Supporting the regional transition to a low-carbon economy

Annual Report and Financial Statements
for the year ended 31 December 2023

Stock code: CORO
Company Number: 10472005

Contents

Coro is a South East Asian energy company supporting the regional transition to a low-carbon economy.

Investment Case

Blended renewables and gas portfolio underpinned by strong regional energy demand growth.

Electricity demand is forecast to increase 152% by 2050 (7th Asean Energy report 2024) with post-Covid recovery strong in both the Philippines and Vietnam, and the accelerating need to replace coal as a primary energy source.

Read more in the Market Review on page 5.

Duyung asset

The Company has a 15% non-operated interest in the Duyung Production Sharing Contract ("PSC"), offshore Indonesia. The Operator commissioned an updated reserves and resources report prepared by GaffneyCline Associates in March 2024, which highlights a Best Case scenario of 36.6 Bcf net entitlement 2C resources to Coro during the PSC life. The Company notes recent progress by Conrad Asia Energy Ltd (the "Operator") which includes the signature of Gas Sales Agreement (“GSA”) for both domestic and international gas volumes.

The Company awaits finalisation of documentation to access the West Natuna Transportation System for the transportation of gas to Singapore, and the results of the Operator's farm down process, in respect of which Coro has tag and drag along rights. The Company is looking to move to final investment decision once these items are complete.

Read more in the Operational Review on page 10.

Building the clean energy portfolio

Philippines:

The Company is currently focused on four early stage development renewables projects in the Municipality of Oslob in the province of Cebu, Philippines: two 100MW onshore wind projects, which have approved Wind Energy Service Contracts ("WESCs"); a 100MW onshore solar project where an application for a service contract is soon expected to be submitted; and one further 100MW onshore wind project. A key focus remains maturing a portfolio of licenses that can justify the connection costs to the grid.

The Company has an entitlement to 88% of the future dividends from the Philippine projects and is considering all strategic options on how to best create value.

Vietnam:

The Company has a producing 3-megawatt pilot project consisting of over 4,500 solar panels and other ancillary components that has been installed across four factory roofs in Vietnam and cover a total area of 16,120 square metres. This project delivers electrical power that is being consumed on site by Phong Phu Corporation, one of Vietnam's premier textile manufacturers under a 25-year power purchase agreement, and is expected, at current pricing levels, to produce net cash flows to the Company of approximately $0.3m per annum.

The Company also has a Memorandum of Understanding ("MoU") with Mobile World Investment Corporation ("MWG") in Vietnam to install rooftop solar systems across their Vietnamese portfolio.

The Company recently signed, as a pilot under the MoU, a binding 14-year power purchase agreement (“PPA”) with MWG to deliver power at the first ten sites as a pilot phase with a capacity of 430kw. These sites are now operational and a PPA has been signed for the next 30 sites, where construction is currently underway. The PPA term for all sites is extendable in certain circumstances and includes a variable price with a floor of circa US$11.2 cents/kilowatt hour. The capital required for construction is expected to be funded from existing in-country Company resources, third party financing and from a debt facility expected to be provided by HDBank, who have now, in addition to the previously announced non-binding commitment letter, provided an indicative offer letter. The offer letter, which remains non binding but is expected to become binding following signature of the EPC contract, provides credit facilities for 8 years at a 12% variable interest rate in respect of the pilot locations. The Company has also secured an EPC financing arrangement locally for upto US$1M of capital.

The Company's strategy is to proceed with the MWG transaction as quickly as our funding allows us, utilising local debt where possible, with a view to generating cash flows from the rooftop solar portfolio.

Sale of Italian gas portfolio and ion Ventures to accelerate development projects in South East Asia:

The Company disposed of its Italian natural gas assets to Zodiac Energy plc by way of the sale of the entire issued share capital of Coro Europe Limited, which was completed in November 2023. Additionally the Company disposed of its entire minority shareholding in ion Ventures Holdings Limited in August 2023. The main commercial terms of these disposals are described in the Finance Review and in note 19(a) and 19 (b) of the Notes to the Financial Statements. The disposal was fully in line with the Company's strategic objectives, enabling Coro to focus exclusively on South East Asia where demand for energy and the opportunity for material expansion remain very strong.

Read more in Building and Developing our Clean Energy Portfolio on page 9.

Unique offering in the London marketplace

1. Significant position in high potential Indonesian gas project approaching monetisation
2. Revenue generating renewables portfolio, set for expansion and scale
3. Low-carbon investment strategy
4. Significant upside – early-stage development entry point

Statement from the Directors

At the Company's Annual General Meeting, ("AGM") in May 2024 the Chairman was not re-elected which resulted in suspension of trading due to an inquorate Board. The sole remaining Director took immediate steps to resolve this and as a result Harry Beamish was appointed to the Board. Harry has significant expertise in the energy and renewables sectors with over a decade specialising in emerging markets, and has developed, advised and structured multiple renewable energy transactions across Hydro, Solar, Wind, and Energy Efficiency and advises companies within the Energy Transition space. With the publication of this annual report and accounts the Board expects trading of the stock to resume. Also on publication of the annual reports and accounts, Tom Richardson is to be appointed as Non-Executive Chair of the Company.

Despite the unexpected suspension in the second quarter of the year the Company continues to make progress across its South East Asian portfolio. Having been through a period of portfolio refocus, selling both the ion investment and the Italian gas portfolio in 2023, the long awaited and important milestones are finally approaching at Duyung alongside continued l developments which are expected in our renewables portfolio across both the Philippines and Vietnam. The objective of the Philippines business remains to secure RTB projects, whilst in Vietnam the over-riding objective remains to generate solid cost base covering cash flows.

Consistent with this regional focus and with a view to providing additional time to the Company, the Company recently announced a standstill with its Eurobond lenders. It continues to work towards a broader debt restructuring solution that structurally solves Coro's capital structure whilst providing funding for our renewables deployment.

Management have prepared a consolidated cash flow forecast for the period to 31 December 2025 which shows that the Group will require additional equity financing to meet its obligations and intended work renewables work programme in Asia during this period. Post the year under review, the Company raised US$500,000 via a secured convertible loan with River Merchant Capital, an existing lender to the Company under the Company's Luxembourg 8% listed Eurobond and Fenikso Limited. The proceeds of this loan will be utilised to fund the Group's renewables business and for general working capital purposes. Under the Group's forecast, this loan together with existing bank balances provides sufficient funding to fund the Company's working capital requirements through to the end of January 2025.

TOM RICHARDSON
Non-Executive Director

Market Review

Why renewable energy?

The global transition to lower carbon energy continued to be a geopolitical priority in 2023, as the war in Ukraine underlined the importance of energy security and social pressures to divest from higher carbon energy sources, particularly oil and coal, intensified throughout the year.

Electrification of transport, residential homes, and industry will require new investment in electricity generation and battery storage, the urgency of which has been highlighted by energy price spikes throughout the year, causing global inflation and interest rate increases.

Renewables will look to take a share in the replacement of coal produced power, as older coal generation facilities come to end of life.

Energy generation from renewables is highly cost competitive, when compared with fossil fuels.

Growing global interest and investment in renewables provides a strong narrative for investor comfort in long-term commitment to renewable projects.

Why South East Asia?

Energy demand is forecast to rise significantly in the region following strong recovery post-Covid, a rapidly increasing population, and growing wealth.

South East Asia has significant capacity for the development of renewable projects, with supportive governments and abundant wind, solar and tidal potential. Ultimately, overseas investment and expertise can help countries in the region to reduce their dependence on energy imports and decrease reliance on fossil fuels, particularly coal.

Coal remains a dominant energy source in the region with renewables penetration low for an area with such considerable potential. International cooperation and initiatives such as those proposed at COP 26 have clearly influenced policy as the Vietnamese and Indonesian governments seek to direct investment away from legacy coal projects in favour of clean energy developments.

Uncertainties regarding fossil fuel access and continuation of supply, coupled with volatile pricing have increased the attractiveness of stable resourced power sources that are better insulated from global events. Furthermore, government policies on grid infrastructures are assisting the transition to renewable projects as major energy sources – improved infrastructure invariably accelerates potential for mass adoption.

The impact of climate change directly impacts South East Asia more than almost any region in the world. An island nation, heavily dependent on the sea and agriculture, the Philippines is vulnerable to extreme weather events and is one of the top three countries most affected by climate change according to the Global Climate Risk Index.

In the medium term, renewables alone do not yet have the capacity to meet South East Asia's accelerating energy demands. Coro continues to evaluate medium risk/high reward hydrocarbon prospects in the region to provide an economical and secure energy mix to complement its renewable activity in the region.

The proceeds of Coro's shorter-term investments in oil and gas projects would then be re-invested in longer-term renewable projects with Coro maintaining its position as a catalyst for the sustainable energy transition in the region.

Any oil and gas activity in the region would mainly focus on high-impact, low-medium risk gas development, preferably onshore. The primary focus for Coro would be on the redevelopment of brown field sites, development of existing discoveries, and near-field exploration.

Our Markets

South East Asia

Growth remains high in the region

ASEAN economies are predicted to grow 4.2% on average this year according to the International Monetary Fund ("IMF") with the Philippines and Vietnam experiencing the most rapid expansion, with both predicted to grow by 4.7%, according to the World Bank. By comparison, GS predicts Singapore to grow by 1.5% and Malaysia by 4%.

Electricity demand is rising as the population grows and accumulates more wealth and a middle class emerges

As South East Asia continues its post-Covid recovery, the demand for electricity continues to accelerate. Electricity consumption grew by 3.8% in 2021 YoY and will grow by 5% per annum in 2022–2024, (source: IEA).

Demand for electricity in the Philippines is set to increase from 15,282MW in 2020 to 54,655 MW in 2040 (source: Climate scope 2022).

Moreover, Vietnam's electricity demand increased by 10% p.a. from 2014–2019 and Electricity Vietnam (EVN) estimates the country must triple installed capacity by 2030 from c. 50 GW to 130 GW.

Renewables and Energy Storage

Cost of deploying renewables in country is attractive

The levelised cost of energy considers the cost of electricity production over an asset's lifetime. Renewable assets have an indicative project lifespan of 25 years, significantly longer than many hydrocarbon projects. The levelised cost of solar and wind projects in South East Asia are significantly lower than in many parts of the world, and look set to continue to decrease throughout 2023 and into 2024.

"Renewable assets have an indicative project lifespan of 25 years, significantly longer than many hydrocarbon projects."

Natural Landscape offers significant benefits

A typical 150 MW solar project should produce at least 150 GWh of electricity a year – in South East Asia this is significantly higher, due to higher levels of irradiation.

"Vietnam has tremendous natural endowments: 4 to 5 kilowatt-hours per square meter for solar and 3,000 kilometres of coastlines with consistent winds in the range of 5.5 to 7.3 meters per second." (source: McKinsey)

1 MW of peak power capacity in a solar plant in Vietnam has the potential to produce 1.5 times more energy than in the UK.

The Philippines also has an abundance of solar and wind especially near its coastline making it the ideal country for renewables growth.

High cost of coal and LNG in South East Asia accelerating the use of renewables as part of the energy mix

At the start of 2022, Indonesia, the world's largest coal exporter, placed a temporary ban on exports of the fuel to avoid outages in domestic power stations. Coal prices were 59% higher than two months earlier, close to the previous peak on 15 October 2021. This inflated cost of coal is accelerating the need for energy security and the need for local energy sources, which renewables can fill. Coal continued to increase in cost throughout 2023 causing Vietnam's EVN (Electricity Vietnam) to implement two price increases during 2023 of 3.5% followed by a further 4% price increase to all sectors of the market.

Renewables in Vietnam are set to have a similar share to coal in the energy mix by the end of 2024 (at 42% and 43% respectively), (International Renewable Energy Agency).

Favourable Regulation

A number of regions within South East Asia offer favourable regulation for renewables with preference into the grid given in some countries like the Philippines. This trend shows no sign of abating with sustained international pressure to establish and achieve emission reduction targets.

During 2023 the Philippines energy regulator adjusted regulations for solar rooftop systems for both grid and non-grid connected systems, providing a framework for developers to provide green electricity to consumers at competitive rates.

Business Model

Our Strengths

- **Status of being an Independent Power Producer now secured in Vietnam**

  3MW commercial & industrial rooftop under operation and 10 sites now operational with a further 30 under construction with Mobile World Group

- **ESG at our Core:**

  Clear vision of leading the energy transition to renewables in South East Asia. ESG strategy aligned with appropriate Sustainable Development Goals ("SDGs")

Our Markets – South East

Develop existing assets:

- Duyung
- Vietnam
- Philippines

Grow asset portfolio:

- Expand existing renewables portfolio in Vietnam through operational asset acquisitions and new build project
- Increase size of Philippine's portfolio through rigorous assessment of new opportunities and securing the WESC's
- Participate in the development of Mako field and look for monetisation opportunities on the back of the operator farm out process

Operate Sustainably:

- Bring benefit to the countries we operate in through job creation and access to renewable energy
- Limit impact on the environment
- Development of local community projects
- Engagement with local providers to keep investment benefits in country to develop our presence and importance to local economies.

Our Strategy

Coro's vision is to build a South East Asian energy business with a blend of Oil and Gas and renewables exposure. To facilitate this, its near term focus is on commercially de-risking and then monetising its position in the Duyung PSC so that it can repay or restructure its corporate debt, which it is hoped will result in a well funded company with an appropriate capital structure. In the meantime the Company will continue to grow its renewables businesses to provide sustainable cash flow generation.

Strategic Priorities

1. Vision in supporting the South East Asian energy transition

GDP in the ASEAN region is forecast to more than double to US$20tn by 2040 (The 6th Asean Energy Outlook Report), resulting in increasing energy demand. To meet emissions targets and boost energy independence and security, significant investment in clean energy and energy storage is planned in South East Asia – up to US$500bn by 2040. Further investment in energy sources, (including both renewables and gas), that complement the energy mix and reduce the dependence of the region on higher polluting fossil fuels is necessary. Coro's vision and contribution to this reduction in greenhouse gases is evidenced by our recent investments in assets and businesses that are supporting the energy transition in the region. Understanding the role gas has in the energy transition validates our strategy to continue to remain open to opportunities in the sector, identifying assets where there is compelling commercial logic.

2. Monetise the Duyung PSC and address the Company's capital structure

Coro has a 15% interest in the non-operated Duyung PSC, which contains the Mako gas field, which is one of the largest gas fields to be discovered in the prolific West Natuna basin, and its proximity to infrastructure and markets underpins Coro's value. The Operator has just delivered a signed GSA and has initiated a farm out process which is expected to provide an opportunity for Coro to monetise and/or fund its working interest. Proceeds from any monetisation of Duyung may potentially be used to provide the Company with the opportunity to repay or restructure its corporate debt.

Building and Developing our Clean Energy Portfolio

Our energy transition strategy is to move from black (oil, coal) to blue (gas) and then ultimately green (renewables).

Our presence in the Philippines has exposed to us numerous potential projects in which we could invest. Not all projects presented to us are attractive investment propositions, however, several projects have met our preliminary criteria and may provide expansion potential to our project pipeline. Several such projects are now under assessment so their true value can be determined, and action plans formulated.

Our first projects, namely our four 100 MW onshore Wind and Solar projects in the Philippines continue to provide ample comfort that our renewable projects are significantly attractive, to the management, debt funders and investors.

As we continue to develop the projects further, tangible value is attributed to each, as we secure access to land, local approvals, and permits.

Our strategy in Vietnam, while still renewables-led, is slightly different as we focus upon the commercial and industrial rooftop solar space, which is the only de-regulated section of the market and allows the flexibility to originate deals in a controlled de-risked manner. Our pilot project has secured our position as an Independent Power Producer, giving us the kudos of being a known entity in the Vietnamese power generation market.

Vietnam Timeline

- Joint development of rooftop solar through SPV (Coro 92.5%; Vinh Phuc Energy ("VPE") 7.5% carried)
- Power Purchase Agreement ("PPA") signed with Mobile World Group for both the first ten sites and a further 30 sites of a total potential 50 megawatt deployment of roof top solar across 900 locations
- HD Bank letter of commitment to provide debt financing for 50% of the capital for the rooftop solar project with MWG

Strategic Rationale

- Develop, build, own, operate now underway
- Access to Vietnam rooftop Photovoltaic (PV) market
- Leverage local expertise of established industry player
- Low-risk entry, quick revenue generation

Drivers of Rooftop Solar Growth

- Large electricity demand from manufacturing
- Attractive IRRs
- De-regulated market sector
- Energy security and continuity

Tax Incentives

- Preferential rates and tax holidays
- Import duty and VAT relief

Attractive PPAs

- 100% "Take or pay" arrangements
- Market price tracking, normally with guaranteed floor pricing

Acquisition Opportunities

The Vietnamese Commercial and Industrial ("C&I") rooftop solar market is starting to consolidate, as local developers start to exit, typically influenced by recent increases in local interest rates and the resulting increase in the cost of debt. This trend provides an opportunity to acquire assets at discounted pricing, in comparison to new build, along with operational histrionics and known payment schedules, all go to provide a de-risked, profitable and attractive acquisition case.

Philippines

Our Philippines portfolio pipeline has grown during 2023, our immediate focus remains our 100 MW solar project and the 3 x 100 MW onshore wind projects. All projects are strategically important to one another, as they are co-located geographically. To deliver on such a strategy requires a sensitive eye on mitigating risk, which can cause progress delay, but ensures investment is wisely spent and with lower risk.

Major elements of the project's evolution are being progressed with key stakeholders in country and internationally.

Additionally, engineers, procurement and contractors have been contacted, interviewed and assessed and a core of suitably resourced and skilled construction partners have been defined, this will be critical in ensuring maximum value add to the projects from a technical perspective, securing production performance, build timeline, quality and engineering as well as best value for money.

The Company has been balancing its deployment of capital in the Philippines with its balance sheet and capital availability.

Operational Review

Duyung PSC

Summary

- Located in the prolific West Natuna basin, Indonesia
- Operated by Conrad Asia Energy Ltd
- Contains the Mako gas field, a shallow gas accumulation covering a large areal extent
- Six wells have been drilled on the field including a two well programme in 2019
- Coro holds a 15% interest in the Duyung PSC in which the Mako Gas Project is located.
- Plan of Development ("POD") approved by the Indonesian Government
- The Updated Mako PoD, approved in November 2022, was based on field Contingent gas Resources of 297 billion cubic feet (net 2C attributable to 100% of the Duyung PSC Joint Venture) and a daily production of 120 MMscf/d, consistent with the Gaffney Cline Associates (GCA) competent persons report dated 26 August 2022. On 22nd March 2024 GCA issued an updated version of their report with field Contingent gas Resources reduced to 252 billion cibic feet (net 2C attributable to 100% of the Duyung PSC Joint Venture) and a daily production of 120 MMscf/d.
- Mako contains dry gas, no H2S, minimal CO2, over 97% methane
- Importation of pipeline gas would provide secure and reliable energy to Singapore that is less carbon intensive than LNG.
  – Operator recently delivered a signed GSA.
  – Operator has initiated a farm out process which is expected to provide an opportunity for Coro to monetise its position.
- New CPR by GCA (22 March 2024) results:
  – 36.6 Bcf net entitlement 2C resources to Coro during the PSC life
  – Plateau production of 120 MMscf/d for 6.5 years in the Best Case (2C) scenario

Duyung PSC – Gas Contingent Resources, GCA CPR (22 March 2024) As of 31 Dec 2023

	Gross Mako Field (Bscf)			Net attributable to Coro (Bscf)		
	1C	2C	3C	1C	2C	3C
Up to PSC expiry or ELT, whichever is the earlier	227	376	425	22.9	36.6	40.8
Beyond PSC expiry up to ELT	–	16	166	–	1.2	10.8
TOTAL Gas	227	392	591	22.9	37.8	51.6

The CPR estimates that the 88% of the Mako field is within the PSC boundary.

The Operator CPR assumes first gas in 2026 and calculates the last economic production years prior to the current Duyung PSC expiry date for Low, Best and High cases of 2033, 2036 and 2036 respectively, which extend to 2037 and 2041 for the Best and High respectively if the Duyung PSC is extended.

Italy

The Company disposed of its Italian natural gas assets to Zodiac Energy plc by way of the sale of the entire issued share capital of Coro Europe Limited (note 19(a) in the Notes to the Financial Statements), which was completed in November 2023. In June 2024 the Company signed an agreement to accelerate the next nine months of payment in exchange for a 22 per cent discount on payments of circa US$46 per month.

ion Ventures

In August 2023, the Company sold its 18.76% shareholding in ion Ventures Holdings Ltd to SLT1 LLC for a cash consideration of £1.25 million (note 19(b) in the Notes to the Financial Statements).

