wentworth

2022

Annual Report and Financial Statements

Supporting Tanzania's Energy Transformation

Increasing energy access in Tanzania through a consistent supply of fixed price natural gas.

Together with our JV partners, we continue to play a key role in increasing energy supply; supporting Tanzania's goal to provide universal energy access by 2030.

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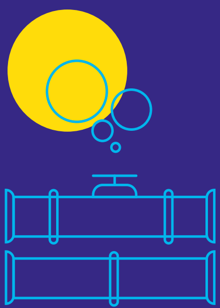
HIGHLIGHTS

Continued strong performance in 2022.

FINANCIAL

- Mnazi Bay gas sales revenue of $30.8 million (2021: $23.6 million);
- Adjusted earnings (EBITDAX[1]) of $25.7 million (2021: $13.6 million) excluding non-recurring expenses of $335k (2021: $502k);
- E&E and PPE assets impairment $25.0 million (2021: nil)[2];
- Net loss of $13.0 million, driven by impairment (2021: net profit of $6.1 million);
- Total cash at year-end of $30.9 million (2021: $22.8 million).



OPERATIONAL

- No Lost Time Incidents (LTI) in 2022 - totalling 6 years and 151 days without an LTI;
- Average gross daily gas production increased by 10% to 90.0 MMscf/d from 81.6 MMscf/d in 2021, higher than the mid-year guidance figure;
- Q1 2022 daily average production was 16% higher year-on-year at 98.5 MMscf/d; Q1 2021 production was 84.7 MMscf/d;
- Gross 2P Reserves of 137 Bscf (2021: 135.2 Bscf).[3]

SUSTAINABILITY

- Tanzania press launch of our 2021 Sustainability Report and ESG initiatives;
- Commenced ESG reporting alignment with Taskforce on Climate-related Financial Disclosures (TCFD);
- 4.1 million tonnes saved in CO_2 emissions from the use of natural gas from Mnazi Bay vs diesel over the life of the Mnazi Bay gas production project;
- 5.6 billion litres of diesel and heavy fuel oils displaced by natural gas from Mnazi Bay Concession over the life of the Mnazi Bay gas production project.

428t CO_2e
Scope 1 emissions
(0.29 kg CO_2e/boe)

8%↓
Reduction from 2021

33t CO_2e
Scope 2 emissions

510,556t CO_2e
Scope 3 emissions

1. See financial review on page 14 for summary of EBITDAX
2. Driven by technical accounting revisions in light of the ongoing Maurel et Prom offer
3. RPS Energy Canada Ltd (RPS) CPR 31 December 2022

LETTER FROM THE CHAIR

Dear Stakeholders,

I am pleased to present our 2022 Annual Report. 2022 was another successful year in which we again delivered value for our shareholders and stakeholders through strong financial performance, operational excellence, and a robust approach to governance and sustainability.

Our solid economic results reflect the strength and commitment of our senior management team, led by our CEO, Katherine Roe, and the dedication of our employees.

Together with our JV partners, Etablissements Maurel et Prom S.A. (M&P) and Tanzania Petroleum Development Corporation (TPDC), we delivered a 10% increase in gas production in 2022, averaging 90 MMscf/d, thereby accelerating the transition to a sustainable future, and reducing the carbon intensity of Tanzania's energy mix. In 2022 we started the process of aligning our Environmental, Social & Governance (ESG) reporting with TCFD, ahead of mandatory reporting in 2025. Please see our 2022 Sustainability Report for further information. In early 2022 we were delighted to announce our proposed transaction with Scirocco Energy plc, to acquire its 25% non-operated working interest in Ruvuma, adjacent to our Mnazi Bay facility. The intention was to build out our portfolio; unfortunately, the acquisition was pre-empted, highlighting the challenges faced when executing transactions.

In December 2022, we announced we had reached agreement on the terms of a recommended acquisition by M&P (our JV partner and operator of the Mnazi Bay Gas Production Facility (GPF)) of the entire issued and to be issued share capital of Wentworth (the "Acquisition"). On 23 February 2023, we announced that shareholders had approved the Acquisition at the Court Meeting and General Meeting held on that date. The Acquisition remains subject to the satisfaction or waiver of the other conditions to the Acquisition set out in Part III of the Scheme document posted to shareholders in connection with the Acquisition on 25 January 2023 (the "Scheme Document"). There can be no certainty that the Acquisition conditions will be satisfied or (where capable of being waived) waived by M&P. Should all conditions be met, we expect completion in H2 2023. Whilst the proposed Acquisition by M&P was unsolicited, we believe the sale of the business to our existing JV partner is in the best interest of our shareholders and hope many of our shareholders will continue to support Tanzania through other investments.

The Board and I are immensely proud of what we have achieved in 2022, the commitment of our team throughout the year, and our dedication to supporting the increasing demand for energy in Tanzania.

We remain grateful for the continued support of our stakeholders as we work together with M&P to reach a successful completion of the sale of the business in 2023.

Tim Bushell
Non-Executive Chair

29 June 2023

“The Board and I are immensely proud of what we have achieved in 2022, the commitment of our team throughout the year, and our dedication to supporting the increasing demand for energy in Tanzania.

1. www.wentplc.com/sustainability

CHIEF EXECUTIVE'S STATEMENT

Despite a turbulent year in which we witnessed a shift in our global energy dynamic driven by concerns regarding energy supply, security and affordability, Wentworth's operation continued to prosper.

Largely cushioned from the global challenges due to the nature of our business model: supplying fixed-price natural gas produced domestically to the people and businesses of Tanzania, we continued to meet the Country's increasing demand for energy.

Our financial success, together with the enhanced operational performance of the Mnazi Bay gas field allowed us to continue with our dividend programme, returning $4.1m to shareholders in 2022.

PROPOSED ACQUISITION

In late 2022, we received an offer from M&P to purchase the share capital of Wentworth and on 5 December 2022, announced we had reached an agreement on the terms of a recommended all-cash offer by M&P for the entire issued, and to be issued, share capital of Wentworth (the "Acquisition"). The Acquisition is being implemented by means of a scheme of arrangement pursuant to Article 125 of the Jersey Companies Law (the "Scheme").

Whilst unsolicited, the Board of Wentworth announced its support of the Acquisition and on 23 February 2023:

- the requisite majority of Scheme Shareholders voted to approve the Scheme at the Court Meeting; and
- the requisite majority of Wentworth Shareholders voted to pass the Resolution in connection with the amendment of the Wentworth Articles and the implementation of the Scheme at the General Meeting. Details of the resolutions passed are set out in the Notices of Court Meeting and Notice of General Meeting contained in Part X of the Scheme Document.

The Acquisition remains subject to the satisfaction or (where capable of being waived) waiver of the other Conditions to the Acquisition as set out in the Scheme Document, including the sanction of the Scheme by the Court at the Scheme Court Hearing and the delivery of a copy of the Court Order to the Registrar of Companies.

There can be no certainty that the Acquisition conditions will be satisfied or (where capable of being waived) waived by M&P. We expect that, if the conditions are satisfied or (where capable of being waived) waived by M&P, the Acquisition will complete in H2 2023.[1]

FINANCIAL HIGHLIGHTS

Revenue generated from gas sales for 2022 rose by over 30% year-on-year to $30.8 million with an EBITDAX[2] of $25.7 million and net cash at year-end of $30.9 million.

During the year a full impairment test was conducted on the Mnazi Bay asset leading to an impairment provision of $25.0 million being recognised for 2022. As a result of the E&E and PPE assets impairment, driven by technical accounting revisions in light of the Acquisition, the profit after tax decreased from a profit of $6.1 million in 2021 to a $13.0 million loss after tax in 2022.

OPERATIONAL HIGHLIGHTS

Our main priority as always is the health and safety of everyone with whom we work. Mnazi Bay is proud to have celebrated over six years of safe operations without a Lost Time Incident (LTI) under the experienced management of the asset's operator, M&P.

A steady increase in demand throughout 2022 led to an average daily production of 90 MMscf/d, a 10% increase on 2021's average of 82 MMscf/d.

Our most recent Reserves Report, as of 31 December 2022, outlined Wentworth's share of 2P Reserves of 137 Bscf (gross).

Gross full-year 2022 production was 32.9 Bcf. This represents an approximate 10% increase over 2021 gross production volumes. The report also estimated the remaining economically recoverable gross 2P sales gas for the Mnazi Bay gas field at 429 Bscf, with cumulative Mnazi Bay Field production to the end of 2022 of 179.9 Bcf.

1. Scheme-Document.pdf (wp-wentworth-2020.s3.eu-west-2.amazonaws.com)
2. See Financial Review on page 14 for summary of EBITDAX
3. www.wentplc.com/sustainability

> Mnazi Bay is proud to have celebrated over six years of safe operations without a Lost Time Incident.

SUSTAINABILITY

Our 2022 Sustainability Report enhances our Annual Report; highlighting our proactive commitment to sustainability through our own Corporate Social Responsibility (CSR) programmes, Wentworth Africa Foundation (WAF)-led initiatives, and best practices throughout our Company. In 2022 we started the process of aligning our Environmental, Social & Governance (ESG) reporting with TCFD, ahead of mandatory reporting in 2025.[3]

LOOKING TO THE YEAR AHEAD

Despite an increase in domestic energy supplies, the power access gap in Tanzania is expected to widen in the coming years: led by economic drivers such as industrial, commercial, and domestic demand and new energy initiatives.

We maintain our view that natural gas is vital in the Government's goal of universal access by 2030, ensuring a just transition for Tanzania to a less expensive, dependable supply of electricity, supplementing carbon-free renewable energy systems, such as hydro and solar.

The requirement for natural gas from Mnazi Bay will increase due to the escalation in demand. The 2023 production guidance for Mnazi Bay is 90 MMscf/d. This guidance depends on reservoir performance and pressures set at the TPDC-controlled Madimba gas facility through which gas from Mnazi Bay flows.

With the Mnazi Bay field close to its current peak gas production capacity, further capital expenditures are required to maintain production at these levels as well as ensuring long-term demand can be met.

I am incredibly proud of everything the business and the Wentworth team have achieved in 2022. Our commitment to supporting Tanzania's energy transition continues into 2023 aiding Tanzania's move to a greener, lower-carbon future, together with TPDC, always with the citizens of Tanzania at the heart of our shared goals.

Katherine Roe
Chief Executive Officer

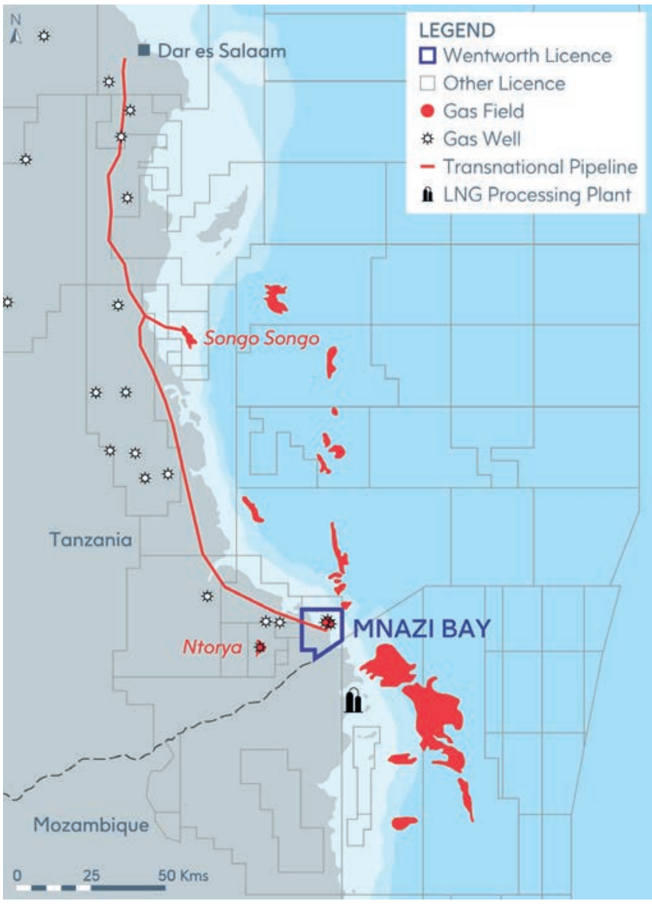
29 June 2023

STRATEGIC REPORT

MNAZI BAY LICENCE SUMMARY

Supporting Tanzania's energy transition to a greener, lower carbon future through our role as one of Tanzania's leading onshore natural gas producers.

The Mnazi Bay Development and Production Licence (Mnazi Bay) sits in southern Tanzania, approximately 410 km south of Dar es Salaam. Covering an area of 756 km^2, the site is comprised of the Mnazi Bay and Msimbati producing gas fields, which have been in production since January 2007.



The Mnazi Bay PSA produces gas which is predominantly sold into the National Natural Gas Infrastructure (NNGI) Pipeline.

OUR WORKING INTEREST

Mnazi Bay is operated by M&P (48.06%) with Wentworth (31.94%) and TPDC (20%) as JV partners. This is the only development licence in Tanzania to include TPDC in a Joint Operating Agreement (JOA). Mnazi Bay gas sold to TPDC is primarily utilised by The Tanzania Electric Supply Company (TANESCO) for power generation.

For exploration activities, M&P holds a 60.075% working interest, with Wentworth holding a 39.925% working interest. TPDC is carried on exploration costs; however, it is responsible for its share of development and operational costs (20%).

Wentworth's working interests represent the interest in field gross recoverable volumes (and cost commitments), not net entitlements after the application of royalties or equivalent deductions. Wentworth also retains an option to transfer a further 5% working interest per well, in exchange for other parties' payment for up to two appraisal wells on the block.

Production operations in the development licence are governed by the Production Sharing Agreement (PSA), executed in 2004. This is a cost recovery form of agreement and contains detailed cost recovery and profit-sharing arrangements, as well as production royalty payment obligations.

A HISTORY OF MNAZI BAY

The Mnazi Bay gas field was discovered in 1982 by AGIP. The first well, Mnazi Bay#1 (MB-1), tested gas from a Miocene-aged formation, at a rate of 13 MMscf/d. After testing, the well was suspended by AGIP, due to a lack of monetisation options at the time, and the concession was subsequently relinquished by AGIP. The licence was acquired by Artumas (now Wentworth) in 2004.

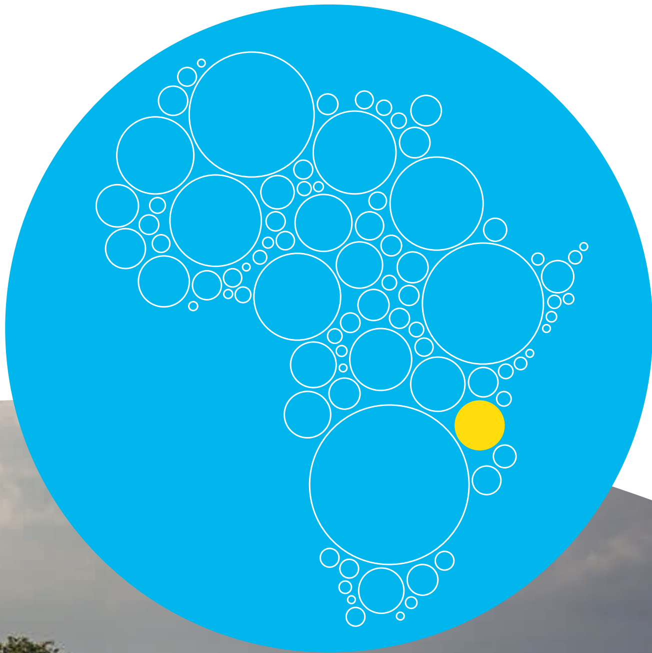
In 2005, the MB-1 well was re-entered, and three subsequent gas discoveries were made with the MB-2, MB-3 and MS-1X wells. Two additional seismic surveys were conducted in 2007 and 2008. And in 2015, the MB-4 development well was drilled, adding to the existing production wells on the Mnazi Bay concession.

On 26 October 2006, the Tanzanian Ministry of Energy and Minerals (MEM) granted a development licence to TPDC. This covered one discovery block and eight adjoining blocks, which comprise the Mnazi Bay contract area, covering the same area as the original PSA Exploration licence. The development licence has an initial 25-year term to 2031 and may be extended under certain conditions.

The Mnazi Bay field has experienced continuous production since it was first put on stream in January 2007. Critically, in August 2015, the tie-in to the Tanzanian transnational gas pipeline (NNGI) was completed, and gas deliveries commenced to this pipeline as well. This was followed by the commissioning of gas production facilities at Madimba and Songo Songo, as well as the Gas Receiving Facility (GRF) at Kinyerezi in Dar es Salaam, which distributes gas to various power stations.

M&P became the Operator of Mnazi Bay in 2009. A 3D seismic survey covering 328 km^2 was acquired in the offshore area from 2012 to 2013. In 2014, an additional 315 line km of onshore 2D seismic, and 58 line km of high-resolution 2D seismic, were acquired and processed.

In the same year, work started on the expansion of the Gas Processing Facility from 10 MMscf/d capacity to 140 MMscf/d and the tying in of the wells, MB-3, MB-2, and MS-1x and ultimately MB-4, to the gas gathering system and the GPF. The MB-4 well was drilled and completed as a gas producer in June 2015.



STRATEGIC REPORT

MNAZI BAY PRODUCTION OPERATIONS

The Mnazi Bay field currently produces from a total of five wells: the MB-1, MB-2, MB-3, MB-4, and MS-1X wells. The field began production in January 2007, with production into NNGI in 2015.

2022 PRODUCTION OVERVIEW

Mnazi Bay gas production averaged 90.0 MMscf/d in 2022, an increase of approximately 10% compared with production in 2021 an average of 81.6 MMscf/d. The following factors contributed to this:

- In 2022, catchment regions servicing hydroelectric dams saw below-average rainfall, decreasing water levels in the dams and resulting in reduced hydropower generating capacity, which boosted demand for natural gas-fired energy;
- An increase in overall power demand throughout the Country, resulting in a new peak demand record for Tanzania in 2022 of 1,500 MW, up from 1,307 MW in 2021;
- Stable industrial demand; and
- High demand from the Kinyerezi 1 and Ubungo III power facilities, which were previously under-utilised (as in the case of Kinyerezi 1) or shut in (as in the case of Ubungo III).

Gas from Mnazi Bay is sold to two primary customers: TPDC (NNGI) and TANESCO (Mtwara).

Gas sold to TPDC is based on a fixed rate contract subject to an annual escalation, based on the US Consumer Price Index (CPI), and sold at the Mnazi Bay plant gate (excluding transport charges). In 2022 the gas tariff associated with supply to TPDC Gasco was $3.71/MMBtu (2021: $3.28/MMBtu).

Under the Gas Sales Agreement (GSA) between the Mnazi Bay Joint Venture (JV) partners and TANESCO, TANESCO procures gas at a fixed rate of $5.36/MMBtu. In 2022, the power station consumed an average of approximately 3.1 MMscf/d. The facility provides energy to the isolated grid in the Mtwara and Lindi areas, servicing 16 towns and villages.

In addition, TPDC has embarked on a project to provide natural gas from Mnazi Bay to the recently established Mtwara Local Municipality domestic gas network. This project currently serves approximately 425 households in Mtwara with plans to extend this project to include wider areas within the regions of Mtwara and Lindi. Although demand for gas is currently low, as the project gains traction, it is expected to lead to a rise in demand.

PRODUCTION OUTLOOK

In alignment with the United Nation's Sustainable Development Goal (UN SDG7), which aims to provide universal access to modern, reliable, affordable, and sustainable energy services by 2030, Tanzania has set a priority to increase the supply of electricity to drive economic development and enhance livelihoods while avoiding reliance on polluting fossil fuels.

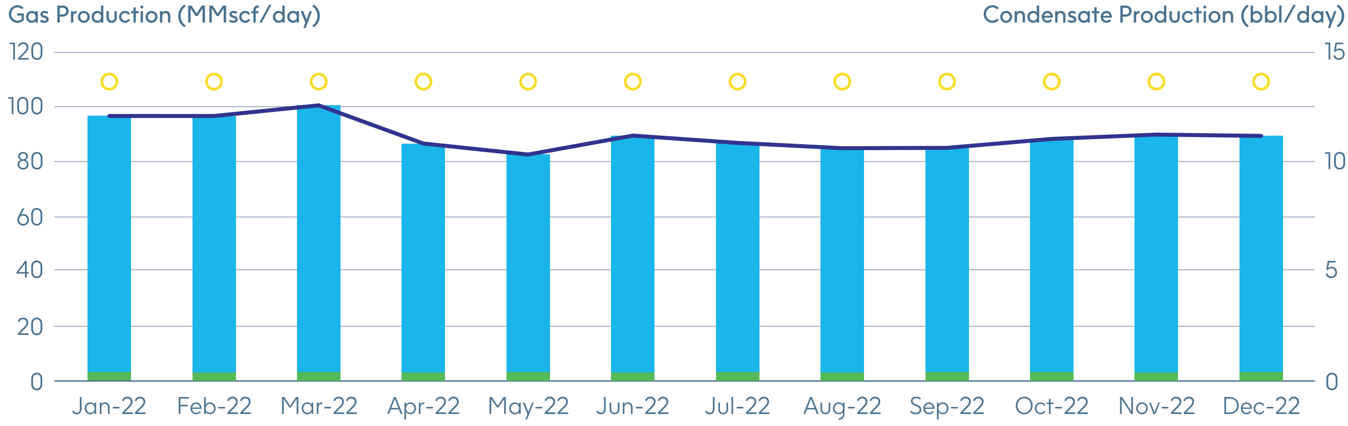
To achieve this goal, the country has taken deliberate steps to create a balanced energy mix that will ensure a dependable power supply for the economy. This includes the expansion of renewable energy sources such as solar, wind, biomass, and micro-hydro, as well as natural gas and other locally available energy sources like geothermal.

As the 2025 National Development Plan approaches its conclusion, the Government is seeking investment from the private sector to address the energy gap created by increasing demand and to help realise its target of generating 6,000 MW by 2025.

Mnazi Bay contributes significantly to the generation capacity of the country and the National Development Plan by supplying natural gas to fuel the generation of over 450 MW of electricity for the National Grid. This represents approximately 30% of the Country's power needs.

Furthermore, it is estimated that the population of Tanzania will reach 90.4 million by 2035.[1] Currently, the population is 61.7 million people[2] and 64.1% of this population resides in rural areas. However, despite many of the villages having been connected to the National grid (71.3%) only 39.9% of households in the Country have access to energy.[3,4]

Mnazi Bay Field Gas Production



The increase in generating capacity necessary to support Tanzania's unrestricted economic expansion over the next five years, as well as the connection of rural families, suggests an urgent need for natural gas to fuel more generation.

The overall demand for natural gas from Mnazi Bay is expected to rise steadily in the coming years. Key drivers may include:

- A growing middle class looking to switch to energy-efficient appliances and devices in the home;
- Continued growth in demand from an established industrial sector, and as distribution and connectivity increase, a rising number of new industrial customers;
- the addition of a new 185 MW generation facility at Kinyerezi, namely the Kinyerezi-1 Extension, expected to come on stream in Q2 2023;
- Increased utilisation of existing generation stations at Kinyerezi I and Ubungo III;
- The commissioning of the first phase of the Morogoro Standard Gauge Railway Line, which will need around 70 MW; and
- Growth from new domestic gas customers for Mtwara and Dar es Salaam: the increased use of Compressed Natural Gas (CNG) for vehicles.

It has been reported that the construction on the Julius Nyerere Hydropower Station is progressing well; and on 22 December 2022, Her Excellency the President of the United Republic of Tanzania (URT), Samia Suluhu Hassan, inaugurated the filling of the Julius Nyerere Hydro-electric Dam on the Rufiji River. The dam is intended to augment national generation capacity and allow for export into the South African Power Pool.

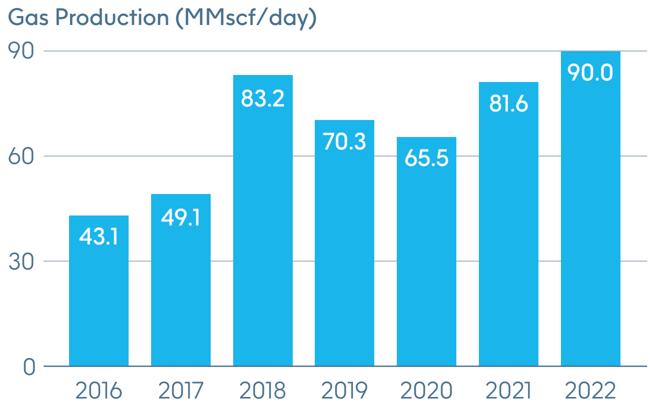
MNAZI BAY PRODUCTION OUTLOOK

The 2023 production guidance for Mnazi Bay is in the range of 90 – 100 MMscf/d (annual average daily production). This is an increase from previous guidance of 85 – 95 MMscf/d issued in March 2023. This guidance depends on reservoir performance, pressures set at the TPDC-controlled Madimba gas facility through which gas from Mnazi Bay flows, industrial and commercial economic drivers, domestic demand, new energy initiatives, and national rainfall levels which affect hydroelectric generation.

The Mnazi Bay partners work closely with TPDC to continually evaluate near and long-term demand potential.

The graph below shows a steady overall 109% increase in field production levels between 2016 to 2022.

Average Daily Production Per Annum From 2016 - 2022



1. Tanzania population 2021 - StatisticsTimes.com
2. Tanzania Sensa 2022 (sensa.nbs.go.tz)
3. Tanzania's rural electrification faces a new hurdle of high equipment cost | The Citizen
4. Access to electricity (% of population) - Tanzania | Data (worldbank.org)

STRATEGIC REPORT

MNAZI BAY OPERATIONS REVIEW

Despite issues of a worldwide energy crisis, tightening financial conditions, and increased local security risks, Mnazi Bay was able to conduct its operations successfully throughout the year resulting in Mnazi Bay producing an average of 90 MMscf/d during 2022, above production guidance of 75-85 MMscf/d for the year.

Mindful of the ongoing threat of a resurgence of COVID-19, throughout 2022 the camp maintained many of the precautions introduced at the height of the pandemic. This enabled uninterrupted supply to the Tanzanian National Grid of a significant portion of its natural gas requirements: approximately 42% of the total National gas demand, providing energy to industrial customers and approximately 30% of Tanzania's total electricity generation needs.

We are proud that, as of the end of 2022, the Mnazi Bay Operations have achieved 6 years and 151 days without an LTI.

WORKING WITH TANESCO TO BUILD A MORE SUSTAINABLE GSA

In December 2022, the Mnazi Bay JV finalised a revised and updated GSA with TANESCO. This GSA supersedes the temporary agreement signed in 2011 and offers a sturdier and more enduring contract. While the commercial provisions remain largely unchanged, the arrangement and method for resolving conflicts were revised.

RESERVOIR PRODUCTION AND PERFORMANCE

The current sustainable rate of production at Mnazi Bay is approximately 105 MMscf/d at 85 bar. The Mnazi Bay field continues to demonstrate its ability to meet demand, with 2022 production averaging 90.0 MMscf/d. Since production began in 2007, Mnazi Bay has provided sweet dry gas to the country for both domestic use, in generating power, and industrial use. Sweet gas typically contains no hydrogen sulfide (H_2S) and minimal levels of carbon dioxide (CO_2); whilst dry gas has low levels of condensate or liquid hydrocarbons. At Mnazi Bay, the gas produced has a stable condensate-gas ratio of 0.14 bbl/MMscf, and a water-gas ratio of 0.61 bbl/MMscf. The water: gas ratio is closely monitored for potential water coning effects. Mnazi Bay Gas is non-corrosive and almost 100% methane (CH_4). There is no hydrogen sulfide (H_2S), and carbon dioxide (CO_2) levels are near negligible (0.02%).

