16 May 2023

AFENTRA PLC

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

Afentra plc ('Afentra' or the 'Company'), is pleased to announce its annual results for the year ended 31 December 2022.

2022 SUMMARY

Strategic

- SPAs signed to acquire non-operated interests from Sonangol and INA in the producing Block 3/05 (24%), adjacent development Block 3/05A (4%) and exploration Block 23 (40%).
- Reverse takeover ('RTO') announced under Rule 14 of the AIM Rules to acquire Block 3/05.
- Publication of Admission Document followed by shareholder approval on 30 August 2022.
- Stakeholder engagement across governmental, regulatory authorities and industry counterparties in Angola continues to demonstrate the country as an attractive operating and investment jurisdiction.
- Strengthened organisation with recruitment of high calibre financial, technical and sustainability talent.
- Continued to screen and evaluate compelling M&A opportunities in line with the Company strategy.
- Investor outreach and marketing, appealing to new institutional and high net worth investors.
- Continued to strengthen Afentra's profile within industry as a credible counterparty of choice.

Operations

- Progressed Angolan transactions to acquire interests in Blocks 3/05, 3/05A and Block 23.
- Independent ESG due diligence conducted as an integral part of the Block 3/05 and 3/05A assessment and to identify potential options to reduce emissions.
- Invited to observe all Block 3/05 and Block 3/05A partner meetings and engage with operating team while awaiting transaction completion.
- Support the Operator of the Odewayne block in Somaliland to progress the technical understanding of the block and outlook on block prospectivity, as well as contributing to the drought relief programme.

Financial Highlights

- Entered into financing and offtake agreements with Trafigura to finance Sonangol and INA Acquisitions:
  - Reserve Based Lending ('RBL') facility: up to $75 million with 5-year tenure (8% margin over 3-month secured overnight financing rate ('SOFR'));
  - Revolving working capital facility: up to $30 million to finance asset funding requirements between crude offtakes (4.75% over 1-month SOFR);
  - Offtake agreement for Afentra's crude oil entitlement lifted from the Acquisitions.[1]
- Cash resources net to the Group at 31 December 2022 of $30.6 million (2021: $37.7 million), including restricted funds of $10.2 million.
- Adjusted EBITDAX:[2] loss for the Group of $5.2 million (2021: $2.0 million loss).
- The Group remains fully carried for Odewayne operations for Third and the Fourth Period.

Post year-end Summary[3]

- Completion of the INA acquisition announced 10 May 2023, marking Afentra's formal entry into Angola.
  - Net completion payment of $17.0m with Afentra inheriting crude oil stock of 207,868 bbls[4] that can be valued at $16.6 million (based on $80/bbl) on a pre-tax basis.
  - Mauritius Commercial Bank ('MCB') has entered both the RBL and working capital facilities as the lender to the Company. Trafigura retains an interest in the RBL facility and will continue as offtake provider.
- The Sonangol acquisition long-stop date was extended to 30 June 2023 in order to facilitate completion of the transaction.
- ANPG and the Block 3/05 JV partners agreed the improved terms for the licence extension (1 July 2025 to 31 December 2040). ANPG will now progress the formal approval process.
- Afentra completed an updated Competent Persons Report ('CPR') on Block 3/05 effective 1 January 2023, estimating 1P/2P/3P reserves of 72/108/145 mmbbls (gross) and 2C resources of 43 mmbbls.

Commenting on the update, CEO Paul McDade said:

"2022 has been a year in which Afentra has truly established itself as a respected oil and gas independent. Our focus on value accretive M&A, accessing proven resources and delivering robust cash flows has been evidenced by our two inaugural acquisitions. These highly cash generative transactions provide an entry into Angola, a target country for the Company and provide a platform from which we plan to access further opportunities.

Despite a reduced financing market in the oil and gas space, Afentra has been successful in securing financing packages for both INA and Sonangol acquisitions and maintains a strong cash position which will support potential future transactions.

With the completion of the INA transaction in May, we now look ahead to completing the Sonangol transaction, and working with the partnership to deliver the significant potential of these assets. Beyond this, we continue our ongoing business development efforts to seek further acquisitions in line with Afentra strategy and purpose."

