ANNUAL REPORT AND FINANCIAL STATEMENTS

2018

WENTWORTH RESOURCES PLC

Wentworth Resources plc is a London AIM (WEN) listed, full cycle Exploration and Production company with gas production and material exploration running room in the onshore Rovuma Basin of Southern Tanzania.

We have an ambitious, domestic gas-led, African focused strategy to deliver material shareholder value from our core Tanzanian Mnazi Bay producing gas asset and inorganically through an M&A led growth mandate.

Our aim is to become a mid-tier, African focused, full cycle E&P Company delivering a balance of accretive growth potential and capital returns to our shareholders.

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HIGHLIGHTS

CORPORATE

- Mnazi Bay, core producing gas asset in Tanzania, produced at an average 2018 rate of c. 4,425 boepd net W.I. [1]
- 2P Reserves of 99.7 Bscf (16.6 MMboe), valued at $106 million (after-tax NPV15). [2]
- Completed corporate transition to the UK – completed Oslo Børs delisting, resulting in a simpler transactional platform driving efficiencies into the business model.
- UK based management team in place from June 2018 following relocation of corporate headquarters from Canada, with Calgary office closing at the end of 2018 and Maputo office closed in March 2019.
- Refreshed UK based Board as of November 2018.
- Strong and supportive institutional shareholder register.

FINANCIAL

- Milestone Mnazi Bay gas sales revenue of $16.2 million (2017: $13.4 million).
- Adjusted earnings ("EBITDAX") of $8.3 million (2017: $5.3 million) excluding non-recurring expenses of $76.6 million. Non-recurring expenditures include: Mozambican exploration impairment provision $41.6 million; one-off re-structuring and redomicile costs of $2.3 million comprising recruitment, severance, travel, legal and professional charges; Tanzanian tax assessments of $1.0 million for the years 2013 to 2016, provision against Tanzania Government receivables $5.0 million; and deferred tax write-downs of $26.7 million.

- Net loss of $75.2 million (2017: $0.7 million).
- Net cash at year-end of $0.8 million, compared to net debt of $13.9 million at 31 December 2017.
- Cash and cash equivalents on hand at year-end of $11.9 million (2017: $3.75 million).
- Reduced outstanding long-term loans by $7.3 million to $8.6 million (2017: $15.3 million).

OPERATIONAL

- Average gross daily gas production for the period increased 70% to 83.2 MMscf/d from 49.1 MMscf/d in 2017; above annual 2018 guidance of 65-75 MMscf/d. [1]
- Exited 2018 with an average daily production rate of 92.5 MMscf/d in December, a new Company record.
- Continued operating cost reduction to $0.44/Mscf (2017: $0.84/Mscf), leveraging increased production volumes.
- Total cash receipts of $36.2 million from gas sales and recovery of long-term government receivables during 2018.
- On track to relinquish Tembo block in Northern Mozambique ahead of the end of the current appraisal term on 15 June 2019.

[1] Management estimates 31 Dec 2018
[2] RPS Canada CPR 31 Dec 18

> "Wentworth is now perfectly poised for growth, both by adding to its current Tanzanian production base and by seeking accretive growth opportunities outside of Tanzania."

CHAIRMAN'S STATEMENT

2018 saw the successful completion of the strategic restructuring initiative which began in 2017. The Company has now been legally redomiciled from the Province of Alberta in Canada to the Isle of Jersey, incorporated as Wentworth Resources plc and is trading under the new ticker, WEN, on the AIM Market of the London Stock Exchange ("AIM"). The Company's Head Office in Calgary, Alberta has been closed and is now headquartered in Reading, Berkshire in the UK. In addition, Wentworth successfully delisted from the Oslo Børs with an effective date of 13 February 2019. These substantive changes to the corporate structure have resulted in an enhanced and more efficient management platform, allowing the Company to evaluate, and ultimately transact on, growth opportunities.

This restructuring also resulted in a complete change in the Senior Executive Management and in the structure of the Board of Directors. In line with UK Corporate Governance norms and in keeping with the QCA Corporate Governance Code, which the Company has now adopted, the make-up of the Board now constitutes an appropriate balance between Executive Directors and Non-executive Directors. We have made changes to the Non-executive Director composition to ensure continued effectiveness of the Board appropriate for the Company after its move from Canadian domicile to Jersey domicile and with a sole listing in London. The Board appointed two new Non-executive Directors, Tim Bushell and Iain McLaren, bringing new and relevant skills to replace Canadian resident directors, Neil Kelly and Cameron Barton, who agreed to step down from the Board. Neil and Cameron provided the Board with strong contributions which have helped take the Company to where it is today: a refreshed and simpler corporate platform, poised for growth. I wish to thank all the previous Wentworth management and directors for the professionalism and diligence they have demonstrated over the past year in ensuring that these changes took place. I wish them all the good fortune that they deserve in the future.

Wentworth today is financially sound and even healthier than this time last year with an increasingly positive outlook: we expect 2019 to be a year of increasing balance sheet strength. Mnazi Bay production has grown materially in the last several years and is more predictable thanks to growing demand in Tanzania. Tanzanian Petroleum Development Company ("TPDC") and Tanzania Electric Supply Company ("TANESCO"), the Company's two primary off takers of Mnazi Bay gas, continue to fulfil their respective payment obligations whilst significantly improving on previous payment arrears. With future demand for domestic gas in Tanzania taking off and pipeline infrastructure in place with substantial spare capacity available, Wentworth and its partners can expand and meet this growing demand over the next few years.

Wentworth is now perfectly poised for growth, both by adding to its current Tanzanian production base and by seeking accretive growth opportunities outside of Tanzania. The Company's strong, loyal institutional shareholder base, combined with its strengthening balance sheet and simplified corporate structure, is creating many new opportunities for management to pursue.

I would like to thank all shareholders for their continued support, and I would also like to thank the entire Wentworth team for their hard work and loyalty that they have demonstrated through the past year.

Robert McBean
Chairman

24 April 2019

CHIEF EXECUTIVE'S STATEMENT

For Wentworth, 2018 was an impactful year, which saw a major corporate transition process complete, plateau production from our Mnazi Bay gas producing asset, sustained revenue receipts from our key Tanzanian off-takers, TPDC and TANESCO, since June of 2017 and net cash at year end.

MARKET LANDSCAPE

Our average daily net production grew from 2,614 boepd in 2017 to 4,425 boepd in 2018. Revenues increased from $13.4 million in 2017 to $16.2 million in 2018, debt reduced from $17.6 million in 2017 to $10.8 million (including a $2.5 million overdraft facility) and we ended 2018 with a cash position of $11.9 million.

Under President John Magufuli, Tanzania continues to pursue a populist leadership model, with a strong push for locally driven initiatives as well as additional oversight of the Mining and Oil and Gas sectors which are largely protectionist in nature. Whilst this agenda is being driven by massive public sector infrastructure projects, such as the planned Uganda-Tanga Oil Pipeline and Stiegler's Gorge Hydro-electric power scheme, long term success in pursuit of industrialisation of the Tanzanian economy will hinge on private sector led growth.

A stable policy and legal framework supportive of foreign direct investment is critical for sustainability of development in the Exploration and Production sector, in particular to investors such as Wentworth. The forward trajectory and pace of industrial and commercial sector development is strongly governed by electricity usage and the availability of affordable power.

The continued increase in gas fired power generation capacity clearly offers the most effective means to achieving affordable electricity for the booming urban population. Some 34 million Tanzanians, out of a population of 60 million, live in urban areas. Dar es Salaam is forecast to have a population growth of c. 50% and Real GDP growth of more than 150% over the period from 2017 to 2030. [1]

Wentworth is acutely focused on succeeding in, and pro-actively adapting to, the rapidly growing domestic gas landscape of Tanzania, fully aligned with the objectives of the National Gas Master Plan and the Government of Tanzania. In the near to mid-term, domestic gas demand has compelling market-driven fundamentals and is expected to grow at a rate of c. 10% per year [2], due in large part to a demographic dividend that underpins the forward-looking macroeconomic landscape. The Mnazi Bay asset provides a key gas-to-power solution of critical national importance to the economy as a "bridge to the future" ahead of the world class offshore LNG projects operated by Equinor and Shell, coming onstream in the late 2020's.

CORPORATE TRANSITION

Over the last 14 months we have completed a set of corporate initiatives, led by our CFO Katherine Roe, that have collectively simplified the business, corporate structure and governance model, refined our cost basis, ensured we are closer to our asset base and instigated a robust platform for growth, all on the back of a long-lived gas producing asset, delivering sustainable revenues of $15-20 million per year forward.

We have closed our Calgary and Maputo offices in late 2018 and March 2019 respectively and have had the Reading, UK, serviced office up and running from September 2018. The refreshed core management team is Upstream-focused with the requisite capabilities to address our strategic and operational priorities in a pragmatic, flexible, yet financially prudent manner.

In November 2018, we welcomed Iain McLaren and Tim Bushell to the Board as Chair of Audit Committee and Deputy Chairman respectively. Iain and Tim both bring further skills and expertise to the Board to contribute to this next phase for Wentworth and I am delighted to have them join us.

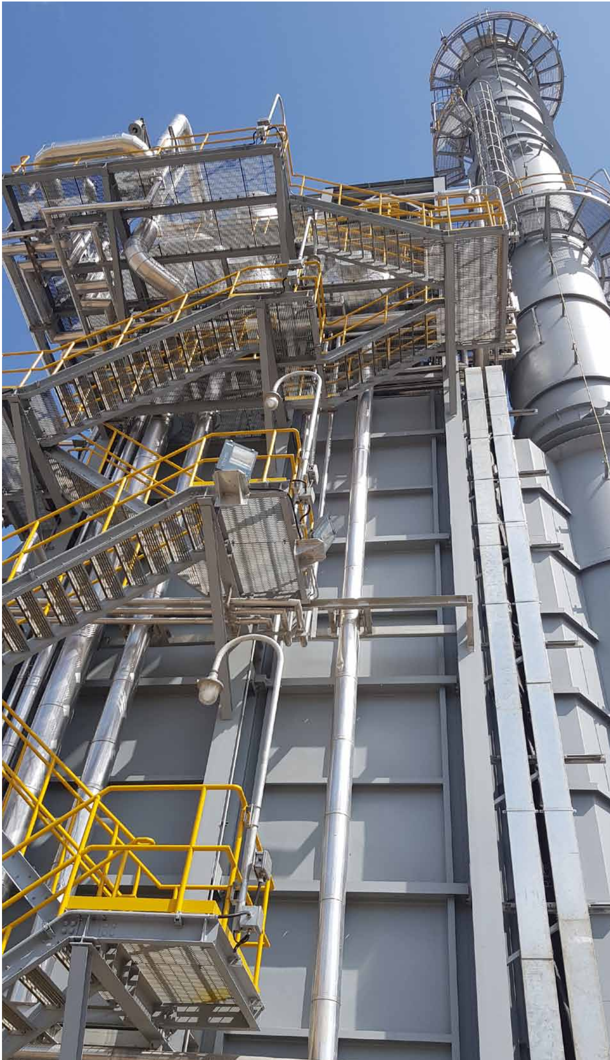
There have been many changes to the corporate and cultural fabric of the Company through the re-domicile and Oslo delisting process over the last year. I would like to thank many people for their contributions over the period, prior my formally joining the Company in June 2018, particularly Geoff Bury and Lance Mierendorf, strongly supported by Heather Jones; who collectively, through their diligent leadership and oversight, made a significant difference in bringing the Company to this formative point.

I would also like to specifically acknowledge the transitional guidance of Cameron Barton (who resigned from the Board in March 2019) and Neil Kelly, for their support and advocacy to the Company since inception. In 2018, we said farewell to Salvator Ntomola who made a huge impact to our Tanzanian business with regards to overcoming various Government relations and stakeholder management challenges over the years. We wish them every success in their future endeavours.

Finally, I am cognisant that the Oslo Børs delisting in February 2019 has impacted our longstanding and faithful Norwegian retail investors. We certainly appreciate the understanding exhibited throughout and trust that you will retain a sustained interest in the Company.

[1] Euromonitor
[2] TPDC

CHIEF EXECUTIVE'S STATEMENT



TANZANIA

The Mnazi Bay asset is a leading supplier of gas to power generation in a country that is witnessing a surging need for power through rapidly growing urban-led demographic drivers. Tanzania is host to significant infrastructure which includes a 784 MMscf/d pipeline and gas to power infrastructure along with future ongoing midstream project implementation such as the Kinyerezi-1 Extension Project which will bring another c. 30 MMscf/d of offtake demand into the landscape when fully commissioned in early 2020.

Demand for gas produced at our Mnazi Bay asset continues to grow, resulting from combined demand from the Kinyerezi-1, Kinyerezi-2 and Ubungo II power stations, and burgeoning demand growth from industrial customers including Dangote Cement and Goodwill Ceramics. This collectively resulted in an average daily production in Q4 2018 of 87.3 MMscf/d. Over the full 2018 year, the joint venture has delivered c. 83.2 MMscf/d on average.

We continue to work diligently with our operator, Maurel et Prom, joint venture partner TPDC and all our key stakeholders including the Government, TANESCO and PURA (State regulator) to ensure we continue to unlock the significant remaining lifecycle value (beyond current PSA expiry in 2031) in the asset for the benefit of the people of Tanzania and our shareholders.

Through 2018, we built up our in-house subsurface and engineering knowledge and capabilities in order to allow us to directly add value to the Joint Venture with regard to both day to day field operations as well as forward reservoir management planning. This has allowed to us to move forward on key technical challenges and commercial drivers in an aligned manner with the operator. I look forward to seeing continued progress on key field specific operational initiatives in 2019.

Our updated 2018 Mnazi Bay Competent Persons Report, generated by RPS Canada, continues to demonstrate the compelling value of our core asset, with a "life of field" basis NPV10 value of $128 million (NVP15 value of $106 million) based on a 2P net reserves of 99.7 Bcf (16.6 MMboe).

MOZAMBIQUE

Subsequent to a rigorous in-house subsurface review on the Tembo block in H2 2018, we took the decision to relinquish the Tembo block in December 2018, given unacceptable technical and commercial challenges related to monetising the Tembo-1 stranded gas discovery.

We will have closed our Mozambique operations fully by end Q2 2019, though remain open to suitable upstream opportunities should they arise in Mozambique. I am happy to say that as the Operator, we conducted all operations on the ground with zero incidents in 2018.

Our relations with ENH ("Empresa Nacional de Hidrocrabonetos") our joint venture partner and INP ("National regulator"), through this last year have been excellent and we thank them for their continued counsel, support and partnership on the Tembo appraisal block over these last three years as operator.

OUTLOOK

At a corporate level, we will continue to be fiscally prudent, improve our balance sheet, ensure focus on minimising overheads and ultimately look to leverage our long-lived Mnazi Bay producing asset to underpin a capital returns and growth strategy.

Our guidance range for 2019 is 75-85 MMscf/d, acknowledging the demand backdrop but also the rapidly moving nominations landscape and ongoing commercial and operational initiatives. There are only two domestic gas producers in Tanzania, Mnazi Bay and SongoSongo. Both assets continue to adapt rapidly to the changes in the offtake landscape around variable demand from TPDC and TANESCO due hydroelectric, industrial customer and ongoing maintenance of gas to power plants in Dar es Salaam.

Mnazi Bay activities in 2019 will focus on working with Maurel et Prom, TPDC and PURA to sign and agree on the COD ("Commercial Operations Date"), agreeing on the optimal delivery pressure to the TPDC-operated Madimba gas processing plant and transnational pipeline and ensuring the maintenance of the current production plateau using the existing well stock and infrastructure. Finally, along with our Joint Venture partners, we also anticipate conducting slick-line, choke upgrade activities and performing regular pressure build up tests through 2019 to further reduce uncertainty with respect to in-place and recoverable gas volumes.

We will continue communicating our value proposition in the wider market and look to execute accretive M&A led solutions, to take Wentworth towards our aspiration of being a mid-tier full cycle Exploration & Production Company.

I fully expect that 2019 will be an exciting year for the Company, with continued material production in a demand driven landscape, sustained free cashflow, along with an energised, highly capable and empowered team delivering and executing on key commercial, technical and growth drivers in Tanzania and beyond.

None of the above would be possible without the continued support of all our shareholders. There is much still to do as we strive to make critical progress in both unlocking the latent value and growing the Company and I look forward to updating all our shareholders on our progress in 2019.

Eskil Jersing
Chief Executive Officer

24 April 2019

OUR STRATEGY AND BUSINESS MODEL

Our strategy is to grow the Company beyond our current single-asset base and deliver shareholder value through accretive asset NAV, free cash flow and net income growth.

STRATEGY AND BUSINESS MODEL

We intend to do this through a focused M&A mandate which primarily builds from our differentiated capabilities. simpler corporate structure and African platform.

In order to achieve our aspiration to be a mid-cap African focused E&P player, Wentworth will leverage our:

US$15-20 million/per annum forecast revenues.

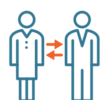
Strengthening balance sheet.

Ability to unlock value from Mnazi Bay in Tanzania.

Refreshed Board with a proven track record in creating shareholder value.

Access to capital markets and strategic support from our broad shareholder base.

Balanced capabilities across the technical, commercial and financial spectrum.



African and UK Market networks, longstanding relations with host Governments, key stakeholders, joint venture partners, NOCs, regulators, upstream players and service providers.

Upstream and midstream project delivery track record, credibility and value realisation experience.

Ability to move swiftly and decisively to execute on accretive transactions from a simpler corporate transactional platform.

2P NPV15 AFTER TAX

$106 MM

2018 REVENUE

$16.7 MM

2018 OPEX

$0.44/MSCF

CASH AT 31 DEC 18

$11.9 MM

2P RESERVES

99.7 BCF (16.6 MMBOE)

AVERAGE DAILY GAS PRODUCTION

83.2 MMSCF/D

MNAZI BAY LICENCE SUMMARY

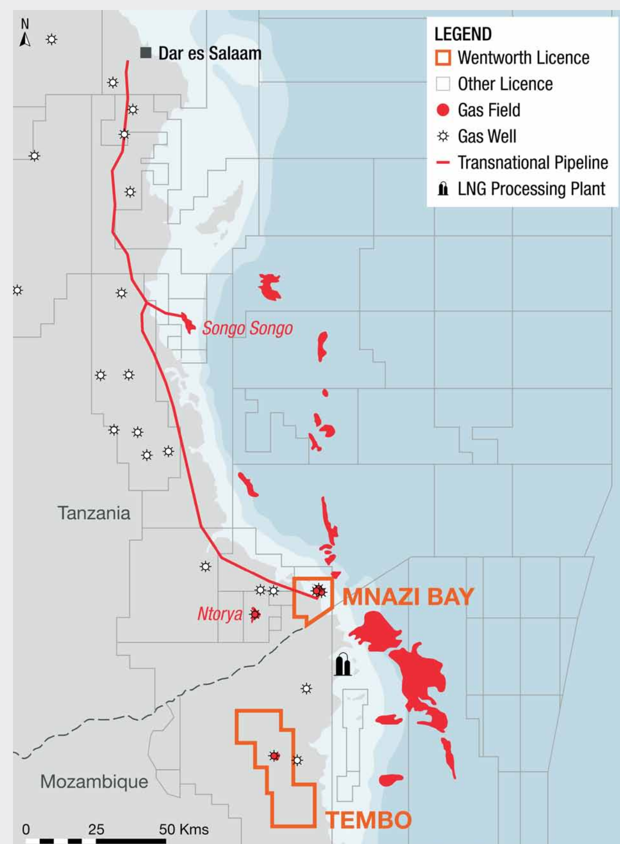
The Mnazi Bay Development and Production Licence ("Mnazi Bay") is located primarily onshore in southern Tanzania, approximately 410 kms south of Dar es Salaam. Mnazi Bay covers an area of 756 km² and comprises the Mnazi Bay and Msimbati producing gas fields that have been onstream since January 2007.

Mnazi Bay is operated by Maurel et Prom (48.06%) with Wentworth Resources (31.94%) and TPDC (20%) as joint venture partners. It is the sole onshore PSA in Tanzania in which TPDC is a partner. Mnazi Bay gas sold to TPDC is primarily utilised by TANESCO.

For exploration activities Maurel et Prom hold a 60.075% working interest with Wentworth holding a 39.925% working interest. TPDC has a free carry on exploration costs, however it pays its share (20%) of Development and Operational Costs. TPDC may back-in with a 20% interest. If TPDC should exercise this right, Maurel et Prom and Wentworth's interest in the discovery would decrease to the development licence values above.

The Company's working interests represent the interest in field gross recoverable volumes (and cost commitments), not net entitlements after 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.



The Mnazi Bay PSA produces gas which is predominantly sold into the Transnational Pipeline.

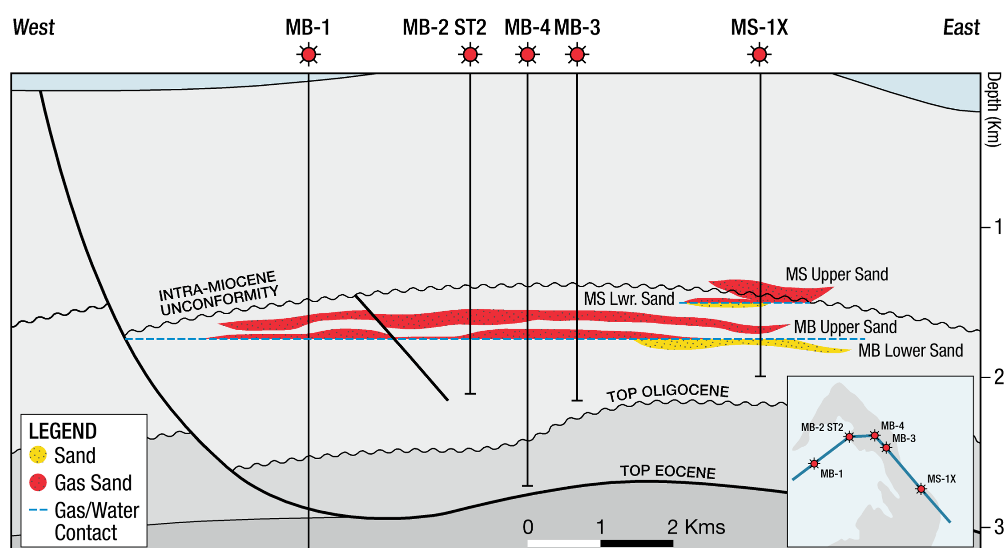
Production operations on the development licence area are governed by the Production Sharing Agreement ("PSA"), executed in 2004. This is a cost recovery form of agreement and contains detailed cost recovery and profit-sharing arrangements and production royalty payment obligations.

The Mnazi bay gas field was discovered in 1982 by AGIP. The first well, Mnazi Bay #1 ("MB-1"), tested gas from a Miocene formation at rates of 13 MMscf/d. After testing, the well was suspended by AGIP, due to lack of viable gas monetisation options at the time. 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 (MB-2, MB-3 and MS-1X). Two additional seismic surveys were acquired in 2007 and 2008.

On October 26, 2006 the Tanzanian Ministry of Energy and Minerals granted a development licence to TPDC covering 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.

AVERAGE 2018 PRODUCTION

83.2 MMSCF/DAY



Schematic showing the producing wells and intervals in the Mnazi Bay gas field. The field currently produces from 3 Miocene aged intervals, the MS upper sand, MB upper sand, and MB lower sand.

The Mnazi Bay field was first put on stream in January 2007 and production has been continuous ever since. Critically, in August 2015, the tie-in to the Tanzanian transnational gas pipeline was completed and first gas deliveries commenced, followed by commissioning of gas production facilities at Madimba and the Kinyerezi power plant gas receiving facility in Dar es Salaam. Gas production rates have increased as power plant generation capacities have ramped up.

Maurel et Prom assumed operatorship of Mnazi Bay in 2009. A c. 328 km² 3D survey covering the offshore area of the block was acquired during 2012 to 2013. In 2014, an additional 315 kms of onshore 2D seismic and 58 line-kms of high resolution 2D seismic was acquired and processed. The MB-4 well was drilled and completed as a gas producer in June 2015.

