Genel Energy

Annual Report 2022

A socially responsible contributor to the global energy mix

Who we are

Genel is a socially responsible oil producer with an asset portfolio that positions us well for a future of fewer and better natural resources projects.

Our strategy is focused on generating cash that supports our material, sustainable, and progressive dividend programme, as we strive to deliver on our ambition of being a world-class creator of shareholder value, fulfilling our goal of being a socially responsible contributor to the global energy mix.

Contents

I am pleased to welcome you to Genel's eleventh annual report.

It was a truly exceptional year for cash generation, one that has transformed our balance sheet and supports the next stage of the Company's evolution. We have repositioned our strategy, focused on shareholder returns primarily through our established material, sustainable, and progressive dividend programme. This has seen us return $177 million to shareholders since inception of the programme in 2019, and we are focused on increasing these returns through using our financial strength to add the right assets, with the right return profiles.

As we continue to focus on delivery for shareholders, we are keenly aware of our responsibility to the local community. In 2022 we celebrated 20 years of operations in the Kurdistan Region of Iraq, which we marked through new social initiatives, notably the Genel20 Scholars programme.

You can read more about this and our ongoing efforts to support local communities, while delivering the low-cost and low-carbon barrels that will be the ones required during the energy transition, in the sustainability section of this report. Our fully GRI/SASB compliant Sustainability Report will then once again be issued at the time of our AGM in May, further detailing our efforts to be a socially responsible contributor to the global energy mix.

David McManus
Chair

Highlights

Net production
30,150 bopd

Cash at end 2022
$495 million

2P oil reserves
92 MMbbls

Dividends paid
$50 million

Free cash flow
$235 million

Producing emissions
17.6 $kgCO_2e/bbl$

What we do

Genel is a socially responsible energy company, with robust production that funds a material and sustainable dividend programme.

Why we do it

Genel aims to achieve our goals in accordance with values that are inherently linked to our business model and strategic success. If we uphold our values, we will deliver our ambition: to become a world-class independent E&P creator of shareholder value.

As we do this, we aim to have a positive economic impact both by producing the hydrocarbons that will fuel economies during the energy transition, and directly supporting the communities in which we operate by improving infrastructure and providing employment and development opportunities.

Our values are fundamental to our behaviour, decision making, and the delivery both of our purpose and strategic objectives.

Integrity

Respect

Accountability

Collaboration

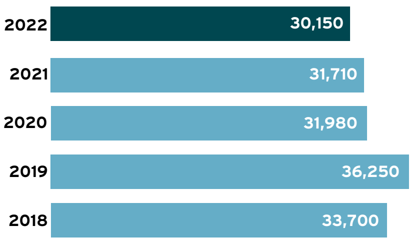
Ingenuity

Where we do it

Measuring our progress

Net production

30,150 bopd



Definition

Production is measured in barrels of oil produced per day.

Performance

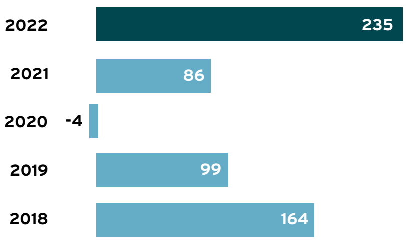
Genel's production was in line with expectations in 2022, driven by the ongoing robust performance of the Tawke PSC, where increased activity kept production broadly flat on the prior year. Taq Taq's performance was at the top end of expectations, while the performance of Sarta was disappointing, following the failure of either appraisal well to add to production.

Relevance to strategy

Production from our fields provides Genel's revenue generation, and is a key measure of our operational performance. Our oil production in the KRI is managed to ensure long-term value creation and maximise cash generation, with production maximised over the life of the field.

Free cash flow

$235 million



Definition

Cash flow generated from operating activities, minus capital expenditure.

Performance

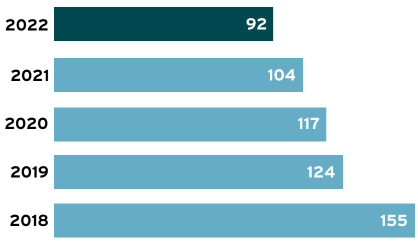
With production slightly lower in 2022 than the previous year, free cash flow (pre dividend payment) was boosted by an increase in the oil price, with Brent averaging $101/bbl in 2022, $30/bbl more than the $71/bbl in 2021. Cash receipts were also bolstered by the receipt of $124 million relating to the Tawke PSC override payments, and $94 million relating to unpaid oil sales from November 2019 to February 2020 and the suspended override from March to December 2020.

Relevance to strategy

Production from operating activities forms Genel's revenue generation. Free cash flow illustrates the success of monetisation of these activities, reflecting both money received and the minimisation of operating costs.

Net 2P reserves

92 MMbbls



Definition

2P reserves are proved plus probable reserves.

Performance

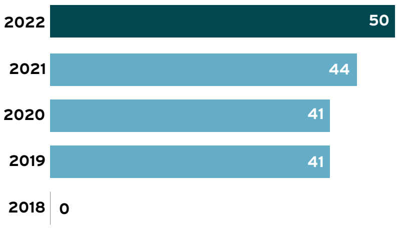
Production of 11 MMbbls formed the material part of the fall in 2P reserves, with a gross upward technical revision of 9 MMbbls at the Tawke licence almost offsetting the downward revision in reserves at Sarta following assessment of the results of the 2022 appraisal wells and pilot production.

Relevance to strategy

Our strategy is to enhance the value of our existing 2P reserves through active reservoir management and cost-effective development. The Company also looks to replace 2P reserves through a combination of maturing contingent resource to commerciality, exploration for new sources of hydrocarbons and M&A activity.

Dividends announced

$50 million



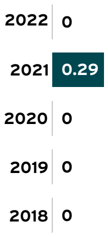
Definition
The combined total distribution of the final and interim dividends announced in the calendar year.

Performance
Genel has a committed dividend programme that has paid $177 million of dividends (over 50p per share) since inception in 2019. Given the strong cash generation in 2022, Genel retained its total dividend distribution of $18 cents per share ($50 million). Genel is committed to raising the dividend when the business and capital structure supports it, as was the case in both 2021 and 2022.

Relevance to strategy
Genel's strategy aims to pay a material, sustainable, and ultimately progressive dividend. Dividend distributions are therefore a signifier of the success of this strategy.

Lost time incidents

0 frequency



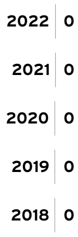
Definition
Lost time incident frequency measures the number of lost time incidents per million work hours.

Performance
Genel strives for safe operations with zero lost time injuries ('LTI'), and this goal was achieved in 2022. There have now been over three million hours worked since the last incident.

Relevance to strategy
The safety of our workforce remains of paramount importance. Genel is committed to running safe and reliable operations across our portfolio, aiming for zero fatalities and no lost time incidents.

Spills – loss of primary containment

0



Definition
Loss of primary containment records any tier 1 unplanned or uncontrolled release of material from a piece of equipment (such as a pipe, vessel, or tank) used for containment of potentially harmful or hazardous substances and products.

Performance
There were zero incidents of tier 1 losses of primary containment in 2022, and it is now five years since our last incident.

Relevance to strategy
Part of our commitment to being a sustainable business is for the impact on the environment around our operations to be minimised. Asset integrity is a major priority for Genel and we plan and execute the operations of our business and our engagement of contractors and subcontractors so as to minimise risk and mitigate potential impact.

Clear strategic priorities

In the past six months we have simplified and refined our strategic priorities and put the funding of our established dividend programme at the heart of our business model. This is the lens through which we assess capital allocation decisions.

Building and managing a portfolio to support the dividend over the long-term is our clear focus. That work requires both judicious management of our existing opportunities already within the business, together with the objective of adding new assets that expand and diversify our asset base and, importantly, improve both the cash generation of the business and the resulting investor returns.

We have a very strong balance sheet with $495 million of cash, net cash of $228 million, at the end of 2022 and no debt maturity until 2025. We have achieved this position through a combination of factors. Disciplined capital allocation combined with excellent Tawke production results, recovery of old debts and, of course, the high oil price in 2022 have all resulted in exceptional cash generation for Genel, despite only receiving 10 payments from the Kurdistan Regional Government.

We had hoped that the Sarta development would have been a major contributor to our cash generation, but appraisal well results in 2022 were disappointing. Further investment will only take place now if we can be confident of positive returns and profitability, consistent with our focus on cost control and carefully considered expenditure.

A clear focus

The business is now determined to add new revenue streams that build a stronger business and replace the cash generation in 2022 that came from historic debts owed by the KRG.

We have an established dividend programme that, following approval of the proposed final dividend for 2022, will have returned over $200 million to shareholders since 2019. Delivering on this dividend programme while increasing the value of the business is our primary objective to deliver long-term shareholder returns, and the business is progressing with a real clarity of purpose.

A strong balance sheet, including liquidity of almost half a billion dollars, provides us with a tremendous opportunity. We are determined to use it in order to add shareholder value through strong operational delivery and properly considered investment.

We also continue to work diligently towards arbitration regarding our claim for substantial compensation from the KRG following the termination of the Miran and Bina Bawi PSCs, with the trial scheduled for February 2024.

Adding to our production business

Growing our portfolio through the addition of the right assets is key. We have a highly competent and dedicated team in place assessing a great many opportunities in a disciplined and systematic manner. We only progress opportunities that deliver the right outcomes when subjected to multiple scenario analysis, that ultimately provide support for our dividend programme and at the same time maintain business resilience and balance sheet strength. Genel's significant cash position does not distract us from our focus on cost discipline and risk mitigation.

Genel has a robust production business and a free cash flow projection that covers dividend payments in the medium-term. Doing deals takes time and doing the right deal takes even longer, but we are confident in our ability to take advantage of the opportunities that are out there to deliver for our shareholders.

Organic reserves replacement opportunities

As we continue to enhance the business, we are also progressing exciting opportunities within our existing portfolio. The Somaliland opportunity is frontier exploration, with all of the challenges that entails, but rare in terms of scale and potential. In a success case, there is a clear route to market through existing port facilities and this opens up the tantalising prospect of creating shareholder value in a region where our activities can also have a hugely positive impact on the surrounding society.

We are attempting to replicate the Somaliland farm-out success in Morocco, seeking a partner to drill a well in the Lagzira block, with high-graded material prospects. Both of these exploration opportunities support our aim of adding low-cost and large-scale assets to our portfolio to provide resilient, diversified, and value accretive cash generation that funds our dividend programme and offer catalysts to deliver shareholder value.

Making a positive difference

As all of these opportunities unfold, Genel sees the need to have a positive impact in the areas where it is present as being an essential part of business success. In 2022 we marked 20 years of operations in KRI by launching a number of social initiatives, the centre of which was our Genel20 Scholars programme.

This was an appropriate way to mark our 20 years of operations in KRI, a period which has seen an entire industry develop, thousands of jobs created, and more than $20 billion generated for the KRG. Our social activities in Somaliland will now begin to ramp up as our operational activities increase there and, as an Anglo-Turkish company, we are of course providing support following the horrendous impact of the recent earthquakes.

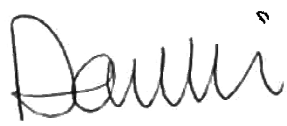
Our work on emissions continues and we are very pleased that our emissions intensity remains below the industry average at 17.6kg CO_2/bbl. We have been very proud to work with our partner DNO on Kurdistan's first gas reinjection project, which has captured 1.2 million tonnes of CO_2e since its inception in 2020. Not only has this facility greatly reduced flaring at Tawke, but it has also led to a marked improvement in field performance.

> "We have a firm commitment to invest our cash to add shareholder value, and both the means and determination to do it"

On a smaller scale, our pilot solar powered well site at the Sarta-1 well pad has saved almost nine tonnes of CO_2 emissions there and established a new standard design for Genel well pads. As we seek to diversify our business, we will retain our clear commitment to being a socially responsible contributor to the global energy mix.

Outlook

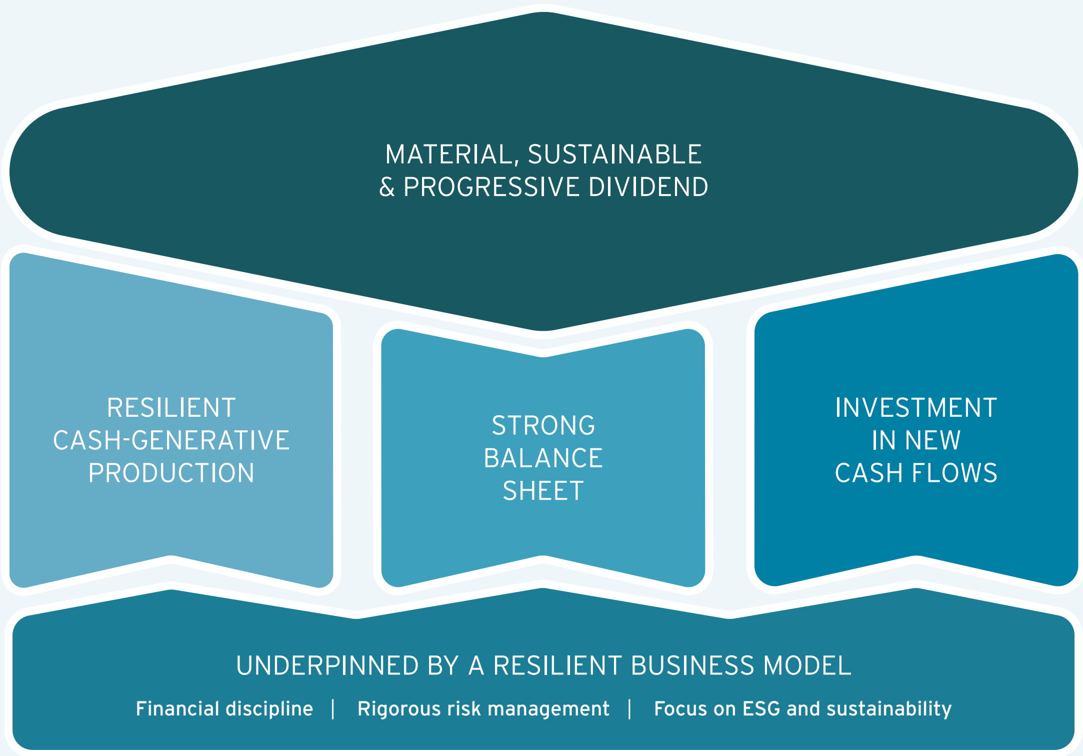
The production base that the Tawke licence provides is set to deliver free cash flow that supports the progression of business catalysts and payment of our material dividend. We have a firm commitment to invest our cash to add shareholder value, and both the means and determination to do it. Our team is dedicated to delivering strong future cash flow and shareholder returns.



Paul Weir
Chief Executive Officer

Our business model and strategy

Our strategy



Values that define us

Genel aims to be a socially responsible contributor to the global energy mix, generating cash from low-cost and low-carbon production in order to be a world-class creator of shareholder value, and a company that has a positive impact by fuelling economic growth and directly supporting the communities in which we operate.

Benefitting all stakeholders

Shareholders

We aim to provide a compelling mix of growth and returns, as we aim to increase our low-cost and high-margin production through disciplined investment, generating material cash that supports a material and progressive dividend

Host governments

We aim to have a positive economic impact by growing the production of the hydrocarbons. Since starting production, $21 billion has been directly generated for the KRG from operations at Taq Taq and Tawke, with a further considerable boost to the economy from employment and supply chain development

Local communities

We directly support the communities in which we operate through maximising local employment and economic development opportunities, as well as direct investment in community projects and infrastructure surrounding our operations

Employees

We aim to benefit our employees and contractors through responsible business practices, the promotion of a work culture centred on safety and inclusion, fair remuneration, and job development opportunities






Capital allocation centred around the dividend

Strategy focused on our dividend

In 2022, we refocused our business towards delivering shareholder returns primarily through our established dividend programme. The dividend programme has three key pillars:

- **Material**: it is competitive with the ordinary dividend of peers
- **Sustainable**: it is repeatable and reliable
- **Progressive**: it increases as the repeatable cash generation of the business grows

That dividend programme has paid $177 million to shareholders since inception in 2019.

Funding the dividend programme is the frame that we apply to our capital allocation decisions and the type of assets that we want in our portfolio, with a focus on acquiring or developing low-cost, cash generative assets to build a business with consistent, long-dated, diversified, and resilient cash generation.

Total dividends paid in 2022 amounted to $50 million (2021: $44 million), representing 18¢ per share (2021: 16¢ per share).

The Board has now approved the retention of the final dividend at 12¢ per share, in addition to the interim dividend of 6¢ per share that was paid in October 2022.

The payment timetable for the final dividend is below:

- Ex-dividend date: 20 April 2023
- Record date: 21 April 2023
- Annual General Meeting: 11 May 2023
- Payment date: 19 May 2023

(all figures $ million) Brent average oil price	FY 2022 $101/bbl	FY 2021 $71/bbl
Revenue	**432.7**	334.9
Production costs	**(51.1)**	(45.9)
Cost recovered production asset capex	**(85.9)**	(49.9)
Production business net income after cost recovered capex	**295.7**	239.1
G&A (excl. non-cash)	**(19.2)**	(12.4)
Net cash interest[1]	**(19.2)**	(26.1)
Working capital	**(9.7)**	(19.7)
Payments for deferred receivables	**94.4**	35.1
Changes to payment days[2]	**(44.4)**	(65.0)
Free cash flow before investment in growth	**297.6**	151.0
Pre-production capex	**(57.2)**	(88.6)
Working capital and other	**(5.6)**	23.5
Free cash flow	**234.8**	85.9
Dividend paid	**(47.9)**	(44.4)
Other	**-**	(1.3)
Bond repayment	**(6.0)**	(81.0)
Net change in cash	**180.9**	(40.8)
Cash	**494.6**	313.7
Amounts owed for deferred receivables	***16.5***	*114.6*

[1] Net cash interest is bond interest payable less bank interest income (see note 5)

[2] At year-end the KRG owed five months of sales, adversely impacting free cash flow for the year by $44.4 million (2021: $65.0 million)

2022 financial priorities

The table below summarises our progress against the 2022 financial priorities of the Company as set out at our 2021 results.

2022 financial priorities	Progress
– Maintain our financial strength and put that financial strength to work through investing in growth opportunities	– Material cash generation – Material recovery of deferred receivables – Net cash increased – Sarta appraisal delivered
– Maximise NPV by prioritising highest value investment in assets with ongoing or near-term cash and value generation	– Focus of capital allocation on cash generative investment in the Tawke PSC
– Deliver 2022 work programme on time and on budget	– Work programme activity delivered, capital expenditure guidance maintained
– Continue to focus on growing our income streams and cash generation, bringing greater resilience and diversity to the business and supporting our sustainable and progressive dividend programme	– Allocation of capital to Sarta appraisal programmes and progression of Somaliland – Morocco farm-out process underway – Continue to explore value-accretive additions

Outlook and financial priorities for 2023

We carry significant liquidity and are net cash positive with our outlook cash generation expected to cover our established dividend in the medium-term.

The focus of the business is now on investing capital to add income streams and drive the long-term cash generation profile of the business, building a stronger Company and providing shareholders with a clear line of sight for a long-term and ultimately progressive dividend. We continue to see a long-term oil price that is supportive to our business, and coupled with our focus on the right barrels in the right locations, means we are committed to our business model and remaining resilient to volatility and the challenges faced by the sector.

For 2023, our financial priorities are the following:

- Maintain business resilience and balance sheet strength
- Put our significant cash balance to work, earning appropriate returns to deliver value to shareholders primarily through our dividend programme and diversify our cash generation
- Deliver the 2023 work programme on time and on budget, and continue simplification of the business with a focus on optimisation and cost control and investment in business improvement

Financial results for the year

Income statement

(all figures $ million) Brent average oil price	FY 2022 $101/bbl	FY 2021 $71/bbl
Production (bopd, working interest)	**30,150**	31,710
Profit oil	**149.2**	120.6
Cost oil	**141.1**	100.4
Override royalty	**142.4**	113.9
Revenue	**432.7**	334.9
Production costs	**(51.1)**	(45.9)
G&A (excl. depreciation and amortisation)	**(20.0)**	(13.9)
EBITDAX	**361.6**	275.1
Depreciation and amortisation	**(149.2)**	(172.8)
Exploration expense	**(1.0)**	-
Net impairment / write-off of oil and gas assets	**(201.3)**	(403.2)
Net reversal of impairment of receivables	**8.2**	24.1
Net finance expense	**(25.4)**	(31.0)
Income tax expense	**(0.2)**	(0.2)
Loss	**(7.3)**	(308.0)

With our predictable production over 30,000 bopd (2021: 31,710 bopd) the 40% increase in oil price resulted in a significant increase in revenue to $433 million from $335 million last year.

Production costs of $51 million increased from the prior year (2021: $46 million), with cost per barrel $4.6/bbl in 2022 (2021: $4.0/bbl), principally caused by higher operating costs per barrel at Sarta.

Corporate cash costs were $18 million (2021: $12 million), with an additional $5 million incurred on legal spend.

The increase in revenue resulted in a similar increase to EBITDAX, which was $362 million (2021: $275 million). EBITDAX is presented in order to illustrate the cash profitability of the Company and excludes the impact of costs attributable to exploration activity, which tend to be one-off in nature, and the non-cash costs relating to depreciation, amortisation, impairments and write-offs.

Depreciation of $110 million (2021: $115 million) and Tawke intangibles amortisation of $39 million (2021: $58 million) decreased due to lower production and the completion of amortisation of the Tawke override intangible asset in July 2022.

The Company has reported a write-off expense of $78 million relating to Qara Dagh, and an impairment expense of $126 million relating to Sarta. A net impairment reversal of $8 million has been recognised relating to receivables. Further explanation is provided in note 1 to the financial statements.

Interest income of $7 million (2021: $0.2 million) has significantly increased as a result of increase in interest rates, in turn reducing our cost of debt, which is helpful as we carefully view acquisition opportunities. Bond interest expense of $26 million (2021: $26 million) was in line with previous year. Other finance expense of $6 million (2021: $5 million) related to non-cash discount unwinding on provisions.

In relation to taxation, under the terms of KRI production sharing contracts, corporate income tax due is paid on behalf of the Company by the KRG from the KRG's own share of revenues, resulting in no corporate income tax payment required or expected to be made by the Company. Tax presented in the income statement was related to taxation of the service companies (2022: $0.2 million, 2021: $0.2 million).

Capital expenditure

Key to our business model remains financial discipline, with investment focused on cash generation and in turn free cash flow and the support of our dividend. Capital expenditure was reduced to $143 million (2021: $164 million), with spend on production assets of $133 million, and pre-production assets of $10 million.

(all figures $ million)	FY 2022	FY 2021
Cost recovered production capex	**85.9**	49.9
Pre-production capex - oil	**47.5**	55.4
Pre-production capex - gas	**-**	5.0
Other exploration and appraisal capex	**9.7**	53.4
Capital expenditure	**143.1**	163.7

Cash flow, cash, net cash and debt

Gross proceeds received totalled $473 million (2021: $281 million), of which $124 million (2021: $73 million) was received for the override royalty and $94 million for receivable recovery (2021: $35 million).

This was despite the receipt of 10 payments from the KRG in 2022, instead of the expected 12. Genel continues to work with other IOCs in the KRI and the KRG to deliver timely payments, which in turn enable ongoing investment in Kurdistan. Expenditure in the KRI will be appropriate to the payment environment.

(all figures $ million) Brent average oil price	FY 2022 $101/bbl	FY 2021 $71/bbl
EBITDAX	**361.6**	275.1
Working capital	**50.8**	(47.0)
Operating cash flow	**412.4**	228.1
Producing asset cost recovered capex	**(77.8)**	(46.9)
Development capex	**(50.4)**	(41.6)
Exploration and appraisal capex	**(20.0)**	(24.1)
Interest and other	**(29.4)**	(29.6)
Free cash flow	**234.8**	85.9

Free cash flow is presented in order to illustrate the free cash generated for equity. Free cash flow was $235 million (2021: $86 million) with an overall increase mainly as a result of higher Brent.

(all figures $ million)	FY 2022	FY 2021
Free cash flow	**234.8**	85.9
Dividend paid	**(47.9)**	(44.4)
Other	**-**	(1.3)
Bond repayment	**(6.0)**	(81.0)
Net change in cash	**180.9**	(40.8)
Opening cash	**313.7**	354.5
Closing cash	**494.6**	313.7
Debt reported under IFRS	**(266.6)**	(269.8)
Net cash	**228.0**	43.9

The bonds maturing in 2025 have two financial covenant maintenance tests:

Financial covenant	Test	YE 2022
Equity ratio (Total equity/Total assets)	**> 40%**	56%
Minimum liquidity	**> $30m**	$495m

Net assets

Net assets at 31 December 2022 were $528 million (31 December 2021: $581 million) and consist primarily of oil and gas assets of $327 million (31 December 2021: $539 million), trade receivables of $117 million (31 December 2021: $158 million) and net cash of $228 million (31 December 2021: $44 million).

Liquidity / cash counterparty risk management

The Company monitors its cash position, cash forecasts and liquidity on a regular basis. The Company holds surplus cash in treasury bills or on time deposits with a number of major financial institutions. Suitability of banks is assessed using a combination of sovereign risk, credit default swap pricing and credit rating.

Going concern

The Directors have assessed that the Company's forecast liquidity provides adequate headroom over forecast expenditure for the 12 months following the signing of the annual report for the period ended 31 December 2022 and consequently that the Company is considered a going concern. Further explanation is provided in note 1 to the financial statements.

The Company is in a net cash position with no near-term maturity of liabilities.

Luke Clements
Chief Financial Officer

Robust production and attractive exploration opportunities

Mike Adams
Technical Director

Reserves and resources development

Genel's proven (1P) and proven plus probable (2P) net working interest reserves totalled 69 MMbbls (31 December 2021: 63 MMbbls) and 92 MMbbls (31 December 2021: 104 MMbbls) respectively at the end of 2022.

Ongoing positive performance at the Tawke PSC has boosted the 1P number, and helped to offset the reduction in 2P reserves at Sarta.

Production

Production averaged 30,150 bopd in 2022, driven by the ongoing positive performance of the Tawke licence.

Producing assets

Tawke PSC (25% working interest)

Gross production at the Tawke licence averaged 107,090 bopd in 2022, of which the Peshkabir field contributed 62,040 bopd, and the Tawke field 45,050 bopd.

By the end of 2022 the Tawke field had delivered three consecutive quarters of production growth, the first quarterly increases since 2015, as new wells were drilled, workovers conducted on existing ones and gas injection stepped up to counter natural field decline. In 2022, the field partners also completed the $25 million expansion of the Peshkabir-to-Tawke gas project, Kurdistan's only gas capture and enhanced recovery injection project. Since 2020, the project has captured 1.2 million tonnes of CO_2e through avoided flaring.

Taq Taq (44% working interest, joint operator)

Gross production at Taq Taq averaged 4,490 bopd in 2022. Activity in 2023 is expected to include one sidetrack well targeting the Upper Shiranish formation.

	Remaining reserves (MMbbls)				Resources (MMboe)					
					Contingent				Prospective	
	1P		2P		1C		2C		Best	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
31 December 2021	238	63	391	104	163	49	400	122	5,443	3,274
Production	(42)	(11)	(42)	(11)	-	-	-	-	-	-
Acquisitions and disposals	-	-	-	-	(13)	(5)	(55)	(22)	(585)	(234)
Extensions and discoveries	-	-	-	-	-	-	-	-	-	-
New developments	-	-	-	-	-	-	-	-	-	-
Revision of previous estimates	71	17	0	(1)	(113)	(33)	(216)	(63)	(136)	(34)
31 December 2022	**267**	**69**	**349**	**92**	**37**	**11**	**129**	**36**	**4,722**	**3,006**

Sarta (30% working interest, operator)

Gross production averaged 4,710 bopd in 2022. Following the disappointing appraisal results and pilot production, Genel's focus is on making ongoing production from Sarta profitable, with any further capital investment contingent on both licence profitability and the extent to which there can be confidence that such investment can add cash generative production.

Pre-production assets

Somaliland

Preparation continues for the drilling of the Toosan-1 well on the highly prospective SL10B13 block (51% working interest and operator).

The Toosan prospect contains stacked Mesozoic reservoir objectives, with multiple individual prospective resource estimates each ranging from 100 to 200 MMbbls.

Environmental and social impact assessments are continuing, and community engagement efforts are ramping up. Tendering for the rig and well services is ongoing.

Genel continues to target a spud date in the next 12-16 months, acknowledging the challenges of operating in such a frontier area with limited existing infrastructure.

In Q3 2022, samples from a water well drilled by the Ministry of Water Resources Development near a village on the Odewayne licence (50% working interest and operator) indicated trace hydrocarbons. Traces of oil have historically been found in surface seepages across Somaliland, and Genel is set to obtain a more meaningful sample in 2023, helping to define any future work programme on the licence.

Morocco (Lagzira block - 75% working interest, operator)

The Petroleum Agreement and Association Contract was signed with ONHYM in February 2023 for a full eight-year exploration term (in three exploration periods), with attractive fiscal terms.

The Lagzira block (formerly Sidi Moussa) is a large offshore licence, in water depths of 200-1,200 metres, with a proven petroleum system following Genel's 2014 SM-1 well which recovered oil from Upper and Middle Jurassic reservoirs.

3D seismic acquired in 2018 resulted in a significant uplift and improvement in subsurface imaging and prospects have been high-graded, and the new data has highlighted new plays and provided an enhanced understanding of the SM-1 well result.

In total, 18 prospects and leads have been identified, with over 2.5 Bboe mean recoverable resource potential with individual prospects estimated at 100-700 MMbbls each.

Genel has launched a process to find a partner to take a material equity position and jointly pursue the exploration programme in the block, with the opportunity to drill and test one of the high-graded prospects.

A responsible operator during the energy transition

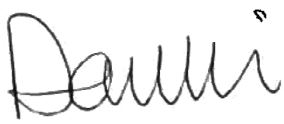
To commemorate our 20-year anniversary in the KRI, I was delighted to announce the launch of our Genel20 Scholars initiative in 2022, which will provide a full four years of university education for 20 students from disadvantaged backgrounds across the Kurdistan Region of Iraq. Engagement with our host communities and delivering social investments has been a central pillar of Genel's sustainability plans, and after 20 years of investment into the KRI, I am proud of the impact we have made in the region. We have also increased our social investments in Somaliland during the past year, to support host communities that are continuing to deal with famine and drought.

In a year which saw continued attention on climate change risks, we remain focussed on the role Genel can play as a responsible operator during the energy transition. We continue to manage our emissions by implementation of our GHG Emissions Management Standard, and an encouraging step was made in 2022 to reduce our own operational emissions with the installation of a solar power unit at the Sarta-1D wellsite, a technological development that we plan to replicate at other well sites in future. This unit was made operational in July 2022 and has already realised a saving of almost 9 tonnes of CO_2.

Our environmental efforts have been acknowledged with an improved CDP Climate score from C in 2021 to B in 2022, which reflects the dedicated work during the preceding years. However, we remain conscious of the broader suite of sustainability challenges beyond climate-related risks. This year saw a roll out of Genel's Biodiversity Management Standard, successful waste recycling of drill cuttings from our Qara Dagh operations, and an expansion of local capacity building in Somaliland. Our focus on Health and Safety is unwavering and I am pleased to report that there were no lost time incidents or tier 1 losses of primary containment during the year. A new HSE Leadership programme began within Genel in 2022, and I was pleased to participate in this programme with my senior management colleagues throughout the year. Our training included visits to various Genel facilities and visits to our operational field sites at Sarta.

Our focus on sustainability flows from our corporate values, which drive not only the way we conduct our business, but also the way we treat our stakeholders. These values are cemented across all aspects of the organisation and provide the basis for our Code of Conduct. These values are also reflected in our membership of Transparency International UK and Trace. In 2022 Genel was pleased to be part of the Early Adopter Programme for the communication of progress to the UN Global Compact's 10 Principles on human rights, labour standards, environment and anti-corruption. Genel's robust governance structure and company culture help provide a sense of pride for our employees, to be part of a company that is known for acting in the right way in all that we do, and we will not compromise our high ethical standards.

As we now look beyond our 20-year milestone in the KRI towards new horizons, our ongoing commitment to supporting local communities as a responsible operator remains a bedrock for our operations. Moreover, this foundation for managing sustainability risks will be applied with equal rigour to our ongoing and future activities in Somaliland and elsewhere. The following pages provide a summary of the progress we have made in 2022 and will be expanded in our annual Sustainability Report, which will once again be published on the day of our AGM in May. I am very pleased with the progress Genel is making to address these complex sustainability challenges, and I look forward to sharing more updates throughout the year.



Paul Weir
Chief Executive Officer

Genel's sustainability strategy

Our sustainability vision

Genel aims to be a leading creator of shareholder value as a socially responsible producer of oil and gas, contributing to the global energy mix.

We aim to fulfil this vision by structuring our sustainability strategy in the following way:

1. Energy transition

Genel is acutely aware of the global energy transition required in the decades to come and we are pleased to be part of that transition. Being a part of this transition means addressing our own operational energy use to reduce emissions, but also applying gas management strategies that minimise flaring where feasible to do so.

2. Being a responsible business

Genel is also aware of the broad range of sustainability challenges within our industry, beyond those considered under climate change risks. We intend to navigate the energy transition as a responsible organisation and as such, we have a role to play with respect to:

- The health, safety, and wellbeing of our workforce
- Our people
- Our host communities
- The natural environment in which we operate
- Our business ethics

Health and safety

2022 highlights

- Zero LTIs in 2022 across all Genel operations, with over 3 million hours worked since the last incident
- Zero tier 1 Process Safety Events (loss of primary containment) reported across all operations
- HSE leadership programme initiated, with a focus on tours of field operational facilities
- Contractor HSE engagement enhanced with a theme of 'One Team – Being Safe Together'
- HSE training programme enhanced for all roles across the Company
- Driving safety maintained - 1.5 million km driven with no serious motor vehicle incidents
- Capacity building in Somaliland and local development in KRI
- Waste management: focus on recycling of drill cuttings and general waste
- Life Saving Rules: monthly campaign developed and rolled out to all staff

During 2022 we continued to operate Sarta in the KRI and increased our activities in Somaliland, in preparation for the drilling of the Toosan-1 well. Sarta oil production, trucking, drilling and well-testing operations were delivered safely without any lost time injuries or tier 1 process safety events (loss of primary containment) at any of our operational sites. We have now achieved over three million work hours since our last LTI, which occurred in 2021.

Safety improvement plan

Earlier in the year we observed leading indicators that suggested areas for improvement. We analysed the underlying latent causes for these indicators and developed a safety improvement plan which was implemented with active participation by both senior management and field teams. Key themes identified were leadership, competency, contractors, compliance and learning, with each area championed by a member of the Executive Committee alongside other senior managers. We have taken our own people and our contractors on a safety improvement journey that is clearly delivering results. Some of the highlights of this journey are elaborated below.

Leadership

The theme was visible safety leadership and accountability at all levels in the organisation. Over 90 staff attended a two-day HSE Leadership training course which comprised a day in the classroom and a field site visit the following day to practice the skills of identifying hazards, holding a coaching conversation on risk, and seeking personal commitment to improve. We also provided a pocket booklet as an aide memoir to plan and conduct future site tours. We have stepped up in this area and over 60 site tours were conducted in 2022 as we continue to build our safety culture of care and compliance.

Competency

This theme was to train skilled and competent staff for safety critical roles. We have enhanced our training program to cover training requirements for all roles across the organisation into the following four categories:

- **Mandatory onboarding:** HSE induction, lifesaving rules, observations and interventions, and emergency response for key positions.
- **Management system:** risk assessment, control of work, and incident investigation.
- **Risk-based:** lifting and rigging, confined space entry, and H2S alarms.
- **Emergency preparedness:** Firefighting, spill response, and crisis management.

We achieved 90% progress on training plans in 2022 with 642 training sessions for 3,113 attendees. A competency development program was also initiated for frontline operational roles.

Contractor

The theme in this case was 'one team with shared goals and commitment, being safe together'. We held a contractor HSE forum that was attended by senior management of our key high-risk partner contractors. We shared learnings from incidents and details of our improvement journey. Four categories of risk were agreed as areas of focus, namely: process safety, driving, line of fire and electrical. We agreed that Life Saving Rules will be our key tool for seeking 'improvements and developments' and supporting initiatives. Through 2023 we will report and discuss 'leading indicators' with contractors such as assurance inspections, training events, good behaviours, and observations cards.

Compliance

This theme focused on risk management, internal controls and assurance. We developed an assurance standard that defined our Level 1, 2 and 3 audit schedules. HSE audit trainings were conducted in 2022 based on ISO standards. A documented, risk-based assurance process, including scheduled external and internal audits, inspections and site visits was established which will be implemented in 2023 to evaluate compliance with the HSE Management System and identify areas for continual improvement.

Learning

This theme centered on open reporting, quality investigation and closing actions in a timely manner. We developed and delivered incident investigation trainings for over 60 personnel including senior management. Genel's existing investigation procedure was also revised with a focus on line management ownership and industry best practices. A software database (Synergi-Life) which centralised all incident reports was implemented in 2022, which has improved identifying incident trends and action tracking.

Guided by Sustainable Development Goals

The Sustainable Development Goals are a collection of 17 global goals established by the UN which are intended to provide a 'blueprint to achieve a better and more sustainable future for all'. Genel values the guidance provided by the UN SDGs and we see our commitment to these as a means of making a tangible difference to the lives of people in communities in which we operate. Further distilling these goals to those considered most relevant to our business and to our host communities has enabled us to concentrate our efforts on delivering in a targeted and impactful way.

These target goals are reviewed periodically, and the selection will be contingent on our operating environment each year. Based on our current operations the goals considered of most relevance to guide our activities are:

Capacity building

As our activities in Somaliland increased, establishing our health and safety standards became a priority as we look towards our drilling campaign in 2023. This included a gap assessment for the local doctors and delivery of Prehospital Trauma Life Support ('PHTLS') training to 12 doctors. The mission of PHTLS is to promote excellence in trauma patient management by all providers involved in the delivery of pre-hospital care. The programme focuses on the treatment of a multi-system trauma patient as a unique entity with specific needs. It promotes critical thinking as the foundation for providing quality care.

Medical fitness and COVID-19

Genel has medical fitness protocols in place for staff in field operations as well as for international travellers. During 2022, we adopted a mandatory COVID-19 vaccination policy for these workgroups based on expert medical advice and supported operational staff to achieve 96% fully vaccinated status early in the year. This ensured the safety of our workforce and allowed business operations to continue seamlessly while reducing the hardships related to previous protocols of PPE, segregation, and social distancing.