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About Afentra

Afentra plc (AIM:AET) is an upstream oil and gas company focused on opportunities in Africa. The Company's purpose is to support a responsible energy transition in Africa by establishing itself as a credible partner for divesting IOCs and Host Governments. Afentra has 4% non-operated interests in the producing Block 3/05 and adjacent development Block 3/05A offshore Angola in the Lower Congo Basin. In addition, Afentra maintains a carried interest in the Odewayne Block, onshore southwestern Somaliland.

Inside Information

This announcement contains inside information for the purposes of article 7 of Regulation 2014/596/EU (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018) ('UK MAR'). Upon publication of this announcement, this inside information (as defined in UK MAR) is now considered to be in the public domain. For the purposes of UK MAR, the person responsible for arranging for the release of this announcement on behalf of Afentra is Paul McDade, Chief Executive Officer.

[1] Subject to the terms of the Trafigura offtake agreement

[2] Defined within the definitions and glossary of terms

[3] Full disclosure of post-year events included in the notes to the accounts

[4] Afentra share of stock-in-tank at completion

ASSET SUMMARY

Angola

Our entry to Angola lays the foundations for a significant core asset base in West Africa which we will work to leverage and grow from. These are high quality, shallow water, production assets with stable and robust cash flow with material growth potential. The acquisitions span the E&P lifecycle from exploration, development through to a mature production base and deliver a significant legacy asset set within this highly attractive West African jurisdiction. Whilst we acknowledge current emissions are high on this asset, we see significant scope for improvement across multiple projects and will work to increase momentum and prioritise emissions reduction opportunities.

Status of deals

Afentra is progressing its transaction to acquire a 20% non-operated interest in Block 3/05 and 40% non-operated interest in Block 23 from Sonangol P&P. A complementary transaction with INA supplies additional 4% equity in Block 3/05 and 4% in Block 3/05A, which completed in May 2023.

Block 3/05's existing PSA expires in 2025. In May, the Block 3/05 JV partners agreed terms and the process for formal administration of the licence extension has commenced. Key enhancements include: licence extension from 1 July 2025 to 31 December 2040 and improved fiscal terms that strengthen the economics of the permit. This extension is a condition to completing the Acquisition of the Sonangol deal and the Company awaits the conclusion of this process. To date, the asset decommissioning costs have been pre-funded.

Block 3/05A Production Sharing Agreement expires in 2035 having commenced in 2015.

Block 23 exploration license has been extended until 2026 allowing the new contractor group time to agree with ANPG a work programme once the Sonangol divestment programme is completed.

Post deal interests are illustrated below:

Block 3/05	
Company	Interest
Sonangol (Op.)	30%
Afentra	**24%**
M&P	20%
Azule	12%
ETU Energias	10%
NIS	4%

Block 3/05A	
Company	Interest
Sonangol (Op.)	25%
China Sonangol International	25%
M&P	20%
Azule	12%
ETU Energies	10%
Afentra	**4%**
NIS	4%

Block 23	
Company	Interest
Namcor – Sequa – Petrolog (Op.)	40%
Afentra	**40%**
Sonangol	20%

BLOCK 3/05 (Production)

In 2022 the Block 3/05 fields averaged 18,660 bbl/d from 38 wells with a water cut of ~75%. This is 9% higher than the 2021 production of 17,080 bbl/d. Looking to 2023 and beyond, we see significant production and value creation potential in Blocks 3/05 & 3/05A, through integrating near term asset integrity revitalisation, infrastructure upgrades and production optimisation, together with longer cycle brownfield development opportunities such as in-fill drilling and the tie-in of undeveloped discoveries. A holistic approach focused on leveraging existing and upgraded infrastructure including the potential to tie into the nearby ALNG gas pipeline is key to unlocking the full potential of this acreage whilst aligning with Angola's endorsement of the World Bank's Zero Routine Flaring by 2030 initiative. We believe there are a large number of potential opportunities for reducing the relative emissions intensity and will work with the operator and contractor group to ensure these are prioritised.

Importantly, in the next few years, sustaining current production levels relies on re-instating and sustaining the waterfloods in tandem with integrity, maintenance and existing well stock optimisation projects. These activities are all low cost, rapid capital return, activities. Incremental production growth relies on longer term infill drilling and nearby discovered oil and gas resources in 3/05A being matured and brought on stream.