Vietnam

A 3 MW rooftop solar pilot project was completed in 2022 and continued to deliver revenue throughout 2023. The next material project is with the Mobile World Group, where a Memorandum of Understanding (MoU) was signed to deliver 50 megawatts across 900 locations in Vietnam, negotiations of the PPA continued throughout the end of 2023 and a PPA covering the first ten sites was signed in March 2024. The ambition is to deliver a 50 MW portfolio of commercial and industrial rooftop solar PV within a relatively short time frame, generating revenue streams and sustainable business that contributes value to the Group and shareholders.

As Vietnam's energy strategy evolves with new Government initiatives that address generation capacity and climate change goals, our in-country position with boots on the ground allow us to monitor, assess, prepare and react to potential upcoming opportunities within the renewables sector. A key finding of 2023 was the ability to access the commercial sector, which supports higher electricity pricing in comparison to the Industrial sector, whilst having a different risk profile, the commercial sector is thought to be able to deliver higher project IRR's in the future.

Philippines

During 2022, the Marcos administration was entrusted with the presidency of the Philippines for a six-year term. With new ministerial appointments in key departments, such as that of Energy, the administration has strengthened the need for greater renewables generation in country, reducing dependency on fuel imports and addressing climate change matters that the country is vulnerable to. The Government of the Philippines continues to champion renewable energy and looks to enact legislation changes to make investment easier than ever before. The 2022 changes had impacts on 2023, with key changes surrounding 100% foreign ownership of power generating companies coming into effect, however, these decisions made at top level Government have taken and continue to take time to filter through all Government Departments, providing challenges on timings to project permitting tasks.

Our projects in the Philippines are driven by an experienced in-country team comprising of a board of three Filipino national Directors. The board is supported by a further team of three, fulfilling a range of roles across technical, financial and administration.

With the 100 MW wind project desktop studies completed, during 2021, it was planned during 2022 to deploy a Lidar wind data collector to gain real evidence of the wind resource in our chosen location and prior to deploying a 130-metre Met Mast for bankable wind data collection. From the Lidar deployment in 2022, suitable confidence was achieved from data collected to invest in the Met Mast. In mid-2023 a procurement exercise was completed and a contract awarded to a local provider in the Philippines, who began construction of the Met Mast in September which became operational in early January 2024. The Met Mast will provide bankable data to the project and has the potential to support neighbouring projects due to its designed siting and location. Coro believes this will add tremendous value to the project(s), as well as providing key information to determine engineering decisions that need to be made throughout 2024.

The Met Mast and Lidar working harmoniously will deliver robust data, needed for debt providers and provide risk mitigation for wind turbine design and performance.

Operational Review
continued

Next steps for our projects include:

100 MW utility scale solar

- Currently prioritising land access, PPA, energy service contracts, construction permits

100 MW utility scale onshore wind

- Pre-development project approximately 12-18 months from having enough service contracts to provide criotoical mass to take to the market for funding the next steps in its development

Financial Review

During 2023 Coro completed the disposal of its Italian operations and also sold its entire shareholding in ion Ventures which contributed significantly to achieving a net profit for the year of $1.7m. The Group continued to invest across its portfolio of projects including the Mako gas field in Indonesia and wind and solar projects in the Philippines and Vietnam whilst continuing to focus on keeping general and administrative costs under control.

2023 Results

Revenue of $235,000 (2022: $51,000) during 2023 reflects a full year of electricity generation at Coro's first solar project in Vietnam which after depreciation and amortisation contributed a gross profit of $157,000 (2022: $30,000). Temporary curtailment challenges limited production in 2023 as a consequence of not being able to export to the grid but Coro continues to make improvements and demand is once again increasing at the factory.

The overhead cost base decreased during 2023 to $3.3m (2022: $3.6m) driven by modest but meaningful cost reductions across most cost categories, offset in part by an increase in non-cash share based payment expenditure of $108,000. The disposal of ion Ventures during 2023 yielded an accounting gain on disposal of $1.3 million and Coro's share of the loss from ion Ventures was $30,000 lower than during the comparative period reflecting the disposal occurring partway though the year. As at the reporting date $347k of sales proceeds was still owing to Coro, which was received in April 2024.

Coro entered into an the Option Agreement in 2022 with Zodiac Energy plc ("Zodiac") pursuant to which Zodiac had the option acquire the entire share capital of Coro Europe Limited ("CEL") which in turn holds the interest in the 100% Italian subsidiary Apennine SpA and the various natural gas fields comprising Coro's Italian operations. In accordance with IFRS 5 Non-current assets held for sale and discontinued operations, the assets and liabilities of the Italian business were classified as a disposal group held for sale at the 31 December 2022. The Italian business represented a separate geographical area of operation for the Group so remained as a discontinued operation in the statement of comprehensive income in both the comparative period and the current period up until it was disposed.

In March 2023 Coro announced that Zodiac had exercised the option and that a Sale and Purchase Agreement ("SPA") was concluded. The SPA completed in November 2023 and from this date the discontinued Italian operations ceased to be consolidated as part of the Group. In return for receiving a portion of the sales proceeds amounting to €2.2 million in advance of completion, the SPA was amended during the year to comprise of total aggregate cash consideration of €5.86 million, inclusive of the €0.3 million option fee recognised as income in 2022, being a reduction of €140,000 from the originally agreed consideration €6 million. The contingent 10% Net Profits Interest ("NPI") remained unchanged and capped at a maximum of €1.5m. In addition Zodiac is liable to pay a working capital adjustment to the Group for the net working capital as at the completion date, which was agreed between the parties in February 2024 to be €1m. As this confirmed the quantum of a legal obligation that existed as at the reporting date Coro considered it as an adjusting event. Included therefore in trade and other receivables as at the reporting date is $1.25 million (€1.136 million) receivable from Zodiac for the working capital adjustment of €1 million and an agreed portion of deferred consideration of €136,000 which is payable to Coro between February 2024 and December 2025. Resultantly $473,000 is classified as a non-current receivable.

The accounting profit realised on the disposal of the discontinued Italian operation is $6.5 million. Additionally, for that portion of 2023 during which the Italian operations remained consolidated, Coro recognised a profit attributable to the discontinued Italian operations of $210,000 (2022: $2.6 million). The significant reduction in profit is mainly the result of a steep decline in Italian natural gas prices, in common with the global trend. In aggregate Coro recognised a total gain for the year from discontinued operations of $6.7m (2022: 2.6m). Profit from both the disposal of ion Ventures and the discontinued Italian operations are expected to be exempt from taxation under the tax laws applicable to the transactions.

The interest charge on the Eurobond loan remained steady in 2023 at $3.5m (2022: $3.6m) The net foreign exchange gain for the year is $0.3m (2022: $1.3m loss).

Financial Review
continued

The net effect of the above is that the 2023 loss before tax from continuing operations was $5.0m (2022: $8.2m) with the decrease being driven mainly by the gain on disposal of ion Ventures and the effect of changes in exchange rates and a revaluation of balance sheet items denominated in various currencies giving rise to net foreign exchange gains in 2023.

Overall the 2023 profit after tax from discontinued operations was $6.7m (2022: $2.6m).

The total profit for the period was $1.7m (2022: $5.5m loss) with the profit resulting from the successful disposals described above.

2023 Financial Position

Property, plant and equipment of $1.7m (2022: $1.9m) reflects the investment in the Company's existing solar project in Vietnam. The reduction in value comprises mainly depreciation and foreign currency differences.

Intangible assets comprise predominantly the Group's exploration and evaluation asset relating to our 15% interest in the Duyung PSC. Intangible assets increased to $20.2m (2022: $18.9) reflecting mainly the Duyung venture's capital expenditure for 2023.

Net debt increased by $2.2m from $28.0m to $30.2m (note 16 of the financial statements). Borrowings increased by $3.1m, comprising of amortised Eurobond interest expense of $3.5m less non-cash interest payments of $1.4m and an unrealised foreign exchange loss of $1m. Cash increased by $0.9m. This increase reflects the net effect of receipts from the disposal of ion Ventures and the discontinued Italian operations and receipts from customers offset by payments to suppliers and employees and investment in Vietnam, Philippines and the Duyung PSC.

Net assets of the Italian business, treated as a disposal group held for sale, totalled $Nil at year-end due to the disposal during the year (2022: $267k).

The Group ended the year with net liabilities of $7.1m (2022: $7.3m).

Managing Risk

Our Approach To Risk Management

The Board of Directors recognises that an effective risk management framework is essential to safeguard the Group's assets and enable it to meet its strategic objectives. The Board takes overall responsibility for identification and mitigation of risks, while the Audit Committee has delegated responsibility for reviewing and monitoring the internal control and risk management systems on which the Group is reliant. In the Board's judgement, the following principal risks represent the biggest threat to the ability of the Group to deliver on its strategy.

Risk	Description and Impact	Mitigation	Status
Strategic risks			
Availability of funding to continue as a going concern and Capital Structure	Coro's asset portfolio does not yet generate the cash necessary to grow the business at a rate commensurate with its ambition and the Group will need to raise additional funds to implement its strategy. The Company also has a significant debt liability. The ability of the Group to raise funds will depend on factors not wholly within the control of management, including general market sentiment, capital structure of the Company and attitudes toward small-cap energy companies. As a result, there can be no assurance that the required funding will be available on favourable terms, if at all. Failure to raise required funds could have a material adverse effect on the Group's business, operating results and financial condition, and may result in erosion of value for investors, or in the extreme, an inability to continue as a going concern.	The Group's strategic focus on growing its renewables businesses whilst supporting the operator of the Duyung PSC to achieve FID, which is aligned with the ongoing energy transition, partly mitigates the risk posed by negative sentiment towards the future prospects for the energy industry. Management also seeks to mitigate this risk through prudent management of costs and rigorous evaluation of investment opportunities to ensure these will be attractive to investors in the debt and capital markets. Ultimately, the Group is targeting self-sustaining cash flow from its asset portfolio.	▲
Commodity prices	The Group is exposed to risks arising from fluctuations in the demand for, and price of, electricity in Vietnam and Philippines and gas in Indonesia / Singapore. These prices depend on numerous factors over which the Group does not have any control, including global supply, international economic trends, currency exchange fluctuations, inflation, consumption patterns and global or regional political events. This risk has increased as overall energy prices have reduced since the temporary highs experienced in 2022 and continued geopolitical instability could bring further volatility in the year ahead.	For assets in the production phase, the Group mitigates this risk through entering into fixed price PPAs and gas sales agreements where commercially acceptable. Floor pricing is used wherever possible. The Group adopts a conservative price forecast to ensure capital is allocated to projects with robust economics, even in lower commodity price environments.	▲

Managing Risk
continued

Risk	Description and Impact	Mitigation	Status
Operational risks			
Oil and gas exploration and production risks	Coro has a non-operated interest in the Duyung PSC, Coro is exposed to a wide variety of risks, including failure to locate hydrocarbons, changes to reserve estimates or production volumes, variable quality of hydrocarbons, weather impacts, facility malfunctions, lack of access to appropriate skills or equipment and cost overruns. Failure to effectively manage these risks could lead to decreased cash generation, lower profitability and a deterioration in the financial position of the Group.	The Group has extensive experience in the sector and has the right mix of technical, financial and operational skills necessary to successfully develop and produce oil and gas safely and economically. In non-operated joint ventures such as Duyung, the Group seeks to be an active participant in the key activities of the venture, to the extent possible under joint operating agreements.	▶
Health, safety and environmental matters (“HSE”)	The Group now operates a rooftop solar portfolio in Vietnam and is progressing the development of wind and solar assets in the Philippines. Work on our renewables projects is often conducted at height, with heavy machinery and equipment and we have focussed on understanding, and effectively mitigating operational risks related to these operations. Our experience of conducting safe operations and being a responsible custodian of the environment in which we operate is grounded in the principles and practices developed from historically being a gas concession operator in Italy. The same ethics and rigorous operational HSE practices are also applied across our renewables business. Key leading and lagging HSE indicators are monitored and recorded by the local teams with oversight by the Managing Director, Renewables. During 2023 operational and maintenance activities were monitored and practices scrutinised ensuring that there was no lost time and no accidents occurred. With an increase in activity in Vietnam planned for 2024 a full time HSE resource is planned to be recruited to support the business and implement responsible and safe working practices.	The Group operates its renewables business through a focus on responsible operation, ensuring close adherence to all regulatory standards in respect of Health, Safety and Environment matters. This includes regular inspection and maintenance of all our facilities. Where we are not the operator of a venture, we seek to take an active role in joint venture management and operating committees, and work with the operators to foster a culture of responsible asset stewardship. Our renewed sustainability strategy that will be approved at board level aligns us with relevant Sustainable Development goals to ensure that this stewardship is achieved.	▶

Risk	Description and Impact	Mitigation	Status
HSE	Development and production of oil and gas involves risks that may impact the health and safety of personnel, the community and the environment. Industry-wide operating risks include fire, explosions, blow outs, pipe failures, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures, or discharge of toxic gases. Failure to manage these risks could result in injury or loss of life, damage or destruction of property, and damage to the environment. Losses or liabilities arising from such incidents could significantly impact the Group's financial results. Pursuant to the disposal of our Italian business the risks associated with being an operator have decreased.		▶
Changes to law, regulations or government policy, political and emerging market risk	Changes in law, regulations and/or government policy may adversely affect Coro's business. Examples include changes to land access, the introduction of legislation that restricts or inhibits exploration, development and production of hydrocarbons, and unexpected changes to subsidy regimes for low-carbon energy assets. Similarly, changes to direct or indirect tax legislation may have an adverse impact on the Group's profitability, net assets and cash flow. Further, the Group has expanded its footprint in South East Asia where countries generally exhibit emerging market characteristics such as less established fiscal and monetary controls, laws, policies and regulatory processes. The Group is exposed to the resultant risk of being adversely affected by possible political or economic instability in its countries of operation including, inter alia, security risks, expropriation of assets, changes in mining or investment policies, inconsistent interpretation of laws and regulations including tax law, extreme fluctuations in currency exchange rates and high rates of inflation. All of these factors could materially adversely affect the Group's business, results of operations, financial condition or prospects. Once again, political instability and threat of whole regime changes has increased this risk.	To mitigate these risks, the Group employs staff and professional advisers with experience operating in all the Group's key territories and continuously monitors political, legal and economic developments in all its geographies. Active dialogue is maintained with local regulatory authorities in the Group's areas of operation.	▲

Managing Risk
continued

Risk	Description and Impact	Mitigation	Status
Alignment with joint venture partners	Development of energy assets is commonly undertaken with partners to spread risk and reduce upfront capital commitments for each party. Coro is currently party to a Joint Operating Agreement on the Duyung PSC, a Joint Venture partnership with VPE in Vietnam for the development of a rooftop solar portfolio and a partnership in Philippines. While these agreements are designed to establish the rights and obligations of all parties, and clarify governance arrangements for investees, there is a risk that the priorities of our partners will not be aligned with our own. This could lead to conflict between partners and delays in development of projects, resulting in variability in the Group's forecast cash flows and profitability. There are also risks associated with the continuing ability of partners to fund their share of expenditures where this is applicable, as it is on the Duyung venture. Our partners are facing similar funding challenges; hence we feel this risk has increased.	The Group seeks to mitigate this risk through appropriate diligence on potential partners prior to investing in a venture, as well as through active participation in the key decisions of each project to the extent permitted by joint operating/shareholder agreements.	▲
Dependence on key personnel	The future performance of the Group will, to a significant extent, be dependent on its ability to retain the services and personal connections or contacts of key personnel and to attract, recruit, motivate and retain other suitably skilled, qualified and industry experienced candidates to form a high-calibre management team. Such key personnel are expected to play an important role in the development and growth of the Group, in particular by maintaining good business relationships with regulatory and governmental departments and essential partners, contractors and suppliers. The loss of the services of any key personnel may have a material adverse effect on the business, operations, relationships and/or prospects of the Group.	The Group seeks to mitigate this risk through structuring appropriate incentive packages for key executives and staff, as well as providing a challenging and enjoyable work environment. The Group's key initiatives are also managed internally by teams, which mitigates the risk posed by the loss of any key management personnel.	▲

ESG Statement of Intent

Coro initiatives to incorporate Environmental, Social, and Governance ("ESG") criteria into our operating framework reflect our commitment to our shareholders, partners, employees, and the communities in which we operate.

As Coro progresses towards realising our vision of building a mid-tier South East Asian energy company that supports the regional transition to a low carbon economy, we will work to ensure ESG is rooted in our systems, processes and decision-making so it is a fundamental part of how we do business. This will be a long-term, continuous process of aligning our operations and controls with our values as a company.

Transparency and honesty to our stakeholders will remain at the centre of our ESG journey. We are currently implementing comprehensive policies and management systems to govern our operations and decision-making across our business.

Progress on our ESG Journey

During 2023 registration of our Vietnam pilot project into the I-REC carbon scheme was commenced. This is a gold standard carbon emission saving scheme that issues carbon credit certificates that in the future will be tradeable and hold value for Coro and its client base.

Our ESG Intentions

We believe the Environmental, Social and Governance facets of ESG are intricately connected and cannot be addressed in isolation. We strive to conduct our business in a holistic way that ensures each of these elements are considered with the objectives of minimising harm and maximising benefits to the Company, the environment and all our stakeholders.

Our core areas of focus for the next two years are:

- Efficient design, installation and operation of our wind and solar renewable energy projects in Vietnam and Philippines that has minimal negative impact on the local environment and communities
- Contribute to the long-term economic benefit of local communities by supporting local content and diversity and building local skills capacity
- Be a partner of choice for our employees and communities through delivering consistent, top quartile safety performance and supporting health and education in the communities in which we work
- Conduct our business with the highest degree of ethics and integrity by demonstrating management commitment to strong and transparent ESG performance with zero tolerance of bribery and corruption
- Build positive stakeholder relationships for the long term

Committed to a Journey of Continuous Improvement

The Management and Board of Coro is committed to this journey of continuous improvement and transparency, reporting its performance and demonstrating to Coro's stakeholders it is a responsible energy partner to support South East Asia in their transition to a low carbon economy.

ESG

At Coro, we are conscious that while our strategy is focused on the energy transition, our assets still give us exposure to gas. However, as coal supply (the dominant energy source in South East Asia) becomes disrupted with Indonesia stopping exports, it is clear the need for gas which is 50% less carbon intensive than coal is still apparent and increasing.

While we fine tune our ESG strategy, the core principles as below remain in force across our operations.

Environment

We respect the environment in which we operate and pledge to act with consideration and minimal impact on the natural world. We do business under all appropriate international and local environmental regulations. As we expand and develop our operations in South East Asia, sensitivity around site selection both in the development stage and, as our assets reach final stage, sensitive restoration is key for Coro.

Social

We treat our employees, partners and in country hosts fairly and with respect. We encourage diversity and social change for good and have been involved in several projects in Italy over recent years, including assisting with building a school in the local area. As we expand on our operations, our relationships with local communities in which we operate within South East Asia will be a priority.

Governance

As a listed entity, we follow the Quoted Companies Alliance Corporate Governance Code 2018 ("QCA Code"), as well as the regulations and best practice guidance given by AIM and the FCA. Our Board meets regularly to opine on key strategic decisions and our Company Secretary records all meetings and (together with our Nominated Adviser) assists with guiding us and advising us on all governance related matters.

HSE/Technical Matters

The HSE/Technical matters are addressed directly by the Board during Board meetings.

Paramount to Coro's ability to pursue its strategic priorities is a safe workplace and a culture of "safety first". The Company regards environmental awareness and sustainability as key strengths in planning and carrying out business activities.

Coro's daily operations are conducted in a way that adheres to these principles and Management is committed to their continuous improvement. While growing from exploration roots, the Company has strived to continually improve underlying safety performance. The Company has adopted a Health, Safety and Environment Management System, which provides for a series of procedures and routine checks (including periodical audits) to ensure compliance with all legal and regulatory requirements and best practices in this area.

In 2023, Coro maintained its outstanding occupational health, safety and environmental track record. During 2023, the total man-hours amounted to 14,306 (2022: 31,672) with zero Lost Time Injury ("LTIs") recorded (2022: nil).

The 2023 HSE Report is provided on page 30.

Directors' Statement under s.172(1) CA 2006

Section 172 (1) of the Companies Act 2006 obliges the Directors to promote the success of the Company for the benefit of the Company's members as a whole.

