

12 September 2024

AFENTRA PLC

2024 HALF YEAR RESULTS

Afentra plc ('Afentra' or the 'Company') (AIM: AET), the upstream oil and gas company focused on acquiring production and development assets in Africa, is pleased to announce its half year results for the six months ended 30 June 2024 (the 'Period' or 'H1 2024').

Financial Summary

- Pre-tax revenue of \$75.7 million (H1 2023: nil)
- Adjusted EBITDAX of \$40.8 million (H1 2023: loss of \$0.8 million)
- Profit after tax of \$22.2 million (H1 2023: loss of \$3.9 million)
- Cash resources as at 30 June 2024 of \$13.8 million (30 June 2023: \$15.7 million)
- Debt drawdowns at 30 June 2024:
 - o Reserve Based Lending Facility: \$47.3 million (30 June 2023: \$12.8 million)
 - o Working Capital Facility: \$13.7 million (30 June 2023 \$9.1 million)
- Net debt at 30 June 2024 of \$46.4 million (30 June 2023: \$6.5 million)

Net debt on 30 June 2024 excludes the June crude oil sale of \$37.6 million, which is classified as a receivable as of 30 June 2024 due to timing of cash receipt (July) post-period. Cash balance post the June and Q3 2024 liftings estimated to be approximately \$40 million, reducing net debt to around zero.

Crude oil sales

- The Company sold in aggregate 900,000 bbls of crude in the first 6 months of 2024 (H1 2023:nil)
- The average sales price realised for H1 2024 sales was \$84.3/bbl
- Crude oil entitlement stock at 30 June 2024, post June lifting, ~568,917 bbls

Key Indicators

	H1 2024	H1 2023	FY 2023
Block 3/05 & 3/05A Gross production (bopd)	22,701	18,867	20,180
Net Working Interest (WI) Production (bopd)	6,696	785 ¹	3,509 ¹
Sales Volume (bbls)	900,000	-	300,000
Average sale price (\$/bbl)	84.3	-	88.0
Revenue (\$ million)	75.7	-	26.4
Cash and Cash equivalents (\$ million)	13.8 ²	15.7 ³	19.6 ³
Debt (\$ million)	(60.2)	(21.9)	(31.7)
Net Debt (\$ million)	(46.4) ²	(6.5)	(12.3)
Crude Oil Entitlement Stock (bbls)	568,917	245,304	301,416

¹ H1 2023 represents 4% WI for Block 3/05 and 5.33% WI for Block 3/05A. FY 2023 represents 18% WI for Block 3/05 and 5.33% WI for Block 3/05A.

² Cash received for the June lifting of \$37.6m whilst recognised in Pre-tax revenue, is not recognised in 30 June cash resources or net debt due to timing of cash receipt (July) post-period.

³ Includes restricted funds of \$8.0 million (H1 2023) and \$4.9 million (FY 2023).

Operational Summary

- Gross average combined production for the period to the end of June 2024 for both Block 3/05 and 3/05A was 22,701 bopd (Net: B3/05 6,416 bopd; B3/05A 280 bopd).
- Field Operations progressed in H1 2024:
 - o 15 light well interventions (LWI) were completed delivering an overall 2,500 bopd increase to field production, a further campaign of up to 20 LWIs commenced at the end of June.
 - o Upgrade works on the power systems are ongoing to deliver water injection rates on a consistent basis.
 - o Planning for future workovers, ESP installations and selection of drilling candidate continues.

Post Period-End

- The Company sold a further 780,000 bbls of crude oil in August 2024 at a sales price of \$83.7/bbl resulting in pre-tax revenue of \$65.3 million.
- Crude oil entitlement stock at 31 August 2024, post August lifting of approximately 125,000 bbls.
- Cash balance post Q3 2024 lifting estimated to be approximately \$40 million, reducing net debt to around zero.
- The Company expects to sell its next cargo of crude (~550,000bbls) in late Q4 2024 / early Q1 2025.
- The planned three-week shutdown on Block 3/05 facilities will start on 13 September. The shutdown is to conduct maintenance work across all platforms and infrastructure to enable improved field performance.

Angolan Acquisition

The period saw the successful completion of a 12% non-operating interest in Block 3/05 and a 16% non-operating interest in Block 3/05A offshore Angola from Azule Energy Angola Production B.V. (Azule) for a net consideration of \$28.4 million offset by the inherited crude oil stock of 480,000 barrels. This third acquisition increased Afentra's interest in Block 3/05 to 30% and in Block 3/05A to 21.33%.

Kwanza Onshore Licenses

Afentra made its entry into the Kwanza onshore basin with the signing of a 45% non-operated interest in the Production Sharing Contract (PSC) for KON 19. The PSC for KON 15 has been initialled and license award is expected Q4 2024. The full work program for both licenses is being finalised with the respective partnerships, however the basin wide enhanced Full Tensor Gravity Gradient (eFTG) survey to map the geology commenced in August 2024 with early data being available in Q4 2024.

Paul McDade, Chief Executive Officer, Afentra plc commented:

"We are pleased with the progress made during the first half of 2024, which marks a pivotal period for Afentra as we transition into a producing company. The successful completion of our acquisitions in Angola has provided the financial foundation for the company, with our strong balance sheet reflecting not only the robust cash-generating capacity of these assets but also our commitment to disciplined and strategic value driven deal-making. We continue to build out our position in Angola with the entry into the Kwanza onshore basin which we consider to be a further organic value opportunity.

Our team's dedication and the strong relationships with our partners and ANPG have been instrumental in achieving these milestones, and we remain committed to driving further value for our shareholders. As we look ahead, we will continue to focus on optimising our current assets while exploring new opportunities that align with our strategy of responsible and sustainable growth in Africa."