MNAZI BAY PRODUCTION OPERATIONS

The Mnazi Bay field currently produces from a total of five wells, namely the MB-1, MB-2, MB-3, MB-4, and MS-1X wells. The field began production in January 2007, producing c. 2.5 MMscf/d to the Mtwara power station. In October 2015, the Madimba gas processing plant was completed and commissioned, allowing production to be ramped up to 44 MMscf/d in 2016.

Production growth continued through both 2017 (c. 50 MMscf/d) and into 2018 when the field averaged 83.2 MMscf/d. Production volumes steadily improved throughout the year with December 2018 production averaging 92.5 MMscf/d. Gas is sold to TPDC on fixed rate contract inflated for CPI ($3.11/MMbtu in 2018; $3.18/MMbtu in 2019) and TANESCO on a fixed rate contract of $5.36/MMbtu.

Erratic and low gas nominations in 2016 and 2017 resulted in numerous shut-in periods for the producing well stock except MB-1, which supplied directly to the Mtwara power generation plant. Subsequent production has gradually ramped up in 2018 to a plateau range of 75-90 MMscf/d as can be seen in the graph on page 16.

MNAZI BAY LICENCE SUMMARY

SUMMARY 2018 PRODUCTION

Mnazi Bay gas production averaged over 83 MMscf/d in 2018, the highest ever, with Mnazi Bay Gas supplying over 55% of Tanzanian electrical generation needs for the year.

A game changer with regards Mnazi Bay gas nominations in 2018 was the commissioning of the Kinyerezi-2 power plant ("K2"), with average daily demand of 27 MMscf/d.

During Q4 of 2018, Mnazi Bay production averaged 87 MMscf/d compared to 62 MMscf/d for the same quarter in 2017. This was due to the full commissioning of K2, new demand from Dangote power station (8 MMscf/d) and firm demand from the rest of the TANESCO power stations supplied by Mnazi Bay, namely: Ubungo II and Kinyerezi-1. Industrial customers, Goodwill Ceramics and Dangote, accounted for an average of 10 MMscf/d during this quarter.

In December 2018, TANESCO signed a temporary production deal with Pan African Energy Tanzania ("PAET") for the supply of up to 35 MMscf/d from the Songo Songo Island gas processing facilities ("SSI"). Through March 2019, SSI has averaged 18 MMscf/d. The availability of supply from Songo Songo reduces the reliance by TPDC on Mnazi Bay Gas in the short term. However, in the longer term the burgeoning demand backdrop is expected to exceed the current supply capacity of both Mnazi Bay and Songo Songo.

The Dangote Cement plant started commissioning its gas fired furnaces for the roasting of klinker towards the end of 2018 and fully commissioned its facility in Q1 2019. This was in addition to the fully commissioned 35 MW power generation unit installed at the valve station at Msijute, near Mikindani. Total combined demand from the Dangote power station and klinker furnace facilities is anticipated to rise to c. 35 MMscf/d by late 2019.

Regarding the local Mtwara region power requirements the Mtwara/Lindi isolated grid serves over 16 towns and villages in the two regions surrounding the Mnazi Bay asset TANESCO installed and commissioned two x 2MW generators in Q3 2018. Mnazi Bay Gas supplies this power station and the new generators will bolster the reliability of power supply to the region and stabilise the demand for gas from Mnazi Bay at 2 MMscf/d on average.

TPDC has plans for developing a number of small industrial offtake opportunities and also for building a domestic gas network to serve the Mtwara community. However, the next material leap in demand is expected to come from the

commissioning of the Kinyerezi-1 Extension, which will add another 180 MW of power to the Tanzanian grid and approximately 30 MMscf/d to gas demand. Commissioning of the Kinyerezi-1 Extension plant is expected to begin in Q1 2020.

MNAZI BAY PRODUCTION OUTLOOK

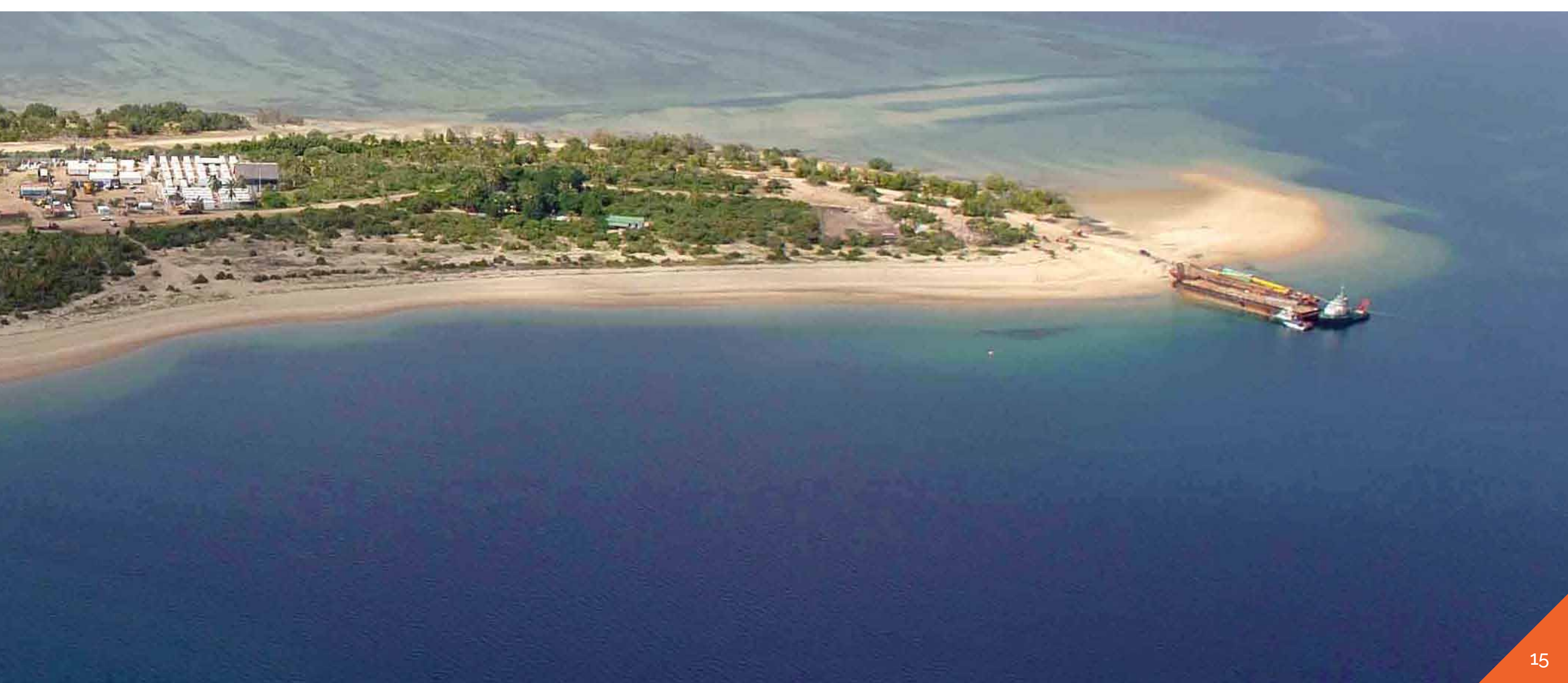
Our near-term 2019-20 focus (with Maurel et Prom and TPDC our JV partner) is to unlock the latent value potential of the Mnazi Bay asset through four key value triggers to enable "line-of-sight" growth to 130 MMscf/d (gross),beyond our current 75-85 MMscf/d 2019 guidance:

1. Securing a full Gas Sales Agreement ("GSA") by declaring commercial operations date ("COD"). As a result of the COD, the testing and commissioning period will end and all terms of the GSA will become effective. This has a threefold benefit, namely: the ability to utilise the Mnazi Bay asset as security for finance purposes, ensuring contract stability with "take or pay" provisions (above a minimum demand of 68 MMscf/d) with a firmer nominations process and finally credibility with regards the market.

2. Maintaining the current production plateau to comply with the GSA requirements, by focusing on network modifications including upgrading well flow-line chokes, slick-line jobs to open existing perforated intervals and conducting new perforations in un-perforated horizons. This is made operationally simpler by the MB-2, MB-3, MB-4 and MS-1X wells having smart well completions with sliding sleeves.

3. A reduction in the contractual optimum pipeline delivery point pressure from 95 bar(g) to 75 bar(g) in 2019 and ultimately 60 bar(g) as the field matures, which would provide for increased recoverable volumes per well, extended and sustained overall production rates and/or plateau periods from the current well stock, prior to installation of compression facilities. This is technically and operationally realisable, has the potential to extend the production plateau by c. 18 months on a standalone basis and c. 42 months including slickline and choke upgrade work. Most importantly it is immediately and directly accretive to asset NAV on a look-through basis.

4. Renewal and extension of the PSA (signed in 2004), which will push licence expiration out a further 10 years, until 2041. This will facilitate the commercial rationale for additional CAPEX to unlock the existing 2C and de-risk the material 3P resource base (c. 1.5 Tcf Pmean unrisked per management estimates) in the concession.



MNAZI BAY OPERATIONS REVIEW

MNAZI BAY 2018 OPERATIONS AND OUTLOOK

In 2015, a project to increase the capacity of the Mnazi Bay Surface Facilities was initiated. This project included increasing the processing capacity of the liquid separation and dehydration units at Mnazi Bay from 10 MMscf/d to 140 MMscf/d and the installation of a gas gathering system serving all five producing wells with collection clusters at the MB-3 and MS1-X locations. The project was completed towards the end of Q2 2018.

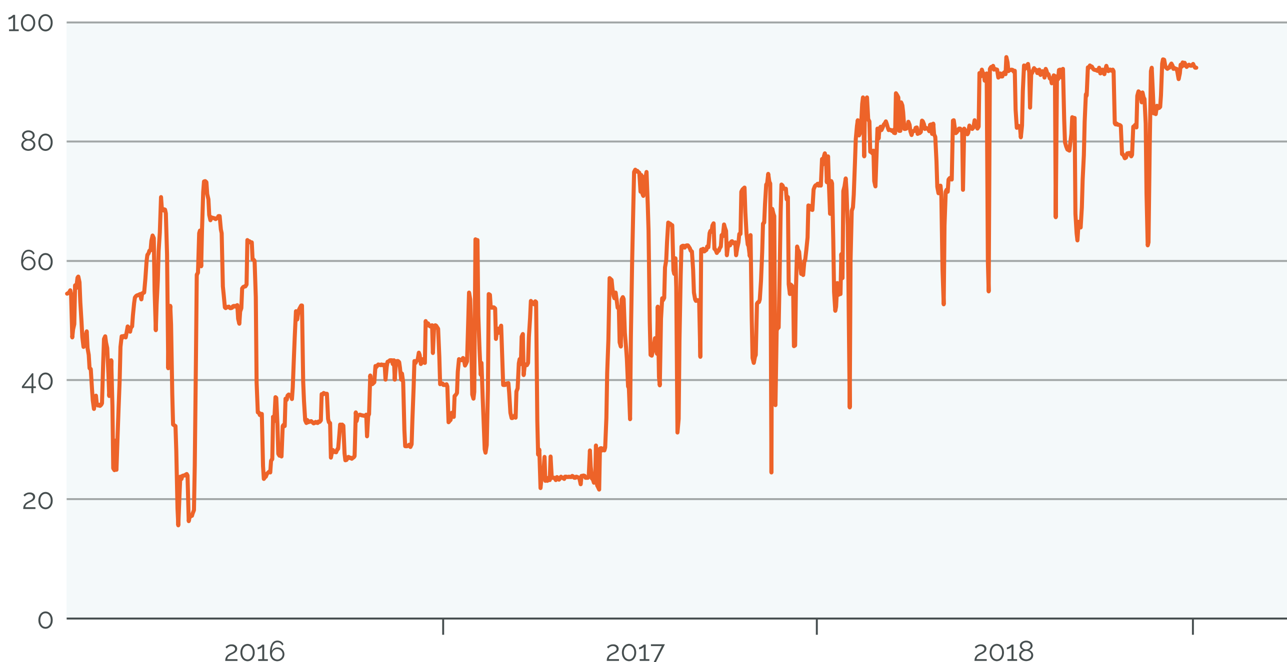
From late August through early September 2018, slickline operations were performed in the MB-2 ST2, MB-3, MB-4, and MS-1X wells to remove downhole memory gauges, perform static pressure gradient surveys, and re-install downhole memory gauges. This is part of an ongoing pressure monitoring campaign designed to reduce the remaining uncertainty with regards to the in-place and recoverable gas volumes in the Mnazi Bay field and to determine the reservoir connectivity between the wells at the different reservoir intervals.

In addition to ongoing slickline campaigns, Wentworth made considerable efforts toward more fully delineating the remaining exploration potential in Mnazi Bay. Wentworth re-interpreted the existing 2D and 3D seismic and well log data with a focus on identifying material prospects and leads that can be drilled once certain commercial conditions with regards Cost Pool recovery have been met, likely from 2021. Seven of the highest potential leads were evaluated by RPS Canada as part of the mid-2018 reserves and resources evaluation, which ascribed Pmean full block gross prospective resources at greater than 1.5 Tcf. Wentworth is working with its partners to determine how to best de-risk the material prospective resources on the asset.

In 2019, planned operations include synchronisation and maintenance of new generators at the Mnazi Bay Camp, upgrading of the existing Supervisory Control and Data Acquisiton ("SCADA") system, further regular slickline operations as described above, and a focus on developing local skills and training.

Mnazi Bay Field Daily Production

Actual Gas Deliveries (MMscf)



MNAZI BAY RESERVES SUMMARY

The attributable Proved and Probable reserves net to Wentworth's working interest are 99.7 Bcf of sales gas (16.6 MMboe), which correspond to an estimated after tax NPV15 of $106 million per the CPR performed by RPS Canada, with an effective date of 31 December 2018.

Reserve Category	Gross Working Interest Reserves				Net Working Interest Reserves			
	Oil (MMbo)	Gas (Bcf)	NGLs (MMbo)	BOE (MMbo)	Oil (MMbo)	Gas (Bcf)	NGLs (MMbo)	BOE (MMbo)
Producing	0	27.4	0	4.6	0	21.8	0	3.6
Non-Producing	0	13.9	0	2.3	0	11.3	0	1.9
Undeveloped	0	51.3	0	8.6	0	32.1	0	5.4
Total Proved	**0**	**92.6**	**0**	**15.4**	**0**	**65.2**	**0**	**10.9**
Probable	0	61.3	0	10.2	0	34.5	0	5.8
Proved + Probable	**0**	**153.9**	**0**	**25.7**	**0**	**99.7**	**0**	**16.6**
Possible	0	89.2	0	14.9	0	43.5	0	7.3
Proved + Probable + Possible	**0**	**243.1**	**0**	**40.5**	**0**	**143.3**	**0**	**23.9**

Reserve Category	NPV Before Tax Million US$					NPV After Tax Million US$				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
Producing	36.5	36.6	35.9	34.8	33.6	36.5	36.6	35.9	34.8	33.6
Non-Producing	35.2	28.0	22.8	19.0	16.2	33.5	26.7	21.9	18.4	15.7
Undeveloped	84.3	62.3	47.2	36.6	28.8	77.0	56.7	42.8	33.0	25.9
Total Proved	**156.0**	**126.9**	**105.9**	**90.4**	**78.7**	**147.0**	**120.0**	**100.6**	**86.2**	**75.2**
Probable	76.1	46.6	30.5	21.5	16.2	69.3	42.6	28.1	19.8	14.9
Proved + Probable	**232.2**	**173.4**	**136.5**	**111.9**	**94.8**	**216.2**	**162.7**	**128.7**	**106.0**	**90.2**
Possible	125.2	78.3	54.1	40.7	32.6	114.3	71.7	49.6	37.3	29.9
Proved + Probable + Possible	**357.3**	**251.7**	**190.6**	**152.6**	**127.5**	**330.5**	**234.3**	**178.2**	**143.3**	**120.0**

TANZANIA LEGISLATIVE AND POLICY FRAMEWORK

LOCAL CONTENT

The Petroleum Local Content Regulations Oil and Gas Industry act, 2017 ("Regulations") were enacted by the Minister for Energy and Minerals and came into force 5 May 2017. These Regulations govern local content matters related to upstream, midstream and downstream activities in Tanzania.

The Regulatory authorities including Petroleum Upstream Regulatory Authority ("PURA") and the Energy and Water Utilities Regulatory Authority ("EWURA") started to enforce the act in 2018. The Regulations requires licencees, contractors and subcontractors working in the oil and gas industry to give preference to goods and services manufactured or locally available in Tanzania.

The main principle behind local content requirement is set through Regulation 8 which states that: A person conducting petroleum activity shall ensure that:

- a qualified Tanzanian citizen is given priority in employment and training in any matter relating to the petroleum activity;
- preference is given to goods and services provided, manufactured or locally available in Tanzania in accordance with the provisions of the Act and these Regulations; and
- a Tanzanian citizen is given priority in any matter relating to the technology transfer, research, development and innovation in any petroleum related activities.

PRODUCTION SERVICE AGREEMENT (PSA) REVIEW

As reported on 17 November 2017, the Speaker of the Tanzania National Assembly, via Speaker's Circular No. 6 of 2017, formed a Special Advisory Committee ("Committee") to probe for flaws in the law and policies governing the gas subsector and recommend how the nation can benefit from revenues accruing from the gas subsector.

The Circular identified a number of challenges and "flaws" in existing PSAs: the cost sharing system between the Government and its partners; partners having 'Redeemable Preference Shares' while the Government has only ordinary shares; management of the special purpose vehicles (SPV), Profit sharing formulae between the Government and investor partner; restricted back-in-rights participation for the Government and delays in evaluation and audits on projects implemented by the Government.

The Special Committee was formed in 2017 and issued a report on 2 June 2018, with the following summary recommendations for the Government:

- review departments and institutions that deal with Petroleum sector and take measures to improve their performance;
- empower TPDC to enable it to participate in the development of natural gas resources;
- initiate renegotiations of the commercial terms in the PSA and other project agreements with the objective of enhancing the Government take;
- initiate reviews of bilateral agreements with the relevant countries to allow for arbitration and dispute resolution with Contractors to be carried out in the Tanzania;
- address the financial problems facing TANESCO; and
- all officials who participated in the preparations, negotiations and signing of PSAs and other project agreements be investigated to establish as to whether their actions were in line with safeguarding the Government interests.

Implementations of the above-mentioned recommendations will be undertaken on a bilateral basis between the parties to the Agreement i.e. the Government of Tanzania and Investors. This process continues and is expected to release and implement its recommendations from June 2019.

INCOME TAX (TRANSFER PRICING) REGULATIONS

Further, on 27 April 2018, the Government of Tanzania published the Tax Administration (Transfer Pricing) Regulations, 2018 ("the Regulation"). The Regulations revoke and replace the Income Tax (Transfer Pricing) Regulations of 2014.

The new Regulations introduce additional transfer pricing rules and requirements that were not

included in previous regulations. Additional rules and requirements are summarised below:

- requirement to file transfer pricing documentation with the final return, of income for taxpayers with related party transactions exceeding Tanzanian shillings ("TZS") 10 billion (i.e., approximately US$4.3 million);
- documentation should provide an overview of all information contained in the contemporaneous transfer pricing documentation to support the arm's-length character of the controlled transactions;
- required information for a tested party outside Tanzania, including financial statements of a tested person;
- requirements for intra group services and financing, including acceptability of allocation keys used when non-directly allocable services are performed for various related parties;
- intangible property and sale lease back, the owner of a locally developed intangible asset that is transferred outside Tanzania should be compensated appropriately at the time of the transfer. Importantly, the Regulations provide that such an intangible cannot attract a royalty when licensed back for use in Tanzania;
- commodity transactions, controlled commodity transactions should be priced using the comparable uncontrolled price ("CUP") method;
- comparability analysis, the Regulations list factors that should be considered when determining whether transactions are comparable; and
- penalty for non-compliance, the penalty is set at a minimum of 3,500 Tanzanian currency (currently 1 currency point = TZS 15,000) which results in a penalty of TZS 52,500,000 (i.e. approximately US$23,000). This penalty is in addition to a possible penalty of 100% of the adjusted amount that is applicable for failure to comply with the arm's-length principle when transacting with associates.

CHANGES ON TAX ADMINISTRATION ACT, 2015

Changes made on section 3 and section 54 of Tax Administration Act, 2015 ("TAA"):

- Section 3; the Amendments Act changes the definition of "tax" to include "additional profits tax"
- Section 54; the Amendments Act sets out the timing of its payment to be a due date specified in the arrangement or agreement or by notice in writing from the Commissioner General.

These changes do not provide for an additional profits tax to become part of the legislated fiscal regime, however, they do represent the first time that this tax is recognised in current law. Previously it was only provided in model production-sharing agreements, which are not legally binding.

CHANGES ON INCOME TAX ACT, 2004

The Miscellaneous Amendment Act, 2017 amended sections 65M and 65N of the Income Tax Act, 2004 ("ITA"). The Amendments includes significant changes to the calculation of taxable income for petroleum operations:

- Changes made on section 65N; disallowed depreciation allowances in respect of depreciable assets whose costs are recouped from the cost oil or cost gas under a production sharing agreement granted with respect to the operations and calculated in accordance with paragraph 6 of the Third Schedule.
- Changes made on section 65M; cost oil or cost gas do not form part of the income derived from petroleum rights and any expenditure recoverable under the production sharing agreement is not allowable for tax deduction.

Apart from the potential simplification of tax administration for petroleum operations, we expect this change in the tax treatment of cost gas to result in timing changes, rather than changes in the total amount of taxable income.

IMPACT TO WENTWORTH

The Company has undertaken a review of these new laws and regulations to determine their implications on the Company's Tanzania operations. Based on our current understanding and given the existing terms and conditions of our relevant agreements, we do not anticipate any material impact on our existing operations in the short to medium term. It is unclear whether there will be any material impact in the long-term.

TEMBO LICENCE SUMMARY

The Tembo Block Appraisal Licence ("Tembo") is in north-eastern Mozambique, approximately 2,600 kms north of Maputo, the capital city of Mozambique. The block has been operated by Wentworth (85%) with ENH (15%) as a carried partner since June 2016.

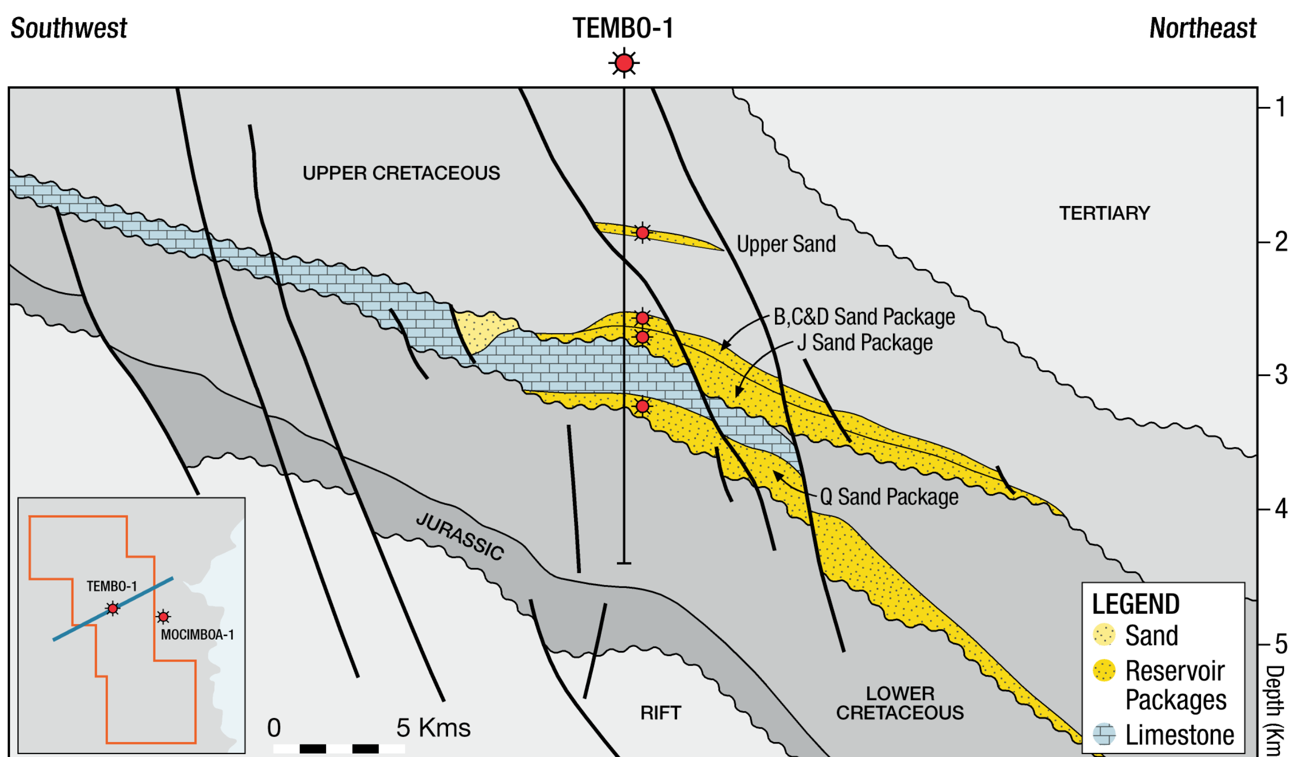
The licence covers a 2,500 km² area set up in June 2015 and approved by INP as part of its approval of the appraisal plan for the Tembo exploration well gas "discovery" operated by Anadarko Petroleum. The licence was established for a two-year term from 15 June 2016, with a one-year extension granted on 1 June 2018, with no additional work commitments or exit penalties.