MTWARA DOMESTIC GAS PROJECT

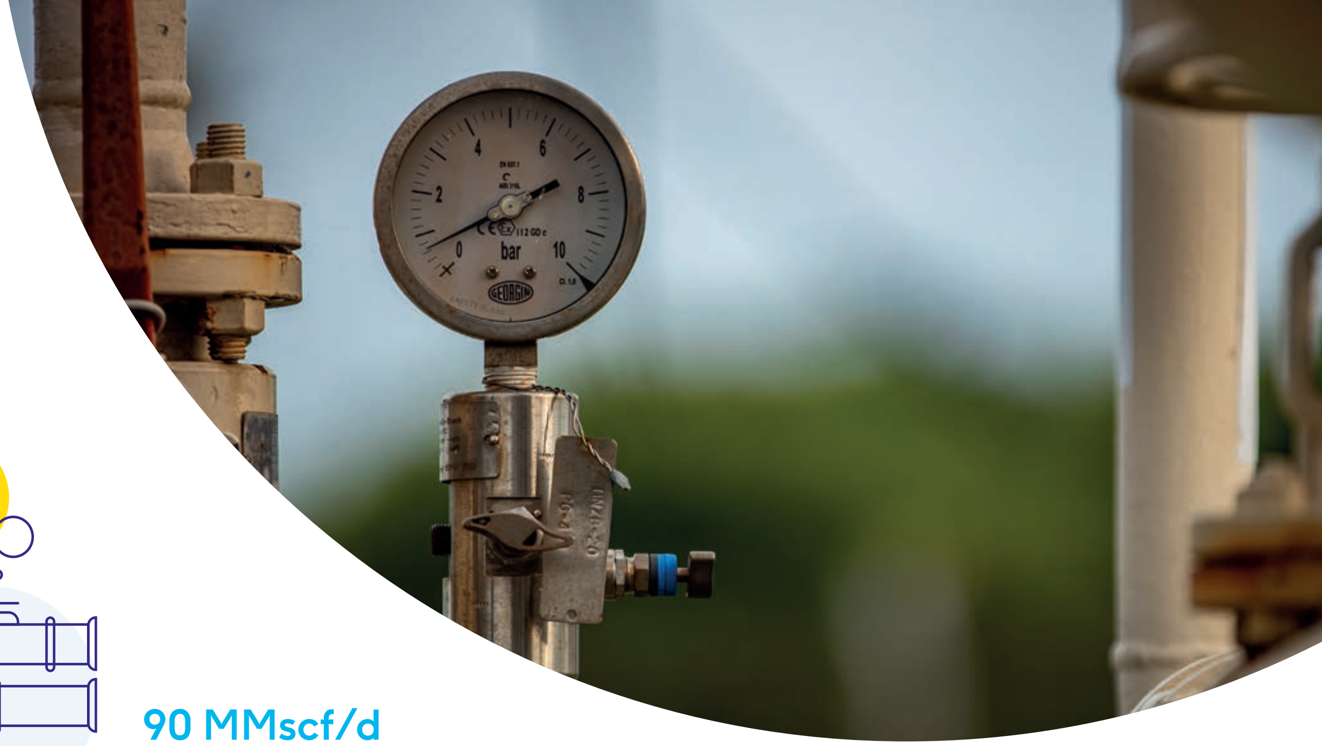
The Mtwara domestic gas project now provides natural gas from Mnazi Bay to private Mtwara residences. It is the first phase of a larger TPDC plan to provide domestic gas to individual residences and businesses throughout Mtwara using a newly constructed reticulation network. Mnazi Bay JV partners have constructed gas-supply equipment at the Mtwara GRF.

The current gas export is small, around 4,000 scf/d, while consumption is 2,000 scf/d. However, it is forecasted to escalate in the future. Furthermore, the project has initiated a sustainable way of cooking for more than 425 families in Mtwara, providing them with a clean energy source and reducing their reliance on more harmful methods such as burning wood and forest-derived charcoal. This initiative improves air quality and provides convenient access to energy.

2022 OPERATIONS

During 2022, operations were undertaken at Mnazi Bay to maintain and optimise field performance, including:

- Pre-FEED (Front End Engineering Design), FEED, and planning for the compression project;
- A slickline campaign on selected wells;
- Supervisory control and data acquisition (SCADA) System upgrades;
- Processing plant modifications; including installation of Emergency Blow Down Valve (EBDV), Emergency Shut Down Valve (ESDV), and other instrumentation;
- Enhancing security in Mnazi Bay by strengthening security infrastructure at the Mnazi Bay camp, the training of personnel and the procurement and improvement of evacuation vehicles; and
- Re-evaluation of the subsurface which included identification and progression of exploration opportunities.



90 MMscf/d
Average gas daily production for 2022

2023 OPERATIONS

The National Regulator, Petroleum Upstream Regulatory Authority (PURA), agreed the 2023 work programme and budget comprising a firm budget of $28.0 million (gross), and a contingent budget of $35.0 million. The firm work programme includes several production and integrity-related activities to ensure stable operations, and to maintain production capacity, whilst the contingent budget and work programme provides for the drilling of an exploration well.

Primary operations included in the firm Work Programme and Budget include:

- Perforation Campaign: targeting additional zones or optimising production capacity in wells: MB-2, MB-3, and MS-1X;
- A slickline operation on MB-1 intended to increase capacity;
- Complete FEED, tender, procure and commence construction for the installation of compressors at the Mnazi Bay GPF; and
- Intelligent Pigging of select lines; and major vessel inspection.

These activities are intended to increase the potential capacity of the Mnazi Bay field by an estimated 10-15%. Further successful exploration could extend the field's production capacity beyond current estimates.

MNAZI BAY RESERVES SUMMARY

The attributable Proved and Probable reserves net to Wentworth's working interest are 137.0 Bcf of sales gas (gross).

	FIELD		WENTWORTH 31.94% WI			
	Gross Reserves		Gross Reserves		Net Reserves	
Reserve Category	Sales Gas (Bscf)	BOE (MMbbl)	Sales Gas (Bscf)	BOE (MMbbl)	Sales Gas (Bscf)	BOE (MMbbl)
Proved Developed Producing (PDP)	76.1	12.7	24.3	4.1	19.2	3.2
Proved Developed	76.1	12.7	24.3	4.1	19.2	3.2
Total Proved (1P)	**200.1**	**33.3**	**63.9**	**10.7**	**39.4**	**6.6**
Proved + Probable (2P)	**429.0**	**71.5**	**137.0**	**22.8**	**80.3**	**13.4**
Proved + Probable + Possible (3P)	**641.2**	**106.9**	**204.8**	**34.1**	**116.9**	**19.5**

STRATEGIC REPORT

TANZANIA LEGISLATIVE AND POLICY FRAMEWORK

LOCAL CONTENT REQUIREMENTS

The Petroleum (Local Content) Regulations (2017) were enacted by the Government of Tanzania through the Ministry of Energy, to provide guidelines for local content in the oil and gas sector. The Local Content Regulations require licencees, contractors and subcontractors working in the oil and gas industry to give preference to goods and services that are manufactured, or locally available, in Tanzania.

To regulate this requirement, the Ministry of Energy developed the Petroleum Local Content Regulations, the Petroleum (Local Content) Regulations (2017). These Local Content Regulations govern content matters related to upstream, mid-stream and downstream activities in Tanzania.

The Local Content Regulations are monitored and administered by PURA. PURA is responsible for reviewing, approving, and ensuring compliance of local content plans in relation to upstream licences.

The local content regulations in Tanzania relate to the following provisions: local employment, procurement of goods and services, research and development, technology and innovation transfer, insurance and reinsurance, legal services, engineering services, and financial services.

OUR LOCAL CONTENT POLICY

We have developed a Company local content policy aligned with the Tanzanian local content regulations to ensure we meet the policy requirements.

Key factors are to:

- Provide guidelines to Wentworth's contractors, subcontractors, and other entities in taking decisions in Local Content implementation within Wentworth;
- Increase the proportion of goods and services sourced locally, without compromising on cost, quality, or safety;
- Promote job creation through efficient and beneficial use of local expertise;
- Promote inclusion of local products and services within our supply chain and procurement policy within our Tanzanian operations;
- Create sustainable linkages with local suppliers;
- Promote the development of local human and institutional capacity, through skills and technology transfer;
- Empower Wentworth's vendors to develop capabilities to produce goods and services domestically, and compete with international businesses; and
- Provide transparent monitoring and reporting systems to ensure delivery of the Policy objectives.

Our Local Content Plan was updated in 2021 to include projects for workforce development, procurement, supplier development and insurance, finance, and legal services plans. In 2022 the programme was implemented in line with the 2021 revised framework.

TANZANIA INVESTMENT ACT, 2022

Tanzania Investment Act, 2022 published in the Gazette of the United Republic of Tanzania No. 45 Vol. 103 Dated 2nd December 2022, the new law repealed and replaced the Tanzania Investment Act, 1997.

The new law has reduced the minimum investment capital for locally owned businesses to $50,000 from the previous $100,000.

Fiscal incentive certificates will, under the new law, expire after a period of 5 years from the date of their issuance and non-fiscal incentive certificates will be valid throughout the lifetime of the respective project. Expired fiscal incentive certificates can be renewed upon application.

A certificate of incentives may be cancelled where it is obtained fraudulently; there is breach of the conditions of the certificate by the holder; transferring the certificate to another investor or investment without the prior consent of the Tanzania Investment Centre; failure to commence operations within the first two years of issuance of a certificate without satisfactory reasons; and failure to submit annual performance reports of the project for two consecutive years.

All certificates of incentive issued under the old law will remain valid up to expiry of their term.

The new law does not provide for an automatic immigration quota. The employment of non-citizens will now have to adhere to respective laws.

Under the new law the Tanzania Investment Centre is required to create an integrated electronic system as a means of promoting investment in Tanzania. The system will be accessible to all Governmental regulatory bodies responsible for issuing permits, consents, approvals, and licences relevant to investment. This is aimed at speeding up and synchronization of the approval processes and increasing efficiency.

A dispute between a foreign investor and the Tanzania Investment Centre/Government of Tanzania, where settlement through negotiations fails, may be referred for resolution through:

i. dispute resolution laws of Tanzania;

ii. rules of procedure for arbitration of the International Centre for the settlement of Investment Disputes (ICSID); or

iii. within the framework of any bilateral or multilateral agreement on investment protection agreed to by the Government of Tanzania and the government of the Country where the investor originates (BITs).

Beneficial Ownership

The Anti-Money Laundering (Amendment) Act, 2022 has provided a comprehensive definition of beneficial ownership to include ultimate ownership or control, voting rights or ownership interest and percentage of shareholding.

Specifically, on the issue of the percentage of shareholding for purposes of beneficial ownership disclosure, the Act obliges legal entities to disclose their beneficial ownership with a shareholding percentage of 5% and above.

The Business Registration and Licencing Agency being a reporting person is required to conduct due diligence which includes obtaining and verifying information on beneficial ownership of legal entities and now applies the threshold of 5% and above.

Failure to disclose beneficial ownership attracts a penalty of TZS 100,000 and an additional TZS 10,000 for every day during which the default continues.

THE FINANCE ACT, 2022

The Finance Act, 2022 (the Finance Act) was enacted following the passing of the Country's budget for the year starting from 1 July 2022 and ending on 30 June 2023.

Pursuant to the Finance Act, the Minister for Finance on 1 July 2022 issued the following Tax Regulations; Tax Administration (General) (Amendment) Regulations, 2022, Value Added Tax (Registration of Non-Resident Electronic Service Suppliers) Regulations, 2022 and Income Tax (Registration of Non-Resident Electronic Service Providers) Regulations, 2022; aimed to provide more details and guidance on how to implement the provisions of the Finance Act.

The Tax Administration (General) (Amendment) Regulations, 2022 vests the Commissioner General of Tanzania Revenue Authority with powers to issue licences to tax consultants upon application. Individuals who may apply to be licensed as tax consultants are required to be citizens of Tanzania; holders of a first degree in taxation, customs, finance accountancy, financial management, commerce, law, and other relevant fields; have not been found guilty of gross professional misconduct; and have not been convicted of a criminal offense involving a penalty of more than five years imprisonment.

Foreign tax consultants intending to practice as Tax consultants can do so under local tax consultants.

The Regulations prohibit unlicensed individuals to assist, represent or act on behalf of taxpayers while dealing with the Commissioner General of Tanzania Revenue Authority or complying with tax law requirements and procedures. All acts done by a person who is not a registered tax consultant on behalf of a taxpayer are void and will not have legal effect.

Under the same regulations a person intending to establish a business storage facility to register the same with the Commissioner General of Tanzania Revenue Authority.

The Value Added Tax (Registration of Non-Resident Electronic Service Suppliers) Regulations, 2022 were issued to guide the Commissioner General of Tanzania Revenue Authority in registration of non-resident electronic service suppliers.

The regulations categorise electronic services rendered through the internet or any other electronic means into the following groups: for websites, web-hosting or remote programmes and equipment; for software and updating; for images, texts, or information; access to database; for self-education packages; music, films and games including gaming activities; and political, cultural, artistic, sporting, scientific and other broadcasts and events including broadcast television.

A non-resident person supplying electronic services to an unregistered person in Tanzania is required to apply for registration as a taxable person regardless of registration threshold. The registration as a taxable person comes with the obligation to file Value Added Tax returns with no right to claim input tax.

The Income Tax (Registration of Non-Resident Electronic Service Providers) Regulations, 2022 were issued to guide the Commissioner General of Tanzania Revenue Authority in the registration of non-resident electronic service providers for income tax purposes and to guide the administration of income tax levied on non-resident electronic service providers.

Under the regulations, a payment for electronic services is deemed to have a source in Tanzania if the recipient of such services is in Tanzania. The Service Provider is under obligation to file a return and pay tax in respect of electronic services rendered in Tanzania during the tax period.

IMPACT ON WENTWORTH

We have reviewed these new laws and regulations to determine their implications for our Tanzanian operations. Based on the current understanding (and given the existing terms and conditions of our relevant agreements), we do not anticipate any material impact on existing taxes and/or operations.

STRATEGIC REPORT

FINANCIAL REVIEW

We are proud to continue to build upon the record financial performance delivered in 2021, by exceeding it in 2022 and continuing to drive shareholder returns.

REVENUE
$30.8
MILLION

	2022	2021
REVENUE		
Revenue ($000)	**30,792**	23,622
Net entitlement to gas production (MMscf)	**8,588**	6,904
Average realised gas price ($/Mscf)	**3.59**	3.42
OPERATING COSTS		
Production and operating costs ($000)	**(4,273)**	(3,800)
Production and operating cost ($/Mscf)	**(0.50)**	(0.55)
EBITDAX		
Gross profit ($000)	**25,474**	13,751
Add: Depletion ($000)	**7,962**	6,267
Less: recurring administrative costs ($000)	**(7,721)**	(6,424)
EBITDAX ($000)	**25,715**	13,594
EBITDAX per ($/Mscf)	**2.99**	1.97
NON-RECURRING EXPENDITURES		
New ventures and business development costs ($000)	**(335)**	(502)
Proposed acquisition costs ($000)	**(1,256)**	-
VAT write-back ($000)	**(607)**	-
Impairments ($000)	**(25,000)**	-
INVESTMENT IN OIL & GAS ASSETS		
Additions to Mnazi Bay ($000)	**321**	28
CASH		
Year-end cash and cash equivalents ($000)	**30,916**	22,820
Change in cash ($000)	**8,096**	5,033
DIVIDENDS		
Dividends ($000)	**4,133**	3,920
EQUITY AND CAPITAL		
(Loss)/profit after tax ($000)	**(12,980)**	6,067
Closing share price (p)	**31.0**	22.7

TANZANIA

Revenue generated from the sale of gas and condensate produced at Mnazi Bay continued to increase sharply in 2022, from $23.6 million in 2021 to $30.8 million. This was as a result of continued increased demand throughout the year and ultimately exceeded the production guidance of 75-85 MMscf/d which was set in January 2022 by 5 MMscf/d, ending the year averaging 90 MMscf/d, up from 82 MMscf/d in 2021.

The trend for the resurgence in demand for gas seen during 2021 continued during 2022 and sales again rose to record levels during the year because of record demand for electricity (1,500 MW compared with 1,307 MW in 2021) and below-average rainfall in catchment areas serving the Country's hydro-electric dams. Added to this the US CPI indexed gas price escalation for volumes sold to TPDC which increased from $3.44/MMBtu to $3.71/MMBtu, an increase of 7.8% compared with 4.8% for the previous year. Management expects another year of strong production, and the field continues to provide reliable production at current levels, however, the impact of hydro-electric supply to the national grid, which displaces natural gas at certain times of the year remains an area of unpredictability, given changing weather patterns. Production guidance has been increased to 90 – 100 Mmscf/d for 2023 from previous guidance of 85 – 95 MMscf/d.

Operating costs at Mnazi Bay increased slightly during the year from $3.8 million to $4.3 million, largely with respect to the costs associated with well interventions on the MB-1, MB-2, MB-3 and MS1-X wells, at the request of the Ministry of Energy, to increase field production rates and help meet the increased levels of demand for power. Despite this, production and operating costs fell from $0.55 per Mscf to $0.50 per Mscf, demonstrating not only the resilience but also the flexibility of the operating model. This aside, operating costs remained largely fixed, which continues to add a significant upside to sales revenues from increased gas production.

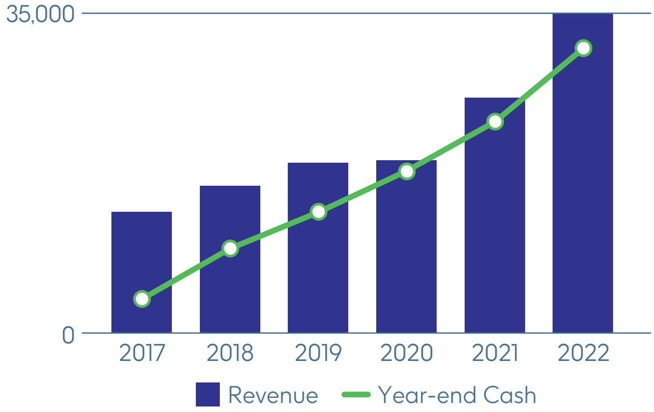
Included within the 2023 contingent work programme and budget are costs associated with planning and drilling an exploration well, albeit this contingency is dependent upon the finalisation and agreement of commercialisation studies. M&P, as operator has identified two prospective locations on the licence and further work to better delineate them will need to be conducted during 2023.

Included within the 2023 work programme and budget are firm costs of approximately $13.5 million (gross to JV) with respect to FEED studies, procurement tendering, and initial design for the gas compression project. The project is expected to be completed by the end of 2024, dependent upon the availability of equipment, and the recommendations and conclusions of the FEED study.

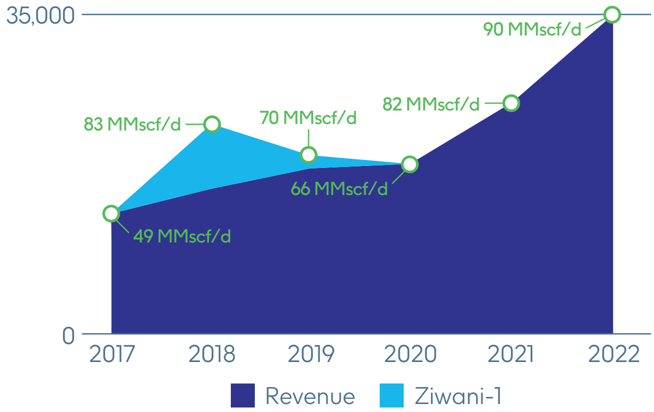
The purpose of the gas compression project is to upgrade the surface facilities at Mnazi Bay. This will help ensure reliable delivery of gas until the end of the development licence in 2031. Following completion and acceptance of pre-FEED and FEED in 2023, fabrication and then installation of a gas compression export system will allow Mnazi Bay wells to sustain and maintain higher production rates, by supplying gas at the pressures required to enter into the NNGI pipeline system.

The Group continues to provide in full against the amortised balance of the Umoja asset, due to the uncertainty over the recoverability of the Government receivable, and the ongoing review by the Government, for which there has been no material update. The Umoja asset was sold in 2012 to TANESCO.

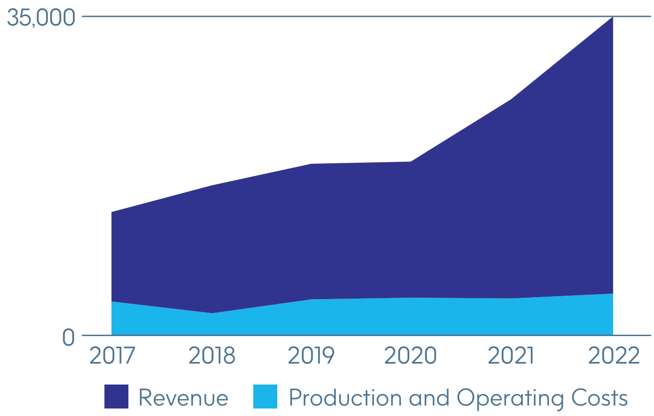
Revenue vs Cash
US$ millions



Revenue vs Production
US$ millions



Revenue vs Production and Operating Costs
US$ millions



STRATEGIC REPORT

FINANCIAL REVIEW CONTINUED

IMPAIRMENT OF EXPLORATION AND PRODUCTION ASSETS

During the year a full impairment test was conducted on the Mnazi Bay asset as there was an indication of impairment with respect to the difference between the offer made for 100% of the issued and to be issued share capital of the Company and its net assets prior to the recognition of an impairment loss. This implied fair value of the cash generating unit is derived from the agreed offer price adjusted for cash and other monetary assets and liabilities, provided a higher recoverable amount for the year ended 31 December 2022, compared to the value-in-use of the cash generating unit as at that date. An impairment provision of $25.0 million has therefore been recognised, reducing the carrying value of the cash generating unit to the recoverable amount of $41.8 million from $66.8 million.

The impairment loss has been limited to the measurable fair value less costs to disposal of the individual assets within the CGU. The fair value of the asset is categorised as level 2 and was determined with reference to the offer price, adjusted for additional factors considered in agreeing to the offer price. A $8.1 million impairment loss has been applied against the carrying value of the E&E assets reducing the carrying value down to $nil. At such time as the Group, alongside its JV partners in Mnazi Bay, undertake future exploration activities, this provision will be reviewed and dependent upon the outcome of these activities may be reversed in part or in full. A total of $16.9 million has been provided against the producing asset in Mnazi bay, reducing the carrying value down to $41.8 million from $58.7 million. Irrespective of the above accounting treatment, the asset continues to outperform expectations and 2022 remains the strongest performing year in its production history.

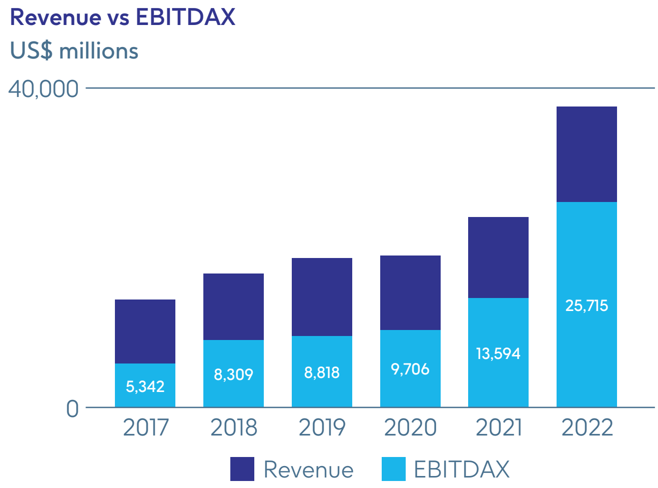
EBITDAX

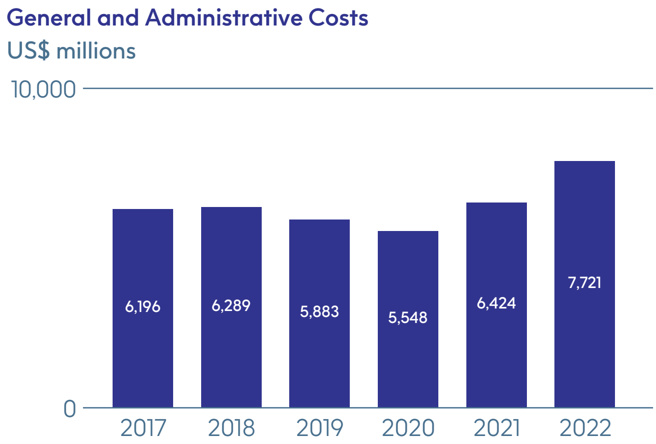
The Group defines EBITDAX as earnings before interest, taxation, depreciation, depletion, amortisation, impairment costs, share-based payments, provisions, and pre-licence expenditures. This serves to provide more transparency to the reporting process as an alternate measure of profitability to net income by stripping out non-cash expenses as well as taxes, finance costs and other non-core expenditures. EBITDAX attempts to represent profit generated by the company's operations by excluding those items (see summary of EBITDAX on page 14).

Year-on-year, EBITDAX has continued to increase in line with revenue and gas sales production outputs. Management has projected average daily production in 2023 to be broadly in line with 2022. Whilst there is clearly a proportional relationship between revenue and EBITDAX, given the fixed cost base, there may be further opportunity to drive modest increases through efficiencies and synergies across the wider Group.

	2022	2021
EBITDAX	**25,715**	13,594
Depletion	**(7,962)**	(6,267)
Impairment	**(25,000)**	-
Proposed acquisition costs	**(1,256)**	-
New venture and pre-licence costs	**(335)**	(502)
Value Added Tax Write-off	**(607)**	-
Share based payment	**(1,108)**	(537)
Depreciation	**(98)**	(50)
Net finance income (expense)	**388**	(230)
(Loss)/profit before tax	**(10,263)**	6,008

As a result of the E&E and PPE assets impairment, the profit before tax has decreased from $6.0 million in 2021 to $10.3 million loss before tax in 2022.





GENERAL AND ADMINISTRATIVE COSTS

Recurring administrative costs for the year totalled $7.7 million, up from $6.4 million in 2021. We have seen our costs escalate across our business disproportionately from that of global inflation, which has hugely increased the demands placed upon our team in delivering the excellence of service we have become accustomed to whilst also finding new ways to minimise the financial impact on it.

Included within recurring administrative costs are overhead charges received from M&P for the 2022 management and administration of Cyprus Mnazi Bay Limited (CMBL), the minority owned Cyprus subsidiary of Wentworth that holds a 6.54% interest in the Mnazi Bay licence. These charges are levied under the Shareholder Agreement between the two parties and are to be charged annually. Up until 2022, Wentworth had not received any recharges from M&P.

After the lifting of COVID-19 restrictions and the unrestricted reopening of travel hubs worldwide, the Group incurred additional travelling expenses of $250k compared to 2021.

We have engaged in extensive negotiations with our auditor KPMG, who informed us of their requirement to increase their audit fee by 69% during the period, from $181k to $305k. Whilst we attempted to secure a more favourable outcome, we have enjoyed a collegiate and professionally respectful relationship with the firm, who understand the business and the challenges it faces very well. It is for that reason that we have accepted the fee increase for 2022, whilst reserving the right to retender at a future date.

Also included are costs incurred in 2022 of $1.3 million associated with the proposed Acquisition.

In January 2023, Wentworth agreed, through mutual negotiation, a final position with respect to our VAT registration status with His Majesty's Revenue and Customs (HMRC). Following the conclusion of discussions, it was agreed that certain input taxes totalling $164k could be reclaimed for the period October 2018 to December 2022. Costs totalling $607k that had been carried as receivables were written off to the income statement.

The Group incurred non-recurring administrative costs totalling $335k (2021: $502k) on screening and evaluating opportunities which were concluded by the year-end. Most notably within this amount were costs associated with the aborted Scirocco Energy plc acquisition, which was unfortunately pre-empted by ARA Petroleum Tanzania Ltd on 12 July 2022.

FINANCIAL REVIEW CONTINUED

TAX AND FISCAL

The tax and fiscal environments in Tanzania remain challenging. The legislative and fiscal frameworks under which we are required to adhere are under constant review and reinterpretation by the Tanzanian Revenue Authority (TRA). We engage early with tax authorities when we are set to enter into a large or complicated transaction that is subject to interpretation and, in Tanzania, completed our most recent TRA audit for the year of 2021 in October 2022, with an agreed CIT assessment of $1.1 million which will be recovered from TPDC profit gas. Recently, the TRA issued a determination on disputed 2021 employment taxes assessments totalling $121k of which assessments for employment taxes totalling $115k have been dropped remaining with employment taxes liability of $6k.