Emergency preparedness and business continuity

Genel has a robust emergency response and crisis management plan in place. During 2022, role-based trainings and simulation exercises were conducted for field operational teams, business support staff, and in-country incident management teams, as well as Genel's senior management who have overall responsibility for crisis management. We continue to maintain in-house capabilities such as spill response equipment, a fire response vehicle, and an array of rescue equipment to protect lives in case of a fire or rescue incident. We have also developed business continuity plans based on impact analysis for all critical functions. These plans are regularly tested for operational preparedness.

Driving safety and crude trucking

Driving required for the movement of people and goods continues to represent a high-risk activity for our field operations. In acknowledgement of this, we have mandated the use of in-vehicle monitoring system in all vehicles. This has allowed for monitoring of potentially unsafe driver behaviours such as speeding, seat belt misuse or inappropriate acceleration/deceleration.

Trucking of crude oil from the Sarta facility to the offloading station 100 km away is a high-risk operation for Genel. We train all tanker drivers for driving safety and the correct procedures in different conditions and terrain, hazard identification, working in operational facilities, and spill response. We have completed over 1.5 million km driven and over 8,279 tanker journeys without a serious incident.

Lifting and rigging safety

Lifting is another high-risk activity for Genel and in order to mitigate this risk we have retained the service of an independent contractor to inspect and certify all lifting equipment. This is intended as an additional assurance on top of the existing equipment certification and is applied to all equipment including that provided and used by all contractors, and in 2022 we extended this to mechanical handling equipment involved in construction activities. We conducted extensive lifting and rigging training based on industry standards in 2022 and did not experience a serious incident involving lifting equipment.

Process safety and integrity

Process safety and integrity is an integral part of our approach to managing major accident hazard-related risks and achieving safe and reliable operations. Safety Critical Elements inspection and maintenance programs are in place, and process safety risks are assessed through a variety of process hazard assessments such as hazard and operability studies, or quantitative risk assessment. Identifying potential hazards and risks and then working to eliminate or mitigate these is a key focus as we strive to protect the public, safeguard the health and wellbeing of employees and contractors, minimise potential risks to the environment, and protect assets from damage or loss. Other key elements of Genel's established process safety management protocols include the management of change process, operational readiness reviews, pre-start-up reviews, and the continuous monitoring of process safety performance indicators.

People and diversity

Employee management

The talent, experience, diversity, and commitment of our people drive the success of our business. Development of our global talent has seen ever more focus over recent years, and we are able to retain and attract talent through fostering a rewarding work environment, supported by our corporate values and equal opportunities for all. Our Diversity and Equal Opportunities Policy, regularly reviewed and delivered to all employees at the start of their employment, promotes positive employee relationships that enable all individuals to make use of their skills, free from discrimination or harassment.

Our commitment to providing a competitive compensation package involves annual market reviews and enables the Company to attract and retain the highly skilled talent needed to deliver our strategy. These market reviews, undertaken by the Human Resources Department, collect data from expert external consultancies to analyse and compare each position's level and pay. Our focus on talent is supported by our talent management process - Talent MAP (Measuring Ability and Potential) - which highlights areas where we can further support employees to maximise their value and impact in delivering the work that we do.

Employee wellbeing

An ongoing legacy of COVID-19 at Genel is our hybrid working model, which is applied throughout our corporate offices, and is periodically reviewed. This model provides flexibility to our employees as well as representing an incentive to attract and retain talent.

Our staff welcome our regular internal global surveys, which have a high response rate and provide us with a direct insight as to how various initiatives have been received; for example, our mid-2022 survey showed us that 75% of our staff were 'very happy' with the hybrid working model. These surveys raise the voice of employees to Board level, and we have seen consistent feedback that demonstrates that the vast majority of our employees are happy working at Genel. The surveys contain open questions, and it is through analysis of this feedback that we are able to examine the impact of our actions. Our town hall meetings are similarly well received which provide updates on our ongoing and upcoming activities, as well as giving immediate access for employees to raise questions with Genel's Executive Committee.

Genel Wellness continues to be supported via the Wellbees App platform which provides a varied set of resources and information for physical and mental wellbeing throughout the organisation.

Cultural awareness

In late 2022, following interest from our staff over the course of the previous 12 months, we delivered a programme of cultural awareness sessions to our people globally. This took the form of four online sessions, half of which were devised and presented by our own employees. The intention of these courses was to raise awareness of cultures prevalent in our main locations of the UK, Turkey, KRI and Somaliland, with the aim of supporting our values of respect and collaboration. The sessions allowed for sharing of cultural customs and looked at our often-contrasting communication styles and how we can embrace the commonalities amongst us all. Staff were encouraged to attend each session including the one applicable to their home culture, in order that self-awareness can lead to discussion and adjustment if needed. These sessions were popular and well received; feedback collected indicated that the majority of our staff enjoyed the opportunity to participate and would recommend attendance at future sessions. As such, these will be re-run to reinforce our goal of a One Company culture.

Diversity

The make up of our locations and people demonstrate our firm commitment to diversity, and this principle exists throughout Genel, including through ideas, skills, knowledge, experience, culture, ethnicity and through gender diversity. Our policies and procedures aim to support this principle.

Throughout 2022, on average, we employed 129 people across four regional offices, including 34 in London, 39 employees in Turkey, 38 in the Kurdistan Region of Iraq, and 18 in our African operations.

Our talent represented nine different nationalities, which is a clear reflection of our global footprint. Women represent 26% of our total workforce and 16% of Board of Director positions, 16% of the Executive Committee and 23% of management.

Respecting human rights

Genel's ongoing commitment to conducting our business in a manner that respects human rights across all areas of operation remains central to our ESG management. We are committed to acting ethically and with integrity in our business dealings, implementing and enforcing effective systems that mitigate the risk of modern slavery within all elements of our business and supply chain.

In line with a 2021 independent human rights compliance assessment of our performance against the UN Guiding Principles on Business and Human Rights, in 2022 updates were made to Genel's Human Rights Policy to better reflect the evolving business landscape within Genel's areas of operation. Furthermore, as a reflection of the considerable significance Genel attributes to this topic, we were pleased to be an Early adopter to the United Nations Global Compact: Communication on Progress in 2022, which is a non-binding United Nations pact to encourage businesses to adopt sustainable and socially responsible policies (including human rights), and to report on their implementation.

Where we have the ability to do so, we require the same high standards from all our contractors, suppliers, and other business partners with regard to respecting human rights. As part of our supply contracting processes, Company policy requires that we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude. Further information is available under our Modern Slavery Act 2015 disclosure obligations.

Grievance policy

Throughout our operations, Genel encourages a culture of openness and accountability. Alongside our Whistleblowing and Grievance Policy, Genel operates a whistleblowing hotline service, which is available in a number of languages, and which enables employees and third parties to report concerns on a range of matters including human rights violations such as slavery and trafficking. Every incident of whistleblowing is reported to our Board of Directors and investigated fully. Our annual legal training always contains guidance on this Policy, as a reminder that this applies to all individuals working at all levels within the Company, including directors, officers, employees, as well as to contractors, and third parties.

Community engagement

As Genel's footprint in Somaliland looks to increase in 2023 and beyond, we can look back on our experiences during 20 years in the KRI to provide an example of how a focus on community engagement represents a key element of our operational success. Not only do we acknowledge our responsibility to host communities but moreover, we appreciate the opportunity to work alongside community members to enable capacity building and to deliver social investments that will provide long-term benefit to these regions.

Fostering local partnerships, building community relationships, and implementing our social investment programme have all combined to allow Genel to promote the wellbeing of local communities and develop economic opportunities.

Social investments

Genel's CSR policy was formalised in 2019 and remains in place to provide guidance to our CSR strategy. Application of this policy helps Genel understand community expectations, promotes sustainability, and expands our horizons with regard to the implementation of our social investments. Genel's approach to social investments is broadly guided by the five (of the 17) United Nations Sustainable Development Goals that are considered of most relevance to our business and to our regions of operation. These are reviewed periodically in line with any changes in our activities, for example, given the anticipated increase in our Somaliland operations the UN SDG of Clean Water and Sanitation has been included for 2023.

Throughout 2022 areas of Somaliland were subject to drought conditions which were subsequently identified as at risk of famine during the latter part of the year. In response to these conditions, Genel increased its efforts in social investments, which in 2022 totalled $500,000. The first initiative was a drought relief project in March 2022, which distributed drinking water to 99 villages and ultimately benefitted over 118,000 people within our host communities. Following this, a food relief programme successfully delivered food aid to over 2,500 households, and a second – larger scale – food relief programme was launched at the end of the year which targeted over 6,800 households across 162 villages for provision of emergency food distribution to drought-affected communities. As our activities increase in Somaliland, Genel will continue our focus on this region by targeting areas of most need with meaningful social investment.

The year also saw a broad range of social investments in KRI valued at over $350,000. The launch of our Genel20 Scholars programme represented a proud moment for Genel and was a fitting way to commemorate 20 years of our activities in the KRI. Education formed a recurring theme of Genel's social investment efforts in KRI this year which saw renovation, in the Sarta region, of two classrooms at Bawakhalan Elementary School, and full renovations of Bawakhalan High School and Khalawan Elementary School.

Maintaining close relations with our host communities is a central pillar of Genel's operational protocols and it is through this engagement that Genel identified the need for several community projects in the Qara Dagh region in 2022. During the early part of the year Genel delivered heating fuel to schools and vulnerable families, in an effort to support the community through the harsh winter conditions of this region. In the springtime, Genel implemented a waste collection and disposal project during the annual celebrations for Kurdish New Year (Nawroz) and we were also able to replace water trucks in the Sewsenana district, which are essential for providing fresh drinking water to local villages. We also attended the opening of the Genel-funded newly-constructed youth training centre at Qara Dagh, which will provide vocational training opportunities for communities from around the entire Qara Dagh region for many years to come.

We value our local partnerships and were pleased to engage a local NGO, Rwanga Foundation, to complete a social baseline assessment for Sarta which provided guidance for needs in the region for community investments going forward. It was a valuable study which Genel will look to replicate in our other areas of operation.

Economic development and local employment

Reflecting on the two decades since signing our first PSC in the KRI, Genel commissioned an independent study in 2022 to understand the impact of our investment. The study found that Genel has contributed an average of $0.5 billion each year to KRI's GDP and supported an average of ten thousand jobs per year. Over the same period, Genel also enabled a yearly average of $0.4 billion in GDP and an additional thirty thousand jobs in the KRI. The role we have played in developing the oil industry and our investments of over $3.5 billion in the region has contributed to direct employment, local capacity building, and the establishment of local supply chains.

These findings underpin what has long been a central tenet of Genel's operations; that our projects are supported by a community workforce which enable training and skills transfer within that workforce. Moreover, by making the community workforce active stakeholders empowers these individuals to take ownership of the overall wellbeing of the area.

To promote career development of local students during 2022 we were pleased to provide two weeks of technical training at Sarta for a group of 19 interns from Erbil Polytechnic University, and later in the year Genel provided English language training to 23 of our local personnel at Sarta.

Supporting local economic development is a key objective for Genel and we encourage our contractors to hire from the communities in which we operate, and support training if the necessary skills are absent. In 2022 we were pleased to see this theme continue with opportunities presented to the local community with respect to job opportunities, machinery hire, or employee development and training. In 2022, 18 local companies provided services across Sarta and Qara Dagh, all of which contributed to a direct positive impact on economic development within the community.

Genel20 Scholars

To mark 20 years of operations in the KRI Genel was pleased to launch our Genel20 Scholars programme. The programme will provide a university scholarship for 20 talented high school graduates, from disadvantaged backgrounds.

The programme was open to citizens of the KRI, with strong academic credentials and the potential to be future industry leaders in Kurdistan. Genel is pleased to be providing full funding for tuition and living expenses, as well as offering civic leadership and career-oriented workshops, and faculty mentorship and guidance from Genel staff. A range of courses is being studied by the students, including Petroleum Engineering, Nursing, Accounting and Finance Management, and Electronics and Telecommunication Engineering.

The Genel20 Scholars programme provides a long-term commitment in the KRI and has the potential to transform the education and career opportunities for many families.

Climate risk mitigation

2022 Scope 1 and Scope 2 GHG and energy figures on an equity share approach

Year	2022		2021*	
Geography	Global	UK	Global	UK
Scope 1 (tCO_2e)	192,637	-	190,277	-
Scope 2 (tCO_2e)	176	6.4	232	18
Associated energy use (kWh)	179,004,401	30,171	163,971,269	76,513
Intensity ratio ($kgCO_2e$/bbl)	17.56	-	16	-

* figures corrected from those published in Genel's 2021 Annual Report, following third party audit

GHG management and forecasting

Genel acknowledges the risks represented by climate change and the challenges represented by the necessary energy transition. A key tool for Genel within this transition is the application of our GHG Emissions Management Standard which aims to support our ambition to meet our goal of providing the low carbon barrels still necessary for a world that needs oil. This Standard provides a systematic framework that emphasises asset life-cycle approach to emission mitigation and applies to all operating and non-operating assets, and is also considered in future acquisitions.

GHG emissions profile

Genel reports Global GHG emissions and intensity ratio in accordance with the requirements of the UK's Companies Act 2006, and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. In addition, Genel is reporting last year's GHG emissions data, its underlying energy consumption for 2022 and 2021, the contribution of UK operations to global energy consumption and GHG emissions, and information relating to energy efficiency action, in alignment with the additional requirements implemented as part of the 2018 Regulations for Streamlined Energy and Carbon Reporting. The methodology used for reporting follows guidance provided in the 2015 GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1 and 2 emissions

Genel reports Scope 1 and 2 emissions on an equity share approach, which we consider to be the most transparent representation of our emissions footprint. GHG emissions data from non-operated assets are provided by our joint venture partners and Genel's total Scope 1 and 2 emissions have been subject to assurance by an accredited third-party assurance provider, ERM CVS. The assurance statement and Genel's methodology for emissions reporting is provided on Genel's website.

We are pleased to report a carbon intensity of 17.56 $kgCO_2e$/bbl, which remains below industry average, though Genel acknowledges that this represents an increase from 2021.

Scope 3 emissions

Previously, Genel has reported our Scope 3 emissions on an operational control basis. However, as we make progressive steps in our emissions reporting, for 2022 we have conducted dual reporting, as we look to incrementally extend the boundary of our reported Scope 3 emissions. We have reported on an operational basis, as per the previous year, and we have also reported an equity-based reporting for category 11 (sold products). The rationale for doing so is that category 11 represents the overwhelming contributor to Genel's emissions footprint, and so by extending the reporting boundary for this category allows us to better represent Genel's Scope 3 emissions. Our Scope 3 emissions are subject to a pre-assurance by third party auditors. This assurance is ongoing at the time of reporting and will be confirmed in our 2022 Sustainability Report in May 2023. Genel's 2022 Scope 3 emissions shown both as an operational control basis and as an equity share for category 11.

Year	2022	2021
Scope 3 operational control (tCO_2e)	264,686	356,847
Scope 3 Category 11 equity share (tCO_2e)	4,757,588	Not reported in 2021

Emission reduction efforts

We focus on effective design, efficient operations, and responsible energy use to reduce emissions to as low as reasonably practicable. One of the biggest factors influencing our GHG emissions profile is flaring, and gas management remains a primary element of Genel's emissions reduction strategy. With our joint venture partner and operator of the Tawke PSC, DNO, we continue to be part of the first gas injection project in the KRI. Since 2020, the project has captured 1.2 million tonnes of CO_2e through reduced flaring, while improving Tawke field performance through gas injection and enhanced oil recovery.

Emissions reduction strategies have also been central to approval of the Sarta Field Development Plan. A three-year flaring permit was granted by the MNR which came into effect on 23 November 2020 and is due to expire on 22 November 2023. Since 2019 Genel has explored potential gas management solutions which would enable the flares-out target to be met by this date, and a range of surface and subsurface solutions were considered prior to field appraisal. The results of the appraisal programme and pilot production do not currently support a viable flares-out programme, and Genel will consider appropriate gas

Solar power reducing emissions

One of the key elements of our sustainability strategy is addressing our own operational emissions, and an encouraging step was made in 2022 on this front with the installation of a solar panel and battery storage unit at the Sarta-1D wellsite. This development is powering production equipment at the S-1 pad and will reduce the use of diesel generators at this location, which will therefore lower our emissions at Sarta. The unit was made operational in July 2022 and by the end of the year had achieved a gross saving of 8.8 tonnes of CO_2.

This achievement represents an incremental step in addressing our own emissions footprint which could be replicated at other locations, thereby reducing operational emissions further.

management options should any future investment be deemed viable. We currently expect to request the MNR grant a 12-month extension to the existing flaring permit.

TCFD disclosures

Genel is committed to transparency in reporting climate-related risks and opportunities. As such, Genel supports the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'), which aims to increase transparency in climate-related risks. In 2022 Genel has considered the 'comply or explain' obligation under the UK's Financial Conduct Authority's Listing Rules as well as the TCFD's Guidance for All Sectors and Guidance for Non-Financial Groups, and considers that the following disclosures are consistent with the TCFD recommended disclosures: Governance recommended disclosures (a) and (b), Strategy recommended disclosures (a) and (c), Risk Management recommended disclosures (a), (b) and (c), and Metrics and Targets recommended disclosures (a) and (b). As part of its ESG workplan in 2023, Genel is developing a TCFD roadmap to provide actions over the next two years to address, and ultimately make disclosures consistent with the recommended disclosures relating to Strategy recommended disclosure (b) and Metrics and Targets recommended disclosure (c), and the details of these actions are provided below.

The four TCFD recommendations are provided below, with a description of Genel's actions for each of the disclosures where applicable, or with a reference within this report.

TCFD Recommendation: Governance

(a) TCFD recommended disclosure: Describe the Board's oversight of climate-related risks and opportunities.

Climate topics are included in Board meeting agendas at least once a year, during its main strategy session. The Board is also informed more frequently through ongoing engagement opportunities and other meetings, as well as when climate-related issues arise in relation to major plans of action, annual budgets and business plans. For example, the HSSE Committee reports to the Board with progress on the ESG workplan which includes an evaluation of our GHG performance, including emissions reduction initiatives, which allows for monitoring of these climate-related risks. GHG performance (in the form of life-cycle carbon budgets) was also included in Asset Development Plans ('ADPs') presented to the Board in 2022. Furthermore, our Board's commitment to robust sustainability governance is illustrated in the inclusion of an ESG component of the Company's annual performance score card, which allows oversight and monitoring of progress, with details of this process provided on pages 69-73 of this report.

(b) TCFD recommended disclosure: Describe management's role in assessing and managing climate-related risks and opportunities.

Genel's Executive Committee oversees implementation of the sustainability strategy, which includes climate-related risks and opportunities, and which is achieved through implementing Genel's annual ESG workplan. The ESG Manager is responsible for implementing the ESG plan (applicable to all Genel assets), and reports progress to the Head of HSE and Risk Management, a permanent Executive Committee Member. This allows a direct line of communication, for information and monitoring of progress, on climate-related matters to the Executive Committee, which in turn reports to the Board on such matters.

Once a risk or opportunity has been identified and evaluated at either the corporate, asset or project level, Genel takes a proactive approach to design and implement robust controls to mitigate any potential negative implications and enhance positive outcomes. Sustainability risks, including the physical, socio-economic political, and economic elements associated with climate change have been identified at Genel as a Board reserved matter.

TCFD Recommendation: Strategy

(a) TCFD disclosure: Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.

Genel continuously reviews major risks or opportunities to which its operations are exposed. This is achieved through leveraging local expertise, industry knowledge, and strategic relationships. Genel also aims to hold ourselves accountable to robust regulatory environmental standards in our operations, and we comply with climate-related reporting within the UK. Through the strategic review and assessment of climate-related risks and opportunities detailed above, Genel has identified the following climate related risks which could have a material financial impact on Genel as identified in the table below. For the purpose of this classification, short-term has been defined as one to three years, medium-term as three to five years, and long-term as five years and beyond.

(b) TCFD recommended disclosure: Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

Genel's GHG Emissions Management Standard (the Standard) underpins Genel's approach to incorporating climate-related risks and opportunities in our strategy and financial planning. The implementation of the Standard informs our ADPs which were reviewed by the Board in 2022 and which form the basis of business strategy and financial decisions. The same level of climate-related scrutiny is also considered in any potential new acquisitions. More broadly, scenario analysis allows Genel to assess the resilience of our business under a range of climate scenarios.

In 2022 Genel completed installation of a solar panel and battery storage unit at the Sarta-1D wellsite. This has provided local capacity building and introduced solar power capabilities to a region which would otherwise not be exposed to such technology. Furthermore, Genel developed an ESG supply chain roadmap in 2022 which provides the steps required over the next two years to encourage engagement with contractors to increase awareness of ESG risk with their own operations.

We have considered the impact of climate-related issues on our businesses, strategy, and financial planning, and Genel acknowledges that access to capital may be impacted by reputational concerns as a result of climate-related issues. However, we do not currently fully disclose the impact of climate-related issues on our financial performance or financial position. As part of Genel's TCFD roadmap which is being developed under the ESG workplan in 2023, Genel will provide the specific actions and timeline for Genel's future approach to meeting this requirement.

Climate-related risk	Time horizon	Detail
Reputation	SHORT-TERM	Stakeholder and investor perceptions and expectations during the energy transition, resulting in potential divestment.
Climate disclosures	SHORT-TERM	
Current regulation	SHORT-TERM	Regulatory responses to climate and carbon abatement.
Acute physical	SHORT-TERM	Water-related risks (availability and operating in water scarce regions).
		Event-driven, e.g., extreme weather impacting Genel's assets, or Genel's ability to mobilise to assets.
Market	SHORT-MEDIUM	Fluctuating oil demand and price. Limited financing for fossil fuels having implications on ability to raise capital.
Legal	MEDIUM-LONG	International changes to climate-related legislation impacting assumptions in Genel's current business model.
Technology	MEDIUM-LONG	Availability and cost of technology to minimise carbon emissions (e.g., relating to gas management or alternative energy).
Supply chain	MEDIUM-LONG	Availability of suppliers in regions of operation, and potential climate-related impacts in supply chain (i.e. Scope 3 emissions).
Emerging regulation	MEDIUM-LONG	Potential future climate-related regulation requiring carbon reductions or abatement measures.
Chronic physical	LONG-TERM	Longer-term climatic changes beyond five years, potentially impacting Genel's regions of operation.

(c) TCFD recommended disclosure: Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Genel is consistently reviewing the resilience of our portfolio to ensure it remains fit for purpose through the energy transition. We evaluate our producing assets each year against common scenarios outlined by the International Energy Agency ('IEA'), with the intention of assessing our business to ensure that our assets remain competitive when stress-tested against variable carbon taxes and oil prices. These were chosen to provide a broad range of potential future scenarios.

For the purpose of this analysis, we apply a base case scenario that assumes a Brent oil price of $70/bbl and no carbon tax, on account of our assets being located in areas where carbon tax is currently not applicable (introduction of carbon tax in the regions where Genel operates represents a situation where Genel's acknowledges financial performance could be impacted).

To the selected base case, and under our existing cost structure, we apply the oil price and carbon tax values under two of the IEA's potential climate scenarios; namely the Announced Pledges Scenario and the Sustainable Development Scenario (a 2°C or lower scenario), with the time horizon for our analysis of 2030 corresponding with Genel's time horizon for our existing assets. Under these scenarios, Genel's margin was calculated in the 2021 reporting period to erode to 96% and 78% respectively and it is apparent that under Genel's operational time horizon, the selected IEA scenarios will have a manageable impact on our margin. As a result, we expect that our strategy remains resilient to climate-related risks and opportunities, taking into account these two different scenarios. This exercise will be repeated by Genel for publication in the 2022 annual Sustainability Report.

TCFD Recommendation: Risk Management

TCFD recommended disclosures

- **(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.**

Genel's established risk management process is detailed on pages 30 – 33 of this report, which helps support the TCFD's Risk Management recommendation. For this reason, we have chosen to group these recommended disclosures together.

The management of climate-related risks and opportunities is incorporated into our wider business strategy. Responsibility for the management of sustainability risks, and monitoring of other climate-related topics is integrated into Board oversight through the roles of the Chair, CEO and the HSSE Committee.

Climate-related risks are considered under ESG risks at Genel, which consider existing and emerging regulation. The process of identifying climate-related risks, and the relative significance of these risks, is integrated within Genel's established risk management framework, through the processes described on page 64 of this report. The outcome of this risk identification process establishes Genel's risk register. This risk register is reviewed and further distilled to Principal Risks and Uncertainties, and the 2022 iteration of these risks is presented on pages 31-33 of this report, which provides details on potential opportunities, threats and mitigation measures to manage the risk. The size and potential impact of this risk, and potential mitigation and controls, are managed in Genel by communication channels from the ESG Manger to the Executive Committee, which in turn assesses the relative priority of each risk, and raises these matters, when applicable, with the Board.

The risk owners for climate-related risks are the ESG Manager and the Head of HSE and Risk Management, with the HSSE Committee supporting the Board on overall management of the identified risks. The identified risks are managed through implementation of the annual ESG plan, the progress of which is communicated to the Executive Committee, and in turn with the Board.

TCFD Pillar: Metrics and Targets

(a) TCFD disclosure: disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Scope 1, Scope 2, and Scope 3 GHG emissions (tonnes CO_2e) are presented each year in Genel's Annual Report. This year, they are presented on page 24 of this report where a reference to the methodology applied in calculating these metrics is also provided. Genel also discloses the following climate-related metrics in the annual Sustainability Report: methane emissions (tonnes CO_2e), carbon intensity ($kgCO_2$/bbl), and flaring intensity ($kgCO_2$/bbl). For each of these metrics, the preceding year's figure is also provided to allow for trend analysis. In relation to water-related climate risks, we report freshwater withdrawals and produced water reinjected (cubic meters) in Genel's annual Sustainability Report. In 2022 we received a score of B- for our CDP Water Security disclosure, which represented an improvement from the previous year. Genel remains open to consideration of additional metrics as the business evolves.

(b) TCFD disclosure: disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.

Genel's 2022 Scope 1, Scope 2 and Scope 3 greenhouse gas emissions are presented above on page 24 with a description of reporting boundaries for each.

(c) TCFD disclosure: describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Genel reports absolute emissions and the carbon intensity of our portfolio assets on an annual basis, with our portfolio being assessed against the life-of-field carbon budgets outlined in the GHG Emissions Management Standard.

As part of Genel's TCFD roadmap which is being developed under the ESG workplan in 2023, Genel will identify gaps against current disclosure requirements and provide the specific actions and timeline for full compliance against said requirements. This will include the nature and the time horizon of emissions targets, which will be a function of the portfolio assets over the same time period. This process will consider potential targets relating to emissions reductions, internal energy use, and application of alternative energy sources in operations.

Additional climate disclosures

Genel is committed to communicating its climate strategy and resilience to the investor community in order to illustrate the efforts we are taking to reduce our carbon footprint. Following our 2022 climate change submission to CDP (formerly the Carbon Disclosure Project) Genel was pleased to have been awarded a B score from in 2022, which represents an improvement to our previous score of C. This progression is a result of the dedicated work over the preceding years, which shows our ongoing commitment to climate-related disclosures.

Environmental stewardship

Environment management system

Beyond our emission reduction ambitions, Genel's approach to environmental management focuses on managing waste, reducing resource and water use, preventing pollution, and protecting the natural environment. Accordingly, we continue to design our policies, procedures and plans to align with ISO14001 requirements and we are making progress towards accreditation.

Environmental, social and health impact assessment ('ESHIA')

Identifying and managing any potential impact from our operations forms an essential part of our project planning and as such we engage independent consultants to develop ESHIA reports as part of regulatory approvals required prior to all exploration or development activities. This process is guided by in-country legislation as well as the IFC Performance Standards. An environmental and social management plan is developed to monitor the environment and respond to any potential impacts and grievances that may arise within local communities. Looking forward, this important operational process will be applied to our activities in Somaliland in 2023.

Water management

Water management forms a key priority in our approach to environmental stewardship. We recognise our presence in water-restricted regions of the world, and we understand the necessity of freshwater availability. Moreover, we acknowledge the increasing importance of this topic and it therefore remains a key priority of Genel to efficiently manage water consumption and continually strive for incremental improvements in recycling practices.

Throughout 2022 we continued to record water use, its source, and its disposal at all operational sites. We have focused on reducing freshwater consumption by increasing the quantity of water for recycling, which is achieved, for example, through our high-grade sewage treatment unit at Sarta. Furthermore, re-injection of produced water at Sarta eliminates the need for any off-site disposal. In reflection of our efforts in water management, following our annual CDP Water Security disclosure in 2022, we were pleased to see an increase in our score from D to B-.

As our activities in Somaliland progress, we will be undertaking an initial baseline water assessment in advance of our proposed drilling operation.

Waste management

Genel continued to build upon its strong waste management record in the KRI in 2022. At Sarta, the established waste segregation programme remains in place where site personnel and contractors continue to follow the principles and hierarchy of waste management. During this year, we have issued contracts for recycling of general waste and waste treatment and disposal of hazardous waste at Sarta, which collectively focus on reducing impact to operational areas.

As part of our drive for local capacity building, our teams maintain close relations with our waste contractors, introducing new recycling initiatives and mentoring the workforce in effective and safe waste handling and management practices. In further evidence of continued improvements in waste management practices, for our waste streams from Sarta, zero waste was sent to landfill, just over 9% was incinerated, and over 91% of waste was recycled.

Furthermore, in a key milestone in 2022, Genel was able to successfully recycle over 7,500 tons of drill cuttings from the Qara Dagh asset. The waste cuttings contained high content of chloride and heavy metals and following a successful thermal treatment process at a local cement factory, this has resulted in zero residual waste from this source.

Continuous air quality monitoring

We continue to monitor and mitigate any potential adverse impacts associated with Sarta operations. Throughout 2022 we maintained our continuous air quality monitoring from three monitoring units in the vicinity of the Sarta production facility. This ongoing programme provides an understanding of local air quality conditions at Sarta, compared to the baseline conditions established in 2019. This constant monitoring helps prevent any potential adverse impact resulting from poor air quality to the neighbouring communities. In 2022 the air quality data was compared against the draft 2020 KRI regulations and with the exception of exceedances in particulate matter due to agricultural activities in the surrounding area, no air quality exceedances were recorded, even when applying these more stringent guidelines.

Spill response capability

We maintained tier 1 and 2 spill response capability during the year, and we purchased additional equipment to enhance our capabilities in order to deal with specific spill scenarios. Training was provided for operational and tactical oil spill responses. We also simulated a large oil spill incident as part of our annual preparedness exercise in one of the high-risk crude oil tanker operations in Sarta field.

Biodiversity and land management

In 2022 Genel was pleased to finalise our Biodiversity Management Standard, which defines the approach to be adopted by Genel in relation to the assessment, mitigation and management of biodiversity issues and impacts relating to worldwide operations. The development and internal approval of this document reflects the considerable significance which Genel places on preservation of biodiversity, as we continue to work in collaboration with partners to protect nature and to achieve no net loss of biodiversity wherever we operate.

A key element of biodiversity management is the development and implementation of a biodiversity management plan ('BMP'). This provides a framework for managing project risks specifically related to biodiversity and details the necessary measures required to mitigate these risks. In specific acknowledgement of the sensitive environmental setting of our operations in the region of Qara Dagh, Genel continues to work with local stakeholders and will continue to monitor the measures laid out in the existing BMP. In line with the IFC Performance Standard 6 on Biodiversity, in 2023 Genel will be establishing an offset programme at Qara Dagh in collaboration with local stakeholders.

ESG management and responsible business practices

Management of ESG remains a key consideration for Genel and in 2022 ESG actions were discussed at Board meetings, senior management meetings, and employee town hall meetings. Furthermore, in reflection of our drive to foster a culture of ESG integration and effective governance, we linked completion of annual corporate ESG related goals with a portion of annual remuneration for all Genel employees, which has again been approved for 2023.

Risk management

Introduction

Mitigating downside risk is a key component of our business model. The benefits of this approach, and the resilience that it provides, was demonstrated in 2022, as Genel managed various headwinds related to geopolitical uncertainty, leadership changes, sub-optimal appraisal performance, and continued to deliver on its operational strategy. We finished the year with a healthy balance sheet that positions us well to take advantage of future growth opportunities.

In 2022 we took steps to evolve and mature the current risk management and control system and risk reporting so that it can be more effective in providing greater agility in the decision making processes, as follows:

- **Simplify**: streamline and enhance the tools currently in place to collect, record and communicate risk information
- **Focus**: enable quality conversation about emerging risks as well as for key changes and overall assessment of current risk and controls
- **Assure**: internal audit process and programme to provide assurance on key risk areas and relevant controls

We have a diligent approach to individual risks, bringing the same rigour to Genel's organisational risk management processes as we do to health, safety and the environment.

VK Gupta
Head of HSE and Risk Management

Principal risks and uncertainties

Trends key

▲ Risk improved
◀▶ Risk unchanged
▼ Risk deteriorated

KRI natural resources industry and regional risk

Paul Weir, CEO

International Relations Committee	Trend ▼	Read more p.46

Context

Stable government within KRI and stable Federal Government of Iraq dictate effectiveness of business environment in KRI.

Opportunities

- Strong relationships and stakeholder engagement facilitates ongoing operations
- Stable environment for operations allows Genel to pursue strategic objectives

Threats

- Complex relations between KRG and FGI
- Adverse decisions from Iraqi Federal Supreme Court and Baghdad Commercial Court
- ICC:FGI-Turkey Pipeline arbitration outcome
- Limited ability to influence KRG
- Russia targeted sanctions that could impact the supply chain and movement and trading of KRG oil

Mitigations

- Dialogue with decision makers in the KRI
- Work in a cohesive manner with other IOCs
- Stakeholder management plan
- Close monitoring of rapidly moving sanctions developments

Commercial terms and payment for Kurdistan oil sales

Luke Clements, CFO

International Relations Committee	Trend ▼	Read more p.12

Context

KRG purchases all crude oil at the wellhead and arranges for payment to be made to Genel for ongoing exports.

Opportunities

- Payments in line with expectations support investment and pursuit of business objectives and improve market valuation of the business

Threats

- Payments from the KRG delayed, reducing the Company's ability to reinvest in line with its strategic priorities
- Adverse commercial terms on oil sales unilaterally imposed by KRG

Mitigations

- Dialogue with decision makers in the KRI
- Work in a cohesive manner with other IOCs
- Stakeholder management plan
- Close monitoring of rapidly moving sanctions developments
- Maintain balance sheet strength

Development and recovery of oil reserves

Paul Weir, CEO

Reserves Committee	Trend ◀▶	Read more p.14

Context

Genel aims to realise the reserves value in its portfolio through deploying capital in line with the value creation expected from our asset development plans.

Opportunities

- Cost effective development of fields

Threats

- Underestimation of reservoir uncertainty and reservoir performance to the downside
- Poor drilling execution performance
- Poor reservoir performance

Mitigations

- Life of field asset development plans in place
- Appropriately categorised reserves
- Active and optimised drilling across all producing assets
- Active reservoir management
- HSE, Asset Integrity and Operations Management Systems

Reserve replacement

Mike Adams, TD

Reserves Committee	Trend ▼	Read more p.14

Context

Genel aims to grow through adding reserves and in turn long-term cash-generative production both from existing and new assets added to the portfolio.

Opportunities

- Successful exploration and appraisal activity increase resources
- Moving projects and developments into execution increases reserves
- Successful addition of inorganic opportunities to the portfolio
- Successful Somaliland exploration

Threats

- Inability to progress assets in the portfolio and convert contingent resources to reserves
- Failure to add inorganic opportunities to the portfolio
- Geopolitical challenges associated with frontier exploration

Mitigations

- Life of field asset development plans in place
- Correctly categorising uncertainty
- Somaliland drilling expected in 2024
- New business activity

New business activity
Mike Adams, TD

Board	Trend ◀▶	Read more p.6

Read more p.6

Context
The pursuit of new business opportunities is a key part of the Company's growth strategy.

Opportunities
- Execution of a transaction positively impacts the Company's valuation, asset quality, and equity story, among other factors

Threats
- Execution of a transaction that adversely impacts the Company's long-term liquidity, balance sheet, asset quality, and equity story, among other factors
- Misalignment with major shareholders

Mitigations
- Clear strategic objectives and experienced team
- Board oversees and signs off on all material new business decisions

Corporate governance failure
David McManus, Chair

Board	Trend ◀▶	Read more p.37

Context
The Company's strategy is to maintain high standards of corporate governance.

Opportunities
- Good corporate governance is proven to provide benefits to business and value to shareholders

Threats
- Corporate governance failure would have a negative impact on investor perception of the Company

Mitigations
- Carrying out detailed Board Evaluation exercises (including externally facilitated reviews periodically) to monitor and assess performance of the Board
- Effective set of governance policies deployed across Genel

Environmental, social & governance expectations
Paul Weir, CEO

Board	Trend ◀▶	Read more p.16

Context
Position the Company during the energy transition; supporting communities where we operate.

Opportunities
- Develop a competitive advantage for Genel and distinguish it from its peers
- Position Genel as a socially responsible contributor to the global energy mix, widening the pool of potential investors

Threats
- Reduced access to capital
- Negative stakeholder publicity
- Introduction of punitive carbon or other taxation
- Loss of local community support gives rise to disruption to field operations

Mitigations
- Board and senior management commitment, with approved ESG strategy
- Corporate Social Investment strategy in place
- Commitment to local employment and local contractors
- ESG scorecard in annual performance targets
- GRI compliant Sustainability Report issued annually
- CDP Climate score improved to B, and CDP Water score improved to B-

Capital structure and financing
Luke Clements, CFO

Audit Committee	Trend ◀▶	Read more p.12

Context
The Company aims to retain a strong balance sheet and flexibility in our capital structure in order to pursue its strategic objectives and underpin future growth.

Opportunities
- Strong balance sheet protects the company against volatility in both commodity prices and geopolitics
- Strong and visible liquidity runway ensures debt repayment
- Appropriate capital structure and discipline in allocating capital allows for the company to self-finance organic growth and to benefit from in-organic opportunities

Threats
- Delay by KRG in making payments for sales
- Material deterioration in the oil price
- Lack of access to capital due to macro developments
- A failure to replace reserves

Mitigations
- Disciplined capital allocation, clear investment priorities and strong expenditure controls
- Low cost of production, competitive onshore development costs
- Strong balance sheet
- No debt maturity until 2025

Trends Key

▲	Risk Improved
◀▶	Risk Unchanged
▼	Risk Deteriorated

Attract and maintain organisational capabilities

Berna Öztınaz, CHRO

Remuneration Committee	New	Read more p.20

Context

The Company aims to attract, retain, and develop the right talent and organisational capability for sustainable success.