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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. Offshore Angola Afentra has a 30% non-operated interest in the producing Block 3/05 and a 21.33% non-operated interest in the adjacent development Block 3/05A in the Lower Congo Basin and a 40% non-operating interest in the exploration Block 23 in the Kwanza Basin. Onshore Angola Afentra has a 45% non-operated interest in the prospective Block KON 19 located in the western part of the Onshore Kwanza Basin. Afentra also has a 34% 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) and as subsequently amended by the Financial Services Act 2021 ('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.

CEO Statement

The year to date has been an active period for Afentra as we have adopted a more operational focus given the completion of the Sonangol transaction in December 2023 and the subsequent completion in May of Afentra's acquisition of Azule's interest in Blocks 3/05 and 3/05A, which took our interest in these two quality blocks to 30% and 21.33% respectively.

The completion of the final transaction in the period was a watershed moment for Afentra following several years of diligent work to deliver these highly value accretive acquisitions. It also enabled the Company to establish a strong foothold in a core target market in Angola that is rich in opportunity. The completion of the Azule transaction presented the appropriate platform for us to highlight to the market our value driven approach, as we provided a detailed presentation in June that set out the organic growth opportunities across the portfolio that we have assembled for an effective outlay of less than \$10m, when factoring in the asset cash flow adjustments and stock entitlement at completion of these three acquisitions.

The Company sold an aggregate 900,000 bbls of crude in the period across two liftings in February and June, with an average sales price realised of \$84.3/bbl, inclusive of the Brent premium differential. Post-Period, in August 2024, the Company sold a further 780,000 bbls of crude oil for pre-tax revenue of \$65.3 million, whilst still holding a crude oil entitlement stock at 31 August 2024 of ~125,000 bbls. The Company expects to sell its next cargo of crude of ~550,000bbls (stock entitlement plus net accrued production) in late Q4 2024 or early Q1 2025 and has placed hedges to protect the downside in line with the Company's commitment to sound financial and risk management.

Through the period, we have made strong operational progress with our JV partners on Block 3/05 with the field responding well to the ongoing work programme consisting of two LWI campaigns of up to 35 wells, upgrades to the power systems to support on-going improvements to the water injection system and a comprehensive facility reliability project. Gross combined Block 3/05 and 3/05A production averaged 22,701 bopd (Net: B3/05 6,416 bopd; B3/05A 280 bopd) for the period to the end of June 2024. As set out in the market presentation in June, the Blocks 3/05 and 3/05A present significant organic growth opportunities for Afentra given the material resource base and upside potential. The planned investment programme will be achieved through a phased approach to control capital requirements, Afentra management believes there is potential to deliver a step-change in production to in excess of 30,000 bopd gross – underlying the strategic and technical rationale for targeting Block 3/05 and 3/05A as the initial assets from which to drive Afentra's longer-term growth ambitions.

As referenced previously, the Angolan market continues to evolve positively in terms of a progressive fiscal environment that encourages investment and recognises the important role of technically proficient independents such as Afentra. Following initial entry into the country, we have progressed further opportunities, and in January Afentra submitted proposals for Blocks KON 15 (1,000 km²) and KON 19 (900 km²) located in the Onshore Kwanza Basin as a non-operating partner. We are pleased to confirm that we have signed the KON 19 license and expect to sign the KON 15 license in Q4 2024. The rapid progress being made on this new area of strategic focus for Afentra demonstrates the benefit of the strong relations and reputation that Afentra has established in Angola. We look forward to providing the market with further updates through the remainder of the year on our strategy to capitalise on the long-term onshore Angola potential.

In summary, it has been a positive period for Afentra as the Company realises the benefits of the highly value accretive transactions progressed to completion through the prior years. The Company's strategic focus on value driven growth remains unabated as we balance our exciting organic growth story in Angola with a continued value-driven strategy in Angola and other core target markets.

Operations Summary

Block 3/05 (30%)

Strong operational progress has been made on Block 3/05 in H1 2024 and with the fields responding well to the ongoing work programme designed to both improve the reliability of the facilities and optimise production. Gross average Block 3/05 production of 22,701 bopd (Net 6,416 bopd) for the period to the end of June 2024 was within expectations. During the period, 15 LWI's were completed delivering an overall 2,500 bopd increase in production, and a further campaign of up to 20 LWI's commenced at the end of June. In parallel an upgrade program to the water injection systems is ongoing with works to the power systems in order to maintain higher water injection rates on a consistent basis, the aim is to sustain and improve upon the peak injection rate of circa 60,000 bwipd achieved in April. The water injection and power systems will be two of the focus areas for the comprehensive shutdown that will commence on 13 September alongside installation of new gas flare meters to enable an accurate baseline emissions profile.

Blocks 3/05 presents significant organic growth opportunities for Afentra given the material resource base and upside potential. The partnership continue to work on its plans for workovers and ESP installations in late 2025 as well as the selection of potential drilling candidates for future years. The Block 3/05 assets have substantial potential to replace reserves, increase production and reduce the emissions profile by optimising operational wells and infrastructure, completing workover activity as well as drilling infill wells.

Block 3/05A (21.33%)

Production has continued at the Gazela field and through June 2024 was 1,313 bopd (Net 280 bopd). This extended test continues to help to define the long-term resource potential and appropriate development strategy. Potential future activities may include further development wells and infrastructure enhancements to develop these significant discoveries. We are currently evaluating various strategies to optimise these future field developments and manage associated gas.