This section specifies that the Directors must act in good faith when promoting the success of the Company and in doing so have regard (amongst other things) to:

a. the likely consequences of any decision in the long term;

b. the interests of the Company's employees;

c. the need to foster the Company's business relationship with suppliers, customers and others;

d. the impact of the Company's operations on the community and environment;

e. the desirability of the Company maintaining a reputation for high standards of business conduct; and

f. the need to act fairly as between members of the Company.

The Board of Directors is collectively responsible for formulating and delivering on the Company's strategy.

Some of the key decisions taken by the Board in 2023, which we believe served to promote the success of the Company for the benefit of all stakeholders, included:

- Development of renewable projects within South East Asia including 100 MW solar and the three 100 MW wind projects in the Philippines. In Vietnam, the Company has signed a binding 14-year PPA with Mobile World Group to deliver power at ten sites as a pilot phase with a capacity of 430kw.
- The Company completed the disposal of its Italian natural gas portfolio to Zodiac Energy plc. The total maximum consideration of the sale.including the NPI but excluding the working capital adjustment, was Euro 7.4 million ($8 million).
- The Company sold its 18.76% shareholding in ion Ventures Holdings Ltd to SLT1 LLC for a cash consideration of £1.25 million ($1.6 million).
- The operator of the Duyung PSC, Conrad, signed a non-binding Term Sheet with Sembcorp Gas Pte. Ltd. for a long-term gas sales agreement for the Mako gas field, which was endorsed by the Indonesian petroleum upstream regulator. The gas price and volume allocation for the Mako field was approved by the Indonesian Minister of Energy and Natural Resources, permitting Conrad to finalise fully termed Gas Sales Agreements. The Mako project will contribute to Indonesia's target of doubling gas production by 2030.
- Broadening of our South East Asian energy strategy: The Directors continue to strongly believe in the potential of South East Asian energy markets, where primary energy demand is forecast to continue increasing and where coal remains the primary source of electricity generation. The expected reduction in coal's share of the energy mix in these growth markets, to be replaced by gas and cleaner renewable sources, remains a key driver of the Company's strategy.

Our operations in Vietnam are always on rooftops, due to the current opportunities within the local legislation, which means our impact upon local communities is minimal and unobtrusive. In relation to the environment we are servicing electricity demand using clean technology that has zero carbon emissions, replacing grid supplied power that is typically generated from fossil fuels.

The Philippines is ground mounted utility scale projects that require significant land banks for hosting our facilities, at every stage we consult locally with communities and report to local and national Government departments, to inform and also to be aware of all environmental factors, if land areas are of particular sensitivity, alternative locations are sought, the areas that have been chosen, will be subject to Environmental Impact Assessments that are independently conducted and provide recommendations for minimising impact through construction and lifetime. All sites are treated sympathetically and in harmony with government guidance, which usually involves habitat regeneration post construction through the planting of trees and vegetation.

Directors' Statement under s.172(1) CA 2006
continued

Through our activities and increasing profiles, suppliers and potential customers have engaged with Coro and formed relationships. This has allowed Coro to access manufacturers expertise in engineering and the advances made through their research and development programmes. Key partnerships are being formed that will value engineer projects and provide best value for money solutions enhancing project IRR's, delivering maximum shareholder value.

The Board places equal importance on all shareholders and strives for transparent and effective external communications, within the regulatory confines of an AIM-listed company. The primary communication tool for regulatory matters and matters of material substance is through the Regulatory News Service ("RNS"). The Company's website is also updated regularly, and provides further details on the business, as well as links to helpful content such as our latest investor presentations. We also hold investor events, which are open to all shareholders and provide a means through our website for investors to communicate any questions or concerns to the Company. Throughout 2023, we held Q&A sessions for investors, with presentations and detailed updates given on Coro's strategy to shareholders and potential new investors.

Our employees are one of the primary assets of our business and are critical to the future success of the Company. First and foremost, the Directors strive to ensure a safe working environment for all staff and contractors, and we are proud of our safety achievements in 2023. We also seek to reward employees with remuneration packages, which align the interests of the Company and its shareholders with those of employees. We believe we have achieved this through the award of share options, which values medium to long-term performance over short term achievements. Employees are also provided with challenging work and external training opportunities to ensure their continual development.

Conclusion

The Directors believe they have acted the way they consider most likely to promote the success of the Company for the benefit of its members as a whole, as required by Section 172 (1) of the Companies Act 2006.

This Strategic Report was approved by the Board on 9 September 2024 and signed on its behalf by:

TOM RICHARDSON
Non-Executive Director

Corporate Governance Statement

The Board of Coro ensure that the Company embraces the highest standards of corporate governance and manages the Board in the best interests of our many stakeholders. The Board believes that practising solid corporate governance is essential for building a successful and sustainable business, and our commitment to good corporate governance has allowed us to build a healthy corporate culture throughout the organisation.

The Company adopts the Quoted Companies Alliance Corporate Governance Code (2018) (the "QCA Code"), which it still believes to be the most appropriate governance code for Coro. We report our compliance with the QCA Code on the Company's website and in this Annual Report. In November 2023, the Quoted Companies Alliance published the latest version of its corporate governance code (the "2023 QCA Code"), which will apply to financial years beginning on or after 1 April 2024. The Company will be taking steps to look at its compliance with the 2023 QCA Code during the course of 2024.

In March 2023, the intended appointment of Naheed Memon was announced and Mark Hood agreed to step down as a Non-Executive Director of the Company to ensure the Company maintained a balanced and cost effective Board. Naheed Memon was appointed as an Independent Non-Executive Director in April 2023. Tom Richardson was appointed as an Independent Non-Executive Director in July 2023. In February 2024, with a view to transitioning to a structure more appropriate for the Group's current stage of development and focus, Stephen Birrell and Naheed Menon, both agreed to step down as Directors by mutual consent. Marco Fumagalli also retired from the Board in April 2024 at the Company's AGM, following seven years as a Non-Executive Director.

At the Company's AGM held on 24 April 2024 both myself and James Parsons stood for re-election as required under the Company's Articles of Association. The voting at the AGM was carried out by way of a poll to ensure that each shareholder voting was able to vote in proportion to their shareholding. The resolution to appoint Mr Parsons failed and as a result the Company was suspended from trading for a period of time whilst a new director was appointed to the Board. On 2 July 2024 Harry Beamish was appointed to the Board as a Non-Executive Director and on publication of the annual reports and accounts I will take the position as Non-Executive Chair of the Company. Additionally, with the publication of these financial results it is expected that the suspension will be lifted and that the Company will be able to resume trading. I and my fellow Board member are currently working to ensure that the Company can continue to build its business as planned and work with Lenders to restructure the Eurbond for the benefit of all stakeholders.

The Company is developing its growth strategy of developing low carbon energy investments in South East Asia, together with looking to monetise and / or fund its existing interest in the Duyung PSC. The Company is committed to responsible and ethical business practices when we make any business decisions, at both Board and operational levels. This is particularly important to us as an acquisitive business, and our culture is something that we maintain and closely monitor.

The importance of engaging with our shareholders continues, and the Board strives to ensure that there are numerous opportunities for investors to engage with both the Board and Executive team.

TOM RICHARDSON
Non-Executive Director

QCA Code – Application, Principles and Disclosure Requirements

The Board of Directors of the Company recognises the importance of corporate governance and applies the QCA Code, which we believe is the most appropriate governance code for a company of our size with shares admitted to trading on the Alternative Investment Market ("AIM") of the London Stock Exchange. The QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all its stakeholders.

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business, as summarised below. Further disclosures regarding the Company's application of the QCA Code can be found on the Company's website.

Corporate Governance Statement
continued

Principles	Coro Response
Establish a strategy and business model that promotes long-term value for shareholders	The Group's strategy and business model are outlined on pages 7 to 8.
Seek to understand and meet shareholder needs and expectations	The Group seeks to engage with shareholders regularly through its Regulatory News Flow, periodic online Question and Answer forums and preparation of investor presentations, which are updated quarterly and available on the Group's website, and at in person General Meetings.
Take into account wider stakeholder and social responsibilities and their implications for long-term success	The Group seeks to be a responsible corporate citizen in all its territories of operation and has an "open door" policy internally where employees can raise opinions and concerns to management. We are committed to operating our business according to the highest international safety and environmental standards. We strive to deliver lasting benefit to the communities and environments where we work as well as our shareholders, contractors and employees.
Embed effective risk management, considering both opportunities and threats, throughout the organisation	The Group has an effective risk management framework, which is subject to oversight by the Audit Committee. See further details on pages 15 to 18.
Maintain the Board as a well-functioning balanced team led by the Chair	The current composition of the Board altered following the 2024 AGM. The Company intends to address the Board composition further and for a Chair to be appointed on publication of the annual reports and accounts. Refer to further discussion of the Board structure, composition and processes on pages 26 to 29.
Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	The complementary skills and experience of our Board and management team are included on page 25.
Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement	Refer to a discussion of Board evaluation on page 27.
Promote a corporate culture that is based on ethical values and behaviours	The Group's employees are bound by a Code of Conduct, which sets forth the standards expected by the Company. This includes a zero-tolerance approach to bribery and corruption, and a commitment on the part of all employees to a high level of honesty, care, fair dealing and integrity in the conduct of Coro's business activities. A Whistleblowing Policy is in place to provide a framework for employees to call out unethical or illegal behaviour.
Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board	Refer to further discussion of the Group's governance structures, including matters reserved for the Board, on page 26.
Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders	The Group's financial and operational performance are summarised in the Annual Report and the Interim Report, with regular updates provided to stakeholders in other forums through the year, including press releases, investor events and regular updates to the Group's website.

Board of Directors

TOM RICHARDSON

Independent Non-Executive Director

(Appointed to the Board on 20 July 2023.)

Tom is an experienced Director of listed companies. He is currently Chairman of Fenikso Limited and an independent director of Canadian Overseas Petroleum Limited. In addition, Tom was an Executive Director of Nostrum Oil & Gas Plc a UK FTSE 250 premium listed company. Prior to working in Oil & Gas Tom has worked for ING, JP Morgan and NM Rothschild covering investment banking, capital markets and credit. Tom has a B.Sc in Economics & Politics from the University of Bristol.

HARRY BEAMISH

Independent Non-Executive Director

(Appointed to the Board on 2 July 2024.)

Harry has significant expertise in the energy and renewables sectors with over a decade specialising in emerging markets. Harry has developed, advised and structured multiple renewable energy transactions across Hydro, Solar, Wind, and Energy Efficiency and advises companies within the Energy Transition space.

Harry is the co-founder and Partner of Becquerel Capital, the development and structuring boutique focused on sustainable power infrastructure, with significant experience in Emerging Markets. He holds a master's degree in International Business and Finance from ESCP-EAP European School of Management.

JAMES PARSONS

Executive Chair

(Appointed to the Board on 12 December 2017 until 24 April 2024).

MARCO FUMAGALLI

Non-Executive Director

(Appointed to the Board on 12 December 2017 until 24 April 2024).

STEPHEN BIRRELL

Independent Non-Executive Director

(Appointed to the Board on 25 March 2022 until 16 February 2024.

NAHEED MEMON

Independent Non-Executive Director

(Appointed to the Board on 14 April 2023 until 16 February 2024.)

MARK HOOD

Non-Executive Director

(Appointed to the Board on 17 March 2021 until 24 March 2023.)

Management

MICHAEL CARRINGTON

Managing Director Renewables

JAMES PARSONS

Managing Director

Corporate Governance Framework

Role of the Board

The Group continued to evolve in 2023 and develop the business in South East Asia. It is critical that the Group's governance and control structure is robust, clearly defined and communicated. The Board of Directors is responsible for the overall management and performance of the Group and operates within a framework of prudent and effective controls, which enables risk to be assessed and managed. It is also collectively responsible for the success of the Group and operates within a framework of reserved matters, delegations and assurance.

Governance Structure

In 2023, there were changes to the Board. In March 2023, the intended appointment of Naheed Memon was announced and Mark Hood agreed to step down as a Non-Executive Director of the Company. Naheed Memon was appointed as an Independent Non-Executive Director in April 2023. Tom Richardson was appointed as an Independent Non- Executive Director in July 2023. In Feburary 2024, with a view to transitioning to a structure more appropriate for the Group's current stage of development and focus, Stephen Birrell and Naheed Menon, both agreed to step down as Directors by mutual consent. Marco Fumagalli also retired from the Board in April 2024 at the Company's AGM, following seven years as a Non-Executive Director. Tom Richardson and James Parsons both stood for re-election at the 2024 AGM as per the requirements of the Company's Articles of Association. Mr Parsons was not re-elected and stepped down as a director following th AGM on 24 April 2024. As a result the Company's stock was suspended until such time that an additional director joined the Board. On 2 July 2024 Harry Beamish was appointed to the Board and with the publication of these financial results it is expected that the suspension will be lifted and the Company can resume trading. Additionally, on publication of the annual reports and accounts, Tom Richardson is to be appointed as Non-Executive Chair of the Company.

Currently, the Board comprises of Tom Richardson, Non-Executive Director and Harry Beamish, Non-Executive Director.

Michael Carrington joined the Company in March 2021 as Chief Operating Officer. Michael co-founded Global Energy Partnership Ltd and has over 30 years' experience of energy efficiency and clean tech generation in the built environment.

Matters Reserved for the Board

The Board retains full and effective control over the Group and is responsible for the Group's strategy and key financial and compliance issues. There are certain matters that are reserved for the Board, which are reviewed on an annual basis, and they include:

- **Strategy and management**
  approval of strategic aims and objectives; approval of the Group's annual operating and capital expenditure budgets and changes; decision to cease to operate all or any material part of the Group's business;
- **Structure and capital**
  major changes to the Group's corporate structure; any change to the Company's listing;
- **Financial reporting and controls**
  approval of financial results; annual reports and accounts; dividend policy and declaration of any dividend; significant changes in accounting policies/practice; and treasury policies;
- **Internal controls**
  ensuring maintenance of a sound system of internal control and management;
- **Contracts**
  major capital contracts; contracts that are material or strategic; and major investments or any acquisitions/disposals;
- **Communications**
  approval or resolutions and documentation put forward to shareholders;
- **Board membership and other appointments**
- **Remuneration**
  determining the remuneration policy for Directors, senior Executives and Non-Executive Directors; introduction of new share incentive plans; and changes to existing plans;
- **Corporate governance matters**
  review of the Group's overall corporate governance arrangements;
- **Policies**
  approval of Group policies, including the share dealing code;
- **Other**
  litigation involving £5m and over or otherwise material to the Group; approval of the appointment of professional advisers; and approval of overall levels of insurance for the Group.

Board Committees

The Board has formed four committees: the Audit Committee, the HSE/Technical Committee, the Nominations Committee and the Remuneration Committee, with delegated responsibility to monitor their respective areas and to report back to the full Board. The Committees operate under clearly defined terms of reference, which are kept under review, to ensure proper functioning of the Committees and effective application of best practice. The Directors appointed to each Committee are outlined below, with the HSE/Technical Committee supported by additional employees with the appropriate skills and experience during the year.

Board Meeting Attendance

Year ended 31 December 2023	Board (scheduled)	Board (ad hoc[1])	Audit Committee	Remuneration Committee	HSE Committee	Nominations Committee
Number of meetings held	5	10	3	4	5	1
James Parsons	5	10	–	–	–	–
Marco Fumagalli	5	10	3	4		1
Naheed Memon[2]	3	4	–	–	–	–
Stephen Birrell	5	10	3	4	5	1
Mark Hood[3]	1	3	–	–	–	–
Tom Richardson[4]	2	3	–	–	–	–

1. Ad hoc meetings are called for specific matters, generally of a more administrative nature not requiring full Board attendance.
2. Appointed on 14 April 2023
3. Resigned on 24 March 2023
4. Appointed on 20 July 2023

Board Evaluation

The Directors consider seriously the effectiveness of the Board, its Committees and individual performance.

The Board generally meets formally five times a year with ad hoc Board meetings as the business demands. There is a regular flow of communication between the Directors and the Management team.

Board meeting agendas are set in consultation with the Management team, with consideration being given to both standing agenda items and the strategic and operational needs of the business. Comprehensive Board papers are circulated well in advance of meetings, giving Directors ample time to review the documentation and enabling an effective meeting.

Resulting actions are tracked for appropriate delivery and follow up. The Directors have a broad knowledge of the business and understand their responsibilities as Directors of a UK company quoted on AIM.

The Company's Nomad provides annual Boardroom training as well as initial training as part of a Director's onboarding. The Company Secretary, assisted by the Group's solicitors, helps keep the Board up-to-date with developments in corporate governance and liaise with the Nomad on areas of AIM requirements. The Company Secretary has frequent communication with both the Directors and Management team and is available to other members of the Board as required.

The Directors also have access to the Company's auditors and lawyers as and when required, and the Directors are able, at the Company's expense, to obtain advice from other external advisers if required.

The Board recognises that, in order to meet the requirements of the QCA Code, a Board effectiveness process needs to be considered in the short to medium term. To date, a formal Board effectiveness review has not been undertaken given recent Board changes; however, a formal review will be arranged as and when considered appropriate. The Directors are committed to ensuring the ongoing efficient functioning of the Board to ensure it is meeting its objectives.

Corporate Governance Framework
continued

Auditor Rotation

The Company's policy is to undertake an audit tender at least every ten years and to change auditors at least every 20 years. The incumbent auditor, PKF Littlejohn LLP, has been the Company's auditor since its first financial period, which ended 31 December 2017, meaning this is their seveth year as the Company's auditors. The audit of the 2021 financial statements was the final year for the audit partner, Joseph Archer was replaced with Daniel Hutson, given the requirement to change audit partner every five years. During the 2023 audit, Daniel Hutson stepped down as the audit partner and was replaced with Imogen Massey. The Company does not have any plans to retender the audit in the next 12 months.

Board Reports

Audit Committee

The Audit Committee comprises Harry Beamish (Chair) and Tom Richardson. Marco Fumagalli served as Chair until he retired from the Board on 24 April 2024.

Scope and responsibilities:

The Audit Committee is mainly responsible for the oversight of financial reporting in accordance with regulatory and statutory requirements, and for the review and monitoring of the Group's internal financial control and risk management systems. The Committee meets a minimum of twice a year.

2023 activities:

- Reviewed the 2022 audit plan and approved auditor's remuneration.
- Reviewed and approved the Group's 2022 Annual Report and 2023 Interim Report.
- Reviewed the independence and competence of the Group's auditor, PKF Littlejohn LLP ("PKF") and recommended their reappointment.
- Considered the going concern position of the Group.
- Reviewed the Group's risk register.

Remuneration Committee

The Remuneration Committee comprises Non-Executive Directors Tom Richardson (Chair), and Harry Beamish. Stephen Birrell served as Chair until he stepped down from the Board and as Committee Chair in Feburuary 2023.

The Committee generally meets twice a year and is responsible for making recommendations to the Board of Directors on senior Executives' remuneration.

The Committee reviews the overall Remuneration policy of the Company, the Executive Director's scorecard, and bonus awards related to the achievements of the targets set.

2023 activities:

- Reviewed and approved the 2022 bonus awards to Executives and management and the 2022 scorecard.
- Discussed and debated the changes to the Executive management team.
- Reviewed the Group's long-term incentive structures.
- Approved options.
- Reviewed and approved the 2023 scorecard.
- Considered the remuneration package for the Executive Chair and members of the Executive Management team.

Nominations Committee

The Nominations Committee comprises of Tom Richardson (Chair) and Harry Beamish. Stephen Birrell served as Chair until his resignation in February 2023..

The Committee was established during 2020, with matters pertaining to Nominations previously dealt with by the Remuneration Committee.

The role of the Committee is to consider Board composition and succession planning, to identify candidates for NED positions and to make recommendations to the Board.

2023 activities:

- Considered the near term composition of the Board.

HSE/Technical Committee

During 2024 all HSE and Technical matters are dealt with directly by the Board at each scheduled Board meeting.

Paramount to Coro's ability to pursue its strategic priorities is a safe workplace and a culture of "safety first". The Company regards environmental awareness and sustainability as key strengths in planning and carrying out business activities.

Coro's daily operations are conducted in a way that adheres to these principles and Management is committed to their continuous improvement. While growing from exploration roots, the Company has strived to continually improve underlying safety performance. The Company has adopted a Health, Safety and Environment Management System, which provides for a series of procedures and routine checks (including periodical audits) to ensure compliance with all legal and regulatory requirements and best practices in this area.

In 2023, Coro maintained its outstanding occupational health, safety and environmental track record. During 2023, the total man-hours amounted to 14,306 (2022: 31,672) with zero Lost Time Injury ("LTIs") recorded (2022: nil)

The 2023 HSE Report is provided on page 30.