Opportunities

- Retention of key staff creates stability, while careful recruitment of talent brings relevant expertise into the organisation

Threats

- Any gap in capability will affect our ability to operate safely in our regions
- Recruitment without adherence and discussion with local government and communities will affect our reputation and ability to carry out activity on time
- Lack of up to date market information in frontier areas
- Extractive industry talent drain

Mitigations

- Annual performance management process supports high performance and highlights any areas of required development
- Annual TalentMAP process identifies key individuals and provides wide succession planning
- Balanced internal and external talent acquisition provides immediate insights and swift reaction to any staff changes

Health and safety risks

VK Gupta, Head of HSE and Risk

HSSE Committee	Trend ◀▶	Read more p.18

Context

Health, safety and environment management is a primary consideration across all Genel operations.

Opportunities

- Continued strong HSE performance reduces business loss, boosts employee motivation and enhances Company reputation
- Positive HSE reputation enables timely approvals of environmental permits and development plans

Threats

- Failure of HSE procedures and controls leads to injuries/illnesses and/or adverse environmental impact, asset damage, process safety accidents and material reputational damage
- Poor HSE performance can have licence to operate risks and impact motivation

Mitigations

- Ongoing continuous improvement in HSE management system processes, procedures and trainings as we aim for incident-free operations
- Enhanced HSE plan and KPIs in place
- HSE and process safety risk assessments
- Assurance inspections and audits
- HSE Leadership site tours
- Incident investigation training
- Site HSE supervision and coaching

Viability statement

In accordance with provision 31 of the 2018 revision of the UK Corporate Governance Code ('the Code'), the Directors have assessed the prospects and viability of the Company over a longer period than the 12 months required by the 'Going Concern' provision.

Choice of assessment period

The Directors retain their assessment of five years as the appropriate period for their viability statement. Although inevitably introducing cash flow uncertainty given the inherent volatility in long-term oil price, cost and production forecasting, five years was assessed to be an appropriate period for the following reasons:

- The production assumptions are supported by recent external reserve reports on all existing producing assets
- The period captures the maturity of the Company's bonds, maturing October 2025
- The period captures when there is potential for material capital investment on the Company's pre-production assets
- The Board runs a five-year plan, beyond which there is considered to be limited visibility

Review of financial forecasts

In reviewing the expected evolution of the Company's business, cash flows and capital structure over the review period the Directors took into account:

- The Company's five-year plan, which incorporates the Company's latest life of field cash flow projections for producing assets
- The various capital allocation scenarios that may evolve and the Company's potential asset portfolio investment decisions
- The Company's bond and compliance with its covenants
- The availability of debt capital markets and other sources of finance, together with the debt capacity of the business
- The oil price forecast set out in the notes of our financial statements

A range of sensitivities were run on the assumptions set out above to reflect different scenarios including, but not limited to, changes to production profiles, commodity price assumptions, capital allocation, and payments.

Consideration of principal risks

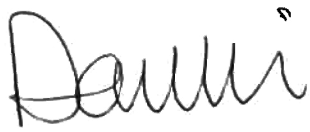
The principal assumptions underlying the forecasts above were reviewed in the context of the risks and mitigating actions set out in the Principal Risks in the Annual Report including in particular those that specifically relate to the Company's viability, including:

- Payment for KRI sales
- Development and recovery of reserves and resources
- KRI natural resources industry
- Capital structure and financing

Viability assessment

Based on their review of these assumptions and sensitivities in the context of the funding options and risks referred to above, the Directors found that there was a reasonable expectation that the Company will be able to continue in operation and manage its liabilities as they fall due over the five-year period to December 2027.

Our 2022 Strategic Report from pages 1 to 35 has been reviewed and approved by the Board of Directors on 21 March 2023.



Paul Weir
Chief Executive Officer

Stakeholder engagement

As a Jersey registered company, Genel Energy plc is not required to prepare a s172(1) statement in accordance with UK legislation, however, it remains the policy of the Company to comply with high standards of corporate governance and so we have voluntarily chosen to report how we take our stakeholders into consideration in running the business.

We recognise that the Company has a range of stakeholders including but not limited to our investors, the local government and communities in the regions in which we operate, our joint venture partners, employees, and suppliers. When making business decisions the Board of Directors of Genel considers, both individually and collectively, that they have acted in good faith in a way that would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1) ((a-f) of the Act) in the decisions taken during the year ended 31 December 2022 (see Corporate Governance report). In particular, the Board considers this to be the case, by reference to the approval of our strategy and business model supported by our viability statement on page 34:

(a) The likely consequences of any decision in the long-term

Genel has a portfolio of assets, with material production. Our organic portfolio continues to be funded by cash generated from our producing assets, and our financial strength and business outlook supports ongoing investment and the payment of a material dividend, while we seek to deploy capital on adding new assets. The Company continues to maintain its strong balance sheet, and its liquidity runway and debt maturity profile continue to be proactively managed.

(b) The interests of the Company's employees

Genel continues to be committed to employing a diverse and balanced team, enabling us to build an effective and talented workforce at all levels of the organisation. The value we place on equal opportunities and diversity of ideas, skills, knowledge, experience, culture, ethnicity, and gender is evident in our daily operations as well as formalised in our policies and procedures. As the world returned to normal after the pandemic, and following input from employees, Genel established a hybrid working model for its office-based staff. In late 2022, the first phase of a new Company Culture project was completed and this research will be used to design and deliver appropriate elements in 2023, with the overall aim of supporting a One Company Culture across Genel. Further information on employee management can be found on page 20.

The Board has appointed Canan Ediboğlu as the Designated Independent Non-Executive Director, responsible for workforce engagement and providing insight into our employees' perspectives on the business to the Board. Further information on workforce engagement can be found on page 43.

(c) The need to foster the Company's business relationships with suppliers, customers, and others

Long-term strategic thinking, allying our goals with those of host governments and business partners to build deep and valuable relationships, helping to unlock value in complex commercial situations helps Genel to fulfil its strategy. In 2022, the Company continued to engage with host governments at all levels in order to drive forward our business strategy. Genel also hosted its inaugural contractor forum in Erbil, centred around learning from each other and improving safety performance.

(d) The impact of the Company's operations on the community and the environment

Supporting and engaging with the communities in which we operate continues to be fundamental to Genel's success. In 2022, we continued to support community investment initiatives that demonstrate our commitment to being a socially responsible contributor to the global energy mix. This helps us maintain and strengthen relations with the local communities near our operations. In addition, we continued to promote local employment and contracting so that the economic benefits generated from our operations are shared within the regions in which we operate.

2022 represented 20 years of operations by Genel in the KRI and this milestone was marked with an increase in our social investments, which continued to be guided by the UN Sustainable Development Goals. In November 2022, 20 talented high school graduates from disadvantaged backgrounds were awarded scholarships through the Genel20 Scholars Programme to pursue a bachelor's degree at the American University of Kurdistan. The Company also increased social projects in Somaliland in 2022, with a focus on food and water distribution projects to communities affected by drought conditions.

Genel takes significant steps to minimise its operating emissions and Genel's approach to environmental management extends to a focus on managing waste, reducing resource and water use, preventing pollution, and protecting the natural environment. More information can be found in the sustainability section of this report on pages 16 to 29.

(e) The desirability of the Company maintaining a reputation for high standards of business conduct

Genel Energy plc is a Jersey incorporated, UK tax domiciled, Company with a standard listing on the London Stock Exchange. Notwithstanding our standard listing, we are committed to complying with applicable regulatory requirements in both Jersey and the UK. Our Code of Conduct defines the values that capture the heart of the Company's spirit and ensure the Company maintains a strong reputation for high standards of business conduct. Our 2022 Corporate Governance report illustrates how the Board and its Committees have supported these business activities.

(f) The need to act fairly towards members of the Company

The Board of Directors' ambition is to behave responsibly toward our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan. The Chair and Independent Non-Executive Directors meet regularly in order to deliver on this responsibility. More information on our relationship with shareholders can be found in the Corporate Governance report.

Chair’s statement on corporate governance

Dear Shareholder,

I am pleased to present my fourth Corporate Governance Report to shareholders as your Chair. Our 2022 Governance Report illustrates how the Board and its Committees have supported business activities while enforcing our governance culture.

Our Board experienced a number of changes during 2022. On 1 June 2022, Bill Higgs stepped down as CEO. As CEO, Bill oversaw a positive change in the strategic direction, operational capability and culture of Genel, and left behind a robust foundation on which the Company can build.

Paul Weir was appointed by the Board of Directors as Interim CEO and subsequently permanent CEO and Executive Director on 3 October 2022. Paul has been a key contributor to the transition of Genel into an operator, and, given his longstanding operational experience, is well placed to lead the business as it seeks to progress its next phase of growth.

Earlier in the year, on 20 May 2022, the Board of Directors appointed Luke Clements as CFO, following the departure of Esa Ikaheimonen.

Other departures during the year included Nazli K. Williams, who resigned as a Director on 13 April 2022, having served as a member of the Board since the 2011 merger with Vallares. Bill Higgs, Tim Bushell, and Hassan Gozal also left the Board following the 2022 AGM, as they did not receive the requisite majority of votes in favour of their re-election as Directors.

Finally, on 1 November 2022, the Company announced the appointment of Chandni Karania as Company Secretary following the retirement of Stephen Mitchell, who had worked for the Board since 2011. I would like to take this opportunity to thank Bill Higgs, Esa Ikaheimonen, Tim Bushell, Hassan Gozal, Nazli K. Williams, and Stephen Mitchell for their contributions to the Company

Following the results of our 2022 AGM and in line with the UK Corporate Governance Code 2018, the Company engaged with major shareholders to understand their views on resolutions 4 and 16, each of which had over 20% of votes cast against them and resolutions 5,8 and 10 which did not receive the required 50% majority of votes in favour. Noting that proxy agencies were unanimously in favour of each resolution that was put forward at the meeting, and following discussions with shareholders, the Board’s view is that the votes cast against the resolutions reflected differing opinions held by the Company’s major shareholders in relation to a number of matters. As a consequence, the Board does not believe it is necessary or appropriate to take any additional action and along with the management team the Board is committed to delivering the Company’s strategy.

While 2022 saw a number of changes to the Board of Directors and Executive Committee, the Board and management team are fully aligned and committed to delivering the Company’s strategy of putting capital to work to grow our production and cash generation, while maintaining our resilience and seeking to progress our established dividend programme. In 2022, the Company generated material free cash flow of $235 million, with a further $50 million returned to shareholders as part of our ongoing dividend programme. We are now firmly focused on putting our balance sheet to work and adding the right assets to our portfolio, increasing the visibility of long-term cash generation and supporting our material and progressive dividend.

In accordance with the Company’s commitment to comply with the UK Corporate Governance Code, the Board undertook an internal evaluation of its own performance and that of its Committees and each individual Director. The internal evaluation found that the Board, each of its Committees and each Director were operating effectively to support the Company’s long-term strategic objectives. Further details of the Board evaluation can be found on page 53.

David McManus
Chair

Governance statements

Genel Energy plc is a Jersey incorporated company with a standard listing on the London Stock Exchange. We are committed to complying with applicable regulatory requirements in both Jersey and the UK.

The Board continues to be committed to complying with the UK Corporate Governance Code and with the Remuneration Regulations. Our view is that governance is not just a matter for the Board and that a strong governance culture must be fostered throughout the organisation. Our expectations of our employees and of those with whom we conduct business are set out in our Code of Conduct, which is available on our website at genelenergy.com.

Compliance statement

The Board is committed to high standards of corporate governance and has decided to manage Genel's operations in accordance with the UK Corporate Governance Code 2018. A full version of the Code can be found on the Financial Reporting Council's ('FRC') website at frc.org.uk. During 2022, the Company complied with the principles of the Code and on pages 39 to 40 explanations as to how we have complied with our obligations under the Code are provided. We are in full compliance with the provisions of the Code with the exception of provision 32, as between 22 November 2021 and 19 April 2022, David McManus served as the Interim Chair of the Remuneration Committee. Yetik K. Mert was appointed Chair of the Remuneration Committee on 19 April 2022, and the Company has been in full compliance with the provisions of the Code since then.

Going concern

The going concern statement is made on page 13.

Viability

The viability statement is made on page 34. Further details of the Board's assessment of the viability of the Company are set out in the Audit, risk and internal control section on pages 62 to 64.

Robust assessment of principal risks

The Board has undertaken a robust assessment of the Group's emerging and principal risks, including those that would threaten its business model, future performance, solvency, liquidity, and reputation. Our Annual Report identifies principal risks and uncertainties on pages 31 to 33 and the procedures followed to identify these risks on pages 62 to 64.

Review of risk management and internal control

A continuous process for identifying, evaluating and managing the risks the Company faces has been established. The effectiveness of the internal control systems are reviewed by the Audit Committee. Further details are set out in the Audit, risk and internal control section on pages 62 to 64.

Fair, balanced and understandable

The Annual Report and Accounts taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position, performance, business model and strategy. See the Audit Committee report on pages 65 to 68 for further information on how this conclusion was reached.

Section 172(1)

A Section 172(1) statement is made on page 35. It provides cross-references to the required detail set out throughout this Annual Report.

Application of UK corporate governance code principles

The Code has placed increased emphasis on 'apply and explain' with regard to the Principles of the Code. Our explanations about how we have applied the main principles of the Code can be found as follows:

Board leadership and company purpose	
Principle A. A successful company is led by an effective and entrepreneurial board, whose role is to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society.	Strategic report p.1-36 Governance report p.37-91 Directors' Remuneration report p.69-86
Principle B. The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	Strategic report p.1-36 Company purpose, values and strategy p.8-9 Division of responsibilities p.50 Directors' Remuneration report p.69-86
Principle C. The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	Sustainability section p.16-29 Principal risks and uncertainties p.31-33 Section 172(1) statement p.35 Audit, risk and internal control p.62-64 Audit Committee report p.65-68
Principle D. In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	Sustainability section p.16-29 Section 172(1) statement p.35 Communication with investors p.43
Principle E. The board should ensure that workforce policies and practices are consistent with the company's values and support its long-term sustainable success. The workforce should be able to raise any matters of concern.	Sustainability section p.16-29 Section 172(1) statement p.35 Directors' Remuneration report p. 69-86
Division of responsibilities	
Principle F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.	Division of responsibilities p.50 Composition, sucession and evaluation p.52-53
Principle G. The board should include an appropriate combination of executive and non-executive (and, in particular, independent non-executive) directors, such that no one individual or small group of individuals dominates the board's decision-making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.	Division of responsibilities p.50 Composition, sucession and evaluation p.52-53 Board biographies p.55-57
Principle H. Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.	Composition, sucession and evaluation p.52-53
Principle I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	Sustainability section p.16-29 Composition, sucession and evaluation p.52-53 Audit, risk and internal control p.62-64

Composition, succession and evaluation	
Principle J. Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	Nomination Committee report p.60-61
Principle K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	Board biographies p.55-57
Principle L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	Nomination Committee report p.60-61 Board effectiveness p.53
Audit, risk and internal control	
Principle M. The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.	Audit, risk and internal control p.62-64 Audit Committee report p.65-68
Principle N. The board should present a fair, balanced and understandable assessment of the company's position and prospects.	Strategic report p.1-36 Audit, risk and internal control p.62-64 Audit Committee report p.65-68 Financial statements p.98-125
Principle O. The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the company is willing to take in order to achieve its long-term strategic objectives.	Principal risks and uncertainties p.31-33 Viability statement p.34 Audit, risk and internal control p.62-64 Audit Committee report p.65-68
Remuneration	
Principle P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long-term strategy.	Company purpose, values and strategy p.8-9 Directors' Remuneration report p.69-86
Principle Q. A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.	Directors' Remuneration report p.69-86
Principle R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	Directors' Remuneration report p.69-86

Board leadership and Company purpose

Our objective remains to create long-term value for shareholders through the exploration, development and production of natural resources. We have low-cost producing assets that are important to the economy of the KRI. Further information on our business model can be found on pages 8 to 9.

Activity highlights

January	Approved the trading and operations update
March	Reviewed and approved the 2021 Annual Report
	Reviewed the outcome of the 2021 internal Board effectiveness review
	Approved the declaration of a 2022 final dividend payment
May	AGM
	Appointment of CFO
June	Appointment of Interim CEO
July	Reviewed and approved the half-year results statements
September	Reviewed asset development plans
October	Appointment of permanent CEO
	Discussed the Company's business strategy and capital allocation priorities
November	Appointment of Company Secretary
	Approved the trading and operations update
December	Approved the 2023 work programme and budget

The role of the Board

The Board's role is to provide leadership in delivering on the long-term success of the Company within a framework of prudent and effective controls. It is responsible for approving the Company's strategy and business plan and keeping under review the financial and operational resources of the Company. As part of its role the Board considers and discusses trends across the industry, the implications of these trends for the business including areas of potential opportunities, and risks that could impact the future success of the business. Further information on our purpose, business model and strategy can be found on pages 8 to 9.

As part of the Company's governance processes, the Board monitors the performance of the business and management against strategic objectives with the overall aim of creating and delivering value to shareholders. The performance of the Board and the contributions of Directors to the Board's decision-making processes are essential to fulfilling this role. The Directors may exercise all the powers of the Company subject to the provisions of relevant law, the Company's articles, and any special resolution of the Company in the furtherance of their role.

The Board has reserved certain matters for its own consideration and decision-making. Specific matters reserved for the Board include setting the Company's purpose, values, objectives, business and ESG strategy, and its overall supervision. Acquisitions, divestments and other strategic decisions will all be considered and determined by the Board in accordance with the matters reserved for the Board.

Authorities have been delegated to Board Committees and these are set out clearly in each Committee's terms of reference which are reviewed regularly to ensure they remain appropriate and relevant. Copies of the terms of reference are available on our website.

The Board of Directors has delegated day-to-day management of the business to the CEO who operates within delegated authority limits.

The Board reviews the matters reserved for its decision and the authorities it has delegated annually, subject to the limitations imposed by the Company's constitutional documents and applicable law.

The Board and its Committees have access to the advice and services of the General Counsel and Company Secretary and may seek advice from independent experts at the expense of the Company as appropriate. Individual Directors may also seek independent legal advice at the expense of the Company, in accordance with the Board's agreed procedure.

In addition, the Board has extensive access to members of senior management, who attend Board meetings by invitation, and present regularly to the Board on various aspects of the business.

Code of Conduct

Our Code of Conduct, adopted by the Board defines what we stand for as a Company, sets out the principles that guide all of our business activities and how we expect our Board, employees, suppliers, partners, and others to behave. A full copy is available on our website. We strive for operational excellence and aim to conduct our business in a responsible, ethical and safe manner with high standards of financial reporting and corporate governance, and compliance with applicable laws.

Culture

The Board of Directors reviews and approves key policies including the Company's values and Code of Conduct in order to establish a tone from the top and ensure they support the long-term sustainable success of the business. The Board recognises the importance of monitoring culture throughout the business, in order to ensure practices and behaviours are aligned with the Company's purpose, values, and strategy. In order to monitor organisational culture throughout the year the Board and its Committees receive reports on various topics including organisational effectiveness, the understanding of culture and values throughout the business, health and safety, compliance matters, workforce remuneration, and talent development.

SpeakUp

All employees are encouraged to raise any concerns they may have and to report any suspected or known violations of the Code of Conduct or company policies without fear of retaliation. We operate an independently run and confidential 'SpeakUp' whistleblowing hotline for all staff. During the year all staff members were reminded of the SpeakUp facility available to them. All issues raised via this route are investigated and reported to the full Board.

Market Abuse Regulation

The Board is responsible for taking all proper and reasonable steps to ensure full compliance with the Market Abuse Regulation, including ensuring that staff are fully trained and understand their obligations under the regime.

Business conduct

We conduct our business in an open, honest, and ethical manner. We do not tolerate any form of bribery. We aim to ensure that all financial and non-financial information we create is complete and accurate, and we strive to provide accurate and timely information to external stakeholders, including governments, in the locations in which we operate. We take steps to protect against inappropriate use of confidential information and we aim to protect and use our business assets appropriately.

Our policy is not to make political donations and we have not done so in the year under review (2021: nil).

Conflicts of interest

We seek to avoid conflicts of interest wherever possible. We believe it is important that the decision-making process is not impaired by an individual being conflicted by either an actual or a potential conflict. However, we recognise that from time to time situations may arise which could result in actual or potential conflicts and, accordingly, we have a formal system in place enabling Directors and members of senior management to declare any such conflicts and for those conflicts to be reviewed and, if appropriate, authorised by the Board. A register of conflicts is maintained by the Company Secretary. The Company's conflict of interest policy also requires our employees to declare any actual or potential conflicts of interest. The Audit Committee and the Board have applied the principles and processes set out above during 2022 and confirm that they have operated effectively.

In addition, on an annual basis, the Company Secretary writes to each of our significant shareholders requesting their cooperation to identify conflicts of interest and continues to engage with them to identify any actual or potential conflict of interest that may arise on an ongoing basis.

Third-parties

We maintain high standards of business conduct in our dealings with all third-parties in order to promote mutually beneficial relationships and protect our reputation. We do not seek to win or maintain business by acting illegally or contrary to our contractual agreements. Our relationships with third-parties are conducted on a fair and honest basis. We expect our third-parties to maintain the same standards of business conduct as we adhere to.

Engagement with stakeholders

During the year, the Board continued to monitor the Company's key stakeholders, their impact on key strategic objectives and how the Company was engaging with each stakeholder. As well as ad hoc updates from management, three discussions on engagement activity with the Company's key stakeholders are scheduled in the Board calendar throughout the year. Further information on stakeholder engagement and how the Board has complied with s172(1) of the UK Companies Act 2006 can be found on page 35.

The Group's Code of Conduct also sets a framework for how it partners with, and invests in, communities (local, regional and global) to achieve mutual long-term benefits. The Group contributes to socio-economic development through taxes, royalties and other local payments and donations. Further details of our community programmes can be found in our sustainability section on pages 16 to 29.

Communities and environment

Protecting and sustaining the communities and environment in which we operate is fundamental to maintaining our social licence to operate and to creating a long-term sustainable business. We strive to maintain high standards of environmental protection and we do not compromise our environmental values for profit or production. We seek to maintain proactive and constructive engagement with the local communities affected by our operations and assets and invest to help them develop in a sustainable manner. Further information on how we engage with communities can be found in the sustainability section of this report on pages 16 to 29.

Workforce engagement

The Board recognises the importance of our workforce as a key component in the Company's ability to deliver its strategy and has appointed Canan Ediboğlu as its Designated INED ('DINED') for workforce engagement. In May 2022, Canan Ediboğlu attended the opening of our Istanbul office where she interacted with members of staff that had relocated from Ankara to Istanbul as well as new recruits to the Istanbul office. In November 2022, Canan also visited our Erbil office and operations at Sarta, providing her with the opportunity to engage with local employees and provide feedback to the Board of Directors. Canan was also provided with and reviewed the results of employee engagement surveys conducted in 2022.

In March 2022, the Board of Directors held a dinner with the Company's Leadership, Evolution and Development programme (LEAD) participants, providing them with an opportunity to interact with some high-potential employees. During a visit to Istanbul in July 2022, a dinner was held with senior members of the Istanbul office. In addition, throughout the year, where appropriate, the Executive Committee and their direct reports were provided with the opportunity to present various topics to the Board or relevant Board Committee for discussion.

Communication with investors

We communicate on a regular basis with our investors via presentations and calls as part of our annual financial calendar including holding video conferences with analysts on the morning of key updates to the business being made to the market. We also liaise with them on an ad hoc basis as and when questions arise.

In 2022, the Chair and CEO held meetings with major shareholders in order to discuss the current position of the business and its future strategy. Our major shareholders are encouraged to meet with the Chair to discuss any matters that they would like to raise outside the formal financial calendar. We welcome an open dialogue with all our investors.

The Board receives regular investor relations updates covering key investor meetings and activities, as well as shareholder and investor feedback.

We also engage with our shareholders via our website at genelenergy.com

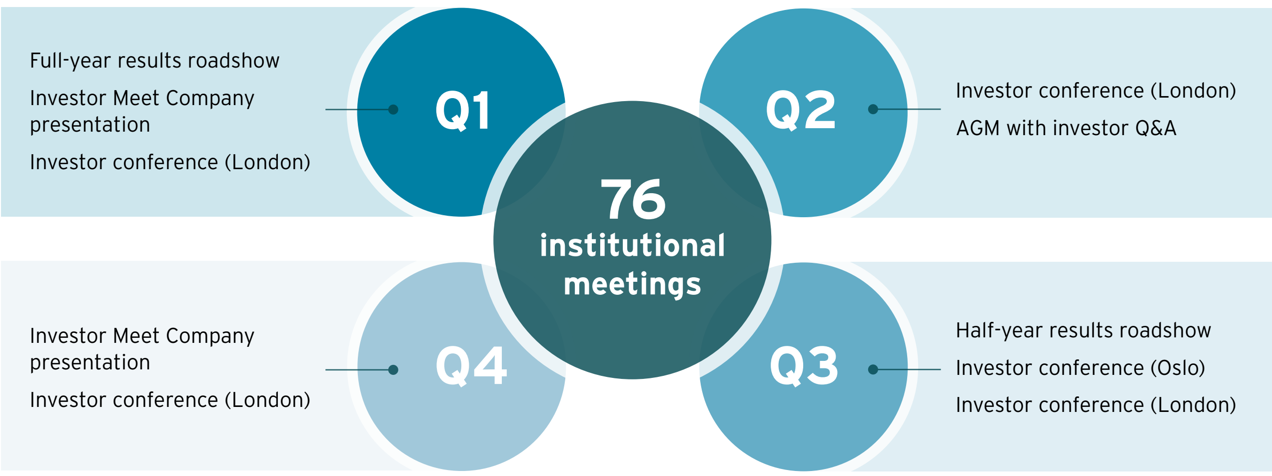
2023 AGM

The 2023 AGM will be held on Thursday, 11 May 2023, at Linklaters LLP, One Silk Street, London, EC2Y 8HQ, UK at 11.00am.

The Notice of AGM accompanies this Annual Report and sets out the business to be considered at the meeting.

Both this Annual Report and the Notice of AGM are available on our website at genelenergy.com

2022 investor activity



HSSE Committee

Ensuring a focused approach to HSSE

Meetings held in 2022

Three scheduled meetings

Chair:
David McManus[1]

Members:
Canan Ediboğlu[2]
Rt Hon Sir Michael Fallon[2]
Yetik K. Mert[2]
Tim Bushell[3]

1 David McManus was appointed as Chair of the HSSE Committee on 27 July 2022
2 Canan Ediboğlu, Sir Michael Fallon and Yetik K. Mert were appointed as members of the HSSE Committee on 27 July 2022
3 Tim Bushell was Chair of the Committee for the period up to 12 May 2022

HSSE Committee time spent

Planning and monitoring	51%
Culture	21%
Security	18%
Risk monitoring and mitigation	10%

Highlights of HSSE Committee activity

- Monitored progress made against the 2022 H&S plan
- Reviewed progress against the 2022 ESG plan
- Endorsed the 2023 corporate KPI's in relation to H&S and ESG
- Received an update on COVID-19 health and safety measures
- Reviewed disclosures made in the 2021 Annual Report in relation to HSSE
- Reviewed key risks in relation to HSE
- Received security updates
- Reviewed progress made against the localisation agenda

Dear Shareholder,

I am pleased to present this report from the HSSE Committee. The health, safety, and security of our workforce has always been central to the culture of Genel. Genel's HSE policy continues to reflect international best practices including, but not limited to, the IFC Performance Standards and IOGP Standards.

Throughout 2022, the Committee continued to be provided with regular updates by management on security in the region and the progress made against the health and safety and ESG plan which the Committee approved at the beginning of the year. As the global pandemic moved into a lower risk phase the Committee was kept abreast of changes to protocols which continued to be designed to ensure the safety of our workforce and enable business operations to continue.

During 2022, Sarta oil production, trucking, drilling and well-testing operations were delivered safely without any LTIs or tier one loss of primary containment events at all our sites. We have now achieved over three million work hours since our last LTI which occurred in 2021.

It was recognised early in the year that we were starting to see leading indicators that suggested room for improvement. A Safety Improvement Plan was developed and implemented professionally and enthusiastically by the field team and Management. Key themes included leadership, competency, contractors, compliance and learning, with each area being championed by a member of the Executive Committee alongside other senior managers. We have taken our own staff and our contractors on a safety improvement journey that is clearly delivering results.

The annual health and safety plan included actions in the following areas: leadership and culture, training and competency, management systems, risk management, health and COVID-19, process safety, operational safety, driving safety, contractor management, emergency preparedness, learning from incidents, assurance and safe delivery of the asset development plans. During the course of the year, progress was made against each of these areas.

Actions	More information on decisions and outcomes
Objective: To ensure that the Company maintains a responsible and credible approach to HSSE matters (including asset integrity and major hazard risk management), in line with international best practices and emerging legal requirements – Received regular updates on health and safety from an operational perspective – Received regular updates on actions being taken against the annual ESG work plan – Continued to monitor the approach taken to ensure the safety of the workforce and operations in response to the global pandemic – Received regular updates on security within the KRI	See p.18-19
Objective: To assist the Company in maintaining its relationships with local communities in areas in which it operates, including through social investment and sustainable development activities – The environmental and social impact arising from our operations is reviewed regularly and any areas of concern are reviewed by the Committee – Reviewed the Company's localisation strategy for the KRI – Reviewed asset CSR activity and corporate social investment projects in 2022	See p.22-23
Objective: To assist the Board and other committees in assessing HSSE risks and their effective management in determining, implementing, and reviewing the Company's HSSE strategy and processes – Risks allocated to the Committee under the risk management system are reviewed in detail and a report provided to the Audit Committee on the effectiveness of the HSSE controls and risk mitigation processes	See p.31-33
Objective: To ensure the quality of the Company's reporting and disclosure (both internally and to shareholders) in relation to HSSE matters – Reviewed and monitored disclosure made in the Annual Report on health, safety, security, environmental, and community engagement matters	See p.5, 18-19 and 22-29
Objective: To assist the Company in developing the HSE culture – Received regular updates on the approach to safety culture and security across the organisation – Monitored the development and implementation of the safety improvement plan – Monitored performance against the H&S and ESG KPIs – Provided feedback to the Remuneration Committee on the HSE performance elements of the 2022 annual bonus performance targets	See p.16-29 and 73

During the year the Committee monitored progress against the Company's environmental, social and governance ('ESG') implementation plan. In May 2022, the Company published its third Sustainability Report, which continues to be prepared in accordance with the Global Reporting Initiative Standards core option and aligns with the recommendations issued by the Task Force on Climate-Related Disclosure. The Company's CDP climate score improved from C in 2021 to B in 2022 and CDP water security score from D to B.

In line with the UK's Streamlined Energy and Carbon reporting requirements, our greenhouse gas emissions in 2022 continue to be reported using an equity share approach. Further information can be found on page 24.

In line with the Company's commitment to developing local capability in the countries in which it operates the Committee reviewed the progress made in 2022 against our localisation agenda. Further information on activities undertaken by the Company as a socially responsible contributor to the global energy mix can be found on pages 16 to 29.

In recognition of the importance of HSE to our business the 2022 annual bonus objectives once again contained elements specifically allocated to health and safety and ESG. The Committee reviewed progress against the 2022 HSE objectives and made recommendations to the Remuneration Committee on these elements, the details of which may be found on page 73.

The HSSE Committee effectiveness for the year ending 31 December 2022 was reviewed as part of the wider Board effectiveness review, and details of the Board effectiveness review can be found on page 53. The Committee also reviews its terms of reference annually, which can be viewed at genelenergy.com.

David McManus
Chair, HSSE Committee

International Relations Committee

Monitoring external developments

Meetings held in 2022

Three scheduled meetings

Chair:

Rt Hon Sir Michael Fallon

Members:

Tolga Bilgin

Canan Ediboğlu

David McManus

Yetik K. Mert

Hassan Gozal[1]

[1] Hassan Gozal was a member of the Committee for the period up to 12 May 2022

International Relations Committee time spent

Macro environment	48%
External risk	24%
Governance	28%

Highlights of International Relations Committee activity

- Reviewed and monitored political developments within the regions in which the Company operates
- Reviewed key risks including prevention and mitigation controls relevant to international relations
- Discussed external stakeholder engagement
- Considered the implications on the Company of trade sanctions being enforced by the USA, UK and EU

Dear Shareholder,

I am pleased to present this report from the International Relations Committee. The role of the Committee is to provide oversight on external developments and risks that may impact Genel's activities.

Genel operates in an area of perceived high political risk, and the ongoing success of the Company is interlinked with a clear understanding of the political environment for the natural resources industry in both the KRI and other jurisdictions.

The Board has members with significant regional, international, and political experience, and this provides the International Relations Committee with a breadth of knowledge that can be brought to bear on the latest political developments in the regions in which Genel operates. In turn, this supports the delivery of a successful strategy. July 2022 saw the departure of Sefa Aytekin, the Company's Head of Government Affairs and I would like to take this opportunity to thank Sefa for his service to the Company. The Committee continues to be supported in its work by members of the Executive Committee and various external advisers.

The Committee held three meetings during the year and received regular reports between meetings on developments within the KRI and Federal Iraq and possible implications for the business. These included the 15 February 2022 Iraqi Supreme Court judgement that purported to deem the oil and gas law regulating the oil industry in Kurdistan unconstitutional.

During the year, the Committee continued to monitor the operating environment in the KRI including the revenue sharing agreement with the Federal Iraqi Government and the receipt of monthly payments for exports. The Committee also monitored the developments in Federal Iraq in relation to the formation of the Federal Government following the October 2021 parliamentary elections. Following the Russian invasion of Ukraine and trade sanctions implemented by the USA, UK and EU on Russia, the Committee considered the implications the sanctions could have on the business. The Company has engaged external advisors to aid us in monitoring trade sanctions and as a result of increased international focus on this area also reviewed and enhanced our financial and trade sanctions and

Actions	More information on decisions and outcomes
Objective: To monitor and review political developments in the regions in which the Company operates – Received regular reports on political developments within Iraq and the Middle East	
Objective: To provide an independent assessment of the external environment in respect of international relations as it affects the Company and decision making by the Board – Received reports and discussed potential implications of external political events on the Company and the industry within which it operates	
Objective: To review the quality of the Company's reporting in relation to political risk and controls – Reviewed disclosures contained within the Annual Report – Reviewed risks allocated to the Committee under the risk management system and provided a report to the Audit Committee on the effectiveness of controls and risk mitigation put in place	See p.31-33
Objective: To monitor the Company's efforts in developing and maintaining relationships with key government stakeholders in the regions in which the Group operates – Regularly received and held discussions with management in relation to actions being taken in order to develop and maintain relationships with our stakeholders across the business	

export control policies and procedures. The Committee reviewed the key external stakeholders in the region and discussed with management actions being taken to engage with them in order to progress the Company's strategic objectives.

As part of its remit, the Committee reviewed each of the risks allocated to it under the Company's risk management system, including the effectiveness of the controls and mitigations in place.

In 2023, the Committee will continue to draw on the extensive international experience of Genel's Board members to provide an independent assessment of the external environment in respect of international relations as they affect the business and impact decision making by the Board.

The International Relations Committee also completed an annual review of its terms of reference, which can be viewed at genelenergy.com. As part of the Company's governance practice, an effectiveness review for the year ending 31 December 2022 was completed as part of the wider Board effectiveness review: further details of this can be found on page 53.

Rt Hon Sir Michael Fallon
Chair, International Relations Committee

Reserves Committee

Ensuring a robust reserves and resources process

Meetings held in 2022

Two scheduled meetings

Chair:

David McManus[1]

Members:

Paul Weir[1]

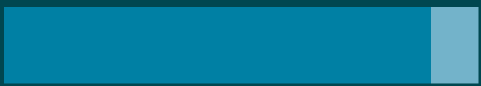
Tim Bushell[2]

Bill Higgs[2]

1 David McManus was appointed as Chair of Reserves Committee and Paul Weir as a member of the Committee on 7 February 2023

2 Tim Bushell was Chair and Bill Higgs a member of the Committee for the period up to 12 May 2022

Reserves Committee time spent



Reserves and resources	90%
Governance	10%

Highlights of Reserves Committee activity

- Reviewed the reserves and resources for each of the Company's assets
- Approved the 2021 reserves and resources statement
- Review of disclosures made in the Annual Report in relation to reserves and resources
- Reviewed the Reserves and Resources reporting schedule and including endorsing the appointment of each Independent Qualified Reserves Evaluator

Dear Shareholder,

I am pleased to present this report from the Reserves Committee. As part of the Company's governance processes, the Reserves Committee provides oversight over the processes undertaken to assess the Company's reserves and resources and approves the reserves and resources statement.

In order for the Committee to discharge its responsibilities it receives and considers reports from management and external independent reserves evaluators ahead of approving the annual reserves and resources statement.

The Committee examined an assessment from DeGolyer and MacNaughton on the Tawke licence at which Genel has a 25% working interest. The outcome of this assessment was that at the 2022 year-end 2P reserves at the Tawke PSC stood at 327 MMbbls (2021: 357 MMbbls). 2P reserves have been adjusted for 2022 production of 39 MMbbls and an upwards technical revision of 9 MMbbls. Following implementation and observation of the performance of phase 1 of the Tawke Field Enhanced Oil Recovery project the Committee agreed to move 11.7 MMbbls of the 23.3 MMbbls gross 2P reserves that have historically kept as 2C resources into 2P reserves.

The Committee considered an independent assessment of the Taq Taq licence at which Genel has a 44% working interest performed by McDaniel & Associates. Gross 2P reserves stood at 24 MMbbls at year-end 2022 (26 MMbbls at end-2021), following production of 1.6 MMbbls.

The Committee also reviewed reserves at Sarta, at which Genel has a 30% working interest and obtained operatorship on 1 January 2022, and determined that the gross 2P reserves estimate at year-end 2022 was 9 MMbbls (32 MMbbls at the end of 2021), following production of 1.7 MMbbls and a technical revision after assessment of the results of the 2022 appraisal wells and pilot production.

Further information on our reserves and resources can be found on page 14.

Actions	More information on decisions and outcomes
Objective: To increase shareholder confidence by ensuring a robust reserves and resources review process – Reviewed the reserves and resources assessment procedure	See p.14
Objective: To review the Company's statement of reserves, independent reserves evaluator's reports and any material changes in reserves volumes – Approved the Company's annual statement of reserves and resources – Reviewed the independent reserves evaluator reports	See p.14 and 48
Objective: To review the qualification and independence of the independent qualified reserves evaluator – Endorsed the appointment of each of the assets reserves evaluators	See p.48

Following the results of the 2022 AGM, in September 2022 the Reserves Committee was not quorate therefore the asset development plans which provide an opportunity for the Committee to review the asset level strategy, opportunities, and risks and scrutinise the way forward to monetise value from each of our assets, were reviewed by the full Board of Directors.