History

Block 3/05 offshore Angola lies in the southern Congo Basin. The block consists of 8 mature fields (Palanca, Impala, Impala SE, Bufalo, Pacassa, Pambi, Cobo and Oombo) from which first oil was achieved in 1985, with a combined STOIIP of ~3.2 bnbbls of which 1.34 bnbbls of oil has been produced to date. Peak oil production was approximately 200,000 bbl/d in mid-1998.

Block 3/05 lies in 60-100m water depth 37km offshore and is developed via 4 processing platforms and 17 support structures interlinked by 220km of subsea flowlines. This infrastructure enables gathering and separation of all produced fluids together with water injection and gas lift across the fields. The Palanca Terminal (Floating storage and offloading facility 'FSO') is the offtake route with a maximum storage capacity of 2 mmbbls.

All production to date has been sourced from the prolific fractured Albian Pinda carbonate reservoir in southern Congo Basin. The labe and Malembo reservoirs have yet to be developed. The depth of the Pinda varies from 2,000-3,500m and ranges in thickness from 330-480m.

Value creation potential

During the field history water injection was successfully implemented as an enhanced recovery mechanism across 7 of the 8 fields, reaching a peak rate of ~366,000 barrels water injection per day ('bwi/d') in November 1999. Water injection slowed and ceased due to lack of maintenance investment in the oil price downturn of 2015/16. Sonangol has made progress towards re-instating injection capacity post Covid and are successfully overcoming a series of aging infrastructure hurdles to deliver availability improvements across the operational system.

Afentra and the Contractor Group anticipate increases in the recovery potential associated with delivery of sustained waterfloods. This, together with existing well stock optimisation opportunities including artificial lift, is focused on accelerating reservoir throughput and oil recovery. In addition, longer cycle potential associated with infill drilling campaigns and access to shallower oil pools in the Iabe and Malembo reservoirs are under consideration to grow production.

ERCE conducted an updated CPR at year end 2022. Encouragingly an enhancement of +4 mmbbls reserves is attributable to better field performance during April – December 2022. Scheduling deferrals and re-phasing of projects resulted in -6 mmbls reserves, for barrels which fall into future tail-end production.

Contingent resources remain largely unchanged, with additional potential projects to be added via ESP deployment and re-development of Oombo Field. Additionally, no reserves or resources are currently booked for Block 3/05A.

BLOCK 3/05A (Appraisal)

Block 3/05A contains 3 appraised light oil discoveries (Punja, Caco & Gazela) with a combined STOIIP of in excess of 300 mmbbls from which only 2.4 mmbbls has been recovered to date. Long-term testing commenced at the Gazela field, of ~1,100 bbl/d, enabling framing of potential development options. The existing Block 3/05 infrastructure and synergies with the application of fit for purpose technology provides the opportunity for production growth potential via tie backs. Our multi-disciplined team is taking a holistic view of Block 3/05A and Block 3/05 together, working with the operator and contractor group to progress these opportunities towards value generating appraisal and development. Full field production of these discoveries could result in an incremental 10,000 bbl/d or greater of production leveraging the existing facilities.

Given the high gas oil ratio of the Punja field reservoirs, an integrated gas management plan across both Blocks 3/05A and 3/05 is essential to optimising the responsible development of these oil and gas resources. In line with our ESG values, all alternatives to flaring excess gas from additional developments will be evaluated with the Joint Venture before proceeding to sanction future projects. There are a number of zero routine flaring options that will be evaluated, including commercial export of excess gas via the ALNG network which is located in close proximity to existing infrastructure or gas injection into existing fields. Both options will require review and a potential upgrade of the existing compression infrastructure located at the Cobo field.

The Joint Venture partnership will be progressing the next steps to both Punja and Caco-Gazela in a phased approach in order to gain appraisal data, reduce uncertainty and generate cash flow through monetising early production. A number of development concepts will be screened and ranked in order to reach an optimised FID in the near term.