Due to the nature and complexity of the hydrocarbon production fiscal environment in Tanzania, there continues to be the risk of challenges to the adopted treatment of certain material items or transactions. To manage and mitigate this, we appoint independent tax advisors and strictly abide by their guidance. Where there is a choice in treatment for certain items that meet our recognition criteria, we always take the more conservative approach. For further details, we discuss current tax and legislative changes in the Tanzania Legislative and Policy Framework section of this report.

CASH AND DEBT

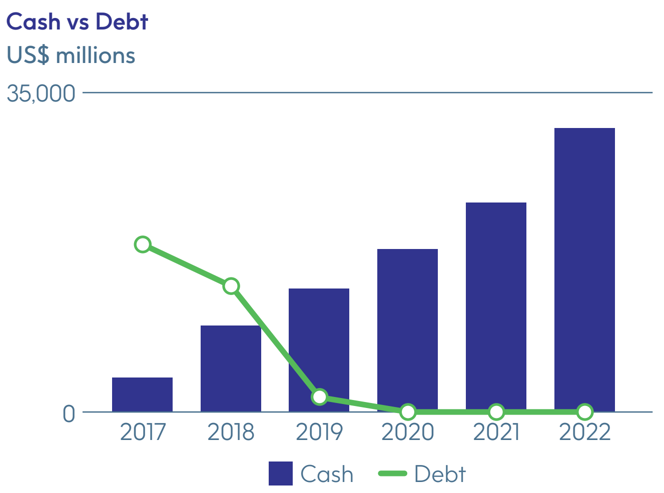
At the year end, cash and cash equivalents had increased by $8.1 million from $22.8 million to $30.9 million. This increase is the result of the Group's continued fiscal discipline, the increased demand for gas produced from Mnazi Bay and the improved recoverability of historic receivables from TANESCO. This has been partially offset by increased cash dividend distributions to shareholders of $4.1 million in 2022 (2021: $3.9 million). The $2.5 million overdraft facility was renewed in 2022 and remains undrawn.

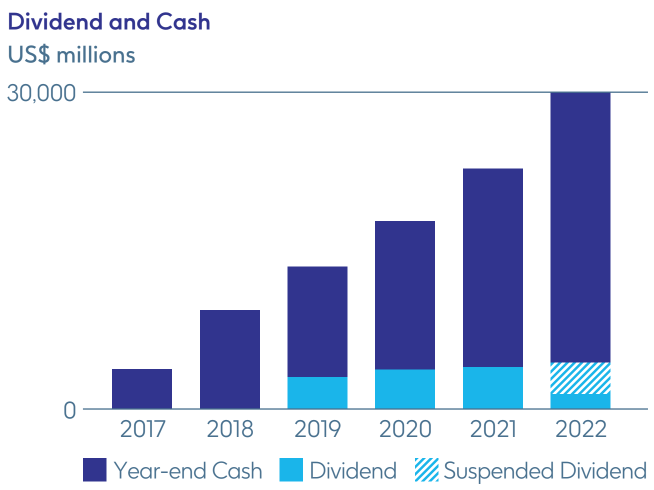
At 31 December 2022, the cost gas recovery pool was $31.2 million ($13.1 million net to Wentworth). These costs have been audited to 31 December 2019 by PURA however, $45.0 million (approximately $14.4 million net to Wentworth) remains in dispute with the Regulator. The Operator maintains that they have adhered to the tenets of the Mnazi Bay PSC with respect to these costs and that they remain recoverable in full. In May 2023, M&P received a notification from PURA in relation to the recoverable Production Sharing Agreement costs. The notification requires the Operator to cease cost recovery of costs that are subject to the ongoing discussions between the Operator and TPDC, pending resolution of the dispute. It is noted that any amendments that may result from the appeal and the final conclusions of the Regulator would have an impact upon the financial statements.

CAPITAL RETURNS POLICY

A strong balance sheet has enabled the Group to deliver our ambitious, sustainable dividend distribution policy. Since we introduced this in September 2019, we have paid $12.3 million to shareholders, $1.5 million of which was paid with respect to the 2022 financial year as an interim dividend in September 2022. The final dividend for 2022 has been suspended due to the proposed Acquisition.

Our sustainable and progressive dividend policy of distributing returns to shareholders demonstrates the ongoing strong performance of the business, ensuring the right balance between shareholder returns and business continuity. This is of particular importance during times of instability and uncertainty, as is being experienced worldwide.





The EITI established a global standard to promote the open and accountable management of oil, gas, and mineral resources.

The Tanzania Extractive Industries Transparency Initiative (TEITI) Committee seeks to create transparency and accountability in revenue flows from the extractive industry in Tanzania. TEITI has set standards to increase transparency in the mining, oil, and gas sector. The EITI requires that extractive companies disclose the tax and royalty payments they make to the Government of Tanzania and that the Government of Tanzania discloses the payments it receives from these companies.

Through the Oil and Gas Association of Tanzania (OGAT), Wentworth is a member of the TEITI Committee and annually participates in the TEITI Committee meetings. Wentworth is fully committed and, through OGAT, is actively and effectively engaged in the TEITI, both in terms of disclosures and participation in the work of the multi-stakeholder group.

Wentworth has and will continue, through its partner M&P, to disclose production, royalty, and revenue payments to the Government of Tanzania. The statistics are published in the TEITI annual report.

During the year ended 31 December 2022, Wentworth made the following tax payments to the Government (figures are as per Government of Tanzania financial years in $000):

	2022	2021
Taxes paid by Wentworth	5,159	1,811

In addition to the Mnazi Bay PSA and the JOA, the following share of gas revenues and royalties were also allocated to the Government of Tanzania in 2022 (figures are as per Government of Tanzania financial years in $000):

	2022	2021
Government entitlements from Mnazi Bay concession:		
Royalty	14,719	12,762
NOC profit gas	17,728	15,324
Profit gas	2,931	2,550
Cost gas	5,101	12,251
	40,479	42,887

STRATEGIC REPORT

SUSTAINABILITY

Energy access fosters shared ideals that improve Tanzanians' well-being. Our sustainable growth, environmental performance, and responsible governance strategy provides benefit to all stakeholders.

OUR APPROACH

Our leadership style, work ethic, and behaviour are all guided by Wentworth's core principles. This entails making judgements and implementing actions that suit the demands of the current population without jeopardising future generations' ability to prosper.

Our ESG principles highlight the importance of addressing various social and environmental issues. By focusing on health and safety, ethics, gender equality, community development, and environmental protection, the organisation aims to create a positive impact on both people and our operations.

Please see our 2022 Sustainability Report, published in conjunction with our 2022 Annual Report, for further information in relation to our environmental and social initiatives, governance and reporting.

SOCIALLY RESPONSIBLE INVESTING

Our goal is to contribute to the growth of local communities and minimise the environmental impact of our operations. We believe through our partnerships with both local and national stakeholders, and our close relationships with the communities we operate in, both Wentworth and our stakeholders reap the greatest rewards.

In 2022, WAF and Wentworth's CSR programmes implemented our community investment projects. Wentworth's CSR programme may help fund initiatives that sit outside of WAF's criteria: with WAF taking the lead on core projects. Collaboratively we can assist more community-based health, education, and heritage projects in conjunction with regional organisations.

FURTHER INFORMATION

For more information please view our 2022 Sustainability Report

www.wentplc.com

2022 WAF Highlights

In 2022 WAF focussed on providing support to the following community initiatives in Tanzania:

Library Refurbishment Programme for Secondary Schools

The WAF Library programme is implemented in partnership with READ (Realising Education through Development); a local Non-Government Organisation (NGO). Collectively, WAF and READ aim to improve the quality of education in Tanzania, with a clear focus on ensuring the Government schools' environment is conducive to, and supports, learning, and teaching.

In 2022, WAF constructed two libraries; provided approximately 2,000 books; and supplied computers with special learning software. In addition, WAF trained teachers in the use of technology in teaching, general academic skills, and library management.

Supplementary Textbook Initiative Project

To improve students' access to essential textbooks, WAF provided additional books to previously constructed libraries, distributing approximately 1,730 books to four secondary schools in the Mtwara region, benefitting over 1,700 students.

Keep a Girl in School programme

KAGiS addresses challenges to girls' education. The WAF's KAGiS programme gives female students restrooms, clean water, waste management systems, and menstrual hygiene products. A female hygiene project like KAGiS can improve student health, comfort, and inclusion.

In 2022, WAF supplied 176,000 female hygiene products to more than 4,900 girls at 11 secondary schools in the Mtwara and Dar-es-Salaam regions. WAF led more than 22 hours' worth of workshops sessions on girls' puberty and reproductive health.

Incinerator Project

With the aim of improving access to safe facilities that promote menstruation hygiene, WAF built an incinerator at Mboga Secondary School. Incinerators safely and hygienically dispose of menstrual hygiene items, significantly reducing the risk of disease from waste material and the negative impact of waste on the environment.

Bursary Support Programme

The WAF Bursary Support Programme assists and offers funding to underprivileged students from Tanzania's southern and coastal regions with university and school tuition. We believe the education of one person can lead to the education of many through the effect of education on social and economic development.

The Bursary Support Programme assisted 52 students in obtaining vocational training, certificates, diplomas, and university degrees in 2022. Education, finance, rural development, community development, vehicle mechanics, food & catering, electrical plumbing, and masonry were among the courses pursued by the pupils.

Programme successes

A previously funded student received the highest result in his sixth form exams, earning a university place to study Food Science and Technology.

Eight students completed vocational technical training in Tailoring, Cookery, Plumbing, Electrical Installations and Motor vehicle mechanics.

We have seen an increase in the number of students passing high school exams in recent years, compared to earlier years. The Library and Bursary Support Programme is responsible for this accomplishment. Students now have greater access to learning materials and the assurance that if they perform well in high school, they will receive financial assistance to help them through university.

4,900
girls supplied with female hygiene products

Life Skills workshop

Life Skills workshop supports university and vocational college graduates, especially WAF Bursary Support Programme recipients. The project focused on youth confidence and self-esteem. 62 students attended the course, which covered personal development, self-awareness, entrepreneurship, CV writing, job interviews, and goal-setting strategies. WAF plans to make this workshop an annual event.

Supporting Childhood Cancer in Tanzania

Tumaini la Maisha (TLM), an NGO dedicated to caring for children with cancer, gives chemotherapy and psychosocial therapies to children and their families for free thanks to donations from charities like WAF. TLM's National Children Cancer Network (NCCN) growth plan has received financial backing from WAF. The programme's goal is to reach every child in Tanzania who is suffering from childhood cancer, ensuring that treatment is provided within four hours' drive of a child's home.

Comprehensive Community Based Rehabilitation Tanzania (CCBRT) Maternity Ward donation

Every year in Tanzania, 11,000 women die as a result of pregnancy and childbirth problems and 66,000 babies die within their first month of life. WAF has supported the CCBRT Maternity & Newborn Ward which aims to provide specialist care for high-risk and emergency maternity cases, including mothers with disabilities, histories of fistula, and adolescents.

WAF's financial support helps to fund CCBRT's efforts to prevent disability, increasing access to emergency obstetric care for prompt diagnosis and immediate referral to CCBRT's Disability Hospital for treatment, where necessary. This helps to minimise long-term disability for babies born with impairment, or mothers who suffer childbirth injuries.

>2,000
books donated

52
students given bursary support

Tumaini la Maishas National Children Cancer Network growth plan has received financial backing from WAF.

Wentworth CSR Highlights

Wentworth supports inclusive and well-being projects that enhance communities, promoting inclusiveness and well-being for all. Our CSR ethos supports national and regional cultural, health, and educational activities.

Ligula Hospital Mtwara

In the Mtwara region of southern Tanzania, the Ligula Regional Referral Hospital serves a population of over one million people and is located 50 km from the Mnazi Bay GPF. One of the hospital's goals for 2022 was to expand access to specialist treatments by renovating its maternity ward. By June 2023, the maternity ward rehabilitation project is expected to reduce maternal, perinatal and neonatal mortality by 50%.

Wentworth has been able to support this initiative through the JV CSR project with our partner, M&P. Collectively, the partners have donated hospital medical equipment to the value of $30,000. The maternity ward equipment includes examination beds, patient monitors, infant radiant warmers, baby cots, infant incubators, phototherapy, and CPAP machines.

Community Water Project

Nanjota village is located 138 km from Mtwara town in Tanzania's southern region. The Nanjota community water project's goals are to support the renovation and maintenance of existing water infrastructure, as well as to restore access to clean and safe drinking water for Nanjota and nearby villages. Over 10,000 homes could benefit from the project.

Funding from our 2022 CSR budget was used to refurbish two boreholes by installing an electric water pump and a 10,000-litre water storage tank. By providing access to clean and safe water, this community water project has helped to improve the community's health and economic development.

Documentary Film to inspire Girls to Stay in Education

As part of Wentworth's support for raising awareness on the importance of girls' education, funding was provided to support the screening of "Ndoto ya Samira" (Samira's Dream). This is a documentary film that follows the story of a young girl named Samira from the island of Zanzibar, Tanzania. The film focused on the challenges Samira faced in obtaining an education, as well as the impact education has had on her life and her community.

Samira's tale demonstrates the difficulties that many girls in developing nations experience in gaining access to education, as well as the role that education plays in breaking the cycle of poverty. Many confront similar issues in Tanzania's southern region where Wentworth's gas operations are located.

The film's screenings in local communities, hosted by Wentworth and the lead character, Samira herself enabled many who saw it relate to Samira's journey, bringing inspiration to girls to

complete their education despite the obstacles they may face. In total, 1,700 students were able to attend the film screenings, which were hosted in four different venues across Tanzania.

Mangrove Planting

Gas Receiving Facilities are located along the Mnazi Bay coastline of Southern Tanzania, by the Ruvuma Estuary Park. The Mnazi Bay Ruvuma Estuary Park covers approximately 650 km^2 and is one of three marine parks along the coast of Tanzania. The mangrove forests along the Ruvuma Estuary work as reproductive and nursery grounds for many fish and crustacean species. The park also constitutes an area of global importance for marine biodiversity. It is for this reason Wentworth developed a partnership with the Government of Tanzania through the Ministry of Livestock and Fisheries, to plant 20,000 mangrove trees along the bays of Litembe, Mngoji and Msimbati villages.

Planting efforts were carried out in collaboration with the Mnazi Bay's communities. More than 100 people helped plant the mangroves, including 30 from each village and 10 Wentworth, M&P, and marine park staff.

Wentworth values the project as it supports the Company's objective to reduce carbon emissions and safeguard the environment. Mangrove habitats support a vast range of plant and animal species and provide a critical habitat for many threatened and endangered species.

CCBRT Hospital project

In 2022, Wentworth funded medical surgeries for 10 individuals, some from the Mtwara region of Tanzania. The 6 children and 4 women were identified during a 2021 Wentworth funded community awareness project, aimed at providing knowledge on fistula and cleft lip illnesses in the Mtwara region.

20,000 mangrove trees planted along Mnazi Bay peninsula.

STRATEGIC REPORT

PRINCIPAL BUSINESS RISKS

To enable us to deliver low cost, reliable energy to the citizens of Tanzania, and continue our success as a profitable natural gas producer, depends on the effective mitigation of risk affecting our business and our ability to manage our asset.

Key
Increase
No change
Decrease

CATEGORY	RISK(S)
COVID-19 Pandemic	• The availability of third-party support services and the ability to readily move equipment to and from the well-site may become restricted and inhibit normal operations.
	• Demand for natural gas drops, and/or the Government of Tanzania finds its fiscal budgets constrained through unforeseen reductions in GDP and is unable to meet its monthly gas sales commitments on a timely basis.
	• Staff in large numbers may become ill or need to quarantine, which may limit gas production or the ability to operate safely.
Financial	• The Group's business may require significant capital expenditure, and the future expansion and development of our business could require future debt and equity financing. The future availability of such funding is not certain.
	• Competitors have significantly greater financial and technical resources.
	• Difficulty in raising external capital or funding for Mergers & Acquisitions (M&A) and/or development activities in volatile markets.

The Audit Committee has oversight of the Company's internal financial controls and risk management systems. We utilise a risk management approach that identifies key business risks and implements procedures to actively address and mitigate them.

Other significant elements of our risk management approach include regular Board and executive management reviews, a defined process for preparation, monitoring and approval of the annual work programme and budget, monthly management reporting, financial operating procedures and policy, due attention to Health, Safety, Security & Environment (HSSE) and anti-bribery management systems.

RISK REGISTER

Our executive management team has identified the following principal risks and mitigations in relation to our present and future performance and operations. The overall risk register is reviewed by both the management team and the Audit Committee, who monitor progress against principal risks. Their focus is on managing exposure to risk, rather than eliminating risk completely. Our Risk Register includes the following risk categories, risks and mitigations.

MITIGANTS	RISK CHANGE
• Policies are well-developed and have been proven to work. Risk is low in the current environment.	▼
• Demand has recovered from COVID-19 related lows in 2020 to record levels in 2022. The risk posed by COVID-19 seems to have abated: precautionary measures introduced at the start of the pandemic remain in place. The Group has sufficient working capital and cash reserves to continue operations and absorb a slower period of more than one year, should it be required. Tanzania has pursued a vaccination programme.	▼
• Mnazi Bay has its own medical facilities and we have made provisions to treat a limited number of cases onsite. A full emergency response plan has been in place since operations commenced, and this was updated to consider any outbreak. Policies are in place and proven to work. Risk is currently low, and the Company is well prepared.	▼
• We continually assess existing assets and proposed new acquisitions, considering future capital requirements from a disciplined lifecycle investment perspective. • We maintain strong and sustainable relationships with our key shareholders. • We regularly review cash flow, working capital, and funding options. We take a prudent approach to budgeting and planning to ensure sufficient capital to meet commitments, as well as to decide the correct level of capital return to shareholders. • Diversifying the sources of funding and applying prudent levels of debt to production activities is important, as is strong financial stewardship – managing commitments and liquidity, monitoring the delivery of our business plan, and accurate forecasting to build credibility.	▶
• We apply our extensive experience and expertise to target attractive growth opportunities and to minimise risk. • We use our in-Country team to foster and maintain relationships with all stakeholders ensuring that opportunities are known, and potential risks well understood. • Our team is highly selective in choosing where and when to develop our business, deploy M&A resources and focus new business activities. Additional technical, legal and financial resources are utilised on a consultancy basis as required.	▶
• The Company remains fully funded, with enough working capital cash reserves for our share of the Mnazi Bay current work programme costs and general and administrative expenses (G&A).	▼

STRATEGIC REPORT

PRINCIPAL BUSINESS RISKS CONTINUED

CATEGORY	RISK(S)
Revenues and Receivables	• Counterparty default and distress, and concentration of asset(s).
	• Cost Recovery Pool
Cost/Budget Overruns	• Lack of financial control of non-operated assets.
	• Decommissioning costs increase.
Legal and Compliance	• Fraud and corruption/increased third party and jurisdictional exposure.
	• Alternative Investment Market (AIM)/Financial Conduct Authority (FCA) and/or other breaches.
Climate Change	• Increasing carbon taxes imposed by Governments and increasing environmental regulatory compliance.
	• Investors may divert investment away from carbon-intensive industries.

MITIGANTS	RISK CHANGE
• We regularly monitor and amend our cost structure, investment strategy, and tactics to include counter-cyclical and/or risk-offsetting investments. • Wentworth maintains a strong balance sheet with cash balances increasing year-on-year, currently has no debt, and remains fully funded for our existing commitments. • Where appropriate, we can also make use of international arbitration.	
• At 31 December 2022, the cost gas recovery pool was $31.2 million ($13.1 million net to Wentworth). These costs have been audited to 31 December 2019, however $45.0 million (approximately $14.4 million net to Wentworth) remain in dispute with the regulator. The Operator maintains that they have adhered to the terms of the Mnazi Bay PSC with respect to these costs, and that they remain recoverable in-full. In 2023, the regulator agreed to consider reopening the audit and as such no deductions for these amounts have been made from the current cost gas recovery pool. However, it is noted that any amendments that may result from the appeal and the final conclusions of the regulator could have an impact upon the financial statements.	New
• The Company approves the detailed Mnazi Bay JV budget each year and ensures, via controls in the joint operating agreement, that the budget is strictly followed. • We seek to hold Group cash in a mixture of US dollars, GBP Sterling and Tanzanian Schillings. • We regularly review our business plans to include G&A, ongoing strategy, and monthly reporting. We hold regular Board meetings. • We regularly engage with JV partners to influence cost-effective use of capital and operating and decommissioning expenditures.	
• We regularly review estimates of future decommissioning costs and engage with the Operator, where appropriate, in commissioning independent external third party reports. These reports form the basis of the decommissioning provision and help mitigate any adverse impact of future cost or work commitment escalation. A decommissioning fund is being established.	
• We have adopted comprehensive policies including anti-modern slavery, Code of Ethics and Business Conduct Policy and anti-facilitation of tax evasion. We regularly review and update our delegation of authority matrix.	
• Wentworth places the highest importance on corporate governance matters and is committed to responsible and ethical business practices. • We employ suitably experienced and qualified staff and, when required, external advisors to ensure full compliance. • Legal risk assessment and due diligence (where appropriate) are undertaken for all counterparties with whom we engage. • Our operational policies were reviewed in late 2022, with the approval and adoption of a revised Expense, gift, travel and IT policy. A Treasury Policy will be implemented in 2023 in recognition of our large cash holdings.	
• We monitor the geo-political landscape and the impact of new and future protocols to the business. In 2022 we started the process of aligning our Environmental, Social & Governance (ESG) reporting with TCFD, ahead of mandatory reporting in 2025. We are also looking to offset emissions through the creation of carbon reduction projects such as cookstoves and water purification units. • We proactively engage with the Operator to manage waste and emissions seeking to reduce waste and emissions where possible.	New
• We engage on a regular basis with key shareholders and the wider investment community to seek to meet disclosure requirements to facilitate continued investment.	New

STRATEGIC REPORT

PRINCIPAL BUSINESS RISKS CONTINUED

CATEGORY	RISK(S)
Country	• Security threat due to spill over from Mozambican insurgents.
	• Governments, regulations, and the security environment may adversely change, including the potential use of exaggerated tax claims. • Wentworth's assets in Tanzania are affected by Country-specific situations, legal compliance, and regulatory or litigation risk.
	• PSA Licence extension uncertainty.
	• Fiscal stability.
	• Inadvertent or unauthorised non-compliance with regulatory or legal obligations may result in sanction, stock suspension, and a loss of integrity and reputation.
	• Potential for legal recourse against Wentworth.
Portfolio and Assets	• Company over-reliance on a single core (producing) asset in Tanzania
	• Inability to replace depleted reserves through exploration and development.
	• Reserves and production estimates may be materially incorrect.
HSSE, Operational and Technical	• Well shut-ins and reduced cash flow from gas sales. Possible adverse effects of shut-in for extended periods on re-commencement of production.
	• Dependent on other operators for the performance of Exploration & Production (E&P) activities. • Counterparty misalignment
	• An incident, occurring at the Mnazi Bay GPF, leading to the temporary suspension of production, resulting from damage to a well or any part of the gas gathering system.
	• Third-party contractors and availability of equipment.
	• Increased production levels cannot be sustained.

MITIGANTS	RISK CHANGE
• We remain fully engaged with the operator regarding security matters at both the asset and Country levels and continuously monitor and assess potential threats. We actively engage with relevant stakeholders. Third-party expertise is employed whenever required subject to approval of our JV partners where necessary. • We have contingency plans in place to boost security at our facilities, and continued engagement with the Government of Tanzania and its security measures	▲
• We regularly monitor political, regulatory, and Health, Safety, Security & Environment (HSSE) changes and have developed strong relationships with Governments and Regulators in our country of operation.	►
• We continue to have regular engagement with the Operator and the Government of Tanzania on the extension and local council are engaged to advise. • Wentworth has objectives to acquire additional core assets to assist in diversifying our jurisdictional risk.	►
• New investment into the Company's asset is considered in light of changing environmental regulations, fiscal volatility, and geopolitical dynamics.	►
• Our activities are subject to various jurisdictional laws, customs, fiscal and administrative regulations. We retain legal advisers in all jurisdictions in which we operate and we retain a financial adviser and NOMAD to advise on regulatory compliance with the rules of the AIM Market of the LSE.	►
• We employ suitably experienced and qualified staff and, when required, external advisors to ensure full compliance. • Legal risk assessment and due diligence (where appropriate) are also undertaken for all counterparties with whom we deal.	►
• Our Board has an active mandate to diversify current portfolio risk, by acquiring appraisal, development and/or producing assets, using Wentworth's existing financial resources and additional capital (as required).	►
• Mnazi Bay is considered a strategic resource in the Country. We actively engage with our JV Partners to pursue exploration and development of the Mnazi Bay Asset.	►
• We undertake, with the Operator, annual reserves assessments, using a credible independent third-party agency. We update reserve estimations, which are not exact determinations, based on new information from production and drilling activities.	►
• Multiple staff on-site and in JV head offices monitor well performance daily. Recent infrastructure failures have led to an increased risk.	▲
• Wentworth carefully works with the operating partner to monitor technical and HSSE performance and works to ensure agreement and resolution of any misalignment.	►
• We actively engage with the operator to ensure that regular maintenance of the facility is ongoing and that good oilfield practices are employed. • The Operator follows strong health and safety protocols as evidence by over 6 years without an LTI. We continue to monitor HSSE practices at the asset to ensure health and safety protocols are upheld.	►
• Long lead times for equipment and in certain instances personnel are common, therefore long-term planning is normal practice. Well shut-ins and plant shutdowns are minimised by planned maintenance schedules and refurbishment and, if necessary, replacement of worn or faulty equipment.	►
• We review, with the Operator, CPR and annual reserves assessments. Compression, Pre-FEED and FEED studies are underway. Well work-overs to increase production have been successfully completed in 2022 and early 2023.	▼

STRATEGIC REPORT

PRINCIPAL BUSINESS RISKS CONTINUED

OTHER BUSINESS RISKS

Wentworth faces all oil and gas exploration, development, and production risks. Several factors may affect our long-term performance, causing actual outcomes to deviate from expected and previous results.

Risks include:

- Dissatisfied stakeholders;
- Inexact reserve and production determinations;
- Failure to recruit and retain key personnel, and /or engage in adequate succession planning;
- Human error or deliberate negative action(s); and
- Insufficient timely information available to executive management and the Board.

COMPANY POLICIES

Everyone who works for Wentworth contributes to our success. Employees, consultants, and contractors are all held responsible for how they conduct themselves during their time with the Company. Our underlying drivers are to assure honesty, integrity, and professionalism, while adhering to the highest ethical standards of the jurisdictions in which we do business.

Our Board of Directors is aware of the impact our business has on our employees and contractors, the environment, and the wider community in the United Kingdom and Tanzania. To protect HSSE, sustainability, corporate integrity, community duty, and employees, we have dedicated policies and systems in place.

In November 2022, our Sustainability Committee reviewed the Company's operational policies; a revised Expenses, Gift, Hospitality and IT policy was approved and adopted. A review of all policies during 2023 to reflect changes to the business is underway, together with the planned introduction of a Treasury Policy due to increased cash held by the business.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

Wentworth needs everyone to know their role in workplace safety. Social responsibility, leadership and Health, Safety, Security & Environment (HSSE) are essential. We implement procedures and train staff to reduce HSSE risks as much as possible.

We follow all laws, regulations, and industry standards and implement emergency response procedures to prevent and mitigate incident impacts and residual risks. In order to continually improve, we review our HSSE and social responsibility performance regularly.

We are committed to minimising our impact on the environment in both field operations and within our offices in Dar es Salaam. All staff share responsibility for monitoring and improving the performance of our environmental policies, with the objective of reducing our impact on a year-on-year basis.

In addition, we encourage Mnazi Bay JV partners, M&P and TPDC to follow HSSE and social responsibility values. Contractors must demonstrate and deliver a credible HSSE and social responsibility programme.

SUSTAINABILITY

We are committed to conducting business ethically and responsibly, with corporate, environmental, and social responsibilities to our local communities, partners such as WAF, employees, and shareholders.

BUSINESS INTEGRITY

We operate ethically and fairly. We review all business activities and train new and existing staff to meet our high standards. Our partners, contractors, and suppliers must follow the same criteria. To ensure staff adopt and maintain these standards consistently, we hold them individually accountable.

COMPANY POLICIES

Our policies are available on our corporate website.

www.wentplc.com

COMMUNITY RESPONSIBILITY

Wentworth and our subsidiaries are good community partners. Engaging with local stakeholders helps ensure that projects benefit Wentworth and the communities where they are located.