The Reserves Committee has detailed terms of reference which can be viewed at genelenergy.com and as part of the Company's governance practices an effectiveness review of the Committee for the year ending 31 December 2022 was completed as part of the wider Board effectiveness review.

David McManus
Chair, Reserves Committee

Independence of the Board

The Independent Non-Executive Directors Canan Ediboğlu, Sir Michael Fallon, and Yetik K. Mert are responsible for ensuring an appropriate challenge of management and the decisions of the Board. David McManus (as Chair) was considered independent at the time of his appointment. The Independent Directors and the Chair meet regularly in a private session after Board meetings and on other occasions. Tolga Bilgin is not considered to be independent.

The Board considers that there is an appropriate balance between Executive and Non-Executive, Independent and Non-Independent Directors, with a view to promoting shareholder interests and governing the business effectively.

Roles and responsibilities

We believe that it is important to ensure that there is a clear division of roles between the Chair, Chief Executive Officer, and Senior Independent Director of the Company.

David McManus

Chair

David McManus is the Chair. The Chair reports to the Board and is responsible for the leadership and overall effectiveness of the Board, overseeing the strategy of the Company and for setting the Board's agenda. Specific responsibilities of the Chair include ensuring the effective running of the Board, ensuring that the Board agenda is forward-looking with an emphasis on strategic issues and ensuring the performance of the Board and its Committees is effective and in line with best practice. A culture of openness and debate is encouraged by the Chair by ensuring constructive relations between Executive and Non-Executive Directors and ensuring effective communication between the Company and its shareholders. The Chair's other significant commitments are included in his biography on page 56.

Paul Weir

Chief Executive Officer

Paul Weir is the Chief Executive Officer. The Chief Executive Officer is responsible for all executive management matters of the Company. He reports to the Chair and to the Board directly. Specific responsibilities include the day-to-day management of the Group within delegated authority limits, identifying and executing strategic opportunities, managing the risk profile and ensuring appropriate internal controls are in place, maintaining a dialogue with the Chair and the Board on important and strategic issues, ensuring the proper development of senior management and succession planning for executive positions.

Sir Michael Fallon

Deputy Chair and Senior Independent Non-Executive Director

Sir Michael Fallon is the Deputy Chair and Senior Independent Director. Sir Michael Fallon is available to shareholders who have concerns that cannot be addressed through the normal channels of the Chair or the Chief Executive Officer. He acts as a sounding board for the Chair and an intermediary for other Directors if and when necessary.

Our committee structure

Board of Directors

Audit Committee	Remuneration Committee	Nomination Committee	HSSE Committee	Reserves Committee	International Relations Committee
Ensuring integrity and objectivity of published financial information	Ensuring an appropriate approach to remuneration that supports delivery of the business strategy	Ensuring the continuation of a high-calibre Board	Ensuring a responsible and credible approach to HSSE	Ensuring a robust reserves review process	Monitoring external developments
Chair Canan Ediboğlu	**Chair** Yetik K. Mert	**Chair** David McManus	**Chair** David McManus	**Chair** David McManus	**Chair** Sir Michael Fallon
Members Yetik K. Mert	**Members** David McManus Sir Michael Fallon	**Members** Canan Ediboğlu Sir Michael Fallon Yetik K. Mert	**Members** Canan Ediboğlu Sir Michael Fallon Yetik K. Mert	**Members** Paul Weir	**Members** Tolga Bilgin Canan Ediboğlu David McManus Yetik K. Mert
Meetings in 2022 3 scheduled	**Meetings in 2022** 3 scheduled 4 ad hoc	**Meetings in 2022** 2 scheduled 2 ad hoc	**Meetings in 2022** 3 scheduled	**Meetings in 2022** 2 scheduled	**Meetings in 2022** 3 scheduled

Board attendance

	Main Board	Audit	Remuneration	Nomination	HSSE	Reserves	International Relations
David McManus	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■		● ● ● ■ ■ ■ ■	● ● ■ ■	● ● ●	● ●	● ● ●
Sir Michael Fallon[1]	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■		● ● ● ■ ■ ■ ■	● ● ■ ■	● ●		● ● ●
Bill Higgs[2]	● ● ● ■					● ●	
Paul Weir[4]	● ■						
Tolga Bilgin	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■						● ● ●
Tim Bushell[2]	● ● ● ■	●		●	●	● ●	
Canan Ediboğlu[1]	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	● ● ●		● ● ■ ■	● ●		● ● ●
Hassan Gozal[2]	● ○ ○ ■						●
Yetik K. Mert[1 3]	● ● ● ● ● ● ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	● ● ●	● ● ● ■ ■ ■ ■	● ● ■ ■	● ●		● ● ●
Nazli K. Williams[5]	● ○ ■						

● denotes scheduled meeting attended
○ denotes scheduled meeting not attended
■ denotes ad hoc meeting attended
□ denotes ad hoc meeting not attended

1 Sir Michael Fallon, Canan Ediboğlu and Yetik K. Mert were appointed to the HSSE committee on 27 July 2022
2 Bill Higgs, Tim Bushell, and Hassan Gozal were not re-elected at the AGM held on 12 May 2022
3 Yetik K. Mert was appointed Chair of the Remuneration Committee with effect from 19 April 2022
4 Paul Weir was appointed to the Board on 3 October 2022
5 Nazli K. Williams resigned as a Director on 13 April 2022

Meetings of the Board

The Board meets approximately six times each year and schedules other meetings as necessary to fulfil its role. During the year the Board held 19 meetings in total of which 13 were in addition to those scheduled.

There are detailed agendas for each Board meeting which are developed by the Chair, the CEO, and the Company Secretary. The Board also has an annual rolling agenda that sets out the key topics for consideration at each meeting.

In addition to the scheduled meetings of the Board, Directors receive updates from management in between meetings on the performance of the business against the agreed strategy and on its operations.

Operation of the Board

The Chair is responsible for ensuring that the Board operates effectively. The Non-Executive Directors provide scrutiny and oversight to hold to account the performance of management and the Executive Directors. The Board operates within an open style of communication and debates issues openly and constructively within an environment that encourages healthy debate and challenge both inside and outside the boardroom.

The Directors receive board papers and other relevant information in a timely manner ahead of meetings. Board papers are delivered through an electronic portal that enables Directors to access them wherever they are in the world. The timely provision of relevant information to Directors is vital in ensuring they are able to fulfil their role of effective oversight and challenge and for enabling the Board to make effective decisions.

Board Committees

The Board has established six committees: the Audit Committee, the Remuneration Committee, the Nomination Committee, the Health, Safety, Security and Environment Committee, the Reserves Committee and the International Relations Committee.

Each committee has adopted terms of reference under which authority is delegated by the Board, copies of which are available at genelenergy.com. The Audit Committee, Remuneration Committee, and Nomination Committee consist only of Independent Non-Executive Directors save that David McManus, who was independent upon his appointment as Chair, chairs the Nomination Committee and since April 2022 has been a member of the Remuneration Committee.

Board composition

There are six directors on the Board, one of whom is Executive and five (including the Chair) are Non-Executive. Three (excluding the Chair) are independent under the Code. In addition, the Chair was independent on appointment and one Shareholder representative Director is not considered independent.

Skills, knowledge, experience, and attributes of Directors

The Board considers that a diversity of skills, background, knowledge, experience, perspective, and gender is required in order to govern the business effectively. The Board and its Committees work actively to ensure that the Executive and Non-Executive Directors continue to have the right balance of skills, experience, independence and group knowledge necessary to discharge their responsibilities.

The Non-Executive Directors bring with them international and operational experience gained both in the sectors in which we operate and in other areas of business and public life.

All Directors are required to devote sufficient time and demonstrate commitment to their role. Further details of the Directors' skills and experience are set out on pages 55 to 57 of this Annual Report.

Board composition, international diversity, skills and experience of the Board

Board composition

Total number of Directors	● ● ● ● ● ●
Independent Directors	● ● ● ●
Non-Independent Directors	●
Executive Directors	●

International diversity

British	● ● ●
Turkish	● ● ●

Skills and experience of the Board

Natural resources	● ● ● ●
Managing and leading	● ● ● ● ● ●
Governance	● ● ● ● ●
Financial capital markets	● ● ●
HSSE	● ● ●
Remuneration	● ● ● ●
Foreign affairs	● ● ● ● ● ●

Directors' induction and ongoing development

In order to govern the Group effectively, Non-Executive Directors must have a clear understanding of the overall strategy, together with a sound knowledge of the business and the industry within which it operates.

The Chair, together with the Company Secretary, is responsible for ensuring that all new Directors receive a full, formal and tailored induction upon appointment to the Board. This includes a detailed overview of the Company and its governance practices and meetings with key personnel from across the Group in order to develop a full understanding of the business, its strategy and business priorities in each area. Following his appointment to the Board in December 2021, during 2022 Yetik K. Mert received a full and comprehensive induction to the operations, processes, policies and procedures across the business. In October 2022, Paul Weir was provided with a detailed induction focusing on the Company's governance practices.

As part of the ongoing training and development programme throughout the year training on specific topics including sessions on trade sanctions and health and safety was held. It is intended that this programme will continue throughout 2023.

Board effectiveness

For the 2022 Board effectiveness review, an internal review of the effectiveness of the Board, each of its Committees, and each Director was conducted. The 2022 review was facilitated by the Chair.

As part of the Board evaluation, an electronic survey among Board members and one-to-one meetings were held between each Board Director and the Chair.

Actions taken following the 2021 effectiveness review	
Strategy The Board recognises that progress was made in 2021 on progressing the Company's strategy and intends to continue to work on advancing the strategy in 2022.	The Board held two strategy workshops in 2022 and have reaffirmed their commitment to the Company's strategy which can be viewed on page 8.
Board development The Directors agreed that additional training concerning the business would be beneficial. This will be scheduled in the Board calendar throughout the year as appropriate.	Board training sessions on trade sanctions and safety improvement were incorporated into the 2022 calendar. Going forward it is intended that training sessions will form part of the regular Board calendar.
Actions arising from the 2022 effectiveness review	
Culture	To continue building on efforts to enhance the dynamic amongst the Board and with management.
Composition	Following the reduction in Board members during 2022, the composition and size of the Board will be kept under review during 2023 in order to ensure Board has the correct skills and experience to drive forward the Company's strategy.
Strategy	The Board has set a clear strategy for the Company and will continue to focus on delivering value to shareholders through its execution. As part of Genel's ongoing sustainability commitments, the Board will be reviewing the Company's ESG strategy during 2023 in order to implement any necessary changes, as the Company strives to remain a socially responsible contributor to the global energy mix.

Overall, the 2022 Board effectiveness review concluded that the Board functions well and each of its Committees are effective with strong leadership and engagement, allowing adequate time to discuss areas within their remit.

Following these performance reviews, the Board considers that each of the Directors continues to make an effective and valuable contribution and demonstrates their commitment to the role. Accordingly, the Board recommends the election/re-election of each Director at the Company's forthcoming AGM. It is the Board's intention to continue to review its performance annually, including that of its Committees and individual Directors.

Board of Directors

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1. David McManus

Chair

Appointed: 5 February 2020.

Committee memberships: Chair of the Nomination Committee, the HSSE Committee, and the Reserves Committee and member of the Remuneration and International Relations Committees.

Key skills and experience: David has vast experience as an international business leader in the energy sector with strong technical and commercial skills. He has over 40 years experience in technical, commercial, business development, general management and executive roles across all aspects of the oil & gas and energy business, spanning most regions of the world.

Current external appointments: David is currently serving as a Non-Executive Director for a number of listed companies including Hess Corporation, a large, integrated US oil and gas company and FlexLNG a Norwegian-listed LNG shipping company.

Previous relevant experience: In February 2020 David retired from Costain plc, one of the UK's leading smart infrastructure solutions providers. He was also a Non-Executive Director on the Board of Rockhopper Exploration plc until May 2019, where he served as Chair from 2016 to 2019. Other past Directorships include Caza Oil & Gas Inc and Cape plc, where he served as Chair from 2006 to 2008. David's earlier career consisted of a number of executive positions including at Pioneer Natural Resources, where he was executive vice president for international operations, BG Group, Atlantic Richfield Company (ARCO), LASMO plc, and Shell UK.

2. Paul Weir

Chief Executive Officer

Appointed: Executive Director and Chief Executive Officer on 3 October 2022.

Committee memberships: Member of the Reserves Committee.

Key skills and experience: Paul has worked for more than 30 years in upstream E&P having spent time in the North Sea, South East Asia and Africa with experience of onshore and offshore Oil and Gas Operations. Paul joined Genel as Chief Operating Officer in January 2020, with responsibility for all production assets and functional leadership of the operational disciplines before being appointed as Interim CEO on 9 June 2022. Paul was then appointed, by the Board, as CEO in October 2022. Before joining Genel, Paul was Group Head of Operations and Safety at Tullow Oil. Prior to that Paul spent 13 years at Talisman, where he was VP of Production & Exploration, leading Operations in Malaysia.

Current external appointments: None.

Previous relevant experience: Paul has worked in a variety of Operational roles for Nippon Oil, Elf, Occidental and Total. Paul holds an MBA in Oil & Gas Management from Robert Gordon University in Aberdeen.

3. Rt Hon Sir Michael Fallon KCB

Senior Independent Non-Executive Director and Deputy Chair

Appointed: 5 February 2020.

Committee memberships: Chair of the International Relations Committee and member of the Remuneration, Nomination and HSSE Committees.

Key skills and experience: Sir Michael is a former UK Defence Secretary with 30 years of senior political and business experience, serving in four British Cabinets, and as a Non-Executive Director on City and commercial boards.

Current external appointments: In May 2021, Sir Michael was appointed as Chair of Aberdeen Standard Investcorp Infrastructure Partners, an Infrastructure fund. He has been a member of Investcorp's International Advisory Board since 2018. Sir Michael is also Chair of Avanton Ltd, a property development firm; and Deputy Chair of Nova Innovation, a tidal energy company.

Previous relevant experience: Sir Michael was Energy Minister in the UK Government from 2013-2014: responsible for oil, gas, electricity, nuclear and renewables.

4. Canan Ediboğlu

Independent Non-Executive Director

Appointed: 21 June 2020.

Committee memberships: Chair of the Audit Committee, and member of the Nomination, HSSE, and International Relations Committees.

Key skills and experience: Canan has significant financial, corporate and industry experience. She had almost 30 years of experience at Royal Dutch Shell, culminating in her role as the country chair and CEO of Shell Turkey between 2001 and 2009. Prior to this, she was the CFO of Shell Turkey, preceded by a series of positions at the company across numerous aspects of the business, notably marketing, treasury and planning. Since leaving Shell, Canan has advised a number of companies including Accenture, Maersk, and APM Terminals in developing their businesses in Turkey.

Current external appointments: Canan is a Non-Executive Director of ING Bank and Tüpras, in Turkey, since 2010 and 2017 respectively. She is also a voluntary member of various NGOs, and is a board member of the Turkish Autism Society, the Global Relations Forum, and the World Resource Institute where she was previously Chair for five years – the Centre for Sustainable Transport.

Previous relevant experience: Between 2011 and 2017 Canan was a Non-Executive Director of Aygaz, a Turkish LPG marketing and distribution company, and between 2013 and 2019 a Non-Executive Director of Prysmian Turkey. Canan is the former President of PETDER (Turkish Association of Petroleum Industrialists) and Chair of the Oil Industry Council Turkish Union of Chambers and Commodity Exchanges and board member of WWF.

5. Yetik K. Mert

Independent Non-Executive Director

Appointed: 22 December 2021.

Committee memberships: Chair of the Remuneration Committee, and member of the Audit, Nomination, HSSE, and International Relations Committees.

Key skills and experience: Yetik has almost 40 years' technical, commercial, business development, and general management experience, including holding executive and non-executive Directorship roles across the energy utility and industrial sectors in MENA, CEE, and the USA.

Current external appointments: Yetik is currently serving as a Non-Executive Director and Chair of the Remuneration, Governance and Nomination Committees on the Boards of Turkish companies Çimsa Çimento Sanayi ve Ticaret A.Ş. and Afyon Çimento Sanayi Turk A.Ş. (Sabancı Holding Group Companies), which operate in the industrial construction sector.

Previous relevant experience: Between 1982 and 2004 Yetik undertook a number of engineering, strategic planning and business development roles across various industries including the manufacturing and construction sectors. In 2004, he became CEO of the Energy division at Sabancı Holding A.Ş., rising to become CEO of the Enerjisa Group (Integrated Energy Utility) in 2011. In 2016, he became CEO of STFA Group Holding Company and Chair of the operational companies within the same group, tasked with the total restructuring of the Group.

6. Ümit Tolga Bilgin

Non-Executive Director

Appointed: 5 February 2020.

Committee memberships: Member of the International Relations Committee.

Key skills and experience: Tolga Bilgin has current experience within the energy sector as CEO and Deputy Chair of Bilgin Enerji Yatirim Holding A.Ş., and has held this position since 2014. Bilgin Energy is one of the largest companies within the Turkish energy sector. Through his current role and various positions held at Bilgin Energy managing the development, financing and execution of wind, hydro and thermal energy projects, Tolga brings experience in management, leadership, M&A and project financing to the Board.

Current external appointments: Since 2006 Tolga has been serving as the Chair of the Wind Power and Hydropower Plants Businessmen's Association and was also appointed as Deputy Chair of Turkish Electricity Producers Association in 2018.

7. Chandni Karania

Company Secretary

Appointed: 1 November 2022.

Chandni Karania joined Genel in early 2013 as Assistant Company Secretary and was appointed Deputy Company Secretary in June 2017. Prior to joining Genel Chandni was the Company Secretarial Assistant at Misys PLC and Azko Nobel. Chandni holds an LLB from the University of Reading, an MBA from the University of Chicago Booth School of Business and is a Fellow of the Chartered Governance Institute.

Executive Committee

1. Mike Adams

Technical Director

Formerly Head of Exploration and New Business, Mike was appointed as Technical Director on 1 June 2019, with responsibility for all pre and pilot production activities relating to exploration, appraisal, and new business, as well as the subsurface department. Mike has over 30 years of experience in the oil and gas industry in a wide variety of exploration, exploitation and global business development roles. Prior to joining Genel in 2012, Mike worked in a series of technical and leadership positions for companies including British Gas, Amerada Hess, Gulf Keystone Petroleum and Sterling Energy. Mike holds a MSc in Petroleum Geology from Imperial College London.

2. Luke Clements

Chief Financial Officer

Luke joined the Company in 2011 to advise on the merger of Vallares Plc and Genel Enerji, and became Group Financial Controller in 2015, responsible for a broad range of financial, commercial, M&A and treasury related activities. Prior to joining the Company, Luke spent seven years at KPMG, where he was head of department and advised multiple FTSE100 and FTSE350 companies across a range of sectors. Luke holds an LLB in Law from the University of Sheffield.

3. Jamie Dykes

General Counsel

Jamie has practised as a lawyer for nearly 25 years exclusively in the energy, natural resources, and international trade sectors. Prior to joining Genel in 2012, he worked in-house at Mobil Corporation and then ExxonMobil Corporation and was latterly General Counsel of BHP Billiton Petroleum in Houston, Texas. He advises on a wide range of conventional oil and gas related issues including PSCs, JOA's, Farm in Agreement negotiations and also has particular experience in advising companies operating in emerging markets with a focus on anti-bribery, sanctions and legal compliance issues. Jamie trained as a litigation lawyer at Norton Rose in the City of London and holds an MA in Classics from the University of Cambridge.

4. VK Gupta

Head of HSE and Risk Management

Previously Genel's Head of HSE, VK was appointed Head of HSE and Risk Management on 1 June 2019 with additional responsibilities for the Company's risk management and internal controls system, and ESG. VK has 33 years of upstream E&P experience. Before joining Genel, he was Vice President for HSSE for BG Group, UK. At the beginning of his career he worked with ONGC and Enron Oil & Gas at offshore platforms in operational roles for 12 years and became an offshore installation manager. He then, moved to HSSE management and worked in India, UK, North Africa and the Caribbean for BG Group delivering transformational performance improvement. VK holds a B.Tech Honours in Electrical Engineering and an MBA from Indian Institute of Technology.

5. Berna Özkoç Öztınaz

Chief HR Officer

Berna joined Genel in June 2020 and has over 25 years of HR and business support experience. Her most recent role was Chief Human Resources Officer at DeFacto. She is the Vice President of the European Association of People Management (EAPM) and Board Member of the World Federation of People Management Associations (WFPMA), representing Europe. Prior to DeFacto, she worked at STFA Holding for 3 years as Strategy and Human Resources Chief Officer. She spent 11 years at ENERJISA, where she held a number of leading HR and Business Support roles and was the Board Member of AYEDAS and BASKENT Electricity Distribution Companies. She previously worked at KORDSA and TURSAB.

Nomination Committee report

Ensuring a Board with the skills for long-term success

Meetings held in 2022

Two scheduled meetings
Two ad hoc meetings

Chair:
David McManus

Members:
Canan Ediboğlu
Rt Hon Sir Michael Fallon
Yetik K. Mert
Tim Bushell[1]

[1] Tim Bushell was a member of the Committee for the period up to 12 May 2022

Nomination Committee time spent

Succession	75%
Effectiveness	5%
Governance	20%

Highlights of Nomination Committee activity

- Reviewed Directors' independence and made recommendations on proposals for Director re-election/election
- Discussed key skills and experience around the Board
- Recommended the appointment of the CEO and changes to Board committee compositions to the Board of Directors
- Considered talent management across the business

Dear Shareholder,

I am pleased to present this report from the Nomination Committee. The purpose of the Committee is to help the Board discharge its responsibilities by leading the process for appointments, ensuring plans are in place for orderly succession to both Board and senior management positions, and overseeing the development of a diverse pipeline for succession.

In discharging its duties, the Committee keeps under review the composition and balance of the Board. The Committee is aware of the need to align the Board's composition with the Company's strategy and to ensure the Board has the necessary skills to ensure the Company's long-term success. As part of its work, the Committee assists the Board in ensuring that it consists of individuals whose background, skills, experience and personal characteristics will augment the present Board and meet its future needs.

Following the resignation of Nazli K. Williams, and the result of the 2022 AGM during which Bill Higgs, Tim Bushell and Hassan Gozal were not re-elected as Directors by the Shareholders, the Committee spent time considering the appointment of a new CEO and whether additional skills and experience were required in order to ensure the Board as a whole contained the appropriate experience and skills to deliver the Company's strategy. The Company's strategic priorities, main trends and factors affecting the long-term success and future viability of the Company were taken into consideration.

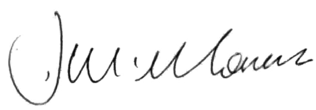
Following the appointment of Paul Weir as Interim CEO on 9 June 2022, the Nomination Committee recommended the appointment of Paul Weir to the Board of Directors for the role of permanent CEO. On 3 October 2022 Paul Weir was appointed as CEO and Executive Director.

Actions	More information on decisions and outcomes
Objective: Review the structure, size and composition of the Board, having due regard to the Company's strategic, operational and commercial requirements and overall diversity of Board members – Reviewed the size and composition of the Board taking into consideration the future strategic direction of the Company and overall diversity of Board members – Discussed changes to the Listing Rules which require additional disclosures in relation to gender and ethnic diversity for financial years starting on or after 1 April 2022	See p.60-61
Objective: Annually reviewing the time required from Non-Executive Directors and making recommendations as to their reappointment at the AGM – As part of the internal Board effectiveness review, a review of the performance of all Directors was undertaken. A review of the Chair's performance was carried out by the Deputy Chair and Senior Independent Director – Recommended the re-election/election of each Director at the 2022 AGM	See p.53
Objective: Keeping under review succession arrangements for Directors and other senior executives – During the course of the year recommended the appointment of Paul Weir as CEO and Executive Director to the Board of Directors – Undertook a review of talent management across the Company	See p.60-61

Although the Board does not have specific Board diversity targets, the Company's Diversity and Equal Opportunities policy remains unchanged, a copy of which can be found on our website. We are committed to employing a diverse and balanced workforce, including our Board of Directors. We recognise diversity of ideas, skills, knowledge, experience, culture, ethnicity and gender are important when building an effective and talented workforce at all levels of the organisation, including the Board. The importance of this is highlighted in our Code of Conduct and underpinned by our recruitment practices and dealings with our partners and suppliers. Further information on diversity within the Company can be found on page 20.

The Committee reviewed the output of the 2022 talent management process which is used throughout the Company to identify current and future talent potential, learning and development needs, and succession planning gaps. As part of this review, the Committee considered the diversity of age, gender and type of employee (full-time or contractors) across the Company. In the year ahead, the Nomination Committee will continue to keep the composition and balance of the Board under review to ensure the appropriate experience and skills to deliver the Company's strategy.

The Nomination Committee has detailed terms of reference which can be viewed at genelenergy.com and as part of the Company's governance practices an effectiveness review of the Committee for the year ending 31 December 2022 was completed as part of the wider Board Effectiveness Review. Further information can be found on page 53.



David McManus
Chair, Nomination Committee

Audit, risk, and internal control

Risk monitoring and reporting

The Company keeps under continuous review the major risks and opportunities, both current and emerging, to which its operations in all regions are exposed by leveraging its local expertise, industry knowledge and strategic relationships. In particular, the Company continues to have a regular dialogue with its key stakeholders in the Kurdistan Region of Iraq, such as the KRG and other regional public bodies.

We maintain similar relationships in Somaliland and Morocco to ensure the risks across the organisation as a whole are fully understood and mitigated appropriately and within the Company's tolerance for risk. As the Company prepares to drill its first exploration well in Somaliland, in 2022 engagement with key stakeholders was significantly increased.

Our risk management procedures facilitate the identification of the key risks and indicators, the assessment and management of risks by designing and implementing prevention and mitigation controls, monitoring of these controls and reviewing their continuing effectiveness. Senior management review and update the risk management process and collectively keep the risk register under regular review. The Board conducts a robust assessment of the principal risks facing the Company at least annually with a focus on those risks that could impact our business model, strategy, solvency, liquidity, future performance and reputation. The Board also reviews and monitors the risk management and internal control systems and each such review covers all material controls, including financial, operational and compliance controls.

Further details of the principal risks and uncertainties to which the Group's operations are exposed is set out on pages 31 to 33.

Risk management

The Company has put in place robust risk management policies and procedures in order to manage day-to-day risks. In line with our strategy to mitigate downside risk the Company takes a proactive approach to risk management to design and implement appropriate controls to mitigate as much as possible any potential negative outcomes.

Overall responsibility for risk management remains with the Board of Directors in order to ensure that appropriate oversight is provided. Risks have been classified as strategic, external, operational and financial, and allocated to the appropriate Board Committee or the Board. As part of the Company's risk management process relevant Committees and the Board review the summary of the annual risk sign-off forms that are submitted by the risk owners. Risk owners are members of the Executive Committee.

The Company risk register has been divided into:

- **External risks**: these are largely dependent on external factors for example macro-economy, geo-politics, regional political situation, security threats
- **Internal risks**: these are managed by the internal controls framework

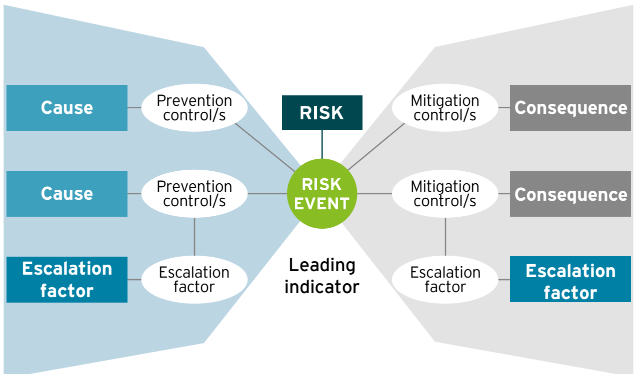
Risk management process

A qualitative risk assessment matrix (5x5) that is aligned to industry best practices is used to aid risk assessment processes and where considered appropriate, for prioritisation of activities and resources.

Management holds regular risk register workshops for all asset operations and projects to identify and assess risks, review current controls and implement additional mitigation actions when needed to reduce the residual risk to As Low As Reasonably Practical ('ALARP'). The outcomes of these workshops are reported back to senior management, the relevant Board Committee, and Board as a whole.

Bowtie method

For operational risks, the bowtie method of risk assessment is used to improve the identification, design and management of prevention and mitigation controls. Departmental champions are identified to develop and maintain bowtie diagrams for the risks that they are managing. An example of a bowtie is shown below.



The left-hand side of the diagram is constructed from fault tree (causal) analysis and involves those causes (threats) associated with the hazard, the prevention controls (barriers) associated with each cause and any escalation factor control (that has the potential to increase the likelihood).

The right-hand side of the diagram is constructed from the event tree (consequence) analysis and involves mitigation controls (recovery measures and emergency response) and escalation factor control (that has the potential to increase the consequence).

The centre of the bowtie is referred to as the 'risk event' or 'top event', the undesired event at the end of the fault tree and at the beginning of the event tree.

Leading indicators

Leading indicators are identified measures to test the robustness of controls. These are developed and implemented for selected critical controls to manage and measure risk proactively including for drilling, projects and production operations and other principal risks as per the Company risk register, as part of our risk management process.

Risk deep dive

Risk deep dive reviews are done for selected internal risks and presented to the Board to enhance oversight and understanding of Company risks and the controls in place.

Internal controls

The Board is responsible for maintaining and reviewing the effectiveness of the Company's system of internal control. This system is designed to identify, evaluate and manage the significant risks to which the Group is exposed. The Board has also established processes to meet the obligations placed on listed companies and the expectations of the UK Corporate Governance Code to publish a long-term viability statement and to continually monitor systems of risk management and internal control. These processes include having clear lines of responsibility, documented levels of delegated authority and appropriate operating procedures. We recognise that the system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against misstatement or loss. Our long-term viability statement can be found on page 34.

Audit

The Audit Committee supports the Board in the performance of its responsibilities by reviewing those procedures that relate to risk management and internal control. A risk-based multi-year internal audit program aligned with the Company's risk register has been developed. The Audit Committee considers the reports of the internal audit function and the external auditor and reports to the Board on such matters as it feels should be brought to the Board's attention. Further information on the actions taken by the Audit Committee during the year can be found on pages 65 to 68.

A detailed budget and work programme for the Company is produced annually in accordance with our processes and reviewed and approved by the Board. Operational reports are provided to the Executive Committee on a monthly basis and performance against the budget is kept under regular review in accordance with the Group's financial procedures manual. The CEO reports to the Board on performance and key issues as they arise.

The assessment of controls and risk management processes provides a reasonable basis for the Board to make proper judgements on an ongoing basis as to the financial position and prospects of the Group.

The Board has conducted a review of the effectiveness of the system of internal control for the year ended 31 December 2022 and up to the date of the signing of the financial statements, and is satisfied that it remains appropriate to the business.

Company risk management process and structure

Responsibilities

Board
- Provide oversight for risk management
- Oversees and monitors sensitivity of the principal risks of the business and makes effective, appropriate and timely decisions on how these are managed or accepted
- Ensures that decisions taken are appropriately executed throughout the business through appropriate delegation of authorities and policies
- Challenges where controls are not appropriate or not operating effectively

Audit Committee
- Oversees risk management and internal control systems and makes recommendations to the Board
- Reviews the risk register and the effectiveness of controls in place

Executive Committee
- Leads the identification, understanding and assessment of risks to the business for review and discussion by the Board
- Assigns risks to relevant Executive Committee members as risk owners
- Identifies where controls are not appropriate or not operating effectively and implements improvements
- Identifies new risks or changes in the nature, probability or impact of existing risks
- Collectively keeps the risk register under regular review

Risk owners
- Assess and report risks and controls to Board / Committees, including the annual risk sign off form
- Put in place process and procedures that execute the decision taken by the Board for the appropriate management or mitigation of each principal risk
- Design and operate prevention controls and mitigation actions and related policies and procedures
- Monitor the design and operating effectiveness of controls in place through reporting, assurance and detailed reviews in order to assess where action is required
- Provide oversight of the daily operations of the key areas of the business

Strategy

Risk assessment and review

Board sets controls to mitigate or manage risks

Audit Committee oversees risk management and internal controls

Risk register identifies, assesses and documents risks and controls

Risk owner reports on effectiveness of controls and assurance

Risk owner reports assessment of risks to the board/ committee

Risk owner designs, operates, monitors and reports on controls

Board and Committees

The Board is supported by its Committees, which apply their expertise to the assessment and management of allocated risks. The Committees report findings and/or recommendations to the Board.

Board and Committees	Responsibility
Board	– Overall responsibility for risk oversight – Overall responsibility for all principal risks
Audit Committee	– Risk management and internal control system – Financial controls
HSSE Committee	– Health, safety, and environmental risks – Security and community risks
Reserves Committee	– Review reserves and resources – Review asset development plans
International Relations Committee	– Manage external risks
Renumeration Committee	– Compensation and reward
Nomination Committee	– Board composition

Audit Committee report

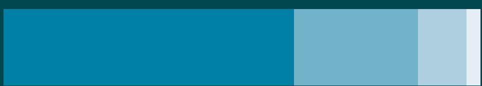
Ensuring integrity and clarity of published financial information

Meetings held in 2022

Three scheduled meetings
Chair:
Canan Ediboğlu
Members:
Yetik K. Mert
Tim Bushell[1]

[1] Tim Bushell was a member of the Committee for the period up to 12 May 2022

Audit Committee time spent



Governance and audit	61%
Risk management and internal control	26%
Financial reporting	10%
Reserves and resources	3%

Highlights of Audit Committee activity

- Reviewed the 2021 Annual Report and Accounts and 2022 half-year results
- Reviewed significant estimates and judgements in relation to the 2021 full-year accounts and 2022 half-year accounts
- Received reports from the external auditors
- Reviewed internal controls and risks
- Approved the 2022 internal audit plan and received reports from Internal Audit
- Received updates on the legal compliance programme
- Reviewed risk management processes and the risk register

Dear Shareholder,

I am pleased to present a report from the Audit Committee describing our activities during the year.

The remit of the Committee includes:

- Monitoring the integrity of the financial statements and formal announcements relating to the Company's financial performance, and reviewing significant financial reporting judgements contained in them
- Advising the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy
- Reviewing the Company's internal financial controls and internal control and risk management systems
- Ensuring the external auditor is independent and making recommendations to the Board regarding the re-appointment of the external auditor
- Monitoring and reviewing the effectiveness of the internal audit function

The Committee's terms of reference are available on our website at genelenergy.com

Membership

During 2022 all members of the Audit Committee were Independent Non-Executive Directors and Canan Ediboğlu is considered by the Board to have recent and relevant financial experience. The Committee as a whole is considered to be competent in the oil and gas sector.

In order to discharge its duties and responsibilities effectively during the year the Committee relied on information and support from management and invited the CEO (Paul Weir and formerly Bill Higgs), CFO (Luke Clements and formerly Esa Ikaheimonen), Head of HSE and Risk Management (VK Gupta), General Counsel (Jamie Dykes) and Company Secretaries (Chandni Karania and formerly Stephen Mitchell) to its meetings.

Actions	More information on decisions and outcomes
Objective: To increase shareholder confidence by ensuring the integrity and objectivity of published financial information – Scrutinised areas involving significant judgement, estimation or uncertainty in particular impairments – Monitored changes to reserves and resources – Reviewed and received reports from the external auditors on the annual financial statements and interim results statement – Ensured compliance with financial reporting standards and relevant financial and governance requirements – Response to any queries from the FCA in relation to published financial information	See p.10-15 See p.67-68
Objective: To advise the Board on whether the Annual Report taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's performance, business model and strategy – Considered the quality and appropriateness of the accounting policies and practices and financial reporting disclosures and changes thereto – Considered the Annual Report as a whole including the basis for the going concern assumption, the viability statement and underlying assumptions – Assessed the Annual Report in the context of whether, taken as a whole, it is fair, balanced and understandable	See p.65-68
Objective: To assist the Board in meeting its financial reporting, risk management and internal control responsibilities – Monitored compliance with financial reporting standards and relevant financial and governance requirements – Kept under review the risk register and retained oversight of the Group risk framework and by doing so support the Board on assessing the Company's tolerance for risk – Kept key accounting policies and practices under review to ensure that they remain appropriate	See p.62-64 See note 1 p.103-110
Objective: To assist the Board in ensuring the effectiveness of the internal accounting and financial controls of the Company – Kept under review the effectiveness of the systems of internal control, including the adherence to Company policies, internal audit outputs and the compliance programme including the anti-bribery and trade sanctions processes and procedures	See p.62-64 and 67
Objective: To monitor the Company's treasury and financing arrangements – Monitored the cash position of the Company and kept the treasury policy under review to ensure it remains appropriate and aligned with the Company's cash position	See p.13
Objective: To strengthen the independent position of the Company's external auditors by providing channels of communication between them and the Non-Executive Directors – Held private meetings with the external auditors without the presence of management	See p.68
Objective: To review the performance of the Company's internal and external auditing arrangements – Recommended the re-appointment of BDO LLP ('BDO') as the Company's external auditors – Monitored the effectiveness and independence of the external auditor and compliance with the non-audit services policy – Received reports from the Company's internal auditor on audits performed in the period and monitored their performance and effectiveness	See p.67-68
Objective: To assist the Board in monitoring and addressing potential conflicts of interest between members of the Group and the Directors and/or senior managers of the Company – Continued to assist the Board in reviewing conflicts of interests of Directors and senior managers	See p.42

Significant issues and judgements

The significant issues considered by the Committee in relation to the 2022 accounts and how these were addressed were:

Oil price forecast – the Committee reviewed the Company's oil price forecast at the half-year and full-year. The Company's oil price forecast was determined based on the forward curve and smoothed to $70/bbl in the long-term.

Netback calculations – the MNR has changed the reference price for crude oil sales from Dated Brent to the local benchmark KBT ('KRG Blend Realised Price'), effective 1 September 2022. Although terms have not been agreed by the Company and are still being negotiated with the MNR, the Company has assessed and recognised revenue from September to December 2022 under the proposed pricing mechanism. Since the reporting date September payments have been received under the proposed new pricing mechanism. Change in pricing terms was considered to be an impairment indicator.

Discount rate – following the changes in the macro geo-political, economic and industry environment, the Committee has assessed and updated the discount rate used for assessing the recoverable amount of its producing assets from 13% to 14%.

Impairment of producing oil assets – when considering potential indicators of impairment, the Audit Committee considered the matters outlined above, together with the production performance of the assets, activity schedules, costs, KBT terms and payments. At the full-year the Committee also considered the output of the Reserves Committee process. Whilst there were no impairment / reversal of past impairment for Tawke PSC or Taq Taq, the results of the Sarta appraisal and pilot production has resulted in an impairment of the Sarta PSC of $125.5m.