BLOCK 23 (Exploration)

Block 23 Offshore Kwanza has a large areal footprint of almost 5,000km^2 in water depths of 600-1,600m. Block 23 contains the sub commercial Azule pre-salt carbonate discovery which tested at 3,000-4,000 bbl/d light sweet crude oil and is estimated to contain approximately 150 mmbbls STOIIP.

The block is covered by modern 2D & 3D seismic data, with further follow up prospectivity mapped in both pre and post-salt plays.

There are no outstanding work commitments on the block, however we are reviewing a possible work programme to re-process 3D seismic which has the potential to de-risk a large part of the basin, using advanced geophysical techniques.

Somaliland

Somaliland offers one of the last opportunities to target an undrilled onshore rift basin in Africa. The Odewayne block, with access to Berbera deep-water port less than a 100km to the north, is ideally located to commercialise any discovered hydrocarbons.

Odewayne (Exploration)

This large, unexplored, frontier acreage position covers 22,840km^2, the equivalent of c.100 UK North Sea blocks. Exploration activity prior to the 2017 regional 2D seismic acquisition programme has been limited to the acquisition of airborne gravity and magnetic data and surface fieldwork studies, with no wells drilled on block.

The Company’s wholly owned subsidiary, Afentra (East Africa) Limited (‘A(EA)L’), holds a 34% working interest in the PSA (fully carried by Genel Energy Somaliland Limited for its share of the costs of all exploration activities during the Third and Fourth Periods of the PSA).

The Odewayne production sharing agreement was awarded in 2005. It is in the Third Period, with a 1,000km, 10km by 10km 2D seismic grid acquired in 2017 by BGP. The Third Period has been further extended, through the 8th deed of amendment to May 2025.

During 2022 the main work programme consisted of the dating of field samples, integrating these with identifying and mapping a number of leads using the PSTM 2D geophysical data leading to a risked volumetric assessment. This has resulted in an integrated semi-regional basin model. From this integrated framework, further understanding of the Block prospectivity can be worked during the course of 2023.

During the course of the 3rd quarter of 2022 a water well drilled by the ministry of Water Resources Development at the village of Baha-Dhamal, within the Odewayne exploration license flowed a dark viscous liquid following water. Samples were collected and geochemical analysis undertaken in order to define potential hydrocarbon content of the fluid. Initial results appear to indicate the presence of trace hydrocarbons with further advanced analysis ongoing. Afentra has also undertaken independent analysis confirming the presence of trace oil in a sample. The operator, will as part of its 2023 work programme, attempt to resample the fluid at the original well location to define the future work programme.

Contract type PSA

Participants	
Company	Interest
Genel Energy Somaliland Limited (Op.)	50%
Afentra (East Africa) Limited	**34%**
Petrosoma Limited	16%

Exploration Term	
Current Period 3	May-25
Period 3 work commitment (fully carried)	500km 2D seismic acquisition
Period 4 work commitment (fully carried)	1,000km 2D seismic acquisition and one exploration well
Production Term	Twenty five years, renewable for additional ten years.
State Participation	State may back in for up to a 20% participating interest in any development and production area.

FINANCIAL REVIEW

2022 has been a truly transformational year for Afentra.

Our focus on value accretive M&A, accessing proven resources and delivering robust cash flows, has been evidenced by the progress made with the two inaugural acquisitions in Angola. These highly cash generative acquisitions provide entry into a core jurisdiction for the Company and a platform from which we plan to access further opportunities and to grow Afentra in line with our strategy to ultimately deliver sustainable shareholder returns.

Our acquisitions will be financed through a mix of debt and cash on the balance sheet.

Despite a shrinking financing market with a number of mainstream banks no longer lending into the oil and gas space Afentra has been successful in securing a conventional Reserve Based Lending ('RBL') arrangement for up to $75 million of the Sonangol and INA acquisitions' costs as well as a Working Capital facility of up to $30 million with Trafigura and Mauritius Commercial Bank.

The resulting aggregate split between debt and equity (cash) at completion of both deals is likely to be in the 70% / 30% range with cash contribution made from Afentra cash reserves.

In addition, Afentra has access to a $35 million accordion RBL to finance a third transaction in Angola.