EMPLOYEES

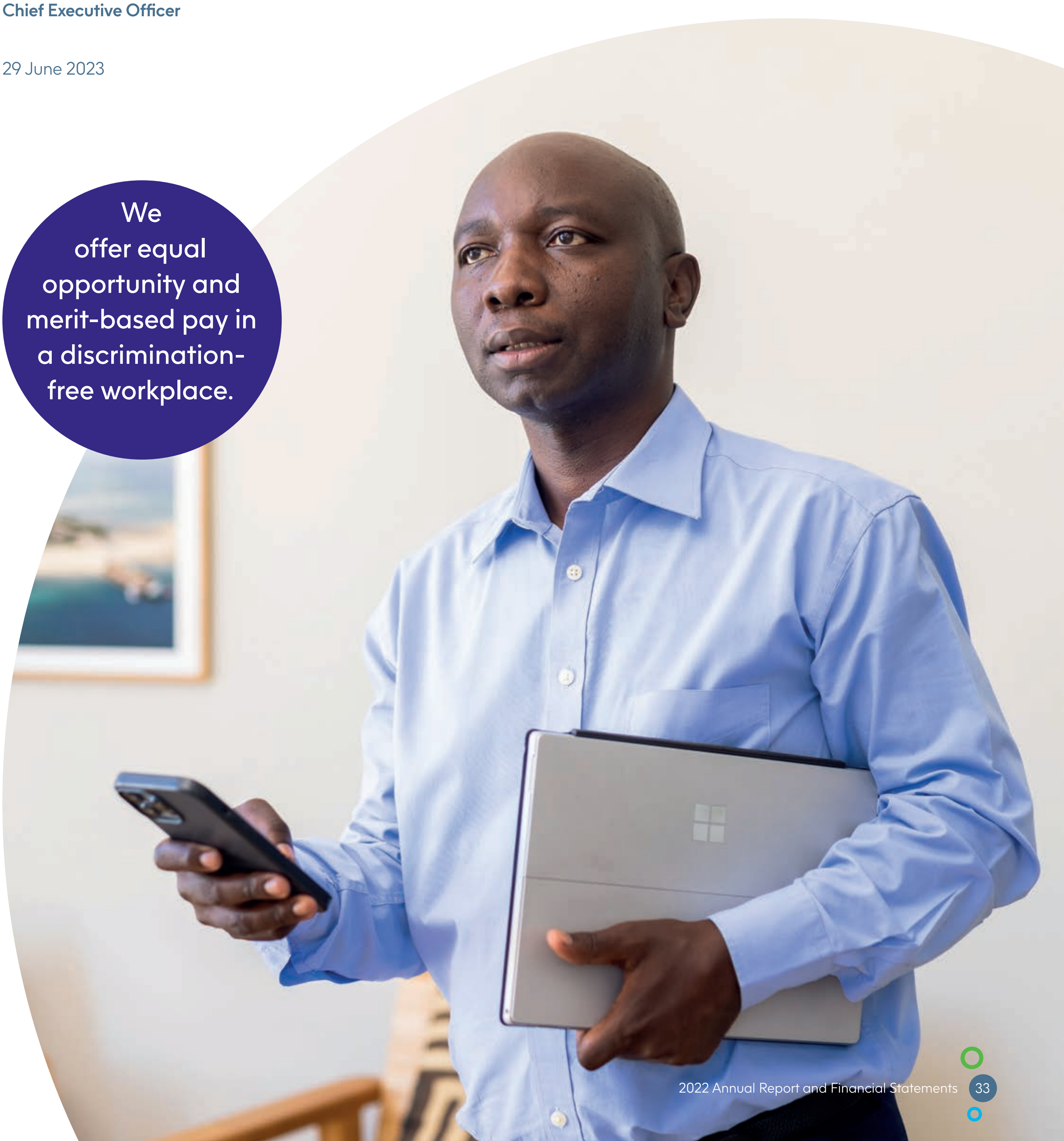
We offer equal opportunity and merit-based pay in a discrimination-free workplace. To do this, we provide clear and fair contracts, suitable training, and encourage people to join professional groups to advance their careers.

As we aim for the greatest standards of conduct, accountability, and propriety, our open culture allows employees to disclose valid issues without fear of retribution through our whistleblowing process.

Katherine Roe
Chief Executive Officer

29 June 2023

We offer equal opportunity and merit-based pay in a discrimination-free workplace.



STATEMENT OF CORPORATE GOVERNANCE

Dear Shareholder,

I am delighted to report another successful year at Wentworth where we have continued to evolve our ESG strategy and strengthen our Corporate Governance.

We are committed to responsible and ethical practices at Wentworth, and this permeates down from Board level to our day-to-day operations. Our culture and values underpin our business practices and drive our behaviours and have led to another year of record performance, positive interactions with all our stakeholders and ultimately delivering value for our shareholders.

The health and safety of all our employees and those with whom we work are our priority and working with the experienced management of the asset's operator M&P, we have embedded this into the day-to-day operations ensuring another year with zero LTI incidents at Mnazi Bay. We have further expanded our focus to biodiversity and to that end we have agreed greater collaboration with the marine park in 2023 as well as undertaking planting of Mangrove swamps in Mtwara.

From a financial perspective, revenues for 2022 were up 30% to $30.8 million and the increase in our year-end cash position to $30.9 million supported the higher dividends that were distributed during 2022. Following the proposed Acquisition from M&P no further dividends will be declared at this time. In the event that the Acquisition does not complete, the Board will consider the payment of further dividends.

In December 2022, we announced we had reached agreement on the terms of a recommended acquisition of the entire issued and to be issued share capital of Wentworth by M&P (the "Acquisition"). On 23 February 2023, we announced that shareholders had approved the Acquisition at the Court Meeting and General Meeting held on that date. The Acquisition remains subject to the satisfaction or waiver of the other conditions to the Acquisition set out in Part III of the scheme document posted to shareholders in connection with the Acquisition on 25 January 2023 (the "Scheme Document"). There can be no certainty that the Acquisition conditions will be satisfied or (where capable of being waived), waived by M&P. Should the requisite conditions be met, we expect completion in H2 2023.

Whilst the proposed Acquisition by M&P was unsolicited, we believe the sale of the business to our existing JV partner is in the best interest of our shareholders and hope many of our shareholders will continue to support Tanzania through other investments.

During 2022, we continued to build our ESG Strategy focusing on our purpose, to empower people with low cost and reliable energy to fuel long-term sustainable growth. We also developed our CSR programme, working more closely with our JV partners to bring meaningful change to the communities in which we operate, and we hope this will continue in the future. Our Sustainability Report which can be found on our website, www.wentplc.com, contains more detail regarding our CSR programmes.

As previously reported, the Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the QCA Code) as the basis of our governance framework. This is still considered by the Directors to provide the most suitable governance framework for the Company, given our current size and stage of development. In this statement, we report how we have complied in all respects with the QCA Code.

THE BOARD

My role is to lead the Company, demonstrating our values and embedding those values in our corporate culture. As Chairman of the Board I ensure that we are committed to responsible and ethical practices when we make business decisions and that the Board has all information required to make an informed decision. The Board received significant legal and financial advice on the Acquisition and also ensured an independent updated asset valuation was commissioned as required by Rule 29 of the Code. Legal and financial advice relating to the Acquisition will continue as required until the conclusion of the Acquisition.

The role of the CEO is a full-time position. Whilst we do not specify a time commitment required from our Non-Executive Directors, we do expect our Board members to devote enough time to their roles as required. All Board members are expected to attend shareholder meetings and be available to shareholders as necessary. There has been no change in Board composition during the year.

The full Board meets at least five times a year and on any other occasions it deems necessary. During 2022, there were six scheduled Board meetings, and due to the Acquisition a further ten ad-hoc Board meetings convened at short-notice. In addition, the Remuneration Committee met twice, the Nomination Committee met once, the Sustainability Committee met once and the Audit Committee held two meetings during the year. An additional meeting of the Audit Committee was scheduled but unfortunately at short notice a member of the Committee was unable to attend the third meeting and therefore audit planning matters were considered by the Board as the Committee was not quorate.

The Directors' attendance is shown below.

	Scheduled Board Meetings	Ad hoc Board Meetings	Audit Committee	Remuneration Committee	Nomination Committee	Sustainability Committee
Tim Bushell	6	9	-	2	1	-
Iain McLaren	6	7	2	2	1	1
Juliet Kairuki	5	9	2	1	-	0
Katherine Roe	6	10	-	-	1	1

EXTERNAL ADVISORS AND SENIOR INDEPENDENT DIRECTOR

During the year our Audit Committee secured external advice on tax and legal matters as required and our Remuneration Committee received external legal and market advice from Ellason LLP.

Following the approach from M&P leading to the Acquisition the Board received legal advice from Ashurst LLP, financial advice from Stifel Nicolaus Europe Limited and the Board appointed ERC Equipoise Ltd to provide an independent asset valuation as required by Rule 29 of the Code. PwC LLP were appointed to advise the Remuneration Committee on remuneration matters in relation to the Acquisition.

Iain McLaren, as Senior Independent Director, is available to all Board members and shareholders should they have any concerns. The Board is also supported by a qualified Company Secretary.

COMPANY CULTURE

As Non-Executive Chair, and alongside our CEO, I lead on our corporate culture, setting the tone for the Company and ensuring our culture cascades down from Board level to our day-to-day operations.

Our core values of respect, integrity, honesty, and transparency permeate throughout the Company and underpin our culture. Our continued focus on developing our ESG strategy has ensured the focus of the Board remains on our strong, ethical culture. It is my belief that it is our focus on ethical business behaviours that has driven the successful year we have had in 2022.

The Company has established key policies, including a Code of Ethics and Business Conduct Policy. These set out the minimum standards of behaviour required by all Directors, officers, employees, and contractors in conducting the business affairs of the Company. Other policies cover conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, anti-bribery and corruption, anti-facilitation of tax evasion, anti-modern slavery, maintenance of corporate records and the reporting of illegal and unethical behaviour.

STATEMENT OF CORPORATE GOVERNANCE CONTINUED

BOARD COMMITTEES

Our Board is supported by our Audit Committee, Remuneration Committee, Sustainability Committee and Nominations Committee. Details of their activities during 2022 can be found in each of their reports. The report of the Sustainability Committee can be found on page 12 of our 2022 Sustainability Report.

COMMUNICATIONS WITH SHAREHOLDERS

The Board is accountable to all the Company's stakeholders, including shareholders. Our Board reports to shareholders on its stewardship of the Company through the publication of interim and final results each year. The Board also updates the market via regulatory announcements and press releases, which are issued throughout the year. The Company maintains a website (www.wentplc.com) on which announcements, press releases, corporate presentations and Annual Reports are available to view. There is also a Q&A page on the corporate website, as well as a corporate page on LinkedIn and Twitter, all of which we update regularly. This Annual Report contains extensive information about the Company's activities. We have also published our third Sustainability Report, which summarises how we have continued to develop and progress our ESG strategy during 2022.

CONFLICTS OF INTEREST

We have procedures in place for the disclosure and review of any conflicts, or potential conflicts of interest, which the Directors may have, and for the authorisation of such conflicts by the Board. In deciding whether to authorise a conflict matter or a potential conflict, the Directors must have regard to their general duties under the Companies (Jersey) Law 1991.

THE QCA CODE

As previously announced, we have adopted the QCA Code which we consider appropriate for a company of our size and current stage of development. However, prior to my appointment as Chair of the Board I was also Chair of the Remuneration Committee, and it was decided I should remain in the position of Chair of the Remuneration Committee with the intention that this was transitional. During 2022 a search for a further Independent Non-Executive Director was well progressed, however following the proposed Acquisition from M&P the appointment of a new Independent Non-Executive Director was halted, and I will remain as Chair of the Remuneration Committee until the outcome of the Acquisition is determined.

We had previously identified that the Board was not subject to a Board evaluation in compliance with Principle 7 of the QCA Code. I am pleased to confirm that a Board evaluation was conducted in 2022 and the Nominations Committee has reported on the outcome of that evaluation in its report on page 48.

We will follow the recommendations of the QCA Code for the presentation of our Corporate Governance disclosures. Accordingly, the Company's Corporate Governance Statement published on our website sets out, against each of the 10 Principles of the QCA Code, where the disclosures relating to each principle are located.

Tim Bushell
Chair of the Board

29 June 2023


wentworth

GOVERNANCE

BOARD OF DIRECTORS

KATHERINE ROE
Chief Executive Officer

Katherine was appointed Chief Executive Officer (CEO) in November 2019. Katherine joined the Company in 2014, initially as Vice President Corporate Development and Investor Relations and then as the Company's Chief Financial Officer. Katherine has over 20 years of senior corporate and capital markets experience and prior to joining Wentworth, Katherine spent 11 years at Panmure Gordon & Co, where she headed up the Natural Resources team, with a principal focus on the oil and gas sector. Katherine has experience across several international jurisdictions with exposure to emerging and development markets, particularly in Africa.

Further, Katherine has extensive experience with a range of strategic growth options in the public markets through multiple IPO launches, equity capital fundraisings and M&A transactions. Katherine was an AIM Nominated Advisor and Qualified Executive for many years, having moved from Morgan Stanley's investment banking division. She is currently independent Non-Executive Director and Audit Chair of Longboat Energy plc and independent Non-Executive Director of ITM Power plc.

TIM BUSHELL
Non-Executive Chair

Tim is a qualified geologist with more than 40 years' experience in the oil and gas industry. He has worked at British Gas, Ultramar, LASMO, and Paladin Resources. Tim was Chief Executive Officer at Falkland Oil and Gas Limited until its merger with Rockhopper Exploration.

He was a co-founder of Core Energy AS, which became Point Resources and later Vår Energi AS. He currently serves on the boards of Petro Matad Limited and Redrock Energy Limited.

IAIN MCLAREN

Senior Independent Non-Executive Director

Iain has significant experience in the oil and gas sector, with deep experience as Audit Committee Chair. He is currently a Non-Executive Director and Chair of the Audit Committee of Jadestone Energy Inc. and is a Director and Audit Committee Chair of Ecofin Global Utilities and Infrastructure Trust plc.

Iain was previously Senior Independent Director and Chair of the Audit Committee for Cairn Energy plc. He is a past President of the Institute of Chartered Accountants of Scotland and was a partner of KPMG for 28 years until 2008.

JULIET KAIRUKI

Non-Executive Director

Juliet is a qualified lawyer, having completed her Bachelor of Laws degree at the University of Dar es Salaam and Masters of Law degree at the University of Cape Town. Juliet brings extensive public and private sector experience in Tanzania and Sub-Saharan Africa throughout her time at The Banking Association South Africa, SADC Bankers Association and Tanzania Investment Centre as well as various consulting roles for Finsys, Tanzania Bankers Association and the Central Bank of Seychelles, amongst others. Juliet is a member of the Institute of Directors in South Africa. She is also a Certified PPP Specialist. She has been trained in leading sustainable corporations through Oxford University.

With over fifteen years of experience in strategic leadership, institutional development, governance, project execution and stakeholder management, Juliet's practice ranges from banking (particularly financial market infrastructure), corporate governance, public-private partnerships, investment and sustainable development.

Key
- Audit Committee
- Remuneration Committee
- Nominations Committee
- Sustainability Committee
- Chair
- Member

GOVERNANCE

AUDIT COMMITTEE REPORT

This report is for the year eneded 31 December 2022.

The Audit Committee met twice during the year with specific regard to the following standing agenda items:

- Review and recommendation to the Board of annual and interim report and accounts;
- Reviewing significant accounting policies, areas of judgement, and uncertainty within the financial statements;
- Reviewing the balance and fairness of the financial statements taken as a whole, and in alignment with the Sustainability Report;
- Reviewing the corporate risk register and appropriateness of the assessments made by Directors therein;
- Reviewing the continued effectiveness of the internal control environment and whistleblowing procedures;
- Ongoing review and consideration as to the requirement for a formal internal audit function; and
- Oversight of the relationship with the external auditor.

PROPOSED ACQUISITION BY M&P

On 23 February 2023, shareholders voted in favour of the Acquisition at the Court Meeting which will be implemented by way of a Scheme of Arrangement (the Scheme). Following this meeting, shareholders voted to pass the resolution in connection with the amendment of Wentworth's Articles in order to implement the scheme of arrangement once the Jersey Court sanctions this.

Following the ratification of the proposed acquisition by shareholders there were certain legal and administration consents to be obtained, including the consent of the Tanzanian government to the proposed transaction, the waiver of any right of first refusal or pre-emption right to which TPDC may be entitled in respect of the Mnazi Bay Asset and approval from the Tanzanian Fair Competition Commission (FCC).

At a preliminary hearing held by the FCC on 7 June 2023 a number of concerns were raised which may impact the likelihood of the FCC approving the proposed acquisition in its current form. By way of a letter dated 9 June 2023 TPDC informed the Group of its decision to exercise its right of first refusal (ROFR) for Wentworth's interest in the Mnazi Bay asset pursuant to section 86(7) of the Tanzanian Petroleum Act, Cap 392.

The ROFR grants TPDC a right of first refusal to acquire a participating interest that is intended to be assigned to a non-affiliate. The ROFR does not, however, entitle TPDC to a right of first refusal (or similar right) in connection with any indirect sale of a participating interest arising as a result of the acquisition of shares in the Company itself, which in the case of the acquisition will in any event occur only after sanction of the Scheme by the Royal Court of Jersey. Discussions with TPDC and the FCC on the way forward and resolution of these issues are ongoing as at the date of this report. There can be no certainty that the Acquisition conditions will be satisfied or (where capable of being waived) waived by M&P. We expect that, if the conditions are satisfied or waived, the Acquisition will complete in H2 2023.

The Audit Committee has, alongside the Company's advisors, at all points during the Acquisition period maintained a close vigil over all aspects of the process, including but not limited to the ongoing assessment of risk and the continued relevance of the internal control environment given the nature of the Acquisition. At no point during the process did the opinions of the Audit Committee diverge from those of the wider Board of Directors.

IMPAIRMENT OF EXPLORATION AND PRODUCTION ASSETS

During the year a full impairment test was conducted on the Mnazi Bay asset as there was an indication of impairment with respect to the difference between the offer made for 100% of the issued and to be issued share capital of the Company and its net assets prior to the recognition of an impairment loss. This implied fair value of the cash generating unit is derived from the agreed offer price adjusted for cash and other monetary assets and liabilities, provided a higher recoverable amount for the year ended 31 December 2022, compared to the value-in-use of the cash generating unit as at that date. An impairment provision of $25.0 million has therefore been recognised, reducing the carrying value of the cash generating unit to the recoverable amount of $41.8 million from $66.8 million.

The impairment loss has been limited to the measurable fair value less costs to disposal of the individual assets within the CGU. The fair value of the asset is categorised as level 2 and was determined with reference to the offer price, adjusted for additional factors considered in agreeing to the offer price. A $8.1 million impairment loss has been applied against the carrying value of the E&E assets reducing the carrying value down to $nil. At such time as the Group, alongside its JV partners in Mnazi Bay, undertake future exploration activities, this provision will be reviewed and dependent upon the outcome of these activities may be reversed in part or in full. A total of $16.9 million has been provided against the producing asset in Mnazi bay, reducing the carrying value down to $41.8 million from $58.7 million. Irrespective of the above accounting treatment, the asset continues to outperform expectations and 2022 remains the strongest performing year in its production history. In forming their opinion on the impairment position, the audit committee also considered the shareholder vote of February 2023, in which over 75% of all shareholders voted to endorse the Board's recommendation to accept the acquisition price of 32.5 pence per share and approve the acquisition.

COVID-19

The effectiveness of the controls that were put in place in 2020 have proved to be more than adequate with the virus having no impact on the continued ability of production from Mnazi Bay. The risk of a sudden and unanticipated resurgence of the virus is very real, and it is for this reason that the Audit Committee assessed that several the controls that have been put in place should remain so for the next 12 months.

GAS SALES DEMAND

2022 saw a record demand for Mnazi Bay gas which increased from 6.9 Bscf to 8.6 Bscf net to Wentworth, an increase of 25% from 2021. Maintaining supply reliability and sustaining this additional demand has placed increased burdens on production operating facilities and systems. M&P as operator has brought forward a number of intervention projects on the field to facilitate this extra demand burden and is continuing to look for new ways to enhance production ahead of the gas compression project, which will commence during 2023 (previously this had been scheduled for 2022 but has seen some procurement delays). It is expected to take two years to complete. The Board has reviewed the steps that have been jointly taken by the operator and JV partners, to mitigate the risks associated with sustaining these increased production levels and is satisfied that these are sufficient for the next 12 months.

GAS SALES RECEIVABLES

The Directors have assessed that the recoverability of gas sales is currently the most significant ongoing risk to the Group. The gas sales receivable has increased slightly from three months to seven months for TANESCO and remains at one month for TPDC. Whilst every effort has been made to target and maintain receivables to current terms, this is ultimately something that we can only influence rather than control. The Audit Committee continues to monitor the position on an ongoing basis.

ACCOUNTING AND DISCLOSURE

The specific areas that the Audit Committee paid regard to with respect to the 2022 Annual Report and Accounts were the:

- Carrying value of both producing and non-producing assets capitalised within the statement of financial position following the identification of certain impairment indicators. Full impairment assessments were conducted at the year-end under IAS 36 and IFRS 6 and, following their completion, the recoverable amount of both producing and non-producing assets were assessed to be lower than their carrying values, and an impairment provision of $25.0 million was made;
- Presentation of certain non-recurring administrative costs within the statement of comprehensive income; and
- Continued provision-in-full, made against the Government of Tanzania receivable (Umoja), with respect to the T&D infrastructure sold to TANESCO totalling $6.5 million, and any indicators of a change to the present obligation, probability, or amount of anticipated final settlement (see note 11).

AREAS OF JUDGEMENT

The Audit Committee reviewed the following areas where the Board of Directors was required to exercise significant judgement, some of which are discussed in more detail within note 3 of the Annual Report and Accounts:

- Mnazi Bay gas supply, demand, and settlement assumptions with respect to current receivables, capitalised carrying values on natural gas assets, and going concern;
- Assumptions included within the assessment of recoverable value of Mnazi Bay Exploration and Evaluation (E&E) and natural gas property costs; and
- The application of tax assumptions, which affect the recognition of tax liabilities and deferred tax assets.

INTERNAL AUDIT AND CONTROL ENVIRONMENT

A key role of our Audit Committee is to monitor the effectiveness of the internal control environment. This includes evaluating the Group's internal control, risk management policies and systems, their effectiveness, and the requirements for an internal audit function in the context of the Group's overall risk management system.

The Audit Committee is satisfied that the Group does not currently require an internal audit function. However, we will continue to periodically review the situation and, where we deem necessary, commission a limited internal audit of controls and processes. These informal audits may be carried out randomly, and in areas where we deem there to be an elevated exposure to risk, or where it is difficult to fully mitigate a particular risk entirely.

The Audit Committee receives and monitors monthly operating and financial reports for unexpected variances, or instances that may indicate a change to the existing risk profile of an activity. We investigate those activities in more detail as required.

GOVERNANCE

AUDIT COMMITTEE REPORT CONTINUED

EXTERNAL AUDITOR

The external audit function plays an important part in assessing the effectiveness of financial reporting and internal controls. In turn, the effectiveness and quality of audits is of key importance, with sufficient weight given to new areas of compliance, and existing areas of risk as is deemed appropriate for the relative size and complexity of the Group's activities.

Our auditor, KPMG LLP (UK), has been in place since 2018. In line with the audit profession's ethical guidance, the current audit engagement partner has rotated off the Company's account, albeit a year early, having served for a period of four years. KPMG LLP (UK) may serve as an external auditor for a total period of 20 years, with a mandatory tender process occurring after no more than 10 years in 2028.

There are no contractual restrictions on the choice of external auditor. The Audit Committee reviews the auditor's independence and monitors the nature and level of non-audit fees payable to them on an annual basis. From time to time the Audit Committee may instruct the external auditor to undertake work of a non-audit nature: the fee for such work being determined based on the scope of the work undertaken. Details of fees payable to the auditor are set out in note 6. In June 2023, the Committee adopted a new policy for the provision of Non-Audit Services by the Auditor to ensure sufficient clarity in this area.

The Audit Committee has reviewed the UK Corporate Governance and QCA Code, including the requirement for FTSE 350 companies to put the external audit contract out to tender at least every 10 years. Having considered the guidance on aligning the timing of such re-tenders with the audit engagement partner rotation cycle, the Audit Committee's current intentions are that it will initiate a re-tendering process in 2028 in line with KPMG LLP (UK)'s own requirements noted above. This policy will be kept under review and the Audit Committee will use its regular reviews of auditor effectiveness to assess whether an earlier date for such a re-tender would be desirable.

There were no instances to report of circumstances where the Board did not accept a recommendation made to it by our Audit Committee on any matter, including the reappointment of KPMG LLP (UK) as external auditor.

Finally, the Audit Committee gave due consideration to the adequacy of Wentworth's whistleblowing procedures and the ongoing engagement of KPMG LLP (UK), their independence, associated remuneration and non-audit fees.

Iain McLaren
Chair, Audit Committee

29 June 2023

COMMITTEE MEMBERS

- Iain McLaren (Chair)
- Juliet Kairuki

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

- Reviewing the effectiveness of the Group's financial reporting, internal control policies, and procedures for the identification, assessment, and reporting of risk;
- Monitoring the integrity of the Group's financial statements;
- Monitoring the effectiveness of the internal control environment;
- Making recommendations to the Board on the appointment of the auditor;
- Agreeing the scope of the auditor's annual audit programme and reviewing the output;
- Keeping the relationship with the auditor under review;
- Assessing the effectiveness of the audit process; and
- Implementing the policy on the engagement of the auditor to supply non-audit services.

The external auditor has unrestricted access to the Chair of the Audit Committee. Audit Committee meetings are also attended by the external auditor where appropriate and, by invitation, the Chair, CEO, Group Financial Controller, and senior management.

REMUNERATION COMMITTEE REPORT

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2022.

The Committee is responsible for determining and recommending to the Board the policy for the remuneration and employment terms of the Executive Director. The Committee is also responsible for reviewing (and making recommendations to the Board) on share incentive plans, and performance related pay schemes and their associated targets, as well as employee benefit structures across the Group. In addition, the Committee also monitors remuneration structures below Board level, and considers proposals and remuneration packages when attracting and retaining key talent into the Company.

During 2022, no substantial changes to the Executive Director's and Non-Executive Directors' remuneration were proposed. Following the recommended Acquisition by M&P, the Committee agreed that no further grants would be made under the Company's Long Term Incentive Plan (LTIP) until the outcome of the Acquisition is determined and the Acquisition has either lapsed or completed.

In preparing this report, the Committee was guided by the QCA's Remuneration Committee guide, and we have made appropriate disclosures recommended therein.

On behalf of the Board, I would like to thank the shareholders for their continuing support.

Tim Bushell
Chair, Remuneration Committee

INFORMATION NOT SUBJECT TO AUDIT

This report is for the year ended 31 December 2022. It sets out the remuneration details for the Executive and Non-Executive Directors of the Company. As an AIM-quoted company, we are required to disclose this information to fulfil the requirements of AIM Rule 19. In accordance with AIM Rule 26, the Company complies with the QCA Code.

COMMITTEE MEMBERS

- Tim Bushell (Chair)
- Iain McLaren
- Juliet Kairuki

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

- Determining the remuneration policy for the Group to be applied to Directors and senior management, and recommending any changes to the remuneration policy;
- Reviewing and agreeing the total remuneration package for the Executive Director and other members of senior management;
- Approving targets for the performance related Long-Term Incentive Plan (LTIP) scheme;
- Setting KPIs for the Executive Director's annual bonus targets and monitoring achievement of those KPIs; and
- Appointing remuneration consultants as may be required by the Committee, to advise in respect of any matters.

TERMS OF REFERENCE

The Remuneration Committee's terms of reference, including its role and the authority the Board delegates to it, are on the Group's website:
www.wentplc.com/sustainability/governance/

REPORT ON REMUNERATION FOR 2022

Key activities

- Agreed and set KPIs for the annual bonus for the Executive Director for 2022;
- Agreed the total remuneration package for the Executive Director and members of senior management;
- Awarded LTIPs to Katherine Roe; and
- Reviewed the retrenchment provisions applicable to staff employed in Tanzania and amended these to bring them in line with current practice in Tanzania.

