide to the atmosphere that are associated with industries producing natural gas, oil and coal
FVLCOD	Fair value less costs of disposal
GBP	British Pounds
GHG	Greenhouse gases, with three main gases including carbon dioxide (CO_2), methane (CH_4) and nitrous oxide N_2O.
the Group	Jadestone Energy plc and its subsidiaries
HSE	health, safety and environment
HSEC	health, safety, environment and climate
HSSEC	health, safety, social, environmental and climate
IEA	International Energy Agency
IFRS	International Financial Reporting Standards
indirect energy	energy generated offsite and purchased by the Company
IPCC	Intergovernmental Panel on Climate Change
IPIECA	originally the "International Petroleum Industry Environmental Conservation Association"
ISO	International Organisation for Standardisation
IT	information technology
Jadestone or Jadestone plc	Jadestone Energy plc
KPIs	key performance indicators
LPG	liquified petroleum gas
LTI	long-term incentive
LTIP	long-term incentive plan
MACC	marginal abatement cost curve
MAR	Market Abuse Regulation
mmcf	million standard cubic feet of natural gas
M&A	mergers and acquisitions
mmbbls/d	million barrels per day
mmboe	millions of barrels of oil equivalent
NED	Non-Executive Director
Net Zero	the state reached when an organisation's GHG emissions are reduced in line with the goals of the Paris Agreement, and any remaining emissions that cannot be further reduced are fully neutralised by like-for-like permanent removals.
NOPSEMA	The National Offshore Petroleum Safety and Environmental Management Authority

NZE	IEA Net Zero Emissions scenario
OCF	operating cash flow
OPEC	Organisation of Petroleum Exporting Countries
OPEC+	the 13 OPEC members and 10 of the world's major non-OPEC oil-exporting nations
the Paris Agreement	a legally binding international treaty on climate change
PenMal Assets	collectively, the assets acquired offshore Peninsular Malaysia by Jadestone in 2021
PETRONAS	Petroliam Nasional Berhad
PITA	petroleum income tax (Malaysia)
produced water	water produced from the reservoir with crude oil
PRRT	Petroleum Resource Rent Tax
PSC	production sharing contract
QCA	Quoted Companies Alliance
RBL	reserves-based loan
RSU	restricted stock unit
SapuraOMV	SapuraOMV Upstream Sdn. Bhd.
scf	standard cubic feet of gas
Scope 1, 2 and 3 GHG emissions	direct operational emissions (Scope 1), indirect emissions from purchased energy (Scope 2) and remaining indirect GHG emissions emitted across the value chain (Scope 3)
SECR	Streamlined Energy and Carbon Reporting
Section 172	Section 172 of the Companies Act 2006
SID	senior independent director
STEPS	IEA Stated Policies scenario
TCFD	Task Force on Climate-Related Financial Disclosures
TSR	total shareholder return
UN SDGs	UN Sustainable Development Goals
US$	United States dollar
VOC	volatile organic compound
WEO	IEA World Energy Outlook

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