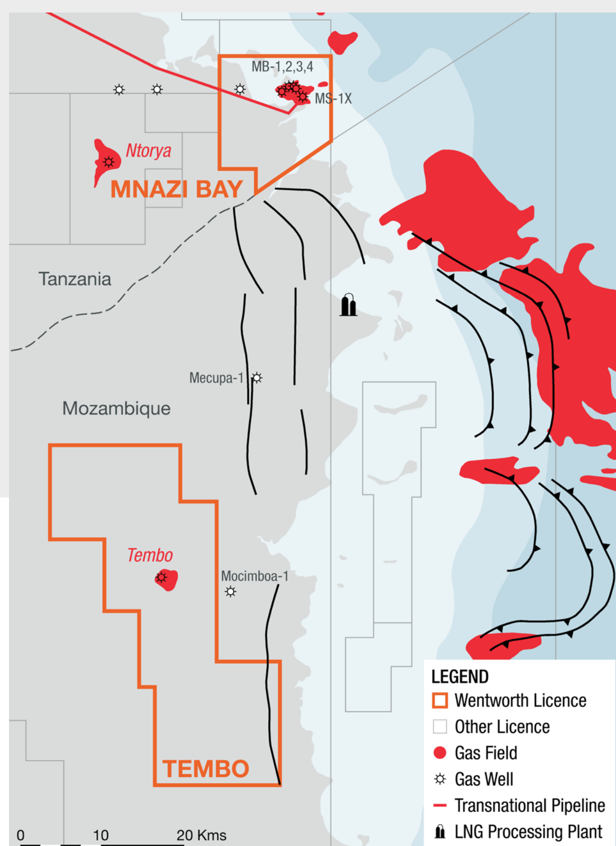
The Tembo-1 well was drilled in 2014 and declared a gas discovery. The appraisal licence required fulfillment of work commitments, including reprocessing of 1,000 kms of 2D seismic, acquisition of 500 kms of new 2D seismic and the drilling of an appraisal well.

Wentworth, during the appraisal period (2016-to date) subsequently reprocessed c. 1,000 kms of 2D seismic data and conducted pre-drill activities including well planning and design operations.

TEMBO 2018 OPERATIONS

In May 2018, Wentworth initiated a detailed technical re-evaluation of the Tembo discovery that





integrated all the relevant existing seismic, well log, geochemical, and geological data available.

The work focused on:

1. re-evaluating the results of and undertaking a complete integrated evaluation of the Tembo-1 exploration well; with focus on the petrophysical and structural-stratigraphic subsurface depositional model;

2. re-mapping the existing 2D seismic data to better understand the lateral distribution and potential connectivity / heterogeneity of the Cretaceous sand packages encountered in the Tembo-1 well;

3. assessing the semi-regional potential for additional commercially viable play concepts in the Tembo appraisal block and greater relinquished Rovuma onshore block surrounding area; and

4. determining the range of in-place volumes, economic flow rate potential and viability associated with the Tembo-1 discovery and Cretaceous play.

Re-interpretation of the full integrated dataset suggested that Pmean gross in-place volumes of c. 87 Bcf, were significantly less than previous management estimates and that the recoverable volumes would not support a commercial development of the resources, given the discovery location is remote from infrastructure and population centres.

As such, on 14 December 2018, Wentworth notified ENH and INP of its intention to relinquish the block with an effective date of 30 April 2019.

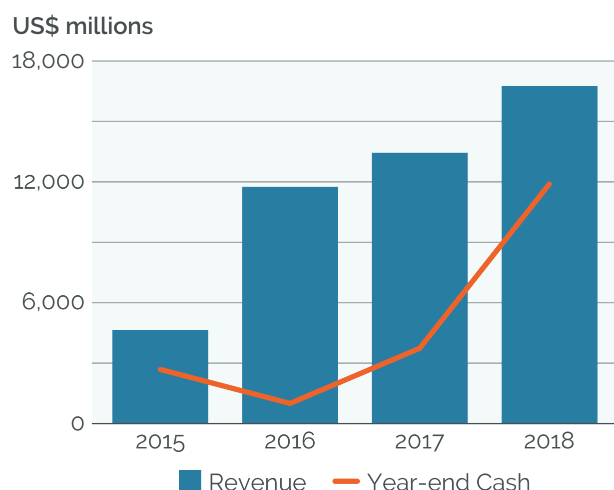
The Company has closed its Maputo office, as of March 2019, and continues to shut down its activities in the Muxara and Palma camps and subsequently exit Mozambique by H2 2019.

The relinquishment of the Tembo block will release Wentworth from any further appraisal work program obligations with no material costs foreseen ahead of the relinquishment.

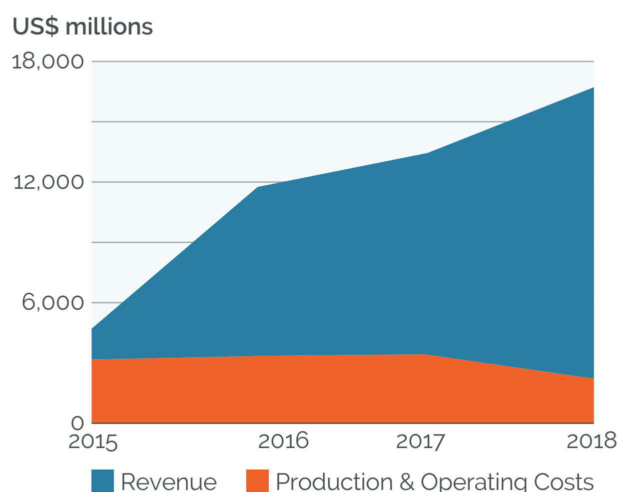
FINANCIAL REVIEW

REVENUE	2018	2017
Revenue ($000)	**16,224**	13,440
Net entitlement to gas production (MMscf)	**5,262**	4,263
Average realised gas price ($/MMscf)	**3.18**	3.15
OPERATING COSTS		
Production and operating costs ($000)	**(2,290)**	(3,484)
Production and operating cost ($/MMscf)	**(0.44)**	(0.82)
Depletion ($000)	**(7,803)**	(4,079)
EBITDAX		
Gross profit	**6,131**	5,877
Add: Depletion	**7,803**	4,079
Add: amounts capitalised to E&E assets	**664**	1,582
Less: recurring administrative costs ($000)	**(6,289)**	(6,196)
EBITDAX ($000)	**8,309**	5,342
EBITDAX per ($/MMscf)	**1.57**	1.25
NON-RECURRING EXPENDITURES		
Restructuring & redomicile ($000)	**(2,333)**	-
Tanzanian withholding tax ($000)	**(993)**	-
Deferred tax expense ($000)	**(26,714)**	(394)
Impairments of Tembo ($000)	**(41,598)**	-
Provision against Government receivables	**(4,959)**	-
Non-recurring expenditures ($/MMscf)	**(14.55)**	(0.09)
INVESTMENT IN OIL & GAS ASSETS		
Investments in Mnazi Bay ($000)	**1,256**	1,057
Investments in Tembo ($000)	**1,806**	2,383
CASH & DEBT		
Year-end cash and cash equivalents ($000)	**11,903**	3,750
Current portion of long-term loans ($000)	**(6,946)**	(7,260)
Non-current portion of long-term loans ($000)	**(1,688)**	(8,636)
Overdraft credit facility ($000)	**(2,500)**	(2,500)
Net cash/(debt) at year-end ($000)	769	**(14,646)**
EQUITY & CAPITAL		
Loss after tax ($000)	**(70,265)**	(709)
Closing share price (p)	**22.0**	26.5

Revenue vs Cash



Revenue vs Production Costs



Revenue and production growth have been strong during 2018, with demand for Mnazi gas outstripping supply for most of the year. Whilst the realised gas prices to TPDC and TANESCO are substantively fixed, the increase in production has naturally led to higher revenues.

Wentworth's entitlement to gas has been reduced by $7.1 million with respect to the fully carried repayment of the Ziwani-1 Exploration well and associated 3D seismic costs. The 2012 Ziwani-1 well and associated 3D seismic costs were paid by Maurel et Prom and Cove Energy as part consideration for their entry into the Mnazi Bay asset, thereby fully carrying Wentworth for that part of the exploration work programme. As at year-end 2018, $1.3 million of the $8.4 million cost gas remains to be recovered by Maurel et Prom.

Due to uncertainty over the recoverability of the Government receivable with respect to the sale of the Umoja asset in 2012 and the ongoing review by the Government of Tanzania, the Group have taken the decision to provide $5.0 million in full against the amortised balance at the year-end.

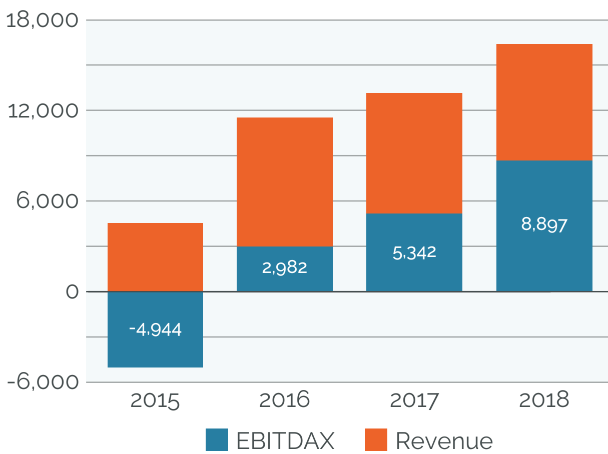
As at 31 December 2018, cash and cash equivalents increased by $8.1 million from $3.8 million in 2017 to $11.9 million in 2018. This increase has been achieved through a combination of sustained strong gas sales with the gross daily average from Mnazi Bay increasing from 49 MMscf/d in 2017 to 83 MMscf/d in 2018, an increase of just under 70% year-on-year. Mnazi Bay is forecast to continue through 2019 to be in-line with previously announced gas sales guidance of 75-85 MMscf/d.

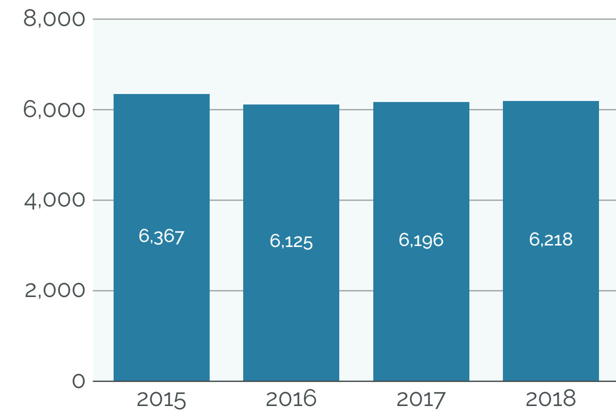
Operating costs in Mnazi Bay during 2018 were reduced to $0.44/MMscf from $0.82/MMscf and kept within the overall work program and budget agreed with the Operator for the year. Operating costs are largely fixed which adds significant upside to sales revenues from increased gas production.

There were no significant workover or maintenance projects during 2018 compared with 2017. Discussions with the Operator on the quantum and timing of future operational activities continue, however it is not anticipated that there will be any scheduled material outlays in 2019.

Capital investment in Mnazi Bay of $1.3 million (2018: $1.0 million) remained stable. A three-year long project to upgrade the surface facilities at Mnazi Bay from a capacity of 10 MMscf/d to 140 MMscf/d was completed in Q1 2018. These costs comprised the installation and commissioning of a revenue gas metering station at the Gas Processing Facility, installation of a chromatography system, upgrading the SCADA system, and replacement of the generator sets at the camp. In addition, two evaporator pits were built to dispose of excess condensate water removed from the gas.

FINANCIAL REVIEW





MOZAMBIQUE

In Mozambique, through 2018, the Company incurred reduced costs of $1.8 million (2017: $2.4 million) which primarily comprised of operating overhead for the Tembo asset but also included the cost of a full integrated technical and economic re-evaluation of the block. This work concluded that the Tembo asset did not provide Wentworth with suitable monetisation solutions in keeping with its material growth mandate.

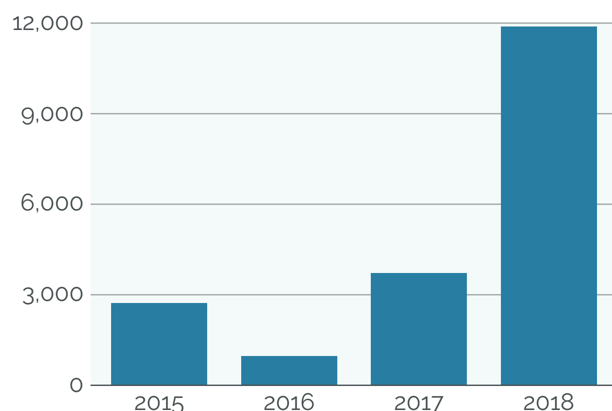
A decision not to renew the licence and relinquish the block was announced on 17 December 2018. Following this decision, it was agreed to fully impair the carrying value at the year-end which totalled $41.6 million. Included within these costs was an accrual of $300,000 for amounts payable up to the licence expiry date of 15 June 2019.

General and administrative costs have remained materially consistent throughout 2018 despite the management changes that have been made and a transition to a UK cost base from Canada. Management remains committed to minimising overheads during 2019, without compromising the operating effectiveness of the Group or negatively impacting upon its ability to effectively screen and capitalise on new strategic opportunities.

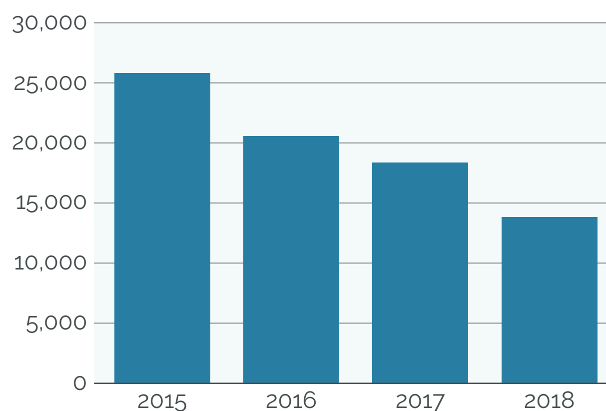
As of 2018, management have introduced EBITDAX as a key performance metric (earnings before interest, taxation, depreciation, depletion and amortisation, impairment, management restructuring costs, redomicile costs, share-based payments, and provisions, and pre-licence expenditures) to provide more transparency to the reporting process. Year-on-year EBITDAX has continued to increase in-line with revenue and gas sales production outputs. Whilst management expect average daily production in 2019 to remain stable, it does expect to drive further increases to EBITDAX through cost savings and efficiencies across the Group.

During the year the Group expended significant management time and effort in undertaking a restructuring process to better align its corporate and management structures with its shareholders and asset base in Africa, to increase management efficiencies and reduce certain costs.

Cash



Debt



This process involved a legal redomicile from Alberta to Jersey alongside a new management team and the opening of a new headquartered office in Reading, UK; and the decision to delist from Oslo Børs to simplify the structural and compliance base, maintaining the Company's AIM listing.

The redomicile was effective 26 October 2018 and management re-structuring was completed by 2 November 2018 and de-listing from the Oslo Børs effective 13 February 2019.

The tax and fiscal environment in Tanzania remain challenging and the operating subsidiary, Wentworth Gas Limited, was levied with Withholding Tax charges totalling $993k during the year. The deferred tax asset has seen significant write-downs due to the effect of tax changes in Tanzania and aggressive inspections by the Tanzanian Revenue Authorities leading to write downs of $17 million and $9 million respectively. The Assessments were primarily in relation to notional interest deemed by the Tanzanian Revenue Authority on intercompany accounts as a result of a change in interpretation of existing law. The company disputed the determination of these costs but agreed to settle them with the Tanzanian Revenue Authority during the year in order to avoid a protracted dispute.

The Group continued to pay-down its debt during the year and made the final payment of $1.7 million on its medium-term $6 million credit facility in January 2018. The current $2.5 million overdraft facility expires in April 2019 with an extension for renewal to July 2019 having been granted. Whilst there is no immediate need for additional finance, it is anticipated that this facility will be renewed. The balance on the $20 million credit facility was $8.3 million at the year-end, $6.7 million of which will be paid during 2019 with the final instalment and loan release payment of $1.6 million to be made in January 2020.

CORPORATE SOCIAL RESPONSIBILITY

Our culture and values are fundamental to Wentworth. Practically how we behave and treat our team, partners and in country stakeholders is, and should be, foremost in all our behaviours. We aim to ensure that we are transparent, have a full duty of care, communicate effectively and ultimately ensure we minimise our environmental footprint and maximise how we initiate and sustainably support communities in which we operate.

We expect all our employees, consultants and contractors to tangibly demonstrate these shared values, which will ultimately support and protect our brand, licence to operate and help to both protect and grow our value proposition in a sustainable manner for all our stakeholders.

We aim to ensure that we have, and will comply with, all local, national and international laws and regulations in those jurisdictions in which we operate. The whole Wentworth team play a part in this and are directly both empowered and accountable for our conduct in the course of their activities. The Management team have the additional responsibility of ensuring best practice behaviors and setting the overall tone of conduct.

Our approach and commitment to Corporate Social Responsibility ("CSR") is built on five areas of focus, namely: Health, Safety, Security and the Environment ("HSSE"); Ethics; Gender Equality; Community Development and Environmental Protection.

Wentworth's CSR Policy encompasses the management of relationships with shareholders, employees and communities in areas where the company works, together with the impact on society and the environment. Wentworth recognises it has specific responsibilities in each of these areas and considers

adherence to CSR values to be a key factor in securing our long-term success. The Company's objective is to support development in local communities and to minimise the impact on the environment. Wentworth recognises the importance of engaging with local and national stakeholders and takes seriously concerns regarding oil and gas development. Working closely with host communities achieves the best possible outcome for both Wentworth and stakeholders.

As an international oil and gas company, we have a clear responsibility towards the communities where we conduct our business. These include sustainably aiding the socio-economic development and conditions within those communities. Our work in the community is based on establishing partnerships to identify and meet community needs and ensure open and transparent dialogue in relation to our current operations and future plans.

Specifically, in Tanzania, since 2005, Wentworth through supporting the Wentworth Africa Foundation ("WAF"), a registered charity and affiliate of the Company, has contributed over $1 million to a range of CSR initiatives. These projects are aimed at contributing to the development of safe and effective educational environments and conditions amongst rural communities in the Mtwara and Lindi Regional areas close to our Mnazi Bay producing asset.

CORPORATE SOCIAL RESPONSIBILITY

2018 HIGHLIGHTS

In 2018 our focus on operational excellence saw us complete a clean safety record on our operated Tembo block, without a recordable injury. We also continue to improve our risk management internal processes and procedures, post re-domicile from Calgary to Jersey.

During 2018, the Company through the Wentworth Africa Foundation ("WAF"), focused on supporting the following sustainable projects in Tanzania:

Refurbishment of Secondary School Library

Since 2014, we have been working in partnership with local NGOs to set up reading libraries in schools across Mtwara and Lindi. The work involves taking disused rooms in the schools and transforming them into functional and inspirational spaces for learning. Our ongoing program provides tools for effective learning and promotes a culture of reading amongst secondary school learners.

"Keep a Girl in School" program

Recent research indicates that improving school sanitation reduces truancy and drop-outs amongst girls. Girls of school age, especially after puberty, are often faced with inadequate sanitation facilities at school, which may pose problems during menstruation and lead to school absence. Sanitary supplies are often low on the list of priorities as money is extremely tight for many families, and safe and clean supplies are replaced by unsafe ones. The problem is particularly prominent in the rural areas where the schools have poor or no sanitation. As a result, Wentworth and WAF have become involved in providing sanitary products to more than 1,000 girls in secondary schools in the Mtwara and Coastal Regions.

University Sponsorship Program

Our University Sponsorship Program began in 2014, where we have been funding promising young students with the drive to create change, to attend university. We are currently sponsoring five future leaders to study Education, Community Development, Environmental Engineering and Medicine.

Secondary School Bursary Scheme

WAF has established a Secondary School Fund for Mtwara and Lindi students who come from low income families.

WAF has continued supporting outstanding learners, who are in financial need, by providing them with bursary opportunities. More than 100 students have been assisted since the program began in 2012.

WAF Vocational Scholarship

Students attending tertiary educational institutions from low income and rural backgrounds, often struggle to achieve due to access to resources. Therefore, each year since 2014, WAF has sponsored scholarships for local students, from Mtwara and Lindi Regions, to attend the local Mtwara-based tertiary vocational training institution ("VETA"). Through this initiative, Wentworth indirectly assists young people from the surrounding community to access employment opportunities in Mtwara and Lindi Regions.

To date, more than 20 scholarships have been awarded to students studying a range of vocations such as food preparation, plumbing, welding, carpentry, motor vehicle mechanics, electrical installation and maintenance.

Keep a Girl Child in School
WENTWORTH
AFRICA FOUNDATION

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

The Extractive Industries Transparency Initiative ("EITI") is the global standard used and accepted worldwide to promote the open and accountable management of the oil, gas and mineral extractives sector.

Guided by the belief that a country's natural resources belong to its citizens, the EITI established a global standard to promote the open and accountable management of oil, gas and mineral resources. The EITI Standard requires the disclosure of information throughout the value chain of the extractive industry, from the point of extraction, to the revenue allocation to Government, and ultimately, how they benefit the public. By doing so, the EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide data to inform reforms for greater transparency and accountability in the extractives sector.

In each country, throughout the world, EITI is supported by a coalition of Government, Companies, Civil Societies, Donors and Partners, to promote openness and accountability.

Wentworth works with the Tanzania Extractive Industries Transparency Initiative ("TEITI"), that aims to increase transparency and accountability in the extractive industries in Tanzania. TEITI was accepted as an EITI implementing country by the EITI International Board in February 2009. TEITI was funded initially, for the first 5 years, by the International community led by Canadian and Norwegian governments.

Wentworth has followed TEITI regulations and been a committed stakeholder since the inception of TEITI.

During the year ended 31 December 2018, Wentworth has made the following payments to the government bodies (figures are as per government financial years):

	July 2017 to June 2018	July 2016 to June 2017
Taxes paid by Wentworth	**535**	972

During the year ended 31 December 2018, the Government was allocated, in terms of the Mnazi Bay Production Sharing Agreement and the Joint Operating Agreement, with the following share of gas revenues and royalties (figures are as per government financial years):

	July 2017 to June 2018	July 2016 to June 2017
Government entitlements from Mnazi Bay concession:		
Royalty	**10,318**	5,467
NOC profit gas	**12,326**	6,307
Profit gas	**2,075**	1,144
Cost gas	**9,905**	5,249
	34,624	18,167

BUSINESS RISKS

PRINCIPAL BUSINESS RISKS

The sustained success of Wentworth as a full cycle Exploration and Production Company, depends on our ability to manage our portfolio and to acquire, develop and/or commercially produce new oil and natural gas reserves.