H1 2024 production from Blocks 3/05 and 3/05

	Production	
	Gross	Net
Block 3/05	21,388	6,416
Block 3/05A	1,313	280
Total	22,701	6,696

Onshore Kwanza Basin

In January, Afentra submitted proposals for a Blocks KON 15 (1,000 km²) and KON 19 (900 km²) located in the Onshore Kwanza Basin as a non-operating partner. We were pleased to sign the first of these licenses, KON 19 in July with Afentra being assigned a 45% non-operated interest alongside two local Angolan companies ACREP and Enagol. We have initialled the KON 15 license, where we have also been assigned a 45% non-operating interest alongside Sonangol, we expect this license to be awarded in Q4 2024. Our technical assessment of the Kwanza basin is highly compelling and we consider it presents a low-cost entry with significant upside potential given the historic evidence of a working petroleum system and the proximity of KON 15 and KON 19 to legacy oil fields. As the first phase of an integrated work program Afentra has taken part in an eFTG survey covering the entire onshore basin which commenced acquisition in August with early results available from Q4 2024.

Block 23 (40%):

Block 23 is a 5,000 km² exploration and appraisal block located in the offshore Kwanza Basin in water depths from 600 to 1,600 meters and has a working petroleum system. Whilst this large block is covered by modern 3D and 2D seismic data sets, with no outstanding work commitments remaining, the majority of the block remains under-explored. The block contains the Azul oil discovery, the first deepwater pre-salt discovery in the Kwanza basin. This discovery made in carbonate reservoirs has oil in place of approx. 150 mmbbls and tested at flow rates of approx. 3,000 - 4,000 bbl/d of light oil. During the period Total announced its final investment decision on the 80,000 bopd Kaminho project in Blocks 20 and 21 just to the north of Block 23.

Afentra holds a 40% non-operated interest, while Sonangol holds the remaining 60% equity in Block 23.

Somaliland

Somaliland offers one of the last opportunities to target an undrilled onshore rift basin in Africa. The Odewayne block covers 22,840 km², and with access to Berbera deepwater port less than a 100km to the north, it is ideally located to commercialise any discovered hydrocarbons.

Odewayne Block (34%)

In H1 the operator progressed with further geological and geophysical studies, planning a stratigraphic borehole as well as an eFTG feasibility and planning study.

The Company's 34% working interest in the PSA is 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.

Financial Review

The first half of 2024 continued to reflect the momentum built during 2023 with the completion of our third asset transaction (Azule) in May. This momentum is reflected in our financial results for the first half of 2024 with an adjusted EBITDAX of \$40.8m, circa 3.5 times higher than our year end 2023 comparator, clearly demonstrating the cash generative nature of the assets. The cash and cash equivalents reported at \$13.8m, does not include the proceeds received post period (in July) from our June oil sale, which when adjusted would give a cash and cash equivalents balance in excess of \$50m.

Post period, in August, we have sold our third cargo of crude oil of 780,000bbls at a sales price of \$83.7/bbl resulting in pre-tax revenue of \$65.3m. With the proceeds from this sale and after making the requisite principal and interest payments on the RBL facility, and after satisfying the projected cash calls to the end of September we estimate our cash balance to be ~\$40m, completely netting off our debt balance.

On price protection, we will be looking to build out the oil hedge program we have successfully put in place for our February, June and August liftings. In respect of our projected Q4 2024 lifting we have placed a combination of puts (230,000 bbls at \$70/bbl floor) and zero cost collars (170,000 bbls, \$70/bbl floor / \$90.40/bbl ceiling). We are currently planning further hedges for 2025/26 which will be put in place in due course in line with our Group hedging policy.

Our debt financing continues to be managed successfully following the initiation of the RBL in May 2023 (5-year tenor) on the

acquisition of the INA assets in Angola in Blocks 3/05 and 3/05A. Since then, further drawdowns on the facility have been made to support two further acquisitions in Angola on the same Blocks purchasing assets from Sonangol (Dec 2023) and Azule (May 2024). Post a Q3 2024 RBL repayment, we anticipate the total drawdown to reduce to ~ \$40m. Our debt arrangement also consists of a \$30m revolving working capital facility (5-year tenor effective from May 2023) that has also been successfully utilised, and which was paid down to zero in the post period (July).

In respect of Asset operations we continue to provide support to the operator in a number of finance and commercially related matters, and regarding M&A, we remain committed to and are pursuing additional value accretive opportunities both in Angola and the wider West Africa Region.

Selected financial data

	H1 2024	H1 2023	FY 2023
Cash and cash equivalents (\$m)	13.8	7.7	14.7
Restricted Funds	-	8.0	4.9
Adjusted EBITDAX ¹ (\$m)	40.8	(0.8)	11.1
Profit/(loss) after tax (\$m)	22.2	(3.9)	(2.7)
Debt facilities:			
Reserve Based Lending Facility (\$m)	46.2	12.8	31.7
Working Capital Facility (\$m)	13.9	9.1	-
Share price (at period end) (GBP pence)	52.2	24.5	37.0

¹Adjusted EBITDAX is calculated as earnings before interest, taxation, depreciation, total depletion and amortisation, impairment, pre-licence expenditure, provisions and non-cash share-based payments. Total depletion is the depletion charged to profit and loss and absorbed in inventory.

Revenue

Currently, all of the Group's production is from Block 3/05 and Block 3/05A with net production in the period averaging c.a. 6,696 bopd (H1 2023: 785 bopd). No revenue was recognised in H1 2023, versus two liftings recognised in H1 2024, in February and June (\$75.7m).