HSE Report

The total man-hours worked in 2023 were 14,306 with key HSE statistics recorded in the following four main categories:

1) Man-hours Worked

	2023	2022
Company	**3,250**	7,794
Contractors	**11,056**	23,878
Total man-hours	**14,306**	31,672

2) Lagging Indicators

	2023	2022
Fatality	**0**	0
Lost Time Injury (LTI)	**0**	0
Restricted Work Case (RWC)	**0**	0
Medical Treatment Case (MTC)	**0**	0
First Aid Case (FAC)	**0**	0
Property damage	**0**	0
Environmental incident	**0**	0
Road Traffic Accident (RTA)	**0**	0
Near miss	**0**	1
HiPo (high potential incidents)	**0**	0
Lost workdays	**0**	0

3) Leading Indicators

	2023	2022
HSE inspections	**238**	329
HSE audits	**15**	11
HSE meetings	**1**	18
HSE inductions	**263**	453
Emergency drills	**1**	0
TBTs	**0**	0
Training hours	**137**	14
SHOC cards	**0**	0
JSAs	**0**	11
Management visits	**3**	6

4) Environmental Data

	2023	2022
Diesel consumed (mc)	**21**	25
Water consumed (mc)	**22**	36
Mud cuttings (mc)	**0**	0
Non-hazardous waste (tonne)	**4,066**	1,949
Hazardous waste (tonne)	**0**	2
Instrumentation gas (mc)	3,810	4,680
Electrical energy (MWh)	196,585	98

All 2023 data relate to the time between January and October 2023, after which the Italian assets disposal became effective.

Coro is proud of its HSE achievements, with zero LTIs placing us ahead of industry averages.

Directors' Remuneration Report

Remuneration Committee

The Remuneration Committee recognises the importance of attracting, retaining and motivating talent within the Boardroom and the wider Executive team to ensure the success of the Company.

The Remuneration Committee is responsible for reviewing and determining compensation arrangements for all Directors and senior Executives. The Committee considers the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and senior Executive team.

There were changes made to the Company's Board and Executive team in 2023. In March 2023, the intended appointment of Naheed Memon was announced and Mark Hood agreed to step down as a Non-Executive Director of the Company to ensure the Company maintained a balanced and cost effective Board. Naheed Memon was appointed as an Independent Non-Executive Director in April 2023. Tom Richardson was appointed as an Independent Non- Executive Director in July 2023. In Feburary 2024, with a view to transitioning to a structure more appropriate for the Group's current stage of development and focus, Stephen Birrell and Naheed Menon, both agreed to step down as Directors by mutual consent. Marco Fumagalli also retired from the Board in April 2024 at the Company's AGM, following seven years as a Non-Executive Director. Tom Richardson and James Parsons both stood for re-election at the 2024 AGM as per the requirements of the Company's Articles of Association. Mr Parsons was not re-elected and stepped down as a Director following the AGM on 24 April 2024. As a result the Company's stock was suspended until such time that an additional director joined the Board. On 2 July 2024 Harry Beamish was appointed to the Board and with the publication of these financial results the suspension should be lifted and the Company resume trading. Additionally, on publication of the annual reports and accounts, Tom Richardson is to be appointed as Non-Executive Chair of the Company.

The Committee will continue to work to ensure that the appropriate policies and framework are in place to reward the new Executive team for achievements and targets met, which, in turn, creates value for stakeholders.

Remuneration Package – Executive Directors

The Company offers a fixed remuneration package of salary, pension and certain benefits. In addition, Executive Directors are eligible for a discretionary bonus award. Award of bonuses depends on performance against a balanced scorecard, which is agreed by the Committee. In 2023 the Committee awarded options in which Executives are entitled to participate. Options may be granted to Executives annually, at the discretion of the Committee, and will generally vest in three years subject to performance vesting conditions determined by the Committee.

Non-Executive Directors' Fees

The fees paid to the Non-Executive Directors are set at a level both in line with the market and to appropriately reward and retain individuals of a high calibre and are reviewed and approved by the Board. The fees paid reflect the level of commitment and contribution to the Company. Fees are paid monthly in cash and are inclusive of all Committee roles and responsibilities.

Directors' Remuneration Report
continued

Remuneration of Directors

The following remuneration table comprises Directors' salaries and benefits in kind that were payable to Directors who held office during the year ended 31 December 2023:

	Salary and cash benefits US$	Bonus US$	Fees	Total 2023 US$	Total 2022 US$'000
Executive Director					
James Parsons	333	26	–	**359**	403
Non-Executive Directors					
Mark Hood[1]	41	–	22	**63**	253
Marco Fumagalli	52	–	–	**52**	49
Stephen Birrell	52	–	–	**52**	38
Andrew Dennan[2]	–	–	–	**–**	22
Fiona MacAulay[3]	–	–	–	**–**	16
Tom Richardson[4]	23	–	–	**23**	–
Naheed Memon[5]	37	–	–	**37**	–
Total	538	26	22	**586**	781

1. Resigned on 24 March 2023 2. Resigned on 14 June 2022 3. Resigned on 25 March 2022 4. Appointed on 20 July 2023
5. Appointed on 14 April 2023

Share-Based Payments

In 2023, James Parsons was granted 35,000,000 new share options in the Company. There were no other new share options granted to Directors in the year. The table below shows all outstanding share awards to the Directors. The options awarded to Directors vest after three years subject to fulfilling the set performance conditions. The total share-based payments expense recognised in respect of Directors in 2023 was US$223k (2022: US$145k). For further details, refer to note 6 of the Notes to the Financial Statements.

The number of share options held by the Directors in the current and prior year is set out below:

	Options held at 1 January 2023	Granted during the year	Exercised during the year	Lapsed/ forfeited during the year	Options held at 31 December 2023
Mark Hood	59,022,733	–	–	–	**59,022,733**
James Parsons	57,080,979	35,000,000	–	(10,000,000)	**82,080,979**
Marco Fumagalli	10,000,000	–	–	(10,000,000)	**–**

Directors' Interest in Shares

Directors and their connected persons had the following interests in shares of the Company at 31 December 2023:

Name of Director	No. of shares at 31 December 2023	No. of shares at 31 December 2022
James Parsons	**4,695,414**	4,695,414
Marco Fumagalli[1]	**–**	–

1. Marco Fumagalli holds no Ordinary Shares directly. M Fumagalli holds a 25% interest in Continental Investment Partners S.A ("Continental"), which has 3,817,065 Ordinary Shares as at 31 December 2023, (3,817,065 Ordinary Shares were held as at 31 December 2022).

This Remuneration Report was approved by the Board of Directors on 9 September 2024 and signed on its behalf by:

TOM RICHARDSON
Non-Executive Director

Directors' Report

The Directors present their Annual Report and the audited Group and Company financial statements of Coro Energy plc for the year ended 31 December 2023.

Principal Activities

Coro is an AIM-listed South East Asian energy company supporting the regional transition to a low-carbon economy, with a strategy centred on low-carbon energy investments, supported by an existing platform of gas assets.

During the year the Group completed the disposal of its Italian natural gas portfolio to Zodiac Energy plc, and also divested its entire shareholding in ion Ventures and is now fully focussed on it's South East Asian businesses.

Results and Dividends

The Group made a profit attributable to owners of the Company of $1.7m (2022: US$5.5m loss).

The Directors have not recommended payment of a dividend (2022: nil).

Directors

The Directors who served during the period, and up to the date of this report, were as follows:

- Tom Richardson (appointed 20 July 2023)
- Harry Beamish (appointed 2 July 2024)
- James Parsons (until 24 April 2024)
- Marco Fumagalli (until 24 April 2024)
- Mark Hood (until 24 March 2023)
- Stephen Birrell (until 16 February 2024)
- Naheed Memon (until 16 February 2024)

Directors' and Officers' Indemnity Insurance

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors and officers. These were made during the previous year and renewed post year end, and remain in force at the date of this report.

Provision of Information to Auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Future Developments

Future developments are included in the Statement from the Directors.

Information on the financial instruments of the Group and its approach to financial risk management is disclosed in note 21 to the financial statements.

Substantial Shareholdings

The Directors were advised of the following significant direct and indirect interests in the issued share capital of the Company above 3%. The information is as at register analysis cut-off date of 30 December 2023, except where TR-1 notifications are made subsequent to the date of these Annual Reports and Financial Statements:

Name of shareholder	Interest
River Merchant Capital Ltd	9.45%
Novum Securities*	8.32%
Spreadex Ltd**	4.07%

* Private Investor Holdings

** 67,396,000 votes (2.62%) – CFD/Spread bet financial instruments – 62,153,318 ordinary shares (2.42%) held directly.

Subsequent Events

The events after the reporting period are set out in note 26 to the financial statements.

Going Concern

The Group and Company financial statements have been prepared under the going concern assumption, which presumes that the Group and Company will be able to meet its obligations as they fall due for the foreseeable future.

At 31 December 2023 the Group had cash reserves of $1.1m and current receivables of $1.1m related to residual sales proceeds from the sale of Italian operations and its investment in ion Venture. The Group's Eurobond obligation matured on 12 April 2024 with the outstanding balances, including the

Directors' Report
continued

rolled up coupon, or US$31.3 million. The Group has been in active discussions with bondholders in relation to the restructuring of the bonds and received a letter from two lenders holding 68% of the Eurobonds on 12 April 2024 (the "Standstill"). The Standstill, which the Company is advised is binding on the parties, provides a conditional standstill on the repayment of the Group's current debt obligations on expiry whilst the ongoing constructive discussions with the Group in respect of the Eurobonds continue and whilst certain inflexion points in the business materialise, including the outcome of the Duyung Operator's farm out process. The Group is working on a broader debt restructuring, which it intends to formally propose to all Eurobond holders and shareholders in due course. The Standstill conditions include a requirement for lender consent on material capex spend during the period of the standstill together with requirements for the provision of certain information and the appointment of a financial advisor nominated by the noteholders to provide advice to the Board and the lenders. During the course of the Standstill, the Group will work with the lenders and the financial advisor reviewing the existing arrangements and working towards a permanent debt restructuring solution for the business. The Group cautions that, notwithstanding the ongoing constructive discussions to-date and the agreement of this Standstill, noteholders could withdraw the Standstill at any time which would result in the Company triggering a default.

In the event of a default the amount owed under the Eurobond may result in the group relinquishing control of Coro Energy Holdings Cell A Limited (which ultimately holds the exploration and evaluation assets totalling $18,731k as at 31 December 2023), against which the Eurobond is secured. Additionally, it should be noted that the carrying value of the investment in the subsidiary ($17,452k) (note 20) and intercompany receivables of $254k and loans to subsidiaries of $1.67m (note 20) on the parent company statement of financial position are intrinsically linked to the carrying value of the exploration and evaluation assets totalling $18,731k; therefore if control of Coro Energy Holdings Cell A Limited is lost then these balances would all require impairment.

As at 31 December 2023, the group reports net current liabilities of $34,516k, consisting primarily of balances owed to the Eurobond holders along with trade and other payables. The group requires funding to repay these balances or to obtain an agreement to defer the balances owed to the Eurobond holders and other creditors or a combination of both, in order to meet its liabilities as they fall due. Additionally, whilst the group has generated cash from solar project in Vietnam over the last two financial periods; this has not been sufficient to meet the working capital requirements of the group.

Post the year under review, the Company raised US$500,000 via a secured convertible loan with River Merchant Capital, an existing lender to the Company under the Company's Luxembourg 8% listed Eurobond and Fenikso Limited. The proceeds of this loan will be utilised to fund the Group's renewables business and for general working capital purposes. Under the Group's forecast, this loan together with existing bank balances provides sufficient funding to fund the Company's working capital requirements through to the end of January 2025.

During the year the Group secured a non-binding lending commitment from HD Bank in Vietnam whereby the bank has provided the Group with an in principle commitment letter initially focussed on providing debt finance for 50% of the capital spend commitment for the ten locations in the pilot stage of the previously announced 50MW MOU with Mobile World Investment Corporation to install rooftop solar systems across their portfolio.

Management have prepared a consolidated cash flow forecast for the period to 31 December 2025 which shows that the Group will require additional equity financing to meet its obligations and intended work renewables work programme in Asia during this period. The Group is actively pursuing a significant fundraise and the directors have a reasonable expectation that sufficient funds can be raised on equity markets to provide this liquidity, although the ability to raise sufficient capital is not guaranteed.

Based on the above, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the Group and Company financial statements for the year ended 31 December 2023. Should the Group and Company be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify fixed assets as current. The auditors make reference to a material uncertainty in relation to going concern within their audit report.

This Directors' Report was approved by the Board on 9 September 2024 and signed on its behalf by:

TOM RICHARDSON
Non-Executive Director

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group and Company Financial Statements in accordance with UK-adopted international accounting standards and, as regards the Company financial statements, as applied in accordance with the requirements of the Companies Act 2006.

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 Company and the Group as at the end of the financial year and of the profit or loss of the Group and the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the applicable UK adopted international accounting standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

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

The Group is compliant with AIM Rule 26 regarding the Group's website.

This report was approved by the Board on 9 September 2024 and signed on its behalf by:

TOM RICHARDSON
Non-Executive Director

Independent Auditor's Report

To the Members of Coro Energy Plc

Opinion

We have audited the financial statements of Coro Energy Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2023 and of its profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2c in the financial statements, which indicates that:

- As at 31 December 2023, the group reports net current liabilities of $34,516k, consisting primarily of balances owed to the Eurobond holders along with trade and other payables. The group requires funding to repay these balances or to obtain an agreement to defer the balances owed to the Eurobond holders and other creditors or a combination of both, in order to meet its liabilities as they fall due;
- The group's and parent company's financing arrangement, being the Eurobond, fell due on 12 April 2024 with amounts outstanding of $31,327k as at 31 December 2023. The group and parent company have been unable to conclude re-negotiations or obtain replacement financing. Repayment has at the current time not been demanded under a Standstill agreement with 68% of the bondholders, however, the Standstill could be withdrawn at any time; and
- Failure to repay the amount owed may result in the group relinquishing control of Coro Energy Holdings Cell A Limited (which ultimately holds the exploration and evaluation assets totalling $18,731k as at 31 December 2023), against which the Eurobond is secured. Additionally, it should be noted that the carrying value of the investment in the subsidiary ($17,452k), intercompany receivables ($254k), and loans to subsidiaries ($1.67m) on the parent company statement of financial position are intrinsically linked to the carrying value of the exploration and evaluation assets totalling $18,731k; therefore if control of Coro Energy Cell A Limited is lost then these balances would all require impairment.

As stated in note 2c, these events or conditions, along with the other matters as set forth in note 2c, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's 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 company's ability to continue to adopt the going concern basis of accounting included the following:

- We critically assessed management's financial forecasts through comparing actual outcomes in 2023 results against historic forecasts. Underlying key assumptions, including revenue, operating and capital expenditure were assessed by considering factors such as historical revenue profiles, and operating expenditure historic actuals in order to assess the reasonableness of the forecasts.
- We assessed the reasonableness of key assumptions underpinning the forecasts by reference to publicly available information and underlying source documentation.
- We reviewed post year end information for consistency with the forecasts.
- We agreed post year end cash position to bank statements.
- We obtained the agreement in respect of the new post year end financing arrangement, being the convertible loan note of $500k.
- We reviewed discretionary versus committed spend in the forecast and completeness of expenses included.
- We performed sensitivity analysis on the cash flow forecast to consider the available headroom under different reasonably possible scenarios including an increase in expenses.
- We made enquiries of Management and Directors and reviewed Board minutes to assess the completeness of commitments considered in the cash flow forecasts.
- We evaluated the adequacy of disclosures made in the financial statements in respect of going concern.

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

Our application of materiality

Entity	Basis for materiality	Materiality
Coro Energy Plc – group	5% (2023: 5%) of net liabilities	$355k (2022: $293k)
Coro Energy Plc – parent company	5% (2022: 5%) of net liabilities but capped based on group materiality	$240k (2022: $180k)

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we consider net liabilities to be the most significant determinant of the group's and parent company's financial performance used by shareholders as the group continues to progress its assets and the parent company continues to support the group's development activities.

Whilst materiality for the financial statements as a whole was set at $355k (2022: $293k), significant components of the group were audited to a level of materiality ranging between $90k and $240k (2022: between $91k and $205k). Performance materiality for the group and components was set at 70% (2022: 70%) to ensure sufficient coverage of key balances. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit.

We agreed with management that we would report to the audit committee all audit differences identified during the course of our audit in excess of $17.7k (2022: $14.7k) for the group and $12k (2022: $9k) for the parent company. We also agreed to report differences below these thresholds that, in our view warranted reporting on qualitative grounds.

Independent Auditors' Report

To the Members of Coro Energy Plc continued

Our approach to the audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas requiring the directors to make subjective judgements, for example in respect of significant accounting estimates including the carrying value of assets and the consideration of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

An audit was performed on the financial information of the group's operating components which for the year ended 31 December 2023 were located in the United Kingdom and Asia, with the group's accounting function being based in the UK.

The audit of all significant components was performed in London, conducted by PKF Littlejohn LLP using a team with specific experience of auditing listed entities in the energy and resource sector.

Our work scope included audit procedures to address the key audit matters, being the capitalisation and impairment of intangible development assets and exploration expenditure, the recoverability of investments and intercompany receivables and the disposal accounting of the Italian portfolio.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) 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. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Capitalisation and impairment of exploration and development assets	
There is a risk that the carrying values of the group's exploration and development assets are not fully recoverable and should be impaired in line with IFRS 6, Exploration for and Evaluation of Mineral Resources and IAS 36, Impairment of Assets. **The group has various exploration and development projects, predominantly in Indonesia and the Philippines. Given the early stage of development of the projects, the assessment of impairment requires significant judgement and therefore this matter is considered to be a key audit matter. This risk also relates to the appropriate capitalisation of exploration costs amounting to \$18,731k (2022: \$17,707k) and development costs amounting to \$579k (2022: \$428k) in accordance with IFRS 6 and IAS 38, Intangible Assets, respectively.** **Related disclosures are included in Note 2e and Note 13 to the financial statements.**	Our audit work in this area included: • Testing a sample of capitalised exploration and evaluation expenditures and development costs to source documentation in order to assess their eligibility for capitalisation under IFRS 6 and IAS 38, respectively; • Ensuring the validity of exploration licences and relevant agreements relating to project partnerships and reviewing key terms to ensure appropriateness of accounting treatment; • Making enquiries of management regarding future plans for each project including obtaining cashflow projections where necessary and corroborating to minimum spend requirements attached to licences, where appropriate; • Considering whether there are indications of impairment on a project by project basis in accordance with the requirements of IFRS 6 and IAS 36, as applicable; • Reviewing management's impairment papers in respect of the carrying value of intangible assets. Providing challenge to, and corroborating any key assumptions used; • Reviewing Board minutes and Regulatory News Services announcements in the year and post year end for indicators of potential impairment; and • Evaluating the appropriateness of the presentation and disclosures in the financial statements. Based on the work performed, we are satisfied that intangible assets are not materially misstated. We draw your attention to the Material uncertainty related to going concern section of this report, which refers to the security against the Eurobond, which, if exercised, could result in impairment of the exploration and evaluation assets relating to the Duyung PSC totalling \$18,731k as at 31 December 2023.

Independent Auditors' Report
To the Members of Coro Energy Plc continued

Key Audit Matter	How our scope addressed this matter
Valuation of investments and intercompany receivables (parent company)	
There is a risk of material misstatement regarding the recoverability of investments in subsidiaries (including intercompany receivables and loans from subsidiaries i.e. the net investment in each subsidiary). **The carrying value of investments is ultimately dependent on the value of the underlying assets. Many of the underlying assets are exploration and development projects which are at an early stage, making it difficult to definitively determine their value. Valuations for these sites are therefore based on judgments and estimates made by the Directors, which leads to a risk of misstatement and as such this is deemed to be a key audit matter.** **Similar considerations apply to the recoverability of loans to group undertakings.** **Related disclosures are included in Notes 2e, 11 and 20 to the financial statements.**	Our audit work in this area included: · Obtaining evidence of ownership for all investments held within the group; · Reviewing the value of investment balances against the value of the underlying assets, including reference to work performed in respect of the carrying value of intangible assets in accordance with IFRS 6 and IAS 38; · Reviewing management's impairment paper in respect of the recoverability of investment balances (including intercompany receivables) at the parent company level and providing appropriate challenge, corroborating any key assumptions and inputs used; · Evaluating management's assessment of expected credit losses in relation to intercompany receivables, where applicable; and · Evaluating the appropriateness of the presentation and disclosures in the financial statements. Based on the work performed, we are satisfied that the carrying value of investments in subsidiaries and intercompany receivables are not materially misstated. We draw your attention to the Material uncertainty related to going concern section of this report, which refers to the security against the Eurobond, which, if exercised, could result in impairment of investments in subsidiaries ($17,452k), intercompany receivables ($254k) and loans to subsidiaries ($1.67m) relating to Coro Energy Holdings Cell A Limited and its subsidiaries as at 31 December 2023.