Impairment of exploration assets – following the expiration of the Qara Dagh licence on 2 January 2023, the book value of $78.0 million has been written off under IFRS 6.

Suspended override – in 2022 the Company received payments of $18.2m in relation to the suspended override which was recognised in the accounts. As at 31 December 2022, it was assessed that there was now sufficient confidence in the suspended override repayment mechanism to recognise the remaining amounts due under it, but not yet received. This has resulted in $16.5 million being recognised in the reporting period. All of this amount has been received since the reporting date.

Trade receivables – as a result of slips in payments by the KRG, the Company was owed 5 months of sales revenue as of the year-end. The delay in payments was assessed in terms of the recoverability of trade receivables and this assessment resulted in an expected credit loss of $5 million.

Going concern – the key inputs and sensitivities applied to the Company's viability statement and going concern assessment were reviewed by the Committee. The Committee concluded that the Company remains a going concern and is expected to remain viable over the next five year period.

Risk management

As part of the Company's control framework the Committee assisted the Board in monitoring and reviewing risk management procedures, risk reporting and the full risk register. An overview of the Company's risk management procedures and principal risks can be found on pages 62 to 64 and 31 to 33.

Internal Audit

The Board recognises that an effective Internal Audit function, responsible for providing independent and objective assurance on internal control, governance and risk management, is an important part of delivering a strong governance culture. Following a competitive tender process in 2017, Ernst & Young LLP ('EY') was appointed as the Group's internal auditor. In November 2022 the Committee approved an internal audit plan which is aligned to the Group's risk profile to be executed during 2023. Ahead of approving the 2022 plan the Audit Committee took into consideration recent internal audits that have been performed as well as an indicative multi-year plan ensuring the Internal Audit function provides assurance across a range of focus areas. Audit fieldwork planning, review and follow up is delivered by EY. Internal Audit has a direct reporting line to the Audit Committee and provides regular updates throughout the year on the findings identified in the audits and opportunities to improve the design and operating effectiveness of internal controls together with updates on the status of management's implementation of agreed actions.

In November 2022, the Committee reviewed the outcome of the internal audit work that had been performed in accordance with the 2022 internal audit plan. Internal Audit reported that management had been co-operative for each audit completed and provided an overview of each of their findings and recommendations made to management including a timescale for implementation. Due to business priorities, a portion of the internal audit plan was deferred to Q1 2023. This was approved at the December Audit Committee and is now being taken forward with management. Annually, the Committee also reviews the effectiveness of the internal audit arrangements.

During the year the Audit Committee held private meetings with the Internal Auditors without the presence of management. The external auditors also met separately with the Head of Internal Audit to discuss internal audit findings and areas of common focus.

External audit

Following a tender process in 2020, BDO was re-appointed as the Company's external auditor at our 2022 AGM and Anne Sayers has been appointed as the Senior Statutory Auditor to the Company.

The effectiveness and the independence of the external auditor is key to ensuring the integrity of the Group's published financial information. Prior to the commencement of the audit, the Committee reviews the external auditor's audit plan which is designed to ensure that there are no material misstatements in the financial statements for the year ended 31 December 2022. At the year-end the Committee received and discussed a detailed report from BDO regarding the work performed as part of the audit including the scope, materiality thresholds and risks.

The Committee monitors and approves the provision of non-audit services by the Company's external auditors in accordance with the policy on non-audit services. The provision of non-audit services is generally limited to services that are closely connected to the external audit or to projects that require a detailed understanding of the Group (for example the half-year interim review) and require preauthorisation by the Committee under the terms of the policy.

In 2022, the ratio of non-audit to audit and audit related fees paid to BDO was 1:6, the non-audit fee paid was $69,500, further details of which can be found on page 113 of the notes to the financial statements. These fees reflect the interim review under the provisions of ISRE 2410 completed by BDO in respect of the half year report for the period ended 30 June 2022.

During the year, the FRC informed the Company that it had included our 2021 Annual Report in a sample of annual reports reviewed as part of their thematic review of judgements and estimate disclosed published in July 2022. As part of this review, the FRC performed a limited score review of the judgements and estimates disclosure, in our 2021 Annual Report and provided two recommendations. (1) distinguishing between significant estimates and other estimates, and (2) including of details of the methodology used when providing reserves estimates. Our 2022 Annual Report has incorporated changes to enhance disclosures as suggested by the FRC.

Effectiveness

As part of the Company's governance practices, an effectiveness review of the Committee for the year ending 31 December 2022 was completed as part of the wider Board Effectiveness Review, further information can be found on page 53.

Canan Ediboğlu
Chair, Audit Committee

Directors' remuneration report

Remuneration Committee Chair's statement

Meetings held in 2022

Three scheduled meetings

Four ad hoc meetings

Chair:

Yetik K. Mert[1]

Members:

David McManus

Rt Hon Sir Michael Fallon

[1] Yetik K. Mert was appointed Chair of the Committee with effect from 19 April 2022

Remuneration Committee time spent

All employee remuneration	29%
Executive Director remuneration	46%
Long term incentive plans for all employees	10%
Governance	16%

Highlights of Remuneration Committee activity

- The Committee held three scheduled and four ad-hoc meetings during the year. Details of the key activities carried out are set out on page 70. All of the members of the Committee are Independent Non-Executive Directors, including David McManus, Chair of the Board, who was independent on appointment

On behalf of the Remuneration Committee, I am pleased to present Genel's Directors' Remuneration Report for the year ended 31 December 2022, my first report as Remuneration Committee Chair for Genel.

As a Jersey registered company we are not required to prepare a remuneration report in accordance with UK legislation, however, it remains the policy of Genel to comply with high standards of corporate governance and so we have once again prepared our Directors' Remuneration Policy Report and Annual Report on Remuneration in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended).

Board Changes

We announced Paul Weir's appointment as Interim CEO effective 9 June 2022, a position made permanent on 3 October 2022. The principal elements of Paul's remuneration are set out in this Report. During the Interim and permanent CEO appointment process the Committee ensured that the terms of his appointment reflected the scope and complexity of the Company and the challenges that the Company faces. The Committee also took into account his skills and experience, his remuneration package as a whole, and external benchmarking. I welcome him to the Board as CEO, and I look forward to working more closely with him in his new role.

Bill Higgs did not receive the required 50% majority of votes in favour of election at the Company's 2022 AGM and accordingly was not reappointed as a Director, and he stood down from his role as CEO on 1 June. He continued as a Special Adviser to the Chair until 1 September 2022. Details of Bill's remuneration for 2022 are presented throughout this Remuneration Report.

Remuneration for 2022

Every year, the Company seeks to reward performance throughout the organisation through an annual bonus plan, with performance measured against corporate and personal elements. In 2022, the Committee considered performance against the targets set out in the scorecard on page 73 for the corporate element of the bonus. The Committee assessed the Company scorecard based upon the achievement of performance targets, resulting in a corporate scorecard outcome of 52% of maximum. The score reflects the

Company's continued high performance in relation to cultural delivery and the successful execution of the firm production activity on budget. Nevertheless, the disappointing results at Sarta, in particular in light of the importance of the delivery of production activity, resulted in a score that is significantly lower than the outcome of 73.75% in 2021. The Committee exercised downward discretion to reduce the outturn of Health and Safety KPIs despite the performance target being met in full, as leading indicators during 2022 suggested room for improvement in this area. Paul's 2022 bonus figure is comprised of his annual bonus and the bonus related to KPIs set from the date of his appointment as Interim CEO, therefore, his overall CEO bonus outcome was 59% of maximum.

Paul and Bill, along with other members of senior management, were granted awards under the Company's Performance Share Plan (PSP) in April 2022, the first under the new plans approved by shareholders at the 2021 AGM. In line with the Company's Remuneration Policy, the PSP aims to support the delivery of the Company's long-term strategy and shareholder value. The performance conditions are measured against 50% relative TSR and 50% absolute TSR.

The performance of the 2019 PSP was measured based on the Company's TSR performance over the three years to May 2022 and, following an assessment of performance against the targets, the vesting outcome for the 2019 PSP was 0%. The Committee considered the outcome and concluded that there would be no application of discretion.

Full details of the Remuneration Committee's decisions for 2022 are set out in this Annual Report on Remuneration on pages 71 to 78.

Looking ahead

The Committee approved an increase in Paul's base salary for 2023 at a rate of 2%, effective 1 January 2023. This is less than the increase for the wider UK workforce as his salary had been increased upon being appointed CEO.

The corporate scorecard for 2023 (as seen on page 77) reflects the focus of the Company with an emphasis on delivery of culture, dividend, production business and pre-production, measuring delivery of the work plan and budget and annual performance.

The Committee has adjusted the weightings of the targets set out in the 2023 scorecard in order to drive performance in our key strategic areas. The Committee considers that these targets are appropriately stretching and are aligned to the delivery of the Company's priorities, and that maximum vesting would represent significant value creation.

The 2023 annual bonus for Paul will be based on a combination of achievement against the Company scorecard metrics at 80% and 20% of the bonus reflecting personal performance. At the time of his appointment as CEO the Committee also agreed to grant Paul a PSP award in respect of his time as CEO during 2022 that was not reflected in his 2022 PSP grant. This award will have a face value of £87,565 and will be made at the same time and with the same terms as the 2023 PSP award. The Committee believes that the strong alignment of his remuneration with Company metrics will drive the desired behaviours to support the Company's values and strategy.

As we have chosen to comply with UK remuneration reporting regulations, we sought shareholder approval at our 2020 AGM for our Remuneration Policy. While a small number of minor administrative changes in relation to our new share plans were put to shareholders at the 2021 AGM, the Remuneration Policy is reaching the end of its three-year term and will be reviewed in 2023 to ensure it is aligned with the Company's strategy.

At the AGM in 2023, our shareholders will be asked to approve this Annual Report on Remuneration and I encourage you to join the Board and vote in favour. I will be available at the AGM, along with my Committee members, to answer any questions you might have.

Yetik K. Mert
Chair of the Remuneration Committee

Key activities of the Remuneration Committee

Objective	Action
To implement the Remuneration Policy for the Chair, Executive Directors, and members of the Executive Committee	– Continued to apply the Remuneration Policy principles in discussion and implementation of remuneration for Executive Directors, and Executive Committee members
To review and have regard to remuneration practices across the Company	– Considered remuneration practices across the Company including management recommendations for salary increases, bonus payments, and share awards – Reviewed the executive group's base salary level in the context of pay for the wider workforce and the external market
In respect of performance related elements of the Remuneration Policy formulate suitable performance related criteria and monitor their operation	– Completed a mid-year review of performance against bonus targets – Reviewed performance objectives of the Executive Directors and Executive Committee in order to determine the level of bonus earned in respect of the 2022 financial year
To review all aspects of any equity incentive plans operated or to be established by the Company	– The Committee set targets for 2022 PSP awards and reviewed the relative TSR peer group for 2022 awards
To have regard in the performance of its duties to any published guidelines or recommendations regarding the remuneration of directors of listed companies and formation and operation of share schemes	– As part of its deliberations during the year, governance updates were received from both Deloitte and the Company Secretary to ensure that any decisions taken, and recommendations made, were done so in the context of the wider remuneration landscape while remaining appropriate for the specific challenges facing the Company
To ensure that provisions regarding the disclosure of information, including pensions, as set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations and the UK Corporate Governance Code, are fulfilled	– Reviewed the Annual Report on Remuneration for 2021 prior to submission to shareholders for a Non-Binding vote at the AGM – Considered the remuneration-related elements of the 2018 UK Corporate Governance Code

Advisers to the Committee

Once again, the Committee was assisted throughout the year in its considerations by Deloitte LLP ('Deloitte'), who provide independent advice on remuneration matters. The Committee has chosen to continue with the appointment of Deloitte as it is felt they have the most relevant experience and expertise on remuneration related matters to effectively advise the Committee.

Deloitte is a leading remuneration adviser and a member of the Remuneration Consultants Group and voluntarily operates under their Code of Conduct in relation to executive remuneration consulting in the UK. Deloitte's fees in respect of advice to the Committee in the year under review were £60,628 and were charged on the basis of their standard terms of business for the advice provided. The Committee is satisfied that the advice they have received has been objective and independent.

During the year, the Committee also consulted with the Chair, (David McManus), CEOs (Paul Weir and Bill Higgs), Company Secretaries (Chandni Karania and Stephen Mitchell) and the Chief Human Resources Officer (Berna Öztınaz).

No member of the Committee nor any party from whom advice was sought is involved in discussions regarding their own remuneration.

Annual Report on Remuneration

This part of the Annual Report provides details of the implementation of the Directors' Remuneration Policy (the 'Policy') for the year ended 31 December 2022 and discusses how the Policy will be implemented in the 2023 financial year. Details of the Policy can be found on pages 79 to 86.

UK Corporate Governance Code: Provision 40

The following table sets out how the Committee has addressed the factors set out in Provision 40 of the UK Corporate Governance Code in setting and operating the Directors' Remuneration Policy.

Clarity	– The Policy is designed to support the financial and strategic objectives of the Company, taking into account UK corporate governance expectations – The Committee is committed to providing open and transparent disclosure of our approach to pay with our shareholders
Simplicity	– The remuneration structure is simple, comprising three main elements: fixed pay (base salary and benefits allowance), annual bonus (a percentage of which is defered by way of the Deferred Bonus Plan ('DBP') for Executive Directors), and PSP awards – The Committee takes great care to ensure that the different aspects of the remuneration framework throughout the Company is easy to understand for both participants and shareholders
Risk	– The Committee is mindful of ensuring that incentive arrangements do not encourage excessive risk taking. The Committee follows a robust process when setting performance targets to ensure that targets are sufficiently stretching and balanced – The use of deferral of annual bonus awards and holding periods on PSP awards ensure that Executive Directors are exposed to the long-term performance of the Company. Variable pay awards are also subject to malus and clawback
Predictability	– The Policy sets out the maximum opportunity levels for different elements of pay
Proportionality	– Payment of the annual bonus and awards under the PSP are subject to the achievement of stretching performance targets. The targets are considered annually and take account of expectations and strategic priorities at the time – The Committee also retains the right to apply discretion where these outcomes do not accurately reflect the performance of the Company and/or the individual
Alignment to culture	– The Remuneration Policy has been developed in order to align the interests of the Executive Directors with the Company's KPIs and the interests of shareholders

Shareholder voting

Votes cast by proxy and at the meeting in respect of the Annual Report on Remuneration for the year ended 31 December 2021, at the AGM held on 12 May 2022, were as follows:

	Number of votes cast	For	Against	Abstentions
To approve the Annual Report on Remuneration for the year ended 31 December 2021	211,403,664	211,269,755	133,909	20,245
		99.94%	0.06%	

Audited information

The following tables set out the total remuneration for the Executive Directors and CEOs, and Non-Executive Directors for the period in office for the year ended 31 December 2022, and comparison figures where appropriate.

	Salary/fees		Benefits		Total Fixed Pay		Bonus		LTIP[3]		Total Variable Pay		Total	
Name	£'000 2021	**£'000 2022**	£'000 2021	**£'000 2022**	£'000 2021	**£'000 2022**	£'000 2021	**£'000 2022**	£'000 2021	**£'000 2022**	£'000 2021	**£'000 2022**	£'000 2021	**£'000 2022**
Executive Director/CEO														
Paul Weir[1]	n/a	238	n/a	43	n/a	281	n/a	159	n/a	n/a	n/a	159	n/a	440
Bill Higgs[2]	546	235	109	47	655	282	418	118	369	0	787	118	1,442	400

1 2022 data relates to the period from 9 June 2022, the date Paul Weir was appointed Interim CEO
2 2022 data relates to the period to 1 June 2022, the date Bill Higgs stepped down from the position of CEO. The bonus value shown is in respect of the period to 12 May in line with his Executive Directorship
3 LTIP includes share awards under the Company's PSP which vested in the relevant year, based on the share price on the date of vesting. The 2019 PSP award did not achieve the required performance conditions and therefore did not vest

Name	Salary/fees[1] £'000 2021	£'000 2022	% change in annual fee[2] 2019/2020	2020/2021	2021/2022
Non-Executive Directors					
David McManus	230	230	n/a	0%	0%
Sir Michael Fallon	100	100	n/a	0%	0%
Tolga Bilgin	56	56	n/a	0%	0%
Canan Ediboğlu	76	84	n/a	8.6%[3]	10.5%[4]
Yetik K. Mert	2	80	n/a	n/a	14.1%[5]
Tim Bushell[6]	91	33	0%	0%	0%
Hassan Gozal[6]	56	21	n/a	0%	0%
Nazli K. Williams[7]	56	16	0%	0%	0%

1 Non-executive Directors received only a fee in 2022 and did not receive benefits or an annual bonus
2 The percentage change is calculated on an annualised basis where the fee was paid for part of financial year
3 Canan Ediboğlu was appointed Chair of the Audit Committee on 24 July 2021
4 Canan Ediboğlu received an additional fee for being a member of two or more Board Committees
5 Yetik K. Mert was appointed Chair of the Remuneration Committee on 19 April 2022
6 Tim Bushell and Hassan Gozal were not re-elected at the AGM held on 12 May 2022
7 Nazli K. Williams resigned from the Board on 13 April 2022

Additional disclosures in respect of the single total figure table

Base salary

Bill Higgs received an annual base salary of £565,116 from 1 January 2022 to his date of departure. Paul Weir received £127,074 in respect of his role as Interim CEO, and his base salary was set at £450,000 from his appointment as CEO on 3 October 2022.

Salary information for 2023 is provided on page 77.

Benefits

The Committee aims to provide a simple, transparent package and, in line with this, Executive Directors receive a cash supplement of a percentage of base salary in lieu of all benefits, including pension, private health insurance, life assurance and company car provision. This is also received by the wider workforce. The cash supplement is not used in the calculation of bonus and long-term incentive quantum. In the event that the Executive Directors participate in the Pension Plan offered by the Company to all employees, the cash supplement will be reduced by the amount contributed by the Company into the Company Pension Plan. Paul Weir participates in the Company Pension Plan. The pension offering for Executive Directors is aligned to the wider workforce.

Annual bonus

The 2022 annual bonus scorecard was approved based on the Company's performance against key business objectives with a combination of 20% personal and 80% company metrics. The company scorecard outcome was 52% of maximum, reflecting the continued high performance in the delivery of the Company's work programme, in combination with the disappointing results at Sarta.

Paul's strong management of the Company during a year of transition was rewarded by the Committee with a personal score of 87%. Upon his appointment as Interim CEO, Paul Weir became eligible for a bonus, designed to incentivise him in his Interim CEO role. This has been pro-rated to the date of his appointment as permanent CEO and was tested against the KPI's agreed following appointment to the interim position. These agreed KPI's remained in place for the rest of 2022 and the personal element of his annual bonus award was measured against these.

Bill Higgs achieved a personal performance score of 80%, recognising his leadership and personal success against his objectives. The bonus he was awarded for his role as CEO was measured as at the date he stepped down from the Board, taking into account the progress made against the Company scorecard as at that date.

Under the Deferred Bonus Plan, Bill Higgs chose to defer £104,560 of his 2021 bonus into Company shares. Paul Weir will defer 25% of his 2022 annual bonus relating to his period as CEO into Company shares. Any bonus that is deferred will vest after a two year period and will be subject to malus provisions during this period.

	2022 bonus	As % of maximum
Paul Weir[1]	£158,830	59%
Bill Higgs[2]	£117,718	57.6%

1 For Paul Weir, the 2022 bonus figure is comprised of (i) the pro-rated portion of his annual bonus, (ii) his bonus related to KPIs set from date of appointment as Interim CEO, (both pro-rated for the period he held the position of Interim CEO), and (iii) his CEO bonus award (pro-rated for the period 3 October 2022 to 31 December 2022)
2 For Bill Higgs, the 2022 bonus number is pro-rated according to the period holding an Executive Directorship, ending on 12 May 2022

2022 – Annual bonus, Remuneration Committee assessment of performance against targets

For 2022, the Committee approved company metrics focused on the delivery of culture, dividend, and our production and pre-production businesses.

Company culture and health and safety continue to be strong elements of delivery across all measurables. However, targets were missed in relation to overall production being carried out in line with budget and lack of progress at Sarta.

The company scorecard was assessed by the Committee, based upon the achievement of these performance targets, which resulted in a corporate scorecard outcome of 52% of maximum.

Bonus performance measure	Weighting	Performance target	Assessment of performance against metrics	Performance assessment
Culture delivery	25%	– Health and Safety – ESG implementation – Strong compliance culture – High performance culture	– Strong performance in all elements however the Committee exercised downwards discretion due to comparison of achievements against HSE targets with prior years	21%
Production Business	35%	– Production delivered on budget – Production activity delivers in line with expectation	– Production of 30,150 bopd not in line with firm budget – Activity delivered on budget	17.5%
Pre-production Business	22.5%	– Activity programme delivered within budget – Progress at Sarta and Somaliland delivered on time	– Disappointing results at Sarta (see page 15) – Somaliland activity progressed and is on track	6.5%
Dividend story	17.5%	– Free cash flow target to be met	– Adjusted free cash flow below target due to low production at Sarta	7%

Share plan awards made in 2022

PSP awards continued to be assessed 50% on relative TSR against our peer group and 50% on absolute TSR. The peer group for the 2022 PSP awards is below.

Africa Oil	Energean Oil and Gas	Jadestone Energy	ShaMaran Petroleum Corp.
Aker BP	EnQuest	Kosmos Energy	Tethys Oil
Capricorn Energy	Gulf Keystone	Pharos Energy	Tullow Oil
DNO	Harbour Energy	Savannah Energy	

The Relative TSR element of the award will vest according to the following schedule:

Relative TSR ranking of the Company	Proportion of award vesting
Below median	0%
Median	30%
Between median and upper quartile	Straight-line basis
Upper quartile	100%

The Absolute TSR element of the award will vest in accordance with the following schedule:

Absolute TSR performance of the Company	Proportion of award vesting
Below 10% p.a	0%
10% p.a	30%
Between 10% p.a. and 15% p.a.	Straight-line basis
15% p.a. or more	100%

The following table provides details of the awards made under the PSP and DBP during 2022.[1] Performance for the PSP awards is measured over the three years from the date of grant.

	Type of award	Face value (£)	Basis of awards	Threshold vesting (% of face value)	Maximum vesting (% of face value)	End of performance period/Vesting
Bill Higgs	PSP[2]	£847,674	150% of salary	30%	100%	03/04/2025
	DBP[3]	£104,560	voluntary election			03/04/2024

1 Paul Weir was granted awards under the PSP prior to his becoming Interim CEO
2 The face value of the PSP is calculated as a percentage of base salary as at award date
3 Bill Higgs was invited to defer a percentage of his 2022 bonus into Company shares under the DBP. The face value (£) is calculated using the average share price ten dealing days prior to the date of grant, of 178 pence

Share awards

The following table provides a summary of all share awards as at 31 December 2022, or as at the date the individual stepped down from their role as CEO, as applicable. Further details of the Company's share plans are set out on pages 122 and 124.

Scheme	Grant date	Exercise price (pence)	As at 9 June 2022	Granted during the period	Dividend during the period	Vested during the period	Exercised during the period	Lapsed during the period	As at 31 December 2022	Performance period end	Expiry date
Paul Weir[1]											
RSP	22/06/2020	-	46,505	-	2,770	-	-	-	49,275	03/04/2023	22/06/2030
PSP	22/06/2020	-	274,416	-	10,959	-	-	-	285,375	03/04/2023	22/06/2030
PSP	06/04/2021	-	195,411	-	7,804	-	-	-	203,215	06/04/2024	06/04/2031
PSP	04/04/2022	-	188,526	-	7,529	-	-	-	196,055	04/04/2025	04/04/2032

Scheme	Grant date	Exercise price (pence)	As at 1 January 2022	Granted during the period	Dividend during the period	Vested during the period	Exercised during the period	Lapsed during the period	As at 1 June 2022	Performance period end	Expiry date
Bill Higgs[2]											
PSP	07/05/2019	-	451,408	-	22,104	-	-	473,512	0	07/05/2022	07/05/2029
RSP	07/05/2019	-	107,990	-	5,288	113,278	-	-	113,278	07/05/2022	07/05/2029
PSP	22/06/2020	-	714,957	-	35,010	-	-	-	749,967	03/04/2023	22/06/2030
DBP	22/06/2020	-	70,640	-	3,459	-	-	-	74,099	22/06/2022	22/06/2030
PSP	06/04/2021	-	503,545	-	24,657	-	-	-	528,202	06/04/2024	06/04/2031
DBP	06/04/2021	-	64,812	-	3,173	-	-	-	67985	06/04/2023	06/04/2031
PSP	04/04/2022	-	-	476,274	23,322	-	-	-	499,596	04/04/2025	04/04/2032
DBP	04/04/2022	-	-	58,748	2,876	-	-	-	61,624	04/04/2024	04/04/2032

1 Awards made to Paul Weir prior to 9 June 2022 were made to him before he became Interim CEO
2 No element of the 2022 LTIP value shown for Bill Higgs on page 71 is due to share price growth between grant and vesting for the 7 May 2019 PSP

2019 Performance Share Plan Awards – performance target

1. Relative TSR vesting schedule and comparator group

The Relative TSR element of the Award will vest in accordance with the following schedule:

Relative TSR ranking of the Company	Proportion of Award Vesting
Below median	0%
Median	30%
Between median and upper quartile	Straight line basis
Upper quartile	100%

The Award will be subject to the Company's ranked TSR performance against the following Comparator Group:

Africa oil	Gulf Keystone	Premier Oil
Aker BP	Hurricane Energy	Seplat Petroleum
Cairn Energy	Kosmos Energy	Soco International
DNO	Lundin	Tullow Oil
Enquest	Nostrum Oil and Gas	
Energean Oil and Gas	Ophir Energy	

2. Absolute TSR vesting schedule

The Absolute TSR Performance Target means the compound annual growth rates (CAGR) in the TSR of the Company.

The Absolute TSR element of the Award will vest in accordance with the following schedule:

Absolute TSR performance of the Company	Proportion of Award Vesting
Below 12.5% p.a	0%
12.5% p.a	30%
Between 12.5% p.a. and 25% p.a.	Straight line basis
25% p.a. or more	100%

Performance

- Based on the Company's TSR performance over the performance period the Company is ranked 10th against the comparator group and achieved vesting of 0% of this element.
- Absolute TSR performance: The Company's absolute TSR performance over the three year performance period was 0.7% p.a., resulting in vesting of 0% of this element.
- Cumulative performance outcome: The cumulative impact of the above performance for the relative and absolute TSR elements results in 0% of May 2019 awards vesting.

Board changes during the year

Bill Higgs did not receive the required 50% majority of votes in favour of his re-election at the 2022 AGM and accordingly was not reappointed as a Director on 12 May 2022. He stepped down from his role as CEO on 1 June 2022. He continued his employment with the Company on his CEO salary as a Special Adviser to the Chair until 1 September 2022, a role which did not include any Board responsibilities.

In 2022, Bill Higgs was paid 12 months salary and cash in lieu of benefits as part of his settlement agreement and in lieu of his notice period, plus an outplacement payment of £50,000 and up to £3,000 in legal fees. He was treated as a Good Leaver with respect to his share awards, which were subject to time pro-rating to 1 September 2022 and will vest at the normal time subject to performance. In relation to his role as a Special Adviser he received a pro-rated bonus based on Company and personal performance metrics achieved in the year, which resulted in a payment of £184,749 for this period.

There were no other payments made to Directors for loss of office in 2022.

Statement of Directors' shareholding and share interests

The following table sets out details, as at 31 December 2022 (or the date on which the relevant individual stepped down from the Board, as the case may be), of the shareholdings and share interests of those persons (together with, where relevant, the shareholdings and share interests of their connected persons) who, during the 2022 financial year, served as a Director.

The Company does not currently operate a formal shareholding guideline as Executive Directors must normally hold any vested shares under the PSP (2021 and 2011), and RSP (2011) for two years following vesting for share awards. Executive Directors are expected to build up their holding over time.

Director	Ordinary shares as at 31 Dec 2021	Ordinary shares as at 31 Dec 2022	Interest in share options granted under the Company share plans as at 31 Dec 22 or on date stepped down
David McManus	-	-	-
Sir Michael Fallon	9,000	9,000	-
Paul Weir[1]	-	22,588	733,920
Tolga Bilgin[2]	-	-	-
Canan Ediboğlu	-	-	-
Yetik K. Mert	-	-	-
Bill Higgs[3]	307,256	307,256	2,094,751
Tim Bushell[3]	-	-	-
Hassan Gozal[3]	46,338,622[4]	46,338,622[4]	-
Nazli K. Williams[5]	-	-	-

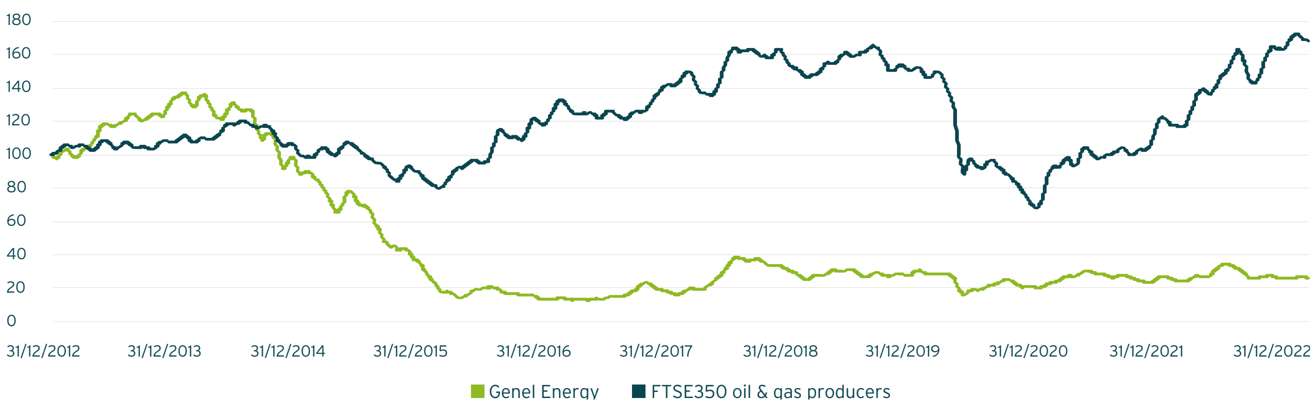
1 Paul Weir joined the Board on 3 October 2022
2 Bilgin Grup Doğal Gaz A.Ş, of which Tolga Bilgin is the CEO and holds 0.28% of the shares, holds 62,523,017 shares in the Company as at 31 December 2022
3 Bill Higgs, Tim Bushell, and Hassan Gozal were not re-elected at the Company's 2022 AGM on 12 May 2022. Their shareholdings and/or options in the table above are as at the date of leaving the Board
4 These shares are held by Daax Corporation FZE, of which Hassan Gozal is the sole owner
5 Nazli K. Williams resigned from the Board on 13 April 2022

This represents the end of the audited section of the report.

Historical TSR performance and CEO remuneration outcomes

The following graph shows the Company's TSR for the past ten years of the Company's shares trading on the London Stock Exchange against the FTSE350 Oil & Gas Producers Index. The Committee believes that the FTSE350 Oil & Gas Producers Index remains the most appropriate index as these companies are Genel's direct UK listed comparators.

Total Shareholder Return



Strategic report Governance Financial statements Other information

The table below summarises the CEO single figure for total remuneration, annual bonus pay-outs and LTIP vesting levels as a percentage of maximum opportunity over the period since listing to the end of the 2022 financial year.

	2013	2014	2015	2015	2016	2017	2018	2019	2019	2020	2021	2022	2022
Chief Executive Officer	Tony Hayward	Tony Hayward	Tony Hayward[2]	Murat Özgül[2]	Murat Özgül	Murat Özgül	Murat Özgül	Murat Özgül[2]	Bill Higgs[2]	Bill Higgs	Bill Higgs	Bill Higgs[2]	Paul Weir[2]
CEO single figure remuneration (£'000)	1,779	2,521	468	531	1,519	1,765	1,882	299	1,112	1,281	1,539	879	800
Annual bonus pay-out (as a % of maximum opportunity)	95%	90%	0%	36.2%	71.4%	82.1%	72.5%	60%	65%	78%	77%	57.6%	59%
Long-term incentive vesting out-turn (as a % of maximum opportunity)	n/a	82.5%	0%	0%[1]	0%	0%	0%	0%	n/a	50%[3]	65.8%	0%	n/a

1 The Committee exercised its discretion to reduce the vesting under the 2013 PSP awards from 30% to 0%
2 Pro-rated according to period holding Executive Directorship
3 This vesting is in relation to the December 2017 PSP award granted to Bill Higgs prior to his appointment as CEO

Percentage change in remuneration of the Executive Directors

The table below shows the percentage change in the Executive Directors' salary, benefits and annual bonus between the financial years ended 31 December 2019 and 31 December 2022 compared to the average for permanent employees of the Company.

The percentage change in base salary, benefits and annual bonus for the CEO compares outcomes of the period spent holding the position as CEO for three years between 2019 and 2022. The figures below include pro-rated calculations for Bill and Paul's mid-year dates. The decrease in the percentage change in the employee base salary, benefits and bonus reflects the transitory reduction in employee numbers during 2022 due to the office move from Ankara to Istanbul.

	% change in base salary			% change in benefits			% change in annual bonus		
	2019/ 2020	2020/ 2021	2021/ 2022	2019/ 2020	2020/ 2021	2021/ 2022	2019/ 2020	2020/ 2021	2021/ 2022[3]
CEO[1]	38.4%	3.5%	(13.3%)	38.4%	3.5%	(17.8%)	66.1%	(0.9%)	(33.84%)
All employees	10.4%	10.4%[2]	(12.4%)	6.8%	19.8%	(3.2%)	9.7%	(7.4%)	(34.62%)

1 For 2022, Bill Higgs stepped down as CEO on 1 June and Paul Weir was appointed as Interim CEO on 9 June
2 The 2020/2021 % change in base salary has been restated from 9.4% due to an miscalculation in this table in the 2021 report
3 This year on year decrease in annual bonus % reflects the change in company scorecard outcome from 73.75% for 2021 to 52% for 2022

Relative importance of the spend on pay

The table below illustrates the current year and prior year overall expenditure on pay. The regulations require that we report distributions received by shareholders through dividends and share buy-backs. The cost to the Company of dividends paid to shareholders in 2022 was $50 million (2021: $44 million).

Remuneration paid to all employees	$m
2021	24.44
2022	20.02

Remuneration paid to all employees represents total staff costs from continuing operations.

Implementation of Remuneration Policy in 2023

This section provides an overview of how the Committee is proposing to implement our Remuneration Policy in 2023.

In determining the salary increase for Paul Weir for 2023, the Committee took into consideration a number of factors including:

- The individual's skills and experience
- Business performance
- Salary levels for similar roles within the industry
- Pay and conditions elsewhere in the Company
- Any recent salary increases

The Committee decided to increase the base salary of Paul Weir by 2% with effect from 1 January 2023, a smaller increase than the wider workforce increase reflecting that his salary had been increased upon his appointment as permanent CEO. The table below shows his base salary for 2023.

Base salary from 1 Jan 2023	
Paul Weir	£459,000

Benefits

As outlined above, the Executive Directors receive a cash supplement in lieu of all benefits, including pension, private health insurance, life assurance, and company car provision. The cash supplement is not included in calculating bonus and long-term incentive quantum.

For 2023, the cash supplement remains at 20% of base salary. This is in line with Company ambition to align Executive remuneration with the wider workforce and is in line with our Executive Committee members. This table shows Paul's benefits allowance for 2023.

2023 benefits allowance	
Paul Weir	£91,800

2023 – Annual bonus targets

The target bonus for the Chief Executive Officer for 2023 will be at a maximum of 100% of base salary, and his performance will be measured 20% against personal performance metrics and 80% against Company metrics.

The Committee has once again set a clear focus on short-term delivery for the 2023 cash bonus, and believes that this will drive the maximum value for shareholders. Financial targets for production and budgets have been set and will be assessed over the course of the year. Continued success of the delivery in culture is expected as we pursue this via strong targets in compliance, in high performance and of the delivery of our ESG plan. This scorecard is more weighted to reinvigoration, business growth and the dividend story than in previous years, with a continued focus on health and safety.

Bonus performance measures	Specific targets	Percentage
Culture	– ESG implementation – Continued compliance focus – Strong company culture	21%
Production business	– Health and Safety – Production delivered on budget – Production activity delivers in line with expectation	31%
Pre-production business	– Activity programme delivered within budget	8%
Sustainable dividend	– Net income after capex – Progress on portfolio growth	40%

Performance share plan

PSP awards are normally granted as nil-cost options. The number of awards granted are normally determined by reference to a percentage of base salary.

The 2023 award for Paul Weir will be based on a face value of 150% of base salary. At the time of his appointment as CEO the Committee also agreed to grant Paul a PSP award in respect of his time as CEO during 2022 that was not reflected in his 2022 PSP grant. This award will have a face value of £87,565 and will be made at the same time and with the same terms as the 2023 PSP award.

The peer group for the measurement of the relative TSR element of the 2022 award, representing 50% of the award, has been reviewed and still considered to be appropriate. As such there have been no changes to the peer group from 2022, except for the removal of Savannah Energy due to the temporary suspension of their shares from trading.

Africa Oil	Enquest	Jadestone Energy	Tethys Oil
Aker BP	Energean Oil and Gas	Kosmos Energy	Tullow Oil
Capricorn Energy	Gulf Keystone	Pharos Energy	
DNO	Harbour Energy	ShaMaran Petroleum	

The relative and absolute TSR vesting schedule will remain the same as for awards made in 2022, as outlined on page 73.

Chair and Non-Executive Director remuneration

Non-Executive Director fees were reviewed in 2022 against benchmark data for companies with a similar market cap, and also against comparable E&P companies. It was agreed that, from 1 January 2023, a 4% increase would be applied to Non-Executive Director fees.

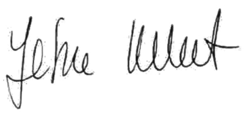
Role	Fee for 2022	Fee for 2023
Non-Executive Chair	£230,000	£239,200
Deputy Chair	£10,000	£10,400
Senior Independent Director	£10,000	£10,400
Non-Executive Director	£56,000	£58,240
Additional fee for membership of two or more Board Committees	£14,000	£14,560

Additional fee for chairing Board Committee:

Role	Fee for 2022	Fee for 2023
Audit Committee	£14,000	£14,560
Remuneration Committee[1]	£14,000	£14,560
HSSE Committee	£10,500	£10,920
Reserves Committee	£10,500	£10,920
Nomination Committee	No additional fee	No additional fee
International Relations Committee	£10,000	£10,400

1 David McManus, as Chair, receives an all-inclusive fee therefore did not receive any additional payment for his position as the Interim Remuneration Committee Chair

The Committee is responsible for determining the Remuneration Policy for the Executive Directors and the Chair of the Board. The Chair of the Board together with the Executive Directors determine the fees and overall remuneration for the Non-Executive Directors.