Profit from operations

The profit from operations for H1 2024 was \$34.1 million (H1 2023: loss \$3.4 million), with the switch to profitability being driven by the impact of two liftings in the reporting period, in February and June. Also, during the period, net administrative expenditure increased to \$7.6 million (H1 2023: \$3.4 million) predominantly because of costs associated with cash settled employee share-based plans (\$3.1m) and increased headcount and costs relating to the Angolan Acquisitions and its associated workstreams. Costs associated with new business (Pre-licence costs) for H1 2024 were \$1.2 million (H1 2022: \$2.2 million).

Adjusted EBITDAX and Profit after Tax

EBITDAX Totalled a profit of \$40.8 million (H1 2023: loss \$0.8 million) and the Profit after Tax totalled \$22.2 million (H1 2023: loss \$3.9 million), driven by the impact of the Revenues generated in the period.

EBITDAX (Adjusted)	H1 2024 \$M	H1 2023 \$M	FY 2023 \$M
Profit after Tax	22.2	(3.9)	(2.7)
Add back:			
Net Finance costs	7.4	0.4	3.3
Depletion and depreciation	5.7	0.5	2.9
Pre-licence costs	1.2	2.2	4.8
Non cash share Based Payment charge	0.2	-	1.0
Non cash share Based Payment credit	(0.4)	-	-
Taxation	4.5	-	1.8
Total EBITDAX (Adjusted)	40.8	(0.8)	11.1
Basic EPS	9.9 cents	(1.8) cents	(1.2) cents
Diluted EPS	9.4 cents	(1.8) cents	(1.2) cents

No dividend is proposed to be paid for the six months to 30 June 2024 (30 June 2023: nil).

Cash flow

Cash and cash equivalents at the end of the period totalled \$13.8m (H1 2023: \$7.7m) and comprised of the following components:

- Net cash inflow from operating activities (pre-working capital movements) totalled \$39.7 million (H1 2023: outflow \$2.9 million), due to the impact of oil revenues generated during the period.
- Net cash inflow from operating activities (post working capital movements) totalled \$12.2million (H1 2023: outflow \$5.8 million), reflecting the cash received from oil revenues, as well as an increase in payables, during the period, offset by the receivable relating to the June oil sale (\$37.6m).
- Net cash used in investing activities totalled \$36.9 million (H1 2023: \$25.1 million) primarily due to the acquisitions on Block 3/05 and Block 3/05A, offset by a reduction in the restricted funds (payable on closing of the Azule transaction, detailed in Note 10).
- Net cash generated in financing activities totalled \$23.8 million (H1 2023: \$18.3 million) primarily as a result of the drawdowns on debt facilities of \$35.7 million offset by repayment of debt principle of \$8.4m, interest of \$3.5m.

Statement of financial position

As of 30 June 2024, the Statement of Financial position comprised of the following balances:

- Non-current assets were \$269.2 million (30 June 2023: \$62.6 million), the increase relating to the acquisition of further interests in Block 3/05 and Block 3/05A.
- Current assets stood at \$76.0 million (30 June 2023: \$34.5 million) including; oil inventories of \$15.7 million (30 June 2023: \$9.7 million), cash and cash equivalents of \$13.8 million (30 June 2023: \$7.7 million), restricted funds of \$ nil (30 June 2023: \$8.0 million) and trade and other receivables of \$46.4 million (30 June 2023: \$9.0 million). The increase in trade and other receivables related primarily to the cargo of 450,000 barrels that was lifted in June with cash received in July.
- Current liabilities were \$97.0 million (30 June 2023: \$23.5 million) including borrowings of \$25.7 million (30 June 2023: \$11.5 million), contingent consideration of \$16.3 million (30 June 2023: \$1.4 million) and trade and other payables of \$55.0 million (30 June 2023: \$10.6 million). The increase in trade and other payables relates to Joint Venture working capital items (Block 3/05 and Block 3/05A).
- Non-current liabilities were \$178.1 million (30 June 2023: \$27.6million) including borrowings of \$34.5 million (30 June 2023: \$10.5 million), contingent consideration of \$12.7 million (30 June 2023: \$4.2 million) and provisions of \$130.9 million (30 June 2023: \$12.8 million).
- Group net assets of 30 June 2024 were \$70.1 million (30 June 2023 were \$45.9 million), The increase in Group net assets is driven entirely by the impact on the balance sheet of the addition of acquired assets from both Sonangol and Azule on B3/05 & 3/05A compared to acquired assets from INA in in H1 2023.

Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position is set out above (pages 1 and 2) and within the CEO Statement, Operations Summary and Financial Review. The financial position of the Group is 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 the Group is well placed to manage its business risks successfully.

The Group has adequate cash resources based on existing cash on balance sheet, proceeds from future oil sales, a conventional RBL arrangement, and a revolving working capital facility, in place with Trafigura and Mauritius Commercial Bank to meet its liabilities as they fall due for a period of at least 12 months notwithstanding the situation in Ukraine and the Middle East, and the potential impact on commodity prices and exchange rates.

The Board has also looked at downside scenarios including a production shortfall and lower than anticipated oil prices. The impact of the downside scenarios can be mitigated by the implementation of hedges for 70% of the remaining 2024 cargos. Further scenarios associated with additional acquisitions (KON15 and KON19) have also been reviewed and the Board believe that liquidity is sufficient to pursue these opportunities and cover all financial covenants. The Board also notes the implementation of the hedging policy and is confident in the utilisation of commodity-based derivatives to manage downside risk. Thus the Board believes it's appropriate to continue to adopt the going concern basis of accounting in preparation of the financial statements.