Key Audit Matter	How our scope addressed this matter
Disposal Accounting – Italian Portfolio	
The Italian operations, consisting of subsidiary Apennine Energy SpA, and its parent company, Coro Europe Limited, were disposed of during the year under review. **On 8 November 2023 it was announced that the sale of the Italian portfolio was approved by the Italian regulatory authorities and that the sale was completed. The total consideration for the sale, was up to Euro 7.4 million which consists of Euro 5.86 million upfront consideration and a 10% net profit interest ('NPI') on future profits, capped at Euro 1.5 million.** **There is a risk that the disposal of the Italian portfolio has not been accurately accounted for.** **Related disclosures are included in Note 2e and Note 19a to the financial statements.**	Our audit work in this area included: · Obtaining relevant agreements relating to the sale and reviewing the terms to understand the point at which the sale was complete and control was no longer deemed to be held by the group; · Agreeing consideration, dates and entities sold to the sale agreement; · Vouching any consideration received to bank statements; · Determining the appropriateness of management's considerations relating to the 10% NPI on future profits; · Recalculating the gain recognised on the disposal and reviewing the appropriateness of accounting entries made; · Ensuring the assets and liabilities have been derecognised appropriately from the consolidation; and · Reviewing disclosures made in respect of the disposal and ensuring these are accurate and complete. Based on the work performed, we are satisfied that the accounting treatment of the disposal is not materially misstated.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Independent Auditors' Report

To the Members of Coro Energy Plc continued

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or 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
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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.

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:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through detailed discussions with management about the potential instances of non-compliance with laws and regulations both in the UK and in overseas subsidiaries. We also selected a specific audit team based on experience with auditing entities within this industry of a similar size.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
  - Companies Act 2006;
  - AIM Rules for Companies; and
  - Local tax and employment law.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - Reviewing Board Minutes;
  - Reviewing legal ledger accounts; and
  - Reviewing Regulatory News Services announcements.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there were no other significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Imogen Massey (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London E14 4HD

9 September 2024

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2023

	Notes	31 December 2023 US$'000	31 December 2022 US$'000
Continuing operations			
Revenue		**235**	51
Depreciation and amortisation expense		**(78)**	(21)
Gross profit		**157**	30
Other (loss)/income		**(3)**	309
General and administrative expenses	5	**(3,305)**	(3,574)
Depreciation expense		**(10)**	(15)
Impairment reversal		**54**	–
Gain on disposal of investments in associates and subsidiaries	19b	**1,313**	–
Share of loss of associates		**(49)**	(82)
Loss from operating activities		**(1,843)**	(3,332)
Finance income	7	**1,045**	636
Finance expense	7	**(4,249)**	(5,491)
Net finance expense		**(3,204)**	(4,855)
Loss before income tax		**(5,047)**	(8,187)
Income tax benefit/(expense)	8	**–**	–
Loss for the year from continuing operations		**(5,047)**	(8,187)
Discontinued operations			
Gain for the year from discontinued operations	19a	**6,738**	2,642
Total profit/(loss) for the year		**1,691**	(5,545)
Other comprehensive income/loss			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		**(3,339)**	2,925
Total comprehensive loss for the year		**(1,648)**	(2,620)
Profit/(loss) attributable to:			
Owners of the Company		**1,717**	(5,479)
Non-controlling interests		**(26)**	(66)
Total comprehensive loss attributable to:			
Owners of the Company		**(1,622)**	(2,554)
Non-controlling interests		**(26)**	(66)
Basic and diluted profit/(loss) per share from continuing operations ($)	9	**(0.002)**	(0.004)
Basic earnings per share from discontinued operations (US$)		**0.0025**	0.001
Diluted earnings per share from discontinued operations (US$)		**0.0024**	0.001

The consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

Company number: 10472005
As at 31 December 2023

	Notes	31 December 2023 US$'000	31 December 2022 US$'000
Non-current assets			
Property, plant and equipment	12	**1,680**	1,854
Intangible assets	13	**20,190**	18,896
Investment in associates	23	**–**	259
Other financial assets	19a	**472**	–
Total non-current assets		**22,342**	21,009
Current assets			
Cash and cash equivalents	21	**1,095**	166
Trade and other receivables	11	**1,399**	213
Inventory	10	**35**	34
Total current assets		**2,529**	413
Assets of disposal group held for sale	19	**–**	9,710
Total assets		**24,871**	31,132
Liabilities and equity			
Current liabilities			
Trade and other payables	15	**660**	819
Borrowings	16	**31,327**	–
Total current liabilities		**31,987**	819
Non-current liabilities			
Borrowings	16	**–**	28,183
Total non-current liabilities		**–**	28,183
Liabilities of disposal group held for sale	19	**–**	9,443
Total liabilities		**31,987**	38,445
Equity			
Share capital	17	**3,826**	3,184
Share premium	17	**51,762**	50,862
Merger reserve	18	**–**	9,708
Other reserves	18	**3,603**	7,267
Non-controlling interests		**(92)**	(66)
Accumulated losses		**(66,215)**	(78,268)
Total equity		**(7,116)**	(7,313)
Total equity and liabilities		**24,871**	31,132

The consolidated balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 44 to 88 were authorised for issue by the Board of Directors on 9 September 2024 and were signed on its behalf by:

TOM RICHARDSON
Non-Executive Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Attributable to equity shareholders of the Company						
	Share capital US$'000	Share premium US$'000	Merger reserve US$'000	Other reserves US$'000	Accumulated losses US$'000	Non-controlling interest US$'000	Total US$'000
At 1 January 2022	2,943	50,461	9,708	4,180	(72,822)	–	(5,530)
Total comprehensive loss for the period:							
Loss for the period	–	–	–	–	(5,479)	(66)	(5,545)
Other comprehensive income	–	–	–	2,925	–	–	2,925
Total comprehensive income/(loss) for the period	–	–	–	2,925	(5,479)	(66)	(2,620)
Transactions with owners recorded directly in equity:							
Issue of share capital	241	401	–	–	–	–	642
Lapsed share options	–	–	–	(33)	33	–	–
Share based payments for services rendered	–	–	–	195	–	–	195
Total transactions with owners recorded directly in equity	241	401	–	162	33	–	837
Balance at 31 December 2022	3,184	50,862	9,708	7,267	(78,268)	(66)	(7,313)

	Attributable to equity shareholders of the Company						
	Share capital US$'000	Share premium US$'000	Merger reserve US$'000	Other reserves US$'000	Accumulated losses US$'000	Non-controlling interest US$'000	Total US$'000
At 1 January 2023	**3,184**	**50,862**	**9,708**	**7,267**	**(78,268)**	**(66)**	**(7,313)**
Total comprehensive loss for the year:							
Profit/(loss) for the year	**–**	**–**	**–**	**–**	**1,717**	**(26)**	**1,691**
Disposal of discontinued operations	**–**	**–**	**(9,708)**	**(628)**	**10,336**	**–**	**–**
Other comprehensive loss	**–**	**–**	**–**	**(3,339)**	**–**	**–**	**(3,339)**
Total comprehensive (loss)/profit for the year	**3,184**	**50,862**	**–**	**3,300**	**(66,215)**	**(92)**	**(8,961)**
Transactions with owners recorded directly in equity:							
Issue of share capital	**642**	**900**	**–**	**–**	**–**	**–**	**1,542**
Share based payments for services rendered	**–**	**–**	**–**	**303**	**–**	**–**	**303**
Total transactions with owners recorded directly in equity	**642**	**900**	**–**	**303**	**–**	**–**	**1,845**
Balance at 31 December 2023	**3,826**	**51,762**	**–**	**3,603**	**(66,215)**	**(92)**	**(7,116)**

The consolidated statement of changes in equity should be read in conjunction with the accompanying note 17 on share capital and note 18 Reserves.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	31 December 2023 US$'000	31 December 2022 US$'000
Cash flows from operating activities			
Receipts from customers		**2,970**	6,270
Payments to suppliers and employees		**(5,709)**	(6,599)
Interest received	7	**1**	–
Net cash used in operating activities		**(2,738)**	(329)
Cash flow from investing activities			
Payments for property, plant and equipment		**(11)**	(1,868)
Payments for exploration and evaluation assets	13	**(1,024)**	(338)
Payments for intangible development assets	13	**(138)**	(257)
Cash relating to deconsolidated subsidiary	19a	**(83)**	–
Receipt from sale of Italian operations	19a	**3,070**	–
Receipt from sale of ion Ventures	19b	**1,286**	–
Net cash generated by/(used) in investing activities		**3,100**	(2,463)
Net increase/(decrease) in cash and cash equivalents		**362**	(2,792)
Cash and cash equivalents brought forward		**784**	3,551
Effects of exchange rate changes on cash and cash equivalents		**(51)**	25
Cash and cash equivalents carried forward		**1,095**	784

The consolidated statement of cash flows should be read in conjunction with the accompanying notes, including the net debt reconciliation in note 16.

On 13 January 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 January 2023 in new ordinary shares of the Company. A total of 229,325,962 new ordinary shares in the Company were issued in connection with this election.

On 27 January 2023, the Company restructured its arrangements with its Philippines partners to increase the Company's entitlement to future dividends from 80% to 88% with the issuance of 40,000 new ordinary shares to the Philippines partners.

On 13 April 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 April 2023 in new ordinary shares of the Company. A total of 257,556,113 new ordinary shares in the Company were issued in connection with this election.

Company Balance Sheet

Company number: 10472005

As at 31 December 2023

	Notes	31 December 2023 US$'000	31 December 2022 US$'000
Non-current assets			
Investment in subsidiaries	20	**18,683**	17,501
Property, plant and equipment	12	**7**	3
Intangible assets	13	–	7
Investment in associates	19b	–	602
Total non-current assets		**18,690**	18,113
Current assets			
Cash and cash equivalents	21	**573**	130
Trade and other receivables	11	**4,190**	3,204
Loans to subsidiaries	20	–	65
Total current assets		**4,763**	3,399
Total assets		**23,453**	21,512
Liabilities and equity			
Current liabilities			
Trade and other payables	15	**318**	734
Loans from subsidiaries	20	**3,602**	–
Borrowings	16	**31,327**	–
Total current liabilities		**35,247**	734
Non-current liabilities			
Borrowings	16	–	28,183
Interest bearing loans	21	–	1,263
Total non-current liabilities		–	29,446
Total liabilities		**35,247**	30,180
Equity			
Share capital	17	**3,826**	3,184
Share premium	17	**51,762**	50,862
Other reserves	18	**2,489**	2,713
Accumulated losses		**(69,871)**	(65,427)
Total equity		**(11,794)**	(8,668)
Total equity and liabilities		**23,453**	21,512

The Company balance sheet should be read in conjunction with the accompanying notes.

As permitted by s408 of the Companies Act 2006, the Company has not presented its own income statement. The Company loss for the year was US$4.4m (2022: loss US$7.1m).

The financial statements on pages 44 to 88 were authorised for issue by the Board of Directors on 9 September 2024 and were signed on its behalf by:

TOM RICHARDSON
Non-Executive Director

Company Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Accumulated losses US$'000	Total US$'000
At 1 January 2022	2,943	50,461	2,095	(58,405)	(2,906)
Total comprehensive loss for the period:					
Loss for the period	–	–	–	(7,055)	(7,055)
Other comprehensive income	–	–	456	–	456
Total comprehensive income/(loss) for the period	–	–	456	(7,055)	(6,599)
Transactions with owners recorded directly in equity:					
Issue of share capital	241	401	–	–	642
Lapsed share options	–	–	(33)	33	-
Share-based payments for services rendered	–	–	195	–	195
Total transactions with owners recorded directly in equity	241	401	162	33	837
Balance at 31 December 2022	3,184	50,862	2,713	(65,427)	(8,668)

	Share capital US$'000	Share premium US$'000	Other reserves US$'000	Accumulated losses US$'000	Total US$'000
At 1 January 2023	**3,184**	**50,862**	**2,713**	**(65,427)**	**(8,668)**
Total comprehensive loss for the year:					
Loss for the year	**–**	**–**	**–**	**(4,444)**	**(4,444)**
Other comprehensive loss	**–**	**–**	**(527)**	**–**	**(527)**
Total comprehensive loss for the year	**–**	**–**	**(527)**	**(4,444)**	**(13,639)**
Transactions with owners recorded directly in equity:					
Issue of share capital	**642**	**900**	**–**	**–**	**1,542**
Share-based payments for services rendered	**–**	**–**	**303**	**–**	**303**
Total transactions with owners recorded directly in equity	**642**	**900**	**303**	**–**	**–**
Balance at 31 December 2023	**3,826**	**51,762**	**2,489**	**(69,871)**	**(11,794)**

The consolidated statement of changes in equity should be read in conjunction with the accompanying note 17 on share capital and note 18 Reserves.

Company Statement of Cash Flows

For the year ended 31 December 2023

	Notes	31 December 2023 US$'000	31 December 2022 US$'000
Cash flows from operating activities			
Payments to suppliers and employees		**(2,874)**	(4,428)
Net cash used in operating activities		**(2,874)**	(4,428)
Cash flow from investing activities			
Proceeds on disposal of equity accounted associates	19b	**1,286**	–
Net cash generated from investing activities		**1,286**	–
Cash flows from financing activities			
Loans from subsidiaries	20	**2,080**	–
Interest bearing borrowings from subsidiaries	21	**–**	1,263
Net cash generated from/(used in) financing activities		**2,080**	1,263
Net increase/(decrease) in cash and cash equivalents		**492**	(3,165)
Cash and cash equivalents brought forward		**130**	3,269
Effects of exchange rate changes on cash and cash equivalents		**(49)**	26
Cash and cash equivalents carried forward		**573**	130

The Company statement of cash flows should be read in conjunction with the accompanying notes.

On 13 January 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 January 2023 in new ordinary shares of the Company. A total of 229,325,962 new ordinary shares in the Company were issued in connection with this election.

On 27 January 2023, the Company restructured its arrangements with its Philippines partners to increase the Company's entitlement to future dividends from 80% to 88% with the issuance of 40,000 new ordinary shares to the Philippines partners.

On 13 April 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 April 2023 in new ordinary shares of the Company. A total of 257,556,113 new ordinary shares in the Company were issued in connection with this election.

Notes to the Financial Statements

For the year ended 31 December 2023

Note 1: Corporate Information

Coro Energy plc (the "Company" and, together with its subsidiaries, the "Group") is a company incorporated in England and listed on the AIM market of the London Stock Exchange. The Company's registered address is c/o Pinsent Masons LLP, 1, Park Row, Leeds, England, LS1 5AB, UK. The consolidated financial statements for the year ended 31 December 2023 comprise the Company and its interests in its subsidiaries, investments in associates and jointly controlled operations (together referred to as the "Group"), whose principal activities are described further in the Directors' Report on page 33.

Note 2: Basis of Preparation

(a) Statement of compliance

The financial statements are prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006.

(b) Basis of measurement

These financial statements have been prepared on the basis of historical cost apart from non-current assets (or disposal groups) held for sale, which are measured at fair value less costs of disposal and derivative financial instruments recorded at fair value through profit and loss.

(c) Going concern

The Group and Company financial statements have been prepared under the going concern assumption, which presumes that the Group and Company will be able to meet its obligations as they fall due for the foreseeable future.

At 31 December 2023 the Group had cash reserves of $1.1m and current receivables of $1.1m related to residual sales proceeds from the sale of Italian operations and its investment in ion Venture. The Group's Eurobond obligation matured on 12 April 2024 with the outstanding balances, including the rolled up coupon, or US$31.3 million. The Group has been in active discussions with bondholders in relation to the restructuring of the bonds and received a letter from two lenders holding 68% of the Eurobonds on 12 April 2024 (the "Standstill"). The Standstill, which the Company is advised is binding on the parties, provides a conditional standstill on the repayment of the Group's current debt obligations on expiry whilst the ongoing constructive discussions with the Group in respect of the Eurobonds continue and whilst certain inflexion points in the business materialise, including the outcome of the Duyung Operator's farm out process. The Group is working on a broader debt restructuring, which it intends to formally propose to all Eurobond holders and shareholders in due course. The Standstill conditions include a requirement for lender consent on material capex spend during the period of the standstill together with requirements for the provision of certain information and the appointment of a financial advisor nominated by the noteholders to provide advice to the Board and the lenders. During the course of the Standstill, the Group will work with the lenders and the financial advisor reviewing the existing arrangements and working towards a permanent debt restructuring solution for the business. The Group cautions that, notwithstanding the ongoing constructive discussions to-date and the agreement of this Standstill, noteholders could withdraw the Standstill at any time which would result in the Company triggering a default.

In the event of a default the amount owed under the Eurobond may result in the group relinquishing control of Coro Energy Holdings Cell A Limited (which ultimately holds the exploration and evaluation assets totalling $18,731k as at 31 December 2023), against which the Eurobond is secured. Additionally, it should be noted that the carrying value of the investment in the subsidiary ($17,452k) (note 20) and intercompany receivables of $254k and loans to subsidiaries of $1.67m (note 20) on the parent company statement of financial position are intrinsically linked to the carrying value of the exploration and evaluation assets totalling $18,731k; therefore if control of Coro Energy Holdings Cell A Limited is lost then these balances would all require impairment.

As at 31 December 2023, the group reports net current liabilities of $34,516k, consisting primarily of balances owed to the Eurobond holders along with trade and other payables. The group requires funding to repay these balances or to obtain an agreement to defer the balances owed to the Eurobond holders and other creditors or a combination of both, in order to meet its liabilities as they fall due. Additionally, whilst the group has generated cash from solar project in Vietnam over the last two financial periods; this has not been sufficient to meet the working capital requirements of the group.

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 2: Basis of Preparation continued

Post the year under review, the Company raised US$500,000 via a secured convertible loan with River Merchant Capital, an existing lender to the Company under the Company's Luxembourg 8% listed Eurobond and Fenikso Limited. The proceeds of this loan will be utilised to fund the Group's renewables business and for general working capital purposes. Under the Group's forecast, this loan together with existing bank balances provides sufficient funding to fund the Company's working capital requirements through to the end of January 2025.

During the year the Group secured a non-binding lending commitment from HD Bank in Vietnam whereby the bank has provided the Group with an in principle commitment letter initially focussed on providing debt finance for 50% of the capital spend commitment for the ten locations in the pilot stage of the previously announced 50MW MOU with Mobile World Investment Corporation to install rooftop solar systems across their portfolio.

Management have prepared a consolidated cash flow forecast for the period to 31 December 2025 which shows that the Group will require additional equity financing to meet its obligations and intended work renewables work programme in Asia during this period. The Group is actively pursuing a significant fundraise and the directors have a reasonable expectation that sufficient funds can be raised on equity markets to provide this liquidity, although the ability to raise sufficient capital is not guaranteed.

Based on the above, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the Group and Company financial statements for the year ended 31 December 2023. Should the Group and Company be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify fixed assets as current. The auditors make reference to a material uncertainty in relation to going concern within their audit report.

(d) Foreign currency transactions

The consolidated financial statements of the Group are presented in United States Dollars ("USD" or "US$"), rounded to the nearest US$1,000.

The functional currency of the Company and all UK domiciled subsidiaries is British Pounds Sterling ("GBP" or "£"). The Group's subsidiaries domiciled in Singapore have a functional currency of USD. The Group's subsidiaries domiciled in the Philippines have a functional currency of Philippines Pesos ("PHP"). The Group's subsidiaries domiciled in Vietnam have a functional currency of Vietnamese Dong ("VND").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss as finance income or expense. Non-monetary assets and liabilities denominated in foreign currencies are translated at the date of transaction and not retranslated.

The results and financial position of Group companies that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate;
- Income and expenses are translated at average rates; and
- Equity balances are not retranslated. All resulting exchange differences are recognised in other comprehensive income.

(e) Use of estimates and judgements

The preparation of the financial statements requires management to make judgments regarding the application of the Group's accounting policies, and to use accounting estimates that impact the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

This note sets out the estimates and judgements taken by management that are deemed to have a higher risk of causing a material adjustment to the reported carrying amounts of assets and liabilities in future years.