The Company Secretary acted as Secretary to the Committee. The Chair of the Board and other Board members attended Committee meetings at the invitation of the Committee and as appropriate.

External Advice

The Committee has had access to professional advice from our legal advisers, Pinsent Masons LLP and in addition, legal advice was provided by Ashurst LLP, who were advising on the Acquisition. Remuneration adviser, Ellason LLP, advised the Committee during 2022, however following the approach from M&P leading to the Acquisition, the Committee appointed PwC LLP to advise on remuneration matters.

GOVERNANCE

REMUNERATION COMMITTEE REPORT CONTINUED

DIRECTORS REMUNERATION DURING THE PERIOD ENDED 31 DECEMBER 2022

Total Remuneration of Executive Director

The table below reports single figure of total remuneration for the Executive Director during the year:

	Base Remuneration[1]	Bonus[2]	Pension	Other Benefits	LTIP charges	2022 Total	2021 Total
	$	$	$	$	$	$	$
Katherine Roe	404,351	302,375	35,159	11,550	795,356	**1,548,791**	1,231,427
Total	**404,351**	**302,375**	**35,159**	**11,550**	**795,356**	**1,548,791**	**1,231,427**

[1] The Executive Director is paid in GBP£, but for reporting purposes her remuneration is reported in US$ which leads to annual fluctuation in the reported sums due to FX rate change.

[2] Includes a cash payment of $8,932 as detailed on page 45.

Base Salary and Annual Bonus of the Executive Director

Katherine Roe was awarded a 5% increase to her base salary which for 2022 was £327,083 ($404,351) (2021: £311,508 ($427,564)). This was in line with employee increases across the business.

Following an in-depth review by the Committee, Katherine Roe was awarded a bonus of £245,312 ($302,375) (equating to 75% of her base salary) in recognition of the achievement of KPIs set at the start of 2022.

Her annual bonus entitlement during the year was capped at 100% of base salary for achievement of key objectives, which had been agreed with Katherine for the financial year ending 31 December 2022.

The annual bonus was earned based on the achievement of a range of financial targets and non-financial KPIs, aligned to our strategic objectives including: health and safety; ESG; revenue; cash and dividend growth; operational production; stakeholder relations; Board and team engagement; and M&A. A portion of the bonus is earned based on Committee assessment of personal performance during the year. The Committee made a partial award for the element of the bonus allocated to Committee assessment of personal performance.

The weighting for each element of the 2022 bonus was as follows:

Metric	Weighting	Performance
HSSE & ESG	15%	Partial award – targets largely achieved
Financial – Revenue growth	5%	Maximum – targets fully achieved
Financial – cash balance	5%	Maximum – targets fully achieved
Financial – dividend growth	5%	Maximum – targets fully achieved
Operational – Production Levels	10%	Maximum – targets fully achieved
Stakeholder relationships	20%	Partial award – targets largely achieved
Board and team engagement	10%	Partial award – targets largely achieved
M&A	10%	Partial award – targets partially achieved
Committee discretion	20%	Partial award – targets partially achieved

LTIP Awards granted during the financial year

Katherine Roe was awarded a nil cost option over 3,014,590 shares in the Company on 12 April 2022, in accordance with the remuneration policy and the rules of the LTIP.

The awards did not exceed the scheme value limits of awards (200% of salary in any financial year) and the performance conditions for vesting will be dependent on absolute and relative Total Shareholder Return (TSR) criteria during the performance period in line with previous awards made under the LTIP.

Vested options

Following year end, on 3 January 2023, the performance period for the LTIP grant made to Katherine Roe in January 2020 ended and following a robust review of the performance conditions by the Committee, and having received comprehensive advice from PwC, the Committee determined that 2,437,376 ordinary shares vested. In addition, the Committee exercised its discretion to award dividend equivalents in the sum of £104,448 pursuant to the rules of the LTIP. Dividend equivalents were only awarded in respect of dividends paid since 15 June 2021, the date the performance conditions were amended. The Committee elected to settle the LTIP by way of the transfer of 1,291,809 shares held by the Company in treasury and the payment of £355,126 ($438,936) in cash (which was used to settle her tax liability) was made in January 2023.

Following a review of the LTIP performance conditions, the Committee became aware that a nominal number of conditional rights should have vested in December 2021 but did not vest due to an error in the vesting calculation. Katherine was awarded a cash bonus of £7,226 ($8,932) to rectify this error in November 2022.

LTIP awards table

The following LTIPs were awarded during 2022:

Director	Date of Grant	Share price at date of grant	Performance Period	Number of options subject to performance conditions set out below	% of salary	Face value of maximum award
Katherine Roe	12 April 2022	21.70p[1]	3 years	3,014,590	200%	$808,549[2]

[1] The share price is calculated by reference to a 3-month volume weighted average price of an ordinary share for the 3 months immediately preceding the date of the grant.

[2] The face value of the awards is calculated using the 3-month volume weighted average price of an ordinary share for the 3 months immediately preceding the date of grant. The actual value of the awards to participants will be dependent on the percentage of the award that vests, and the share price at the date of exercise.

The key features of the 2022 LTIP awards are as follows:

- The awards are in the form of nil cost conditional rights to ordinary shares;
- The performance will be measured over a three-year period;
- The performance condition is 50% of the award is subject to absolute TSR and the remaining 50% of the award is subject to relative TSR, measured against a selection of constituent companies of the FTSE AIM All-Share Energy Index (AXOIG). The peer group for this award contains 43 companies taken from that Index;
- In respect of the absolute TSR element of the award, the percentage of the award that will vest will be equal to the TSR at the end of the performance period, compared to a 16% compound annual growth rate in TSR over the performance period;
  - 25% of the award will vest if the TSR at the end of the performance period has increased by an 8% compounded annual growth rate, and 100% of the award will vest if the TSR has increased by a 16% compound annual growth rate;
  - Should the TSR increase between 8% and 16%, awards will vest on a linear sliding scale between 25% and 100%;
  - Should the TSR at the end of the performance period be below 8%, no part of the absolute TSR element of the award will vest;
- In respect of the relative TSR element of the award, 25% of the award will vest at the end of the performance period if the Company's TSR is in line with the median relative to the constituents of the comparator group and 100% of the award will vest if the Company's TSR is equal to the upper quartile TSR relative to the constituents of the comparator group, with awards vesting on an linear sliding scale between 25% and 100% for performance between these levels. Should the Company's TSR be below the median relative to the constituents of the comparator group, none of the relative TSR element of the award will vest;
- Dividend equivalents may be awarded in cash or by the award of additional shares; and
- In certain situations, including a change of control, the awards may vest early if no replacement award has been made.

Please see Note 19 to the financial statements for information on all outstanding options and LTIP awards.

GOVERNANCE

REMUNERATION COMMITTEE REPORT CONTINUED

Total Remuneration of Non-Executive Directors

The table below reports remuneration for each Non-Executive Director

	Base Remuneration $	Other Benefits $	2022 Total $	2021 Total $
Tim Bushell	130,417	-	**130,417**	109,045
Juliet Kairuki	64,587	-	**64,587**	30,858
Iain McLaren	77,008	-	**77,008**	82,758
Total	272,012	-	**272,012**	222,661

Following the significant work commitment from the Non-Executive Directors in respect of the Acquisition, which was significantly in excess of the time commitment required in their service agreements, it was agreed by the Board on 19 April 2023 (and with approval from M&P) to award a cash bonus to each Non-Executive Director equivalent to one-year's fees for each Non-Executive Director payable on completion of the Acquisition.

IMPLEMENTATION OF DIRECTOR REMUNERATION POLICY FOR 2023

Executive Directors	
Base Salary	Base salaries for the Executive Director and senior management were reviewed in January 2023 and adjusted to reflect inflation, with an increase of 5.5% effective 1 January 2023.
Annual Bonus	KPIs have been agreed with the Executive Director for her 2023 annual bonus targets under the following classifications, with the weightings of each element of the bonus as follows: • HSSE & ESG.......... 10% • Financial – revenue.......... 10% • Operational – production levels.......... 10% • Operational – resolution of cost pool.......... 10% • Successful completion of the Acquisition.......... 60% Total bonus opportunity will be capped at 100% of her 2023 base salary.
LTIP	Due to the Acquisition the Committee does not expect to grant further LTIP awards until the outcome of the Acquisition is determined and the Acquisition has either lapsed or completed.
Benefits and Pension contribution	The Executive Director will receive the range of Company benefits and pension contribution, in line with our Remuneration Policy.
Non-Executive Directors	
Fees	All fees for Non-Executive Directors were reviewed in April 2023 and adjusted to reflect inflation, with an increase of 5.5% effective 1 January 2023. Tim Bushell receives an additional £10,550 per annum for his role as Chair of the Remuneration Committee. Iain McLaren receives an additional £10,550 per annum for his role as Chair of the Audit Committee and an additional £2,110 per annum for his role as Senior Independent Director. Juliet Kairuki receives an additional £2,110 per annum for her role as Chair of the Sustainability Committee.
Benefits	Non-Executive Directors do not receive any other benefits.

STATEMENT OF DIRECTORS' SHAREHOLDINGS AND OUTSTANDING AWARDS UNDER THE LTIP AND THE COMPANY'S PREVIOUS SHARE OPTION SCHEME

	Ordinary shares 29 June 2023	Share options 29 June 2023	Ordinary shares 6 April 2022	Share options 6 April 2022
Tim Bushell	-	-	-	-
Iain McLaren	372,890	-	345,862	-
Juliet Kairuki	-	-	-	-
Katherine Roe	1,383,475	6,843,278	91,666	6,314,309

MISCELLANEOUS DISCLOSURES

We have granted an indemnity to our Directors (including subsidiary undertakings) under which Wentworth will, to the maximum extent possible, indemnify them against all costs, charges, losses, and liabilities incurred by them in the performance of their duties.

Wentworth provides limited Directors' and Officers' liability insurance, at a cost of approximately $122k in 2022 (2021: $122k).

EXECUTIVE DIRECTOR EXTERNAL APPOINTMENTS

Wentworth acknowledges the benefit of the CEO accepting appointments as a Non-Executive Director of other companies. However, she is permitted only to engage in other activities and businesses outside the Group provided there is no risk of conflict with her executive duties, these are subject to full Board disclosure and also that they do not interfere with her primary role as CEO of Wentworth.

The Executive Director held the position of Non-Executive Director of Longboat Energy plc and Non-Executive Director of ITM Power plc during 2022 whilst she was an employee of the Company and continues to do so.

Yours sincerely

Tim Bushell
Chair of the Remuneration Committee

GOVERNANCE

NOMINATIONS COMMITTEE REPORT

Dear Shareholder,
I am pleased to present the report of the Nominations Committee for 2022. Following on from a year of change for the Board in 2021, 2022 has allowed Board members to grow into their new roles.

At the beginning of the year, the Committee undertook an internal Board evaluation to identify areas that could be improved and to determine whether there were any gaps in the balance of skills, capabilities, and experience of the Directors on the Board. I am pleased to report the overall result of the Board evaluation was positive and I have set out below in more detail the outcome of the Board evaluation.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee is responsible for reviewing the structure, size, and composition of the Board and for recommending any changes to the Board. Amongst other responsibilities, the Committee has focused on:

- Succession planning for the Board and senior management;
- Evaluating the balance of skills, experience, and diversity of Board members and overseeing the board functioning as a well-balanced team in conjunction with the Chair of the Board; and
- Reviewing the time commitment required of Non-Executive Directors.

COMMITTEE COMPOSITION AND MEETINGS

The Committee met formally once during the year, but additional informal conversations were had between Committee members regarding Committee matters. The Committee is chaired by me, Tim Bushell (Non-Executive Chair): Iain McLaren (Independent Non-Executive Director) and Katherine Roe (CEO) sit on the Committee. All Committee members attended the meeting in 2022.

During the year the Committee was working to appoint an additional Non-Executive Director to further strengthen the Board and to expand the membership of the Board from a very lean structure by the appointment of an additional director. The other pressing matter for the Nominations Committee was to find an alternative Director to assume the role of Chair of the Remuneration Committee which I had agreed to continue in for a limited time following my appointment as the Chair of the Board.

This new appointment was progressing with suitable candidates identified, however due to the Acquisition, no further action was taken in progressing this new appointment. Once the outcome of the Acquisition is determined, the Committee will consider Board composition.

BOARD EVALUATION

At the beginning of the year the Committee oversaw an internal Board evaluation conducted by the Company Secretary in the form of questionnaires. Board members were asked to give their feedback, and suggest improvements, on a number of areas, such as board structure, functionality, objectives, meetings (including the quality of the information presented at such meetings), administration and the Committees. The results of the evaluation were positive with no significant issues identified.

As a result of the Board evaluation the Committee reviewed the structure of the senior management team, which was noted to be very lean albeit enhanced with the appointment of a Chief Operations Officer in 2021. The vacant position of Chief Financial Officer would remain under review by the Committee as the business developed and diversified.

Although no specific additional training for the Board was identified it was decided that the Sustainability Committee would review training in more detail as part of its remit and the Remuneration Committee would be tasked with reviewing performance of senior management in more detail, as well as the Executive Director.

Tim Bushell
Chair, Nominations Committee

The Directors present the Report and Financial Statements on the affairs of Wentworth and our subsidiaries, together with the Financial Statements and Auditor's Report for the year ended 31 December 2022.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Group and Company throughout the year remained the development and production of natural gas in Tanzania. Significant developments during 2022 are covered in detail in the Chair's and CEO's statements in this report.

The Group operates through overseas branches and subsidiary undertakings as appropriate to the fiscal environment. Subsidiary undertakings of the Group are set out in note 14 of the financial statements.

RESULTS AND DIVIDENDS

The net loss for the financial year was $13.0 million due to the impairment provision (2021: $6.1 million profit). Full analysis of the movements in the Group's reserves is provided in the Consolidated Statement of Changes in Equity. The final dividend for 2022 has been suspended due to the Acquisition.

GOING CONCERN

Wentworth's business activities, together with the factors likely to affect any future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review contained within that report.

2022 saw Wentworth achieve the best operating and financial results in our history, despite unprecedented upward inflationary pressures on our expenditures. Given the essential nature of services provided and the forecasted impact of recent world events on both international capital markets and production operations in the United Republic of Tanzania, the Group notes that an interruption to production remains remote.

On 5 December 2022, Wentworth received, and the Board of Directors subsequently recommended the acceptance of, a cash offer for 100% of the issued and to be issued share capital of the Company for 32.5 pence per share by M&P. M&P is the ultimate parent company of the Operator of the Mnazi Bay licence. On 23 February 2023, shareholders voted in favour of a scheme of arrangement at a court meeting held the same day. Following this meeting, shareholders voted to pass the resolution in connection with the amendment of Wentworth's Articles in order to implement the scheme of arrangement once the Jersey Court sanctions this. Following the ratification of the proposed acquisition by shareholders there are certain legal and administration consents to be obtained, including the consent of the Tanzanian Government to the proposed transaction, the waiver of any right of first refusal or pre-emption right to which TPDC may be entitled in respect of the Mnazi Bay Asset and approval from the Tanzanian Fair Competition Commission (FCC). At a preliminary hearing held by the FCC on 7 June 2023 a number of concerns were raised which may impact the likelihood of the FCC approving the proposed acquisition in its current form. On 9 June 2023 TPDC informed the Group of its decision to exercise its right of first refusal (ROFR) for Wentworth's interest in the Mnazi Bay asset pursuant to section 86(7) of the Tanzanian Petroleum Act, Cap 392. Discussions with TPDC and the FCC on the way forward and resolution of these issues are ongoing as at the date of this report.

It is acknowledged that the above developments introduce uncertainty as to the timing and manner in which an acquisition (if any) of the Group will be finalised. The Directors expect that the Group would continue to operate in its existing state if none of the proposed arrangements set out above proceed during the going concern period. Should an acquisition proceed, it is uncertain how the acquirer intends to integrate Wentworth's interest in the Mnazi Bay asset with its own operations and whether the legal entities in which the Group operates will remain in their current form or cease to operate, in which case the Group will no longer be a going concern.

Apart from the uncertainty noted above, the Directors view the continued timely settlement of gas-sales invoices by the Government of Tanzania to be the most significant financial risk currently faced by the Group with respect to its ongoing operations.

The Directors have prepared base and sensitised cash flow information for a period of at least 12 months from the date of their approval of these financial statements (the going concern assessment period) on the assumption that the Group continues in its current form. Based on the application of severe but plausible down-side scenarios, which include non-settlement of future gas sales, potential changes in demand, capital spend and operating costs, the Directors believe that if the Group were to continue in its present structure it is well placed to manage the Group's financial exposures and has sufficient cash resources for working capital needs, committed capital and operational expenditure programs for the going concern assessment period.

Based on the above factors and with respect to the going concern assessment period, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.However, the uncertainty regarding the proposed acquisition and the subsequent integration of the Group's

DIRECTORS' REPORT CONTINUED

operations into that of the acquirer's should the acquisition proceed, indicates the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge their liabilities in the normal course of business in a plausible situation that the Group is reorganised by the acquiring entity. The Group, in its current form, does have the resources to be able to satisfy its expected obligations as they fall due. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

CAPITAL STRUCTURE

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 20 to the financial statements. The Company has one class of ordinary share, which carries no right to fixed income. Each ordinary share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding, nor on the transfer of shares. These are both governed by the general provisions of the Articles and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Details of the employee share schemes are set out in the Remuneration Committee Report. No person has any special rights of control over the Company's share capital, and all issued shares are fully paid.

DIRECTORS

The Directors who served during the year were as follows:

- Mr Tim Bushell (Non-Executive Director and Non-Executive Chair);
- Ms Katherine Roe (Chief Executive Officer);
- Mr Iain McLaren (Non-Executive Director and Senior Independent Director);
- Ms Juliet Kairuki (Non-Executive Director);

Biographical details of serving Directors can be found in the Board of Directors section of this report.

DIRECTORS AND ELECTION ROTATION

Regarding the appointment and replacement of the Directors, the Company is governed by our Articles, the QCA Corporate Governance Code 2018, the Companies (Jersey) Law 1991 and related legislation. The powers of Directors are described in the Corporate Governance section.

In accordance with Article 20 of the Company's Articles, at every AGM of the Company one-third of the Directors shall retire from office.

Whilst the expectation is the Acquisition by M&P will complete ahead of the requirement to hold an AGM in 2022, should this not be the case, Katherine Roe and Tim Bushell will be standing for re-election.

SUBSTANTIAL SHAREHOLDINGS

Except for the holdings of ordinary shares listed below, the Company has not been notified by, or become aware of any persons holding 3% or more of the 178,474,376 issued ordinary shares of no par value of the Company, as of 26 June 2023:

Shareholder	No. of Shares	% of Issued Share Capital
Fidelity International	21,183,000	11.87%
Vitol SA	16,813,535	9.42%
OVMK Vermogensbeheer	13,127,352	7.36%
Mr Robert McBean	9,605,385	5.38%
GWM Asset Management	6,938,000	3.89%

BUSINESS RISK

A summary of the principal and general business risks can be found within the Strategic Report.

FINANCIAL INSTRUMENTS

Information about the use of financial instruments, the Group's policy and objectives for financial risk management are given in note 24 to the financial statements.

AUDITOR

Each of the persons who is a director at the date of approval of this Report and Financial Statements confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- The Directors have taken all the necessary steps to make themselves aware of any relevant audit information, and to establish that the Company's Auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies (Jersey) Law.

KPMG LLP (UK) has expressed its willingness to continue in office as Auditor, and a resolution to appoint KPMG LLP (UK) will be proposed at the AGM.

Katherine Roe
Chief Executive Officer

29 June 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In respect of the Annual Report and the Financial Statements the Directors are responsible for preparing the Annual Report and the Group Financial Statements in accordance with applicable law and regulations.

Jersey company law requires the Directors to prepare Financial Statements for each financial year. Under that law, and as permitted by the AIM Rules of the London Stock Exchange, they have elected to prepare the Group Financial Statements in accordance with UK-adopted international accounting standards and applicable law.

Under Jersey company law the Directors must prepare Financial Statements that give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Group's ability to continue as a going concern, disclosing, as applicable, matters related to Going Concern; and
- use the Going Concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with Companies (Jersey) Law, 1991. They are responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect 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 Jersey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions. The directors shall remain responsible for establishing and controlling the process for doing so, and for ensuring that the financial statements are complete and unaltered in any way.

WEBSITE PUBLICATION

The Directors are responsible for ensuring the Annual Report is available on a website. Financial statements are published on the Company's website, in accordance with the requirements of the Company's Articles. The maintenance and integrity of corporate and financial information included on the Company's website is the responsibility of our Directors. Their responsibility also extends to the ongoing integrity of the financial statements contained therein.

For and on behalf of the Board,

Katherine Roe
Chief Executive Officer

29 June 2023

GROUP ACCOUNTS

INDEPENDENT AUDITOR'S REPORT

Year-ended 31 December 2022

1. OUR OPINION IS UNMODIFIED

We have audited the consolidated financial statements of Wentworth Resources PLC (the "Company") for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the related notes, including the accounting policies in note 2.

In our opinion, the consolidated financial statements:

- give a true and fair view, in accordance with UK-adopted international accounting standards, of the state of the Group's affairs as at 31 December 2022, and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies (Jersey) Law, 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2. MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

Refer to page 40 in the Audit Committee Report and page 62 in note 1 of financial statements.

The risk

We draw attention to note 1 to the financial statements which indicates that there is a proposed acquisition whereby Maurel & Prom (M&P), who are the JV Partner and Operator of the Mnanzi bay asset, have made an accepted offer for the shares of the Group. The Tanzanian Petroleum Development Corporation (TPDC), who are also a JV Partner, has subsequently informed the Group of its decision to exercise its right of first refusal (ROFR) for Wentworth's interest in the Mnazi Bay asset and to replace M&P as the acquiror. The above developments introduce uncertainty as to the timing and manner in which the acquisition (if any) of the Group or assets will be finalised. Should an acquisition proceed, it is uncertain how the acquirer intends to integrate Wentworth's interest in the Mnazi Bay asset with its own operations and whether the legal entities in which the Group operates will remain in their current form or cease to operate. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Disclosure quality

The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group.

That judgement is based on an evaluation of the inherent risks to the Group's business model and how those risks might affect the Group's financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements.

There is little judgement involved in the directors' conclusion that risks and circumstances described in note 1 to the consolidated financial statements represent a material uncertainty over the ability of the group to continue as a going concern for a period of at least a year from the date of approval of the financial statements.

However, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area. Auditing standards require that to be reported as a key audit matter.

Our response

Our procedures included:

- Evaluating directors' intent: We enquired from Directors regarding the status of the proposed acquisition, remaining steps prior to acquisition, ongoing discussions with the Tanzanian government and TPDC and ascertained the Directors' assessment of the acquiror's intentions for the Group should the proposed acquisition be successful.
- Sensitivity analysis: We assessed the reasonableness of directors' forecasts in their going concern model and evaluated whether key assumptions are within a reasonable range. We also assessed plausible, but severe downside scenarios.

- Evaluate assumptions: We assessed whether there is adequate support for the assumptions underlying directors' cash flow projections, whether they are realistic and achievable and consistent with the external and internal environment and other matters identified in the audit.
- Historical comparison: We performed a retrospective review of the directors' track record of forecasts vs actual cashflows to assess their forecast accuracy.
- Assessing transparency: We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks, dependencies, and related sensitivities.

3. KEY AUDIT MATTERS: OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, 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 consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Going concern is a significant key audit matter and is described in section 2 of our report. In arriving at our audit opinion above, the other key audit matters were as follows:

Recoverability of natural gas properties and exploration and evaluation assets (Risk vs 2021 ◄►)

Property, plant and equipment – $41.6 million (2021: $66.5 million), Exploration and Evaluation Assets – Nil (2021: $8.1 million).

Refer to page 40 in the Audit Committee Report, pages 69 and 70 in note 3, and pages 79 and 80 in notes 12 and 13 of financial disclosures.

The Risk

Natural gas properties and Exploration and evaluation assets need to be assessed for impairment when indicators for impairment exist. As at the year-end, there was an indication of impairment with respect to the discrepancy between the market capitalisation of the Group at 31 December 2022 of $66.1m and its net asset value. The recoverable amount of the CGU was assessed to be lower that the carrying amount prior to impairment, resulting in an impairment charge of $25.0 million.

Given the existence of impairment indicators, the Group determined the of Value-in-use (VIU) and the Fair value less cost to sell (FVLCS) of the cash generating unit, which comprises of natural gas properties and exploration and evaluation assets, and have selected the latter as the recoverable amount. With respect to FVLCS, the offer price for the shares of the Group provides a basis for the FVLCS for the cash generating unit. However, deriving the fair value of the natural gas and exploration and evaluation assets from the fair value of the Group involves judgement. In addition, auditor judgement is required to assess whether the Directors' estimate of FVLCS is reasonable.

With respect to the VIU, estimating the recoverable amount of the Group's cash-generating unit, is a highly subjective area due to the inherent uncertainty involved in forecasting and discounting future cash flows, specifically with respect to reserve estimates and the local economic circumstances. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of the cash generating unit has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. Note 3 to the financial statements disclose the key judgements and estimates made in determining the recoverable amount of the cash generating unit.

Our response

We followed a substantive audit approach rather than seeking to rely on any of the group's controls as the nature of the balance is such that we would expect to obtain audit evidence primarily through detailed audit procedures.

Our procedures included:

- Impairment trigger analysis: We evaluated the directors' assessment of indicators of impairment of the Group's natural gas properties and exploration assets with reference to the relevant accounting standards. Key assessments included comparison of current share price and accepted offer price to net asset value.
- Model design evaluation and re-performance: We evaluated the reasonableness of the design of VIU model in line with the requirements of the accounting standard and re-performed the calculations the Directors performed for determining the VIU of the cash generating unit.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Year-ended 31 December 2022

- Our sector experience: We evaluated the appropriateness of the fair value of the natural gas asset CGU and individual assets with reference to the accepted offer price for the Group's shares in the proposed acquisition transaction and other sources of information on the market value of those assets.
- Historical Comparisons: We assessed the reasonableness of the budgets considering historical accuracy of previous forecasts.
- Our Sector Experience: We challenged whether the Group's key assumptions, being production and reserves estimates, discount rate, and cost recovery reflect our knowledge of the business and market.
- Benchmarking assumptions: We compared the Group's key inputs used in the discount rate by comparing them to externally derived data, including sources for comparable companies.
- Evaluating reserves estimation: We assessed the competence and objectivity of the Group's external expert to satisfy ourselves they were appropriately qualified to carry out estimation of reserves included within the model.
- Sensitivity analysis: We performed our own sensitivity analysis including a reasonably possible reduction in production volumes, cost recovery and an alternative discount rate assumption to assess the level of sensitivity to these assumptions.
- Assessing transparency: We assessed whether the Group's disclosures of key judgements and estimates used in the impairment assessment reflected the risks inherent in the valuation of natural gas properties and exploration and evaluation assets.

4. OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Materiality for the consolidated financial statements as a whole was set at $1.150 million (2021: $1.115 million) determined with reference to a benchmark of Group total assets of $115.4 million (2021: $111.1 million), of which it represents 1.0% (2021: 1.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the consolidated financial statements as a whole. Performance materiality for the group was set at 75% (2021: 75%) of materiality for the consolidated financial statements as a whole, which equates to $862k (2021: $836k). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding $58k (2021: $56k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 9 (2021: 9) reporting components, we subjected 3 to full scope audit (2021: 3) and 4 to specified risk-focused audit procedures over cash (2021: 5 components to specified risk-focused audit procedures over cash for Group purposes) and 1 to specified risk- focused audit procedures over expenses and cash (2021: Nil). The components for which we performed work other than audits for group reporting purposes were not individually significant but were included in the scope of our work in order to provide further coverage over the Group's results.