Key Terms: RBL, up to $75 million

- 5-year tenor
- 8% margin over 3-month SOFR ('Secured Overnight Financing Rate')
- Semi-annual linear amortisations
- The key financial covenant for the RBL is the ratio of Net Debt to EBITDA (less than 3:1)

Key Terms: Working Capital, up to $30 million revolving facility

- 5-year tenor
- 4.75% margin over 1-month SOFR
- Repayable with proceeds from liftings

Looking forward, our focus for 2023 remains unchanged from an M&A perspective. We will look to uncover potential further opportunities to grow and expand our presence in Angola. We will also continue to seek opportunities to enter new geographies within West Africa.

From a more general finance perspective, we will be working hard to become a constructive and reliable commercial partner working alongside the Operator (Sonangol) to help optimise the assets safely and sustainably. We will also ensure that we successfully manage our RBL and working capital facilities, including hedging a portion of our future production, all executed within a sound internal control framework.

Selected financial data		**2022**	**2021**
Year end cash net to the Group	$million	**20.4**	**37.7**
Restricted funds	$million	**10.2**	**-**
Adjusted EBITDAX	$million	**(5.2)**	**(2.0)**
Loss after tax	$million	**(9.1)**	**(5.0)**
Year end share price	Pence	**26.4**	**14.6**

Non-IFRS measures

The Group uses certain measures of performance that are not specifically defined under IFRS or other generally accepted accounting principles. These non-IFRS measures can include capital investment, debt and adjusted EBITDAX.

Income Statement

The loss from operations for 2022 was $9.0 million (2021: loss $5.0 million). During the year, net administrative expenditure increased to $9.0 million (2021: $5.0 million) predominantly as a result of exceptional (one off) costs associated with the RTO process ($2.6 million in the period) and a 2022 bonus provision of $1.5 million, payable on completion of the Sonangol transaction.

In 2022, a portion of the Group's staff costs and associated overheads have been expensed as pre-licence expenditure ($3.1 million), or capitalised/recharged ($32k) where they are directly assigned to capital projects. This totalled $3.1 million in the year (2021: $2.4 million).

Finance income (interest received on deposits) in the year of $86k (2021: $36k).

Finance costs during 2022 totalled $197k (2021: $45k), represent by foreign exchange losses ($154k) on cash held by the Group and other finance charges of $43k).

The loss for the year was $9.1 million (2021: loss $5.0 million):

	$' Million
Loss for year 2021	(5.0)
Increase in G&A and pre-licence costs	(4.0)
Increase in finance expense	(0.1)
Loss for year 2022	**(9.1)**

Group adjusted EBITDAX loss totalled $5.2 million (2021: $2.0 million):

	2022 $' Million	2021 $' Million
Loss after tax	(9.1)	(5.0)
Interest and finance costs	0.1	0.0
Depletion and depreciation	0.2	0.2
Pre-licence costs	3.5	2.7
Total EBITDAX (Adjusted)	**(5.2)**	**(2.0)**

The basic loss per share was 4.1 cents per share (2021: loss 2.3 cents per share). No dividend is proposed to be paid for the year ended 31 December 2022 (2021: $nil).

Statement of financial position

At the end of 2022, non-current assets totalled $21.9 million (2021: $22.0 million) the majority of which relates to the Odewayne block ($21.3 million).

Net assets/total equity stood at $49.8 million (2021: $58.9 million).

Net current assets reduced to $28.1 million (2021: $37.3 million).

At the end of 2022 cash and cash equivalents totalled $20.4 million (2021: $37.7 million) with the reduction due to a transfer of $10.2 million to restricted funds (in relation to the Sonangol and INA transactions) with the balance related to spend on G&A.

Cash flow

Total decrease in cash and cash equivalents in the year was $17.3 million (2021: $4.9 million), for the reasons described above. A full reconciliation is provided in the Consolidated Statement of Cash Flows.

During the year there were minimal cash investments on the Odewayne Block in Somaliland due to the Group's interest being fully carried by Genel Energy Somaliland Limited for its share of the costs during the Third and Fourth Periods of the PSA.

Accounting Standards

The Group has reported its 2022 and 2021 full year accounts in accordance with UK adopted international accounting standards.