Disclaimer

This document 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 Group believes the expectation reflected herein to be reasonable in light of the information available to it at this time, the actual outcome may be materially different owing to factors either beyond the Group's control or otherwise within the Group's control but where, for example, the Group decides on a change of plan or strategy. Accordingly, no reliance may be placed on the figures contained in such forward-looking statements.

Glossary

\$	US Dollars
2D	two dimensional
3D	three dimensional
Adjusted EBITDAX	earnings before interest, taxation, depreciation, total depletion and amortisation, impairment, pre- licence expenditure, provisions and share based payments
AIM	Alternative Investment Market of the London Stock Exchange
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)
Azule	an incorporated Joint Venture between Eni and bp
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
bbl/d	barrels of oil per day ('k-' / 'mm-' for thousand / million)
bopd	barrels of oil per day
CPR	Competent Persons Report
CSI	China Sonangol International
eFTG	enhanced Full Tensor Gravity Gradiometry
ERCe	Independent and qualified Reserves and Resources evaluator (CPR)
Group	Afentra plc, together with its subsidiary undertakings (the 'Group')
INA	Industrija Nafta, d.d
IOCs	international oil company
JV	joint venture
Km	kilometre
km²	square kilometre
Mmbo	million Barrels of Oil
Petrosoma	Petrosoma Limited (JV partner in Somaliland)
PSA	production sharing agreement
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)
Seismic	Geophysical investigation method that uses seismic energy to interpret the geometry of rocks in the subsurface
SOFR	Secured Overnight Financing Rate
SPA	Sale and Purchase Agreements
Sonangol	Sonangol Pesquisa e Produção S.A.
Trafigura	Trafigura PTE
WI	working interest

Condensed consolidated income statement for the six months to 30 June 2024

	Note	Six months to 30 June 2024	Six months to 30 June 2023	Year ended 31 December 2023
		\$000	\$000	\$000
Revenue		75,667	-	26,390
Cost of sales		(33,894)	-	(12,571)
Gross profit		41,773	-	13,819
Other administrative expenses	3	(6,442)	(1,278)	(6,647)
Pre-licence costs		(1,203)	(2,155)	(4,810)
Total administrative expenses		(7,645)	(3,433)	(11,457)
Profit/(loss) from operations		34,128	(3,433)	2,362
Finance income	4	-	135	240
Finance expense	4	(7,405)	(575)	(3,508)
Profit/(loss) before tax		26,723	(3,873)	(906)
Tax		(4,514)	-	(1,799)
Profit/(loss) for the period attributable to the owners of the parent		22,209	(3,873)	(2,705)
Other comprehensive income/(expense) - items to be reclassified to the income statement in subsequent periods				
Currency translation adjustments		4	(9)	(96)
Total other comprehensive income/(expense) for the period		4	(9)	(96)
Total comprehensive income /(expense) for the year attributable to the owners of the parent		22,213	(3,882)	(2,801)
Basic earnings/(loss) per share (US cents)	5	9.9	(1.8)	(1.2)
Diluted earnings/(loss) per share (US cents)	5	9.4	(1.8)	(1.2)

Condensed consolidated statement of financial position as at 30 June 2024

		As at	As at	As at
	Note	30 June 2024	30 June 2023	31 December 2023
		\$000	\$000	\$000
Non-current assets				
Intangible exploration and evaluation assets	6	21,919	21,346	21,867
Property, plant and equipment	7	116,363	28,531	75,131
Other non-current assets	8	130,882	12,718	76,973
		<u>269,164</u>	<u>62,595</u>	<u>173,971</u>
Current assets				
Inventories		15,697	9,735	13,441
Trade and other receivables		46,443	9,008	3,640
Cash and cash equivalents		13,818	7,725	14,729
Restricted Funds		-	8,000	4,850
		<u>75,958</u>	<u>34,468</u>	<u>36,660</u>
Total assets		<u><u>345,122</u></u>	<u><u>97,063</u></u>	<u><u>210,631</u></u>
Equity				
Share capital		28,907	28,143	28,143
Currency translation reserve		(294)	(211)	(298)
Share option reserve		87	-	965
Retained earnings		41,371	17,994	19,162
Total equity		<u>70,071</u>	<u>45,926</u>	<u>47,972</u>
Current liabilities				
Borrowings	9	25,669	11,465	6,752
Trade and other payables		54,941	10,579	27,307
Contingent consideration	10	16,307	1,378	4,621
Lease liability		47	114	155
		<u>96,964</u>	<u>23,536</u>	<u>38,835</u>
Non-current liabilities				
Borrowings	9	34,516	10,473	24,951
Contingent consideration	10	12,652	4,228	21,863
Provisions	11	130,919	12,754	77,010
Lease liability		-	146	-
		<u>178,087</u>	<u>27,601</u>	<u>123,824</u>
Total liabilities		<u>275,051</u>	<u>51,137</u>	<u>162,659</u>
Total equity and liabilities		<u><u>345,122</u></u>	<u><u>97,063</u></u>	<u><u>210,631</u></u>

Condensed consolidated statement of changes in equity for the six months ended 30 June 2024

	Share capital \$000	Currency translation reserve \$000	Share option reserve \$000	Retained earnings \$000	Total \$000
At 1 January 2023	28,143	(202)	-	21,867	49,808
Loss for the period	-	-	-	(3,873)	(3,873)
Currency translation adjustments	-	(9)	-	-	(9)
Total comprehensive expense for the period attributable to the owners of the parent	-	(9)	-	(3,873)	(3,882)
At 30 June 2023	28,143	(211)	-	17,994	45,926
Profit for the period	-	-	-	1,168	1,168
Currency translation adjustments	-	(87)	-	-	(87)
Total comprehensive income for the period attributable to the owners of the parent	-	(87)	-	1,168	1,081
Share option charge for the period	-	-	965	-	965
At 31 December 2023	28,143	(298)	965	19,162	47,972
Profit for the period	-	-	-	22,209	22,209
Currency translation adjustments	-	4	-	-	4
Total comprehensive income for the period attributable to the owners of the parent	-	4	-	22,209	22,213
Issue of ordinary share capital	764	-	(764)	-	-
Transferred cash settled share option charge to liability	-	-	(351)	-	(351)
Share option charge for the period	-	-	237	-	237
At 30 June 2024	28,907	(294)	87	41,371	70,071