The components within the scope of our work accounted for the following percentages of the group's results:

	Number of components	Group revenue	Profits and losses that make up Group profit before tax	Group total assets
Audits for group reporting purposes (2022)	3	100%	91%	83%
Specified risk-focused audit procedures (2022)	5	0%	9%	15%
Audits not in scope (2022)	1	0%	0%	0%
Total (2022)	**9**	**100%**	**100%**	**98%**
Audits for group reporting purposes (2021)	3	100%	86%	87%
Specified risk-focused audit procedures (2021)	5	0%	14%	11%
Audits not in scope (2021)	1	0%	0%	0%
Total (2021)	**9**	**100%**	**100%**	**98%**

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the components' materiality, which was set at $920k and $403k (for Wentworth Gas Limited and Cyprus Mnazi Bay Limited, respectively) (2021: $948k and $558k) having regard to the mix of size and risk profile of the Group across the components. The work for group reporting purposes on 2 (2021: 2) of the 9 (2021: 9) components was performed by the component auditor and the rest, was performed by the Group team.

The Group audit team visited the component auditors (2021: did not visit the component auditors and instead held virtual conference meetings with the component auditors). Telephone conference meetings at the planning, execution and finalisation stages of the audit were also held with the component auditor. At these meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor. During the in-person visit a review of the component audit files was also performed by the Group team.

The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Company and Group's internal control over financial reporting.

5. GOING CONCERN BASIS OF PREPARATION

The directors have prepared the consolidated financial statements on the going concern basis as they do not intend to liquidate the Group or to cease its operations, and as they have concluded that the Group's financial position means that this is realistic for at least a year from the date of approval of the financial statements (the "going concern period"). As stated in section 2 of our report, they have also concluded that there is a material uncertainty related to going concern.

An explanation of how we evaluated management's assessment of going concern is set out section 2 of our report.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate;
- we have nothing material to add or draw attention to in relation to the directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting, and their identification therein of a material uncertainty over the Group's ability to continue to use that basis for the going concern period; and
- we found the going concern disclosure in the notes to the consolidated financial statements to be acceptable.

6. FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and other management and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group team to full scope component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at Group.

As required by auditing standards and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because price for production is fixed and there is a limited number of customers.

We did not identify any additional fraud risks.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Year-ended 31 December 2022

We performed procedures including, identifying journal entries and other adjustments to test across components based on risk criteria and comparing the identified entries to supporting documentation. These included entries impacting property plant and equipment and exploration and evaluation assets balances, and material post close entries.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group team to full-scope component audit teams of relevant laws and regulations identified at the Group level, and a request for full scope component auditors to report to the Group team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at Group.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: Tanzanian Oil and Gas Legislation including The Petroleum Act, the Tanzania Extractive Industries (Transparency and Accountability) Act, Oil and Gas Revenues Act, the Petroleum Regulations, The National Natural Gas policy the Tanzania Investment Act and Tanzanian Tax Law recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the consolidated financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the consolidated financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. WE HAVE NOTHING TO REPORT ON THE OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information presented in the Annual Report together with the consolidated financial statements. Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the consolidated financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

8. WE HAVE NOTHING TO REPORT ON THE OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies (Jersey) Law 1991, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

9. RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 51, the directors are responsible for: the preparation of consolidated financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A fuller description of our responsibilities is provided on the FRC's website at **www.frc.org.uk/auditorsresponsibilities**

10. THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

Robert Araeb
for and on behalf of KPMG LLP

Chartered Accountants
15 Canada Square
London
E14 5GL

29 June 2023

GROUP ACCOUNTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year-ended 31 December 2022

	Note	31 December 2022 $000	31 December 2021 $000
Total revenue	5	37,709	23,818
Production costs		(4,273)	(3,800)
Depletion	13	(7,962)	(6,267)
Total cost of sales		(12,235)	(10,067)
Gross Profit		25,474	13,751
Recurring administrative costs	6	(7,721)	(6,424)
Acquisition costs	6	(1,256)	-
New venture and pre – licence costs	6	(335)	(502)
Value Added Tax write-off	6	(607)	-
Share-based payment charges	19	(1,108)	(537)
Depreciation	13	(98)	(50)
Total administrative costs		(11,125)	(7,513)
Impairment of E&E and PPE	13	(25,000)	-
(Loss)/profit from operations		(10,651)	6,238
Finance income	9	625	139
Finance expense	9	(237)	(369)
(Loss)/profit before tax		(10,263)	6,008
Current tax expense	23	(8,574)	(1,321)
Deferred tax income	23	5,857	1,380
		(2,717)	59
Net and comprehensive (loss)/profit after tax		(12,980)	6,067
Net (loss)/profit per ordinary share			
Basic (US$/share)	21	(0.07)	0.03
Diluted (US$/share)	21	(0.07)	**0.03**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year-ended 31 December 2022

	Note	31 December 2022 $000	31 December 2021 $000
ASSETS			
Current assets			
Cash and cash equivalents		30,916	22,820
Trade and other receivables	10	11,101	5,550
		42,017	28,370
Non-current assets			
Exploration and evaluation assets	12	-	8,129
Property, plant and equipment	13	41,814	66,465
Deferred tax asset	23	14,097	8,239
		55,911	82,833
Total assets		97,928	111,203
LIABILITIES			
Current liabilities			
Trade and other payables	15	5,623	2,503
		5,623	2,503
Non-current liabilities			
Decommissioning provision	16	1,818	1,929
Lease liability	17	-	36
		1,818	1,965
EQUITY			
Share capital	20	414,676	414,919
Equity reserve		27,803	26,695
Accumulated deficit		(351,992)	(334,879)
		90,487	106,735
Total liabilities and equity		97,928	111,203

The accompanying notes form part of these financial statements.

The financial statements of Wentworth Resources plc, registered number 127571 were approved by the Board of Directors and authorised for issue on 29 June 2023.

Signed on behalf of the Board of Directors.

Katherine Roe
Chief Executive Officer

29 June 2023

GROUP ACCOUNTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year-ended 31 December 2022

	Note	Number of shares	Share capital $000	Equity reserve $000	Accumulated deficit $000	Total equity $000
Balance at 31 December 2020		**186,488,465**	**416,426**	**26,656**	**(337,049)**	**106,033**
Dividends	22	-	-	-	(3,920)	(3,920)
Net profit and comprehensive profit				-	6,067	6,067
Share based compensation	19	-	-	537	-	537
Cancelled Shares		(939,326)	(318)	295	23	-
Repurchase of own shares	18	(4,500,000)	(1,189)	(793)	-	(1,982)
Balance at 31 December 2021		**181,049,139**	**414,919**	**26,695**	**(334,879)**	**106,735**
Dividends	22	-	-	-	(4,133)	(4,133)
Net loss and comprehensive loss		-	-	-	(12,980)	(12,980)
Share based compensation	19	-	-	1,108	-	1,108
Cancelled shares		(866,572)	(243)	-	-	(243)
Balance at 31 December 2022		**180,182,567**	**414,676**	**27,803**	**(351,992)**	**90,487**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year-ended 31 December 2022

	Note	31 December 2022 $000	31 December 2021 $000
Operating activities			
Net (loss)/profit for the year		(12,980)	6,067
Adjustments for:			
Impairment E&E and PPE	12/13	(25,000)	-
Depreciation and depletion	13	8,060	6,317
Finance costs, net	26	(448)	172
Income tax expense	23	2,717	(59)
Share based compensation	19	1,108	537
		23,457	13,034
Change in non-cash working capital:			
Trade and other receivables		(5,549)	(695)
Trade and other payables		3,553	33
Cash generated from operating activities		21,461	12,372
Current tax paid		(7,181)	(159)
Withholding tax paid		(1,393)	(1,162)
Net cash generated from operating activities		12,887	11,051
Investing activities			
Additions to property, plant and equipment	13	(519)	(62)
Interest income		178	36
Proceed from sales of property, plant and equipment		16	-
Net cash from investing activities		(325)	(26)
Financing activities			
Dividends paid	22	(4,133)	(3,920)
Repurchase of own shares	18	(243)	(1,982)
Lease payment	17	(57)	(50)
Renewal fee on overdraft facility		-	(19)
Bank charges	9	(33)	(21)
Net cash used in financing activities		(4,466)	(5,992)
Net change in cash and cash equivalents		8,096	5,033
Cash and cash equivalents, beginning of the period		22,820	17,787
Cash and cash equivalents, end of the period		30,916	22,820

The accompanying notes form part of these financial statements.

GROUP ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2022

1. INCORPORATION AND BASIS OF PREPARATION

Wentworth Resources plc ("Wentworth" or the "Company") is an East Africa-focused upstream natural gas production company. These audited consolidated financial statements include the accounts of the Company and its subsidiaries (collectively referred to as "Wentworth Group of Companies" or the "Group"). The Company is actively involved in oil and gas exploration, development and production operations. Wentworth is incorporated in Jersey and shares of the Company as at 31 December 2022 were held and listed on the AIM Market of the London Stock Exchange (ticker: WEN).

The Company's registered office is located at 4th Floor, St Paul's Gate, 22 – 24 New Street, St Helier, Jersey, JE1 4TR.

The Group maintains offices in Jersey and Tanzania.

BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared on a historical cost basis and have been prepared using the accrual basis of accounting. The consolidated financial statements are prepared in accordance with UK-adopted International Financial Reporting Standard (IFRS), as issued by the International Accounting Standards Board (IASB) in conformity with the requirements of the Companies (Jersey) Law 1991.

The consolidated financial statements were approved by the Board of Directors on 29 June 2023.

The Group continue to apply the judgement that the business will continue as a going concern for the foreseeable future, further discussion on which is noted below.

FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in US dollars which is the functional currency of the majority of its subsidiaries.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities that the Company controls. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its authority over the investee. The existence and effect of potential voting rights are considered when assessing whether a company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. The legal entities within the Wentworth Group of Companies are disclosed within note 14. All intercompany transactions, balances and unrealised gains on transactions between the parent and subsidiary companies are eliminated on consolidation.

The Group holds a 31.94% participation interest in the Mnazi Bay Concession through two subsidiaries. Wentworth Gas Limited (WGL), which is a wholly owned subsidiary, owns a 25.40% participation interest and Cyprus Mnazi Bay Limited (CMBL) owns a 16.38% participation interest of which the Group's proportionate share is 6.54% (i.e. Wentworth's interest of 39.925% in CMBL multiplied by 16.38% participation interest). CMBL is considered a jointly controlled entity and accounted for as a joint operation rather than a joint venture. The Group accounts for its share of CMBL assets and liabilities as CMBL has contractual agreements which establish that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of ownership in proportion to their interest in the arrangement.

Going concern

Wentworth's business activities, together with the factors likely to affect any future development, performance and position are set out in the Strategic Report. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review contained within that report.

2022 saw Wentworth achieve the best operating and financial results in our history, despite unprecedented upward inflationary pressures on our expenditures. Given the essential nature of services provided and the forecasted impact of recent world events on both international capital markets and production operations in the United Republic of Tanzania, the Group notes that an interruption to production remains remote.

On 5 December 2022, Wentworth received, and the Board of Directors subsequently recommended the acceptance of a cash offer for 100% of the issued and to be issued share capital of the Company for 32.5 pence per share by M&P. M&P is the ultimate parent company of the Operator of the Mnazi Bay licence. On 23 February 2023, shareholders voted in favour of a scheme of arrangement at a court meeting held the same day. Following this meeting, shareholders voted to pass the resolution in connection with the amendment of Wentworth's Articles in order to implement the scheme of arrangement once the Jersey Court sanctions this. Following the ratification of the proposed acquisition by shareholders there are certain legal and administration consents to be obtained, including the consent of the Tanzanian Government to the proposed transaction, the waiver of any right of first refusal or pre-emption right to which TPDC may be entitled in respect of the Mnazi Bay Asset and approval from the Tanzanian Fair

Competition Commission (FCC). At a preliminary hearing held by the FCC on 7 June 2023 a number of concerns were raised which may impact the likelihood of the FCC approving the proposed acquisition in its current form. On 9 June 2023 TPDC informed the Group of its decision to exercise its right of first refusal (ROFR) for Wentworth's interest in the Mnazi Bay asset pursuant to section 86(7) of the Tanzanian Petroleum Act, Cap 392. Discussions with TPDC and the FCC on the way forward and resolution of these issues are ongoing as at the date of this report.

It is acknowledged that the above developments introduce uncertainty as to the timing and manner in which an acquisition (if any) of the Group will be finalised. The Directors expect that the Group would continue to operate in its existing state if none of the proposed arrangements set out above proceed during the going concern period. Should an acquisition proceed, it is uncertain how the acquirer intends to integrate Wentworth's interest in the Mnazi Bay asset with its own operations and whether the legal entities in which the Group operates will remain in their current form or cease to operate, in which case the Group will no longer be a going concern.

Apart from the uncertainty noted above, the Directors view the continued timely settlement of gas-sales invoices by the Government of Tanzania to be the most significant financial risk currently faced by the Group with respect to its ongoing operations.

The Directors have prepared base and sensitised cash flow information for a period of at least 12 months from the date of their approval of these financial statements (the going concern assessment period) on the assumption that the Group continues in its current form. Based on the application of severe but plausible down-side scenarios, which include non-settlement of future gas sales, potential changes in demand, capital spend and operating costs, the Directors believe that if the Group were to continue in its present structure it is well placed to manage the Group's financial exposures and has sufficient cash resources for working capital needs, committed capital and operational expenditure programs for the going concern assessment period.

Based on the above factors and with respect to the going concern assessment period, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.However, the uncertainty regarding the proposed acquisition and the subsequent integration of the Group's operations into that of the acquirer's should the acquisition proceed, indicates the existence of a material uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that the Group may be unable to realise its assets and discharge their liabilities in the normal course of business in a plausible situation that the Group is reorganised by the acquiring entity. The Group, in its current form, does have the resources to be able to satisfy its expected obligations as they fall due. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Changes in accounting policies

A number of new standards are effective from 1 January 2022, but they do not have material effect on the Group's financial statements.

New and amended standards

The following amended standards and interpretation are effective for financial years commencing on or after 1 January 2023. The Group does not intend to adopt the standards below, before their mandatory application date.

STANDARD	DESCRIPTION	IASB ISSUE DATE	IASB EFFECTIVE DATE	SECRETARY OF STATE ADOPTION DATE
IAS 1 (amendments)	Classification of Liabilities as Current or Non-current.	23 January 2020	1 January 2023	Endorsed
IFRS 17	Insurance contracts.	25 June 2020	1 January 2023	Endorsed
IAS 12 (Amendments)	Deferred tax related to assets and liabilities arising from a single transaction.	7 May 2021	1 January 2023	Endorsed
IAS 8 (amendments)	Definition of accounting estimates.	12 February 2021	1 January 2023	Endorsed
IAS 1 and IFRS Practice Statement 2 (amendments)	Disclosure of accounting policies.	12 February 2021	1 January 2023	Endorsed
IFRS 16 (amendments)	Lease Liability in a Sale and Leaseback		1 January 2024	

Future accounting pronouncements

The Company intends to adopt the above listed standards and interpretations in our financial statements for the annual period beginning 1 January 2023. The Company does not expect the interpretation to have a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2022

2. SUMMARY OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Company and Group consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

JOINT ARRANGEMENTS

The analysis of joint arrangements requires management to analyse numerous agreements and the requirements of IFRS 10 and IFRS 11. Judgements made by management include whether joint control exists and the extent of exposure to the underlying assets and liabilities of the joint arrangement. By virtue of the provisions contained within the underlying shareholder agreements, to which Cyprus Mnazi Bay Limited (see below for accounting considerations of this entity) and Wentworth Holdings Gas Limited, a wholly owned subsidiary of Wentworth Resources plc, are parties to, management have assessed that the Company has a joint arrangement through its 31.94% ownership in the licence and accounts for this interest as a joint operation as no single individual shareholder may exercise absolute control over the entity. The agreement is bilateral, with Maurel & Prom Mnazi Bay Holdings SAS (M&P) and whilst the Operator may make day-to-day decisions, the overall strategic direction of the partnership requires unanimous consent between M&P and Wentworth. M&P hold 48.06% share in the licence and 20% is owned by TPDC. As such the Group is entitled to its share of production from the licence and therefore revenue generated from the sale of this output. Wentworth also recognise its share of all expenses incurred by the joint arrangement, its right to the assets, as well as its share of the liabilities and obligations.

ACCOUNTING TREATMENT OF CMBL

The Group holds a 31.94% participation interest in the Mnazi Bay Concession through two subsidiaries. WGL is a wholly owned subsidiary, which owns a 25.40% participation interest and Wentworth Holdings (Jersey) Limited is a wholly owned subsidiary that holds 39.925% in CMBL, which owns a 16.38% participation interest, of which the Group's proportionate share is therefore 6.54% (i.e. Wentworth's interest of 39.925% interest in CMBL, multiplied by 16.38% participation interest). CMBL is considered a jointly controlled entity and accounted for as a joint operation rather than a JV. The Group recognises its share of the following:

- Assets, including its share of any assets held jointly;
- Liabilities, including its share of any liabilities incurred jointly;
- Revenues arising from the joint operation;
- Other revenues from the joint operation; and
- Expenses, including its share of any expenses incurred jointly.

FINANCIAL INSTRUMENTS

The Group recognises financial assets and liabilities on its balance sheet when it becomes a party to the contractual provisions of the instrument.

(i) Financial assets

Classification and initial measurement

Financial assets within the scope of IFRS 9 are classified as financial assets at amortised cost, fair value through profit or loss or fair value through (OCI). The Group determines this classification at initial recognition depending on the business model for managing the financial asset and the contractual terms of the cash flows.

The Group's financial assets include cash and cash equivalents, Trade and other receivables.

When financial assets are initially recognised, they are measured at fair value being the consideration given or received plus directly attributable transaction costs. Any gain or loss at initial recognition is recognised in the income statement.

The Group's financial assets measured at amortised cost are held for the collection of contractual cash flows where those cash flows have specified dates and represent solely payments of principal and interest, such as cash and cash equivalents or trade receivables.

The Group's financial assets are initially measured at fair value where the contractual cash flows do not solely represent payments of principal and interest, such as trade and other receivables.

Subsequent measurement

Financial assets held for the collection of contractual cash flows that are solely payments of principal and interest (and classified as amortised cost) are subsequently measured at amortised cost using the effective interest rate method (EIR). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the income statement. Allowance for impairment is estimated on a case-by-case basis.

A gain or loss on a financial asset measured at fair value through profit or loss is recognised in the income statement in the period in which it arises.

Derecognition

A financial asset is derecognised when the Group loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses that might arise on financial assets measured at amortised cost. This assessment considers the probability of a default event occurring that could result in the expected cash flows due from a counterparty falling short of those contractually agreed.

Expected credit losses are estimated for default events possible over the lifetime of a financial asset measured at amortised cost. However, where the financial asset is not a trade receivable measured at amortised cost and there have been no significant increases in that financial asset's credit risk since initial recognition, expected credit losses are estimated for default events possible within 12 months of the reporting date.

(ii) Financial liabilities

Classification and initial measurement

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at amortised cost or fair value through profit or loss. The Group determines the classification of its financial liabilities at initial recognition.

The Group's financial liabilities include trade and other payables, other liabilities and borrowings which are classified as amortised cost. Trade payables may be designated and measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis.

All financial liabilities are recognised initially at fair value while financial liabilities at amortised cost additionally include directly attributable transaction costs.

Subsequent measurement

Trade and other payables, borrowings and other financial liabilities are subsequently measured at amortised cost using the EIR method after initial recognition. Gains and losses are recognised in the income statement through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

A gain or loss on a financial liability measured at fair value through profit or loss is recognised in the income statement in the period in which it arises.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is an enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(iv) Fair value of financial instruments

At each reporting date, the fair value of financial instruments that are traded in active markets is determined by reference to quoted market prices, without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, term deposits and short-term highly liquid investments with the original term to maturity of three months or less, which are convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

EXPLORATION ASSETS (E&E)

E&E costs, including costs of licence acquisition, technical services and studies, exploratory drilling, whether successful or unsuccessful, and testing and directly attributable overhead, are capitalised as E&E assets according to the nature of the assets acquired. These costs are accumulated in cost centres by well, field or exploration area pending determination of technical feasibility and commercial viability.

E&E assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

The technical feasibility and commercial viability of extracting a resource is generally considered to be determinable when proven and/or probable reserves are determined to exist. A review of each exploration licence or field is carried out, at least annually, to ascertain whether it is technically feasible and commercially viable. Upon determination of technical feasibility and commercial viability, intangible E&E assets attributable to those reserves are first tested for impairment with the unimpaired amounts reclassified from E&E assets to a separate category within tangible assets within Property, Plant and Equipment referred to as oil and gas interests.

Once the commercial viability of a resource has been proven and/or probable and reserves have been determined to exist, the intangible E&E asset attributable to those reserves are then transferred to oil and natural gas properties within PP&E and then depleted over its useful life on a unit of production basis.

Costs incurred prior to the legal awarding of petroleum and natural gas licences, concessions and other exploration rights are recognised in profit or loss as incurred.

PROPERTY PLANT AND EQUIPMENT (PP&E) - OIL AND NATURAL GAS PROPERTIES

Items of PP&E, which include oil and gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. PP&E assets include costs incurred in developing commercial reserves and bringing them into production, such as drilling of development wells, tangible costs of facilities and infrastructure construction, together with the E&E expenditures incurred in finding the commercial reserves that have been reclassified from E&E assets as outlined above, the projected cost of retiring the assets and any directly attributable general and administrative expenses. Expenditures on developed oil and natural gas properties are capitalised to PP&E when it is probable that a future economic benefit will flow to the Company as a result of the expenditure and the cost can be reliably measured. The initial cost of an asset is comprised of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligations associated with the asset and borrowing costs on qualifying assets. When significant parts of an asset with PP&E, including oil and gas interests, have different useful lives, they are accounted for as separate items (major components).

Costs incurred after the determination of technical feasibility and commercial viability and the costs of replacing parts of PP&E are recognised as capitalised oil and gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. Subsequent changes in estimated decommissioning obligation due to changes in timing, amounts and discount rates are included in the cost of the asset. Such capitalised oil and gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognised. The costs of the day-to-day operating of PP&E are recognised in profit or loss as incurred.

Depletion

The net carrying amount of PP&E is depleted on a field-by-field unit of production method by reference to the ratio of production in the year to the related proven and probable reserves. These reserves represent full field recoverable reserves and not just those recoverable to the end of the current licence period. If the useful life of the asset is less than the reserve life, the asset is depreciated over its estimated useful life using the straight-line method. Future development costs are estimated considering the level of development required to produce the proven and probable reserves. These estimates are reviewed by third party independent reserves engineers. Changes in factors such as estimates of reserves that affect unit-of-production calculations are dealt with on a prospective basis. Capital costs for assets under construction included in development and production assets are excluded from depletion until the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Disposals

Oil and natural gas properties are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on derecognition of the asset, including farm out transactions or asset sales or asset swaps, is calculated as the difference between the proceeds on disposal, if any, and the carrying value of the asset, is recognised in profit or loss in the period of derecognition.

PP&E - OFFICE AND OTHER EQUIPMENT

Office and other equipment are carried at cost less accumulated depreciation and impairment losses. Depreciation of the cost of these assets less residual value is charged to profit and loss on a straight-line basis over their estimated useful economic lives of between three and five years.

LEASES

IFRS 16 Leases applies to all leases, including subleases, except for leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources.

The Company has not elected to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

DECOMMISSIONING OBLIGATION

Decommissioning obligations are recognised for legal obligations related to the decommissioning of long-lived tangible assets that arise from the acquisition, construction, development or normal operation of such assets. A liability for decommissioning is recognised in the period in which it is incurred and when a reasonable estimate of the liability can be made with the corresponding decommissioning provision recognised by increasing the carrying amount of the related long-lived asset. The recognised decommissioning provision is subsequently allocated in a rational and systematic method over the underlying asset's useful life. The initial amount of the liability is accreted by charges to the profit or loss to its estimated future value.

IMPAIRMENT

The carrying values of production assets, E&E expenditures that have been capitalised and property, plant and equipment (PPE) are assessed for impairment when indicators of such impairment exist. In performing impairment reviews, assets are categorised into the smallest identifiable groups, cash generating units (CGU), that generate cash flows independently. If any indication of impairment exists, the estimated recoverable amount of the asset or CGU is calculated. If the carrying amount of the asset or CGU exceeds its recoverable amount, it is impaired with the loss charged to the income statement to reduce the carrying amount to its recoverable amount. Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset or CGU. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount.

(i) Calculation of recoverable amount

The recoverable amount of an asset or CGU is the greater of its value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows of the asset or CGU in its present condition are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, consideration will be given to whether the value of the asset or CGU can be determined from an active market (e.g. recognised exchange) or a binding sale agreement which are classified as level 1 in the fair value hierarchy under IFRS 13 'Fair Value Measurements'. Where this is not determinable, fair value less costs to sell for a CGU is usually estimated with reference to a discounted cash flow model, similar to the method used for value in use, but may include estimates of future production, revenues, costs and capital expenditure not currently included in the economic model. Additionally, cash flow estimates include the impact of tax and are discounted using a post-tax discount rate. An estimate made on this basis is classified as level 3 in the fair value hierarchy.

(ii) Reversals of impairment

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised for the asset in prior years. Such reversals are recognised in the income statement. Impairment losses recognised in relation to goodwill are not reversed for subsequent increases in the recoverable amount.

SHARE CAPITAL

The proceeds from the exercise or vesting of share options and the issuance of shares from treasury are recorded as share capital in the amount for which the option, warrant, or treasury share enables the holder to purchase a share in the Company.

Proceeds for shares in excess of the nominal value are recorded within share premium.

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2022

SHARE ISSUANCE COSTS

Commissions paid to underwriters, and other related share issue costs, such as legal, auditing and advisory, on the issue of the Company's shares, are charged directly to share capital, net of tax within the share premium account.

SHARE BASED PAYMENTS

The fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and share based compensation is accrued and charged to profit or loss, with an offsetting credit to equity reserve over the vesting periods. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of options that vest.

CAPITALISATION OF INTEREST

The Company capitalises interest expense incurred during the construction phase of the projects, except E&E assets which were funded by the related financing.

REVENUE RECOGNITION

Natural gas revenues are recognised upon the transfer of control over its gas to its customers, TPDC and TANESCO, which is when delivery is made to them through the offtake network.

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value.

Other revenue relating to the recovery of corporate income tax, in line with the Production Sharing Agreement, are recognised in the period in which the recovery is made. These recoveries are affected through adjustments to TPDC's gas sales entitlements.

INCOME TAXES

Tax expense comprises current and deferred tax. Tax is recognised in the profit or loss except to the extent it relates to items recognised in other comprehensive income ("OCI") or directly in equity.

Current income tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and their corresponding tax basis. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits are expected to be available against which deductible temporary differences to the tax basis can be utilised. Deferred income tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill, if any, or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and joint arrangements except where the reversal of the temporary difference can be controlled, and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits are expected to be available to allow all or part of the asset to be recovered. Deferred tax assets are recognised for taxable temporary differences arising on investments in subsidiaries to the extent that it is probable that the temporary difference will reverse in the foreseeable future and future taxable profits are expected to be available against which the temporary difference can be utilised.

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the legal entity operates (the "functional currency"). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognised in profit or loss.

The functional currency of all Wentworth subsidiaries is US dollars except for Wentworth Resources (UK) Limited which is Pound Sterling. The assets and liabilities of this Company are translated into US dollars at the period-end exchange rate. The income and expenses of the Company are translated to US dollars at the average exchange rate for the period.

Translation gains and losses are included in OCI; however, Wentworth Resources (UK) Limited has limited operations so there is no significant amount of foreign exchange gains and losses to include in OCI. All other foreign exchange gains and losses are recognised in profit or loss.

EARNINGS OR LOSS PER SHARE (EPS)

Basic earnings or loss per share is calculated by dividing profit or loss attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period. The denominator is calculated by adjusting the shares outstanding at the beginning of the period by the number of shares bought back or issued during the period, multiplied by a time-weighting factor.

Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of all dilutive potential ordinary shares deemed to have been converted at the beginning of the period or if later, the date of issuance. The effects of anti-dilutive potential ordinary shares are ignored in calculating diluted EPS.

3. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Group's accounting policies, the preparation of consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts may differ materially from these estimates due to changes in general economic conditions, changes in laws and regulations, changes in future operating plans and the inherent imprecision associated with estimates. Significant estimates and judgments used in the preparation of these consolidated financial statements include the assessment of impairment triggers related to E&E and PP&E assets and recognition of a deferred tax asset.