Cautionary statement

This financial report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with the oil and gas exploration and production business. Whilst the Directors believe the expectation reflected herein to be reasonable in light of the information available up to the time of their approval of this report, the actual outcome may be materially different owing to factors either beyond the Group's control or otherwise within the Group's control but, for example, owing to a change of plan or strategy. Accordingly, no reliance may be placed on the forward-looking statements.

Anastasia Deulina - Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31st December 2022	31st December 2021
	$000	$000
Other administrative expenses	**(5,484)**	(2,249)
Pre-licence costs	**(3,491)**	(2,734)
Total administrative expenses	**(8,975)**	(4,983)
Loss from operations	**(8,975)**	(4,983)
Finance income	**86**	36
Finance expense	**(197)**	(45)
Loss before tax	**(9,086)**	(4,992)
Tax	**-**	-
Loss for the year attributable to the owners of the parent	**(9,086)**	(4,992)
Other comprehensive expense - items to be reclassified to the income statement in subsequent periods		
Currency translation adjustments	**-**	(5)
Total other comprehensive expense for the year	**-**	(5)
Total comprehensive expense for the year attributable to the owners of the parent	**(9,086)**	(4,997)
Basic and diluted loss per share (US cents)	**(4.1)**	(2.3)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31st December 2022	31st December 2021
	$000	$000
Non-current assets		
Exploration and evaluation assets	**21,324**	21,289
Property, plant and equipment	**540**	725
	21,864	22,014
Current assets		
Trade and other receivables	**419**	288
Cash and cash equivalents	**20,384**	37,727
Restricted Funds	**10,200**	-
	31,003	38,015
Total assets	**52,867**	60,029
Equity		
Share capital	**28,143**	28,143
Currency translation reserve	**(202)**	(202)
Retained earnings	**21,867**	30,953
Total equity	**49,808**	58,894
Current liabilities		
Trade and other payables	**2,689**	518
Lease liability	**210**	234
	2,899	752
Non-current liabilities		
Lease liability	**127**	347
Provision	**33**	36
	160	383
Total liabilities	**3,059**	1,135
Total equity and liabilities	**52,867**	60,029

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital $000	Currency translation reserve $000	Retained earnings $000	Total $000
At 1 January 2021	28,143	(197)	35,945	63,891
Loss for the year	-	-	(4,992)	(4,992)
Currency translation adjustments	-	(5)	-	(5)
Total comprehensive expense for the year attributable to the owners of the parent	-	(5)	(4,992)	(4,997)
At 31 December 2021	**28,143**	**(202)**	**30,953**	**58,894**
Loss for the year	-	-	(9,086)	(9,086)
Currency translation adjustments	-	-	-	-
Total comprehensive expense for the year attributable to the owners of the parent	-	-	(9,086)	(9,086)
At 31 December 2022	**28,143**	**(202)**	**21,867**	**49,808**

CONSOLIDATED STATEMENT OF CASH FLOWS

	2022 $000	2021 $000
Operating activities:		
Loss before tax	**(9,086)**	(4,992)
Depreciation, depletion & amortisation	**244**	241
Finance income and gains	**(86)**	(13)
Finance expense and losses	**197**	45
Operating cash flow prior to working capital movements	**(8,731)**	(4,719)
Increase in trade and other receivables	**(131)**	(95)
Increase in trade and other payables	**2,170**	309
(Decrease)/Increase in provision	**(3)**	2
Net cash flow used in operating activities	**(6,695)**	(4,503)
Investing activities		
Interest received	**86**	13
Purchase of property, plant and equipment	**(127)**	(127)
Exploration and evaluation costs	**(35)**	(80)
Increase in restricted funds	**(10,200)**	-
Net cash used in investing activities	**(10,276)**	(194)
Financing activities		
Principal paid on lease liability	**(204)**	(234)
Interest paid on lease liability	**(21)**	(39)
Net cash used in financing activities	**(225)**	(273)
Net decrease in cash and cash equivalents	**(17,196)**	(4,970)
Cash and cash equivalents at beginning of year	**37,727**	42,674
Effect of foreign exchange rate changes	**(147)**	23
Cash and cash equivalents at end of year	**20,384**	37,727

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

The results announcement is for the year ended 31 December 2022.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2022 or 2021, but is derived from those accounts. Statutory accounts for 2021 have been delivered to the Registrar of Companies and those for 2022 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006.