Note 2: Basis of Preparation continued

(i) Key accounting judgements

Accounting for investment in ion Ventures Holdings Limited

In November 2020, the Group acquired a 20.3% shareholding in ion Ventures Holdings Limited ("IVHL") in exchange for cash consideration of £500k (US$682k). IVHL was founded in the UK in 2018 to exploit opportunities that arise from the increasing complexity of energy systems, the shift to distributed generation and more localised networks, and the need for flexible and responsive solutions.

Under IFRS, the accounting for an interest in another entity depends on the level of influence held over the investee by the investor. Management have concluded that IVHL is an associate of the Group, due to Coro exercising "significant influence" over IVHL. With reference to the factors outlined in IAS 28 Investments in Associates and Joint Ventures, we concluded that significant influence arises as a result of:

- 20.3% shareholding in IVHL, which is above the 20% threshold at which significant influence is presumed to exist under IFRS (though this presumption can be rebutted);
- Right to appoint one director (of five) to the Board of Directors of IVHL; and
- Ability to exercise reserved powers under a Shareholder Agreement to participate in the key strategic and operational decisions of the investee, such as approval of annual budgets.

Associates are accounted for using the equity method, which is described further in note 3a. The investment in IVHL was accounted for as such until its disposal on 23 August 2023.

Accounting for investment in Coro Renewables VN1 Joint Stock Company

At the reporting date the Group owned 85% of Coro Renewables VN1 Joint Stock Company ("CRV1"), which owns 100% of Coro Renewables VN2 Company Limited, which in turn owns 100% of Coro Renewables Vietnam Company Limited ("CRVCL"). The non-controlling shareholder of CRV1 is Vinh Phuc Energy JSC ("VPE"). CRVCL operates the Group's electricity generating operation in Vietnam.

Under IFRS, the accounting for an interest in another entity depends on the level of influence held over the investee by the investor. Management have concluded that CRV1 is an indirectly held subsidiary of the Company, due to the Company controlling more than half of the voting rights. With reference to the factors outlined in IAS 27 Consolidated and Separate Financial Statements, we concluded that there was no change to Management's conclusion.

- There is no agreement with VPE giving them control of the joint venture;
- There is no statute or agreement ceding control to any other party; and
- VPE does not have the power to appoint or remove the majority of the Board of Directors.

100% of the transactions relating to CRV1 and its subsidiary undertakings have been recorded in these consolidated financial statements and the Group has recognised the appropriate non-controlling interest.

Share options and warrants

The Black-Scholes model is used to calculate the fair value of the share options and warrants. The use of this model to calculate the charge involves a number of estimates and judgements to establish the appropriate inputs to be entered into the model, covering areas such as the use of an appropriate interest rate and dividend rate, exercise restrictions and behavioural considerations. A significant element of judgement is therefore involved in the calculation of the charge.

(ii) Key accounting estimates

Estimate of gas reserves and resources

The disclosed amount of the Group's gas reserves and resources impacts a number of accounting estimates in the financial statements including future cash flows used in asset impairment reviews, see note 13.

The Group employs staff with the appropriate knowledge, skills and experience to estimate reserves quantities. Periodically, the Group's reserves calculations are also subject to independent third-party certification by a competent person.

Gas reserves and resources are disclosed in the Operational Report on page 10.

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 2: Basis of Preparation continued

Assessment of indicators of impairment of intangible assets (note 13)

The Group's intangible assets consist of exploration and evaluation assets, comprising assets related to the Duyung PSC , and development assets and goodwill comprising assets related to Coro Clean Energy Philippines.

Exploration and evaluation assets are assessed for indicators of impairment under IFRS 6 Exploration for, and evaluation of, mineral resources. Based on estimates as at 31 December 2023, there was $Nil write-off (2022: $Nil).

The Group acquired its 15% interest in the Duyung PSC in April 2019 and participated in a 2-well drilling campaign in 2019 that successfully appraised Mako gas field.

During 2022 the Operator of Mako field commissioned Gaffney, Cline and Associates ("GCA") to perform an updated independent resource audit for the Mako gas field as at 31 July 2022. In March 2024 the Operator received an update report of reserves and resources as at 31 December 2023. The update report assessed that 2C (contingent) recoverable resource estimates are 392 Bcf (gross) (2022 resource audit: 437 Bcf (gross)), and in the upside case, the 3C (contingent) resources are 591 Bcf (gross) (2022: 779 Bcf (gross)). The reduction in resource volumes pertain to revised Final Investment Decision timing and the delay in the startup of production from the Mako field until mid-2026. Despite the reduction in resources, the results of this independent resource update supports management's view on the potential to develop the Mako field.

As a result of the resource confirmation, which was incorporated into our own updated economic modelling for Duyung, no impairment indicators were noted.

Development assets and goodwill are assessed for indicators of impairment under IAS 36 Impairment of Assets. Based on the estimates at 31 December 2023, there was $Nil write-off (2022: $Nil).

During 2023 two 100MW onshore wind projects, which already have approved Wind Energy Service Contracts ("WESCs"); a 100MW onshore solar project where an application for a service contract is expected shortly; and one further 100MW onshore wind project. The Philippines portfolio is therefore currently a total of 400MW with all four projects being co-located, sharing a grid connection and benefiting from the 130 metre high meteorological ("met") mast which is collecting bankable data that will cover all three wind projects. As such no impairment indicators were noted.

Disposals of investment in Coro Europe Limited ("CEL") and ion Ventures Holdings Limited ("IVHL")

The Group disposed of its entire shareholding in IVHL on 23 August 2023 and of its entire shareholding in CEL on 8 November 2023. In calculating the profit on disposal the Group must recognise the results of operations of the investees up to the date of completion of the sale in the statement of Comprehensive Income. The most recent financial information that was available as at the respective completion dates were:

CEL: 30 September 2023

IVHL: 30 June 2023

The Group has estimated the financial results between these dates and the completion dates of the transactions and do not consider this to affect the results disclosed in these consolidated financial statements in any material respect.

Company only – impairment assessment for investment in subsidiaries, including loans and receivables (notes 13, 15 and 20)

The Company in applying the expected credit loss ("ECL") model under IFRS 9 must make assumptions when implementing the forward-looking ECL model. This model is required to assess its investments and loans receivable in subsidiaries for impairment at each reporting date.

Estimations were made regarding the credit risk of the counterparty and the underlying probability of default in each of the credit loss scenarios. The scenarios identified by management included Production, Divestment, Fire-sale and Failure. These scenarios considered technical data, necessary licences to be awarded, the Company's ability to raise finance, and ability to sell the project. The Directors make judgements on the expected likelihood and outcome of each of the above scenarios, and these expected values are applied to the loan balances.

Note 2: Basis of Preparation continued

The Company's main assets are its interest in the Duyung PSC, held by Coro Energy Duyung (Singapore) Pte Ltd ("CEDSPL") and its investment in the solar pilot project in Vietnam, held by Coro Renewables Vietnam Company Limited (CRVCL"). As such, the recoverability of investments in subsidiaries depends on the Company's assessment of indicators of impairment of the underlying assets recorded within its subsidiaries.

As noted above, and in note 13, the Company identified no indicators of impairment for its 15% interest in the Duyung PSC and, accordingly, the Company's investment in CEDSPL (held indirectly) is deemed to be recoverable in full.

The Company performed an impairment tests on its solar pilot project in Vietnam and found that the recoverable value in use exceeds the net book value, accordingly, the Company's investment in CRVCL (held indirectly) and receivables from CRVCL is deemed to be recoverable in full.

Note 3: Significant Accounting Policies

(a) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements include the results of Coro Energy plc and its subsidiary undertakings made up to the same accounting date. Subsidiaries are entities controlled by the Group. The Group 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. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation.

(ii) Interests in other entities

The Group classifies its interests in other entities based on the level of control exercised by the Group over the entity.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Under the equity method of accounting, the investments are initially recognised at cost, including any directly attributable transaction costs, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss. The Group's share of movements in other comprehensive income of the investee are recognised in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment at least annually.

Other investments

In a situation where the Group has direct contractual rights to the assets, and obligations for the liabilities, of an entity but does not share joint control, the Group accounts for its interest in those assets, liabilities, revenues and expenses in accordance with the accounting standards applicable to the underlying line item. This is analogous to the "joint operator" method of accounting outlined in IFRS 11 Joint arrangements.

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 3: Significant Accounting Policies continued

(b) Taxation

Income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the date of the statement of financial position, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted at the date of the statement of financial position.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(c) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment comprises the Group's tangible oil and gas assets, solar equipment as well as office furniture and equipment. Items of property, plant and equipment are recorded at cost less accumulated depreciation, accumulated impairment losses and pre-commissioning revenue and expenses. Cost includes expenditure that is directly attributable to acquisition of the asset.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised within "other income" in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with expenditure will flow to the Group.

(iii) Depreciation

Oil and gas assets

Oil and gas assets includes gas production facilities and the accumulation of all exploration, evaluation, development and acquisition costs in relation to areas of interest in which production licences have been granted and the related project has moved to the production phase.

Amortisation of oil and gas assets is calculated on the units-of-production ("UOP") basis, and is based on Proved and Probable reserves. The use of the UOP method results in an amortisation charge proportional to the depletion of economically recoverable reserves. Amortisation commences when commercial levels of production are achieved from a field or licence area.

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

Note 3: Significant Accounting Policies continued

Changes to recoverable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including:

- The effect of changes in commodity price assumptions; or
- Unforeseen operational issues that impact expected recovery of hydrocarbons.

Assets designated as held for sale, or included in a disposal group held for sale, are not depreciated.

Other property, plant and equipment

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The depreciation will commence when the asset is installed ready for use.

The estimated useful lives of each class of asset fall within the following ranges:

Solar equipment	8 – 25 years
Office furniture and equipment	3–5 years

The residual value, the useful life and the depreciation method applied to an asset are reviewed at each reporting date.

(iv) Impairment

The Group assesses at each reporting date whether there is an indication that an asset (or Cash Generating Unit - "CGU") may be impaired. For oil and gas assets, management has assessed its CGUs as being an individual field, which is the lowest level for which cash inflows are largely independent of those of other assets. For Solar equipment, management has assessed its CGUs as being individual solar arrays including inverters. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal ("FVLCD") and value in use ("VIU"). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset/CGU is considered impaired and is written down to its recoverable amount.

The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecasts generally cover the forecasted life of the CGUs. VIU does not reflect future cash flows associated with improving or enhancing an asset's performance.

For assets/CGUs, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's/CGU's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset/CGU does not exceed either its recoverable amount, or the carrying amount that would have been determined, net of depreciation/amortisation, had no impairment loss been recognised for the asset/CGU in prior years. Such a reversal is recognised in the income statement.

(d) Intangible assets

(i) Exploration and evaluation assets

Exploration and evaluation assets are carried at cost less accumulated impairment losses in the statement of financial position. Exploration and evaluation assets include the cost of oil and gas licences, and subsequent exploration and evaluation expenditure incurred in an area of interest.

Exploration and evaluation assets are not depreciated. When the commercial and technical feasibility of an area of interest is proved, capitalised costs in relation to that area of interest are transferred to property, plant and equipment (oil and gas assets) and depreciation commences in line with the depreciation policy outlined above.

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 3: Significant Accounting Policies continued

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying value amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- the term of the exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for an evaluation of mineral resources in the specific area is not budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specific area; or
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Areas of interest that no longer satisfy the above policy are considered to be impaired and are measured at their recoverable amount, with any subsequent impairment loss recognised in the profit and loss.

(ii) Software

Costs for acquisition of software, including directly attributable costs of implementation, are capitalised as intangible assets and amortised over their expected useful life (currently five years).

(iii) Goodwill

Goodwill arising from business combinations is included in intangible assets.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(iv) Research and Development

Development costs that are directly attributable to the design and development of identifiable and unique projects controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the project;
- Management intends to complete the project;
- There is sufficient certainty that contractual rights, planning and permitting will be agreed;
- It can be demonstrated how the project will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the project are available; and
- The expenditure attributable to the project can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

(e) Inventory

Inventory is comprised of drilling equipment and spares and is carried at the lower of cost and net realisable value. Any impairment on value is taken to the income statement.

Note 3: Significant Accounting Policies continued

(f) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, they are available for sale in their present condition, they are being actively marketed, and a sale is considered highly probable. These conditions must be continuing for the assets to continue to be classified as held for sale.

Disposal groups are measured at the lower of their carrying amount and fair value less costs to sell, except for certain assets such as deferred tax assets, which are specifically exempt from this requirement. An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

(g) Investments and financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and measurement

A financial asset is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date the Group commits itself to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. Currently, the Group's financial assets are all held for collection of contractual cash flows, which are solely payments of principal and interest. Accordingly, the Group's financial assets are measured subsequent to initial recognition at amortised cost.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 3: Significant Accounting Policies continued

(iii) Impairment

On a forward-looking basis, the Group estimates the expected credit losses associated with its receivables and other financial assets carried at amortised cost, and records a loss allowance for these expected losses.

(iv) Investment in subsidiaries

In the Company balance sheet, investments in subsidiaries are carried at cost less accumulated impairment.

(h) Rehabilitation provision

Rehabilitation obligations arise when the Group disturbs the natural environment where its oil and gas assets are located and is required by local laws/regulations to restore these sites.

Full provision for these obligations is made based on the present value of the estimated costs to be incurred in dismantling infrastructure, plugging and abandoning wells and restoring sites to their original condition. Changes to future cost estimates are capitalised and recorded in property, plant and equipment (oil and gas assets) as rehabilitation assets, unless the carrying value of these assets is not supportable, in which case changes to rehabilitation provisions are recorded directly in the income statement. Future cost estimates are inflated to the expected year of rehabilitation activity and discounted to present value using a market rate of interest that is deemed to approximate the time value of money.

The estimated costs of rehabilitation are reviewed annually and adjusted against the relevant rehabilitation asset or in the income statement, as appropriate. Annual increases in the provision relating to the unwind of the discount rate are accounted for in the income statement as a finance expense.

(i) Other provisions

Other provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The provisions are discounted to present value using a market rate of interest that is deemed to approximate the time value of money. The increase in the provision due to the passage of time is recognised as interest expense.

(ii) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Loan fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and amortised over the life of the borrowings.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(j) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of the invoice date. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to issue of shares are recognised as a deduction from equity, net of any tax effects.

(l) Share-based payments

Share-based payments relate to transactions where the Group receives services from employees or service providers and the terms of the arrangements include payment of a part or whole of consideration by issuing equity instruments to the counterparty. The Group measures the services received from non-employees, and the corresponding increase in equity, at the fair value of the goods or services received. When the transactions are with employees, the fair value is measured by reference to the fair value of the share based payments. The expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

Note 3: Significant Accounting Policies continued

(m) Revenue

Under IFRS 15 Revenue from Contracts with Customers, there is a five-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group has two revenue streams, being the sale of gas (recorded within profit from discontinued operations), and the sale electricity from a solar project. Gas is sold to wholesale customers under gas supply agreements, which have different volume and price specifications (both fixed and variable). Gas sales revenue is recognised when control of the gas passes at the delivery point into the local gas pipeline network, which is the only performance obligation. Electricity is sold to an industrial customer under a power purchase agreement. Revenue is recognised based on actual produced electricity, which is the only performance obligation, at contractual rates. Revenue is presented net of value added tax ("VAT"), rebates and discounts and after eliminating intra-group sales.

Right-of-use assets are measured at cost which comprises the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases (term less than 12 months) and all leases of low-value assets (generally less than US$5k) are recognised on a straight-line basis as an expense in profit or loss.

(n) Changes to accounting policies, disclosures, standards and interpretations

(i) New and amended standards adopted by the Group

The following new standards, amendments and interpretations are effective for the first time in these financial statements. However, none has had a material impact on the financial statements:

Standard	Effective date
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)	
International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively)	1 January 2023

(ii) New standards not yet adopted

There are no new International Financial Reporting Standards and Interpretations issued but not effective for the reporting period ending 31 December 2023 that will materially impact the Group.

Standard	Effective date
IAS 1 amendments - Non-current Liabilities with Covenants; and Classification of Liabilities as Current or Non-current	1 January 2024

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 4: Segment Information

The Group's reportable segments as described below are based on the Group's geographic business units. This includes the Group's upstream gas operations in Italy, upstream gas and renewables operations in South East Asia, and the corporate head office in the United Kingdom. This reflects the way information is presented to the Board of Directors. Results from the Group's Italian business are classified as a discontinued operation. See note 19.

	Italy		Asia		UK		Total	
	31 Dec 2023 US$'000	31 Dec 2022 US$'000	31 Dec 2023 US$'000	31 Dec 2022 US$'000	31 Dec 2023 US$'000	31 Dec 2022 US$'000	31 Dec 2023 US$'000	31 Dec 2022 US$'000
Revenue	**–**	–	**235**	51	**–**	–	**235**	51
Depreciation and amortisation	**–**	–	**(78)**	(21)	**(10)**	(15)	**(88)**	(36)
Interest expense	**–**	–	**–**	–	**(3,508)**	(3,584)	**(3,508)**	(3,584)
Share of loss of associates	**–**	–	**–**	–	**(49)**	(82)	**(49)**	(82)
Segment profit/(loss) before tax from continuing operations	**–**	–	**(599)**	(662)	**(4,448)**	(7,525)	**5,047**	(8,187)
Segment profit/(loss) before tax from discontinued operations	**6,738**	(2,642)	**–**	–	**–**	–	**6,738**	2,642

	Italy		Asia		UK		Total	
	31 Dec 2023 US$'000	31 Dec 2022 US$'000	31 Dec 2023 US$'000	31 Dec 2022 US$'000	31 Dec 2023 US$'000	31 Dec 2022 US$'000	31 Dec 2023 US$'000	31 Dec 2022 US$'000
Segment assets	**–**	9,710	**21,587**	20,129	**3,283**	1,293	**24,870**	31,132
Segment liabilities	**–**	(9,548)	**(152)**	(182)	**(31,835)**	(28,715)	**(31,987)**	(38,445)

Note 5: General and Administrative Expenses

	31 December 2023 US$'000	31 December 2022 US$'000
Employee benefits expense (note 6)	**1,242**	1,401
Business development	**640**	650
Corporate and compliance costs	**508**	667
Investor and public relations	**99**	223
G&A – Duyung venture	**314**	275
Other G&A	**197**	162
Share-based payments (note 22)	**303**	196
	3,303	3,574

Auditor's remuneration

Services provided by the Group's auditor and its associates

During the year, the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

	31 December 2022 US$'000	31 December 2021 US$'000
Fees payable to the Company's auditor for the audit of the Parent Company and consolidated financial statements	**69**	49

Note 6: Staff Costs and Directors' Emoluments

Staff costs	Group 31 December 2023 US$'000	 31 December 2022 US$'000
Wages and salaries	**435**	436
Contracted staff	**116**	–
Pensions and other benefits	**24**	50
Social security costs	**61**	59
Share-based payments (note 22)	**80**	51
Total employee benefits	**716**	596
Average number of employees from continuing operations (excluding Directors)	**3**	4

Directors' emoluments	Group 31 December 2023 US$'000	 31 December 2022 US$'000
Wages and salaries	**537**	776
Pensions and other benefits	**–**	5
Social security costs	**69**	100
Share-based payments (note 22)	**223**	145
Total employee benefits	**829**	1,026

The highest paid Director received aggregate cash emoluments of US$359k (2022: US$403k) as disclosed in the Directors' Remuneration Report on page 32.

Note 7: Finance Income/Expense

Finance income	Group 31 December 2023 US$'000	 31 December 2022 US$'000
Interest income	**1**	–
Foreign exchange gain	**1,044**	636
Total finance income	**1,045**	636

Finance expense	Group 31 December 2023 US$'000	 31 December 2022 US$'000
Other finance charges	**4**	–
Foreign exchange loss	**737**	1,907
Total finance expense	**4,429**	5,491

Notes to the Financial Statements
For the year ended 31 December 2023 continued

Note 8: Income Tax

Income tax

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Deferred tax	–	(583)
Current tax	–	(1,325)
Total tax expense	–	(1,908)
Income tax expense is attributable to:		
Loss from discontinued operations	–	(1,908)
	–	(1,908)

Numerical reconciliation of income tax result recognised in the statement of comprehensive income to tax benefit/expense calculated at the Group's statutory income tax rate is as follows:

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Loss from continuing operations before tax	**(5,047)**	(8,187)
Profit from discontinued operations before tax	**6,738**	4,550
Total profit/(loss) before tax	**1,691**	(3,637)
Income tax (charge)/credit using the Group's blended tax rate of 25.5% (2022: 12.7%)	**(432)**	462
Non-deductible expenses	**(337)**	(548)
Non-taxable income	**1,771**	607
Deferred tax expense	–	(583)
Prior year adjustment	**(94)**	(363)
Tax losses utilised	–	583
Special excess profit tax – Italy	–	(1,325)
Effect of subsidiary undertaking disposed	**64**	–
Current year losses and temporary differences for which no deferred tax asset was recognised	**(972)**	(741)
Income tax benefit/(expense)	–	(1,908)

Deferred tax

Deferred tax assets ("DTA") totalling US$674k were recorded within assets of the disposal group in the comparative period. No DTA in respect of carried forward tax losses has been recognised in respect of any Group company due to doubt about the availability of future profits in these companies. Total unrecognised losses (gross) in respect of continuing operations are US$30m (2022: US$25m). Unrecognised losses (gross) relating to discontinued operations total US$Nil (2022: US$88m).