Condensed consolidated statement of cash flows for the six months ended 30 June 2024

	Note	Six months to 30 June 2024	Six months to 30 June 2023	Year ended 31 December 2023
		\$000	\$000	\$000
Operating activities:				
Profit/(loss) before tax		26,723	(3,873)	(906)
Depreciation, depletion & amortisation	7	5,683	491	2,880
Share-based payment charge		237	-	965
		(351)		
Share-based payment credit – cash settlement			-	-
Finance income and gains		-	(135)	(240)
Finance expense and losses	4	7,405	575	3,508
Operating cash flow prior to working capital movements		39,697	(2,942)	6,207
Decrease/(increase) in inventories (from acquisition date)		9,209	(1,690)	4,789
(Increase)/decrease in trade and other receivables (from acquisition date)		(42,803)	175	5,809
Increase/(decrease) in trade and other payables (from acquisition date)		8,395	(1,371)	(2,688)
Increase in provisions		-	2	3
Cash flow generated from/(used in) operating activities		14,498	(5,826)	14,120
Petroleum income tax paid		(2,301)	-	(1,799)
Net cash flow generated from/(used in) operating activities		12,197	(5,826)	12,321
Investing activities				
Corporate acquisitions	12	(28,428)	(26,995)	(48,126)
Interest received	4	-	135	240
Purchase of property, plant and equipment	7	(8,627)	(457)	(3,316)
Exploration and evaluation costs	6	(52)	(22)	(43)
Cash inflow from restricted funds		4,850	2,200	5,350
Contingent consideration paid	10	(4,622)	-	-
Net cash used in investing activities		(36,879)	(25,139)	(45,895)
Financing activities				
Drawdown on loan facilities net of transaction costs	9	35,749	19,000	45,066
Principal repayments on loan facilities	9	(8,364)	-	(14,367)
Interest paid	4	(3,506)	(531)	(2,504)
Principal and interest paid on lease liability		(112)	(127)	(245)
Net cash generated from financing activities		23,767	18,342	27,950
Net decrease in cash and cash equivalents		(915)	(12,623)	(5,624)
Cash and cash equivalents at beginning of year		14,729	20,384	20,384
Effect of foreign exchange rate changes		4	(36)	(31)
Cash and cash equivalents at end of year		13,818	7,725	14,729

Notes to the consolidated results for the six months ended 30 June 2023

1. Basis of preparation

The financial information contained in this announcement does not constitute statutory financial statements within the meaning of Section 435 of the Companies Act 2006.

The financial information for the six months ended 30 June 2024 is unaudited. In the opinion of the Directors, the financial information for this period fairly represents the financial position of the Group. Results of operations and cash flows for the period are in compliance with UK adopted International Accountings Standards.

The accounting policies, estimates and judgements applied are consistent with those disclosed in the annual financial statements for the year ended 31 December 2023, and are also consistent with additional policies, estimates and judgements as noted below.

Critical Accounting Judgements and Estimates

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

Business Combinations and Asset Acquisitions

The Group has acquired an additional working interest in the producing oil blocks Block 3/05 and 3/05A in Angola during the period (note 10). It was the judgement of the Directors that this further acquisition should be accounted for as an asset acquisition, consistent with the judgement in respect of the initial acquisition transactions in 2023 for the same assets. The Group assessed joint control, as determined under IFRS11, does not exist among the contractor partners to the arrangement because there are several combinations of partners who can combine to meet the passmark vote for strategic and financial decisions.

Consistent with how the 2023 acquisitions were treated, management have determined that the acquisition will be accounted for as an asset acquisition under IFRS 3 and requires an allocation of the consideration across the identified assets and liabilities based on their relative fair values.

These financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2023. All financial information is presented in USD, unless otherwise disclosed.

An unqualified audit opinion was expressed for the year ended 31 December 2023, as delivered to the Registrar. The Directors of the Company approved the financial information included in the results on 11th September 2024.

2. Results & dividends

The Group has retained earnings at the end of the period of \$41.4 million (30 June 2023: \$18.0 million retained earnings) to be carried forward. The Directors do not recommend the payment of a dividend (H1 2023: nil).

3. Exceptional items

The following exceptional items are included within Other administrative expenses:

	Six months to 30 June 2024	Six months to 30 June 2023	Year ended 31 December 2023
	\$000	\$000	\$000
Cash settled share based payment including employer NIC	3,138	-	-
RTO process costs	-	228	1,580

During the period certain Group employees exercised share options over shares in Afentra plc. This exercise of options resulted in a tax liability for the recipients, which the Group is obliged to withhold and pay to the UK tax authority. The Group elected to settle this tax liability in cash, and issued only net, post-tax, shares to the recipients. This payment of the recipients' tax liability from existing cash resources, rather than from the proceeds of issuing further shares up to the gross share entitlement to cover the tax, is a cash settlement of a share based payment obligation. Additionally, the Group incurred employers national insurance tax on the market value of the recipients' gross entitlement to shares.