While the financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs.

The Annual Report and Accounts and the notice for the Company's Annual General meeting, which is to be held at 10.00 a.m. on 20 June 2023, will be posted to Shareholders on 22 May 2023.

2. Going concern

The Group business activities, together with the factors likely to affect its future development, performance and position are set out in the Asset summary. The financial position of the Group and Company, its cash flows and liquidity position are described in the Financial Review.

The Group has sufficient cash resources for its working capital needs and its committed capital expenditure programme at least for the next 12 months. Consequently, the Directors believe that both the Group and Company are well placed to manage their business risks successfully.

The Directors have at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. This assessment has been made by the Directors who remain confident the Group has sufficient cash resources at the date of signing the annual report to meet its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements, notwithstanding the impact of the situation in Ukraine and the impact to commodity prices and foreign exchange rates. With respect to the completion of the INA Angolan asset acquisition (refer to subsequent events Note 3) and the anticipated completion of the Sonangol asset acquisition (post signing of the accounts), the Directors believe that the Group is in a strong position, due to significant liquid resources being available, resulting from a combination of on balance sheet cash reserves, a conventional RBL arrangement, and a revolving working capital facility, in place with Trafigura and Mauritius Commercial Bank (refer to the Financial Review). The board has also looked at scenario's associated with additional acquisitions and believe that liquidity is sufficient through existing and further debt funding arrangements to pursue further opportunities and cover all financial covenants. Thus the Board believes its appropriate to continue to adopt the going concern basis of accounting in preparation of the financial statements.

3. Subsequent events

Subsequent to the Balance Sheet date of December 31st, the following business deliverables occurred:

- In January 2023, Afentra received approval from the Ministry of Mineral Resources, Oil and Gas for the acquisition of INA's 4% interests in Blocks 3/05 and 3/05A.
- In March 2023, Afentra extended the long-stop date from 31 March 2023 to 30 June 2023 in order to facilitate completion of the Sonangol transaction (completion expected in Q2 2023).
- On 14 April 2023, the Company and the other Block 3/05A contractor group members received a letter from ANPG informing us that it had decided to terminate the interests of China Sonangol International ('CSI') in the Block 3/05A production sharing agreement and it intended that CSI's interests in the block would revert to ANPG. If this decision is implemented, the Company will not acquire the additional 1.33% interest in Block 3/05A attributable to the CSI interests that we would otherwise have acquired from INA. The contractor group members are currently seeking clarifications from ANPG on their decision.
- On 10 May 2023, Afentra announced completion of the INA acquisition (4% interests in Blocks 3/05 and 3/05A) to mark its formal entry into Angola, including the following completion settlement figures:
    - Net completion payment of $17.0 million with Afentra inheriting crude oil stock of 207,868 bbls that can be valued at $16.6 million (based on $80/bbl) on a pre-tax basis.
    - $10 million set aside into an escrow deposit account held by Citibank, which will be paid to INA after the Block 3/05 licence extension is formally completed.
    - Net upfront consideration and escrow deposit to be funded by $18.9 million from the agreed RBL and working capital facilities and $8.1 million from cash resources.

- $21.9 million in total debt drawn (RBL and working capital facilities), which includes $2.9 million in financing costs.
- The Company expects to sell its first cargo of crude oil in Q3 2023, thereby monetising the inherited crude oil stock and subsequent production.
- Trafigura has transferred both the RBL and working capital facilities to Mauritius Commercial Bank who will now be the lender to the Company. Trafigura retains an interest in the RBL facility and will continue as offtake provider.
- A charge placed on Afentra (Angola) Ltd shares to Mauritius Commercial Bank Limited as required by the terms of the debt facilities.

- Furthermore, in May, the Block 3/05 JV partners agreed terms to extend the licence from 1 July 2025 to 31 December 2040. This includes improved fiscal terms that strengthen the economics of the permit. The process for formal administration of the licence extension has commenced and the Company awaits the conclusion of this process.

Given that the INA transaction has completed in close proximity to the approval of these financial statements, Management are in the process of evaluating both the accounting for this transaction and any required valuation of the underlying assets and liabilities acquired. Further disclosure will be provided in the 2023 interim financial statements.