Yetik K Mert
Chair of the Remuneration Committee

21 March 2023

Remuneration Policy

This part of the report sets out our Directors' Remuneration Policy. As outlined above in the letter from the Chair of the Remuneration Committee, this Policy was put forward for binding shareholder approval at the 2021 AGM and the Policy replaced the previous Remuneration Policy approved at the 2020 AGM. The effective date of the Policy is the date on which the Policy is approved by shareholders – 6 May 2021. Further details regarding the operation of the Policy can be found on pages 71 to 78.

The Committee will keep the Policy under review to ensure that it continues to promote the attraction, retention and motivation of the high-performing executive talent required to deliver the business strategy. It is the Committee's intention that the Policy be put to shareholders for approval every three years. Should any changes be required before the end of the three-year period, the amended Policy will be put to shareholders, following shareholder consultation as appropriate.

This part of the report sets out a summary of the Directors' remuneration policy as determined by the Remuneration Committee ('the Committee') and approved by shareholders at the 2021 Annual General Meeting. A copy of the shareholder approved Policy is available at genelenergy.com in the Investor Relations section.

The Company is incorporated in Jersey. Accordingly, the Company does not have the benefit of the statutory protections afforded by the UK Companies Act 2006 in the event that there were to be any inconsistency between this Policy and any contractual entitlement or other rights of a Director. Therefore, in the event that there were to be any payment which was inconsistent with this Policy, the Company would not have the statutory right, under section 226E of the UK Companies Act 2006 to recover such payments from its Directors. Consistent with the Company's commitment to adhere to UK legislation, the Company commits to only making payments to Directors in accordance with this policy.

In order to avoid any conflicts of interest the Company's Executives can only attend meetings of the Remuneration Committee at the invitation of the Remuneration Committee Chair and will not be involved in determining their own pay.

Remuneration Policy table

Fixed remuneration	
Salary	
Purpose and link to strategy	– To provide fixed remuneration which is balanced, taking into account the complexity of the role and the skills and experience of the individual – Salary is set at a level to attract and retain individuals with the requisite level of experience/ background necessary to deliver the Company's strategy

Operation	– The Committee takes into account a number of factors when setting salaries, including:
	  – scope and complexity of the role
	  – the skills and experience of the individual
	  – salary levels for similar roles within the international industry
	  – pay elsewhere in the Group
	– Salaries are reviewed, but not necessarily increased, annually with any increase usually taking effect in January

Maximum opportunity	– While there is no defined maximum opportunity, salary increases are normally made with reference to the average increase for the Company's wider employee population – The Committee retains discretion to make higher increases in certain circumstances, for example, following an increase in the scope and/or responsibility of the role or the development of the individual in the role
Performance measures	None
Benefits	
Purpose and link to strategy	– To provide a simple and broadly market competitive benefit cash allowance
Operation	– A cash supplement is provided in lieu of benefits (including pension) – The cash supplement is not included in calculating bonus and long-term incentive quantum
Maximum opportunity	– Cash supplement is set as a percentage of base salary and paid in lieu of all benefits (including pension) – While there is no defined maximum opportunity, the cash supplement is currently 20% of base salary – Should an individual participate in the Mandatory Pension Scheme provided by the Company to all UK based employees the cash supplement will be reduced in line with the Company contribution made – The Committee keeps the benefit policy and level of cash supplement under review. The Committee may adjust cash supplement levels in line with market movements – For any newly appointed Executive Director, that part of the benefits allowance which relates to pension will be limited to the rate for the Company's wider workforce in the jurisdiction in which the Executive Director is employed or resides
Performance measures	None

Variable remuneration	
Annual bonus	
Purpose and link to strategy	– To incentivise and reward the achievement of annual financial, operational and individual objectives which are key to the delivery of the Company's strategy
Operation	– Awards are based on objectives set by the Committee over a combination of goals which may include financial, operational and individual goals measured over one financial year – Objectives and the mix of goals are set annually to ensure that they remain targeted and focused on the delivery of the Company's short-term goals – The Committee sets targets which require appropriate levels of performance, taking into account internal and external expectations of performance – As soon as practicable after the year-end, the Committee meets to review performance against objectives and determines payout levels – The Committee has overall discretion to adjust the extent to which bonuses are paid including reducing payment to nil where the Committee determines that the outcomes would not reflect underlying performance – A minimum of 25% of the bonus will normally be subject to deferral, although the Committee retains the flexibility to set a higher or lower level of deferral (including zero) where appropriate. Deferral can be in cash or shares. Deferral into shares will be in the form of awards under the DBP. DBP awards may be conditional share awards or nil-cost options. DBP awards that vest may benefit from the value of dividends (if any) which would have been paid during the period between award and exercise and may assume reinvestment in the Company's shares. The Committee retains the flexibility over the deferral period but would usually apply a two year deferral period. Any vested options must be exercised within ten years of the date of grant
Maximum opportunity	– Maximum award opportunity for Executive Directors is 150% of base salary for each financial year
Performance measures	– At least 70% of the award will be assessed against Group metrics including financial, operational, safety and environment, and CSR performance. Any remainder of the award will be based on performance against individual objectives – A sliding scale of between 0% and 100% of the maximum award is paid dependent on the level of performance
Performance share plan ('PSP')	
Purpose and link to strategy	– To incentivise and reward the creation of long-term shareholder value – To align the interests of the Executive Directors with those of shareholders
Operation	– Awards granted under the PSP (normally in the form of conditional share awards or nil-cost options) vest subject to achievement of performance conditions measured over a period of at least three years other than in the case of Buy-Out Awards - see below – The Committee has overall discretion to adjust the extent to which PSP awards vest including where the Committee determines that the outcomes would not reflect underlying performance – Awards can be reduced or cancelled in certain circumstances as set out below – Any shares that vest may benefit from the value of dividends (if any) which would have been paid during the period between award and exercise and may assume reinvestment in the Company's shares – Shares that vest are normally subject to a holding period of two years from the vesting date although the Committee retains the discretion to apply a different holding period, or no holding period – Any vested options must be exercised within ten years of the date of grant – The PSP can also be used to buy out share plans awards forfeited by new Executive Directors on recruitment who are of sufficient calibre to deliver the Company's strategy ('Buy-Out Awards'). Such Buy-Out Awards, as set out in the recruitment policy below, need not be made subject to the achievement of performance conditions.
Maximum opportunity	– The usual maximum award opportunity in respect of a financial year is 200% of base salary – However, in circumstances that the Committee deems to be exceptional, such as recruitment scenarios, awards of up to 300% of base salary may be made
Performance measures	– Other than Buy-Out Awards, the vesting of awards is dependent on financial, operational and/or share price measures, as set by the Committee, which are aligned with strategic objectives of the Company. No less than half of an award will be based on share price measures. The remainder will be based on financial, operational or share price measures – At the minimum level of acceptable performance, no more than 30% of the award will vest rising to 100% for maximum performance

Notes to the Policy table

The Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Policy set out above where the terms of the payment were agreed (i) before the 2014 AGM (the date the Company's first shareholder-approved Directors' Remuneration Policy came into effect); (ii) before the Policy contained in this report comes into effect, provided that the terms of the payment were consistent with the shareholder-approved Directors' Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes 'payments' includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' at the time the award is granted.

Performance measures and targets

Annual bonus

The annual bonus performance measures are designed to provide an appropriate balance between incentivising Executive Directors to meet financial targets for the year and to deliver a combination of specific strategic, operational and/or personal goals. This balance allows the Committee to review the Company's performance in the round against the key elements of our strategy and appropriately incentivise and reward Executive Directors.

Bonus targets are set by the Committee each year to ensure that Executive Directors are focused on the key objectives for the next 12 months. In doing so, the Committee takes into account a number of internal and external reference points, including the Company's business plan.

PSP

The ultimate goal of our strategy is to provide long-term sustainable returns to shareholders. The Committee currently considers that a mix of relative and absolute TSR is the most appropriate measure to assess the underlying financial performance of the business while creating maximum alignment with shareholders and encouraging long-term value creation.

Malus and clawback provisions

Malus provisions allow that the Committee may cancel or reduce (including to nil) any annual bonus payment or DBP award prior to payment/grant, or cancel or reduce including to nil the number of shares awarded under the PSP prior to vesting.

Clawback provisions apply to any or all of the annual bonus (including DBP) and PSP awards where it is considered appropriate by the Committee. Clawback may be applied up to one year after payment for bonus awards (or the vesting of the DBP awards) and two years after vesting for PSP awards.

The circumstances in which the above provisions apply may include fraud, misconduct or misbehaviour by the participant, the information used or the calculation of an award or performance condition is found to be materially incorrect, a material misstatement of the Company's audited financial results for which the participant has significant responsibility or which led to an award vesting to a greater extent than would otherwise have been the case, a significant downturn in financial performance that the Participant's actions significantly contributed towards, a material breach of health and safety regulations, or any other similar circumstances as determined by the Committee.

Plan rules

The PSP and DBP shall be operated in accordance with the rules of the plans as approved by shareholders and amended from time to time in accordance with those rules. In particular:

- The plan rules provide for adjustments in certain circumstances, for example, awards may be adjusted in the event of variation of the Company's share capital, demerger, special dividend, re-organisation or similar event
- In the event of a change of control of the Company, existing share awards will vest in line with the plan rules to the extent the Committee determines, taking into account the extent to which any performance conditions (where applicable) have been satisfied and, unless the Committee determines otherwise, the time elapsed since that time. The Committee may, in the event of a winding-up of the Company, demerger, delisting, special dividend or other event which the Committee considers may affect the price of shares, allow awards to vest on the same basis
- The performance conditions may be replaced or varied if an event occurs or circumstances arise which cause the Committee, acting fairly and reasonably, to determine that a substituted or amended performance condition would be more appropriate (taking into account the interests of the shareholders of the Company) provided that the amended performance condition would not be materially less difficult to satisfy
- The Committee may elect, prior to vesting or exercise in the case of options, to deliver the value of vested awards as cash

Remuneration arrangements throughout the Company

The Remuneration Policy for Executive Directors is designed in line with the remuneration principles that underpin remuneration across the Company. When making decisions in respect of Executive Director remuneration arrangements, the Committee takes into consideration the pay and conditions for employees throughout the Company, including the local inflationary impact for the countries in which we operate. As stated in the Policy table, salary increases are normally made with reference to the average increase for the wider employee population.

The Company places a significant focus on variable remuneration, ensuring that a meaningful proportion of remuneration across all employees is based on performance, through its operation of the annual bonus plan throughout the Company and participation in share incentive plans. Genel uses the annual bonus and share incentive schemes to reward its employees and create alignment with the Company's culture.

In the UK, employee remuneration packages consist of the same four elements as Executive Directors' remuneration packages: base salary, benefits, annual bonus and share awards. In all other jurisdictions in which the business operates we aim to replicate this structure to the extent that it is possible but take local considerations into account.

Genel is committed to strengthening and widening employee share ownership by the use of share incentives granted under our share plans. As a result currently approximately 80% of employees participate in our share plans.

The Committee does not directly consult with our employees as part of the process of determining executive pay. However, there is wide employee participation in our share plans.

Chair and Non-Executive Directors	
Chair fees	
Purpose and link to strategy	– To provide an appropriate reward to attract and retain a high calibre individual with the relevant skills, knowledge and experience to lead the Board of Directors
Operation	– The fee for the Chair is normally reviewed annually but not necessarily increased – The remuneration of the Chair is set by the Committee – The Chair receives a set fee for the role; no additional fees are payable for other Committee memberships – The fee is payable in cash, although the Committee retains the right to make payment in shares

Maximum opportunity	– While there is no maximum level, fees are set considering:
	  – market practice for comparative roles
	  – the time commitment and duties involved
	  – the requirement to attract and retain the quality of individuals required by the Company
	– Expenses reasonably and wholly incurred in the performance of the role of Chair of the Company may be reimbursed or paid for directly by the Company, as appropriate, and may include any tax due on the expense
	– The Chair does not participate in any of the Company's incentive plans

Performance measures	None
Non-Executive Director (NED) fees	
Purpose and link to strategy	– To provide an appropriate reward to attract and retain high calibre individuals with the relevant skills, knowledge and experience
Operation	– The fees for the Non-Executive Directors are normally reviewed annually but not necessarily increased – The remuneration of the Non-Executive Directors is a matter for the Chair and the Executive Directors – Non-Executive Directors receive a standard basic fee. Where applicable, they also receive additional fees for chairing a Committee and for the membership of two or more Committees – The Committee has the flexibility to pay an additional fee for the roles of Senior Independent Director and Deputy Chair – Although no additional fee is currently paid for the role of the Chair of the Nomination Committee, the Company retains the flexibility to pay such a fee if appropriate – The fee is payable in cash, although the Committee retains the right to make payment in shares

Maximum opportunity	– While there is no maximum level, fees are set considering:
	  – market practice for comparative roles
	  – the time commitment and duties involved
	  – the requirement to attract and retain the quality of individuals required by the Company
	– Expenses reasonably and wholly incurred in the performance of the role of Non-Executive Director of the Company may be reimbursed or paid for directly by the Company, as appropriate, and may include any tax due on the expense
	– The Non-Executive Directors do not participate in any of the Group's incentive plans

Performance measures	None

Non-Executive Directors may receive professional advice in respect of their duties with the Company which will be paid for by the Company.

Non-Executive Directors are also covered by the Company's directors' and officers' insurance policy and provided with an indemnity.

Recruitment policy

In determining remuneration for new appointments to the Board, the Committee will consider all relevant factors including, but not limited to, the calibre of the individual and their existing package, the external market and the existing arrangements for the Company's current Executive Directors, with a view that any arrangements offered are in the best interests of the Company and shareholders and without paying any more than is necessary.

Where the new appointment is replacing a previous Executive Director, salaries and total remuneration opportunity may be higher or lower than the previous incumbent. If the appointee is expected to develop into the role, the Committee may decide to appoint the new Executive Director to the Board at a lower than typical salary. Larger increases (above those of the wider employee population) may be awarded over a period of time to move closer to market level as their experience develops.

Benefits will normally be limited to those outlined in the remuneration policy table above. However, additional benefits may be provided by the Company where the Committee considers it reasonable and necessary to do so. Such circumstances may include where an Executive Director is required to relocate in order to fulfil their duties. In such cases, additional allowances would normally be provided under a standard expatriate package in respect of certain benefits, which may include the provision of a housing allowance, education support, health insurance, tax advice, a relocation or repatriation allowance and a home leave allowance.

It is expected that the structure and quantum of the variable pay elements would reflect those set out in the policy table above. However, the Committee recognises that, as an independent oil and gas company, it is competing with global firms for its talent. As a result, the Committee considers it important that the recruitment policy has sufficient flexibility in order to attract the calibre of individual that the Company requires.

Therefore:

- Under the annual bonus, the Committee reserves the right to provide either a one-off or ongoing maximum bonus opportunity of up to 200% of salary if this is required to secure an external appointment
- The Committee would also retain the discretion to flex the balance between annual and long-term incentives and the measures used to assess performance for these elements, while maintaining the intention that a significant portion of variable pay would be delivered in shares
- Variable pay could, in exceptional circumstances, be delivered via alternative structures, again with the intention that a significant portion would be share-based, but in all circumstances subject to an ongoing over-riding cap of 600% of salary. This cap excludes any awards made to compensate the Director for incentive awards or any other remuneration arrangements forfeited from their previous employer (see below)

The above flexibility will only be used if the Committee believes such action is absolutely necessary to recruit and motivate a candidate from the global market. The Committee commits to explain to shareholders the rationale for the relevant arrangements following any appointment.

Where an Executive Director is appointed from within the Group, the normal policy of the Company is that any legacy arrangements would be honoured in line with the original terms and conditions. Similarly, if an Executive Director is appointed following an acquisition of or merger with another company, legacy terms and conditions would be honoured.

The Committee retains the discretion to make appropriate remuneration decisions outside the standard policy to meet the individual circumstances of the recruitment, when an interim appointment to fill an Executive Director role is made on a short-term basis or a Non-Executive Director or the Chair takes on an executive function on a short-term basis.

Buy-outs

In order to facilitate recruitment, the Committee may make a one-off award to 'buy-out' incentive awards and any other compensation arrangements that a new hire has had to forfeit on leaving their previous employer. In doing so, the Committee will take into account all relevant factors including any performance conditions attached to the forfeited awards, the likelihood of those conditions being met, the proportion of the vesting/performance period remaining and the form of the award (e.g. cash or shares). Where possible, the forfeited awards will normally be bought out on an estimated like-for-like basis. Any such awards may be made under the terms of the PSP or as permitted under the Listing Rules.

The Committee is at all times conscious of the need to pay no more than is necessary, particularly when determining any possible buy-out arrangements.

Recruitment of Chair and Non-Executive Directors

In the event of the appointment of a new Chair and/or Non-Executive Director, remuneration arrangements will normally be in line with those detailed in the relevant table above.

Executive Director service contract

The key employment terms and other conditions of the current Executive Directors, as stipulated in their service contracts which are not of any fixed term, are set out below.

Element	Policy
Notice period	– 12 months' notice by either the Company or the Executive Director. This is also the policy for new recruits
Termination payment	– It is the Company's policy for new service contracts that it may terminate employment by making a payment in lieu of notice ('PILON') equivalent to (i) 12 months' base salary and (ii) the Executive Director's annual benefit allowance – Upon termination by the Company, an Executive Director has a duty to mitigate, and use reasonable endeavours to secure alternative employment as soon as reasonably practicable. There are specific provisions requiring a reduction in any phased PILON payments in the event that the Executive Director finds alternative employment
Remuneration and benefits	– Participation in all incentive schemes, including the annual bonus, the DBP and the PSP, is non-contractual – Outstanding awards will be treated in accordance with the relevant plan rules

Executive Director services contracts and Non-Executive Director letters of appointment are available for inspection at the Company's registered office address.

The service contract of an Executive Director may also be terminated immediately and with no liability to make payment in certain circumstances, such as the Executive Director bringing the Group into disrepute or committing a fundamental breach of their employment obligations.

Unless otherwise approved, an Executive Director may accept only one position as a Non-Executive Director (but not as a Non-Executive Chair) of a FTSE 100 company that is not a competitor of the Company, subject to prior notification to the Chair of the Company and the approval of the Board or duly authorised Committee thereof.

Policy on payment for loss of office

In the event that the employment of an Executive Director is terminated, any compensation payable will be determined in accordance with the terms of the service contract between the Company and the employee, as well as the rules of any incentive plans. Payments for loss of office may only be made within the terms of the Remuneration Policy.

The Company considers a variety of factors when considering leaving arrangements for an Executive Director, including individual and business performance, the obligation for the Director to mitigate loss (for example by gaining new employment) and other relevant circumstances (e.g. ill health). The Committee may make other payments in connection with a Director's cessation of office or employment where the payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement of any claim arising in connection with the cessation of a Director's office or employment. Any such payments may include but are not limited to paying any fees for outplacement assistance and/or the Director's legal and/or professional advice fees in connection with his cessation of office or employment.

If an Executive Director's employment is terminated by the Company, the Executive Director may receive a time pro-rated bonus, subject to Remuneration Committee discretion. The Company's Share Retention Policy continues to apply once an Executive Director leaves office, subject to Remuneration Committee discretion where the Remuneration Committee considers there are exceptional circumstances or on death.

Payments for loss of office can be made where an amendment to the Remuneration Policy authorising the Company to make the payment has been approved by the shareholders.

The treatment of outstanding share awards is governed by the relevant share plan rules. The following table summarises the leaver provisions of share plans under which Executive Directors may currently hold awards.

PSP	
Leaver reasons where awards may continue to vest	– Death – Redundancy, injury, ill health or disability – Retirement – Sale of the Company or business by which the participant is employed outside the Group – Any other scenario in which the Committee determines good leaver treatment is justified (other than summary dismissal)
Vesting arrangements	– Awards will vest to the extent determined by the Committee taking into account the achievement of any performance conditions at the relevant vesting date and, unless the Committee determines otherwise, the period of time which has elapsed between grant and cessation of employment – The vesting date for such awards will normally be the original vesting date and not accelerated, although the Committee has the flexibility to determine that awards can vest upon cessation of employment – In the event of death, all unvested awards will normally vest at that time to the extent determined by the Committee taking into account the achievement of any relevant performance conditions as at the date of death and, unless the Committee determines otherwise, the period of time that has elapsed since grant – Under ordinary circumstances the Company's Share Retention Policy will continue to apply, unless the Committee determines otherwise
Treatment for any other leaver reason	– Awards lapse in full
DBP	
Leaver reasons where awards may continue to vest	– Death – Any other scenaro
Vesting arrangements	– The vesting date for such awards will normally be the original vesting date and not accelerated, although the Committee has the flexibility to determine that awards can vest upon cessation of employment – In the event of death, all unvested awards will normally vest at that time to the extent determined by the Committee
Treatment for any other leaver reason	– Summary dismissal – awards lapse in full – If there is an ongoing investigation unless otherwise determined by the Committee, awards will only vest, become exercisable or settled after the conclusion of the investigation

Chair and Non-Executive Director letters of appointment

The Chair and Non-Executive Directors have letters of appointment which set out their duties and responsibilities. They do not have service contracts with either the Company or any of its subsidiaries.

The key terms of the appointments are set out in the table below.

Provision	Policy
Period	– In line with the UK Corporate Governance Code, the Chair and all Non-Executive Directors are subject to annual re-election by shareholders at each AGM – After the initial three-year term, the Chair and the Non-Executive Directors are typically expected to serve a further three-year term
Termination	– The appointment of the Chair and Non-Executive Directors is terminable by either the Company or the Director by giving three months' notice – The Chair and Non-Executive Directors are not entitled to any compensation upon loss of office – The Chair and Non-Executive Directors are entitled to payment in lieu of notice in line with their letter of appointment

Consideration of shareholder views

The Committee continues to be mindful of shareholder views when evaluating and setting ongoing remuneration strategy and we commit to consulting with shareholders prior to any significant changes to our Remuneration Policy.

It is the Committee's policy to correspond with shareholders that have engaged on remuneration matters during the year, which it has done and the Committee has considered their views at its meetings.

Minor changes

The Committee may make minor amendments to the Policy set out above for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation without obtaining shareholder approval for that amendment.

Other statutory and regulatory information

Management report

The Directors' Report, together with the Strategic Report set out on pages 1 to 36, form the Management Report in alignment with the purposes of Disclosure Guidance and Transparency Rule (DTR) 4.1.5R.

Statutory information contained elsewhere in the Annual Report

Information required to be part of a Directors' Report can be found elsewhere in the Annual Report as indicated in the table below and is incorporated into this report by reference.

Information	Location in annual report
Results and dividends	p.98-125
Likely future developments in the business of the Company or its subsidiaries	p.10-13
Subsequent events	p.124
Corporate social responsibility	p.16-29
Greenhouse gas emissions	p.24
Section 172(1) statement and stakeholder engagement	p.35
Colleagues (employment of disabled persons, workforce engagement and policies)	p.20-21
Engagement with suppliers, customers and others in a business relationship	p.35
Corporate Governance Statement	p.39-40
Directors' details (including changes made during the year)	p.55-57
Related party transactions	Note 22 on p.124
Diversity	p.20
Share capital	Note 17 on p.120
Viability statement	p.34
Going concern and fair, balanced and understandable statements	p.13, 34 and 38
Employee share schemes (including long-term incentive schemes)	Note 20 on p.122-124
Financial instruments: information on the Group's financial instruments and risk management objectives and policies, including our policy for hedging	Notes 15 and 16 on p.119-120
Statements of responsibilities	p.91

Disclosure table pursuant to Listing Rule (LR) 9.8.4C

The following table provides references to where the information required by Listing Rule 9.8.4C is disclosed:

Listing Rule and requirement [1]	Disclosure
9.8.4(4) Long-term incentive schemes (LR 9.4.3R)	Note 20 on p.122-124

[1] Each of the other disclosures required under Listing Rule 9.8.4c are not applicable to Genel Energy plc.

Principal activities

The Company is the holding company for the Group. The Group is principally engaged in the business of the exploration, development and production of natural resources.

Genel Energy plc is a Jersey incorporated company with a standard listing on the London Stock Exchange. We are committed to complying with the regulatory requirements in both Jersey and the UK. We are in full compliance with the provisions of the Code with the exception of provision 32, as between 22 November 2021 and 19 April 2022 David McManus served as the Interim Chair of the Remuneration Committee. Yetik K. Mert was appointed Chair of the Remuneration Committee on 19 April 2022, and the Company has been in full compliance with the provisions of the Code since then. A copy of the Code can be found at frc.org.uk/corporate/ukcgcode.cfm.

AGM

Your attention is drawn to the Notice of AGM enclosed with this report, which sets out the resolutions to be proposed at the forthcoming AGM. The meeting will be held at Linklaters, One Silk Street, London, EC2Y 8HQ, on Thursday, 11 May 2023 at 11.00am.

Articles of Association of the Company

Under the Jersey Companies Law, the capacity of a Jersey company is not limited by anything contained in its memorandum or articles of association. Accordingly, the memorandum of association of a Jersey company does not contain an objects clause.

Certain provisions have been incorporated into the articles of association to enshrine rights that are not conferred by the Jersey Companies Law, but which the Company believes shareholders would expect to see in a company listed on the London Stock Exchange.

Provisions in the articles of association also require shareholders to make disclosures pursuant to Chapter 5 of the Disclosure and Transparency Rules, and require the Directors to comply with Chapter 3 of the Disclosure and Transparency Rules and themselves to require any persons discharging managerial responsibilities (within the meaning ascribed in the Disclosure and Transparency Rules) in relation to the Company who are not Directors to do so, and to use reasonable endeavours to procure that their own and such persons' connected persons do so. The articles of association may be amended by a special resolution of the shareholders.

Appointment and replacement of Directors

The rules for the appointment and replacement of Directors are set out in the articles of association.

Directors

The biographical details of the Directors of the Company who were in office during the year and as at the date of this Annual Report are set out on pages 55 to 57. Details of Directors' service agreements and letters of appointment are set out on pages 84 to 86.

Details of the Directors' interests in the ordinary shares of the Company and in the Group's long-term incentive schemes are set out in the Annual Report on Remuneration on page 74.

Details of Directors submitting themselves for re-election and election at the AGM are set out in the Notice of Meeting. Service contracts and letters of appointment for all Directors are available for inspection at the registered office of the Company and will be available for inspection at the AGM.

Subject to applicable law and the articles of association and to any directions given by special resolution, the business of the Company will be managed by the Board, which may exercise all the powers of the Company.

Directors' indemnities

As at the date of this Annual Report, indemnities granted by the Company to the Directors are in force to the extent permitted under Jersey law. The Company also maintains directors' and officers' liability insurance cover, the level of which is reviewed annually.

Employee share schemes

Details of the Company's employee share schemes are set out in note 20 to the financial statements of this Annual Report.

Employee Benefit Trust ('EBT')

Equiniti Jersey Limited was appointed as trustee of Genel Energy's EBT in 2012. The voting rights relating to the shares held by the employee benefit trust are exercisable by the trustees in accordance with their fiduciary duties.

Further details regarding the EBT and of shares issued pursuant to Genel Energy's various employee share plans during the year, are set out in note 20 to the financial statements.

Political donations

No political donations were made, nor was any political expenditure incurred, by any Group company in the year ending 31 December 2022 (2021: nil).

Share capital

As at 20 March 2023, the Company had allotted and fully paid up share capital of 280,248,198 ordinary shares of 10 pence each with an aggregate nominal value of £28,024,819.80. These consist of 279,402,863 voting ordinary shares and 845,335 shares held as treasury shares.

Resolutions in relation to share capital

At the AGM of the Company held on 12 May 2022, the shareholders granted the Company authority to make market purchases of up to 27,830,211 ordinary shares (representing approximately 10% of the aggregate issued ordinary share capital of the Company at 25 March 2022) and hold as treasury shares any ordinary shares so purchased. During 2022, no shares were purchased by the Company under this authority.

Shareholders will be asked to renew this authority at the forthcoming AGM. Full details are included in the Notice of AGM.

Rights attaching to the ordinary shares

Holders of ordinary shares are entitled to attend, speak and vote at general meetings of the Company and may receive a dividend and, on a winding-up, may share in the assets of the Company.

As of 24 February 2016, the Company no longer has any suspended voting ordinary shares in issue.

Restrictions on transfer of shares

There are no specific restrictions on the transfer of shares in the Company other than (i) as set out in the articles of association, (ii) pursuant to the Company's share dealing policy, (iii) as imposed from time to time by law and regulation and (iv) as set out in the Merger Agreement.

Save as set out in the Merger Agreement, the Company is not aware of any arrangements or agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Related party transactions

Details of transactions with Directors and Officers are set out in note 22 to the financial statements. There were no other related party transactions to which the Company was a party during the period.

Shareholder agreements

Merger Agreement

On 7 September 2011, the Company, Elysion Energy Holding B.V. (formerly Genel Energy Holdings B.V.), Focus Investments and PRM entered into a merger agreement (the 'Merger Agreement') pursuant to which the Company agreed to purchase, and the Sellers agreed to sell, the entire issued ordinary share capital of Genel Energy International Limited in consideration for the issue of 130,632,522 ordinary shares (the 'Consideration Shares'). The Merger Agreement was amended by a deed of amendment entered into on 29 October 2011.

Relationship Agreement

On 7 September 2011, the Company, Elysion and Focus Investments entered into a relationship agreement to regulate the ongoing relationship between Elysion, Focus Investments and the Company (the 'Relationship Agreement').

On 14 October 2015 Mehmet Sepil retired as President and on 18 November 2015 Mehmet Sepil's holding in the Company fell to below 10% of the voting rights in the Company. Accordingly, certain rights of Elysion under the Relationship Agreement ceased to have effect including the right to nominate a representative to the Genel Board.

In December 2021, the Company was notified that Focus Investments was no longer controlled by Mehmet Emin Karamehmet. Accordingly, certain rights of Focus Investments under the Relationship Agreement ceased to have effect, including the right to nominate a representative to the Genel Board.

The Relationship Agreement terminated in April 2022, as a result of Elysion and Focus Investments, together with their respective Associates, ceasing between them to be entitled to exercise, or control the exercise of, in aggregate 10% or more of the Voting Rights. On 13 April 2022, Nazli K. Williams, who had been nominated as a Director by Focus Investments pursuant to its previous rights under the Relationship Agreement resigned as a Non-Executive Director of the Company with immediate effect.

Substantial shareholdings

As at 31 December 2022, the Company had been notified of the following significant holdings (being 5% or more of the voting rights in the Company) in the Company's ordinary share capital.

Name	Number of ordinary shares
Bilgin Grup Doğal Gaz A.Ş.	62,523,017
Türkiye Iş Bankası A.Ş.	53,419,883
Daax Corporation FZE	46,338,622
NR Holdings Limited	21,214,583

Auditors

A resolution to reappoint BDO LLP as the Company's auditor will be proposed at the 2022 AGM.

By order of the Board

Paul Weir
Chief Executive Officer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Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with International Reporting Standards (IFRSs) as adopted by the European Union and the Companies (Jersey) Law 1991 and 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 financial statements in accordance with IFRSs as adopted by the European Union. 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 state of affairs of the Group for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with IFRSs as adopted by the European Union, 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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the IFRSs as adopted by the European Union and the Companies (Jersey) Law 1991 and the Directors' Remuneration Report complies with the Companies Act 2006, given the Company voluntarily prepares a Directors' Remuneration Report in accordance with the provisions of the United Kingdom Companies Act 2006.

They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

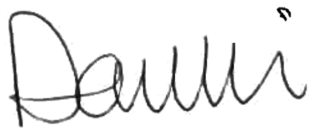
The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom and Jersey governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The Group financial statements have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group, together with a description of the principal risks and uncertainties that they face

By order of the Board.



Paul Weir
Chief Executive Officer

Independent auditor's report to the members of Genel Energy Plc

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of Companies (Jersey) Law 1991.

We have audited the financial statements of Genel Energy Plc (the 'Parent Company') and its subsidiaries (together the 'Group') for the year ended 31 December 2022 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and IFRS as adopted by the European Union.

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

Independence

We remain independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services, prohibited by that standard, were not provided to the Group.

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 ability to continue to adopt the going concern basis of accounting included:

- Obtaining and evaluating the Board papers assessing going concern for the forecast period as well as reviewing the assessment of risks and uncertainties within the supporting cash flow forecasts. We formed our own assessment of risks and uncertainties based on our understanding of the business and the oil and gas sector and compared this to the Board's assessment;
- Discussing the going concern assessment with the Chief Executive Officer, Chief Financial Officer, In-House Legal, and the Technical Director to understand their views on the ability of the Group to continue as a going concern;
- Performing a detailed review of the cash flow forecasts prepared by Management and approved by the Board and assessing the appropriateness of the period over which going concern was assessed;
- Assessing Management's base case cash flow forecast and the underlying key assumptions approved by the Board. In so doing, we considered factors such as the levels of historical operating costs and production forecasts against actual performance in 2022, the level of Board approved capital expenditure against development plans, forecast oil prices and KRG's pricing formula against market expectations;
- Performing procedures on the going concern forecast model in order to confirm the arithmetical accuracy of the model;
- Agreeing the 31 December 2022 cash position to bank confirmations, and the latest available cash position to bank statements;
- Verifying that covenants were not breached in the financial period and assessing whether there were forecast breaches in the going concern review period. We also reperformed the underlying calculations of covenants;
- Reviewing the recent payment trends from the KRG for the current receivables as part of our work on the assessment of senstivities;
- Reviewing the production sharing contracts (PSCs), licences and work programmes and comparing the commitments to the forecasts;
- Considering the media reports on Iraqi Federal Supreme Court rulings over the legality of the PSC and any implications on the Group;
- Obtaining and reviewing Management's sensitivity analysis and reflecting further down-side scenarios of lower than forecast oil price or experiencing significant delays in the receipt of payments to determine the impact on the cash flows;
- Reviewing post year end press releases, RNS announcements and board minutes for any indicators of obligations or significant adverse issues; and
- Reviewing and evaluating the adequacy and completeness of disclosures in the financial statements in respect of going concern in light of the Board's going concern risk assessment.

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 ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's voluntary reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview

Coverage		
100% (2021: 100%) of Group losses before tax 100% (2021: 100%) of Group revenue 99.8% (2021: 100%) of Group total assets		
Key audit matters		
	2022	2021
Carrying value of exploration assets	-	√
Carrying value of oil production and development assets	√	√
Recoverability of overdue KRG receivables	-	√
Revenue recognition of suspended Tawke Overriding Royalty Income (ORRI), revenue recognised from the ORRI on Takwe and revenue recognition from oil export sales	√	-
The 'Carrying value of exploration assets' and the 'Recoverability of overdue KRG receivables' were not considered key audit matters in the current year following the impairment of the Qara Dagh asset with the remaining exploration assets not being subject to significant judgements, and the overdue KRG receivables being fully settled in the year.		
Materiality		
Group financial statements as a whole		
$7.6 million (2021: $10.1 million) based on 5% of Group adjusted profit before tax (2021: 1% of total assets).		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group's key producing assets are in the Kurdistan Region of Iraq (KRI), with exploration assets in Somaliland and Morocco. Our Group audit scope focused on the Group's principal producing and exploration assets to gain sufficient coverage over the Group's total assets, total revenue and losses before tax while considering the audit risks identified.

As a result, we determined three significant components which were subjected to a full scope audit, two of which own the producing assets namely: (1) Genel Energy International Limited owns the Taq Taq and Tawke PSCs, and (2) Genel Energy Sarta Limited holds the oil producing Sarta PSC. One further entity, Genel Energy Holding Company Limited, which holds the majority of the Group's cash and cash equivalents, was also considered a significant component given its assets (mainly cash and cash equivalents) comprised more than 15% of the Group's Total Assets. Non-significant components that require statutory audits in the UK and Jersey were also subjected to a full scope audit which contributed to the above-mentioned audit coverage.

The financial information of the remaining non-significant components, where there is no statutory audit requirement, were principally subjected to analytical review procedures, with specified audit procedures performed on certain elements of their trial balances where there were material balances identified such as in respect of operating costs, finance expenses, cash and interest-bearing loans.

The accounting functions of the Group are largely performed from its Istanbul and London office. The audit was performed through face-to-face visits to Istanbul and London as well as remotely using BDO cloud-based audit tools and through teleconferencing. The Sarta and Taq Taq fields were also visited in the year. All of the audit work was conducted by the Group engagement team.

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, including 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.

Key audit matter

Carrying value of oil production and development assets (see notes 1.2 and 9)

The production and development assets form a significant part of the Group's statement of financial position. Management is required to consider whether there are any facts or circumstances (potential impairment triggers) that would suggest that the oil production and development assets could be impaired in accordance with IAS 36 Impairment of assets.

As part of its impairment indicators evaluation, management considered key developments that occurred during 2022 including the impact of oil prices, the KRG's pricing formula, field productivity and appraisal results, media reporting relating to the Iraqi Supreme Court decisions on the legality of the PSCs and the impact of local and global geopolitical factors.

Management concluded that impairment indicators existed for the KRI assets due to adverse realised price per barrel and, for the Sarta cash generating unit (CGU) only, reduction in reserves and resources following the results of the Sarta appraisal and pilot production programme.

Management therefore performed a full impairment assessment of the Taq Taq, Tawke and Sarta Cash CGUs as at 31 December 2022. This resulted in an impairment charge of US$125.5m for the Sarta CGU.

Given the materiality of the assets in the context of the Group's statement of financial position, the judgements involved in making this assessment and judgements and estimates involved in calculating the recoverable amounts, we considered the carrying value of oil production and development assets, including the related disclosures, to be a key audit matter.