The Board monitors all risks to Wentworth on a regular basis using information obtained or developed from external and internal sources and will take actions as appropriate to mitigate these. Wentworth utilises a risk management approach that identifies key business risks and measures to address these risks which are critical given our East African operating environment. Wentworth proactively implements such measures considered appropriate on a case-by-case basis. Other significant elements of the risk management approach include regular Board reviews of the business, a defined process for preparation, monitoring and approval of the annual work programme and budget, monthly management reporting, a financial operating procedures and policy, due attention HSSE, securities and anti-bribery management systems.

The relative importance and impact of risks faced by Wentworth will change with progress in Wentworth's strategy and forward project execution in the external business environment.

The Executive Management team have identified the following principal risks and mitigations in relation to Wentworth's present and future performance and operations. The overall risk register is regularly reviewed and the senior management team both monitor progress against the principal risks and inform the Board of the changes and impact to the Business thereof.

The primary focus of the Management and Board is to manage exposure to risk rather than eliminate the risk completely.

Category	Risk(s)	Mitigants	Risk change
Financial	• Difficulty in external capital raising or funding for M&A and/or development activities in volatile markets. • The Group's business will require significant capital expenditure and the future expansion and development of its business could require future debt and equity financing. The future availability of such funding is not certain.	• Continually assess existing assets and proposed new acquisitions; considering future capital.requirements from a disciplined lifecycle investment perspective. • Strong and sustainable relationships with key shareholders. • Regular review of cash flow, working capital and funding options, and prudent approach to budgeting and planning, to ensure enough capital to meet commitments. • Diversify the sources of funding and apply prudent levels of debt to production activities. • Strong financial stewardship – manage commitments and liquidity, monitor delivery of business plan, forecast accuracy – build credibility	▲

BUSINESS RISKS

Revenues and Receivables	• Counterparty default and Distress and concentration of asset(s).	• Regularly monitor and amend cost structure, investment strategy and tactics to include counter-cyclical and/or risk offsetting investments. • Wentworth maintains a strong balance sheet; continues to reduce its debt and remains fully funded for its existing commitments. • International arbitration.	▼
Cost/Budget Overruns	• Financial control of operated and non-operated assets.	• Wentworth seeks to hold most of its cash in US dollars. • Regularly review business plans, G&A cost basis, ongoing strategy reviews, monthly reporting and regular Board meetings. • Regularly engage with JV partners to influence cost-effective use of capital, operating and decommissioning expenditures.	▶
Legal and Compliance	• Fraud and corruption/increased third party and jurisdictional exposure. • (AIM / FCA) and/or other or financial covenant breaches.	• Top down leadership of the Group's values. • Wentworth accords the highest importance to corporate governance matters and upholding the highest ethical standards. • Wentworth employs 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 Wentworth deals with.	▶
Country	• Governments, regulations, and the security environment may adversely change, including the use of tax claims, real or not. • Wentworth's assets in Tanzania and Mozambique have been or are affected by country specific situations. • Legal compliance, 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 a loss of integrity and reputation and potential breach of covenants. Potential for legal recourse against Wentworth.	• Regular monitoring of political, regulatory and HSSE changes. • Engaging in constructive discussions where and when appropriate and introducing third party expertise as required. • Wentworth has objectives to acquire additional core assets, to assist in diversifying its jurisdictional risk. • New investments are considered in the light of changing environmental regulations, fiscal volatility and geopolitical dynamics. • Activities are subject to various jurisdictional laws, customs, fiscal and administrative regulations. • Wentworth employs 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 Wentworth deals with.	▲

Portfolio/ Assets	• Company over-reliance on single core (producing) asset in Tanzania. • Competitors have significantly greater financial and technical resources.	• Board active mandate to diversify current portfolio risk by acquiring appraisal, development and/or producing assets, using existing financial resources of Wentworth and additional capital (as required). • Apply Wentworth's experience, expertise and appropriate technology to minimise risk, through the asset lifecycle. • Highly selective in choosing where and when to deploy its business development, M&A resources and New Business focus. • Mnazi Bay considered a strategic resource in country.	▲
HSSE, Operational and Technical	• Dependent on other operators for the performance of E&P activities, due lack of control. • Counterparty misalignment. • Production limited or shut-in and/ or increased security and other operating costs. • Reduced income from gas sales and high levels of fixed operating costs may significantly squeeze cash reserves. • Third party contractors and availability of equipment. • Wells shut-in and reduced cash-flow from gas sales. Possible adverse effects of shut-in for extended period on re-commencement of production.	• Wentworth carefully considers the technical, HSSE and financial capabilities of operators and potential partners during any new opportunity acquisition. • Ensure all stages of the operation life cycle are rigorously stress tested for all known circumstances and that these circumstances have been fully risk assessed.	▶

OTHER BUSINESS RISKS

In addition to the above risks, Wentworth's business is subject to all the risks inherent in oil and gas exploration, development and production activities. Several of these could have a material impact on Wentworth's long-term performance, causing actual results to differ materially from expected and historical results.

Wentworth has identified certain other pertinent risks including:

- 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)
- Insufficient timely information available to executive management and the Board

BUSINESS RISKS

COMPANY POLICIES

Wentworth complies with all applicable local, national and international laws and regulations in all locations where we operate. This is crucial to both the commercial success and the reputation of the business.

Everyone who works for Wentworth plays a key part. All employees, consultants and contractors are accountable for the way they conduct themselves during their contributions. The overarching drivers being to ensure, honesty, integrity and professionalism, whilst maintaining the highest ethical standards in the jurisdictions in which we conduct our Business.

The Directors are mindful of the impact of Wentworth's business on its employees and contractors, the environment and on the wider community in the UK, Tanzania and Mozambique. It notes the following with respect to HSSE, corporate responsibility, business integrity, community responsibility and employees.

As part of the transition from Canada to the UK, Wentworth is in the process of updating existing legacy Canadian policies to UK equivalent(s) through 2019. This initiative will include updates to the following:

- Code of ethics and Business conduct
- Employee staff handbook
- Reporting of violations / whistleblowing
- Respect in the workplace
- Privacy and GDPR

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

It is a priority for Wentworth that everyone is aware of his/her responsibility towards providing for a safe and secure working environment. HSSE and social responsibility leadership are considered core competencies. Wentworth's HSSE risks are managed in a systematic way by utilising procedures and appropriate training of staff, with the aim to reduce these risks to as low as is reasonably practical. Wentworth ensures that appropriate emergency response systems are in place to reduce and mitigate the impact and losses of any incident and any residual risks and follows all relevant laws, regulations and industry standards.

Wentworth maximises its influence with Mnazi Bay JV partners, Maurel et Prom, and TPDC as well as the WAF to share and execute on its HSSE and social responsibility values. Contractors are required to demonstrate and deliver a credible HSSE and social responsibility programme. To achieve continual improvement, Wentworth is committed to reviewing its HSSE and social responsibility performance at least twice a year.

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

CORPORATE RESPONSIBILITY

Wentworth is committed to conducting its business in a responsible and sustainable way. Wentworth has corporate, environmental and social responsibilities to the indigenous communities in the areas in which it operates, to its partners including the WAF, its employees and to its shareholders. In pursuing its business objectives, it undertakes not to compromise its Corporate Social Responsibility with any of these stakeholders.

BUSINESS INTEGRITY

Wentworth is committed to conducting its business with integrity, honesty and fairness. All business activities are reviewed to ensure they meet these standards and all new and existing staff are trained as appropriate. Wentworth also seeks to ensure that similar standards are applied by its business partners, contractors and suppliers. All members of staff are individually accountable for their actions to ensure that they apply and maintain these standards.

COMMUNITY RESPONSIBILITY

Wentworth and its subsidiary undertakings are committed to be a good partner in all communities in which it operates. Engagement and dialogue with local stakeholders are essential in ensuring, that where possible, projects benefit both Wentworth and the communities in which a project or asset is located.

EMPLOYEES

Wentworth is committed to providing a workplace free of discrimination where all employees are afforded equal opportunities and are rewarded on merit and ability. In the implementation of this policy Wentworth is committed to ensuring that all employees are given contracts with clear and fair terms. Staff are given relevant training and encouraged to join professional bodies to enhance their knowledge, competencies, career development and opportunities for progression.

Wentworth is committed to achieving the highest possible standards of conduct, accountability and propriety and to a culture of openness in which employees can report legitimate concerns without fear of penalty or punishment. Wentworth has a whistleblowing policy which empowers employees to be proactive, to report any failure to comply with legal obligations or Wentworth's regulations, dangers to health and safety, financial malpractice, damage to the environment, criminal offences and actions which are likely to harm the reputation of Wentworth. The whistleblowing policy allows employees to make anonymous reports directly to the Senior Independent Non-executive Director.

Eskil Jersing
Chief Executive Officer

24 April 2019

STATEMENT OF CORPORATE GOVERNANCE

Dear Shareholder

As Chairman of Wentworth Resources plc my role is to lead the Company, ensuring sound Corporate Governance and establishing a strong and sustainable corporate culture of respect, integrity, honesty and transparency to permeate throughout the organisation.

We continue to remain focused on HSSE and are committed to ensuring the health and safety of all who work with us as well as striving to protect the environments in which we work. The Remuneration policy of the Company, as set by the Remuneration Committee, includes a zero Lost Time Incident ("LTI") target linked to the performance bonus of all staff. In addition, the CEO is tasked with ensuring that our partners adopt the same approach to HSSE that we do.

On 13 February 2019, the Company de-listed its securities from trading on Oslo Børs which was, until then, its primary listing and therefore Wentworth had previously adopted and followed the Norwegian Code of Practice for Corporate Governance. On de-listing from Oslo Børs, the AIM Market became the Company's primary listing and the Company decided to adopt the QCA Corporate Governance Code 2018 (the "QCA Code") which was considered by the Directors to provide the right Governance framework for the Company, given its current size and stage of development.

Following the delisting of the Company's shares from Oslo Børs, we have taken the opportunity of reviewing our Corporate Governance framework, strengthening those areas where we could do better. We have made significant changes to the composition of the Board to ensure continued effectiveness and its decision-making processes as well as focusing on whether the Board is appropriate for the Company after its move from Canadian domicile to Jersey domicile with a sole listing in London.

Tim Bushell and Iain McLaren bring new skills to the Board to replace those of Neil Kelly and Cameron Barton, whose strong contributions have helped take the Company to where it is today, a refreshed and simpler corporate platform, poised for growth. With the Company now domiciled in Jersey and its shares listed only on the AIM Market in London, Tim and Iain's skill-sets are more appropriate to take the Company forward. Also in line with UK Corporate Governance practice, I have moved into a Non-executive Chairman role from my previous Executive Chairman role. I will, however, continue to support and guide the Senior Executive Management team in identifying and executing on accretive new business opportunities at this critical juncture of the Company's history. Tim and Iain also join the various Board committees as set out below.

LONG-TERM VALUE AND STRATEGY

The Company is focused on the delivery of long-term sustained shareholder value and growth, both organically through its core Tanzanian Mnazi Bay producing gas asset, and inorganically through an M&A led growth mandate. Our strategy and business model is explained in detail on page 10 of the Strategic Report.

BOARD COMPOSITION

The Board currently comprises Robert McBean as Non-executive Chairman, three Non-executive Directors, the CEO and the CFO. Full details of each director can be found within their biographies in this report. Robert McBean, as the Company's Non-executive Chairman; leads the Board with a strong vision of the Company culture and a clear focus on strategy. Mr McBean's experience in global oil and gas markets as well as M&A markets is key to the Company at this stage of its development. Mr McBean previously held the role of Executive Chairman and currently holds 5.22% of the voting rights in the capital of the Company and is therefore not considered independent however, in the opinion of the Non-executive Directors, he brings to the Board a great depth of experience and knowledge and continues to be considered critical to the Company's ongoing operations and execution of its M&A strategy.

John Bentley, Tim Bushell and Iain McLaren together have considerable experience in the oil and gas sector and international capital markets as well as bringing integrity and vision to the Board. John Bentley has been appointed to the Board for more than nine years, however he continues to exercise independence of character and judgement and as such he is considered independent. Tim Bushell and Iain McLaren are both considered independent.

The Executive Directors are complimentary in their skill-sets to deliver the Company's strategy having considerable experience in the oil and gas sector and demonstrable ability to execute complex transactions.

For the Board to function effectively and lead the Company it requires the Directors to, collectively, have detailed knowledge of Tanzanian gas production operations, jurisdictional landscape and the Company's other operations. In addition, the Board requires knowledge of the global Oil and Gas industry and M&A markets, international capital markets and UK, Jersey and Tanzanian legislation and regulation.

The Directors, collectively, have those skills and on-going training and other professional development opportunities are provided along with opportunities to visit the assets and key in-country stakeholders. Directors are encouraged to retain membership of professional and/or industry bodies and may attend external courses as required. The Board receives briefing notes from advisers and updates and training from the Company's Nominated Adviser and legal advisers on an ad hoc basis.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Company does not specify a time commitment required from its Directors but expects Board members to devote enough time to their roles as required. All Board members are expected to attend shareholder meetings as well as being available to shareholders on an ad hoc basis. There are frequent communications between Board members outside the set meeting dates, in order to stay, abreast of business developments. Board meetings are often accompanied by a Board dinner to allow more informal discussion of issues between Directors, this drives clarification and engagement leading to a greater consensus in meetings. The roles of the CEO and CFO are full-time positions.

STATEMENT OF CORPORATE GOVERNANCE

The full Board meets at least six times a year and on any other occasions it deems necessary. Ad hoc Board calls are held as required. During 2018, there were six Board meetings, three Remuneration Committee meetings, three Audit Committee meetings, two Nominations Committee meetings and one Reserves Committee Meeting. Directors attendance is shown below.

	Board Meetings	Audit Committee	Remuneration Committee	Nomination Committee	Reserves Committee
Number of meetings in a year	**6**	**3**	**3**	**2**	**1**
Robert McBean	6	-	2	-	1
John Bentley	5	3	3	2	1
Cameron Barton (resigned effective 30 March 2019)	6	3	3	2	-
Neil Kelly (resigned 2 November 2018)	5	3	1	2	1
Eskil Jersing (appointed 25 June 2018)	5	1	1	-	-
Katherine Roe (appointed 2 November 2018)	5	3	-	-	-
Tim Bushell (appointed 2 November 2018)	2	-	2	-	-
Iain McLaren (appointed 2 November 2018)	2	-	2	-	-

EXTERNAL ADVISERS

The Remuneration committee has sought external advice on remuneration benchmarking in 2018 as part of the re-domicile process to the United Kingdom and will do so in the future, as and when required. The Nominations and Audit Committees have similarly secured external advice on recruitment, tax and legal matters as required.

John Bentley is the Senior Independent Director and as such he is available to all Board members and shareholders should they have any concerns. The Board is supported by a qualified Company Secretary however the Company does not detail the role of the Senior Independent Director or the Company Secretary.

BOARD EVALUATION

The Nominations Committee is responsible for conducting assessments of the Board, its committees and individual directors which are carried out on an informal basis. No formal board performance evaluation was conducted in 2018. The Remuneration Committee assesses the performance of the Executive Directors against Key Performance Indicators which are determined at the beginning of each financial year and reviewed at the end of the performance period.

Following the Company's redomicile to Jersey, Canadian legislation requiring the Company to have Canadian domiciled directors no longer applies and Tim Bushell and Iain McLaren were recruited to the Board to address concerns that Board composition was too focused on Canadian requirements. Their skills were also sought to address specific areas pertinent to the future direction of the Company. John Bentley remained on the Board to provide continuity for investors during the transition of the Company from Canadian domicile to Jersey domicile. In line with UK Corporate Governance practice, I elected to become a Non-Executive Chairman.

COMPANY CULTURE

The Directors are committed to operating the Company's business in a way that delivers lasting benefit to the communities and environments where the business operates. In particular, the importance of delivering success in a safe and responsible environment underpins everything that the Company does.

The Non-executive Chairman and the CEO are the leaders of the Company's corporate culture demonstrating our values of respect, integrity, honesty and transparency in everything that they do. They set the tone for the Company by exemplifying consistent values of high ethical standards and fairness; lead the Company in defining its vision; are the main spokespersons for the Company; and bear the chief responsibility in ensuring the Company meets its short-term operational and long-term strategic goals.

The Code of Ethics and Business Conduct Policy sets out the minimum standards of behaviour required by all directors, officers, employees and contractors in conducting the business affairs of the Company including in relation to conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, anti-corruption, fair dealing with the Company's security holders, customers, suppliers, competitors and employees, compliance with laws, rules and regulations and maintenance of corporate records and the reporting of illegal and unethical behaviour.

BOARD COMMITTEES

The Board has been supported by an Audit Committee, Remuneration Committee, Nominations Committee and Reserves Committee, and details of their activities during 2018 can be found in each of their reports.

THE QCA CODE

We have adopted the QCA Code as appropriate for a Company of our size and current stage of development, however the following areas of non-compliance have been identified:

- Robert McBean, in his previous Executive Chairman role, was granted share options over a total of 1.9m ordinary shares in the capital of the Company and John Bentley has previously been awarded share options over a total of 900,000 ordinary shares in accordance with Canadian market practice. These share options remain in place but no further share options will be granted to Non-executive Directors;
- The Company does not specify a time commitment required from its Directors but expects Board members to devote sufficient time to their roles as required;
- The Company does not detail the role of the Senior Independent Director or the Company Secretary. Only the Chairman's role is specified. The CEO and CFO have contractual obligations.
- The Executive Directors are assessed against clear and objective criteria however there are no objective criteria set against which the Board, Committees and individual effectiveness of the Non-executive Directors are considered. Board evaluation is considered on an ad hoc basis and there is no formal evaluation process carried out by the Company.

The Company has elected to follow the recommendations of the QCA Code for the presentation of its Corporate Governance disclosures. Accordingly, the Company's Corporate Governance Statement contained on its website at www.wentplc.com sets out against each of the 10 Principles of the QCA Code where the disclosures relating to each principle are located.

Robert McBean
Non-executive Chairman

BOARD OF DIRECTORS

Bob McBean
Non Executive Chairman

Bob is a mechanical engineer with over 40 years' experience in the upstream, midstream, and downstream oil and gas industries. He is an accomplished energy project developer and both a private and public company senior executive and director. His past accomplishments include: originating, developing, and serving as the first Managing Director of Qatar Fuel Additives Company, a world-scale methanol and methyl tertiary butyl ether petrochemicals facility in Qatar; originating, developing, and then serving as the first Managing Director of Dubai Natural Gas Company ("DUGAS"), an associated gas LPG processing facility in Dubai; and co-founding Scarboro Resources with interests and operations in Italy, Libya, Abu Dhabi, Indonesia, France, Pakistan and Canada. Bob is a member of the Nominations and Reserves Committees.

Eskil Jersing
Chief Executive Officer

Eskil has over 34 years working across the spectrum of exploration to production and projects in many of the world's key Petroleum basins. Eskil started his career in 1985 as a Field Seismologist with SSL, before moving to Enterprise Oil and, following their takeover, Shell International, ultimately as the Gulf of Mexico Exploration Strategy and Planning Manager. In 2009 he joined Marathon Oil as the Company's Manager for Conventional New Ventures Worldwide and subsequently Apache Corporation as Director Worldwide Exploration and New Ventures Asia Pacific. Subsequently he was Head of New Ventures and Co-Head of Mergers & Acquisitions at Petrobras Oil & Gas BV. Prior to joining Wentworth, Eskil was the CEO of Sterling Energy plc, a UK based, AIM listed independent oil and gas exploration company focused primarily on Africa and the Middle East. Eskil holds a BSc in Geophysics from Cardiff University and an MSc in Petroleum Geology from Imperial College, London.

Katherine Roe
Chief Financial Officer

Katherine, Chief Financial Officer since 1 April 2018, was Vice President Corporate Development and Investor Relations for the Company from 2014 and has 20 years of senior corporate and capital markets experience. Prior to joining Wentworth, Katherine spent 11 years at Panmure Gordon & Co, where she headed up the Natural Resources team, with a principle focus on the Oil & Gas sector. Katherine has experience across a number of international jurisdictions with exposure to emerging and development markets, particularly in Africa. Katherine has extensive experience with 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 Adviser and Qualified Executive for many years, having moved from Morgan Stanley's investment banking division. Most recently Katherine was an independent non-executive director of Faroe Petroleum plc.

John Bentley
Non-executive Director and Senior Independent Director ("SID")

John has over 40 years of experience in international natural resource corporations at both the executive management and board level. He has a degree in Metallurgy from Brunel University. John has had a specific focus in the upstream oil and gas industry in Africa having been instrumental in the formation of Energy Africa Ltd where he was CEO during the period 1996 through 2000. Prior to this, he held several senior positions in the Gencor Group. Until recently, he was non-executive chairman of Faroe Petroleum plc and remains a non-executive director of Africa Energy Corp. John is Chair of the Nominations Committee and a member of the Reserves, Audit and Remuneration Committees.

Tim Bushell
Non-executive Director and Deputy Chairman

Tim is a qualified geologist with more than 30 years' experience in the oil and gas industry. He has worked at British Gas, Ultramar, LASMO, and Paladin Resources. Most recently Tim was Chief Executive Officer at Falkland Oil and Gas Limited and Director/co-founder of Core Energy AS. He is currently serving as a Non-Executive Director on the Board of Rockhopper Exploration plc, Genel Energy plc and Petro Matad Limited, and as a Director of Point Resources AS and Redrock Energy Limited. Tim is Chair of the Remuneration and Reserves Committees and a member of the Audit and Nominations Committees.

Iain McLaren
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 until May 2018 was Senior Independent Director and Chair of the Audit Committee for Cairn Energy plc. He is currently Chairman of BMO UK High Income Trust plc as well as a director of three other investment companies. He is a past President of the Institute of Chartered Accountants of Scotland and was a partner of KPMG for 28 years until 2008. Iain is Chair of the Audit Committee and a member of the Remuneration and Nominations Committees.

AUDIT COMMITTEE REPORT

The Audit Committee met three times during the year. The Committee gave consideration to Group financial disclosures and accounting matters, including both the impact and treatment of standards that came into effect and those that had not yet done so but had been endorsed by the EU.

It also performed a review of areas of judgement and uncertainty alongside their treatment within the financial statements. The Committee paid regard to the accounting treatment of the Ziwani-1 well and associated seismic carry to which Maurel et Prom had full entitlement to cost gas recovery. The Committee additionally considered the recognition basis for deferred tax losses attributed to Wentworth's equity share of Cyprus Mnazi Bay Limited in addition to the adjustments made to the tax and asset base following recent assessments by the Tanzanian Revenue Authorities.

Alongside areas of judgement and uncertainty, the Committee also considered the key assumptions used by management in assessing carrying values of assets for potential impairment, with regard to the Tembo licence in Mozambique following the technical and commercial decision by the Group not to renew the current licence upon its expiry on 15 June 2019. The Committee also considered the carrying value of Mnazi Bay.

Prior to the redomicile, the Committee signed off on the compliance, Financial Position, Prospects and Procedures reporting requirements and Working Capital Memoranda with respect to the Redomicile of Wentworth Resources from Canada to Jersey and Re-admission to the London Stock Exchange.

As part of its ongoing remit, the reports of the external auditor concerning its audit and review of the annual and interim financial statements of the Group were reviewed. Also reviewed were the effectiveness of the Group's system of internal controls, risk management and the systems and processes that management has developed pertaining to risk identification, classification and mitigation including disaster recovery were reviewed.

The Committee also gave consideration the adequacy of whistleblowing procedures and shareholder concerns and the appointment and handover of KPMG (Canada) to KPMG (UK), their independence, associated remuneration and non-audit fees.