3.1 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

RECOVERABLE VALUE OF MNAZI BAY E&E AND NATURAL GAS PROPERTIES COSTS

Significant accounting Judgements

Oil and gas assets are inherently judgmental to value. The Directors review the carrying value of the Groups assets to determine whether there are any indicators of impairment such that the carrying values of the assets may not be recoverable. The assessment of whether an indicator of impairment or reversal thereof has arisen requires considerable judgement, taking account of factors such as future operational and financial plans, commodity prices and the competitive environment.

Indicators of impairment also include but are not limited to; declines in market value; company net assets in excess of market capitalisation; obsolescence or physical damage; economic performance worse than expected; or substantive expenditure in the specific area is neither budgeted nor planned. The outcome of ongoing production and exploration activities and whether their carrying values will ultimately be recovered is inherently uncertain and requires significant judgement.

Management performs impairment testing on the Group's producing and non-producing assets when indicators of impairment are present. The assessment of impairment indicators is subjective and considers the various internal and external factors such as the financial performance of individual CGUs, market capitalisation and industry trends.

The period over which future cash flows are considered for impairment testing is an area of judgment. Impairment testing was conducted over the licence term, which expires in 2031.

Judgement was applied in determining the fair value less cost of disposal for the natural gas properties. The offer price for the shares of the Group by M&P provides the basis for the fair market value of the business. Judgment is involved in deriving the fair value of the natural gas asset from the fair value of the business based on the offer price for the Group's shares.

Key sources of estimation uncertainty

The preparation of discounted cash flows used to assess the recoverable amount of the Group's CGU includes management's estimates of future operating costs, economic and regulatory environments, capital expenditures requirements, cost recovery estimates, long term field plans and other factors including discount rates and the total level of reserves deemed to be commercial.

The valuation underpinning the carrying value of producing and non-producing assets are largely dependent on supply and demand variables.

The gas sales price is fixed, subject to an annual inflation index linked to the US consumer prices index to 2031 and the cost base of production operations is also largely fixed in nature. Whilst the benefits of increased production volumes are clear, the opposite is equally true during operational downtime, prolonged or permanent gas supply outages which may in turn impact upon the commerciality of the field. Mnazi Bay currently has 5 producing wells and formally signed the Commercialisation of Discovery making all terms contained within the Mnazi Bay GSA legally binding and fully in effect from 10 September 2019. Mnazi Bay is committed to supplying a minimum quota of natural gas to TPDC and TANESCO of 90 MMscf/day rising to 130 MMscf/day for the entire remaining term of the GSA and is guaranteed of future revenue streams via a take or pay provision of 85% of these amounts. This greatly strengthens and formally ratifies the long-term commerciality of the Mnazi Bay asset.

Sensitivities were run on the following variables:

- Field production per well, noting that the engineering solutions utilised on Mnazi Bay allow for the production of multiple hydrocarbon bearing horizons from certain wells;
- The operating and development costs of producing gas from Mnazi bay;
- The impact of increased sales invoice delinquency upon future cash flows; and
- Currency settlement denomination variables, currently in US dollars, noting that in certain circumstances an election for settlement in Tanzanian Shillings may be made by TPDC.

The above sensitivities impact the value in use of the cash generating unit, which was found to be lower than the fair market value. Given that the fair value less cost to sell was used as the recoverable amount, the Directors have not indicated the quantitative impact of the above sensitivity analysis.

Summary of PPE &EE impairment

At the year-end, a full impairment test was conducted on the Mnazi Bay CGU, which comprises the production asset and the evaluation and exploration asset, as there was an indication of impairment with respect to the discrepancy between the market capitalisation of the Company as at 31 December 2022 of $66.1 million and the net asset of the group of $90.5 million.

Given the existence of impairment indicators, the Group determined the of Value-in-use (VIU) and the Fair value less cost to sell (FVLCS) of the cash generating unit and have selected the higher of the two as the recoverable amount.

The full impairment testing ultimately determined that the recoverable amount was lower than the carrying value at the year-end, which resulted in an impairment of $25.0 million. Due to there being no formal agreement between Mnazi Bay partners to sanction further expenditure on non-producing assets, $8.1 million of the impairment loss has been applied against the carrying value of the E&E assets reducing the carrying value down to $nil. At such time as the Group, alongside its JV partners in Mnazi Bay, undertake future exploration activities, this provision will be reviewed and dependent upon the outcome of these activities may be reversed in part or in full. A total of $16.9 million has been provided against the producing asset in Mnazi bay, reducing the carrying value down to $41.8 million from $58.7 million. Irrespective of the above accounting treatment, the asset continues to outperform expectations and 2022 remains the strongest performing year in its production history. (See notes 12 and 13).

RESERVES ESTIMATES

Significant accounting judgements

The Directors use judgement and experience to determine the timing and quantum of volumes expected to be recovered from producing fields to be able to calculate a probabilistic base-case value-in-use for its assets. This valuation may vary in response to changes in field performance over time and the Company expects that there will likely be revisions upward or downward based on updated information such as the results of future drilling, oil and gas production levels and reservoir performance.

Key sources of estimation uncertainty

Oil and natural gas reserves, prepared by an external independent reserve evaluator as at 31 December 2022, are used in the calculation of depletion, impairment and impairment reversal determinations and recognition of deferred tax asset. Reserve estimates are based on engineering data, estimated future prices and costs, expected future rates of production and the timing of future capital expenditures; all of which are subject to many uncertainties and certain input assumptions.

3.2 OTHER ACCOUNTING JUDGEMENTS AND ESTIMATES

TAXES

Other accounting judgements

The Directors make judgements in relation to the recognition of various taxes levied on the Group, which are both payable and recoverable. Judgement applies as the Group operates in countries where the legal and tax systems are less developed, which increases the requirement for management to make assumptions as to whether certain payments will be required related to matters such as income taxes, value added taxes, and other indirect taxes as well as outcomes of any tax disputes which would affect the recognition of tax liabilities and deferred tax assets. A provision is recognised in the financial statements for such matters if it is considered probable that a future outflow of cash resources will be required. The provision, if any, is subject to management estimates and judgements with respect to the outcome of the event, the costs to defend, the quantum of the exposure and past practice in the country.

Key sources of estimation uncertainty

Estimates may be made to determine the amount of taxes recoverable, principally deferred tax assets. Commercial production and gas sales under the Gas Sales Agreement, allows for the recognition of a deferred tax asset within the financial statements. The amount that the company recognizes is subject to the following estimates:

- The timing of future profits for the utilization of tax losses from the current tax pools which are based on management assessments and forecasts of future performance;
- The effective tax rate at which the losses will be utilised throughout the Group which is currently the tax rate of Tanzania as this is where all of the Group's operations are;
- The status of any current tax assessments and disputes and their impact on the deferred tax pool on a probabilistic basis; and
- Any material changes in legislation that may impact upon the fiscal regime on which the deferred tax asset is computed.

Changes in these estimates within a reasonably possible range in the next 12 months are not expected to significantly alter the carrying amount of the Groups taxes that are recoverable.

The Group engages early with tax authorities where it has or will enter into a large or complicated transaction that is subject to interpretation and, in Tanzania, completed its most recent Tanzanian Revenue Authority (TRA) audit for the years of 2018 to 2020 in January 2021, the result of which was an agreed assessment for taxes totalling $9k. Recently, the TRA issued a determination for disputed 2018 to 2020 CIT assessments totalling $126k and we are awaiting revised assessments to establish the liability which remains.

The tax audit for the fiscal year 2021 was completed in October 2022, with an agreed assessment of $1.1 million for CIT which has been recognised within revenue and also trade and other receivables, the amount will ultimately be recovered from TPDC profit gas. An assessment for VAT of $9k was also made by the TRA. Recently, the TRA issued a determination on disputed assessments for 2021 employment taxes totalling $121k of which assessments for employment taxes totalling $115k have been dropped leaving a tax liability of $6k.

4. SEGMENT INFORMATION

The Company conducts its business through the Tanzania ("Mnazi Bay Concession") segment. Gas operations include the exploration, development, and production of natural gas and other hydrocarbons. The Corporate segment activities include investment income, interest expense, financing related expenses, share based compensation relating to corporate activities and general corporate expenditures. Inter-segment transfers of products, which are accounted for at market value, are eliminated on consolidation.

NET INCOME/(LOSS) FOR THE YEAR-ENDED 31 DECEMBER 2022

	Tanzania Operations $000	Corporate $000	Consolidated $000
Total revenue	**37,709**	**-**	**37,709**
Production costs	(4,273)	-	(4,273)
Depletion	(7,962)	-	(7,962)
Total cost of sales	(12,235)	-	(12,235)
Gross profit	**25,474**	**-**	**25,474**
Recurring administrative costs	(2,852)	(4,869)	(7,721)
Proposed acquisition costs	-	(1,256)	(1,256)
New venture and pre – licence costs	-	(335)	(335)
Value Added Tax write-off	-	(607)	(607)
Impairment of E&E and PPE	(25,000)	-	(25,000)
Share-based payment charges	(194)	(914)	(1,108)
Depreciation and depletion	(97)	(1)	(98)
Total costs	**(28,143)**	**(7,982)**	**(36,125)**
Loss from operations	**(2,669)**	**(7,982)**	**(10,651)**
Finance income	131	494	625
Finance costs	(125)	(112)	(237)
Loss before tax	**(2,663)**	**(7,600)**	**(10,263)**
Current tax expense	(8,574)	-	(8,574)
Deferred tax	5,857	-	5,857
	(2,717)	-	(2,717)
Net loss and comprehensive loss from continued operation	**(5,380)**	**(7,600)**	**(12,980)**

NET INCOME/(LOSS) FOR THE YEAR-ENDED 31 DECEMBER 2021

	Tanzania Operations $000	Corporate $000	Consolidated $000
Total revenue	**23,818**	**-**	**23,818**
Production costs	(3,800)	-	(3,800)
Depletion	(6,267)	-	(6,267)
Total cost of sales	(10,067)	-	(10,067)
Gross profit	**13,751**	**-**	**13,751**
Recurring administrative costs	(1,988)	(4,436)	(6,424)
New venture and pre-licence costs	-	(502)	(502)
Share-based payment charges	(115)	(422)	(537)
Depreciation and depletion	(50)	-	(50)
Total costs	**(2,153)**	**(5,360)**	**(7,513)**
Profit/(loss) from operations	**11,598**	**(5,360)**	**6,238**
Finance income	137	2	139
Finance costs	998	(1,367)	(369)
Profit/(loss) before tax	**12,733**	**(6,725)**	**6,008**
Current tax expense	(1,321)	-	(1,321)
Deferred tax	1,380	-	1,380
	59	-	59
Net profit/(loss) and comprehensive profit/(loss) from continued operation	**12,792**	**(6,725)**	**6,067**

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2022

SELECTED BALANCES AT 31 DECEMBER 2022

	Tanzania Operations $000	Mozambique (Discontinued)[1] $000	Corporate $000	Consolidated $000
Current assets	23,546	205	18,266	42,017
Property, plant and equipment	41,814	-	-	41,814
Deferred tax asset	14,097	-	-	14,097
Total assets	**79,457**	**205**	**18,266**	**97,928**
Current liabilities	3,955	11	1,657	5,623
Non-current liabilities	1,818	-	-	1,818
Total Liabilities	**5,773**	**11**	**1,657**	**7,441**
Capital additions for the year-ended 31 December 2022				
Additions to property, plant and equipment	530	-	-	530
Disposals	(211)	-	-	(211)
Change in decommissioning liability	(250)	-	-	(250)
Total additions	**69**	**-**	**-**	**69**

SELECTED BALANCES AT 31 DECEMBER 2021

	Tanzania Operations $000	Mozambique (Discontinued)[1] $000	Corporate $000	Consolidated $000
Current assets	19,764	101	8,505	28,370
Exploration and evaluation assets	8,129	-	-	8,129
Property, plant and equipment	66,464	-	1	66,465
Deferred tax asset	8,239	-	-	8,239
Total assets	**102,596**	**101**	**8,506**	**111,203**
Current liabilities	1,704	-	799	2,503
Non-current liabilities	1,929	-	-	1,929
Lease liability	36	-	-	36
Total Liabilities	**3,669**	**-**	**799**	**4,468**
Capital additions for the year-ended 31 December 2021				
Additions to property, plant and equipment	186	-	-	186
Disposals	(17)			(17)
Change in decommissioning liability	289	-	-	289
Total additions	**458**	**-**	**-**	**458**

[1] Discontinued operations represent Wentworth Moçambique Petroleos, Limitada which is in the process of liquidation after relinquishment of the Tembo Block Appraisal licence in April 2019.

5. REVENUE

	2022 $000	2021 $000
Revenue from gas sales	**30,792**	23,622
Revenue from condensate sales	**9**	33
Other revenue	**6,908**	163
	37,709	23,818

Other revenue includes $3.0 million (2021: 163k) of corporate income tax (CIT) recovery within WGL. It also includes $1.8 million and $2.1 million of CIT recovery within CMBL for the financial years of 2022 and 2021 respectively (see note: 23). CIT is recovered through adjustments to TPDC gas sales entitlements.

6. ADMINISTRATIVE COSTS

	2022 $000	2021 $000
Employee salaries and benefits (note 7)	**2,213**	1,915
Executive director costs (note 8)	**742**	927
Contractors and consultants	**1,199**	1,100
Travel and accommodation	**423**	182
Professional, legal and advisory	**967**	311
Auditor's remuneration	**496**	326
Office and administration	**521**	408
Corporate and public company costs	**1,160**	1,255
	7,721	6,424
Auditor's remuneration comprises:		
Audit of these financial statements	**243**	159
Audit of financial statements of subsidiaries of the Company	**180**	124
Other tax advisory services	**73**	43
	496	326

During the year the Company incurred regulatory, legal and consultancy costs with respect to proposed acquisition transaction expenditures amounting to $1,256k (2021: nil).

	2022 $000	2021 $000
Regulatory costs	**794**	-
Legal costs	**258**	-
Consultancy costs	**204**	-
	1,256	-

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2022

During the year the Company incurred legal and consultancy costs with respect to new venture and pre-licence appraisal expenditures amounting to $335k (2021: $502k).

	2022 $000	2021 $000
Legal costs	277	301
Consultancy costs	58	201
	335	502

During the year the Company wrote off Value Added Tax recoverable amounting to $607k (2021: nil) which was disallowed by HM Revenue & Customs.

	2022 $000	2021 $000
Legal costs	607	-
	607	-

7. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company during the year, analysed by category, was as follows:

	2022 Number of employees	2021 Number of employees
Senior Managers	2	2
Managers and supervisors	7	7
Support staff	7	7
	16	16

The aggregate payroll costs were as follows:

	2022 $000	2021 $000
Salaries	1,219	856
Social security costs	216	103
Bonuses	338	206
Other staff costs	440	750
Employee salaries and benefits (note 6)	2,213	1,915
LTIP charges	312	134
	2,525	2,049

8. DIRECTORS' REMUNERATION

	2022 $000	2021 $000
Executive director costs		
Remuneration	404	427
Bonuses	303	357
Contractual termination payments	-	100
Pensions	35	43
Executive director costs	742	927
Non-executive directors' remuneration	271	430
LTIP charges	795	403
	1,808	1,760

The aggregate remuneration of the highest paid Director was $404k (2021: $427k). During 2021, contractual termination payments, relate to amounts paid to Bob McBean who retired as Company Chairman.

For additional segregation by Director, refer to Total Remuneration of Executive Director Table and Total Remuneration of Non-Executive Directors Table contained within the Remuneration Committee Report.

9. FINANCE INCOME AND FINANCE COSTS

	2022 $000	2021 $000
Finance income		
Foreign exchange gain	431	-
Interest income	178	128
Gain on disposal of PP&E	16	-
Reversal of expected credit losses on TANESCO receivable (note 10)	-	11
	625	139
Finance costs		
Accretion – decommissioning provision (note 16)	(139)	(126)
Intercompany loan withholding tax costs	(60)	(58)
Bank charges	(33)	(21)
Lease interest expenses (note 17)	(5)	(8)
Foreign exchange loss	-	(137)
Renewal fee on overdraft facility	-	(19)
	(237)	(369)

10. TRADE AND OTHER RECEIVABLES

	2022 $000	2021 $000
Trade receivable from TPDC	**2,479**	1,917
Other receivable from Operator - M&P	**2,747**	1,087
Trade receivable from TANESCO	**1,035**	351
Other receivable from TPDC	**3,563**	378
Other receivables	**1,277**	1,817
	11,101	5,550

At 31 December 2022, $2.5 million is receivable from TPDC (2021: $1.9 million) representing one month of gas sales (2021: one month).

At 31 December 2022, $2.7 million is receivable from the Operator, M&P (2021: $1.1 million) representing one month of gas sales of $2.5 million which was paid by TPDC to M&P in December 2022 but payment to Wentworth was made in January 2023. The receivable from Operator – M&P also include $265k (2021: 62k) representing two months gas sales paid by TANESCO to M&P in November 2022 but payment to Wentworth was made in January 2023.

At 31 December 2022, $1 million is receivable from TANESCO (2021: $351k) representing seven months of gas sales (2021: three months).

Other receivables from TPDC represent income tax of $2.9 million (2021: $378k) paid by WGL, a wholly owned subsidiary of the Company and income tax of $675k (2021: nil) paid by CMBL, a 39.925% owned subsidiary of the Company. The income tax is anticipated to be recovered from TPDC's share of profit gas within the next 12-months under the terms of the Mnazi Bay PSA, which provides such a mechanism for the recovery of all corporate taxes.

Other receivables include VAT recoverable of $306k (2021: 886k), corporate tax prepayments of $546k (2021: $483k), various prepaid expenses $425k (2021: $88k). In accordance with IFRS 9 the Company notes no material expected credit losses.

11. GOVERNMENT OF TANZANIA RECEIVABLES

The Group has an agreement with the Government of the United Republic of Tanzania (TANESCO, TPDC and the Ministry of Energy and Minerals) to be reimbursed for all the project development costs associated with Umoja T&D expenditures at cost. An audit of the Mtwara Energy Project ("MEP") development expenditures was completed in November 2012 and costs of approximately $8.1 million were verified to be reimbursable. After deducting costs associated with the Tariff Equalisation Fund and VAT input credits associated with the MEP totalling $1.6 million, the amount agreed to be reimbursed was $6.5 million.

During 2017, the Government initiated its first review of the costs to verify the balance owing by it. On 8 February 2018 the Government issued the results which differed from the previously audited and approved gross receivable of $6.5 million, which the Group maintains was accurate and correct.

The Government is conducting a second ongoing review and due to the age and uncertainty surrounding the receivable and its recoverability, the Group made a provision in-full during 2018 against the carrying amount without prejudice to the ongoing commercial discussions with the Government, the Group has reviewed this at the year-end and continues to consider the provision is appropriate.

12. EXPLORATION AND EVALUATION ASSETS

	Tanzania $000
Cost	
Balance at 31 December 2021 and 2022	8,129
Accumulated Impairment	
Balance at 31 December 2021	-
Impairment charge for the year	(8,129)
Balance at 31 December 2022	**(8,129)**
Carrying amounts	
31 December 2021	8,129
31 December 2022	**-**

At the year-end the carrying value of these assets were assessed for impairment. The impairment test ultimately determined that the recoverable amount was less than the carrying amount and all E&E assets were fully impaired (see note 13).

13. PROPERTY, PLANT AND EQUIPMENT

	Natural gas properties $000	Office and other equipment $000	Right of use $000	Total $000
Cost				
Balance at 31 December 2020	104,400	613	-	105,013
Additions	28	34	124	186
Disposals	-	(17)	-	(17)
Change in decommissioning liability	289	-	-	289
Balance at 31 December 2021	104,717	630	124	105,471
Additions	321	198	11	530
Disposals	-	(211)	-	(211)
Change in decommissioning liability	(250)	-		(250)
Balance at 31 December 2022	**104,788**	**617**	**135**	**105,540**
Accumulated depreciation, depletion and impairment				
Balance at 31 December 2020	(32,097)	(609)	-	(32,706)
Depreciation and depletion	(6,267)	(5)	(45)	(6,317)
Disposals	-	17	-	17
Balance at 31 December 2021	(38,364)	(597)	(45)	(39,006)
Impairment	(16,871)	-	-	(16,871)
Depreciation and depletion	(7,962)	(46)	(52)	(8,060)
Disposals	-	211	-	211
Balance at 31 December 2022	**(63,197)**	**(432)**	**(97)**	**(63,726)**
Carrying amounts				
31 December 2021	66,353	33	79	66,465
31 December 2022	**41,591**	**185**	**38**	**41,814**

During the year a full impairment test was conducted on the Mnazi Bay asset as there was an indication of impairment with respect to the difference between the offer made for 100% of the issued and to be issued share capital of the Company and its net assets prior to the recognition of an impairment loss. This implied fair value of the cash generating unit is derived from the agreed offer price adjusted for cash and other monetary assets and liabilities, provided a higher recoverable amount for the year ended 31 December 2022, compared to the value-in-use of the cash generating unit as at that date. An impairment provision of $25.0 million has therefore been recognised, reducing the carrying value of the CGU to the recoverable amount of $41.8 million from $66.8 million.

The impairment loss has been limited to the measurable fair value less costs to disposal of the individual assets within the CGU. The fair value of the asset is categorised as level 2 and was determined with reference to the offer price, adjusted for additional factors considered in agreeing to the offer price. A $8.1 million impairment loss has been applied against the carrying value of the E&E assets reducing the carrying value down to $nil. At such time as the Group, alongside its JV partners in Mnazi Bay, undertake future exploration activities, this provision will be reviewed and dependent upon the outcome of these activities may be reversed in part or in full. A total of $16.9 million has been provided against the producing asset in Mnazi bay, reducing the carrying value down to $41.8 million from $58.7 million. Irrespective of the above accounting treatment, the asset continues to outperform expectations and 2022 remains the strongest performing year in its production history.

During the year, the Group made additions to PPE totalling $519k (2021: $62k). Right of use asset addition of $11k (2021: $124k) relate to office space leased in Tanzania. Disposals related to office furniture and others equipment disposed during the year. A change to the assumptions used in calculating the decommissioning and abandonment provisions resulted in further additions of ($250k) (2021: $289k) (see note 16). Assets disposals $211k (2021: $17k) includes disposal of vehicles.

14. SUBSIDIARY AND JOINT UNDERTAKINGS

The subsidiary and joint undertakings at 31 December 2022 are:

Legal entity	Country of incorporation	Class of shares held	Types of ownership	Percentage holding	Nature of business
Wentworth Resources (UK) Limited	United Kingdom	Ordinary	Direct	100%	Investment holding company
Wentworth Holding (Jersey) Limited	Jersey	Ordinary	Direct	100%	Investment holding company
Wentworth Tanzania (Jersey) Limited	Jersey	Ordinary	Indirect	100%	Investment holding company
Wentworth Gas (Jersey) Limited	Jersey	Ordinary	Indirect	100%	Investment holding company
Wentworth Gas Limited	Tanzania	Ordinary	Indirect	100%	Exploration production company
Cyprus Mnazi Bay Limited [1]	Cyprus	Ordinary	Indirect	39.925%	Exploration production company
Wentworth Mozambique (Mauritius) Limited	Mauritius	Ordinary	Indirect	100%	Investment holding company
Wentworth Moçambique Petroleos, Limitada [2]	Mozambique	Ordinary	Indirect	100%	Investment holding company

[1] CMBL is considered a jointly controlled entity and accounted for as a joint operation rather than a JV (see note 1 for further details).

[2] The Wentworth Moçambique Petroleos, Limitada is in the process of liquidation following the relinquishment of the Tembo Block Appraisal Licence in April 2019.

15. TRADE AND OTHER PAYABLES

	2022 $000	2021 $000
Payable to Maurel et Prom (Operator)	**1,634**	1,222
Trade payables	**1,070**	250
Other payables and accrued expenses	**2,919**	1,031
	5,623	2,503

Other payables and accrued expenses include income tax liability $994k (2021: nil), bonuses of $682k (2021: $606k), audit and tax advice fees of $350k (2021: $320k), other third-party services of $852k (2021: $59k) and current lease liability $41k (2021: $46k)

16. DECOMMISSIONING AND ABANDONMENT PROVISION

The Company's decommissioning provision results from net ownership interests in petroleum and natural gas assets including well sites, pipeline gathering systems and processing facilities in Tanzania. The operator of the Mnazi Bay Concession has revised the estimate of the Company's share of the undiscounted, inflation-adjusted amount of cash flows required to settle decommissioning obligations for the infrastructure within the Mnazi Bay Concession to $3.7 million (initial estimated costs was $4.2 million). Estimates of the gross cost of abandonment to the JV has decreased from $9.8 million to $7.7 million as per a revised abandonment cost study prepared by TSB Offshore in 2021. The projected costs have decreased due to the expectation that a local contractor will perform the work. Costs have been discounted back to 2031, the current licence expiry date, however a further 10-year extension beyond this to 2041 would likely be awarded, deferring this expenditure until that date. The obligations have been estimated using existing technology at current prices inflated and discounted using discount rates that reflect current market assessments of the time value of money and the risks specific to each liability.

A reconciliation of the decommissioning obligations is provided below:

	2022 $000	2021 $000
Balance at 1 January	1,929	1,514
Change in accounting estimates	(250)	289
Accretion (Note 9)	139	126
Balance at 31 December	1,818	1,929

The change in the accounting estimate of ($250k) during the year comprises:

- Change in inflation rate from 3.16% in 2021 to 4.20% in 2022 (2021: from 1.36 to 3.16%);
- Revised estimated gross abandonment cost which has decreased from $9.8 million to $7.7 million in 2022 (2021: nil).

The same discount rate of 8.3% was used for year 2022 and 2021.

17. LEASE LIABILITY

	2022 $000	2021 $000
Balance at 1 January	82	-
Additions	11	124
Lease interest expenses	5	8
Lease payment	(57)	(50)
Balance at 31 December	41	82
Current	41	46
Non-current	-	36

During the year, the Company recognised a lease liability of $41k (2021: $82k), the whole amount is current (2021: $46k) and is presented in trade and other payables. The lease liability was initially recognised in year 2021 with the assumption that the office in Dar Es Salaam would have been leased for the next two years, up to September 2023. Should the lease be extended the lease liability will be revised.

18. REPURCHASE OF OWN SHARES

	2022 $000	2021 $000
Settlement of 866,572 ordinary shares at various prices each	243	-
Settlement of 7,500,000 ordinary shares at 20.0 pence (26 cents) each	-	1,982
	243	1,982

During 2022, the Company repurchased 867k ordinary shares totalling $243k, which were cancelled and removed from the share register during the first half of 2022 (see note 20).

During 2021, the Company repurchased 7.5 million ordinary shares totalling $2.0 million which included $1.2 million for 4.5 million ordinary shares repurchased on 17 December 2021, cancelled and removed from the share register on 30 December 2021. The balance of $793k for 3.0 million ordinary shares repurchased on 17 December 2021 was held in treasury and recognised within equity reserves at 31 December 2021 (see note 20) and used to satisfy upcoming obligations in respect of the employee share plan.

19. SHARE-BASED PAYMENTS

	2022 $000	2021 $000
Share based compensation recognised in the statement of comprehensive loss	1,108	537

Movement in the total number of share options outstanding and their related weighted average exercise prices are summarised as follows:

	2022		2021	
	Number of options	Weighted average exercise price ($)	Number of options	Weighted average exercise price ($)
Outstanding at 1 January	10,749,451	0.17	7,813,711	0.30
Granted	4,031,020	-	4,325,815	-
Forfeited	(500,000)	0.26	-	-
Lapsed	(495,422)	0.26	(1,390,075)	0.38
Outstanding at 31 December	13,785,049	0.07	10,749,451	0.17

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2022

The following table summarises share options outstanding and exercisable at 31 December 2022:

		Outstanding		Exercisable
Exercise price (NOK)	Exercise price ($)[1]	Number of options	Weighted average remaining life (years)	Number of options
-	-	1,016,430	9.5	-
-	-	3,014,590	9.2	-
-	-	957,447	8.9	-
-	-	3,368,368	8.5	-
-	-	942,593	7.9	-
-	-	2,485,621	7.0	-
3.85	0.39	750,000	3.0	750,000
4.08	0.41	250,000	0.3	250,000
5.18	0.52	1,000,000	1.2	1,000,000
		13,785,049		**2,000,000**

[1] The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at 31 December 2022 is 0.10135.