4. Finance income and finance expense

	Six months to 30 June 2024	Six months to 30 June 2023	Year ended 31 December 2023
	\$000	\$000	\$000

Finance income:

Interest on short-term deposits	-	135	240
	-	135	240

Finance expense:

Interest on borrowings	2,716	398	1,764
Finance and arrangement fees	447	98	392
Offtaker fees	2,591	-	776
Finance charges on hedge instrument	-	-	473
Other interest expense	-	32	31
Bank charges	5	4	14
Interest accretion on contingent consideration	1,036	-	-
Interest accretion on lease	4	12	18
Fair value adjustment on contingent consideration	624	-	-
Exchange differences	(18)	31	40
	7,405	575	3,508

5. Earnings/(loss) per share (basic and diluted)

	Six months to 30 June 2024	Six months to 30 June 2023	Year ended 31 December 2023
Profit/(loss) for the year (\$000)	22,209	(3,873)	(2,705)
Weighted average number of ordinary shares in issue during the year (number of shares)	223,473,586	220,053,520	220,053,520
Basic EPS (US cents)	9.9	(1.8)	(1.2)
Total possible dilutive effect of share awards outstanding	12,011,237	-	23,023,546
Fully diluted average number of ordinary shares during the year	235,484,823	220,053,520	243,077,065
Diluted EPS (US cents)	9.4	(1.8)	(1.2)

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. Share options and awards are not included in the dilutive calculation for loss making periods because they are anti-dilutive.

The dilutive effect of share awards outstanding is the total possible award number and does not take into account vesting conditions potentially not met, or the Group's expectation that these awards will be settled net of tax, that will reduce the impact of the dilutive effect of the awards.

6. Intangible exploration and evaluation (E&E) assets

	Total \$000
Net book value at 1 January 2023	21,324
Additions during the period	22
Net book value at 30 June 2023	21,346
Acquisitions during the period	500
Additions during the period	21
Net book value at 31 December 2023	21,867
Additions during the period	52
Net book value at 30 June 2024	21,919

Group intangible assets at the year end 2023:

- Block 23 PSA, Angola: Afentra Angola Ltd 40%, and Sonangol 60% (Operator).
- Odewayne PSA, Somaliland: Afentra (East Africa) Limited 34%, Genel Energy Somaliland Limited 50% (Operator) and Petrosoma 16%.

7. Property, plant and equipment

	Oil and gas assets \$000	Office Lease \$000	Computer and office equipment \$000	Total \$000
Cost				
At 1 January 2023	-	1,143	349	1,492
Modification during the period	-	22	9	31
Acquisitions during the period	27,992	-	-	27,992
Additions during the period	453	-	4	457
At 30 June 2023	28,445	1,165	362	29,972
Modification during the period	-	-	-	-
Acquisitions during the period	43,364	-	-	43,364
Additions during the period	5,613	-	14	5,627
Disposals during the period	-	-	(5)	(5)
At 31 December 2023	77,422	1,165	371	78,958
Modification during the period	-	-	-	-
Acquisitions during the period	38,288	-	-	38,288
Additions during the period	8,618	-	9	8,627
At 30 June 2024	124,328	1,165	380	125,873
Accumulated depreciation and impairment				
At 1 January 2023	-	(785)	(167)	(952)
Charge for the period	(354)	(91)	(44)	(489)
At 30 June 2023	(354)	(876)	(211)	(1,441)
Charge for the period	(2,246)	(99)	(46)	(2,391)
Disposals during the period	-	-	5	5
At 31 December 2023	(2,600)	(975)	(252)	(3,827)
Charge for the period	(5,541)	(96)	(46)	(5,683)
At 30 June 2024	(8,141)	(1,071)	(298)	(9,510)
Net book value at 30 June 2024	116,187	94	82	116,363
Net book value at 31 December 2023	74,822	190	119	75,131
Net book value at 30 June 2023	28,091	289	151	28,531
Net book value at 1 January 2023	-	358	182	540

Block 3/05 PSA, Angola: Afentra Angola Ltd 30%, Sonangol (Operator) 36%, M&P 20%, Etu Energias 10% and NIS- Naftagas 4%.

Block 3/05A PSA, Angola: Afentra Angola Ltd 21.33%, Sonangol (Operator) 33.33%, M&P 26.68%, Etu Energias 13.33% and NIS- Naftagas 5.33%.

The right of use asset (office lease) is depreciated on a straight-line basis over the lifetime of the lease contract. The current lease term is for 8 years, ending in 2024.

8. Other non-current assets

The Group have reviewed the accounting treatment for the decommissioning fund held by the Block 3/05 Operator and have recognised a non-current asset and an offsetting non-current liability for \$130.9 million (30 June 2023: \$12.7 million; 31 December 2023: \$77.0 million), which equates to the present value of the future decommissioning liability. It is management's view that the future liability for decommissioning is represented by the totality of the funds held by the Operator, specifically for such purposes. The non-current asset held for decommissioning liability is limited to the lower of the present value of the future decommissioning liability and the amount of the funds held by the Operator.