Iain McLaren
Chairman, Audit Committee

COMMITTEE MEMBERS

- Iain McLaren (Chairman)
- John Bentley
- Tim Bushell

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 Auditors;
- agreeing the scope of the Auditors' annual audit programme and reviewing the output;
- keeping the relationship with the Auditors under review;
- assessing the effectiveness of the audit process; and
- developing and implementing policy on the engagement of the Auditors to supply non-audit services.

The external Auditors have unrestricted access to the Chairman of the Audit Committee. Audit Committee meetings are also attended by the external Auditor where appropriate and, by invitation, the Chairman, Chief Executive Officer, Chief Financial Officer any other Directors and senior management.

REMUNERATION COMMITTEE REPORT

The Remuneration Committee aims to ensure that remuneration is linked to the performance of the Company and believes that the Long-Term Incentive Plan, which is based on absolute shareholder return, ensures that management is aligned with shareholders in respect of the share incentive element of their remuneration packages. The Committee is satisfied that the outcomes, in respect of the incentives and remuneration during the financial year under review, are appropriate.

During 2018, the composition of the Board of Directors was subject to considerable change driven primarily by the aim to adopt a Corporate Governance structure in line with UK market practice following the Company's redomicile from Canada to Jersey and in anticipation of the delisting of the Company's shares from Oslo Børs, which took place in February 2019. Eskil Jersing was recruited as CEO in June 2018 and Katherine Roe was appointed CFO in April 2018, joining the Board in November 2018. Iain McLaren and I joined as Non-executive Directors in November 2018 at the same time as Neil Kelly stepped down from the Board. At the same time, Cameron Barton resigned from the Board and left on 31 March 2019 following a hand-over period. Effective 1 January 2019, Robert McBean, previously the Executive Chairman, stepped into the role of Non-executive Chairman although his role remains key for the execution of the Company's M&A strategy.

As part of the re-domicile process, a new executive and board remuneration policy was introduced. Mercer Kepler Limited ("Mercer Kepler") were commissioned to provide a comprehensive and independent report to the Committee. This included advice on senior executive remuneration policy, including annual bonuses, long-term incentive design, benchmarking of executive remuneration packages and non-executive fees.

The Committee will continue to ensure that the Company's remuneration policy and practices are kept under review to ensure that they remain appropriate for the Company at its stage of development and that they do not encourage any unnecessary risk taking by the executive team.

Tim Bushell
Chairman, Remuneration Committee

COMMITTEE MEMBERS

- Tim Bushell (Chairman)
- John Bentley
- Iain McLaren

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

- Determining the Remuneration Policy for the Group to be applied to Directors and senior managers and recommending any changes to the Remuneration Policy.
- Reviewing and agreeing the total remuneration package for the executive Directors and other senior managers.
- Approving targets for the performance-related LTIP scheme.
- Agreeing KPIs for the executive Directors annual bonus targets and monitoring achievement of those KPIs.
- Overseeing any changes to the remuneration policy or individual components due to the redomicile of the Company from Canada to Jersey and the delisting of the Company's shares from Oslo Børs.
- Appointing remuneration consultants as may be required by the Committee to advise in respect of any matters.

REMUNERATION POLICY

The Group's remuneration policy is focused on ensuring that overall remuneration is set at a competitive level against the Company's peer group to enable the Company to attract and retain high-calibre employees with the requisite skill-sets required to execute the Company's strategy. The Committee is tasked with ensuring that the policy is applied in such a way that remuneration of directors, management and senior staff is set at a level no higher than is required to achieve the Company's objectives and that pay is closely linked to performance.

The Company has recently undergone a period of significant corporate change and is now well placed to achieve material growth via unlocking the latent value in our core asset expansion and through inorganic M&A execution.

The Committee has focused on ensuring that the base salary, annual bonus, benefits and pension are at a level to attract high-quality employees. However, the Committee is also keen to align the Executive Directors and senior management with the long-term strategy of the Company and to that end a greater emphasis has been placed on aligned long-term incentives linked to performance at the time of recruitment.

Executive Director Policy

Base Salary	
Purpose and link to strategy	Base salary to be set at a competitive level to enable recruitment and retention of Executive Directors and to ensure that Executive Directors are appropriately rewarded for their role and responsibilities.
Operation	• Base salary is reviewed annually in April considering the Directors' performance, individual responsibilities and experience. • Salary increases will be awarded to reflect changes in role or responsibility and any industry benchmarking adjustment. • The Committee considers matters of retention, motivation and economic climate as well as the challenges facing the business. • As and when required the Committee obtains benchmarking data and reviews peer group comparator companies' remuneration.

REMUNERATION COMMITTEE REPORT

Performance related bonuses	
Purpose and link to strategy	To incentivise and reward, on an annual basis, the achievement of individual targets and Group targets on both financial and non-financial metrics.
Operation	• Objectives/KPIs are set, prior to the year under review with the Executive Directors being treated collectively as a team, in addition to individual performance considerations. • KPIs, specific to the Executive Directors and select Senior Management, are aligned to the Group's strategy and business plan and focused on enabling the Group to achieve its long-term objectives. • At the end of each year the Committee uses its judgement to determine whether the KPIs have been achieved in addition to individual performance and contribution to the Group. • The maximum level of performance related bonus for Executive Directors is capped at 100% of annual salary. • The maximum level for senior management is capped at 50% of annual salary. • As a priority, the Committee considers whether operations have been completed to acceptable HSSE standards and considers whether there were any HSSE incidents when determining the level of bonus payments. • The bonus is non-contractual, is discretionary and is paid in cash following the year end. • Any bonus payment is subject to the Company's malus and claw-back policy.

Pension provision	
Purpose and link to strategy	To provide competitive retirement benefits commensurate with schemes offered by peer companies in line with legislation.
Operation	• During each year, the Employer contributes an amount equal to 10% of the Salary to the Employee's personal pension scheme. Any contributions shall be payable in equal monthly instalments in arrears.

Benefits	
Purpose and link to strategy	To provide competitive cost-effective benefits to assist in attracting and retaining the calibre of Directors required to deliver the Group's strategy.
Operation	• A range of customary benefits, in addition to base salary, is planned to be provided to Executive Directors including life assurance and private healthcare provisions. These measures will be fully implemented during 2019.

Long-Term Incentive Plan ("LTIP")	
Purpose and link to strategy	To attract and retain the calibre of Executive Directors and Senior Management required to implement and realise the Company's long-term strategy. The LTIP is intended to align the Executive Directors and Senior Managers' interests with the long-term interests of shareholders through challenging performance targets linked to vesting of the awards.
Operation	• The LTIP was approved by shareholders in July 2018. • The Committee makes initial awards under the LTIP to newly appointed Directors subject to the Company being in an open dealing period up to a maximum of 200% of base salary. • The Committee intends to make annual awards in July of each year, where appropriate, to executive Directors and senior managers. Annual awards are capped at 100% of annual base salary subject to the Remuneration Committee having discretion, in exceptional circumstances only, to increase an annual award to up to 200% of annual base salary. • All awards are over nil cost options vesting over a three-year period and are subject to performance conditions linked to the Company's actual share price growth over the period. • Options granted under the Company's previous schemes remain in place.

Remuneration Policy for overseas employees

The majority of the Group's employees are based in Tanzania and local customs are adopted to ensure that employees' remuneration in country of operation is appropriate to their jurisdiction. The Company policy is to pay its employees fair salaries and benefits, competitive with market demand.

The Company implements a performance review process against individual goals relevant to their positions and Company's achievement related to share price performance. Employees are entitled to a maximum annual bonus of up to 2 months basic salary as established by the Company. Individual goals represent 50% of an employee's annual bonus and the other 50% of an employee's annual bonus, is based on share price performance. In addition, during the year the recommended minimum wage in Tanzania was increased and immediately adopted by the Company, resulting in a small number of junior staff in Tanzania receiving a significant percentage uplift in salary.

Recruitment

In the case of recruitment of a new executive Director the Committee can use all the components of remuneration as set out in the policy table above.

- Base salary of a new Executive Director will be determined by reference to market rates through peer group analysis, the experience and skills of the individual and their existing remuneration package.
- Any annual bonus will be applied in-line with the policy with KPIs being agreed with any new appointee as soon as possible after appointment. The relevant maximum bonus percentage will be pro-rated to reflect the period of employment with the Company during the year.
- An award under the LTIP may be made on joining in line with the policy up to 200% of base salary and thereafter capped at 100% of base salary per annum other than in exceptional circumstances.
- In the case of an external hire the Remuneration Committee may deem it appropriate to compensate an individual for the loss of existing incentive and benefit arrangements which would be forfeited on termination of their previous employment. In the case of an internal hire existing awards made to that individual would be retained.

REMUNERATION COMMITTEE REPORT

Service Contracts and change of control provisions

The Executive Directors have both signed service contracts that are not fixed in duration. Details of the Directors service contracts and appointment dates are as follows:

	Date of Current Contract	Notice Period
Eskil Jersing	7th August 2018	12 Months
Katherine Roe	23rd August 2018	12 Months

The Directors' service contracts are available to view at the Company's registered office and its Reading office and prior to each Annual General Meeting at the venue for the meeting.

At the end of 2018, it was determined that the CEO and CFO should be incentivised as closely aligned to each other as possible whilst still recognising their different roles. Certain discrepancies in their contracts were considered by the Remuneration Committee who recommended that the following changes be made to address these discrepancies following year end:

a) Katherine Roe and other Senior Managers' service agreements contains change of control clauses providing for 12 months' salary to be paid in the event of a change of control and Katherine Roe's contract contains a notice period of 12 months. The Remuneration Committee determined that Eskil Jersing's change of control clause in his service agreement should be amended from providing for 6 months' salary to be paid in the event of a change of control, to 12 months' salary and his notice period be amended to 12 months in line with the other Executive Director and Senior Managers;

b) Katherine Roe's contract provided for her annual bonus to be capped at 75% of base salary whilst Eskil Jersing's contract provided for the annual bonus to be capped at 100% of base salary. The Committee recommended to the Board that these be aligned, and that Katherine Roe's annual bonus cap be increased to 100%;

c) c) The Executive Directors service agreements provided for one-third of any annual bonus payment to be satisfied by the issue of shares in the Company subject to a two-year holding period. This was determined by the previous Committee and as drafted caused a number of adverse tax consequences to be suffered by the Executives. The Committee have recommended that the entire annual bonus be satisfied in cash.

Termination of employment

Clause 17 of the Executive Directors service agreements talks to the termination of the agreement by the employer, which states that "the Employer shall have the discretion to terminate the Appointment lawfully without any notice (or part thereof) by paying to the Employee a sum equal to, but no more than, the salary as at the date that such payment is made under this clause.

A bonus payment will not normally be made to a director under notice although there may be circumstances relating to a specific, clear and determinable KPI where a limited bonus payment may be agreed.

LTIP awards lapse on termination of employment unless the individual is considered a 'good leaver' whereupon under the LTIP the award will lapse 6 months later. Under the previous Company Option Plan, the award will lapse 45 days following termination of employment, however, the Remuneration Committee (approved by the Board) has extended this period to 12 months where the Committee has determined that individual to be a 'good leaver'. The Committee has the discretion to determine whether a leaver is a 'good leaver'.

Non-executive Director Policy

Pursuant to Article 25 in the Company's Articles of Association, the Board can enter into, vary or terminate an agreement with a Non-executive Director and can determine the level of Non-executive Directors remuneration subject to any limit set by the Company by ordinary resolution.

Fees	
Purpose and link to strategy	Fees are set at a competitive level to attract and retain high-calibre non-executive directors who collectively bring the required skill-set to the Board to support the Executive Directors and guide the Company to achieve its objectives.
Operation	• Fees for the Chairman are determined by the Committee. Fees for the Non-executive Directors are determined by the Board as a whole with directors recusing themselves from decisions relating to their own remuneration. • The Board has regard to the level of fees paid to Non-executive Directors of comparator companies similar to the Company and the time commitment and responsibilities of the role. • The chair of Audit Committee and Remuneration Committee and the Senior Independent Director each receive an additional £10,000. No fees are paid to the Chair of the Nominations and Reserves Committee. No director receives fees for sitting on a Board Committee.

Performance related bonuses
Non-executive Directors do not participate in the group's annual bonus scheme.

Pension provision
Non-executive Directors are not paid a pension contribution.

Long-Term Incentive Plan ("LTIP")
Non-executive Directors do not participate in the LTIP Scheme.

Letters of appointment

Each of the Non-executive Directors have a letter of appointment other than Cameron Barton who did not have a written agreement in line with Canadian practice. Mr Barton has resigned and, following a handover period, his appointment with the Company terminated on 31 March 2019; therefore the Committee did not put in place a new letter of appointment for Mr Barton.

Following Robert McBean moving from Executive Chairman to Non-executive Chairman in-line with UK Corporate Governance practice, the Committee agreed a new letter of appointment for a fixed term until the end of June 2020.

Expenses

The Company has adopted a revised Expenses Policy in November 2018, under which the Non-executive Directors are entitled to recover reasonable out-of-pocket expenses from the Company.

REMUNERATION COMMITTEE REPORT

KEY ACTIVITIES

- Established a new Long-Term Incentive Plan advised by KPMG.
- Reviewed and approved updated Terms of Reference following redomicile of the Company from Canada to Jersey and delisting from Oslo Børs.
- Took advice from external consultants to review the Company's remuneration policy.
- Worked closely with the Nominations Committee to apply and adjust the remuneration policy, as appropriate, to agree a remuneration package for the Executive Directors appointed during 2018.
- Agreed the total remuneration package for each Executive Director and Senior Manager.
- Agreed a new letter of appointment for the Chairman following the change of his role from an executive role to a non-executive appointment.
- Reviewed the effectiveness and appropriateness of existing equity incentive plans and approved changes in the structure and operation of those plans.
- Reviewed and considered remuneration structures and levels throughout the Group and considered how the remuneration policy will be applied to all employees.

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

EXTERNAL ADVICE

The Committee engaged Mercer Kepler, an independent professional compensation consultancy, to advise on Executive Director remuneration during the year. Advice provided by Mercer Kepler was used to set and amend the Group's Remuneration Policy. KPMG LLP advised on the implementation of the new Long-term Incentive Plan which was approved by shareholders in July 2018. Joelson LLP provided legal advice in relation to the Executive Directors new service agreements and the letter of appointment with the Non-executive Chairman.

DIRECTORS REMUNERATION DURING THE PERIOD ENDED 31 DECEMBER 2018

Total Remuneration of Executive Directors

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

	Base Remuneration	Bonus	Other Benefits	LTIP charges	Share option charges	2018 Total	2017 Total
	$	$	$	$	$	$	$
Robert McBean [1]	280,000	100,000	23,474	-	14,944	**418,418**	323,000
Eskil Jersing [2]	[4] 201,700	110,561	[2] 21,699	27,767	-	**361,727**	-
Katherine Roe [3]	[5] 42,424	123,166	1,140	9,256	-	**175,986**	-
Total	**524,124**	**333,727**	**46,313**	**37,023**	**14,944**	**956,131**	**323,000**

[1] Moved from Executive to Non-executive Chairman effective 1 January 2019.
[2] Appointed 25 June 2018. Eskil Jersing has elected to take his pension of $19,338 as salary and it has been included within other benefits.
[3] Appointed as a Board Director on 2 November 2018
[4] Received $30,103 prior to becoming a Director.
[5] Received $222,973 prior to becoming a Director plus pension contribution.

The CEO and CFO base salaries remain unchanged for 2019.

Annual Bonus of the Executive Directors and Executive Chairman

The Remuneration Committee reviewed the KPIs agreed with the Executive Directors on appointment being in April of 2018, in the case of Katherine Roe, and June 2018, in the case of Eskil Jersing. The Committee agreed that Katherine Roe's annual bonus opportunity should be 100% (as she had been an employee for the full period) whilst Eskil Jersing would be set at 50% to reflect his 6 month tenure following his appointment in June 2018.

The following key objectives had been agreed for the financial year:

Specific measurable outcomes including zero lost time incidents and share price targets;

Corporate development objectives and in particular:

- Re-domicile from Canada to Jersey by Q4;
- Delisting of the Company's ordinary shares from Oslo Børs;
- Closure of the Calgary office;
- Adoption of UK standards across finance and governance,

Certain financial objectives including development of a new integrated corporate financial model and successful management of the new Plc audit process;

Operational targets as well as a focus on M&A opportunities and due diligence evaluation goals;

Clear objectives relating to stakeholder engagement and investor relations; and

Behavioural competencies and personal objectives focused on embedding Company culture.

LTIP Awards granted during the financial year

The table below sets out the LTIP awards granted to the Executive Directors during the financial year ended 31 December 2018 in accordance with the policy. The percentage of awards which will vest will be dependent on share price growth during the performance period.

LTIP awards table

Director	Date of Grant	Share price at date of grant [1]	Exercise price	Number of options subject to performance conditions set out below	Maximum number of shares that may vest	Face value of maximum award [2]
Eskil Jersing	3 December 2018	£0.224	-	2,670,226	2,670,226	£600,000
Katherine Roe	3 December 2018	£0.224	-	890,075	890,075	£200,000

[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 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.

REMUNERATION COMMITTEE REPORT

No LTIPs were awarded to Robert McBean due to him stepping down from the position of Executive Chairman and taking the role of non-executive Chairman. Mr McBean retains previous share option awards.

The key features of the 2018 LTIP awards are as follows:

- Awards are in the form of nil cost conditional rights to ordinary shares;
- Performance will be measured over a three-year period to 3 December 2021;
- 25% of the award will vest if the Company's share price 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 share price has increased by a 16% compound annual growth rate;
- Should the Company's share price increase between 8% and 16% the awards will vest on a linear sliding scale between 25% and 100%;
- No awards will vest should the Company's share price fail to increase by 8% compounded annual growth rate;
- The actual share price growth is calculated on the average price over the 3-month dealing period immediately prior to the date of the award and the average price over the 3-month dealing period immediately prior to the end of the performance period;
- In certain situations, including a change of control, the awards may vest early if no replacement award has been made; and
- Following the grant of the award, and having taken advice from Mercer Kepler, the Committee recommended to the Board that the two-year holding period on any shares issued under the LTIP and which followed the three-year performance period be removed as it was considered unduly restrictive and did not achieve its objective of incentivising the executive to remain with the Company. Peer group analysis showed that few comparator companies were implementing such a holding period.

Neil Kelly resigned from the Company on 2 November 2018 and, as considered a good leaver by the Committee, his options will lapse on 1 November 2019. Cameron Barton resigned from the Company effective 31 March 2019 and was considered a good leaver by the Company and accordingly his options will lapse on 31 March 2020. He will receive a payment equal to three months' of his director fees in acknowledgement of his redomicile contributions.

Total Remuneration of non-executive Directors

The table below reports remuneration for each Non-Executive Director

	Base Remuneration	Bonus	Other Benefits	Share options	2018 Total	2017 Total
	$	$	$	$	$	$
Cameron Barton [1]	80,000	-	-	-	**80,000**	80,000
John Bentley	80,000	-	-	-	**80,000**	80,000
Iain McLaren [2]	18,030	-	-	-	**18,030**	-
Tim Bushell [2]	18,030	-	-	-	**18,030**	-
Neil Kelly [3]	67,060	-	-	-	**67,060**	80,000
Total	**263,120**	**-**	**-**	**-**	**263,120**	**304,000**

[1] Resigned effective 31 March 2019
[2] Appointed 2 November 2018
[3] Resigned 2 November 2018

Tim Bushell and Iain McLaren were appointed to the Remuneration Committee on 2 November 2018 and Tim Bushell took the role of Chairman following the resignation of Neil Kelly as Chairman of the Committee following the Continuance of the Company from Canada to Jersey.

In 2018 in his role as Executive Chairman, the Chairman was paid a bonus of US$100,000 in recognition of driving significant change through the Company during 2018. The Committee does not anticipate a bonus being awarded to the Chairman in future financial periods unless there are significant exceptional circumstances.

Previously in his role as Executive Chairman Mr McBean was awarded options over ordinary shares in the Company. These options remain in place however the Remuneration Committee does not anticipate awarding any further LTIP awards to the Chairman.

In-line with Canadian market practice Cameron Barton and John Bentley both were awarded options over ordinary shares in the Company. The options awarded to John Bentley remain in place and those awarded to Cameron Barton will expire on 31 March 2020, however the Remuneration Committee does not anticipate awarding any further LTIP awards to the either of these Directors.

IMPLEMENTATION OF DIRECTOR REMUNERATION POLICY FOR 2019

Executive Directors	
Base Salary	Base salary for the Executive Directors and Senior Management will be reviewed annually in April and may be adjusted to reflect inflation and any change in current market practice.
Annual Bonus	The Committee determined that the KPIs prepared for the Executive Directors were too fragmented and that fewer, but clear and demanding, KPIs would be more appropriate with an element of discretion accorded to the Committee to make an informed proposal on annual bonus to the Board. Accordingly, KPIs have been agreed with the Executive Directors for their 2019 annual bonus targets under the following classifications: • HSSE; • Financial including revenue targets which are considered commercially sensitive by the Committee; • Operational including production targets which are considered commercially sensitive by the Committee; • Preservation of the Company's cash position; • Stakeholder communications; and • M&A activity. Total bonus opportunity would be capped at 100% of 2019 base salary.
LTIP	The Committee intends to grant LTIP awards during 2019 in accordance with the Policy. The Committee will consider quantum, performance period and performance targets at the time of award but expect that the performance condition will remain linked to actual share price growth over the performance period.
Benefits and Pension contribution:	The Executive Directors will receive the range of Company benefits and pension contribution in line with the Remuneration Policy.

Non-executive Directors	
Fees	The 2019 fees for the Non-executive Directors have been set at £50,000 with an additional £10,000 paid to each of John Bentley, Iain McLaren and Tim Bushell for their roles of Senior Independent Director, Chair of Audit Committee and Chair of Remuneration Committee respectively. The exception to this is the Non-executive Chairman who will receive an annual fee of £180,000.
Benefits	It was agreed that the Non-executive Chairman will continue to receive health care insurance but will forego all other benefits. Non-executive Directors do not receive any benefits.

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

	Ordinary shares 24 April 2019	**Share options 24 April 2019**	Ordinary shares 27 March 2018	Share options 27 March 2018
Robert McBean [1]	**9,605,385**	**1,900,000**	9,105,385	1,900,000
John Bentley	**368,202**	**900,000**	368,202	900,000
Iain McLaren [2]	**100,000**	**-**	-	-
Tim Bushell [2]	**-**	**-**	-	-
Eskil Jersing	**-**	**2,670,226**	-	-
Katherine Roe [2]	**-**	**1,190,075**	-	300,000
Neil Kelly [3]	**1,076,273**	**900,000**	1,076,273	900,000
Cameron Barton [4]	**1,530,291**	**900,000**	1,530,291	900,000

[1] Moved from Executive to Non-executive Chairman effective 1 January 2019
[2] Appointed 02 November 2018
[3] Resigned effective 02 November 2018
[4] Resigned effective 31 March 2019

MISCELLANEOUS DISCLOSURES

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

The Company provides limited Directors' and Officers' liability insurance, at a cost of approximately $59k in 2018 (2017: $58k).

EXECUTIVE DIRECTOR EXTERNAL APPOINTMENTS

The Company acknowledges the benefit of the executive Directors accepting appointments as Non-executive Directors of other companies however they are only permitted to engage in other activities and businesses outside the group provided there is no risk of conflict with their executive duties and subject to full Board disclosure.

The executive Directors held the following positions during 2018 whilst they were employees of the Company:

Katherine Roe was a non-executive Director of Faroe Petroleum plc and a non-executive Director of IDE Group plc for which she received fees. She resigned from IDE Group Holdings plc on 20 August 2018 and resigned from Faroe Petroleum plc on 14 February 2019.

Tim Bushell
Chairman, Remuneration Committee

NOMINATIONS COMMITTEE REPORT

2018 was a period of significant change for the Company due to the redomicile of the Company from Alberta, Canada, to Jersey, Channel Islands as well as working towards a delisting of its shares from the Oslo Børs Stock Exchange which occurred in February 2019.