Note 9: Earnings per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	31 December 2023 US$'000	31 December 2022 US$'000
Total loss for continuing operations for the year attributable to equity shareholders	**(5,047)**	(8,187)
Weighted average number of shares	**2,613,849,015**	2,170,773,822
Basic and diluted loss per share from continuing operations (US$)	**(0.002)**	(0.004)
Total profit for discontinued operations for the year attributable to equity shareholders	**6,738**	2,642
Basic earnings per share from discontinued operations (US$)	**0.0025**	0.001
Diluted earnings per share from discontinued operations (US$)	**0.0024**	0.001

Diluted loss per share from continuing operations for the current and comparative period is equivalent to basic loss per share since the effect of all dilutive potential Ordinary Shares is anti-dilutive. Diluted profit per share from discontinued operations for the current and comparative period includes the potential dilutive effect of all share options and warrants that were "in the money" as at 31 December 2023, being 151,031,166 options. The potential dilutive shares includes options issued to Directors and management (note 22).

Note 10: Inventory

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Inventory – Duyung PSC	**35**	34
	35	34

Inventory represents the Group's share of inventory held by the Duyung PSC, which is mainly comprised of drilling spares.

Notes to the Financial Statements
For the year ended 31 December 2023 continued

Note 11: Trade and Other Receivables

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Current:		
Trade receivables	**38**	37
Indirect taxes receivable	**180**	103
Other receivables	**1,133**	18
Prepayments and accrued income	**48**	55
	1,399	213

Other receivables comprise mainly the residual proceeds receivable in relation to the sale of the Italian operations ($780,000) and IVHL ($346,000).

	Company	
	31 December 2023 US$'000	31 December 2022 US$'000
Current:		
Indirect taxes receivable	**42**	41
Other receivables	**346**	107
Intercompany receivables	**3,759**	3,022
Prepayments	**43**	34
	4,190	3,204

Note 12: Property, Plant and Equipment

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Office furniture and equipment	**8**	3
Solar assets	**1,672**	1,851
	1,680	1,854

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Office furniture and equipment:		
Carrying amount at beginning of year	**3**	10
Additions	**7**	2
Depreciation expense	**(3)**	(8)
Effect of foreign exchange	**1**	(1)
Carrying amount at end of year	**8**	3

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Solar assets:		
Carrying amount at beginning of year	**1,851**	–
Additions	**4**	1,868
Reclassifications	**(89)**	–
Depreciation expense	**(78)**	(21)
Effect of foreign exchange	**(16)**	4
Carrying amount at end of year	**1,672**	1,851

Reclassifications relate to VAT recoverable in Vietnam that had previously been capitalised.

	Company	
	31 December 2023 US$'000	31 December 2022 US$'000
Office furniture and equipment	**7**	3
	7	3

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 12: Property, Plant and Equipment continued

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

	Company	
	31 December 2023 US$'000	31 December 2022 US$'000
Office furniture and equipment:		
Carrying amount at beginning of year	**3**	10
Additions	**7**	2
Depreciation expense	**(3)**	(8)
Effect of foreign exchange	**–**	(1)
Carrying amount at end of year	**7**	3

Note 13: Intangible Assets

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Exploration and evaluation assets	**18,731**	17,707
Intangible development assets	**579**	428
Goodwill	**880**	754
Software	**–**	7
	20,190	18,896

Reconciliation of the carrying amounts for each material class of intangible assets are set out below:

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Exploration and evaluation assets:		
Carrying amount at beginning of year	**17,707**	17,540
Reclassification to intangible development assets	**–**	(171)
Additions	**1,024**	338
Carrying amount at end of year	**18,731**	17,707

Exploration and evaluation assets relate to the Group's interest in the Duyung PSC. No indicators of impairment of these assets were noted. See note 2e.

Note 13: Intangible Assets continued

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Intangible development assets:		
Carrying amount at beginning of year	**428**	–
Reclassification from exploration and evaluation assets	**–**	171
Additions	**138**	257
Effect of foreign exchange	**13**	–
Carrying amount at end of year	**579**	428

Intangible development assets comprise additions related to expenditure directly attributable to the design and development of identifiable and unique renewables projects controlled by the Group in the Philippines.

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Goodwill:		
Carrying amount at beginning of year	**754**	754
Recognised on acquisition	**144**	–
Effect of foreign exchange	**(18)**	–
Carrying amount at end of year	**880**	754

Goodwill acquired during the year relates to the acquisition of an additional 8% economic interest the Coro Clean Energy Philippines Inc.'s renewables operations in the Philippines. No impairment of goodwill was noted following testing performed at 31 December 2023.

	Company	
	31 December 2023 US$'000	31 December 2022 US$'000
Software:		
Carrying amount at beginning of year	**7**	15
Depreciation expense	**(7)**	(8)
Carrying amount at end of year	**–**	7

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 14: Interests In Other Entities

Duyung PSC

The Group's wholly owned subsidiary, Coro Energy Duyung (Singapore) Pte Ltd, is the owner of a 15% interest in the Duyung Production Sharing Contract ("PSC").

The Duyung PSC partners have entered into a Joint Operating Agreement ("JOA"), which governs the arrangement. Through the JOA, the Group has a direct right to the assets of the venture, and direct obligation for its liabilities. Accordingly, Coro accounts for its share of assets, liabilities and expenses of the venture in accordance with the IFRSs applicable to the particular assets, liabilities and expenses.

The operator of the venture is West Natuna Exploration Ltd ("WNEL"). WNEL is a company incorporated in the British Virgin Islands and its principal place of business is Indonesia.

Coro Renewables VN1 Joint Stock Company

In October 2021, a binding shareholder agreement was signed with VPE and the Group acquired an 85% interest in the newly incorporated Vietnamese company, Coro Renewables VN1 Joint Stock Company, which owns 100% of Coro Renewables VN2 Company Limited, which in turn owns 100% of Coro Renewables Vietnam Company Limited.

Note 15: Trade and Other Payables

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Current		
Trade payables	**123**	143
Other payables	**40**	78
Accrued expenses	**243**	416
Joint venture payables	**254**	182
	660	819

	Company	
	31 December 2023 US$'000	31 December 2022 US$'000
Current		
Trade payables	**109**	265
Accrued expenses	**209**	414
Intercompany payables	**–**	55
	318	734

During the year the Company settled in full its outstanding liability owing to Sound Energy plc ("Sound") in relation to the sale of the Badile land and offsetting rehabilitation costs. As at the reporting date there was $Nil (2022: $92k) included within trade payables of the Company as a net payable Sound.

Note 16: Borrowings

	31 December 2023 US$'000	31 December 2022 US$'000
Current		
Eurobond	**31,327**	–
	31,327	–
Non-current		
Eurobond	–	28,183
	–	28,183

In 2019, the Group issued €22.5m three-year Eurobonds with attached warrants to key institutional investors. The bonds were issued in two equal tranches A and B, ranking pari passu, with Tranche A paying a 5% cash coupon annually in arrears, and Tranche B accruing interest at 5% per annum payable on redemption.

The Eurobonds were due to mature on 12 April 2022 at 100% of par value plus any accrued and unpaid coupon. Bond subscribers were issued with 41,357,500 warrants to subscribe for ten new Ordinary Shares in the Company at an exercise price of 4p per share at any time over the three-year term of the bonds. An additional 6,000,000 warrants were issued to the firm subscriber Lombard Odier Asset Management (Europe) Limited and underwriter Pegasus Alternative Fund Ltd. All warrants related to the Eurobonds expired in April 2022 and none were exercised.

The bonds were initially recognised at fair value and subsequently are recorded at amortised cost, with an average effective interest rate of 18.10%.

In March and April 2022 respectively, the tranche B Noteholders and Tranche A Noteholders approved the extension of the maturity of the bonds by two years to 12 April 2024 with an increase in the coupon to 10% accrued annually and payable in cash on redemption. In addition, the Company undertook to the Noteholders that in the event of a sale of the Company's interest in the Duyung PSC to utilise the net cash proceeds of such disposal(s) to first repay the capital and rolled up interest on the Notes and thereafter to distribute 20% of remaining net proceed(s) to Noteholders. The remaining net proceeds of any sales would be retained and/or distributed to shareholders by the Company.

The restructured bonds were initially recognised at fair value and subsequently are recorded at amortised cost, with an average effective interest rate of 12.10%. The contingent payment upon the sale of the Company's interest in the Duyung PSC has not been considered in the estimate of the effective interest rate as it meets the definition of a contingent liability (note 23).

Since the interest quarter expiring on 12 July 2022, Noteholders had the option to demand quarterly interest payments in newly issued ordinary shares of the Company. This election was made for the quarters ended 12 January 2023 and 12 April 2023 (2022: election was made for the quarter ended 12 October 2022) and the quarterly interest was settled in shares (note 17). After this date shareholder approval for the issuance of further shares in the Company as satisfaction of interest charges expired and all interest accrued since this date remains accrued and unpaid and included in the balance above.

Notes to the Financial Statements
For the year ended 31 December 2023 continued

Note 16: Borrowings continued

Net debt reconciliation

An analysis of net debt and the movements in net debt for each of the years presented is shown below:

	Group	
	31 December 2023 US$'000	31 December 2022 US$'000
Cash and cash equivalents	**1,095**	166
Borrowings	**(31,327)**	(28,183)
Net debt	**(30,232)**	(28,017)

	Cash and cash equivalents US$'000	Borrowings US$'000	Total US$'000
Net debt as at 1 January 2022	3,334	(26,637)	(23,303)
Cashflows	(3,193)	–	(3,193)
Eurobond amortisation	–	(2,832)	(2,832)
Effects of foreign exchange	25	1,286	1,311
Net debt as at 31 December 2022	166	(28,183)	(28,017)
Cashflows	980	–	980
Eurobond amortisation	–	(2,107)	(2,107)
Effects of foreign exchange	(51)	(1,037)	(1,088)
Net debt as at 31 December 2023	**1,095**	**(31,327)**	**(30,232)**

Note 17: Share Capital and Share Premium

	Number 000s	Nominal value US$'000	Share premium US$'000	Total US$'000
As at 1 January 2023	2,339,977	3,184	50,862	54,046
Shares issued during the period:				
Share issuance for Eurobond interest	486,882	594	804	1,398
Share issuance for 8% increase in Philippines investment	40,000	48	96	144
Closing balance at 31 December 2023	**2,866,859**	**3,826**	**51,762**	**55,588**

	Number 000s	Nominal value US$'000	Share premium US$'000	Total US$'000
As at 1 January 2022	2,124,036	2,943	50,461	53,404
Shares issued during the period:				
Share issuance for Eurobond interest	215,941	241	401	642
Closing balance at 31 December 2022	**2,339,977**	**3,184**	**50,862**	**54,046**

All Ordinary Shares are fully paid and carry one vote per share and the right to dividends. In the event of winding up the Company, Ordinary shareholders rank after creditors. Ordinary Shares have a par value of £0.001 per share. Share premium represents the issue price of shares issued above their nominal value. As at the date of these financial statements, the Company no unused authority to issue any new Ordinary Shares.

No dividends were paid or declared during the current period (2022: nil).

Issue of ordinary shares

On 13 January 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 January 2023 in new ordinary shares of the Company. A total of 229,325,962 new ordinary in the Company were issued at a price of 0.254 pence per share in connection with this election.

On 27 January 2023, the Company restructured its arrangements with its Philippines partners to increase the Company's entitlement to future dividends from 80% to 88% with the issuance of 40,000 new ordinary shares to the Philippines partners at a price of 0.3 pence per share.

On 13 April 2023, the Eurobond note holders elected to receive interest payments on the notes in relation to the quarter to 12 April 2023 in new ordinary shares of the Company. A total of 257,556,113 new ordinary shares in the Company were issued at a price of 0.21935 pence per share in connection with this election.

Note 18: Reserves

Other reserves

Share-based payments reserve

The increase in share-based payments reserve is attributable to the current period charge relating to options issued to Directors and management of the Company, which was US$303k (2022: US$195k). US$nil (2022: US$33k) share options lapsed during the year and were recycled to accumulated losses.

Functional currency translation reserve

The translation reserve comprises all foreign currency differences arising from translation of the financial position and performance of the Parent Company and certain subsidiaries, which have a functional currency different to the Group's presentation currency of USD. The total loss on foreign exchange recorded in other reserves for the year was US$3,339k (2022: US$2,925k).

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 19a: Disposal of Subsidiary

In August 2022 the Group entered into an option agreement with Zodiac Energy plc ("Zodiac") whereby Zodiac acquired the right to acquire 100% of the issued share capital of CEL for a total consideration of up to €7.5 million (the "Option Agreement"), which included up to an aggregate of €1.5 million through a 10% net profit interest ("NPI"). As announced by the Company on 24 August 2022, Zodiac paid a non-refundable deposit of €0.3 million, which was recognised as income in the comparative period, with a further €5.7 million to be paid in cash on completion and further contingent NPI payments. Additionally Zodiac was liable to pay a working capital adjustment to the Group for the net working capital as at the completion date which as at 31 December 2023 totalled US$472k (see note 21), and the Company was liable to discharge certain tax obligations in Italy at completion. A definitive sale and purchase agreement ("SPA") was executed on 27 March 2023 and the disposal completed on 8 November 2023. From this date CEL ceased to be consolidated as a group company.

During the period between 27 March 2024 and the completion date the Company received advances of the consideration totalling €2.9m ($3.07m) and the SPA was amended to reduce the total value of all consideration to €5.86m (excluding the maximum potential value of the NPI) of which €0.3m was recognised as income in the comparative period, leaving total base consideration of €5.56 million receivable at completion.

The gain on disposal of CEL was determined as follows:

	US$'000
Total cash consideration receivable	6,027
Working capital adjustment	1,105
Total consideration	7,132
Less amounts not recognised in statement of comprehensive income	
Pre-completion redemption of intercompany loan prior to completion by Zodiac	(107)
Pre-completion tax liabilities assumed by Zodiac	(749)
Total consideration included in statement of comprehensive income	**6,276**
Cash	83
Property plant and equipment including oil and gas properties	4,027
Intangible assets	2,230
Inventory	242
Deferred tax asset	669
Trade and other receivables	1,216
Provisions	(7,163)
Trade and other payables	(1,556)
Total net liabilities disposed	**(252)**
Gain on disposal of subsidiary undertaking	**6,528**

Note 19a: Disposal of Subsidiary continued

The total gain from discontinued operations is below:

	2023 US$'000	2022 US$'000
Revenue	**2,970**	6,270
Operating costs	**(1,854)**	(2,060)
Gross profit	**1,116**	4,210
Other income	**53**	30
General and administrative expenses	**(564)**	(1,012)
Change in rehabilitation provisions	**(190)**	52
Impairment reversals/(losses)	**(97)**	1,330
Profit from operating activities	**318**	4,610
Finance expense	**(108)**	(60)
Profit before tax	**210**	4,550
Income tax expense	**–**	(1,908)
Profit for the period from 1 January 2023 to the date of disposal on 8 November 2023, after tax	**210**	2,642
Gain on disposal of subsidiary undertaking	**6,528**	–
	6,738	2,642

Note 19b: Disposal of Investment in Associated Company

On 24 August 2023, the Company completed the disposal of its 18.76% shareholding in IVHL to a privately owned entity based in USA.

Cash consideration was £1.25m of which £1m ($1.286m) paid on completion and the remaining £250,000 was to be paid by 31 March 2024. The original shareholding had been acquired for £500,000 ($662,000) in 2020.

The gain on disposal of IVHL was determined as follows:

	US$'000
Initial investment in IVHL	602
Company share of losses from acquisition to 31 December 2022	(343)
Book value of investment in IVHL on 1 January 2023	**259**
Effect of foreign exchange	85
Company share of losses from 1 January 2023 to date of disposal	(49)
Book value on date of disposal	295
Consideration payable	1,608
Gain on disposal of associated company	**1,313**

Notes to the Financial Statements
For the year ended 31 December 2023 continued

Note 20: Investment in, and Loans to, Subsidiaries

	Company	
	31 December 2023 US$'000	31 December 2022 US$'000
Cost		
At 1 January	**52,374**	52,374
Additions	**144**	–
At 31 December	**52,518**	52,374
Accumulated impairment		
At 1 January	**(33,298)**	(33,298)
Impairment	**–**	–
At 31 December	**(33,298)**	(33,298)
Impact of foreign exchange	**(537)**	(1,575)
Net book value		
At 31 December	**18,683**	17,501

In January 2023 the Company increased its entitlement to future dividends from the Philippines projects held by Coro Clean Energy Philippines Inc. from 80% to 88% under a restructuring agreement. In exchange for the increased share of dividends and to align the Philippine partners with Coro shareholders, the Company issue each of the two Philippines partners, who are also Officers of the Philippine subsidiary, with 20,000,000 ordinary shares in Coro at a price of 0.3p (representing a total of £60,000 each) - a 43% premium to the closing mid-market price on 24 January 2023 (the "New Ordinary Shares"). 50% of the New Ordinary Shares will be subject to lock-in restrictions until first power production and revenue on the first Philippines renewable energy project, with the remaining 50% subject to lock-in restrictions until first power production and revenue on the second Philippines renewable energy project. Restated at the year-end exchange rate at 31 December 2023 the carrying value of the investment is US$1.2m (2022: $1.1m).

Note 20: Investment in, and Loans to, Subsidiaries continued

On 8 November 2023, the Company sold its interest in its Italian operations via the sale of CEL (note 19a). The carrying value of CEL was Nil as at the disposal date. Previously reported related parties with respect to CEL have therefore been removed from the table below.

The Company's subsidiary undertakings at the date of issue of these financial statements are set out below:

Name	Incorporated	Principal activity	% owned	Registered address
Coro Energy Asia Limited*	England	Holding company	100%	c/o Pinsent Masons LLP, 1 Park Row, Leeds, England LS1 5AB
Coro Energy Holdings Cell A Limited	England	Holding company	100%	c/o Pinsent Masons LLP, 1 Park Row, Leeds, England LS1 5AB
Coro Energy (Singapore) Pte Ltd*	Singapore	Holding company	100%	80 Robinson Road #02-00, Singapore 068898
Coro Energy Bulu (Singapore) Pte Ltd*	Singapore	Holding company	100%	80 Robinson Road #02-00, Singapore 068898
Coro Energy Duyung (Singapore) Pte Ltd*	Singapore	Exploration and development company	100%	80 Robinson Road #02-00, Singapore 068898
Coro Asia Renewables Ltd**	Scotland	Holding company	100%	12 Traill Drive, Montrose DD10 8SW, Scotland
Coro Clean Energy Philippines Inc* ***	Philippines	Exploration and development company	40%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634.
Coro Philippines Project 109 Inc*	Philippines	Exploration and development company	40%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634
Coro Philippines Project 121 Inc*	Philippines	Exploration and development company	40%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634
Coro Philippines Project 128 Inc*	Philippines	Exploration and development company	40%	1008 The Infinity Tower, 26th Street, Bonifacio Global City, Taguig City, Fourth District, National Capital Region, Philippines, 1634
Coro Clean Energy Ltd	England	Holding company	100%	c/o Pinsent Masons LLP, 1 Park Row, Leeds, England LS1 5AB
Coro Clean Energy Vietnam Ltd*	England	Holding company	100%	c/o Pinsent Masons LLP, 1 Park Row, Leeds, England LS1 5AB
Coro Renewables VN1 Joint Stock Company*†	Vietnam	Holding company	85%	136 – 138 Vanh Dai Tay, Town 4, An Khanh Ward, Thu Duc City, Ho Chi Minh City, Vietnam
Coro Renewables VN2 Company Ltd*	Vietnam	Holding company	85%	136 – 138 Vanh Dai Tay, Town 4, An Khanh Ward, Thu Duc City, Ho Chi Minh City, Vietnam
Coro Renewables Vietnam Company Ltd*	Vietnam	Exploration and development company	85%	136 – 138 Vanh Dai Tay, Town 4, An Khanh Ward, Thu Duc City, Ho Chi Minh City, Vietnam

* Indirectly held.