The following table summarises share options outstanding and exercisable at 31 December 2021:

		Outstanding		Exercisable
Exercise price (NOK)	Exercise price ($)[1]	Number of options	Weighted average remaining life (years)	Number of options
-	-	957,447	9.9	-
-	-	3,368,368	9.5	-
-	-	942,593	8.9	-
-	-	2,485,621	8.0	-
-	-	495,422	7.4	-
3.85	0.44	750,000	4.0	750,000
4.08	0.46	250,000	1.3	250,000
5.18	0.59	1,500,000	2.2	1,500,000
		10,749,451		**2,500,000**

[1] The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at 31 December 2021 is 0.11349.

MEASUREMENT OF FAIR VALUE

The fair value of share options is assessed on the grant date and the fair value is subsequently recognized as compensation expense over the vesting period which is three years. The fair value of options granted is measured at the date of the grant and is determined using the Black-Scholes option pricing model. The following table indicates weighted average grant date fair value and the assumptions used in the determination of the fair value of options granted during the year:

	2022	2021
Grant date fair value per option (US$)	**0.53**	0.55
Risk free interest rate (%)	**4.25**	4.25
Expected volatility (%)	**64**	59
Expected dividends (US$)	**Nil**	Nil

20. SHARE CAPITAL

Authorised, called up, allotted and fully paid	Ordinary shares		Par value	
	2022	2021	2022 $000	2021 $000
Balance at 1 January	**181,049,139**	186,488,465	**414,919**	416,426
Repurchase of own shares: Cancelled and removed from share register during the first half of year 2022.	**(866,572)**	-	**(243)**	-
Repurchase of own shares: Cancelled and removed from share register on 3 February 2021.	**-**	(939,326)	**-**	(318)
Repurchase of own shares: Cancelled and removed from share register on 30 December 2021.	**-**	(4,500,000)	**-**	(1,189)
180,182,567 (2021: 181,049,139) ordinary shares	**180,182,567**	181,049,139	**414,676**	414,919

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The 867k ordinary shares repurchased on various dates during the first half of 2022 were cancelled and removed from the share register during the same period.

The 939k ordinary shares repurchased in December 2020 were cancelled and removed from the share register on 3 February 2021. These ordinary shares have been removed from share capital.

The 4.5 million ordinary shares repurchased on 17 December 2021 were cancelled and removed from the share register on 30 December 2021. These ordinary shares have been removed from share capital.

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2022

21. EARNINGS PER SHARE (EPS)

Basic and diluted EPS

	2022 $000	2021 $000
Net (loss)/profit for the period	**(12,980)**	6,067
Weighted average number of ordinary shares outstanding	**181,049,139**	185,549,139
Weighted average number of own ordinary shares repurchased	**(518,901)**	(287,671)
	180,530,238	185,261,468
Dilutive effect of share options outstanding	**11,785,049**	8,249,451
Dilutive weighted average number of ordinary shares outstanding	**192,315,287**	193,510,919
Basic net (loss)/profit per ordinary share	**(0.07)**	0.03
Diluted net (loss)/profit per ordinary share	**(0.07)**	0.03

During the year-ended 31 December 2022 2.0 million options (2021: 2.5 million options) were excluded from the dilutive weighted average number of shares outstanding because they were anti-dilutive.

During the year, the Company repurchased 867k own ordinary shares from shareholders. The Company cancelled all repurchased ordinary shares on various dates during the first half of 2022.

On 17 December 2021, the Company repurchased 7.5 million own ordinary shares from shareholders. On 30 December 2021, the Company cancelled 4.5 million ordinary shares (see note 18). The balance of 3.0 million ordinary shares are held in treasury to satisfy upcoming obligations in respect of an employee share plan.

22. DIVIDENDS

The following dividends were declared and paid by the Company during the year.

	2022 $000	2021 $000
1.16 pence ($1.40 cents) per ordinary share (2021: 1.0 pence; ($ 0.14 cents; NOK 0.12205)	**2,680**	2,600
0.70 pence ($0.78 cents) per ordinary share (2021: 0.52 pence; $ 0.71 cents; NOK 0.06035)	**1,453**	1,320
Total dividend paid	**4,133**	3,920

On 23 July 2021 (and for VPS shareholders, the 6 August 2021), the Company paid shareholders the final year 2020 dividend of 1.0 pence ($1.4 cents; NOK 0.12205) per ordinary share. The total final dividend distribution was $2.6 million.

On 8 October 2021 (and for VPS shareholders, the 22 October 2021), the Company paid shareholders the 2021 interim dividend of 0.52 pence ($ 0.71 cents; NOK 0.06035) per ordinary share. The total interim dividend distribution was $1.3 million.

On 29 July 2022, the Company paid shareholders a final 2021 dividend of 1.16 pence ($1.40 cents) per ordinary share. The total final dividend distribution was $2.7 million.

On 7 September 2022, the Company paid shareholders an interim dividend of 0.70 pence ($0.78 cents) per ordinary share. The total interim dividend distribution was $1.5 million.

23. INCOME TAXES

The Company's income tax expense for the year-end 31 December is as follows:

Amounts recognised in profit

	2022 $000	2021 $000
Current tax expense		
Current year	4,064	163
Prior year	3,117	(4)
Withholding tax	1,393	1,162
	8,574	**1,321**
Deferred tax expense		
Prior year	2,487	(71)
Current year	(8,466)	**(2,645)**
Previously unrecognised tax losses now recognised	(1,574)	-
Other temporary differences not recognised	229	**80**
Tax losses not recognised	1,467	1,256
	(5,857)	**(1,380)**
Income tax expense	2,717	(59)

The Company's income tax expense for the year-end 31 December is as follows:

Reconciliation of tax expense

	2022 $000	2021 $000
(Loss)/profit before income taxes	(10,263)	6,008
Expected (loss)/income tax expense at combined Tanzanian rate of 30% (2021: 30%)	(3,079)	1,802
Rate differentials	267	514
Tanzania cost gas excluded from taxable income	(96)	(4,661)
Tanzania dividend withholding tax	1,393	1,162
Tanzania prior year income tax[1]	3,117	(4)
Prior year deferred tax	2,487	(71)
Previously unrecognised tax losses now recognised	(1,574)	-
Other temporary differences not recognised	229	80
Tax losses not recognised	1,467	1,256
Movement in deferred tax assets not previously recognised and other adjustments[2]	(1,494)	(137)
Income tax expense	2,717	(59)
Current tax	8,574	1,321
Deferred tax	(5,857)	(1,380)

[1] Prior year income tax includes additional tax charges incurred subsequent to assessments by the Tanzanian Revenue Authority. The amount includes prior year CIT of $1.0 million incurred by WGL and $2.1 million incurred by CMBL.

[2] Includes ($1.5 million) prior year adjustment on T&D receivable (2021: ($137k) Non-deductible expenses and non-taxable profit).

The current tax expense includes $3.0 million of CIT incurred by WGL (2021: $163k), withholding tax $1.4 million incurred by Wentworth Gas Jersey Limited ("WGJL") (2021: $1.2 million) and $1.8 million and $2.1 million of accrued CIT by CMBL for the years 2022 and 2021 respectively.

During the year 2021, Wentworth Resources plc fully recovered amounts it had historically loaned to its operating subsidiaries to explore for, and ultimately develop, gas in Mnazi Bay. The final intercompany loan repayments were made in May 2021. After this date, the repatriation of funds from the United Republic of Tanzania to Wentworth Resources plc was made by way of dividends which carry a 10% withholding tax charge. These charges totalled $1.3 million (2021: $1.2 million). The Group is in continued dialogue with the Government of the United Republic of Tanzania on the applicability of these charges to the PSA at Mnazi Bay, however, will continue to pay these charges in full until such time as talks are concluded and a final settlement is reached.

The Company operates in multiple jurisdictions with complex tax laws and regulations which are evolving over time. The Company has taken certain tax positions in its tax filings and these filings are subject to audit and potential reassessment after the lapse of considerable time. Accordingly, the actual income tax impact may differ significantly from that estimated and recorded by management.

The Company has unrecognised deductible temporary differences that results in unrecognised deferred income tax assets of:

	2022 $000	2021 $000
Non-capital losses	**5,313**	5,375
Property and equipment	**(385)**	(307)
	4,928	5,068

The total non-capital losses of the Company are $99.0 million (2021: $118.5 million) of which $81.0 million (2021: $104.0 million) are in Tanzania, $18.0 million (2021: $14.5 million) are in the UK.

A deferred tax asset is recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences and the loss carry forwards can be utilised.

	2022 $000	2021 $000
Balance at 1 January	**8,239**	6,859
Deferred income tax assets recognised in profit or loss:		
PP&E	**9,906**	1,688
Receivables	**1,488**	(3)
Non-capital losses	**(5,500)**	(518)
Asset retirement obligations	**(36)**	213
Balance at 31 December	**14,097**	8,239

The deferred tax balance at year end comprises:

	2022 $000	2021 $000
Property, plant and equipment	**(12,107)**	(22,014)
Trade and other receivables	**1,488**	-
Accumulated tax losses	**24,172**	29,673
Asset retirement obligation	**544**	580
Balance at 31 December	**14,097**	8,239

Accumulated tax loss carried forward of $80.6million (2021: $95.6 million) relate to the Company's Tanzanian subsidiary and are expected to be offset against future taxable income.

24. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. A full description of the key risks affecting the business is noted in the Business Risks section of the Strategic Report.

CREDIT RISK

Wentworth's credit risk exposure is equal to the carrying value of its cash and cash equivalents, trade, other and long-term receivables. Credit terms are 30 days from the date of invoice.

Trade and other receivables are comprised predominantly of amounts due from government owned entities in Tanzania and Value Added Tax (VAT) in Tanzania.

The Group's ongoing exposure to trade receivables from TANESCO, the state power company, relates to the gas sales from the Mnazi Bay Concession to a TANESCO owned 18-megawatt gas-fired power plant located in Mtwara, Tanzania. At 31 December 2022, the Mnazi Bay Concession partners were owed seven months of invoices for gas sales made to TANESCO, with $1.0 million owing to Wentworth (2021: $350k representing three months). After year-end, TANESCO has paid six invoices, $864k net to Wentworth.

At 31 December 2022, $265k receivable from the Operator representing two months gas sales was paid by TANESCO to M&P in November 2022, but payment to Wentworth was made in January 2023, (2021: $62k representing three months gas sales).

During 2015, the Group commenced gas sales to TPDC under a long-term gas sales agreement, the operator of the new transnational gas pipeline in Tanzania. Credit risk relating to sales to TPDC is substantially mitigated through a two-part payment guarantee structure. The first part relates to a prepayment amount of approximately three to four months of gas deliveries at current sales volumes which has been received and is held by the Operator of the Mnazi Bay Concession. The second part is a one-month replenishable letter of credit which is not yet executed. At 31 December 2022, the Mnazi Bay Concession partners were owed one-month gas sales, with $2.5 million owing to Wentworth (2021: $1.9 million representing one-month gas sales invoice). Subsequent to the year-end, TPDC paid this invoice, $2.5 million net to Wentworth.

At 31 December 2022, $2.5 million receivable from the Operator, M&P representing one month of gas sales which was paid by TPDC to M&P in December 2022 but payment to Wentworth was made in January 2023, (2021: $1.0 million representing three months gas sales for CMBL).

At 31 December 2022, an undiscounted long-term receivable of $6.5 million (2021: $6.5 million) related to the Group's disposal of T&D assets, and the costs associated with the MEP incurred in prior years by a wholly owned subsidiary of Wentworth. On 6 February 2012, the Company, TANESCO, TPDC and MEM reached an agreement that the Group's cost of historical operations in respect of the Mtwara Energy Project should be reimbursed (see note 11).

GROUP ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2022

The Group's cash and cash equivalents of $30.9 million as at 31 December 2022 (2021: $22.8 million). are held with financial institutions which are rated below. Wherever possible ratings are provided by Fitch Ratings, however, where no rating was available from either Fitch Ratings or either of the other major international credit rating agencies such as Standard & Poors or Moodys, the bank's local credit rating was used:

Financial Institutions	Rating	2022 Cash held $000	2021 Cash held $000
Standard Bank	BB-	15,045	12,270
Santander	A+	11,948	7,553
Absa Bank	BB-	2,691	12
FirstRand Bank	BB-	-	2,516
Tanzania Commercial Bank	-	733	245
Citibank Group	A	276	120
Exim Bank	-	123	-
Mauritius Commercial Bank Limited	BB-	92	92
RBC Royal Bank	AA	6	10
Petty cash	N/A	2	2
		30,916	22,820

The exposure to credit risk as at 31 December:

	2022 $000	2021 $000
Trade and other receivables[1]	6,534	4,181
Cash and cash equivalents	30,916	22,820
	37,450	27,001

[1] Trade and other receivable exclude recoverable VAT and prepaid corporate income tax of $4.6 million (2021: $1.4 million).

AGED TRADE AND OTHER RECEIVABLES

	Current	Overdue, but not impaired			Total
	1-30 days $000	31-60 days $000	61-90 days $000	>90 days $000	$000
Balance at 31 December 2022					
Trade receivables	2,787	2,644	147	683	6,261
Other receivables	2,705	-	-	2,135	4,840
	5,492	**2,644**	**147**	**2,818**	**11,101**
Balance at 31 December 2021					
Trade receivables	2,410	506	397	42	3,355
Other receivables	288	-	-	1,907	2,195
	2,698	506	397	1,949	5,550

The movement in the allowances for impairment in respect of trade receivables and contract assets during the year was as follows (see note 10):

	2022 $000	2021 $000
Balance as at 1 January	-	11
Impairment loss recognised	-	(11)
Balance as at 31 December	-	-

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not have sufficient funds to meet its liabilities as they become payable. Other than routine trade and other payables, incurred in the normal course of business.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments including future interest payments on long-term loans.

	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	Total $000
Balance at 31 December 2022				
Trade and other payables	3,873	-	-	3,873
	3,873	**-**	**-**	**3,873**
Balance at 31 December 2021				
Trade and other payables	2,503	-	-	2,503
Lease liability	-	36	-	36
	2,503	36	-	2,539

Trade and other payables include the current lease liability of $41k (2021: $46k).

The fair value of the Company's trade and other payables approximates their carrying values due to the short-term nature of these instruments. The fair value of the long-term loans approximates their carrying amounts as they bear market rates of interest. The fair value of the other liability approximates its carrying amount.

The Company has a working capital surplus at 31 December 2022 and generated positive cash flow from operations in 2022. The Company plans to pay its financial liabilities in the normal course of operations and fund future operating and capital requirements through operating cash flows, bank debt, bank overdraft credit facility and equity raises, when deemed appropriate. Operating cash flow of the Company is dependent upon the purchasers of natural gas, TPDC and TANESCO, continuing to meet their payment obligations. Any delays in collecting funds from these purchasers for an extended period could negatively impact the Company's ability to pay its financial liabilities in a timely manner in the normal course of business (see also capital management section).

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2022

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of foreign currency risk, interest rate risk and other price risk (e.g. commodity price risk). The objective of market risk management is to manage and control market price exposures within acceptable limits, while maximising returns.

COMMODITY PRICE RISK

Commodity price risk is the risk that the Company suffers financial loss as a result of fluctuations in oil or natural gas prices. The Company's exposure to commodity price risk is mitigated as the sale prices for gas sold by the Company is fixed under the existing gas sale and purchase agreements. An increase of 1% in the gas production would result in an increase of $88k (2021: $70k) in revenue.

FOREIGN EXCHANGE RISK

Foreign exchange rate risk is the risk that the Company suffers financial loss as a result of changes in the value of an asset or liability or in the value of future cash flows due to movements in foreign currency exchange rates. Wentworth operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Tanzanian Shilling and Pound Sterling against the functional currency of its operating entities, the US dollar. The Company's objective is to minimise its risk by borrowing funds in US dollars as revenues are denominated in US dollars. In addition, the Company holds substantially all its cash and cash equivalents in US dollars and converts to other currencies only when cash requirements demand such conversion.

Current receivables and liabilities denominated in various currency:

	Pound Sterling $000	Tanzanian Shilling $000	Other Currency $000	United States Dollar $000	Total $000
Balance at 31 December 2022					
Cash and cash equivalents	6,702	223	107	23,884	30,916
Trade and other receivables	-	984	92	10,025	11,101
Trade and other payables	(162)	(870)	(9)	(4,582)	(5,623)
	6,540	**337**	**190**	**29,327**	**36,394**

	Pound Sterling $000	Tanzanian Shilling $000	Other Currency $000	United States Dollar $000	Total $000
Balance at 31 December 2021					
Cash and cash equivalents	91	287	111	22,331	22,820
Trade and other receivables	899	645	92	3,914	5,550
Trade and other payables	(49)	(193)	-	(2,261)	(2,503)
	941	**739**	**203**	**23,984**	**25,867**

A 10% increase of the Pound Sterling against US dollar would result in a change in loss before tax of $106k (2021: $3k) and the opposite will be true for the decrease. In addition, a 10% increase of the Tanzanian shilling against the US dollar would result in a change in loss before tax of approximately $12k (2020: $2k) and the opposite will be true for the decrease.

FINANCIAL INSTRUMENT CLASSIFICATION AND MEASUREMENT

The Company classifies the fair value of financial instruments according to the following hierarchy based on the number of observable inputs used to value the instrument:

- Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including expected interest rates, share prices, and volatility factors, which can be substantially observed or corroborated in the marketplace.
- Level 3 – Valuation in this level are those with inputs for the asset or liabilities that are not based on observable market data.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount 2022 $000	Fair value 2022 $000	Level 1 2022 $000	Level 2 2022 $000	Level 3 2022 $000	Carrying amount 2021 $000	Fair value 2021 $000	Level 1 2021 $000	Level 2 2021 $000	Level 3 2021 $000
Loans and receivables										
Cash and cash equivalent	30,916	-	-	-	-	22,820	-	-	-	-
Trade and other receivables (note 10)	7,538	-	-	-	-	5,172	-	-	-	-
Total financial assets	38,454	-	-	-	-	27,992	-	-	-	-
Financial liabilities measured at amortised cost										
Trade and other payables (note 15)	(3,873)	(41)	-	(41)	-	(2,503)	(46)	-	(46)	-
Lease liability (note 17)	-	-	-	-	-	(36)	(36)	-	(36)	-
Total financial liabilities	(3,873)	(41)	-	(41)	-	(2,539)	(82)	-	(82)	-
Total financial instruments	**34,581**	**(41)**	**-**	**(41)**	**-**	**25,453**	**(82)**	**-**	**(82)**	**-**

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to develop its oil and gas properties and maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes the components of shareholders' equity as well as cash and long-term liabilities.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. As part of its capital management process, the Company prepares budgets and forecasts, which are used by management and the Board of Directors to direct and monitor the strategy, ongoing operations and liquidity of the Company. Budgets and forecasts are subject to judgement and estimates such as those relating to future gas demand and ultimate timing of collectability of trade receivables for gas sales. These factors may not be within the control of the Company, which may create near term risks that may impact the need to alter the capital structure. The Company continues to effectively manage its relationships with its gas purchasers to ensure timely collection and with external lenders such that lending facilities are available to the Company as and when needed. The Company may attempt to issue new shares, enter into joint arrangements or acquire or dispose of assets to maintain or adjust the capital structure. Management reviews the capital structure on a regular basis to ensure that the above-noted objectives are met. The Company's overall strategy remains unchanged from the prior year. At 31 December 2022 and 2021 there was no net debt.

25. RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Details of Directors' remuneration, which comprise key management personnel, are provided below:

	2022 $000	2021 $000
Executive Directors short-term employee benefits	741	828
Non-Executive Director short-term employee benefits	272	529
LTIP charges	795	403
	1,808	1,760

Further details of the Directors' remuneration can be found in the Remuneration Report on pages 43 to 47 of the Annual Report.

26. SUPPLEMENTAL CASH FLOW INFORMATION

Finance income:

	2022 $000	2021 $000
Finance income		
Foreign exchange gain	431	-
Interest income	178	128
Gain on disposal	16	-
Reversal of expected credit losses on TANESCO receivable (note 10)	-	11
	625	139
Finance costs		
Accretion – decommissioning provision	(139)	(126)
Bank charges	(33)	(21)
Lease interest expenses	(5)	(8)
Foreign exchange loss	-	(137)
Renewal fee on overdraft facility	-	(19)
	(177)	(311)
Finance costs, net	448	(172)

27. COMMITMENTS

LEASE PAYMENTS

The Group has an office leasehold agreement in Dar es Salaam, Tanzania which was entered into on 1 October 2022 and expires on 30 September 2023 at an annual lease cost of $57k.

CAPITAL COMMITMENT

At the date of this report, the Company had an outstanding contractual work programme commitment with respect to the compression project, a gross firm budget for which totalled $13.5 million ($11.1 million net to Wentworth) and a contingent budget of $6.9 million ($2.2 million net to Wentworth). The work programme is expected to be implemented within the coming year.

28. SUBSEQUENT EVENTS

ACQUISITION

On 5th December, the Company and M&P reached agreement on the terms of a recommended acquisition of the entire issued and to be issued share capital of the Company by M&P (the "Acquisition").

Detailed information on the Acquisition is available on Wentworth's website (https://www.wentplc.com/investors/offer-for-wentworth/).

On 23 February 2023, the Company announced that, at the Court Meeting and the General Meeting held earlier that day, the following were the results:

- the requisite majority of Scheme Shareholders voted to approve the Scheme at the Court Meeting; and
- the requisite majority of the Company shareholders voted to pass the resolution in connection with the amendment of the Company Articles and the implementation of the Scheme at the General Meeting.

On 7 June 2023, representatives of the Company and M&P attended a preliminary hearing before the FCC in Tanzania, at which various Tanzanian governmental parties were present. A number of concerns were raised at the hearing, which may impact the likelihood of the FCC to approve the acquisition in its current form. A ruling is expected within the coming weeks.

On 12 June 2023, the Company received a letter from TPDC dated 9 June 2023 by which TPDC has notified Wentworth Gas Limited, the Company's main operating subsidiary, of its decision purportedly to exercise its right of first refusal in respect of Company's interest in the Mnazi Bay asset pursuant to section 86(7) of the Tanzanian Petroleum Act, Cap 392 (the "ROFR").

The ROFR grants TPDC a right of first refusal to acquire a participating interest that is intended to be assigned to a non-affiliate. The ROFR does not, however, entitle TPDC to a right of first refusal (or similar right) in connection with any indirect sale of a participating interest arising as a result of the acquisition of shares in Company itself, which in the case of the acquisition will in any event occur only after sanction of the Scheme by the Royal Court of Jersey. Discussions with TPDC and the FCC on the way forward and resolution of these issues are ongoing as at the date of this report.

LTIP VESTING

On 3 January 2023 the performance period ended in respect of conditional rights over 2,485,621 ordinary shares in the Company granted to Katherine Roe, CEO. Following review by the Remuneration Committee, 98.1% of the Award, representing 2,437,376 ordinary shares vested. The Award was satisfied by the transfer of 1,291,809 ordinary shares held in treasury and the payment of £459,574 ($601,973) which included the sum of £104,448 ($136,841) in respect of dividend equivalents which the Remuneration Committee determined to pay.

APPENDICES
GLOSSARY OF TERMS

$ or US Dollar	United States Dollar
£	UK Pound Sterling
2D	Two Dimensional
2P	1P (proven reserves) + probable reserves, hence "proved AND probable"
3D	Three Dimensional
The Acquisition	Wentworth Resources plc ("Wentworth") and Etablissements Maurel & Prom S.A. ("M&P") announced on 5 December 2022 that they had reached agreement on the terms of a recommended acquisition of the entire issued and to be issued share capital of Wentworth by M&P at 32.5 pence per share (the "Acquisition").
AIM	Alternative Investment Market, an SME Growth Market of the London Stock Exchange
AGM	Annual General Meeting
Articles	The Articles of Association of the Company
Bcf	Billion standard cubic fee
bbl	Billion barrels of petroleum liquids
boe	Barrel of oil equivalent, a measure of the gas component converted into its equivalence in barrels of oil.
Board	The Board of Directors of the Company
CCBRT	Comprehensive Community Based Rehabilitation (Hospital) in Tanzania (CCBRT)
CEO	Chief Executive Officer
CMBL	Cyprus Mnazi Bay Limited
the Company	Wentworth Resources plc
CPAP	Continuous Positive Airway Pressure, i.e., CPAP Machine
CPR	Competent Person's Report
CSR	Corporate Social Responsibility
Directors	The Directors of the Company
E&E	Exploration and Evaluation assets
E&P	Exploration and Production
EBITDAX	(Adjusted) earnings before interest, taxation, depreciation, depletion and amortisation, impairment, share-based payments, provisions, and pre-licence expenditure.
EIR	Effective Interest Rate
EITI	Extractive Industries Transparency Initiative
EPS	Earnings Per Share
ESG	Environmental, social and governance
FCA	Financial Conduct Authority of the United Kingdom
FDC	Folk Development College
FEED	Front End Engineering Design
FTSE	The Financial Times Stock Exchange Index
G&A	General and Administrative Expenses

GDP	Gross Domestic Product
GPF	Gas Production Facility
GRF	Gas Receiving Facility
Group	The Company and its subsidiary undertakings
GSA	Gas Sales Agreement
GW	Gigawatt
HSSE	Health, Safety, Security & Environment
IAS	International Accounting Standard
IASB	International Accounting Standard Board
IFRS	International Financial Reporting Standards
IPO	Initial Public Offer
JOA	Joint Operating Agreement
JV	Joint Venture
K	Thousands
km	Kilometre(s)
km^2	Square kilometre(s)
KPIs	Key Performance Indicators
London Stock Exchange or LSE	London Stock Exchange plc
LTI	Lost Time Incident
LTIP	Long-Term Incentive Plan
M&A	Mergers and Acquisitions
MEM	Ministry of Energy and Minerals, currently referred to as Ministry of Energy (MoE)
Mcf	Thousand cubic feet
MMboe	Million barrels of oil equivalent
MMBtu	Million British Thermal Unit
MMscf/d	Million standard cubic feet per day of gas
M&P	Etablissements Maurel et Prom S.A.
MW	Megawatt
NNGI	National Natural Gas Infrastructure
NOC	National Oil Company
NOK	Norwegian Kroner
NPV	Net Present Value
OCI	Other Comprehensive Income
OGAT	The Oil and Gas Association of Tanzania
Ordinary Shares	Ordinary share capital (no par value)
PDP	Proved Developed Producing

APPENDICES

GLOSSARY OF TERMS

Petroleum	Oil, gas, condensate and natural gas liquids
PPE	Property, Plant and Equipment
PPP	Public-Private Partnership
PSA	Production Sharing Agreement
PURA	Petroleum Upstream Regulatory Authority
Q&A	Questions and Answers
READ	Realising Development Through Education
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria; they must be discovered, recoverable, commercial and remaining based on the development projects applied. Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by development and production status.
Reservoir	A porous and permeable rock capable of containing fluids
RPS	RPS Energy Canada Ltd is an independent international consultancy that provides independent technical and economic assessments of oil and gas assets internationally; and more specifically CPR and Annual Reserve Reports.
The Scheme	The Acquisition is being implemented by means of a scheme of arrangement pursuant to Article 125 of the Jersey Companies Law (the "Scheme").
SCF	Standard cubic feet
Seismic	Data, obtained using a sound source and receiver, that is processed to provide a representation of a vertical cross-section through the subsurface layers.
Shares	Ordinary shares
Shareholders	Holders of Ordinary shares in the Company
Subsidiary	A subsidiary undertaking as defined in the 2006 Act
T&D	Transmission and Distribution
TANESCO	The Tanzania Electric Supply Company
TEITI	Tanzania Extractive Industries Transparency Initiative
TLM	Tumaini la Maisha (in English means "Hope for Life")
TPDC	Tanzania Petroleum Development Corporation
TRA	Tanzanian Revenue Authority
TSR	Total Shareholder Return
UK	United Kingdom
VAT	Value Added Tax
WAF	Wentworth Africa Foundation
Wentworth	Wentworth Resources plc and subsidiaries
Working Interest or WI	A company's equity interest in a project before reduction for royalties or production share owed to others under the applicable fiscal terms Working interest attributable to Wentworth.

OFFICES AND PROFESSIONAL ADVISERS

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