As a result, the Company made significant changes to its Board of Directors and a new CEO and CFO were appointed as well as two new Non-executive Directors with significant experience in UK capital markets. This process involved an internal assessment of the relevant skills needed to successfully achieve the Company's new strategic direction. Accordingly, a qualified search firm was engaged to assist in the candidate selection processes and the contracting of both Executive and Non-executive Directors.

Due to the significance of the changes undertaken during the year ended 31 December 2018, Nominations Committee matters were carried out by the Board itself and no separate formally convened meetings of the Nominations Committee were held during 2018. It is the intention that the Nominations Committee will meet at least once a year and independently of the Board of Directors during 2019.

During 2019, the Nominations Committee will focus on Board evaluation implementing a more formal appraisal process, although it is unlikely that external evaluation will be required during 2019 and will continue to focus on Board composition including succession planning for the Chairman, who has announced his intention to retire at the end of June 2020.

Tim Bushell
Chairman, Nominations Committee

COMMITTEE MEMBERS

- Tim Bushell (Chairman)
- Robert McBean
- Iain McLaren
- John Bentley

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

- Review the structure, size and composition of the Board and recommend any changes to the Board.
- Carry out succession planning for the Board and senior management.
- Be responsible for filling board vacancies when they arise and before any appointment is made evaluating the balance of skills, knowledge, experience and diversity on the Board.
- Review the time requirement of Non-executive Directors.
- Ensure that a Board evaluation takes place annually.

RESERVES COMMITTEE REPORT

The role of the Reserves Committee is to assist the Board with overseeing and monitoring the Company's process for calculating its oil and gas reserves and the processes and procedures used to ensure compliance with applicable legislation and conformity with industry reporting standards. During 2018, the Committee met to discuss and approve the RPS Canada Competent Persons Report for Mnazi Bay (effective date 31 December 2018).

Tim Bushell
Chairman, Reserves Committee

COMMITTEE MEMBERS

- Tim Bushell (Chairman)
- Robert McBean
- John Bentley

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

- Reviewing the Company's policies, practices and procedures for estimating oil and gas reserves.
- Reviewing the selection of the independent reserves assessor made by the Company's Executive Directors.
- Monitoring the Company's procedures for providing information to its independent reserves assessor to ensure the assessor can properly fulfil its duties.
- Reviewing and approving the results of reserves assessments with the Executive Directors, Senior Managers and the independent reserves assessor.
- Reviewing the procedures for reporting information associated with oil and gas producing activities.

COMMUNICATIONS WITH SHAREHOLDERS

The Board is accountable to the Company's shareholders and as such it is critical for the Board to appreciate the aspirations of the shareholders and equally that the shareholders understand how the actions of the Board and short-term financial performance relate to the achievement of the Company's longer-term goals.

The Board reports to the shareholders on its stewardship of the Company through the publication of interim and final results each year. Press releases are issued throughout the year and the Company maintains a website (www.wentplc.com) on which press releases, Corporate presentations and Annual Reports are available to view. In addition the executive Management maintain a Q&A page on the Corporate website and a Corporate page on Linkedin both of which are populated and updated regularly. Additionally, this Annual Report contains extensive information about the Company's activities. Enquiries from individual shareholders on matters relating to the business of the Company are welcomed. Shareholders and other interested parties can subscribe to receive notification of news updates and other documents from the Company via email. In addition, the executive Directors meet with major shareholders to discuss the progress of the Company.

The CEO and CFO provide periodic feedback to the Board following meetings with shareholders. The Senior Independent Director also attends some shareholder meetings to ensure the Board is appraised of all feedback provided by such meetings.

CONFLICTS OF INTEREST

The Company has in place procedures 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.

DIRECTORS' REPORT

The Directors present the Report and Financial Statements on the affairs of Wentworth and its subsidiaries, together with the financial statements and Auditors' Report for the year-ended 31 December 2018.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Group and Company throughout the year remained the exploitation of natural gas in Tanzania. The significant developments during 2018, and more recently, the other activities of the Group, as well as the future strategy and prospects for the Group, are reviewed in detail in the Chairman and Chief Executive Officer's as well the Strategic Report section of 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 to the financial statements.

RESULTS AND DIVIDENDS

The Group loss for the financial year was $75.2 million (2017: $0.7 million). This leaves an accumulated Group retained loss of $335.5 million (2017: $263.3 million) to be carried forward. Full analysis of the movements in the Group's reserves is provided in the Consolidated Statement of Changes in Equity. The Directors do not recommend the payment of a dividend (2017: $nil).

BACKGROUND TO AND REASONS FOR THE PROPOSED CONTINUANCE AND DELISTING

On 16 November 2017, the Company announced that it was undertaking a restructuring process to better align its corporate and management structures with its shareholders and asset base in Africa, to increase management efficiencies and reduce certain costs. At that time, Wentworth was incorporated under the laws of the Province of Alberta, Canada, its executive management was based in Canada and it had stock market listings in Norway and the UK. Given its assets in East Africa, this led to a disproportionate amount of management time and cost incurred dealing with the practical consequences of a multijurisdictional group structure and dual-listed entity compared to companies of similar size.

The primary reasons for the proposed redomicile and Delisting, included the need for:

- increased management efficiencies and reduction in corporate complexity;
- reduction in certain operational, regulatory burdens and overhead / compliance costs;
- improved access to our institutional investors;
- closer proximity and to be in a similar time zone to the Company's asset base;
- direct access to the London M&A market;
- benefitting from the presence of established E&P sector research coverage in London; and
- creating a simpler transactional platform for growth initiatives.

The first step in addressing these transitional issues was the appointment of a UK based executive management team in Eskil Jersing and Katherine Roe as Chief Executive Officer and Chief Financial Officer respectively, to take the Company forward.

The Continuance

All principal operations of the Company are outside of Canada. In addition, the Company has a minimal number of Canadian shareholders. As part of a package of measures to focus management time on the Company's assets and reduce cost and inefficiency, the Company decided to redomicile to Jersey. The Continuance into Jersey provided the Company with several benefits, including:

a) as Jersey is more conveniently located in relation to the Company's operations than Canada, it is expected there will be a reduction in the time and costs associated with international travel required to hold meetings of the Board and manage the Company's assets and maintain relationships with its JV partner;
b) in the event that the Company were to pay dividends, Canadian withholding tax applicable to dividends paid to Shareholders outside Canada will be eliminated;
c) since the Company has no commercial connections to Canada, there was no reason for it to be domiciled there and thereby subject to Canadian income and capital gains taxes or for it to bear the compliance costs associated with being a Canadian taxpayer; and
d) being subject to a UK corporate governance regime and the City Code on Takeovers and Mergers is expected to make the Company more attractive to UK institutional investors.

The Delisting

The Company was incorporated as Artumas Group Inc. in 2000 and was listed on the Oslo Børs in 2005. In 2010, the Company (as Artumas) purchased the entire issued share capital of Wentworth Resources Limited, a Cayman Islands incorporated cash shell. Artumas was renamed Wentworth Resources Limited in September 2010. With the Company's shares subsequently admitted to trading on AIM in October 2011. Through this time, Wentworth had not successfully attracted meaningful institutional Norwegian shareholders nor any significant sell-side research coverage from Norwegian investment banks. All of the Company's significant shareholders and the majority of the Company's covering sell-side analysts are based outside of Norway. Given this, the Board reached the view that being listed on Oslo Børs, in addition to the listing on AIM, had not resulted in the intended benefits for the shareholders. The Board was further of the view that any such benefits no longer outweighed the additional regulatory burdens and the costs associated with the listing on Oslo Børs.

Whilst the Company was listed on Oslo Børs, it was required to comply with both the Norwegian rules applicable to companies listed on Oslo Børs (e.g. relevant rules in the Norwegian Securities Trading Act and the Oslo Børs' continuing obligations of stock exchange listed companies) and the AIM Rules for Companies which differ in certain areas and accordingly impose additional regulatory burdens and increased compliance costs. For example, a company listed on Oslo Børs is required to publish a prospectus if it issues new shares representing 10 per cent or more of its existing issued share capital in a rolling 12 month period. Such a requirement inhibits the Company's ability to make acquisitions or issue new shares to raise funds. Given the evolution of strategy to a more acquisition-focused business model, this would put the Company at a competitive disadvantage when compared to other potential acquirers of assets not subject to the same requirement.

DIRECTORS' REPORT

The cost of maintaining the Oslo Børs listing was a burden on the Company's financial resources and management time and was disproportionate to the benefits gained from the Oslo Børs listing, given the size of the Company. Financial costs include the annual listing fee payable to Oslo Børs, fees paid to the Company's Norwegian legal advisers and public relations advisers and fees paid to the Company's VPS registrar.

Over the years, the AIM listing has enhanced shareholder value by allowing the Company and its shareholders to both benefit from the presence of established E&P sector research coverage and provide the Company with access to UK institutional investors. Additionally, the market for small cap E&P companies with international assets beyond the North Sea is significantly more developed on AIM, when compared to Oslo Børs. The Directors believe that given the Company's size, stage of development and strategy, it is more appropriate and more beneficial for it to continue to be listed on AIM rather than on Oslo Børs. Based on the above, the Directors were of the view that a Delisting from Oslo Børs was in the best interests of the Company. The Delisting was approved on 14 November 2018 with effective Delisting on 13 February 2019. The Company is now solely traded on the London Stock Exchange (AIM).

GOING CONCERN

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

The Group has a long established and collaborative relationship with the Government of Tanzania, having operated in-country for many years, however the Directors do recognise that the Group is dependent upon the continued collection of gas sales invoices and ongoing operational support of the Government as its sole gas sales customer through its operating agencies TPDC and TANESCO. The Directors have therefore assessed that owing to the stability of this relationship which has seen payment terms significantly improve during 2018, the Group has sufficient cash resources for its working capital needs, committed capital and operational expenditure and debt repayment programmes for at least for the next 12 months based on the application of reasonable and foreseeable sensitivities. Consequently, the Directors believe that both the Group and Company are well placed to manage their financial exposures.

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 22 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, which are both governed by the general provisions of the Articles of Association 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 note 21. 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 Robert McBean (Executive Chairman)
- Mr Eskil Jersing (Chief Executive Officer) (appointed 25 June 2018)
- Mrs Katherine Roe (Chief Financial Officer) (appointed 2 November 2018)
- Mr John Bentley (Non-executive Director and Senior Independent Director)
- Mr Tim Bushell (Non-executive Director) (appointed 2 November 2018)
- Mr Iain McLaren (Non-executive Director) (appointed 2 November 2018)
- Mr Neil Kelly (Non-executive Director) (resigned 2 November 2018)
- Mr Cameron Barton (Non-executive Director) (resigned effective 31 March 2019)

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 its Articles of Association, 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 of Association at every annual general meeting of the Company one-third of the Directors shall retire from office. However, as this year is the first Annual General Meeting since the Continuance of the Company into Jersey, the Board considered it appropriate that all the Directors of the Company shall retire and offer themselves for re-election. In the future, the Board intends to follow the retirement by rotation provisions in the Articles.

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 184,159,139 issued ordinary shares1 of no par value of the Company as at 20 March 2019:

Shareholder	No. of Shares	% of Issued Share Capital	% of Total Voting Rights [1]
AXA Investment Managers	17,788,000	9.5384	9.6590
Sustainable Capital Ltd.	17,358,598	9.3081	9.4259
Vitol Energy	16,818,545	9.0185	9.1326
Invesco Perpetual Asset Mgt	9,698,097	5.2004	5.2662
Robert P. McBean	9,605,385	5.1507	5.2158
FiL Investment International (NOM)	7,355,490	3.9442	3.9941

[1] Based on a final counting of the number of shareholders having exercised their right of dissent and the number of shares held by them as of 1 October 2018, the Company is required to acquire 2,329,326 shares of the Company, representing 1.25% of the issued and outstanding shares of the Company, from the dissenting shareholders.

DIRECTORS' REPORT

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 25 to the financial statements.

AUDITORS

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 Auditors are unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are 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 has expressed its willingness to continue in office as Auditors and a resolution to appoint KPMG LLP will be proposed at the forthcoming Annual General Meeting.

Eskil Jersing
Chief Executive Officer

24 April 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 the requirements of the Companies (Jersey) Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEBSITE PUBLICATION

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

DIRECTORS' RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge that the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and the Report and Financial Statements include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

For and on behalf of the Board

Eskil Jersing
Chief Executive Officer

24 April 2019

INDEPENDENT AUDITORS' REPORT

Year Ended 31 December 2018

OUR OPINION IS UNMODIFIED

We have audited the consolidated financial statements of Wentworth Resources plc ("the Company") and its subsidiaries (together, the "Group") for the year end 31 December 2018 which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Loss and Comprehensive Loss, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, and the related notes, including the accounting policies in note 2.

In our opinion, the accompanying financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the EU, of the state of the Group's affairs as at 31 December 2018 and of its loss for the year then ended; and
- have been properly prepared in accordance with the requirements of 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 listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

KEY AUDIT MATTERS: OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Category	The risk	Our response
Recoverability of tangible and intangible assets • Exploration and evaluation assets: $8.1m (2017: $47.9m) • Refer to page 84 (accounting policy) and page 94 (financial disclosures) • Property, plant and equipment: $83.8m, (2017: $90.3m) • Refer to pages 78-79 (accounting policy) and page 95 (financial disclosures)	**Forecast based valuation** Property plant and equipment and Exploration and evaluation assets need to be assessed for indicators of impairment on a regular basis. Given the volatile nature of the gas industry and local economic circumstance there is a real possibility that events will arise that amount to impairment indicators. Identifying and assessing whether impairment indicators have arisen involves judgement and can be subjective.	**Our procedures included:** • **Our sector experience**: evaluating whether the directors' assessment of impairment indicators reflect our knowledge of the projects and industry, including known or probable changes in the business environment. This included assessing the overall profitability of the projects and the progress made during the year as well as overall trends in Tanzanian gas market. In addition, we compared carrying amount of assets to valuation provided in the reserves report. • **Assessing transparency**: we assessed whether the Group's disclosures about the outcome of the impairment assessment reflected the risks inherent in the valuation of tangible and intangible assets.

Recoverability of Deferred Taxation Asset	Forecast based valuation	Our procedures included:
• Deferred tax asset: $4.0m (2017: $30.8m) • Refer to page 81 (accounting policy) and page 105 (financial disclosures)	There is inherent uncertainty involved in forecasting future taxable profits generated from the Tanzanian operations, which determines the extent to which deferred tax assets are or are not recognised. New tax legislation in Tanzania requires proper assessment by the management and adds complications to forecasting.	• **Our tax expertise**: assessing the effect of new tax legislation in Tanzania limiting amounts of tax losses which can be recognised in each particular year. • **Our sector experience**: evaluating the future taxable profit forecast model, assessing the key inputs, including the effects of new tax legislation implemented in Tanzania. • **Our sector experience**: challenging key assumptions underpinning near and medium term financial projections against historical performance and our knowledge of the economic conditions in Tanzania. • **Assessing transparency**: we assessed the Group's disclosures regarding the deferred taxation asset.
Recoverability of Trade Receivable • TPDC receivable: $5.2m (2017: $15.6m) • Trade receivables from TDPC: $5.8m (2017: $12.0m) • Refer to pages 76-77 (accounting policy) and pages 91-92 (financial disclosures)	**Dispute outcome and subjective valuation** Given the historic age profile of the debt and the historic difficulties of receiving payment, the recoverability of these receivables are a matter of significant judgement in order to determine the amount of provision required.	**Our procedures included:** • **Test of details**: obtaining third party confirmations of the balances. • **Our sector experience**: we evaluated management's assumptions, considering TANESCO's and TPDC's historical cash collections trends and our own knowledge of the local economic environment to consider if a provision against trade receivables is required. • **Assessing transparency**: we assessed whether the Group's disclosures regarding carrying amount, impairment considerations, undiscounted amount and discount rate are accurate.

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

Materiality for the group financial statements as a whole was set at $1.57 million, determined with reference to a benchmark of group total assets, of which it represents 1.0%.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding $78k, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's three reporting components, we subjected two to full scope audits for group purposes.

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

	Number of components	Group revenue	Group profit before tax	Group total assets
Audits for Group reporting purposes	2	100%	100%	96%
Total	3	100%	100%	100%

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 $1.25 million, having regard to the mix of size and risk profile of the Group across the components. The work on one of the two components was performed by component auditors and the rest, was performed by the Group team.

The Group team visited one component auditor location in Tanzania to assess the audit risk and strategy. Video and telephone conference meetings were also held with these component auditors. 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.

WE HAVE NOTHING TO REPORT ON GOING CONCERN

The Directors have prepared the 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. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group's business model, including the impact of Brexit, and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

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 financial statements. Our opinion on the Financial Statements does not cover the other information and , accordingly, 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 Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

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 Group, or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the Group's accounts 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.

RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 65, the Directors are responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; 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; 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 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 Financial Statements.

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

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.

Mark Smith
For and on behalf of KPMG LLP
Chartered Accountants and Recognised Auditor
15 Canada Square, London E14 5GL

24 April 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31 December 2018

	Note	31 December 2018 $000	31 December 2017 $000
Total revenue	5	**16,224**	13,440
Production and operating costs		**(2,290)**	(3,484)
Depletion	13	**(7,803)**	(4,079)
Total cost of sales		**(10,093)**	(7,563)
Gross Profit		**6,131**	5,877
Recurring administrative costs	6	**(6,289)**	(6,196)
Amounts capitalised to E&E assets		**664**	1,582
Impairment loss on E&E assets	12	**(41,598)**	-
Provision for Tanzania Government receivables	11	**(4,959)**	-
Management restructuring costs	7	**(940)**	-
Redomicile costs		**(1,393)**	-
Share-based payment charges	21	**(98)**	(215)
Depreciation and depletion	13	**(12)**	(12)
Loss on sale of PPE		**(3)**	-
Tanzanian withholding tax costs	24	**(993)**	-
Total costs		**(55,621)**	(4,841)
(Loss)/profit from operations		**(49,490)**	1,036
Finance income	8	**2,659**	2,386
Finance costs	8	**(1,616)**	(3,737)
Loss before tax		**(43,488)**	(315)
Current tax expense	24	**(63)**	-
Deferred tax expense	24	**(26,714)**	(394)
		(26,777)	(394)
Net loss and comprehensive loss		**(75,224)**	(709)
Net loss per ordinary share			
Basic and diluted (US$/share)	23	**(0.40)**	-

[1] Adjusted earnings before interest, taxation, depreciation, depletion and amortisation, impairment, management restructuring costs, redomicile costs, share-based payments, provisions, and pre-licence expenditures

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year Ended 31 December 2018

	Note	**31 December 2018 $000**	31 December 2017 $000
ASSETS			
Current assets			
Cash and cash equivalents		**11,903**	3,750
Trade and other receivables	9	**7,553**	13,513
TPDC receivables	10	**5,238**	15,550
		24,694	32,813
Non-current assets			
Tanzania Government receivables	11	**-**	4,959
Exploration and evaluation assets	12	**8,129**	47,921
Property, plant and equipment	13	**83,777**	90,336
Deferred tax asset	24	**4,036**	30,751
		195,942	173,967
Total assets		**120,636**	206,780
LIABILITIES			
Current liabilities			
Trade and other payables	15	**3,207**	5,726
Overdraft credit facility	16	**2,500**	2,500
Current portion of long-term loans	17	**6,946**	7,260
Contingent PTTEP liability	18	**848**	2,189
		13,501	17,675
Non-current liabilities			
Long-term loans	17	**1,688**	8,636
Decommissioning provision	19	**969**	865
		2,657	9,501
EQUITY			
Share capital	22	**416,426**	416,426
Equity reserve		**26,588**	26,490
Accumulated deficit		**(338,536)**	(263,312)
		104,478	179,604
Total liabilities and equity		**120,636**	206,780

The financial statements of Wentworth Resources plc, registered number 127571 were approved by the Board of Directors and authorised for issue on 24 April 2019.

Signed on behalf of the Board of Directors

Eskil Jersing
Chief Executive Officer

24 April 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year Ended 31 December 2018

	Note	Number of shares	Share capital $000	Equity reserve $000	Accumulated deficit $000	Total equity $000
Balance at 31 December 2016		169,534,969	411,493	26,275	(261,857)	175,911
Net loss and comprehensive loss		-	-	-	(709)	(709)
Share based compensation	21	-	-	215	-	215
Issued of share capital		16,953,496	5,527	-	-	5,527
Share issue costs, net of tax		-	(594)	-	-	(594)
Balance at 31 December 2017 as previously reported		186,488,465	416,426	26,490	(262,566)	180,350
IFRS 9 transitional adjustment	2	-	-	-	(746)	(746)
Restated balance at 31 December 2017		186,488,465	416,426	26,490	(263,312)	179,604
Net loss and comprehensive loss		-	-	-	(75,224)	(75,224)
Share based compensation	21	-	-	98	-	98
Balance at 31 December 2018		**186,488,465**	**416,426**	**26,588**	**(338,536)**	**104,478**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2018

	Note	**31 December 2018 $000**	31 December 2017 $000
Operating activities			
Net loss for the year		**(75,224)**	(709)
Adjustments for:			
Depreciation and depletion	13	**7,815**	4,091
Impairment loss on E&E assets	12	**41,598**	-
Provision for Tanzania Government receivables	11	**4,959**	-
Finance (income)/costs, net		**(1,043)**	1,351
Deferred tax expense	24	**26,714**	394
Share based compensation	21	**98**	215
Loss on sale of PPE		**3**	-
		4,920	5,342
Change in non-cash working capital	26	**1,576**	(5,363)
Net cash generated from/(utilised in) operating activities		**6,496**	(21)
Investing activities			
Additions to exploration and evaluation assets	27	**(1,806)**	(2,383)
Additions to property, plant and equipment	27	**(1,968)**	(1,728)
Reduction of long-term receivable	27	**15,377**	7,030
Proceeds from sale of office assets	13	**3**	-
Net cash from investing activities		**11,606**	2,919
Financing activities			
Issue of share capital, net of issue costs		**-**	4,933
Principal term-loan repayments	17	**(6,996)**	(5,346)
Debt restructuring fee	17	**-**	(83)
Drawn on overdraft credit facility		**-**	2,500
Interest paid	16/17	**(1,612)**	(1,809)
Payment of contingent PTTEP liability	18	**(1,341)**	(322)
Net cash used in financing activities		**(9,949)**	(127)
Net change in cash and cash equivalents		**8,153**	2,771
Cash and cash equivalents, beginning of the period		**3,750**	979
Cash and cash equivalents, end of the period		**11,903**	3,750

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2018

1. INCORPORATION AND BASIS OF PREPARATION

Wentworth Resources Plc ("Wentworth" or the "Company") is an East Africa-focused upstream oil and natural gas 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, having completed its re-domicile from Canada effective 26 October 2018. Shares of the Company as at 31 December 2018 were widely held and listed on the AIM part of the London Stock Exchange (ticker: WEN). Full details of both the re-domicile and the Oslo Børs de-listing which became effective on 13 February 2019 are available in the Directors' Report.

The Company's principal place of business is located at Thames Tower, 2nd Floor, Station Road, Reading RG1 1LX after being relocated from 3210, 715 - 5 Avenue, SW Calgary, Canada.

The Company maintains offices in Dar es Salaam, Tanzania and Reading, UK.

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 International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were approved by the Board of Directors on 24 April 2019.

Functional and presentation currency

These consolidated financial statements are presented in US dollars which is the functional currency 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 following legal entities are within the Wentworth Group of Companies:

Legal entity	Registered	Holdings at 31 December 2018	Functional currency
Wentworth Resources plc	Jersey	Ultimate Parent	US dollar
Wentworth Resources (UK) Limited	United Kingdom	100%	GBP
Wentworth Holdings (Jersey) Limited	Jersey	100%	US dollar
Wentworth Tanzania (Jersey) Limited	Jersey	100%	US dollar
Wentworth Gas (Jersey) Limited	Jersey	100%	US dollar
Wentworth Gas Limited	Tanzania	100%	US dollar
Cyprus Mnazi Bay Limited	Cyprus	39.925%	US dollar
Wentworth Mozambique (Mauritius) Limited	Mauritius	100%	US dollar
Wentworth Moçambique Petroleos, Limitada	Mozambique	100%	US dollar

All inter-company transactions, balances and unrealised gains on transactions between the parent and subsidiary companies are eliminated on consolidation.