DEFINITIONS AND GLOSSARY OF TERMS

$	US dollars
2D	two dimensional
2C	Denotes best estimate of Contingent Resources
2P	Denotes the best estimate of Reserves. The sum of Proved plus Probable Reserves
AIM	AIM, a SME Growth market of the London Stock Exchange
AGM	Annual General Meeting
ALNG	The Angola LNG project
ANPG	Agência Nacional de Petróleo, Gás e Biocombustíveis (holder of the mining rights of Exploration, Development and Production of liquid and gaseous hydrocarbons in Angola)
Articles	the Articles of Association of the Company
Block 3/05	the contract area described in and covered by the Block 3/05 PSA
Block 3/05A	the contract area described in the Block 3/05A PSA
Block 23	the contract area described in and covered by the Block 23 PSA
Board	the Board of Directors of the Company
bbls	barrels of oil (‘k-’ / ‘mm-’ / ‘bn-’ for thousand / million / billion)
bbl/d	barrels of oil per day (‘k-’ / ‘mm-’ for thousand / million)
bwi/d	barrels water injection per day
CCRA	Climate Change Risk Assessment
Companies Act or Companies Act	the Companies Act 2006, as amended 2006
Company	Afentra plc
CPR	Competent Persons Report
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
EITI	Extractive Industries Transparency Initiative
ERCe	ERC Equipoise Limited (author of the Competent Person’s Report)
Farm-in & farm-out	a transaction under which one party (farm-out party) transfers part of its interest to a contract to another party (farm-in party) in exchange for a consideration which may comprise the obligation to pay for some of the farm-out party costs relating to the contract and a cash sum for past costs incurred by the farm-out party
FID	Final investment decision
FSO	Floating storage and offloading
G&A	general and administrative
G&G	geological and geophysical
GBP	pounds sterling
Genel Energy	Genel Energy Somaliland Limited
Group	the Company and its subsidiary undertakings
HSSE	Health, Safety, Security and Environment
hydrocarbons	organic compounds of carbon and hydrogen
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards

INA	INA-Indstrija Nafte d.d
IOCs	international oil company
JV	joint venture
JOA	joint operating agreement
k	thousands
km	kilometre(s)
km^2	square kilometre(s)
KPIs	key performance indicators
lead	indication of a potential exploration prospect
London Stock Exchange or LSE	London Stock Exchange Plc
LTI	Lost time Injury
LTIP	Long-term incentive plan
M&A	mergers and acquisitions
Mauritius Commercial Bank	The Mauritius Commercial Bank Limited
m	metre(s)
NFA	No Further Activity - forecast without new Capex invested
NOCs	national oil company
OECD	Organisation for Economic Cooperation and Development
Op.	Operator
Ordinary Shares	ordinary shares of 10 pence each
Petroleum	oil, gas, condensate and natural gas liquids
Petrosoma	Petrosoma Limited (JV partner in Somaliland)
Prospect	an area of exploration in which hydrocarbons have been predicted to exist in economic quantity. A group of prospects of a similar nature constitutes a play.
PSA	production sharing agreement
QCA Code	Corporate Governance Code for Small and Mid-Size Quoted Companies 2018
RBL	Reserve-Based Lending
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
RTO	reverse takeover (pursuant to Rule 14 of the AIM Rules)
SPA	Sale and Purchase Agreements
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
SOFR	Secured Overnight Financing Rate
Shares	10p ordinary shares
Shareholders	ordinary shareholders of 10p each in the Company
Subsidiary	a subsidiary undertaking as defined in the 2006 Act
Sonangol	Sonangol Pesquisa e Producao S.A.
Sonangol EP	Sociedade Nacional de Combustíveis de Angola, Empresa Pública

TCFD	Task force on Climate-related Financial Disclosure
Third and Fourth Period	Exploration terms: Third Period is to May 2025 with a work commitment of 500km 2D seismic acquisition; Fourth Period is to October 2026 with a work commitment of 1,000km 2D seismic acquisition and one exploration well
Trafigura	Trafigura Pte
TRIF	Total Recordable Incident Frequency
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
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
ZRF	Zero Routine Flaring