How the scope of our audit addressed the key audit matter

Our specific audit testing in this regard included:

- Reviewing and assessing Management's allocation of assets to CGUs for the purpose of the impairment assessment, and Management's assessment of impairment indicators against the requirements of the applicable accounting standards;
- Assessing performance against budgets/plans in FY 2022 for the Taq Taq, Tawke and Sarta CGUs in order to identify possible indicators of impairment or possible indicators of a reversal of previously recognised impairments;
- Considering for the purpose of our impairment trigger assessment, the potential consequences of key developments during 2022 including the Iraqi Supreme Court decisions and announcements;

- Performing a review of the key impairment model assumptions, challenging the appropriateness of estimates with reference to historical data and external evidence where available (e.g. consistency of oil price assumptions with oil price forecasts). This included considering the impact of the KRG's pricing mechanism;
- Evaluating the impairment model against the approved Life of Field plans;
- Confirming the consistency of the reserves and resources in the models with the latest Competent Person Reports (CPRs);
- Verifying the reasonableness of the discount rate used by Management with the assistance of our internal valuation experts;
- Holding discussions with Management and Operations to gain an understanding of the performance of the producing assets and the impact of the Sarta appraisal results and pilot production on future production plans;
- Assessing the experts used by Management in compiling the underlying competent person reports on the reserves, with a particular focus on the competency of the expert and the scope of their work in order to ensure they have been prepared under the required guidelines and are appropriate for their intended purpose;
- Evaluating the impact of climate change on the assessment of potential triggers for impairment of the Group's producing assets taking into consideration the Group's initiatives;
- Assessing sensitivity analysis performed on the key assumptions in the impairment models and performing further sensitivity analysis as part of our work;
- Evaluating and challenging Management's assessment of no reversal of previously recognised impairments taken against the Taq Taq and Tawke CGUs; and
- Considering the appropriateness of the related disclosures with reference to Management's impairment assessment and the requirements of the applicable accounting standards.

Key observations:

Based on the procedures performed we found the Group's assessments that there were indicators of impairment on the KRI producing assets to be appropriate, the recoverable values of the Taq Taq, Tawke and Sarta CGUs to be reasonable and the calculation of the related Sarta impairment charge appropriate.

We also found the Group's assessment that no previously recognised impairments for the Taq Taq and Tawke CGU should be reversed in the year to be appropriate.

We found the disclosures in the consolidated financial statements to be in line with the accounting standards.

Key audit matter

Revenue recognition of suspended Tawke Overriding Royalty Income (ORRI), revenue recognised from the ORRI on Takwe and revenue recognition from oil export sales

(see notes 1.2 and 2)

The Group's revenue is primarily generated from oil export sales and the ORRI arising from the Receivable Settlement Agreement ('RSA') signed in 2017, which expired in July 2022. Revenue totalling $385m has been recognised in the year in respect of these two streams.

Revenue recognition is considered to include a presumed risk of fraud which has been linked to the potential risk of fictitious revenue being recorded through manual journals and cut-off risk. During the year, the MNR has changed the reference price for crude oil sales from Dated Brent to the local benchmark KBT ('KRG Blend Realised Price'), effective 1 September 2022. Management considered it appropriate to recognise oil export revenue based on the new pricing mechanism from September onwards, considering the recognition requirements of the applicable accounting standards.

An amount recorded as revenue has also been recognised in the current period relating to the suspension of the ORRI from Tawke production between 1 March 2020 and 31 December 2020. This revenue has not historically been recognised due to the lack of visibility as to how or when this contractual right would be received.

The suspended ORRI is material to the Group and significant judgement is required in reaching a conclusion on the revenue recognition criteria of the relevant accounting standard.

Taking into consideration the matters set out above, we considered revenue recognition to be a key audit matter.

How the scope of our audit addressed the key audit matter

Our specific audit testing in this regard included:

- Assessing the revenue recognised in the year against the Group's revenue recognition policy and the requirements of the relevant accounting standard;
- Considering the appropriateness of applying KBT pricing for revenue generated from oil sales since September 2022 against the requirements of the applicable accounting standards;
- Testing the total oil sales and Tawke ORRI in the year to supporting documentation from delivery through to cash received;
- Testing manual journals recorded within revenue, using specific risk criteria, to supporting evidence;
- Performing cut off testing on sales revenue around the year end by verifying the volume transferred to officially approved statements;
- Challenging Management's assessment on amount to be recognised in respect of the suspended ORRI against the recognition requirements of the relevant accounting standard;
- Verifying receipts of the suspended ORRI received to date and reviewing the related correspondence with the Kurdistan Regional Government; and
- Evaluating the appropriateness of the related disclosures against the requirements of the applicable accounting standards.

Key observations:

Based on the work performed we found the export and ORRI revenue recognised in the year to be in line with the requirements of the relevant accounting standard.

We found Management's assessment and treatment of the suspended ORRI to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

	Group financial statements	
	2022	2021
Materiality	$7.6m	$10.1m
Basis for determining materiality	5% of adjusted Group profit before tax	1% of Total Assets
Rationale for the benchmark applied	We consider the use of 5% of adjusted Group profit before tax to be the most appropriate benchmark following the stabilisation of adjusted profits over the last two years. We also consider profit before tax to also be a key measure of the Groups performance for the users of the financial statements.	Given the asset-based focus of the Group with its significant producing and exploration asset base, historic track record of variable profits and the key risk areas being balance sheet-related, we consider it appropriate to adopt a total assets-based measure of materiality.
Performance materiality	$5.3m	$7.1m
Basis for determining performance materiality	Performance materiality was set at 70% due to the Group having a number of accounts subject to high degrees of estimation and judgement.	
Statement of comprehensive income testing threshold	Not applicable in the current year as we have moved from an asset-based materiality to a profit based materiality.	We applied a lower testing threshold of $7.1m based on 7% of loss before impairment, interest and tax to the testing of the statement of comprehensive income to ensure appropriate testing of costs incurred in the year.

Component materiality

We set materiality for each significant component of the Group based on a percentage of between 18% and 90% (2021: 15% and 90%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from $1.4m to $6.8m (2021: $1.5m to $9m). In the audit of each component, we further applied performance materiality levels of 70% (2021: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality were appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of $0.2m (2021: $0.2m). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

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

Corporate governance statement

As the Group has voluntarily adopted the UK Corporate Governance Code 2018 we are required to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	– The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 34; and – The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 34.
Other Code provisions	– Directors' statement on fair, balanced and understandable set out on page 38; – Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 38; – The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 62-64; and – The section describing the work of the Audit Committee set out on page 65.

Other Companies (Jersey) Law 1991 reporting

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

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

Other voluntary reporting

Directors' remuneration (United Kingdom Companies Act 2006)

The Parent Company voluntarily prepares a Directors' Remuneration Report in accordance with the provisions of the United Kingdom Companies Act 2006. The Directors requested that we audit the part of the Directors' Remuneration Report specified by the United Kingdom Companies Act 2006 as if the Group were a quoted company.

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the requirements of the United Kingdom Companies Act 2006 that would have applied had the Parent Company been a quoted company under the provisions of that Act.

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, 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 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 to cease operations, or have no realistic alternative but to do so.

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.

Extent to which the audit was 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. Our procedures included:

- Enquiries of management, and the Audit Committee, including obtaining and reviewing supporting documentation, concerning the Group's policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud, and
  - Obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Holding discussions with the audit engagement team as to how and where fraud might occur in the financial statements and where any potential indicators of fraud may arise in the Group in order to consider how our audit strategy should reflect our considerations; and
- Obtaining an understanding of the legal and regulatory frameworks that the Group operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Group. The key laws and regulations we considered in this context included the Company law in the countries in which the Group operates. For example, our considerations covered laws and regulations in the Kurdistan Region of Iraq, Somaliland and Morocco, IFRS as adopted by the European Union, the Companies (Jersey) Law 1991, the LSE Listing Rules, Norway Listing Rules in regards to the bonds held, UK Sanctions Law, Bribery Act, Oil and Gas Industry regulation, environmental compliance, labour regulations, health and safety regulations and local and international tax legislation.
- We also assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be management override of controls and revenue recognition (see above procedures noted in the key audit matters section of the report).

In addition to the above, our procedures to respond to risks identified, included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations noted above;
- Enquiring of Management, the Audit Committee and Internal legal counsels of known or suspected instances of fraud, potential litigation and claims, and non-compliance with laws and regulations;
- Reading minutes of meetings of those charged with governance, and reviewing correspondence with local tax and regulatory authorities to identify potential litigation and claims and non-compliance with laws and regulations;
- Performing a review of local and international tax compliance with the involvement of our tax specialists;
- Obtaining an understanding of the design and implementation of relevant controls surrounding the financial reporting close process such as controls over the posting of journals and the consolidation process and obtained an understanding of the segregation of duties in these processes;
- Addressing the risk of fraud through management override of controls by testing the appropriateness of a sample of journal entries to supporting documentation where we considered there to be a higher risk of potential fraud and other adjustment;
- Assessing whether the judgements made in making accounting estimates, specifically those in the Key Audit Matters section of the report, 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;
- Applying professional scepticism in our audit procedures and performing randomised procedures to include a level of unpredictability; and
- Performing an assessment of the Group's IT and the wider control environment and as part of this work we obtained an understanding of the design and implementation of IT access controls.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Anne Sayers
For and on behalf of BDO LLP
Chartered Accountants
London, UK
21 March 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

For the year ended 31 December 2022

	Note	2022 $m	2021 $m
Revenue	2	**432.7**	334.9
Production costs	3	**(51.1)**	(45.9)
Depreciation and amortisation of oil assets	3	**(149.1)**	(172.7)
Gross profit		**232.5**	116.3
Exploration expense	3	**(1.0)**	-
Net write-off of intangible assets	1,3,8	**(75.8)**	(403.2)
Impairment of property, plant and equipment	3,9	**(125.5)**	-
Net reversal of impairment of receivables	3,10	**8.2**	24.1
General and administrative costs	3	**(20.1)**	(14.0)
Operating profit / (loss)		**18.3**	(276.8)
Operating profit / (loss) is comprised of:			
EBITDAX		**361.6**	275.1
Depreciation and amortisation	3	**(149.2)**	(172.8)
Exploration expense	3	**(1.0)**	-
Net write-off of intangible assets	3,8	**(75.8)**	(403.2)
Impairment of property, plant and equipment	3,9	**(125.5)**	-
Net reversal of impairment of receivables	3,10	**8.2**	24.1
Finance income	5	**6.7**	0.2
Bond interest expense	5	**(25.9)**	(26.3)
Other finance expense	5	**(6.2)**	(4.9)
Loss before income tax		**(7.1)**	(307.8)
Income tax expense	6	**(0.2)**	(0.2)
Loss and total comprehensive expense		**(7.3)**	(308.0)
Attributable to:			
Owners of the parent		**(7.3)**	(308.0)
		(7.3)	(308.0)
Earnings / (Loss) per ordinary share		**¢**	¢
Basic	7	**(2.6)**	(111.4)
Diluted	7	**(2.6)**	(111.4)
EPS excluding impairments[1]		**66.7**	25.8

[1] EPS excluding impairments is loss and total comprehensive expense adjusted for the add back of net impairment/write-off of oil and gas assets and net reversal of impairment of receivables divided by weighted average number of ordinary shares

Consolidated balance sheet

At 31 December 2022

	Note	2022 $m	2021 $m
Assets			
Non-current assets			
Intangible assets	8	**79.1**	186.8
Property, plant and equipment	9,19	**248.1**	352.5
Trade and other receivables	10	**-**	18.4
		327.2	557.7
Current assets			
Trade and other receivables	10	**121.7**	145.0
Cash and cash equivalents	11	**494.6**	313.7
		616.3	458.7
Total assets		**943.5**	1,016.4
Liabilities			
Non-current liabilities			
Trade and other payables	12,19	**(1.2)**	(4.9)
Deferred income	13	**(6.5)**	(14.0)
Provisions	14	**(52.2)**	(42.6)
Interest bearing loans	15	**(266.6)**	(269.8)
		(326.5)	(331.3)
Current liabilities			
Trade and other payables	12,19	**(82.4)**	(97.5)
Deferred income	13	**(6.8)**	(6.5)
		(89.2)	(104.0)
Total liabilities		**(415.7)**	(435.3)
Net assets		**527.8**	581.1
Owners of the parent			
Share capital	17	**43.8**	43.8
Share premium account		**3,897.4**	3,947.5
Accumulated losses		**(3,413.4)**	(3,410.2)
Total equity		**527.8**	581.1

These consolidated financial statements on pages 103 to 125 were authorised for issue by the Board of Directors on 21 March 2023 and were signed on its behalf by:

Paul Weir
Chief Executive Officer

Luke Clements
Chief Financial Officer

Consolidated statement of changes in equity

For the year ended 31 December 2022

	Note	Share capital $m	Share premium $m	Accumulated losses $m	Total equity $m
At 1 January 2021		43.8	3,991.9	(3,105.9)	929.8
Loss and total comprehensive expense		-	-	(308.0)	(308.0)
Contributions by and distributions to owners					
Share-based payments	20	-	-	5.0	5.0
Purchase of shares for employee share awards		-	-	(1.3)	(1.3)
Dividends provided for or paid[1]	18	-	(44.4)	-	(44.4)
At 31 December 2021 and 1 January 2022		43.8	3,947.5	(3,410.2)	581.1
Loss and total comprehensive expense		**-**	**-**	**(7.3)**	**(7.3)**
Contributions by and distributions to owners					
Share-based payments	20	**-**	**-**	**4.1**	**4.1**
Dividends provided for or paid[1]	18	**-**	**(50.1)**	**-**	**(50.1)**
At 31 December 2022		**43.8**	**3,897.4**	**(3,413.4)**	**527.8**

[1] The Companies (Jersey) Law 1991 does not define the expression "dividend" but refers instead to "distributions". Distributions may be debited to any account or reserve of the Company (including share premium account)

Consolidated cash flow statement

For the year ended 31 December 2022

	Note	2022 $m	2021 $m
Cash flows from operating activities			
Loss for the year		**(7.3)**	(308.0)
Adjustments for:			
Net finance expense	5	**25.4**	31.0
Taxation	6	**0.2**	0.2
Depreciation and amortisation	3	**152.0**	175.3
Exploration expense	3	**1.0**	-
Net impairments, write-offs	3	**193.1**	379.1
Other non-cash items (royalty income and share-based cost)		**(7.4)**	(5.4)
Changes in working capital:			
Decrease / (Increase) in trade receivables		**47.2**	(42.4)
(Increase) in other receivables		**-**	(0.4)
Increase / (Decrease) in trade and other payables		**1.7**	(1.4)
Cash generated from operations		**405.9**	228.0
Interest received	5	**6.7**	0.2
Taxation paid		**(0.2)**	(0.1)
Net cash generated from operating activities		**412.4**	228.1
Cash flows from investing activities			
Net payments of intangible assets		**(20.0)**	(24.1)
Net payments of property, plant and equipment		**(128.2)**	(88.5)
Net cash used in investing activities		**(148.2)**	(112.6)
Cash flows from financing activities			
Dividends paid to company's shareholders	18	**(47.9)**	(44.4)
Purchase of own shares		**-**	(1.3)
Bond repayment	15	**(6.0)**	(81.0)
Lease payments		**(3.8)**	(3.3)
Interest paid		**(25.6)**	(26.3)
Net cash used in financing activities		**(83.3)**	(156.3)
Net increase / (decrease) in cash and cash equivalents		**180.9**	(40.8)
Cash and cash equivalents at 1 January	11	**313.7**	354.5
Cash and cash equivalents at 31 December	11	**494.6**	313.7

Notes to the consolidated financial statements

1. Summary of significant accounting policies

1.1 Basis of preparation

Genel Energy Plc – registration number: 107897 (the Company) is a public limited company incorporated and domiciled in Jersey with a listing on the London Stock Exchange. The address of its registered office is 12 Castle Street, St Helier, Jersey, JE2 3RT.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee (together 'IFRS'); are prepared under the historical cost convention except as where stated; and comply with Company (Jersey) Law 1991. The significant accounting policies are set out below and have been applied consistently throughout the period.

The Company prepares its financial statements on a historical cost basis, unless accounting standards require an alternate measurement basis. Where there are assets and liabilities calculated on a different basis, this fact is disclosed either in the relevant accounting policy or in the notes to the financial statements.

Items included in the financial information of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in US dollars to the nearest million ($ million) rounded to one decimal place, except where otherwise indicated.

For explanation of the key judgements and estimates made by the Company in applying the Company's accounting policies, refer to significant accounting judgements and estimates on pages 104 and 105.

Going concern

The Company regularly evaluates its financial position, cash flow forecasts and its compliance with financial covenants by considering multiple combinations of oil price, discount rates, production volumes, payments, capital and operational spend scenarios.

The Company has reported cash of $494.6 million, with no debt maturing until the second half of 2025 and headroom on both the equity ratio and minimum liquidity financial covenants. The strength of the balance sheet is expected to be enhanced through 2023.

The Company's low-cost assets and flexibility on commitment of capital mean that it is resilient to low oil prices, with the only customer, the KRG, demonstrating its ability to pay in times of financial stress. There is considered to be sufficient cash in the business and still more room for flexibility if needed given the nature of the discretionary capex planned.

Longer term, our low-cost, low-carbon assets, located in a region where oil revenues provide a material proportion of funding to the government and its people means that we are well positioned to address the appropriate challenges and demands that climate change initiatives are bringing to the sector. Given the footprint and the benefit to society generated, we see our portfolio as being well-positioned for a future of fewer and better natural resources projects, while the global energy mix continues to require hydrocarbons.

As a result, the Directors have assessed that the Company's forecast liquidity provides adequate headroom over its forecast expenditure for the 12 months following the signing of the annual report for the period ended 31 December 2022 and consequently that the Company is considered a going concern.

Foreign currency

Foreign currency transactions are translated into the functional currency of the relevant entity using the exchange rates prevailing at the dates of the transactions or at the balance sheet date where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Consolidation

The consolidated financial statements consolidate the Company and its subsidiaries. These accounting policies have been adopted by all companies.

Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. Transactions, balances and unrealised gains on transactions between companies are eliminated.

Joint arrangements and associates

Arrangements under which the Company has contractually agreed to share control with another party, or parties, are joint ventures where the parties have rights to the net assets of the arrangement, or joint operations where the parties have rights to the assets and obligations for the liabilities relating to the arrangement. Investments in entities over which the Company has the right to exercise significant influence but has neither control nor joint control are classified as associates and accounted for under the equity method.

The Company recognises its assets and liabilities relating to its interests in joint operations, including its share of assets held jointly and liabilities incurred jointly with other partners.

Acquisitions

The Company uses the acquisition method of accounting to account for business combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquiree at fair value at time of recognition or at the non-controlling interest's proportionate share of net assets. Acquisition-related costs are expensed as incurred.

Farm-in/farm-out

Farm-in/farm-out transactions undertaken in the exploration phase of an oil and gas asset are accounted for on a no gain/no loss basis due to inherent uncertainties in the exploration phase and associated difficulties in determining fair values reliably prior to the determination of commercially recoverable proved reserves. The resulting exploration and evaluation asset is then assessed for impairment indicators under IFRS 6. Any cash payment or proceeds are presented as an increase or reduction to additions respectively.

1.2 Significant accounting judgements and estimates

The preparation of the financial statements in accordance with IFRS requires the Company to make judgements and estimates that affect the reported results, assets and liabilities. Where judgements and estimates are made, there is a risk that the actual outcome could differ from the judgement or estimate made.

Significant judgements

The following are the significant judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Recognition of revenue generated by the override royalty, arising from the RSA (note 2 and 10)

In 2020, the KRG informed the Company that amounts owed in relation to the suspension of the override for the period between 1 March 2020 to 31 December 2020 would not be paid until oil price improved and towards the end of 2020 introduced a temporary mechanism to pay those amounts. As management did not have visibility on how or when this contractual right would be received, it assessed that the criteria for revenue recognition under IFRS15, specifically on payment terms and collectability, have not been met and proceeded to recognise revenue associated with this mechanism on a cash receipts basis.

Following the cash receipts in 2022, the Company has recognised $18.2 million in the reporting period.

At 31 December 2022, management has assessed that it is now sufficiently confident to recognise amounts due under the mechanism, but not yet received. This has resulted in $16.5 million being also recognised in the reporting period. All of this amount has been received since the reporting date.

Qara Dagh PSC (note 8)

Due to the expiry of the Qara Dagh licence on 2 January 2023, the book value of $78.0 million has been written off under IFRS 6.

Significant estimates

The following are the critical estimates that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Estimation of hydrocarbon reserves and resources and associated production profiles and costs

Estimates of hydrocarbon reserves and resources are inherently imprecise and are subject to future revision. The Company's estimation of the quantum of oil and gas reserves and resources and the timing of its production, cost and monetisation impact the Company's financial statements in a number of ways, including: testing recoverable values for impairment; the calculation of depreciation, amortisation and assessing the cost and likely timing of decommissioning activity and associated costs. This estimation also impacts the assessment of going concern and the viability statement.

Proved and probable reserves are estimates of the amount of hydrocarbons that can be economically extracted from the Company's assets. The Company estimates its reserves using standard recognised evaluation techniques which are based on Petroleum Resources Management System 2018. Assets assessed as having proven and probable reserves are generally classified as property, plant and equipment as development or producing assets and depreciated using the units of production methodology. The Company considers its best estimate for future production and quantity of oil within an asset based on a combination of internal and external evaluations and uses this as the basis of calculating depreciation and amortisation of oil and gas assets and testing for impairment under IAS 36.

Hydrocarbons that are not assessed as reserves are considered to be resources and the related assets are classified as exploration and evaluation assets. These assets are expenditures incurred before technical feasibility and commercial viability is demonstrable. Estimates of resources for undeveloped or partially developed fields are subject to greater uncertainty over their future life than estimates of reserves for fields that are substantially developed and being depleted and are likely to contain estimates and judgements with a wide range of possibilities. These assets are considered for impairment under IFRS 6.

Once a field commences production, the amount of proved reserves will be subject to future revision once additional information becomes available through, for example, the drilling of additional wells or the observation of long-term reservoir performance under producing conditions. As those fields are further developed, new information may lead to revisions.

Assessment of reserves and resources are determined using estimates of oil and gas in place, recovery factors and future commodity prices, the latter having an impact on the total amount of recoverable reserves.

Change in accounting estimate

Where the Company has updated its estimated reserves and resources any required disclosure of the impact on the financial statements is provided in the following sections.

Estimation of oil and gas asset values (note 8 and 9)

Estimation of the asset value of oil and gas assets is calculated from a number of inputs that require varying degrees of estimation. Principally oil and gas assets are valued by estimating the future cash flows based on a combination of reserves and resources, costs of appraisal, development and production, production profile and future sales price and discounting those cash flows at an appropriate discount rate.

Future costs of appraisal, development and production are estimated taking into account the level of development required to produce those reserves and are based on past costs, experience and data from similar assets in the region, future petroleum prices and the planned development of the asset. However, actual costs may be different from those estimated.

Discount rate is assessed by the Company using various inputs from market data, external advisers and internal calculations. A post tax nominal discount rate of 14% derived from the Company's weighted average cost of capital (WACC) is used when assessing the impairment testing of the Company's oil assets at year-end. Risking factors are also used alongside the discount rate when the Company is assessing exploration and appraisal assets.

Change in accounting estimate – Discount rate for assessing recoverable amount of producing assets

Following the changes in the macro geo-political, economic and industry environment, the Company has updated the discount rate used for assessing the recoverable amount of its producing assets from 13% to 14%.

Estimation of future oil price and netback price

The estimation of future oil price has a significant impact throughout the financial statements, primarily in relation to the estimation of the recoverable value of property, plant and equipment and intangible assets. It is also relevant to the assessment of ECL, going concern and the viability statement.

The Company's forecast of average Brent oil price for future years is based on a range of publicly available market estimates and is summarised in the table below.

$/bbl	2022	2023	2024	2025	2026
Actual / Forecast	**101**	**82**	**78**	**74**	**70**
HY2022 forecast	100	90	80	70	70
Prior year forecast	75	75	70	70	70

The netback price is used to value the Company's revenue, trade receivables and its forecast cash flows used for impairment testing and viability. It is the aggregation of reference oil price average less transportation costs, handling costs and quality adjustments. Effective from 1 September 2022, sales have been priced by the MNR under a new pricing formula based on the realised sales price for Kurdistan blend crude ('KBT') during the delivery month, rather than on dated Brent. The Company does not have direct visibility on the components of the netback price realised for its oil because sales are managed by the KRG, but invoices are currently raised for payments on account using a netback price provided by the KRG. Due to lack of this visibility, the Company has used an estimated c.$10/bbl discount on its Brent forecast based on the realised price in 2022 for its impairment testing and viability. The Company has also taken the change into account in its assessment of impairment reversal and considered it appropriate not to reverse any previous impairments. A sensitivity analysis of netback price on producing asset values has been provided in note 9.

Change in accounting estimate – Sarta PSC (note 9)

Following the results of the two appraisal wells and ongoing pilot production, the Company has assessed that initial field expectations are unlikely to be met and there is an impairment trigger in relation to reserves and production profiles, hence undertaken an impairment review of the carrying value of the asset. This has resulted in a reduction in the recoverable value of the Sarta PSC to its value in use of $16.8 million and in an impairment expense of $125.5 million.

Other estimates

The following are the other estimates that the directors have made in the process of applying the Company's accounting policies and that have effect on the amounts recognised in the financial statements.

Estimation of the recoverable value of deferred receivables and trade receivables (note 10)

At the end of March 2020, in line with other International Oil Companies (IOCs) in Kurdistan, the KRG informed the Company that payments owed for sales made in the four months from November 2019 to February 2020 would be deferred and paid under a reconciliation model.

As at 31 December 2022, all amounts owed for deferred receivables have been collected and as a result the Company has released the remaining expected credit loss (ECL) provision of $10.8 million. On the other hand, the Company is owed five months of payments and therefore, management has compared the carrying value of trade receivables with the present value of the estimated future cash flows based on different collection timing scenarios and 14% discount rate. The ECL is the weighted average of these scenarios and is recognised in the income statement. The result of this assessment is an ECL provision of $4.6 million.

Decommissioning provision (note 14)

Decommissioning provisions are calculated from a number of inputs such as costs to be incurred in removing production facilities and site restoration at the end of the producing life of each field which is considered as the mid-point of a range of cost estimation. These inputs are based on the Company's best estimate of the expenditure required to settle the present obligation at the end of the period inflated at 2% (2021: 2%) and discounted at 4% (2021: 4%). 10% increase in cost estimates would increase the existing provision by c.$5 million and 1% increase in discount rate would decrease the existing provision by c.$4 million, the combined impact would be c.$1 million The cash flows relating to the decommissioning and abandonment provisions are expected to occur between 2028 and 2036.

Taxation

Under the terms of KRI PSC's, corporate income tax due is paid on behalf of the Company by the KRG from the KRG's own share of revenues, resulting in no corporate income tax payment required or expected to be made by the Company. It is not known at what rate tax is paid, but it is estimated that the current tax rate would be between 15% and 40%. If this was known it would result in a gross up of revenue with a corresponding debit entry to taxation expense with no net impact on the income statement or on cash. In addition, it would be necessary to assess whether any deferred tax asset or liability was required to be recognised.

1.3 Accounting policies

The accounting policies adopted in preparation of these financial statements are consistent with those used in preparation of the annual financial statements for the year ended 31 December 2021, adjusted for transitional requirements where necessary, further explained under revenue and changes in accounting policies headings.

Revenue

Revenue from contracts with customers is earned based on the entitlement mechanism under the terms of the relevant PSC and, overriding royalty income ('ORRI'), which was earned on 4.5% of gross field revenue from the Tawke licence up until July 2022.

Under IFRS 15, entitlement revenue and ORRI is recognised when the control of the product is deemed to have passed to the customer, in exchange for the consideration amount determined by the terms of the contract. For exports the control passes to the customer when the oil enters the export pipe.

Entitlement has two components: cost oil, which is the mechanism by which the Company recovers its costs incurred on an asset, and profit oil, which is the mechanism through which profits are shared between the Company, its partners and the KRG. The Company pays capacity building payments on profit oil entitlement earned on the Sarta and Taq Taq licences, which become due for payment once the Company has received the relevant proceeds. Profit oil revenue is always reported net of any capacity building payments that will become due.

The Company's oil sales are made to the KRG and are valued at a netback price which is explained further in significant accounting estimates and judgements. The Company does not expect to have any contracts where the period between the transfer of oil to the customer and the payment exceeds one year. Therefore, the transaction price is not adjusted for the time value of money.

The Company is not able to measure the tax that has been paid on its behalf and consequently has not been able to assess where revenue should be reported gross of implied income tax paid.

The Company's revenue from other sources includes a non-cash royalty income which is recognised in the statement of comprehensive income in a manner consistent with entitlement mechanism.

Intangible assets

Exploration and evaluation assets

Oil and gas assets classified as exploration and evaluation assets are explained under Oil and Gas assets below.

Tawke RSA

Intangible assets include the Receivable Settlement Agreement ('RSA') effective from 1 August 2017, which was entered into in exchange for trade receivables due from KRG for Taq Taq and Tawke past sales. The RSA was recognised at cost and is amortised on a units of production basis in line with the economic lives of the rights acquired.

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. Amortisation is expensed on a straight-line basis over the estimated useful lives of the assets of between 3 and 5 years from the date that they are available for use.

Property, plant and equipment

Producing and Development assets

Oil and gas assets classified as producing and development assets are explained under Oil and Gas assets below.

Other property, plant and equipment

Other property, plant and equipment are principally the Company's leasehold improvements and other assets and are carried at cost, less any accumulated depreciation and accumulated impairment losses. Costs include purchase price and construction cost. Depreciation of these assets is expensed on a straight-line basis over their estimated useful lives of between 3 and 5 years from the date they are available for use.

Oil and gas assets

Costs incurred prior to obtaining legal rights to explore are expensed to the statement of comprehensive income.

Exploration, appraisal and development expenditure is accounted for under the successful efforts method. Under the successful efforts method only costs that relate directly to the discovery and development of specific oil and gas reserves are capitalised as exploration and evaluation assets within intangible assets so long as the activity is assessed to be de-risking the asset and the Company expects continued activity on the asset into the foreseeable future. Costs of activity that do not identify oil and gas reserves are expensed.

All licence acquisition costs, geological and geophysical costs, inventories and other direct costs of exploration, evaluation and development are capitalised as intangible assets or property, plant and equipment according to their nature. Intangible assets comprise costs relating to the exploration and evaluation of properties which the directors consider to be unevaluated until assessed as being 2P reserves and commercially viable.

Once assessed as being 2P reserves they are tested for impairment and transferred to property, plant and equipment as development assets. Where properties are appraised to have no commercial value, the associated costs are expensed as an impairment loss in the period in which the determination is made. Development assets are classified under producing assets following the commercial production commencement.

Development expenditure is accounted for in accordance with IAS 16 – Property, plant and equipment. Producing assets are depreciated once they are available for use and are depleted on a field-by-field basis using the unit of production method. The sum of carrying value and the estimated future development costs are divided by total barrels to provide a $/barrel unit depreciation cost. Changes to depreciation rates as a result of changes in forecast production and estimates of future development expenditure are reflected prospectively.

The estimated useful lives of property, plant and equipment and their residual values are reviewed on an annual basis and changes in useful lives are accounted for prospectively. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income for the relevant period.

Where exploration licences are relinquished or exited for no consideration or costs incurred are neither de-risking nor adding value to the asset, the associated costs are expensed to the income statement.

Impairment testing of oil and gas assets is considered in the context of each cash generating unit. A cash generating unit is generally a licence, with the discounted value of the future cash flows of the CGU compared to the book value of the relevant assets and liabilities.

Subsequent costs

The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The net book value of the replaced part is expensed. The costs of the day-to-day servicing and maintenance of property, plant and equipment are recognised in the statement of comprehensive income.

Right of use (RoU) assets / Lease liabilities

The Company recognises a right to use asset and lease liability, depreciate the associated asset, re-measure and reduce the liability through lease payments unless the underlying leased asset is of low value and/or short term in nature.

The Company uses the following judgements permitted by the standard: applying a single discount rate to a portfolio of leases with reasonably similar characteristics, accounting for operating leases with a remaining lease term of less than 12 months as at balance sheet date as short-term leases and using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Right-of-use assets are depreciated over the lifetime of the related lease contract.

Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and included within trade and other payables.

Drill rig contracts are service contracts where contractors provide the rig together with the services and the contracted personnel on a day-rate basis for the purpose of drilling exploration or development wells. The Company has no right of use of the rigs. The aggregate payments under drilling contracts are determined by the number of days required to drill each well and are capitalised as exploration or development assets as appropriate.

Financial assets and liabilities

Classification

The Company assesses the classification of its financial assets on initial recognition at amortised cost, fair value through other comprehensive income or fair value through profit and loss. The Company assesses the classification of its financial liabilities on initial recognition at either fair value through profit and loss or amortised cost.

Recognition and measurement

Regular purchases and sales of financial assets are recognised at fair value on the trade-date – the date on which the Company commits to purchase or sell the asset. Trade and other receivables, trade and other payables, borrowings and deferred contingent consideration are subsequently carried at amortised cost using the effective interest method.

Trade and other receivables

Trade receivables are amounts due from crude oil sales, sales of gas or services performed in the ordinary course of business. If payment is expected within one year or less, trade receivables are classified as current assets otherwise they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The Company's assessment of impairment model based on expected credit loss is explained below under financial assets.

Cash and cash equivalents

In the consolidated balance sheet and consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held on call with banks, other short-term highly liquid investments which are assessed as cash and cash equivalents under IAS 7 and includes the Company's share of cash held in joint operations.

Interest-bearing borrowings

Borrowings are recognised initially at fair value, net of any discount in issuance and transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan.

Borrowings are presented as long or short-term based on the maturity of the respective borrowings in accordance with the loan or other agreement. Borrowings with maturities of less than twelve months are classified as short-term. Amounts are classified as long-term where maturity is greater than twelve months. Where no objective evidence of maturity exists, related amounts are classified as short-term.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Company's best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material. The unwinding of any discount is recognised as finance costs in the statement of comprehensive income.

Decommissioning

Provision is made for the cost of decommissioning assets at the time when the obligation to decommission arises. Such provision represents the estimated discounted liability for costs which are expected to be incurred in removing production facilities and site restoration at the end of the producing life of each field. A corresponding cost is capitalised to property, plant and equipment and subsequently depreciated as part of the capital costs of the production facilities. Any change in the present value of the estimated expenditure attributable to changes in the estimates of the cash flow or the current estimate of the discount rate used are reflected as an adjustment to the provision and capitalised as part of the cost of the assets.

Impairment

Exploration and evaluation assets

Spend on exploration and evaluation assets is capitalised in accordance with IFRS 6. The carrying amounts of the Company's exploration and evaluation assets are reviewed at each reporting date to determine whether there is any indication of impairment under IFRS 6. Impairment assessment of exploration and evaluation assets is considered in the context of each cash generating unit, which is generally represented by relevant the licence.

Producing and Development assets

The carrying amounts of the Company's producing and development assets are reviewed at each reporting date to determine whether there is any indication of impairment or reversal of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs of disposal. For value in use, the estimated future cash flows arising from the Company's future plans for the asset are discounted to their present value using a nominal post tax discount rate that reflects market assessments of the time value of money and the risks specific to the asset. For fair value less costs of disposal, an estimation is made of the fair value of consideration that would be received to sell an asset less associated selling costs (which are assumed to be immaterial). Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (cash generating unit).

The estimated recoverable amount is then compared to the carrying value of the asset. Where the estimated recoverable amount is materially lower than the carrying value of the asset an impairment loss is recognised. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Property, plant and equipment and intangible assets

Impairment testing of oil and gas assets is explained above. When impairment indicators exist for other non-financial assets, impairment testing is performed based on the higher of value in use and fair value less costs of disposal. The Company assets' recoverable amount is determined by fair value less costs of disposal.

Financial assets

Impairment of financial assets is assessed under IFRS 9 with a forward-looking impairment model based on expected credit losses (ECLs). The standard requires the Company to book an allowance for ECLs for its financial assets. The Company has assessed its trade receivables as at 31 December 2022 for ECLs. Further explanation is provided in significant accounting judgements and estimates.

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimate of future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. All impairment losses are recognised as an expense in the statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Equity

Share capital

Amounts subscribed for share capital at nominal value. Ordinary shares are classified as equity.

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects and is recognised as a deduction in equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are subsequently sold or reissued, the amount received is recognised as an increase in equity and the resulting surplus or deficit of the transaction is transferred to/from retained earnings.

Share premium

Amounts subscribed for share capital in excess of nominal value.

Accumulated loss

Cumulative net losses recognised in the statement of comprehensive income net of amounts recognised directly in equity.

Dividend

Liability to pay a dividend is recognised based on the declared timetable. A corresponding amount is recognised directly in equity.

Employee benefits

Short-term benefits

Short-term employee benefit obligations are expensed to the statement of comprehensive income as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

The Company operates equity-settled share-based compensation plans. The expense required in accordance with IFRS2 is recognised in the statement of comprehensive income over the vesting period of the award. The expense is determined by reference to option pricing models, principally Monte Carlo and adjusted Black-Scholes models.

At each balance sheet date, the Company revises its estimate of the number of options that are expected to become exercisable. Any revision to the original estimates is reflected in the statement of comprehensive income with a corresponding adjustment to equity immediately to the extent it relates to past service and the remainder over the rest of the vesting period.

Finance income and finance costs

Finance income comprises interest income on cash invested, foreign currency gains and the unwind of discount on any assets held at amortised cost. Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest expense on borrowings, foreign currency losses and discount unwind on any liabilities held at amortised cost. Borrowing costs directly attributable to the acquisition of a qualifying asset as part of the cost of that asset are capitalised over the respective assets.

Taxation

Under the terms of the KRI PSCs, the Company is not required to pay any cash corporate income taxes as explained in significant accounting judgements and estimates. Current tax expense is incurred on profits of service companies.

Segmental reporting

IFRS 8 requires the Company to disclose information about its business segments and the geographic areas in which it operates. It requires identification of business segments on the basis of internal reports that are regularly reviewed by the CEO, the chief operating decision maker, in order to allocate resources to the segment and assess its performance.

Related parties

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial or operational decisions. Parties are also related if they are subject to common control. Transactions between related parties are transfers of resources, services or obligations, regardless of whether a price is charged and are disclosed separately within the notes to the consolidated financial information.

New standards

The following new accounting standards, amendments to existing standards and interpretations are effective on 1 January 2022. Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (All issued 14 May 2020). These standards did not have a material impact on the Company's results or financial statements disclosures in the current reporting period.

The following new accounting standards, amendments to existing standards and interpretations have been issued but are not yet effective and/or have not yet been endorsed by the EU: Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current, Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback, Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (1 Jan 2023), Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (1 Jan 2023), Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (1 Jan 2023), Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (1 Jan 2023), IFRS 17 Insurance Contracts; including Amendments to IFRS 17 (1 Jan 2023). Nothing has been early adopted, and these standards are not expected to have a material impact on the Company's results or financials statement disclosures in the periods they become effective.