Future accounting pronouncements

The following amended standards and interpretation are effective for financial years commencing on or after 1 January 2019. The Group does not intend to adopt the standards below before their mandatory application date.

New and amended standards

Standard	Description	Effective date	EU Endorsement Status
IFRS 16	Leases	1 January 2019	Endorsed
IFRS 13 (amendments)	Business combinations	1 January 2019	Endorsed
IAS 12 (amendments)	Income taxes	1 January 2019	Endorsed
IFRIC 23	Uncertainties over income tax treatments	1 January 2019	Endorsed

The Company intends to adopt above listed standards and interpretation in its financial statements for the annual period beginning 1 January 2019. The Company does not expect the interpretation to have a material impact on the financial statements.

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. Several judgements and estimates are made by management including whether joint control exists and the extent of exposure to the underlying assets and liabilities of the joint arrangement. The Company has a joint arrangement through its 39.925% ownership in Cyprus Mnazi Bay Limited, which is classified as a joint operation.

Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred to an independent third party and the Company has transferred substantially all risks and rewards of ownership. Financial assets and liabilities are offset and the net amount is reported on the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intent to settle on a net basis or realise the asset and settle the liability simultaneously.

All financial instruments are initially recognised at fair value on the consolidated statement of financial position depending on the purpose for which the instruments were acquired. The Company has classified each financial instrument into one of the following categories: i) fair value through profit and loss, ii) loans and receivables, and iii) other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

(i) Financial assets and liabilities at fair value through profit and loss

A financial asset or liability classified in this category is recognised at each period at fair value with gains and losses from revaluation being recognised in profit or loss. Additionally, a financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are included in this category unless they are designated as hedges.

(ii) Loans and receivables

Loans and receivables are initially measured at fair value plus directly attributable transaction costs and are subsequently recorded at amortised cost using the effective interest method.

Long-term receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Long-term receivables are initially recognised at fair value based on the discounted cash flows. The discount rate is based on the credit quality and term of the financial instrument. The financial instrument is subsequently valued at amortised costs by accreting the instrument over the expected life of the assets. The accretion associated with instruments valued at amortised cost is reported in profit/(loss) each reporting period. The fair value of the Company's trade and other receivables approximates their carrying values due to the short-term nature of these instruments.

(iii) Other financial liabilities

Other financial liabilities are initially measured at fair value less directly attributable transaction costs and are subsequently recorded at amortised cost using the effective interest method.

Long-term loans and other long-term liabilities are non-derivative financial assets with either fixed or determinable payments or no payment terms and which are not quoted in an active market.

Long-term loans are initially recognised at fair value based on the amounts received.

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, in the opinion of management, are subject to an insignificant risk of changes in value.

Long-term receivables

Long-term receivables plus applicable accrued interest are initially recognised at their fair value based on the discounted cash flows. The discounted cash flows are reviewed at least every year to adjust for variations in the estimated future cash flows with the change in estimate reported in profit or loss. The discount rate is based on the credit quality and term of the financial instrument. The financial instrument is subsequently valued at amortised costs by accreting the instrument over the life of the asset. The accretion is reported in profit or loss.

E&E exploration assets

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 PP&E referred to as oil and gas interests.

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.

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 subsequent to 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. 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.

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

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment.

E&E assets are assessed for impairment when facts and circumstances suggest that the carrying amount exceeds the recoverable amount and when they are reclassified to PP&E. For the purpose of impairment testing, E&E assets are grouped by concession or field with other E&E and PP&E belonging to the same CGU. The impairment loss will be calculated as the excess of the carrying value over recoverable amount of the E&E impairment grouping and any resulting impairment loss is recognised in profit or loss. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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 assessing fair value less costs to sell, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Fair value less costs to sell is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves.

PP&E will be tested for impairment whenever events and circumstances arising during the development and production phase indicate that the carrying amount of a PP&E may exceed its recoverable amount. For the purpose of impairment testing, PP&E will be grouped into the smallest group of assets that generate cash inflows that are largely independent of cash inflows from other assets or groups of assets; the CGU. The aggregate carrying value will be compared against the expected recoverable amount of the CGU. The recoverable amount of a CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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 assessing fair value less costs to sell, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Fair value less costs to sell is generally computed by reference to the present value of the future cash flows expected to be derived from production of proved and probable reserves. CGU's are generally defined by field except where a number of field interests can be grouped because the cash inflows generated by the fields are interdependent. Impairment losses recognised in respect of CGU's are allocated first to reduce the carrying amount of goodwill, if any, allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

Impairment losses recognised in prior years are assessed at each reporting date for any indication that the loss has decreased or no longer exists. Impairments are reversed when events or circumstances give rise to changes in the estimate of the recoverable amount since the period the impairment was recorded. An impairment loss is reversed only to the extent that the CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depletion, if no impairment loss had been recognised. An impairment loss in respect of goodwill is not reversed.

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

Share capital

The proceeds from the exercise 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.

Share capital issued for non-monetary consideration is recorded at an amount based on fair market value of the shares issued.

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.

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.

Investment 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.

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 other comprehensive income; however, this subsidiary has limited operations so there is no significant amount of foreign exchange gains and losses to include in other comprehensive income. All other foreign exchange gains and losses are recognised in profit or loss.

Changes in accounting policies

On 1 January 2018, the Company adopted new standards with respect to IFRS 9 - Financial Instruments and IFRS - 15 Revenue from Contracts with Customers.

IFRS 9

Effective 1 January 2018, the Company has adopted IFRS 9 "Financial Instruments" ("IFRS 9"). IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39").

On 1 January 2018, the Company:

- Identified the business model used to manage its financial assets and classified its financial instruments into the appropriate IFRS 9 category;
- Applied the 'expected credit loss' ("ECL") model to financial assets classified as measured at amortised cost.

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 as at 1 January 2018 for each class of the Company's financial assets and financial liabilities.

	Measurement category	
Financial Instrument	**IAS 39**	**IFRS 9**
Cash and cash equivalents	Loans and receivables	Amortised cost
Trade and other receivables	Loans and receivables	Amortised cost
Trade and other payables	Loans and receivables	Amortised cost
Long-term loans [1]	Loans and receivables	Amortised cost

[1] Carrying value was adjusted by $0.75 million on adoption of IFRS 9.

The classification and measurement of financial instruments under IFRS 9 did not result in any adjustments to the Company's opening retained earnings as at 1 January 2018 except for an adjustment for debt modifications as the Company renegotiated the repayment terms on its long-term loan, effective 31 January 2017. Under IFRS 9, the amortised cost of the financial liability must be recalculated as the present value of the estimated future contractual cash flows that are discounted at the original effective interest rate. The difference in the carrying amount and the calculated amount is recognised in profit and loss

The Company calculated a modification loss of $0.75 million on the $20 million TIB Loan. The impact on the condensed consolidated interim statement of financial position is shown below:

As at:	31 December 2017 $000	Adjustments $000	**1 January 2018** **$000**
Long-term loans	15,150	746	**15,896**
Accumulated deficit	(262,566)	(746)	**(263,312)**

The new standard also introduces an ECL model for evaluating impairment of financial assets. On 1 January 2018, the Company applied the ECL model to financial assets classified as measured at amortised cost. The new model will result in more timely recognition of expected credit losses. The ECL model applies to the Company's receivables. As at 31 December 2018, the Company's trade accounts receivable included gas sales to TPDC and TANESCO, and 51 percent were outstanding for less than 90 days. The average ECL on the Company's trade accounts receivable was nil percent.

To effect the changes under IFRS 9, the following revised policy has been applied to current period balances effective 1 January 2018. The Company applied IFRS 9 retrospectively, but elected not to restate comparative information. As such the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy as disclosed in the annual consolidated financial statements for the year ended 31 December 2017.

IFRS 15

The Company adopted IFRS 15, Revenue from Contracts ("IFRS 15") on 1 January 2018 using the modified retrospective approach. The Company has completed the process of reviewing sales contracts with its two customers (TPDC and TANESCO) using the IFRS 15 principles based five step model and concluded that there is no impact on opening retained earnings as of 1 January 2018 and on revenue recognition for 2018.

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. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In applying the Company'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, estimation of decommissioning obligations, collectability of trade and other receivables and of long-term receivables, and recognition of a deferred tax asset.

Accounting treatment of CMBL

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% 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 joint venture. The Group proportionately consolidates CMBL as related contractual agreements 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.

Recoverable value of Tembo E&E and Mnazi Bay PP&E costs

E&E are inherently judgemental to value. The amounts for E&E represent active exploration projects and investments. These amounts are expensed to profit or loss as exploration costs unless the determination process is not completed and there are no indications of impairment at the reporting date or commercial reserves are established. The outcome of ongoing exploration and evaluation activities and whether the carrying value of E&E will ultimately be recovered is inherently uncertain and requires significant judgement and estimates.

Management performs impairment tests on the Company's PP&E 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. In addition, the impairment assessment is impacted by how management determines the composition of CGUs.

Reserve estimates

Oil and natural gas reserves, prepared by an external independent reserve evaluator as at December 31, 2018, 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 estimations. The Company expects that, over time, its reserve estimates will be revised upward or downward based on updated information such as the results of future drilling, oil and gas production levels and reservoir performance and may also be affected by changes in commodity prices.

Supply of Gas from Mnazi Bay

The gas sales price and cost base of production operations are largely fixed in nature. The associated sensitivities ensure that field production and supply volumes are critical to the commerciality of the project. 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 project. Mnazi Bay currently has 5 producing wells and is committed to supplying a minimum quota of gas to TPDC and TANESCO of 82.5 MMscf/d, the daily committed quotient ("DCQ"). Any significant adverse change to daily production operations may trigger an impairment review under IFRS 6 and IAS 36 and a subsequent write down in the book value of the Mnazi Bay asset which currently totals $84.7 million.

Demand for gas from Mnazi Bay

Gas sales in Tanzania are not only constrained by the ability of the joint-venture to supply gas to TPDC and TANESCO, but are also contingent upon their ability to offtake gas from the Mnazi Bay field. There are other domestic gas producers in Tanzania that sell to both TPDC and TANESCO in addition to there being alternative sources of supply such as year-round solar and seasonal hydro-electric generation. The continued commerciality of the project is contingent upon the continued demand for Mnazi Bay gas.

Foreign currency exposure

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 presentation currency of US dollars. All group revenue is generated from gas sales in Tanzania in which the Production Sharing Agreement is currently in the Gas Testing and Commissioning phase. Upon declaration of COD, which is contingent upon the establishment of certain administrative and financial milestones by the Government of Tanzania, the Production Sharing Agreement will enter the Commercial Development phase under which both TPDC and TANESCO may elect to pay the operator in either US Dollars or Tanzanian Shillings for the gas that is produced and sold. Additionally, while some costs are denominated in Tanzanian Shilling most of the operating expenditures are denominated in US Dollars which would lead to an increased currency exposure. The Company does not currently undertake any currency hedges.

Payment for Mnazi Gas

Payment terms for Mnazi Bay gas have improved during 2018, however there remains an arrears of approximately three months gas sales for Mnazi Bay gas. The continued receipt and settlement of gas sales invoices to TPDC and TANESCO is critical to the cash-flows of the group to enable it to meet its liabilities as they fall due.

Abandonment provision

Decommissioning and Abandonment obligations have been estimated using 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. These assessments are subjective by nature and may be significantly more or less than management's current discounted cost estimations.

Taxes

The Group operates in countries where the legal and tax systems are less developed, which increases the requirement for management to make estimates and assumptions as to whether certain payments will be required related to matters such as income taxes, value added taxes, and other indirect taxes. 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.

The commencement of commercial production and gas sales under the Gas Sales Agreement, currently in the Gas Testing and Commissioning phase, allowed for the recognition of a deferred tax asset within the financial statements. The amount that the company recognises is subject to the following judgements and uncertainties:

- The timing and discounting of the utilisation 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 at throughout the Group which is currently the prevailing tax rate of the ultimate parent company;
- The status of any current tax assessments and disputes and their impact on the deferred tax pool on a probabilistic basis;
- Any material changes in legislation that may impact upon the fiscal regime on which the deferred tax asset is computed.

Recoverability of trade and other receivables

Recoverability of the long-term receivable from TPDC and the Tanzanian Government receivable involves estimating the volume and timing of future gas production from the Mnazi Bay Concession and estimating a discount rate in addition to assessing credit risk. Timing of collection of the long-term receivables is impacted by the rate of production and the timing of the increase of production volumes. The assessment of collectability of amounts owed from TANESCO and TPDC for past gas sales is subject to significant estimates. Payment cycles from TANESCO and TPDC vary and are not generally consistent with traditional industry terms of payment of between 30 and 90 days. Management is required to estimate the bad debt provision for this balance based on current and historical payment patterns. Prolonged periods of non-payment will be provided against in the balance sheet with a corresponding expense being recognised in the income statement.

Umoja receivable

The Company has an agreement with TANESCO, TPDC and the Ministry of Energy and Mines ("MEM") in Tanzania to be reimbursed, at cost, for past project development costs associated with transmission and distribution ("T&D") expenditures. The undiscounted face value of the receivable is $6.51 million, however there remain ongoing discussions and uncertainties with respect to final audited amount to be recovered and the timing of the ultimate recovery of this debt and it is for this reason that the Directors have taken the decision to provide in-full against the recovery of this debt in the 2018 accounts without prejudice to the ongoing commercial discussions with the Government.

Dissenting shareholders equity buyback

On 26 October 2018 the Company completed its redomicile from Canada to Jersey, full details of which are disclosed within the Directors' Report. As part of the redomicile process and under Canadian law, certain shareholders exercised their rights to dissent to the Continuance thereby exercising their rights to sell their shares back to the company at the fair market value on 26 October 2018. The Company has received notifications over approximately 2.3 million shares and estimates the contingent liability to be £0.7 million. Some uncertainty remains over the final share price valuation and ultimate timing of the share buy-back, albeit this is not considered to be material to these financial statements.

4. SEGMENT INFORMATION

The Company conducts its business through two major operating business segments. Gas operations include the exploration, development, and production of natural gas and other hydrocarbons. These activities are carried out in two operating segments - Tanzania ("Mnazi Bay Concession") and Mozambique ("Rovuma Onshore Block"). The Company is on track to relinquish the Tembo block in Northern Mozambique ahead of the end of the current appraisal term on 15 June 2019. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2018

Net income/(loss) for the year ended 31 December 2018

	Tanzania Operations $000	Mozambique Operations $000	Corporate $000	Consolidated $000
Total revenue	**16,224**	**-**	**-**	**16,224**
Production and operating costs	(2,290)	-	-	(2,290)
Depletion	(7,803)	-	-	(7,803)
Total cost of sales	(10,093)	-	-	(10,093)
Gross profit	**6,131**	**-**	**-**	**6,131**
Recurring administrative costs	(3,151)	(19)	(3,119)	(6,289)
Amounts capitalised as E&E assets	449	-	215	664
Impairment loss on E&E assets	-	(41,598)	-	(41,598)
Provision for Tanzania Government receivables	(4,959)	-	-	(4,959)
Management re-structuring costs	-	-	(940)	(940)
Redomicile costs	-	-	(1,393)	(1,393)
Share-based payment charges	(5)	-	(93)	(98)
Depreciation and depletion	-	-	(12)	(12)
Loss of sale of PPE	(3)	-	-	(3)
Tanzanian withholding tax costs	(993)	-	-	(993)
Total costs	**(8,662)**	**(41,617)**	**(5,342)**	**(55,621)**
Loss from operations	**(2,531)**	**(41,617)**	**(5,342)**	**(49,490)**
Finance income	2,659	-	-	2,659
Finance costs	(1,592)	-	(24)	(1,616)
Loss before tax	**(1,464)**	**(41,617)**	**(5,366)**	**(48,447)**
Current tax expense	(33)	-	(30)	(63)
Deferred tax expense	(26,714)		-	(26,714)
	(26,747)	-	(30)	(26,777)
Net loss and comprehensive loss	**(28,211)**	**(41,617)**	**(5,396)**	**(75,224)**

Selected balances at 31 December 2018

	Tanzania Operations $000	Mozambique Operations $000	Corporate $000	Consolidated $000
Current assets	23,891	392	411	24,694
Exploration and evaluation assets	8,129	-	-	8,129
Property, plant and equipment	83,773	-	4	83,777
Deferred tax asset	4,036	-	-	4,036
Total assets	**119,829**	**392**	**415**	**120,636**
Current liabilities	12,370	428	703	13,501
Non-current liabilities	2,657	-	-	2,657
Total Liabilities	**15,027**	**428**	**703**	**16,158**

Capital additions for the year ended 31 December 2018

	Tanzania Operations $000	Mozambique Operations $000	Corporate $000	Consolidated $000
Additions to exploration and evaluation assets	-	1,806	-	1,806
Additions to property, plant and equipment	1,256	-	6	1,262

Net income/(loss) for the year ended 31 December 2017

	Tanzania Operations $000	Mozambique Operations $000	Corporate $000	Consolidated $000
Total revenue	**13,440**	**-**	**-**	**13,440**
Production and operating costs	(3,484)	-	-	(3,484)
Depletion	(4,079)	-	-	(4,079)
Total cost of sales	(7,563)	-	-	(7,563)
Gross profit	**5,877**	**-**	**-**	**5,877**
Recurring administrative costs	(2,717)	(27)	(3,452)	(6,196)
Amounts capitalised as E&E assets	590	-	992	1,582
Share-based payment charges	(191)	-	(24)	(215)
Depreciation and depletion	-	-	(12)	(12)
Total costs	**(2,318)**	**(27)**	**(2,496)**	**(4,841)**
Profit/(loss)/from operations	**3,559**	**(27)**	**(2,496)**	**1,036**
Finance income	2,386	-	-	2,386
Finance costs	(3,622)	-	(115)	(3,737)
Profit/(loss) before tax	**2,323**	**(27)**	**(2,611)**	**(315)**
Deferred tax expense	(394)	-	-	(394)
	(394)	-	-	(394)
Net profit/(loss) and comprehensive profit/(loss)	**1,927**	**(27)**	**(2,609)**	**(709)**

Selected balances at 31 December 2017

	Tanzania Operations $000	Mozambique Operations $000	Corporate $000	Consolidated $000
Current assets	30,994	169	1,650	32,813
Tanzania Government receivable	4,959	-	-	4,959
Exploration and evaluation assets	8,129	39,792	-	47,921
Property, plant and equipment	90,327	-	9	90,336
Deferred tax asset	30,751	-	-	30,751
Total assets	**165,160**	**39,961**	**1,659**	**206,780**
Current liabilities	17,009	84	582	17,675
Non-current liabilities	9,501	-	-	9,501
Total Liabilities	**26,510**	**84**	**582**	**27,176**

Capital additions for the year ended 31 December 2017

	Tanzania Operations $000	Mozambique Operations $000	Corporate $000	Consolidated $000
Additions to exploration and evaluation assets	-	2,383	-	2,383
Additions to property, plant and equipment	1,057	-	4	1,061

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2018

5. REVENUE

	2018 $000	2017 $000
Revenue from gas sales	**15,656**	13,440
Revenue from condensate sales	**55**	-
	16,224	13,440

6. GENERAL AND ADMINISTRATIVE COSTS

	2018 $000	2017 $000
Employee salaries and benefits	**2,685**	2,723
Contractors and consultants	**775**	686
Travel and accommodation	**347**	443
Professional, legal and advisory	**1,257**	958
Office and administration	**696**	730
Corporate & public company costs	**529**	656
Total general and administrative costs	**6,289**	6,196

7. MANAGEMENT RE-STRUCTURING COSTS

Management re-structuring costs total $940k (2017: $nil) and comprise Calgary employee severance and travel expenses related to the re-structuring of the senior management team, which is now based in Reading, United Kingdom in alignment with the redomicile of Wentworth Resources plc (see Directors' Report).

8. FINANCE INCOME AND FINANCE COSTS

	2018 $000	2017 $000
Finance income		
Accretion – TPDC receivable (Note 10)	**2,188**	2,080
Accretion – Tanzanian Government receivable (Note 11)	**471**	306
	2,659	2,386
Finance costs		
Accretion – decommissioning provision	**(104)**	(92)
Accretion – other liability	**-**	(142)
Change in estimates – TPDC receivable (Note 10)	**-**	(872)
Change in estimates – Tanzanian Government receivable (Note 11)	**(471)**	(828)
Change in estimates – other liability (Note 18)	**-**	(9)
Interest expense and other finance costs	**(980)**	(1,656)
Foreign exchange loss	**(61)**	(138)
	(1,616)	(3,737)

9. TRADE AND OTHER RECEIVABLES

	2018 $000	2017 $000
Trade receivable from TPDC	**5,760**	12,008
Other receivable from TPDC	**513**	-
Trade receivable from TANESCO	**491**	1,140
Other receivables	**706**	267
	7,553	13,513

Other receivables from TPDC represent income tax $513k (2017 – $nil) paid by Wentworth Gas Limited, a wholly owned subsidiary of the Company. The income tax will be recovered from TPDC profit gas (security revenue).

10. TPDC RECEIVABLES

On 30 June 2009, the Company and TPDC entered into a Joint Operating Agreement ("JOA") related to the Mnazi Bay Concession in Tanzania. Under the terms of the JOA, TPDC has a 20% participating interest share in the Mnazi Bay Development Area production and will pay the Company for 20% of past costs incurred in respect of the Mnazi Bay Concession from TPDC's share of future production. This receivable from TPDC is considered a financial instrument and initially recorded at fair value based on discounted cash flows and up to 30 June 2019 its carrying amount has been adjusted for accretion and changes in the estimated timing of cash flows.

As at 31 December 2018, the undiscounted receivable from TPDC is $5.2 million ($17.3 million at 31 December 2017).

	$000
Balance at 31 December 2016	24,836
Accretion	2,080
Change in estimated timing of receipt	(872)
Retained gas revenue to offset receivable	(11,629)
Share of TPDC Mnazi Bay Concession costs paid by the Company	1,135
Balance at 31 December 2017	15,550
Accretion	2,188
Retained gas revenue to offset receivable	(13,585)
Share of TPDC Mnazi Bay Concession costs paid by the Company	1,085
Balance at 31 December 2018	**5,238**

11. TANZANIA GOVERNMENT RECEIVABLES

As at 31 December 2018, the undiscounted Tanzanian Government receivable is $6.5 million (2017: $6.5 million).

	$000
Balance at 31 December 2016	5,481
Accretion	306
Change in estimated timing of receipt	(828)
Balance of amortised cost at 31 December 2017	4,959
Accretion	471
Change in estimated timing of receipt	(471)
Provision against amortized balance	(4,959)
Balance of amortised cost at 31 December 2018	**-**

The fair value of the Tanzanian Government receivable at 31 December 2018, calculated using 10.01% discount rate (2017 - 8.25%) was $5.0 million (31 December 2017 - $5.0 million). The discount rate is variable and is pegged to the $20.0 million credit facility interest rate.

The Company has an agreement with the Government of Tanzania (TANESCO, TPDC and the MEM) to be reimbursed for all the project development costs associated with 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 totaling $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 February 8, 2018 the Government issued the results of which differed from the previously audited and approved gross receivable of $6.5 million, which the company maintains was accurate and correct.

The Government is currently conducting a second review. Due and due to age and uncertainty onsurrounding the Tanzanian Government receivable and its recoverability the Company has made a provision in-full within the 2018 accounts against the fullcarrying amount without prejudice to the ongoing commercial discussions with the Government.

12. EXPLORATION AND EVALUATION ASSETS

	Tanzania $000	Mozambique $000	Total $000
Cost			
Balance at 31 December 2016	8,129	37,409	45,538
Additions	-	2,383	2,383
Balance at 31 December 2017	8,129	39,792	47,921
Additions	-	1,806	1,806
Impairment loss	-	(41,598)	(41,598)
Balance at 31 December 2018	**8,129**	**-**	**8,129**

The Company performed a technical and commercial review of the Mozambique E&E asset portfolio and determined that Tembo licence did not provide the Company with suitable monetisation solutions in keeping with Company material growth mandate. At 31 December 2017, all Mozambique E&E assets of $41.6 million were impaired.