** Formerly Global Energy Partnership Limited, acquired on 17 March 2021.

*** The Group has 80% economic interest and management's judgement is that Company controls this entity

† Increased to 92.5% in February 2024

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 20: Investment in, and Loans to, Subsidiaries continued

The following subsidiaries are exempt from audit for the 2023 financial year under s479A of the Companies Act 2006: Coro Clean Energy Limited, Coro Energy Asia Limited, Coro Energy Holdings Cell A Limited, Coro Clean Energy Vietnam Limited, and Coro Asia Renewables Limited.

Loans to subsidiaries

	Company	
	31 December 2023 US$'000	31 December 2022 US$'000
Current		
Loans to subsidiaries	**1,665**	750
Loans from subsidiaries	**(5,267)**	(685)
At 31 December	**(3,602)**	65

Loans to subsidiaries comprise advances to and from Coro Energy Holdings Cell A Limited which are unsecured, interest free and are repayable on demand.

Note 21: Financial Instruments

Carrying amount versus fair value

The fair values of financial assets and financial liabilities, together with the carrying amounts in the consolidated statement of financial position, are as follows:

31 December 2023

	Group	
	Carrying amount US$'000	Fair value US$'000
Financial assets		
Trade receivables (current and non-current)	**1,335**	**1,335**
Other financial assets > 1 year	**472**	**472**
Cash and cash equivalents	**1,095**	**1,095**
Financial liabilities		
Trade and other payables	**660**	**660**
Borrowings (current and non-current)	**31,327**	**31,327**

Note 21: Financial Instruments continued

31 December 2022

	Group	
	Carrying amount US$'000	Fair value US$'000
Financial assets		
Trade receivables (current and non-current)	158	158
Cash and cash equivalents	166	166
Financial liabilities		
Trade and other payables	819	819
Borrowings (current and non-current)	28,183	28,183

31 December 2023

	Company	
	Carrying amount US$'000	Fair value US$'000
Financial assets		
Trade and intercompany receivables (current and non-current)	**4,190**	**4,190**
Cash and cash equivalents	**573**	**573**
Financial liabilities		
Trade and other payables	**3,920**	**3,920**
Borrowings (current and non-current)	**31,237**	**31,237**

31 December 2022

	Company	
	Carrying amount US$'000	Fair value US$'000
Financial assets		
Trade and intercompany receivables (current and non-current)	3,170	3,170
Loans to subsidiaries	65	65
Cash and cash equivalents	130	130
Financial liabilities		
Trade and other payables	734	734
Interest bearing borrowings	1,263	1,263
Borrowings (current and non-current)	28,183	28,183

Notes to the Financial Statements
For the year ended 31 December 2023 continued

Note 21: Financial Instruments continued

Determination of fair values

All the Group's financial instruments are carried at amortised cost. The carrying value of trade and other receivables, cash and cash equivalents and trade and other payables approximates their fair value. Borrowings comprises the Group's Eurobond, which is listed on the Luxembourg Stock Exchange.

Financial risk management

Exposure to credit, market and liquidity risks arise in the normal course of the Group's business.

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

Risk recognition and management are viewed as integral to the Group's objectives of creating and maintaining shareholder value, and the successful execution of the Group's strategy. The Board as a whole is responsible for oversight of the processes by which risk is considered for both ongoing operations and prospective actions. In specific areas, it is assisted by the Audit Committee.

Management is responsible for establishing procedures that provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

(i) Credit risk

The Group is exposed to credit risk on its cash and cash equivalents and trade and other receivables. The maximum exposure to credit risk is represented by the carrying amount of each financial asset as shown in the table above and in note 19.

Credit risk with respect to cash is reduced through maintaining banking relationships with financial intermediaries with acceptable credit ratings. All banks with which the Group has a relationship have an investment grade credit rating and a stable outlook, according to recognised credit rating agencies.

The Group undertakes credit checks for all material new counterparties prior to entering into a contractual relationship.

Note 21: Financial Instruments continued

(ii) Market risk

Interest rate risk

The Group is primarily exposed to interest rate risk arising from cash and cash equivalents that are interest bearing. The Group's Eurobond bears interest at a fixed rate. Interest rate risk is currently not material for the Group.

Currency risk

The Group operates internationally and is exposed to foreign exchange risk. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity.

The Group's and Company's exposure to foreign currency risk at the end of the reporting period is summarised below. All amounts are presented in US Dollar equivalent.

	Group							
	2023 US$'000 USD	2023 US$'000 SGD	2023 US$'000 PHP	2023 US$'000 VND	2023 US$'000 GBP	2023 US$'000 EUR	2022 US$'000 USD	2022 US $'000 EUR
Trade and other receivables	**27**	**–**	**–**	**171**	**403**	**798**	–	–
Other financial assets > 1 year	**–**	**–**	**–**	**–**	**–**	**472**	–	–
Cash and cash equivalents	**397**	**2**	**273**	**239**	**183**	**1**	119	1
Trade and other payables	**(284)**	**(5)**	**(13)**	**(5)**	**(353)**	**–**	–	(21)
Borrowings (current and non-current)	**–**	**–**	**–**	**–**	**–**	**(31,327)**	–	(28,183)
Net exposure	**140**	**(3)**	**260**	**405**	**233**	**(30,056)**	119	(28,203)

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 21: Financial Instruments continued

Sensitivity analysis

As shown in the table above, the Group is exposed to changes in USD exchange rate. The table below shows the impact in USD on pre-tax profit and loss of a 10% increase/decrease in exchange rates, holding all other variables constant:

	Group							
	2023 US$'000 USD	2023 US$'000 SGD	2023 US$'000 PHP	2023 US$'000 VND	2023 US$'000 GBP	2023 US$'000 EUR	2022 US$'000 USD	2022 US $'000 EUR
Net exposure	**140**	**(3)**	**260**	**405**	**233**	**(30,056)**	119	(28,203)
10% strengthening of currency to USD rate	**–**	**–**	**(26)**	**(41)**	**(23)**	**3,006**	–	2,820
10% weakening of currency to USD rate	**–**	**–**	**26**	**41**	**23**	**(3,006)**	–	(2,820)

	Company							
	2023 US$'000 USD	2023 US$'000 SGD	2023 US$'000 PHP	2023 US$'000 VND	2023 US$'000 GBP	2023 US$'000 EUR	2022 US$'000 USD	2022 US $'000 EUR
Trade and other receivables	**3,440**	**9**	**178**	**–**	**532**	**31**	3,022	–
Inter-company loans	**1,270**	**–**	**–**	**–**	**–**	**–**	–	–
Cash and cash equivalents	**389**	**–**	**–**	**–**	**183**	**1**	118	1
Loans to subsidiaries							750	(685)
Trade and other payables	**(2,398)**	**–**	**–**	**–**	**(544)**	**(2,643)**	(32)	(136)
Borrowings (current and non-current)	**–**	**–**	**–**	**–**	**–**	**(31,327)**	–	(29,446)
Net exposure	**2,701**	**9**	**178**	**–**	**171**	**(33,938)**	3,858	(30,266)

Sensitivity analysis

As shown in the table above, the Group is exposed to changes in USD exchange rate. The table below shows the impact in USD on pre-tax profit and loss of a 10% increase/decrease in exchange rates, holding all other variables constant.

	Company							
	2023 US$'000 USD	2023 US$'000 SGD	2023 US$'000 PHP	2023 US$'000 VND	2023 US$'000 GBP	2023 US$'000 EUR	2022 US$'000 USD	2022 US $'000 EUR
Net exposure	**2,701**	**9**	**178**	**–**	**171**	**(33,938)**	3,858	(30,266)
10% strengthening of currency to USD rate		**(1)**	**(18)**	**–**	**(17)**	**3,394**	–	3,026
10% weakening of currency to USD rate		**1**	**18**	**–**	**17**	**(3,394)**	–	(3,026)

Note 21: Financial Instruments continued

(iii) Capital management

The Group's policy is to maintain a strong capital base so as to maintain creditor confidence and to sustain future development of the business, safeguard the Group's ability to continue as a going concern and provide returns for shareholders.

As explained further in note 16 and note 2c, the Group's Eurobonds are due to mature in April 2024 at 100% of par value plus any accrued and unpaid coupon.

(iv) Liquidity risk

The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due. Refer to the going concern statement in note 2c for further commentary.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts presented are the contractual undiscounted cash flows.

	Group				
31 December 2023	Less than 6 months US$'000	6 to 12 months US$'000	Between 1 and 2 years US$'000	Between 2 and 7 years US$'000	Total contractual cash flows US$'000
Trade and other payables	**660**		**–**	**–**	**660**
Borrowings	**–**	**31,327**	**–**	**–**	**31,327**
Total	**660**	**31,327**	**–**	**–**	**31,987**

	Group				
31 December 2022	Less than 6 months US$'000	6 to 12 months US$'000	Between 1 and 2 years US$'000	Between 2 and 7 years US$'000	Total contractual cash flows US$'000
Trade and other payables	406	–	–	–	406
Borrowings	–	–	28,183	–	28,183
Total	406	–	28,183	–	28,589

	Company				
31 December 2023	Less than 6 months US$'000	6 to 12 months US$'000	Between 1 and 2 years US$'000	Between 2 and 7 years US$'000	Total contractual cash flows US$'000
Trade and other payables	**3,920**	**–**	**–**	**–**	**3,920**
Borrowings	**–**	**31,327**	**–**	**–**	**31,327**
Total	**3,920**	**31,327**	**–**	**–**	**35,247**

	Company				
31 December 2022	Less than 6 months US$'000	6 to 12 months US$'000	Between 1 and 2 years US$'000	Between 2 and 7 years US$'000	Total contractual cash flows US$'000
Trade and other payables	320	–	–	–	320
Borrowings	–	–	28,183	1,263	29,446
Total	320	–	28,183	1,263	29,766

Notes to the Financial Statements

For the year ended 31 December 2023 continued

Note 22: Share-Based Payments

Share options and warrants

The following equity settled share-based awards have been made under the Company's discretionary share option plan.

	31 December 2023		31 December 2022	
	Average exercise price per option (pence)	Number of options	Average exercise price per option (pence)	Number of options
As at 1 January	1.03	193,013,166	1.90	137,687,500
Granted during the year	0.255	70,000,000	0.10	93,825,666
Expired during the year	4.38	(42,000,000)	–	–
Forfeited during the year	–	–	1.88	(38,500,000)
As at 31 December	0.15	221,013,166	1.03	193,013,166
Vested and exercisable at 31 December	–	–	4.38	42,000,000

All remaining unvested options vest after three years of continuous service with the Company and on condition that the mid-market closing price per Coro ordinary share on the last day of the three year vesting period is equal to or higher than 0.46 pence per ordinary share for 2021 grants and higher than 0.43 pence per ordinary share for 2022 grants. Grants issued in 2023 are exercisable once certain performance criteria have been met. Once vested, the Options may be exercised at any time until the sixth anniversary of grant.

For options granted in 2021 and 2022 that have not yet vested, the number of options which will vest on the vesting date will depend on the Company's Total Shareholder Return ("TSR") over the 3 year performance period starting on the date of grant, compared to a comparator group of 20 energy companies selected by the Company's Remuneration Committee. The number of Options vesting will be calculated as follows:

Relative TSR	Percentage of Options vesting on the Vesting Date
Below median	0%
Median	30%
Upper decile	100%
Between median and upper decile	Straight-line vesting between 30% and 100%

Note 22: Share-Based Payments continued

Options granted in 2023 are conditional upon a final investment decision having been taken by the partners to the Duyung PSC or the successful sale of Coro's interest in the Duyung PSC.

The fair value of services rendered in return for 2023 share options is based on the fair value of share options granted and was measured using a Black Scholes model.

The inputs used in the measurement of the options granted during the year are summarised in the table below, with the volatility estimate of 61% based on the Company's historical volatility:

	February 2023 options
Fair value at grant date (p)	0.13
Share price at grant date (p)	0.24
Exercise price	0. 26
Expected volatility	61%
Option life	3 years
Risk-free interest rate (based on yield on five-year gilts)	3.2%
Expiry date	9 February 2028

p – British pence.

The fair value of the options granted are spread over the vesting period. The amount recognised in the income statement for the year ended 31 December 2023 was US$303k (2022: US$196k).

During the year a total of 70,000,000 options were granted, 35,000,000 of which were granted to the Company's Chairman, James Parsons, 20,000,000 to the Company's Managing Director Michael Carrington and 15,000,000 to Ewen Ainsworth, former CFO of the Company.

Note 23: Contingencies and Commitments

Commitments

Coro's share of the 2024 Duyung Work Programme and Budget is estimated at US$0.5m, which will be allocated between items of capital expenditure and joint venture G&A. The Group had no committed work programmes in it Philippine or Vietnam operations at the reporting date.

Contingent liabilities

The Company undertook to the Noteholders that in the event of a sale of the Company's interest in the Duyung PSC to utilise the net cash proceeds of such disposal(s) to first repay the capital and rolled up interest on the Notes and thereafter to distribute 20% of remaining net proceed(s) to Noteholders. The remaining net proceeds of any sales would be retained and/or distributed to shareholders by the Company. Due to its nature, it is not possible to quantify the financial impact of this contingent liability.

Contingent assets

The Group has the right to contingent payments of up to an aggregate of Euro 1.5m through a 10% net profit interest in the disposed Italian Portfolio over the three years from the date of completion.

Note 24: Related Party Transactions

Key management personnel compensation

	2023 US$'000	2022 US$'000
Short-term benefits	**926**	1,201
Share-based payments	**303**	197

Key management personnel consists of the Directors of the Company and Ewen Ainsworth (CFO) and Michael Carrington (COO).

Other related party transactions

ion Ventures Holdings Limited was a related party during the reporting period due to the Company's, now disposed, 18.76% shareholding and ability it had to appoint one director to the Board of Directors of ion. There were no transactions between the two companies in 2023 up to the date of the disposal or 2022 with the exception of Coro's initial £500k investment in ion.

Energy PTS is a company incorporated in Scotland in which Mark Hood, a director of the Company during the reporting period, has a majority interest. The Company paid consulting fees on an arm's length basis of £18k (2022: £18k) to Energy PTS during the reporting period.

Note 25: Subsequent Events

On 18 January 2024, the Company announced receipt of an in principle commitment letter from HDBank of Vietnam to provide debt finance for its previously announced 50MW MOU with Mobile World Investment Corporation to install rooftop solar systems across their portfolio. The non-binding commitment letter initially focuses on funding for the ten locations in the pilot stage and would cover 50% of the total capital required for these locations. It would then be the intention to broaden any funding arrangement reached to the full scale 50MW roll out across all 900 project locations.

On 19 February 2024, the Company announced settlement of the working capital adjustment from the disposal of the Group's Italian natural gas portfolio, with the parties agreeing to a cash payment to the Company of Euro 1,000,000 in full and final settlement of the working capital adjustment. A cash payment of Euro 200,000 was received by the Company in February 2024 and the balance of Euro 800,000 will be paid in 22 monthly instalments.

The Company will also receive the previously announced Euro 136,000 balance of the upfront consideration for the Italian natural gas portfolio, which shall be paid in 23 monthly instalments.

On 29 February, the Company announced an update with respect to the ongoing legal proceedings by the Company against an Italian contractor in relation to damages following the historical cessation of production at the Bezzecca field in Italy. The Company announced on 14 February 2023 that it was initiating legal proceedings against an Italian contractor in relation to damages following the historical cessation of production at the Bezzecca field in Italy. The Company alleges that the original construction at Bezzecca lacked an effective cathodic protection system which was required to avoid corrosion, which ultimately led to the shut-in of gas production at the Bezzecca field in March 2020 for safety and environmental reasons. Production at Bezzecca was re-established in November 2022. The Company is claiming damages of approximately Euro 300,000 for the capital and related costs of the replacement equipment and necessary cathodic protection and a further Euro 7m for consequential losses, including both lost revenue and incurred fixed costs, during the shut in period. On 22 September 2023, the Company served a writ of summons on the contractor. The contractor filed its response statement to the court on 23 November 2023, which included the identification of three potentially liable third parties (a supplier, a sub-contractor and the sub contractor's insurance company). The judge has set the first hearing for 5 June 2024, before which various supplementary memorandums are required to be filed by both sides. The Company sold its Italian natural gas portfolio during 2023, however, under the terms of this disposal any costs and proceeds from the Bezzecca legal claim accrue to the Company.

Note 26: Subsequent Events continued

On 8 March 2024, the Company announced that it had signed a binding 14-year power purchase agreement ("PPA") with Mobile World Group ("MWG") to deliver power at the first ten sites as a pilot phase with a capacity of 430kw. The PPA term is extendable in certain circumstances and includes a variable price with a floor of circa US$11.2 cents / kilowatt hour. Construction work at these sites will begin in March 2024 and is expected to conclude 28 days later. The capital required for the pilot phase is expected to be funded from existing in-country Group resources and from a debt facility expected to be provided by HDBank which is referenced here.

On 12 April 2024, The Company announced receipt of a letter from two lenders holding 68% of the Company's Luxembourg listed Eurobonds which are currently due to expire on 12 April 2024 (the "Standstill"). The Standstill, which the Company is advised is binding on the parties, provides a conditional standstill on the repayment of the Company's current debt obligations on expiry whilst the ongoing constructive discussions with the Company in respect of the Eurobonds continue and whilst certain inflexion points in the business materialise, including the outcome of the Duyung Operator's farm out process.

On 24 April 2024, the Company announced that, as a result of the outturn of the AGM, in that Resolution 2 concerning the re-election of James Parsons as a Director of the Company, was not passed at the AGM. Accordingly Mr Parsons is no longer a director of the Company. Whilst the Company has commenced the process of recruiting at least one additional director with immediate effect, the Company's Board currently comprises a single director. Following the AGM, the Company's Board is not therefore quorate under the Company's Articles of Association (the "Articles") or s154 of the Companies Act 2006 (the "Act") and the Company is not therefore able to effectively operate under the Articles or the Act. Accordingly, the Company has requested that trading in the Company's ordinary shares on AIM be suspended with immediate effect pending, inter alia, the appointment of at least one additional director. Notwithstanding the suspension of trading in the Company's ordinary shares, the Company will continue to make notifications as and when there are matters requiring disclosure in accordance with the Company's obligations under the AIM Rules for Companies and/or the UK Market Abuse Regulation.

On 12 June 2024, the Company announced an acceleration of receipt of a portion of the proceeds from the disposal of the Group's Italian natural gas portfolio. The Company sold its Italian natural gas portfolio as previously announced by the Company during the course of 2023 and 2024 (the "Disposal"). The Disposal includes a monthly payment to the company of Euro 42,750 through to November 2025 and a final payment of Euro 26,750 in December 2025. All monthly payments have been received to-date. The Company signed an agreement to accelerate the next 9 months payment in exchange for a 22% discount on those payments. Hence the Company will now receive Euro 150,000 on June 14 2024 and a further Euro 150,000 thirty days later. The monthly payments will restart from April 2025.

On 24 June 2024, The Company announced that it had signed binding key terms had been agreed for the sale and purchase of the domestic portion of the Mako gas field with PT Perusahaan Gas Negara Tbk ("PGN"), the gas subsidiary of PT Pertamina (Persero), the national oil company of Indonesia. The GSA, which includes a seven month long stop date, is subject to the construction of the pipeline connecting the West Natuna Transportation System with the domestic gas market in Batam, and it forms part of the Domestic Market Obligation, as set out in Mako's revised Plan of Development. The total contracted gas volume under the GSA is up to 122.77 trillion British Thermal Units ("TBtu") with estimated plateau production rates of 35 billion British Thermal Units / day ("BBtud"). The terms of the GSA are confidential. The remainder of the Mako sales gas volumes are targeted to be sold to Singapore, where a non-binding Term Sheet was signed in 3Q 2023. Conrad is moving towards finalising a GSA for the Mako export gas.

On 3 July 2024, the Company announced the appointment of Harry Beamish as Independent Non-Executive Director of the Company with immediate effect.

On 15 August 2024, the Company announced that it has signed a six month $500k secured convertible loan with River Merchant Capital, and existing lender to the Company under the Company's Luxembourg 8.0% listed Eurobond and Fenikso Limited.

Company Information

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Harry Beamish (Non-Executive Director)

Company secretary

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