2. Segmental information

The Company has two reportable business segments: Production and Pre-production. Capital allocation decisions for the production segment are considered in the context of the cash flows expected from the production and sale of crude oil. The production segment is comprised of the producing fields on the Tawke PSC (Tawke and Peshkabir), the Taq Taq PSC (Taq Taq) and the Sarta PSC (Sarta) which are located in the KRI and make sales predominantly to the KRG. The pre-production segment is comprised of discovered resource held under the Qara Dagh PSC (written-off in the year), the Bina Bawi PSC (derecognised in 2021) and the Miran PSC (derecognised in 2021), all in the KRI and exploration activity, principally located in Somaliland and Morocco. 'Other' includes corporate assets, liabilities and costs, elimination of intercompany receivables and intercompany payables, which are non-segment items.

For the year ended 31 December 2022

	Production	Pre-production	Other	Total
	$m	$m	$m	$m
Revenue from contracts with customers	419.5	-	-	419.5
Revenue from other sources	13.2	-	-	13.2
Cost of sales	(200.2)	-	-	(200.2)
Gross profit	232.5	-	-	232.5
Exploration expense	-	(1.0)	-	(1.0)
Net write-off of intangible asset	-	(75.8)	-	(75.8)
Impairment of property, plant and equipment	(125.5)	-	-	(125.5)
Reversal of impairment of receivables	10.8	-	2.0	12.8
Impairment of receivables	(4.6)	-	-	(4.6)
General and administrative costs	-	-	(20.1)	(20.1)
Operating profit / (loss)	113.2	(76.8)	(18.1)	18.3
Operating profit / (loss) is comprised of				
EBITDAX	381.6	-	(20.0)	361.6
Depreciation and amortisation	(149.1)	-	(0.1)	(149.2)
Exploration expense	-	(1.0)	-	(1.0)
Net write-off of intangible assets	-	(75.8)	-	(75.8)
Impairment of property, plant and equipment	(125.5)	-	-	(125.5)
Reversal of impairment of receivables	10.8	-	2.0	12.8
Impairment of receivables	(4.6)	-	-	(4.6)
Finance income	-	-	6.7	6.7
Bond interest expense	-	-	(25.9)	(25.9)
Other finance expense	(3.3)	(0.4)	(2.5)	(6.2)
Profit / (Loss) before income tax	109.9	(77.2)	(39.8)	(7.1)
Capital expenditure	133.4	9.7	-	143.1
Total assets	447.3	23.5	472.7	943.5
Total liabilities	(111.9)	(17.7)	(286.1)	(415.7)

Revenue from contracts with customers includes $94.5 million (2021: $101.9 million) arising from the ORRI and $34.7 million in relation to the suspended ORRI as further explained in note 1. No more ORRI income is expected in the future.

Total assets and liabilities in the other segment are predominantly cash and debt balances.

For the year ended 31 December 2021

	Production	Pre-production	Other	Total
	$m	$m	$m	$m
Revenue from contracts with customers	322.9	-	-	322.9
Revenue from other sources	12.0	-	-	12.0
Cost of sales	(218.6)	-	-	(218.6)
Gross profit	116.3	-	-	116.3
Write-off of intangible asset	-	(403.2)	-	(403.2)
Reversal of impairment on receivables	24.1	-	-	24.1
General and administrative costs	-	-	(14.0)	(14.0)
Operating profit / (loss)	140.4	(403.2)	(14.0)	(276.8)
Operating loss is comprised of				
EBITDAX	289.0	-	(13.9)	275.1
Depreciation and amortisation	(172.7)	-	(0.1)	(172.8)
Write-off of intangible assets	-	(403.2)	-	(403.2)
Reversal of impairment of receivables	24.1	-	-	24.1
Finance income	-	-	0.2	0.2
Bond interest expense	-	-	(26.3)	(26.3)
Other finance expense	(2.1)	(0.2)	(2.6)	(4.9)
Profit / (Loss) before income tax	138.3	(403.4)	(42.7)	(307.8)
Capital expenditure	105.3	58.4	-	163.7
Total assets	644.0	88.3	284.1	1,016.4
Total liabilities	(118.2)	(22.4)	(294.7)	(435.3)

Total assets and liabilities in the other segment are predominantly cash and debt balances.

3. Operating loss

	2022 $m	2021 $m
Operating costs	**(50.7)**	(45.5)
Trucking costs	**(0.4)**	(0.4)
Production cost	**(51.1)**	(45.9)
Depreciation of oil and gas property, plant and equipment (excl. RoU assets)	**(109.9)**	(115.1)
Amortisation of oil and gas intangible assets	**(39.2)**	(57.6)
Cost of sales	**(200.2)**	(218.6)
Exploration expense	**(1.0)**	-
Write-off of intangible assets (note 1,8)	**(78.0)**	(403.2)
Net reversal of accruals	**2.2**	-
Net write-off of intangible assets	**(75.8)**	(403.2)
Impairment of property, plant and equipment (note 1,9)	**(125.5)**	-
Reversal of impairment of other receivables	**2.0**	-
Reversal of impairment of trade receivables (note 1,10)	**10.8**	24.1
Impairment of receivables (note 1,10)	**(4.6)**	-
Corporate cash costs	**(18.1)**	(12.2)
Other operating expenses	**(1.1)**	(0.2)
Corporate share-based payment expense	**(0.8)**	(1.5)
Depreciation and amortisation of corporate assets (excl. RoU assets)	**(0.1)**	(0.1)
General and administrative expenses	**(20.1)**	(14.0)

Trucking costs are not cost-recoverable and relate to the Sarta licence only.

Auditor's remuneration:

	2022 $m	2021 $m
Audit of the Group's consolidated financial statements	**(0.3)**	(0.3)
Audit of the Group's subsidiaries pursuant to legislation	**(0.1)**	(0.1)
Total audit services	**(0.4)**	(0.4)
Interim review	**(0.1)**	(0.1)
Total audit related and non-audit services	**(0.5)**	(0.5)

All fees paid to the auditor were charged to operating loss in both years.

4. Staff costs and headcount

	2022 $m	2021 $m
Wages and salaries	**(21.1)**	(23.3)
Contractors costs	**(20.6)**	(21.2)
Social security costs	**(4.3)**	(3.2)
Share based payments	**(4.1)**	(5.5)
	(50.1)	(53.2)

Average headcount was:

	2022 number	2021 number
Turkey	**39**	51
KRI	**38**	28
UK	**34**	33
Somaliland	**18**	16
Contractors	**129**	110
	258	238

5. Finance expense and income

	2022 $m	2021 $m
Bond interest	**(25.9)**	(26.3)
Other finance expense (non-cash)	**(6.2)**	(4.9)
Finance expense	**(32.1)**	(31.2)
Bank interest income	**6.7**	0.2
Finance income	**6.7**	0.2
Net finance expense	**(25.4)**	(31.0)

Bond interest payable is the cash interest cost of the Company's bond debt. Other finance expense (non-cash) primarily relates to the discount unwind on the bond and the asset retirement obligation provision.

6. Income tax expense

Current tax expense is incurred on profits of service companies. Under the terms of the KRI PSCs, the Company is not required to pay any cash corporate income taxes as explained in note 1.

7. Loss per share

Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the parent by the weighted average number of shares in issue during the period.

	2022	2021
Loss attributable to owners of the parent ($m)	**(7.3)**	(308.0)
Weighted average number of ordinary shares – number[1]	**278,654,909**	276,408,652
Basic loss per share – cents per share	**(2.6)**	(111.4)

1 Excluding shares held as treasury shares

Diluted

The Company purchases shares in the market to satisfy share plan requirements so diluted earnings per share is adjusted for performance shares, restricted shares, share options and deferred bonus plans not included in the calculation of basic earnings per share. Because the Company reported a loss for the year ended 31 December 2022 and 31 December 2021, the performance shares, restricted shares and share options are anti-dilutive and therefore diluted LPS is the same as basic LPS:

	2022	2021
Loss attributable to owners of the parent ($m)	**(7.3)**	(308.0)
Weighted average number of ordinary shares – number[1]	**278,654,909**	276,408,652
Adjustment for performance shares, restricted shares, share options and deferred bonus plans	**-**	-
Weighted average number of ordinary shares and potential ordinary shares	**278,654,909**	276,408,652
Diluted loss per share – cents per share	**(2.6)**	(111.4)

1 Excluding shares held as treasury shares

8. Intangible assets

	Exploration and evaluation assets $m	Tawke RSA $m	Other assets $m	Total $m
Cost				
At 1 January 2021	1,541.5	425.1	7.4	1,974.0
Net additions	33.2	-	0.1	33.3
Other	1.3	-	-	1.3
Derecognition of accumulated costs	(1,005.3)	-	-	(1,005.3)
Write-off in the year	(489.3)	-	-	(489.3)
At 31 December 2021 and 1 January 2022	81.4	425.1	7.5	514.0
Additions	**9.7**	**-**	**-**	**9.7**
Write-off in the year (note 1)	**(78.0)**	**-**	**-**	**(78.0)**
Other	**(0.2)**	**-**	**-**	**(0.2)**
At 31 December 2022	**12.9**	**425.1**	**7.5**	**445.5**
Accumulated amortisation and impairment				
At 1 January 2021	(1,005.3)	(262.1)	(7.2)	(1,274.6)
Amortisation charge for the period	-	(57.6)	(0.3)	(57.9)
Derecognition of accumulated impairment	1,005.3	-	-	1,005.3
At 31 December 2021 and 1 January 2022	-	(319.7)	(7.5)	(327.2)
Amortisation charge for the year	**-**	**(39.2)**	**-**	**(39.2)**
At 31 December 2022	**-**	**(358.9)**	**(7.5)**	**(366.4)**
Net book value				
At 1 January 2021	536.2	163.0	0.2	699.4
At 31 December 2021	81.4	105.4	-	186.8
At 31 December 2022	**12.9**	**66.2**	**-**	**79.1**

Book value		**2022 $m**	2021 $m
Somaliland PSC	*Exploration*	**12.9**	10.6
Qara Dagh PSC	*Exploration / Appraisal*	**-**	70.8
Exploration and evaluation assets		**12.9**	81.4
Tawke overriding royalty		**-**	27.5
Tawke capacity building payment waiver		**66.2**	89.7
Tawke RSA assets		**66.2**	105.4

An impairment review was conducted by Management and the Board which resulted in a write-off expense of $78.0 million in the carrying value of the Qara Dagh PSC. Further explanation is provided in note 1.

9. Property, plant and equipment

	Producing assets $m	Other assets $m	Total $m
Cost			
At 1 January 2021	3,036.3	22.6	3,058.9
Net additions	69.3	0.4	69.7
Right-of-use assets (note 19)	-	1.5	1.5
Transfer of right-of-use assets	7.4	(7.4)	-
Other[1]	4.2	-	4.2
At 31 December 2021 and 1 January 2022	3,117.2	17.1	3,134.3
Net additions	**129.1**	**0.9**	**130.0**
Right-of-use assets (note 19)	**-**	**(0.4)**	**(0.4)**
Other[1]	**5.9**	**-**	**5.9**
At 31 December 2022	**3,252.2**	**17.6**	**3,269.8**
Accumulated depreciation and impairment			
At 1 January 2021	(2,651.4)	(11.8)	(2,663.2)
Depreciation charge for the year	(115.1)	(3.5)	(118.6)
Transfer	(2.7)	2.7	-
At 31 December 2021 and 1 January 2022	(2,769.2)	(12.6)	(2,781.8)
Depreciation charge for the year	**(112.8)**	**(1.6)**	**(114.4)**
Impairment (note 1)	**(125.5)**	**-**	**(125.5)**
At 31 December 2022	**(3,007.5)**	**(14.2)**	**(3,021.7)**
Net book value			
At 1 January 2021	384.9	10.8	395.7
At 31 December 2021	348.0	4.5	352.5
At 31 December 2022	**244.7**	**3.4**	**248.1**

[1] Other line includes non-cash asset retirement obligation provision and share-based payment costs.

Book value		**2022 $m**	2021 $m
Tawke PSC	*Oil production*	**199.1**	196.4
Taq Taq PSC	*Oil production*	**28.8**	37.2
Sarta PSC	*Oil production/development*	**16.8**	114.4
Producing assets		**244.7**	348.0

An impairment review was conducted by Management and the Board which resulted in a reduction in the carrying value of the Sarta PSC and in an impairment expense of $125.5 million. Further explanation is provided in note 1.

The sensitivities below provide an indicative impact on net asset value of a change in netback price, discount rate or production, assuming no change to any other inputs.

Sensitivities	Taq Taq $m	Tawke $m	Sarta $m
Netback price +/- 5/bbl	+/- 5	+/- 32	+/- 6
Discount rate +/- 1%	+/- 0	+/- 8	+/- 1
Production +/-10%	+/- 5	+/- 25	+/- 6

10. Trade and other receivables

	2022 $m	2021 $m
Trade receivables – current	**117.0**	139.7
Trade receivables – non-current	**-**	18.4
Other receivables and prepayments	**4.7**	5.3
	121.7	163.4

At 31 December 2022, the Company is owed five months of payments (31 December 2021: three months).

	Period when sale made						
			Deferred receivables				
	Not due $m	Overdue 2022 $m	2020 $m	2019 $m	Total nominal $m	ECL provision $m	Trade receivables $m
31 December 2022	**60.7**	**44.4**	**16.5**	**-**	**121.6**	**(4.6)**	**117.0**
31 December 2021	92.1	-	55.4	21.4	168.9	(10.8)	158.1

Movement on trade receivables in the period	2022 $m	2021 $m
Carrying value at 1 January	**158.1**	94.0
Revenue from contracts with customers	**384.8**	322.9
Revenue recognised for suspended ORRI (note 1)	**34.7**	-
Cash proceeds	**(473.3)**	(281.3)
Offset of payables due to the KRG	**(0.1)**	(2.9)
Reversal of previous year's expected credit loss (note 1)	**10.8**	24.1
Expected credit loss for current year (note 1)	**(4.6)**	-
Capacity building payments	**5.2**	1.3
Sarta processing fee payments	**1.4**	-
Carrying value at 31 December	**117.0**	158.1
Of which non-current	**-**	*18.4*

11. Cash and cash equivalents

	2022 $m	2021 $m
Cash and cash equivalents	**494.6**	313.7
	494.6	313.7

Cash is primarily held on major international financial institutions and in US Treasury bills.

12. Trade and other payables

	2022 $m	2021 $m
Trade payables	**25.3**	19.5
Other payables	**5.2**	14.3
Accruals	**53.1**	68.6
	83.6	102.4

	2022 $m	2021 $m
Non-current	**1.2**	4.9
Current	**82.4**	97.5
	83.6	102.4

Current payables are predominantly short-term in nature and there is minimal difference between contractual cash flows related to the financial liabilities and their carrying amount. For non-current payables, liabilities are recognised at discounted fair value using the effective interest rate. Lease liabilities are included in other payables, further explanation is provided in note 19.

13. Deferred income

	2022 $m	2021 $m
Non-current (within 1-2 years)	**6.5**	14.0
Current	**6.8**	6.5
	13.3	20.5

14. Provisions

	2022 $m	2021 $m
Balance at 1 January	**42.6**	45.9
Interest unwind	**2.6**	1.8
Additions	**7.0**	2.2
Reversals	**-**	(7.3)
Balance at 31 December	**52.2**	42.6

Provisions cover expected decommissioning, abandonment and exit costs arising from the Company's assets which are further explained in note 1.

15. Interest bearing loans and net cash

	1 Jan 2022	Discount unwind	Repurchase	Dividend paid	Net other changes	31 Dec 2022
	$m	$m	$m	$m	$m	$m
2025 Bond 9.25% (non-current)	**(269.8)**	**(2.5)**	**5.7**	**-**	**-**	**(266.6)**
Cash	**313.7**	**-**	**(6.0)**	**(47.9)**	**234.8**	**494.6**
Net cash	**43.9**	**(2.5)**	**(0.3)**	**(47.9)**	**234.8**	**228.0**

At 31 December 2022, the fair value of the $274 million of bonds held by third parties is $257.6 million (2021: $287.8 million).

The Company repurchased $6 million of its existing $280 million senior unsecured bond for an opportunistic acquisition at a equal to 95% of the nominal amount that provided an attractive level of return.

The bonds maturing in 2025 have two financial covenant maintenance tests:

Financial covenant	*Test*	**YE 2022**	YE 2021
Equity ratio (Total equity/Total assets)	*> 40%*	**56%**	57%
Minimum liquidity	*> $30m*	**$494.6m**	$313.7m

	1 Jan 2021	Discount unwind	Buyback	Dividend paid	Net other changes	31 Dec 2021
	$m	$m	$m	$m	$m	$m
2022 Bond 10.0% (current)	(80.6)	(0.4)	81.0	-	-	-
2025 Bond 9.25% (non-current)	(267.7)	(2.1)	-	-	-	(269.8)
Cash	354.5	-	(81.0)	(44.4)	84.6	313.7
Net cash	6.2	(2.5)	-	(44.4)	84.6	43.9

In October 2020, the Company issued a new $300 million senior unsecured bond with maturity in October 2025. The new bond has a fixed coupon of 9.25% per annum. In connection with the issue, the Company repurchased $222.9 million of its existing $300.0 million senior unsecured bond issue with maturity date in December 2022 at a price of 107 per cent. On 22 December 2020, the Company wrote to the Trustees confirming that they were exercising the right to call the remaining $77.1 million of the 2022 bond at the call price of 105 per cent. This settlement completed on 8 January 2021.

16. Financial Risk Management

Credit risk

Credit risk arises from cash and cash equivalents, trade and other receivables and other assets. The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at 31 December was:

	2022	2021
	$m	$m
Trade and other receivables	**119.1**	160.8
Cash and cash equivalents	**494.6**	313.7
	613.7	474.5

All trade receivables are owed by the KRG. Cash is deposited with major international financial institutions and the US treasury that are assessed as appropriate based on, among other things, sovereign risk, CDS pricing and credit rating.

Liquidity risk

The Company is committed to ensuring it has sufficient liquidity to meet its payables as they fall due. At 31 December 2022 the Company had cash and cash equivalents of $494.6 million (2021: $313.7 million).

Oil price risk

The Company's revenues are calculated from netback price as further explained in note 1, and a $5/bbl change in average netback price would result in a (loss) / profit before tax change of circa $17 million.

Currency risk

Other than head office costs, substantially all of the Company's transactions are denominated and/or reported in US dollars. The exposure to currency risk is therefore immaterial and accordingly no sensitivity analysis has been presented.

Interest rate risk

The Company reported borrowings of $266.6 million (2021: $269.8 million) in the form of a bond maturing in October 2025, with fixed coupon interest payable of 9.25% on the nominal value of $274.0 million. Although interest is fixed on existing debts, whenever the Company wishes to borrow new debt or refinance existing debt, it will be exposed to interest rate risk. A 1% increase in interest rate payable on a balance similar to the existing debts of the Company would result in an additional cost of circa $3 million per annum.

Capital management

The Company manages its capital to ensure that it remains sufficiently funded to support its business strategy and maximise shareholder value. The Company's short-term funding needs are met principally from the cash flows generated from its operations and available cash of $494.6 million (2021: $313.7 million).

Financial instruments

All financial assets and liabilities are measured at amortised cost. Due to their short-term nature except interest bearing loans, the carrying value of these financial instruments approximates their fair value. Their carrying values are as follows:

	2022	2021
Financial assets	**$m**	$m
Trade and other receivables	**119.1**	160.8
Cash and cash equivalents	**494.6**	313.7
	613.7	474.5

Financial liabilities		
Trade and other payables	**78.4**	92.4
Interest bearing loans	**266.6**	269.8
	345.0	362.2

17. Share capital

	Total Ordinary Shares
At 1 January 2021 – fully paid[1]	280,248,198
At 31 December 2021, 1 January 2022 and 31 December 2022 – fully paid[1]	**280,248,198**

[1] Ordinary shares include 845,335 (2021: 1,946,084) treasury shares. Share capital includes 629,769 (2021: 559,216) of trust shares

There have been no changes to the authorised share capital since it was determined to be 10,000,000,000 ordinary shares of £0.10 per share.

18. Dividends

	2022	2021
	$m	$m
Ordinary shares		
Final dividend (2022: 12¢ per share, 2021: 10¢ per share)	**33.4**	27.9
Interim dividend (2022: 6¢ per share, 2021: 6¢ per share)	**16.7**	16.5
Total dividends provided for or paid	**50.1**	44.4

Paid in cash	**47.9**	44.4
Foreign exchange on dividend paid	**2.2**	-
Total dividends provided for or paid	**50.1**	44.4

19. Right-of-use assets / Lease liabilities

The Company's right-of-use assets are related to the Sarta early production facility, offices and car leases, and are included within property, plant and equipment.

	Right-of-use assets $m
Cost	
At 1 January 2021	11.7
Additions	1.5
At 31 December 2021 and 1 January 2022	13.2
Disposals due to terminations	**(0.4)**
At 31 December 2022	**12.8**
Accumulated depreciation	
At 1 January 2021	(2.2)
Depreciation charge for the period	(2.9)
At 31 December 2021 and 1 January 2022	(5.1)
Depreciation charge for the period	**(3.7)**
At 31 December 2022	**(8.8)**
Net book value	
At 1 January 2021	9.5
At 31 December 2021	8.1
At 31 December 2022	**4.0**

Book value	**2022 $m**	2021 $m
Offices	**1.8**	3.2
Cars	**0.2**	0.2
Production facility	**2.0**	4.7
Right-of-use assets	**4.0**	8.1

The weighted average lessee's incremental borrowing rate applied to the lease liabilities except Sarta early production facility was 2.5%. 4% was applied for the facility. The lease terms vary from one to five years.

	2022 $m	2021 $m
At 1 January	**(8.3)**	(9.8)
Additions	**-**	(1.4)
Disposals due to terminations	**0.5**	-
Payments of lease liabilities	**3.8**	3.3
Interest expense on lease liabilities	**(0.1)**	(0.4)
At 31 December (note 12)	**(4.1)**	(8.3)

Included within lease liabilities of $4.1 million (2021: $8.3 million) are non-current lease liabilities of $1.2 million (2021: $4.9 million). The identified leases have no significant impact on the Company`s financing, bond covenants or dividend policy. The Company does not have any residual value guarantees. The contractual maturities of the Company's lease liabilities are as follows:

	Less than 1 year $m	**Between 1 - 2 years $m**	**Between 2 - 5 years $m**	**Total contractual cash flow $m**	**Carrying Amount $m**
31 December 2022	**(3.0)**	**(0.7)**	**(0.5)**	**(4.2)**	**(4.1)**
31 December 2021	(3.6)	(3.5)	(1.9)	(9.0)	(8.3)

20. Share based payments

The Company has five share-based payment plans under which awards are currently outstanding: performance share plan (2011), performance share plan (2021), restricted share plan (2011), share option plan (2011), and deferred bonus plan (2021). The main features of these share plans are set out below.

PSP (2011)	PSP (2021)	DBP (2021)	RSP (2011)	SOP (2011)
Form of awards				
Performance shares. The intention is to deliver the full value of vested shares at no cost to the participant (as conditional shares or nil-cost options).	Either Performance shares or restricted shares. The intention is to deliver the full value of vested shares at no cost to the participant (as conditional shares or nil-cost options).	Deferred bonus shares. The intention is to deliver the full value of shares at no cost to the participant (as conditional shares or nil-cost options).	Restricted shares. The intention is to deliver the full value of shares at no cost to the participant (as conditional shares or nil-cost options).	Market value options. Exercise price is set equal to the average share price over a period of up to 30 days to grant.
Performance conditions				
Performance conditions will apply. Awards granted from 2017 are measured against relative and absolute total shareholder return ('TSR') measured against a group of industry peers over a three-year period.	Performance conditions may or may not apply. Awards granted with performance conditions are measured against relative and absolute TSR measured against a group of industry peers over a three-year period.	Performance conditions may or may not apply. For awards granted to date, there are no performance conditions.	Performance conditions may or may not apply. For awards granted to date, there are no performance conditions.	Performance conditions may or may not apply. For awards granted to date, there are no performance conditions.
Vesting period				
Awards will vest when the Remuneration Committee determines whether the performance conditions have been met at the end of the performance period.	For awards subject to performance conditions, they will vest when the Remuneration Committee determines whether the performance conditions have been met at the end of the performance period. For awards that are not subject to performance conditions, awards typically vest in tranches over three years.	Awards typically vest after two years.	Awards typically vest in tranches over three years.	Awards typically vest after three years.
Dividend equivalents				
Provision of additional cash/ shares to reflect dividends over the vesting period may or may not apply.	Provision of additional cash/ shares to reflect dividends over the vesting period and the period where the options have vested and have not yet been exercised (where applicable) may or may not apply.	Provision of additional cash/ shares to reflect dividends over the vesting period and the period where the options have vested and have not yet been exercised (where applicable) may or may not apply.	Provision of additional cash/ shares to reflect dividends over the vesting period may or may not apply.	Provision of additional cash/ shares to reflect dividends over the vesting period may or may not apply.

In 2022, awards were made under the performance share plan only. The numbers of outstanding shares as at 31 December 2022 are set out below:

	Share awards with performance conditions	Share awards without performance conditions	Priced options	Weighted avg. exercise price of priced options
Outstanding at 1 January 2021	10,047,042	2,160,256	87,824	817p
Granted during the year	2,982,524	369,108	-	-
Dividend equivalents	872,036	109,992	-	-
Forfeited during the year	(601,831)	(20,528)	-	-
Lapsed during the year	(1,284,140)	(37,123)	-	-
Exercised during the year	(2,783,799)	(1,136,871)	-	-
Outstanding at 31 Dec 2021 and 1 Jan 2022	9,231,832	1,444,834	87,824	817p
Granted during the year	2,549,151	505,645	-	-
Dividend equivalents	710,605	115,753	-	-
Forfeited during the year	(2,248,542)	-	-	-
Lapsed during the year	(2,555,194)	(125,326)	(33,967)	753p
Exercised during the year	(11,647)	(883,603)	-	-
Outstanding at 31 December 2022	**7,676,205**	**1,057,303**	**53,857**	**858p**

The range of exercise prices for share options outstanding at the end of the period is 742.00p to 1,046.00p.

Fair value of awards granted during the year has been measured by use of the Monte-Carlo pricing model. The model takes into account assumptions regarding expected volatility, expected dividends and expected time to exercise. Expected volatility was also analysed with the historical volatility of FTSE-listed oil and gas producers over the three years prior to the date of grant. The expected dividend assumption was set at 0%. The risk-free interest rate incorporated into the model is based on the term structure of UK Government zero coupon bonds. The inputs into the fair value calculation for PSP awards granted in 2022 and fair values per share using the model were as follows:

	PSP (without condition) 04/04/2022	PSP 04/04/2022	PSP (without condition) 08/09/2022	PSP 08/09/2022
Share price at grant date	186p	186p	137p	137p
Fair value on measurement date	186p	127p	137p	82p
Expected life (years)	1-3	1-3	1-3	1-3
Expected dividends	-	-	-	-
Risk-free interest rate	1.41%	1.41%	3.04%	3.04%
Expected volatility	39.76%	39.76%	41.42%	41.42%
Share price at balance sheet date	125p	125p	125p	125p
Change in share price between grant date and 31 December 2022	-33%	-33%	-9%	-9%

The weighted average fair value for PSP awards (without condition) granted in 2022 is 164p and for PSP awards granted in 2022 is 124p.

The inputs into the fair value calculation for RSP and PSP awards granted in 2021 and fair values per share using the model were as follows:

	RSP 06/04/2021	PSP 06/04/2021	RSP 07/09/2021	PSP 07/09/2021
Share price at grant date	173p	173p	122p	122p
Fair value on measurement date	173p	110p	122p	64p
Expected life (years)	1-3	1-3	1-3	1-3
Expected dividends	-	-	-	-
Risk-free interest rate	0.126%	0.126%	0.182%	0.182%
Expected volatility	48.19%	48.19%	45.63%	45.63%
Share price at balance sheet date	130p	130p	130p	130p
Change in share price between grant date and 31 December 2021	-25%	-25%	7%	7%

The weighted average fair value for RSP awards granted in 2021 is 169p and for PSP awards granted in 2021 is 109p.

Total share-based payment charge for the year was $4.1 million (2021: $5.5 million).

21. Capital commitments

Under the terms of its production sharing contracts ('PSC's) and joint operating agreements ('JOA's), the Company has certain commitments that are generally defined by activity rather than spend. The Company's capital programme for the next few years is explained in the operating review and is in excess of the activity required by its PSCs and JOAs.

22. Related parties

The directors have identified related parties of the Company under IAS 24 as being: the shareholders; members of the Board; and members of the executive committee, together with the families and companies, associates, investments and associates controlled by or affiliated with each of them. The compensation of key management personnel including the directors of the Company is as follows:

	2022	2021
	$m	$m
Board remuneration	**0.8**	1.0
Key management emoluments and short-term benefits	**6.0**	7.9
Share-related awards	**1.0**	7.4
	7.8	16.3

There have been no changes in related parties since last year and no related party transactions that had a material effect on financial position or performance in the year.

23. Events occurring after the reporting period

The Qara Dagh PSC has expired on 2 January 2023.

On 28 February 2023, a 'Petroleum Agreement and Association Contract' was signed with the Office National des Hydrocarbures et des Mines ('ONHYM') regarding the Lagzira block.

24. Subsidiaries and joint arrangements

The Company has four joint arrangements in relation to its producing assets Taq Taq, Tawke, Sarta and pre-production asset Qara Dagh. The Company holds 44% working interest in Taq Taq PSC and owns 55% of Taq Taq Operating Company Limited. The Company holds 25% working interest in Tawke PSC which is operated by DNO ASA. The Company holds 30% working interest in Sarta PSC which is operated by the Company in the year.

For the period ended 31 December 2022 the principal subsidiaries of the Company were the following:

Entity name	Country of Incorporation	Ownership % (ordinary shares)
Barrus Petroleum Cote D'Ivoire Sarl[1]	Cote d'Ivoire	100
Barrus Petroleum Limited[2]	Isle of Man	100
Genel Energy Africa Exploration Limited[3]	UK	100
Genel Energy Finance 4 plc[3]	UK	100
Genel Energy Gas Company Limited[4]	Jersey	100
Genel Energy Holding Company Limited[4]	Jersey	100
Genel Energy International Limited[5]	Anguilla	100
Genel Energy Miran Bina Bawi Limited[3]	UK	100
Genel Energy Morocco Limited[3]	UK	100
Genel Energy No. 6 Limited[3]	UK	100
Genel Energy Petroleum Services Limited[3]	UK	100
Genel Energy Qara Dagh Limited[3]	UK	100
Genel Energy Sarta Limited[3]	UK	100
Genel Energy Somaliland Limited[3]	UK	100
Genel Energy UK Services Limited[3]	UK	100
Genel Energy Yonetim Hizmetleri A.Ş.[6]	Turkey	100
Taq Taq Drilling Company Limited[7]	BVI	55
Taq Taq Operating Company Limited[8]	BVI	55

1 Registered office is 7 Boulevard Latrille Cocody, 25 B.P. 945 Abidjan 25, Cote d'Ivoire
2 Registered office is 6 Hope Street, Castletown, IM9 1AS, Isle of Man
3 Registered office is Fifth Floor, 36 Broadway, Victoria, London, SW1H 0BH, United Kingdom
4 Registered office is 12 Castle Street, St Helier, JE2 3RT, Jersey
5 Registered office is PO Box 1338, Maico Building, The Valley, Anguilla
6 Registered office is Vadi Istanbul 1 B Block, Ayazaga Mahallesi, Azerbaycan Caddesi, No:3 Floor: 18, 34396, Sariyer, Istanbul, Turkey
7 Registered office is PO Box 146, Road Town, Tortola, British Virgin Islands
8 Registered office is 3rd Floor, Geneva Place, Waterfront Drive, PO Box 3175, Road Town, Tortola, Virgin Islands, British

Genel Energy Finance 2 Limited was liquidated during the year.

25. Annual report

Copies of the 2022 annual report will be despatched to shareholders in April 2023 and will also be available from the Company's registered office at 12 Castle Street, St Helier, Jersey JE2 3RT and at the Company's website – www.genelenergy.com.

Report on payments to governments for the year 2022

Introduction and basis for preparation

This report sets out details of the payments made to governments by Genel Energy plc and its subsidiary undertakings ("Genel") for the year ended 31 December 2022 as required under the Disclosure and Transparency Rules of the UK Financial Conduct Authority (the 'DTRs') and in accordance with our 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 DTRs require companies in the UK and operating in the extractives sector to publically disclose payments made to governments in the countries where they undertake exploration, prospection, development and extraction of oil and natural gas deposits or other materials.

This report is available to download at www.genelenergy.com/investor-relations/results-reports-presentations.

Governments

All of the payments made in relation to licences in the Kurdistan Region of Iraq ('KRI') have been made to the Ministry of Natural Resources of the Kurdistan Regional Government ('KRG').

Production entitlements

Production entitlements are the host government's share of production during the reporting period from projects operated by Genel. Production entitlements from projects that are not operated by Genel are not covered by this report. The figures reported have been produced on an entitlement basis rather than on a liftings basis. Production entitlements are paid in-kind and the monetary value disclosed is derived from management's calculation of revenue from the field.

Royalties

Royalties represent royalties paid in-kind to governments during the year for the extraction of oil. The terms of the Royalties are described within our Production Sharing Contracts and can vary from project to project. Royalties have been calculated on the same barrels of oil equivalent basis as production entitlements.

Materiality threshold

Total payments below £86,000 made to a government are excluded from this report as permitted under the Regulations.

Payments to governments – 2022

Country/Licence	**KRI Total**[1]	Taq Taq[2]
Production entitlement (bbls)	**831,450.09**	831,450.09
Royalties in kind (bbls)	**157,527.97**	157,527.97
Total (bbls)	**988,978.06**	988,978.06
Value of production entitlements ($million)	**76.61**	76.61
Value of royalties ($million)	**14.14**	14.14
Capacity building payments ($million)[3]	**5.23**	5.23
Total ($million)	**95.98**	95.98

1 Under the lifting arrangements implemented by the KRG, the KRG takes title to crude at the wellhead and then transports it to Ceyhan in Turkey by pipeline. The crude is then sold by the KRG into the international market. All proceeds of sale are received by or on behalf of the KRG, out of which the KRG then makes payment for cost and profit oil in accordance with the PSC to Genel, in exchange for the crude delivered to the KRG. Under these arrangements, payments are in fact made by or on behalf of the KRG to Genel, rather than by Genel to the KRG. For the purposes of the reporting requirements under the Regulations however, we are required to characterise the value of the KRG's entitlement under the PSC (for which they receive payment directly from the market) as a payment made to the KRG. Therefore, estimated value in $millions is not paid to the KRG, and is calculated to meet the reporting requirements under the regulations

2 The amount reported for Taq Taq, is the gross payment made to the KRI by the operating company (TTOPCO), Genel's share of these payments is equal to 55% (with the exception of capacity building payments)

3 Capacity building payments reported are payments made by Genel directly to the KRI in cash as required by the PSC

Glossary of technical terms

'AGM'	annual general meeting
'BDO'	BDO LLP
'CGU'	Cash Generating Unit
'Companies Act 2006'	Companies Act 2006, as amended
'Company'	Genel Energy plc
'Elysion'	Elysion Energy Holding B.V.
'ESG'	environmental, social, and governance
'FGI'	Federal Government of Iraq
'Focus Investments'	Focus Investments Limited
'FRC'	UK Financial Reporting Council
'FTSE'	FTSE International Limited
'Genel'	may refer to Genel Energy plc and/or one of its subsidiaries and/or one or more employees as the case may be. It is used for convenience only and is in no way indicative of how the Genel group, or any entity within it, is structured, managed or controlled
'GHG'	greenhouse gases
'Group'	the Genel Energy group of companies
'HSE'	health, safety, and environment
'IFC Performance Standard'	the performance standards set out by the International Finance Corporation
'IOC'	international oil company
'Jersey Companies Law'	Companies (Jersey) Law 1991 (as amended)
'KRG'	Kurdistan Regional Government
'KRI'	Kurdistan Region of Iraq
'Listing Rules'	the Listing Rules of the UK Listing Authority
'LTI'	lost time incident
'MNR'	Ministry of Natural Resources
'NGO'	non-governmental organisation
'Ordinary Shares'	the voting ordinary shares and/or the suspended voting ordinary shares as the context requires
'PRM'	Petroleum Resources Management N.V.
'PSC'	production sharing contract
'PSP'	performance share plan
'RSA'	receivable settlement agreement
'RSP'	restricted share plan
'SOP'	share option plan
'Standard Listing'	a standard listing under Chapter 14 of the Listing Rules
'TCFD'	Task Force on Climate-related Financial Disclosures
'TSR'	total shareholder return
'TTOPCO'	Taq Taq Operating Company Limited
'UN SDGs'	United Nations Sustainable Development Goals
Certain resources and reserves terms	
'1P'	proved reserves
'2P'	proved plus probable reserves
'3P'	proved plus probable plus possible reserves
'2C'	contingent resources
Units of measurement	
'bbl'	barrel
'bopd'	barrels of oil per day
'km'	kilometres
'MMbbls'	millions of barrels
'MMboe'	million barrels of oil equivalent
'tCO_2e'	tonnes of CO_2 equivalent

Shareholder information

ShareGift

If you hold a small number of shares and find it uneconomical to sell them, you may wish to donate your shares to charity free of charge through ShareGift. ShareGift collects donations of unwanted shares, sells them and donates the proceeds to UK charities. Further details are available at www.sharegift.org or by calling +44 (0) 20 7930 3737.

AGM

This year's AGM will be held at Linklaters, One Silk Street, London EC2Y 8HQ, on Thursday, 11 May 2023 at 11.00am.

Details of the business to be considered at the AGM are set out in the accompanying notice of meeting.

Dividend and dividend history

The Company's 2021 final dividend was paid on 18 May 2022 and an interim dividend on 14 October 2022. Further information can be found on p.10.

Payment of dividends to UK resident shareholders

Shareholders whose dividends are currently sent to their registered address should consider having their dividends paid directly into their personal bank or building society account. This has a number of advantages, including the crediting of cleared funds on the actual dividend payment date. If you would prefer to have future dividends paid in this way, please contact the Registrar for a bank mandate form. Under this arrangement, dividend confirmations are still sent to your registered address.

Ordinary shares

The Company's ordinary shares of nominal value 10p each are traded on the main market for listed securities on the London Stock Exchange (LON: GENL).

Registrars

Our registrars are Equiniti Registrars.

All enquiries relating to the administration of shareholdings should be directed to Equiniti Registrars, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Telephone: 0371 384 2893 lines are open Monday – Friday excluding UK Bank Holidays, 8.30am – 5.30pm (if calling from outside the UK, please ensure the country code is used).

Share price information

The current price of the Company's shares is available on the Company's website at genelenergy.com

Contacts and Auditors

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C/O Equiniti Limited
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Jersey Company Registration
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