9. Borrowings

The Group has activated elements of both the RBL Facility and Working Capital facility in order to facilitate the completion of the INA acquisition. As of June 30th, 2024, the Group has borrowings of \$46.2 million (RBL) and \$13.9 million (Working Capital) with the following key terms:

RBL Facility up to \$75 million

- 5-year tenor
- 8% margin over 3-month SOFR (Secured Overnight Financing Rate)
- Semi- annual linear amortisations

- Key financial covenant of Net Debt to EBITDA < 3:1

Working Capital up to \$30m revolving facility

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

	As at 30 June 2024 \$000	As at 30 June 2023 \$000	As at 31 December 2023 \$000
Current			
Reserve Based Lending Facility	11,725	2,327	6,752
Working Capital Facility	13,944	9,138	-
	<u>25,669</u>	<u>11,465</u>	<u>6,752</u>
	As at 30 June 2024 \$000	As at 30 June 2023 \$000	As at 31 December 2023 \$000
Non-current			
Reserve Based Lending Facility	34,516	10,473	24,951
	<u>34,516</u>	<u>10,473</u>	<u>24,951</u>
	Six months to 30 June 2024 \$000	Six months to 30 June 2023 \$000	Year ended 31 December 2023 \$000
Borrowings			
At 1 January	31,703	-	-
Loan drawdowns	35,749	21,938	48,003
Interest charge	1,912	-	1,152
Repayments	(10,276)	-	(15,519)
Movement in unamortised debt arrangement cost	293	-	(2,545)
Movement in interest accrued	804	-	612
At 31 December	<u>60,185</u>	<u>21,938</u>	<u>31,703</u>

A charge is placed on Afentra (Angola) Ltd shares to Mauritius Commercial Bank Limited as required by the terms of the debt facilities.

10. Contingent consideration

Provisions include contingent consideration payable to INA, SNL and Azule on Blocks 3/05 and 3/05A:

INA acquisition (2023):

Tranche 1: The contingent consideration for 3/05 relates to the 2023 and 2024 production levels and a realised Brent price hurdle up to an annual cap of \$2.0 million;

Tranche 2: The contingent consideration for 3/05A relates to the successful future development of the Caco Gazela and Punja development areas, with production and oil price hurdles. The maximum payable for these development areas is \$5.0 million.

During the period the Group paid contingent consideration of \$1.1 million to INA in respect of Tranche 1.

SNL acquisition (2023):

The contingent consideration for the SNL acquisition is payable annually over the next 10 years in each year where production exceeds 15,000 bopd, and the realised oil price exceeds \$65. The maximum annual amount payable is \$3.5 million, resulting in a total maximum payment of \$35 million over 10 years.

During the period the Group paid contingent consideration of \$3.5 million to Sonangol.

Azule acquisition (2024):

The contingent consideration for the Azule acquisition includes up to \$21 million over 3 years subject to certain oil price and Block 3/05 production hurdles with an annual cap of \$7 million. Further contingent considerations of up to \$15 million are linked to the successful future development of certain Block 3/05A discoveries and associated oil price and production hurdles.

During the period (as part of the completion) the Group paid contingent consideration of \$1.2 million to Azule.

Management have reviewed the contingent payments related to these acquisitions, which are dependent upon production levels, future oil price hurdles and future B3/05A developments. Judgement has been applied to the probability of the circumstances occurring that would give rise to some or all of the future payments. For each tranche of contingent consideration Management have applied a multiple scenario approach to each tranche along with the related weightings of probability resulting in an expected amount payable

11. Provisions

	As at 30 June 2024 \$000	As at 30 June 2023 \$000	As at 31 December 2023 \$000
Non-current			
Decommissioning	130,882	12,718	76,973
Other	37	36	37
	<u>130,919</u>	<u>12,754</u>	<u>77,010</u>

The increase in the non-current decommissioning provision during the first half of 2024 is mainly due to additional liability assumed pursuant to the Azure transaction (note 12).

12. Acquisition

During the period the Company completed the acquisition of interests in Block 3/05 (12%) and Block 3/05A (16%) offshore Angola for a net \$28.4 million payment with a subsequent contingent payments estimated at \$5.4 million.

	Block 3/05 \$000	Block 3/05A \$000	Total \$000
Consideration			
Initial consideration	47,500	1,000	48,500
Actual adjustments from effective date	(15,151)	(6,096)	(21,247)
Contingent consideration	1,175	-	1,175
Consideration paid	<u>33,524</u>	<u>(5,096)</u>	<u>28,428</u>
Contingent consideration - Oil price and production linked / future developments	1,415	4,022	5,437
Total consideration	<u>34,939</u>	<u>(1,074)</u>	<u>33,865</u>
Net assets			
Oil and gas properties	36,051	2,237	38,288
Other non-current assets (decommissioning fund)	52,166	-	52,166
Non-current provision (decommissioning)	(52,166)	-	(52,166)
Inventory (Oil Stock)	11,036	429	11,465
Joint Venture partner balance	(4,092)	2,961	(1,131)
Joint Venture working capital	(8,056)	(6,701)	(14,757)
Net assets acquired	<u>34,939</u>	<u>(1,074)</u>	<u>33,865</u>

The Group performed an assessment of the Azure acquisition to determine whether the acquisition should be accounted for as an asset acquisition or a business combination. Consistent with the acquisitions in 2023 from INA and SNL, the Group established that under IFRS11, joint control does not exist, and therefore the Group have deemed the acquisition to qualify as an acquisition of group of assets and liabilities, not of a business. Furthermore, the Group gave regard to guidance included under IFRS 11-Joint Arrangements, and will account for its share of the income, expenses, assets, and liabilities from the acquisition date.

The consideration (contingent and actual consideration paid) was allocated to assets and liabilities based on their relative fair values.

13. Subsequent Events

Subsequent to the Balance Sheet date of June 30th, the following business activities occurred and are anticipated to occur:

- In July, the onshore block KON19 license was signed and a 45% non-operated interest awarded
- In August, an eFTG airborne survey commenced over the entire onshore Kwanza basin, with early data anticipated to be available in Q4
- In August, the onshore block KON15 was initialed and license award is anticipated in Q4
- In August, successful cargo sale of 780,000 bbls