Tanzania E&E assets were $8.1 million (31 December 2017 - $8.1 million). The Mnazi Bay Concession agreement expires in 2031. The Mnazi Bay joint venture partners have identified several prospects within the concession area but outside of the area covering discovered gas reserves and therefore has concluded that an impairment test is not required for the Tanzanian asset.

13. PROPERTY, PLANT AND EQUIPMENT

	Natural gas properties $000	Office and other equipment $000	Total $000
Cost			
Balance at 31 December 2016	101,797	596	102,393
Additions	1,057	4	1,061
Balance at 31 December 2017	102,854	600	103,454
Additions	1,256	6	1,262
Disposal of assets	(82)	-	(82)
Balance at 31 December 2018	**104,028**	**606**	**104,634**
Accumulated depreciation and depletion			
Balance at 31 December 2016	(8,448)	(579)	(9,027)
Depreciation and depletion	(4,079)	(12)	(4,091)
Balance at 31 December 2017	(12,527)	(591)	(13,118)
Depreciation and depletion	(7,803)	(12)	(7,815)
Disposal of assets	76	-	76
Balance at 31 December 2018	(20,254)	(603)	(20,857)
Carrying amounts			
31 December 2017	90,327	9	90,336
31 December 2018	83,774	3	83,777

The Company assessed triggers for impairment on the natural gas properties and determined that there were no triggers and accordingly an impairment test was not required. Most of the Company's natural gas is sold under long-term, fixed price gas sales and purchase agreements, eliminating the current volatility in the commodity market. In addition, the independent valuation of the Company's reserves of $106 million is in excess of the net book value of the Company's PP&E.

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2018

14. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings at 31 December 2018 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	Cyprus	Ordinary	Indirect	39.925%	Exploration production company
Wentworth Mozambique (Mauritius) Limited	Mauritius	Ordinary	Indirect	100%	Investment holding company
Wentworth Moçambique Petroleos, Limitada	Mozambique	Ordinary	Indirect	100%	Exploration company

15. TRADE AND OTHER PAYABLES

	2018 $000	2017 $000
Payable to Maurel & Prom (Operator)	**1,710**	4,344
Trade payables	**413**	223
Interest	**145**	511
Other payables and accrued expenses	**939**	648
	3,207	5,726

Interest represents accrued interest $145k (2017 - $502k) for the $20.0 million credit facility and nil (2017 - $9k) for the $6 million credit facility.

16. OVERDRAFT CREDIT FACILITY

The Company has a one-year, $2.5 million overdraft credit facility with a Tanzanian Government owned bank which is due and repayable on 5 April 2019. The facility can be extended for a further one year at the mutual agreement of the bank and the Company. The overdraft facility has an interest rate of the lender's base lending rate, minus 1% per annum to be paid monthly. At 31 December 2018, the lender's base lending rate was 9% and the overdraft credit facility was fully drawn.

Security provided to the lender includes a debenture over the fixed and floating assets of the Company's Tanzanian assets and a deed of assignment of 20% of the revenue and cash flow from sales of natural gas from the Tanzanian assets.

During the year ended 31 December 2018, the Company paid interest expense $68k (2017 - $75k) on the overdraft credit facility.

17. LONG-TERM LOANS

Credit facilities from Tanzania based banks

On 8 December 2014, Wentworth Gas Limited, a wholly owned subsidiary of the Company, entered into two long-term credit facilities: i) a $20.0 million loan to finance field infrastructure development within the Mnazi Bay Concession in Tanzania and ii) a $6.0 million loan to repay a medium-term loan.

The term of each loan was initially forty-eight months in duration commencing on the first draw-down date and each loan bears interest at six-month LIBOR rate plus 750 basis points subject to a minimum (floor) of 8% p.a. and a maximum (ceiling) of 9.5% p.a. Security is in the form of a debenture creating first ranking charge over all the assets of the WGL (assets of WGL include a 25.4% participation interest in the Mnazi Bay Concession), assignment over the TPDC long-term receivable and assignment of revenues generated from the Mnazi Bay Concession.

During the year ended 31 December 2018, the Company incurred interest expense on long-term loans, inclusive of accretion of financing costs, of $0.91 million (2017 - $1.6 million). A total of $1.5 million was settled in cash during 2018 (2017 - $1.7 million).

The carrying amount of the long-term loans include transaction costs of $310k (net of accretion). At December 31, 2018, the carrying amount of the credit facilities approximates its fair value as the loan's effective interest rate approximates market rates.

	$000
Credit facilities balance	
Principal balance as at 31 December 2016	20,667
Loan repayments during the year	(5,346)
Principal balance as at 31 December 2017	15,321
Loan repayments during the year	(6,996)
Principal balance as at 31 December 2018	**8,325**
Net financing costs at 31 December 2017	(171)
Transitional adjustment (None - 2)	746
Net financing costs at 01 January 2018	575
Accretion during the year	(266)
Net financing costs at 31 December 2018	**309**
Carrying amount of long-term loans at 31 December 2018	**8,634**
Current	6,946
Non-current	1,688
	8,634

The $20 million credit facility

During 2017, the Company executed amendments to the credit facility agreement, which included the restructuring of principal loan payments and added new provisions. The new provisions were not finalised at the time of the execution of the amendment to the credit facility agreement. On 06 June 2018, the Company formalised the new provisions, which became effective 6 June 2018.

The new provisions contain a requirement for the Company to maintain two financial covenants both calculated semi-annually beginning on 30 June and 31 December. The Debt Service Coverage Ratio provides that the Company has adequate cover to meet it's loan interest and principal repayment obligations for the next twelve months, while the Loan Life Coverage Ratio provides that adequate free discounted cash flow coverage is maintained for all future loan repayments over the full life of the loan.

The $20.0 million credit facility is subject to interest rate of six-month LIBOR rate plus 750 basis points subject to a minimum (floor) of 8.5% p.a. and no maximum (ceiling). As at 31 December, the six-month interest rate was 10.30%.

Principal repayments on the credit facility are set out in the following table.

Principal repayment date	Repayment amount $000
30 January 2019	1,666
30 April 2019	1,665
30 July 2019	1,666
30 October 2019	1,665
30 January 2020	1,663
	8,325

Medium term $6 million credit facility

At 31 December 2018, the Medium term $6 million credit facility was fully paid with $2 million paid during the year.

18. CONTINGENT PTTEP LIABILITY

	2018 $000	2017 $000
Balance at 1 January	**2,189**	2,360
Accretion	**-**	142
Change in accounting estimate	**-**	9
Payments to reduce liability	**(1,341)**	(322)
Balance at 31 December	**848**	2,189

As a result of an asset purchase and sale transaction in 2012, the Company has been obliged to make payments with a face value of $3.4 million should certain natural gas production thresholds from Mnazi Bay Concession be reached. The payable as at 31 December 2018 is $850k (31 December 2017 - $2.2 million).

19. DECOMMISSIONING AND ABANDONMENT PROVISION

The Company's decommissioning provisions result 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 have estimated the Company's share of the undiscounted inflation-adjusted amount of cash flow required to settle decommissioning obligations for the infrastructure within the Mnazi Bay Concession to be $4.23 million. The costs are expected to be incurred around 2030. 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. The discount and inflation rates used in determining the value of the decommission provision at 31 December 2018 were 12.0% and 2.03%, respectively (2017 – 12.0% and 2.03%, respectively).

A reconciliation of the decommissioning obligations is provided below:

	2018 $000	2017 $000
Balance at 1 January	**865**	773
Accretion	**104**	92
Balance at 31 December	**969**	865

20. CONTINGENT LIABILITIES

Following the completion of the corporate transition to UK and Oslo Børs delisting, a number of shareholders exercised certain Dissent Rights under Canadian law which would require the Company to buy back their equity holdings at fair value. The Company received Dissent Rights notices over a total of 2,329,326 shares with an anticipated fair value of $710k. As the process has yet to be finalised and fair values agreed, the buy back remains contingent at the balance sheet date.

21. SHARE-BASED PAYMENTS

	2018 $000	2017 $000
Share based compensation recognised in the statement of Comprehensive loss	**98**	215

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

	2018		2017	
	Number of options	**Weighted average exercise price (US$)**	Number of options	Weighted average exercise price (US$)
Outstanding at January 1	**10,600,000**	**0.52**	10,600,000	0.50
Granted	**3,560,301**	**0.49**	-	-
Forfeited	**(1,600,000)**	**0.49**	-	-
Outstanding at 31 December	**12,560,301**	**0.49**	10,600,000	0.52

The following table summarises share options outstanding and exercisable at 31 December 2018:

		Outstanding		**Exercisable**
Exercise price (NOK)	Exercise price (US$)[1]	Number of options	Weighted average remaining life (years)	Number of options
3.15	0.36	1,000,000	1.8	1,000,000
3.52	0.40	500,000	3.0	500,000
3.60	0.41	1,800,000	1.8	1,800,000
3.85	0.44	1,850,000	7.0	1,850,000
4.08	0.47	250,000	4.3	250,000
4.70	0.54	200,000	5.4	200,000
4.90	0.56	100,000	3.3	100,000
5.18	0.59	2,800,000	4.8	2,800,000
5.75	0.66	500,000	2.3	500,000
-	-	3,560,301	9.9	-
		12,560,301		**9,000,000**

[1] The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at 31 December 2018 is 0.11456.

The following table summarises share options outstanding and exercisable at 31 December 2017:

		Outstanding		Exercisable
Exercise price (NOK)	Exercise price (US$)[1]	Number of options	Weighted average remaining life (years)	Number of options
3.15	0.38	1,000,000	2.7	1,000,000
3.52	0.43	500,000	4.0	500,000
3.60	0.44	2,300,000	2.8	2,300,000
3.85	0.47	2,000,000	8.0	1,333,338
4.08	0.50	250,000	5.3	250,000
4.70	0.57	200,000	6.4	200,000
4.90	0.60	350,000	4.3	350,000
5.18	0.63	3,500,000	5.8	3,500,000
5.75	0.70	500,000	3.3	500,000
		10,600,000	5.2	**9,933,338**

[1] The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at 31 December 2017 is 0.12166.

22. SHARE CAPITAL

	2018 $000	2017 $000
Authorised, called up, allotted and fully paid		
186,488,465 (2017 - 186,488,465) ordinary shares	**416,426**	416,426

23. EARNINGS PER SHARE

Basic and diluted eps

	2018 $000	2017 $000
Net loss for the period	**(75,224)**	(709)
Weighted average number of ordinary shares outstanding	**186,488,465**	179,846,410
Dilutive weighted average number of ordinary shares outstanding	**186,488,465**	179,846,410
Net profit/(loss) per ordinary share	**(0.40)**	-

During the year ended 31 December 2018 and 2017, 12,560,301 (2017: 10,600,000) options were excluded from the dilutive weighted average number of shares outstanding because they were anti-dilutive.

24. TAX ASSESSMENTS AND INCOME TAXES

Tax assessments

On 16 March 2018 the Company received correspondence from the Tanzania Revenue Authority ("TRA") regarding their preliminary findings for WGL (the Company's Tanzanian subsidiary) for taxation years 2013 to 2016. On 26 June 2018, following further discussion with the TRA and exchange of information between the Company and the TRA, the TRA issued notice of adjusted assessments in respect of these taxation years. The following two matters were raised in the adjusted assessments:

(a) Impairment Reversal of Mnazi Bay Costs and other denied deductions

The TRA has reassessed the 2014 income tax filing of WGL and included in taxable income an impairment reversal of $23.81 million. The impact of this reassessment is a non-cash reduction of the Company's deferred income tax asset by $7.1 million.

The TRA has also denied $6.6 million of deductions in the 2014 and 2015 income tax filings of WGL in respect of interest and other costs. The impact of this reassessment is a non-cash reduction of the Company's deferred income tax asset of $2.0 million.

(b) Withholding Taxes on Loan Interest, Employment and Other Taxes

The TRA issued an adjusted assessment certificate which included the principal taxes of $1.0 million (Tsh 2.3 billion), the principal taxes have been included in the statement of net loss and comprehensive loss.

WGL was granted with TRA an interest and penalties waiver of the $740k (Tshs 1.69 billion) and made payment by instalments of principle taxes of $1.0 million (Tshs 2.3 billion).

Changes on Income Tax Act, 2004 (ITA) relating to petroleum operations.

Effective 2018 the TRA has introduced significant changes in respect to the computation of taxable income in Tanzania. The Miscellaneous Amendment Act, 2017 amended sections 65M and 65N of the Income Tax Act, 2004 (ITA). The Company is still evaluating the complete tax effects of the these changes, however, it has determined a reasonable estimate of the impact of them on its existing current and deferred tax balances. Based on this estimate, the Company has determined that while previously a contractor's share of cost and profit gas alongside their allowable deductions would be taxable, under the new legislation no tax would be levied or allowances recognised on the cost gas element of its revenues. Profit gas would continue to be taxed in the usual way.

Furthermore, and more significantly this new legislation would only allow up to 70% tax relief of current year profits from historic tax loss pools. The Company has calculated an estimated deferred tax asset write-down of $19.0 million with respect to these changes alone predominately with respect to timing differences and the under-utilization of tax losses at the current licence expiry date of 2031.

Whilst the Company is still evaluating the complete tax effects of the enactment of the legislation, there are a number of uncertainties and ambiguities as to the specific interpretation and application of many of the provisions. In the absence of precedence on these matters and until the 2018 tax returns are finalized, which the Company expects to occur in 2019, the Company expects to use what it believes are reasonable interpretations and assumptions in applying the legislative changes for purposes of determining its cash tax liabilities and results of operations, which may change as it receives additional clarification and implementation guidance.

Income taxes

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

	2018 $000	2017 $000
Loss before income taxes	**(48,447)**	(315)
Expected income tax (recovery) expense at combined Tanzanian rate of 30% (2017 - Canadian federal and provincial rate of 27.0%)	**(14,236)**	(85)
Rate differentials	**1,396**	137
Share based compensation	**29**	58
2014- 2015 Tanzania tax reassessments	**8,096**	-
Tanzania cost gas excluded from taxable income	**(2,015)**	-
Derecognition of Mozambique and Canada tax pools	**13,236**	-
Movement in deferred tax assets not previously recognised and other	**21,264**	284
Income tax expense/(recovery)	**27,770**	394

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:

	2018 $000	2017 $000
Non-capital losses	**19,675**	22,691
Property and equipment	**-**	487
Share issue costs	**-**	168
Accounts receivables	**1,470**	-
	21,145	23,346

The total non-capital losses of the Company are $164.4 million (2017 – $273.4 million) of which nil (2017 - $83.3 million) are in Canada, $163.6 million (2017 - $189.5 million) are in Tanzania, nil (2016 - $590k) are in Mozambique and $800k are in the UK.

The unrecognised non-capital losses in Canada expired in the year 2018 due to Company redomiciling to Jersey and becoming a tax resident in the UK. The unrecognised non-capital losses in Mozambique also expired due to relinquishment of the Tembo block and shutdown activities in the country.

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. A deferred tax asset of $4.0 million as at 31 December 2018 (2017 – $30.8 million) is attributable to the accumulated tax loss carry-forward of the Company's Tanzanian subsidiary, which are expected to be offset against future taxable income. Recognition of the tax asset is supported by the proven and probable reserves as determined by a third-party external reserves engineer, RPS Canada.

	2018 $000	2017 $000
Balance at 1 January	**30,751**	31,145
Deferred income tax assets recognised in profit or loss:		
Non-capital losses	**(27,300)**	(130)
Asset retirement obligations	**124**	28
Deferred income tax liabilities recognised in profit or loss:		
PP&E	**1,002**	(259)
Receivables	**(541)**	(33)
Balance at 31 December	**4,036**	30,751

25. 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 program 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 risks and 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.

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

The Company'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 2018, the Mnazi Bay Concession partners were owed four months of invoices for gas sales made to TANESCO, with $491k owing to Wentworth which includes sales revenue of $251k and the Company's share of TPDC sales revenue to recover a long-term receivable of $240k (2017 - $1.1 million representing sales revenue of $613k and the Company's share of TPDC sales revenue to recover a long-term receivable of $527k). Subsequent to year end, TANESCO has paid $427k net to Wentworth. The receivable from TANESCO was not discounted at year end (2017 - $nil) as the receivable consisted of less than twelve months of invoices. The Company continues to be engaged in ongoing discussions with TANESCO to accelerate payment of amounts past due.

During 2015, the Company 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 but expected to be executed during 2019. At 31 December 2018, the Mnazi Bay Concession partners were owed four months gas sales invoices, with $5.7 million owing to Wentworth which includes sales revenue of $2.5 million and the Company's share of TPDC sales revenue to recover a long-term receivable of $3.2 million (2017 – $12.0 million representing sales revenue of $6.4 million and the Company's share of TPDC sales revenue to recover a long-term receivable of $5.6 million). Subsequent to year end, TPDC has paid $5.7 million net to Wentworth. The Company continues to be engaged in ongoing discussions with TPDC to accelerate payment of amounts past due.

In addition to the receivable for current gas sales to TPDC, at 31 December 2018, an undiscounted long-term receivable of $5.2 million net to Wentworth (2017 - $17.3 million) is due from TPDC, a partner in the Mnazi Bay Concession (see note 10). The Company currently receives, directly from the operator ofthe Mnazi Bay Concession, a significant portion of TPDC's and the Government's share of gas sales from the Mnazi Bay Concession to reduce the long-term receivable from TPDC. The risk that future production from the Mnazi Bay Concession may not be sufficient to settle the receivable is very low.

At 31 December 2018, an undiscounted long-term receivable of $6.5 million (2016 - $6.5 million) related to the Company's disposal of transmission and distribution assets, and the costs associated with the MEP incurred in prior years by a wholly owned subsidiary of Wentworth (see note 11). On February 6, 2012, the Company, TANESCO, TPDC and MEM reached an agreement that the Company's cost of historical operations in respect of the Mtwara Energy Project should be reimbursed. Wentworth is currently in discussions with TANESCO, TPDC and MEM on agreeing on a method of reimbursement. There is a risk that the cost reimbursement method may not be in cash, but rather in a long-term recovery from other sources. Timing of reaching an agreement on the reimbursement procedure is uncertain.

The Company's cash and cash equivalents are held at recognised international financial institutions.

The exposure to credit risk as at:

	2018 $000	2017 $000
Trade and other receivables	**7,553**	13,513
TPDC receivable (Note 10)	**5,238**	15,550
Tanzania Government receivable (Note 11)	**4,959**	4,959
Cash and cash equivalents	**11,903**	3,750
	29,653	37,772

Aged trade and other receivables

	Current 1-30 days $000	31-60 days $000	61-90 days $000	>90 days $000	Total $000
Balance at 31 December 2018					
Trade receivables	3,007	1,507	1,420	243	6,177
Other receivables	1,376	-	-	-	1,376
	4,384	**1,507**	**1,420**	**243**	**7,553**
Balance at 31 December 2017					
Trade receivables	2,692	2,483	-	7,973	13,148
Other receivables	365	-	-	-	365
	3,057	2,483	-	7,973	13,513

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 Company also has long-term loans and an overdraft credit facility.

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 December 31, 2018				
Trade and other payables	3,207	-	-	3,207
Contingent PTTEP liability	848	-	-	848
Overdraft facility	2,500	-	-	2,500
Long-term loans, including interest [1]	7,548	1,732	-	9,280
	14,103	**1,732**	**-**	**15,835**
Balance at December 31, 2017				
Trade and other payables	5,726	-	-	5,726
Contingent PTTEP liability	2,189	-	-	2,189
Overdraft facility	2,500	-	-	2,500
Long-term loans, including interest [1]	7,940	7,099	1,701	16,740
	18,355	7,099	1,701	27,155

[1] Includes future interest expense at the rate in effect at December 31.

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 working capital surplus at 31 December 2018 and generated positive cash flow from operations in 2018. 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 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 on a timely manner. Any delays in collecting funds from these purchasers for an extended period of time 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).

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 $57k (2017 - $34k) in revenue.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has a $20.0 million credit facility with a floating interest rate of six-month LIBOR plus 7.5 percentage points with a minimum 8.5% and with no maximum interest rate per annum. The $6.0 million credit facility which was fully paid in December 2018 had a floating interest rate of six-month LIBOR plus 7.5 percentage points with a minimum 8.0% and maximum 9.5% interest rate per annum. The Company's objective is to minimise its interest rate risk on its cash balances by investing for short periods of time (less than 1 year) and only in term deposits. An increase of 1% in the six-month LIBOR rate would result in an increase of $102k (2017 - $159k) in interest expense on an annualised basis.

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, Pound Sterling and Canadian dollar against its 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 paid (or indexed) to the US dollar. 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:

	Canadian Dollar $000	Tanzanian Shilling $000	Other Currency $000	United States Dollar $000	Total $000
Balance at December 31, 2018					
Cash and cash equivalents	14	37	15	11,837	11,903
Trade and other receivables	21	106	174	7,252	7,553
Trade and other payables	(42)	(246)	(248)	(2,671)	(3,207)
	(7)	**(103)**	**(59)**	**(16,418)**	**(16,249)**
Balance at December 31, 2017					
Cash and cash equivalents	70	102	3	3,575	3,750
Trade and other receivables	27	103	44	13,339	13,513
Trade and other payables	(72)	(129)	(65)	(5,460)	(5,726)
	25	76	(18)	(11,454)	(11,537)

A 10% increase/decrease of the GBP against US dollar would result in a change in profit or loss before tax of $11k (2017: $3k). In addition, a 10% increase/decrease of the Tanzanian shilling against the US dollar would result in a change in profit or loss before tax of approximately $5k (2017: $8k).

Financial instrument classification and measurement

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount 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 Company does not have any fair value measurements considered as Level 1. The Company's long-term receivables, long-term loans, and other liability are considered Level 2 and Level 3 measurements.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order 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 in order 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.

26. RELATED PARTY TRANSACTIONS

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

	2018 $000	2017 $000
Short-term employee benefits	**1,167**	560
Share based compensation	**52**	67
	1,219	627

27. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital:

	2018 $000	2017 $000
Net change in non-cash working capital related to operating activities:		
Trade and other receivables	**3,381**	(3,158)
Prepayments and deposits	**(300)**	(4)
Trade and other payables	**(1,505)**	(2,201)
	1,576	(5,363)

Cash movements from investing activities in the Statements of Cash Flows consists of the following:

	Exploration and evaluation $000	Property, plant and equipment $000	Long-term receivable $000
Year ended 31 December 2018			
Total additions/(reductions)	1,806	1,262	(18,254)
Change in non-cash investing activities	-	-	2,877
Change in non-cash working capital	-	706	-
Cash additions/(reductions)	**1,806**	**1,968**	**(15,377)**
Year ended 31 December 2017			
Total additions/(reductions)	2,383	1,061	(8,759)
Change in non-cash investing activities	-	-	1,729
Change in non-cash working capital	-	667	-
Cash additions/(reductions)	2,383	1,728	(7,030)

28. COMMITMENTS

Lease payments

The Company has office locations in Reading, UK and Dar es Salaam, Tanzania. The future minimum lease payments associated with these office premises as at 31 December 2018 is $152k committed for year 2019.

29. SUBSEQUENT EVENT

On 6 February the Company announced confirmation that from 14 February 2019, it's shares would be delisted from the Oslo Børs Stock Exchange.

On 14 February the Company announced the publication of its 2018 CPR Reserves Report.

GLOSSARY OF TERMS

$ or US Dollar	United States Dollar
£	UK Pound Sterling
1P	Proven Reserves (both proved developed reserves + proved undeveloped reserves)
2C	Best estimate contingent resource
2D	Two Dimensional
2P	1P (proven reserves) + probable reserves, hence "proved AND probable"
3D	Three Dimensional
3P	The sum of 2P (proven reserves + probable reserves) + possible reserves, all 3Ps "proven AND probable AND possible"
A&D	Abandonment and Decommissioned
AIM	AIM, a SME Growth market of the London Stock Exchange
AGM	Annual General Meeting
Articles	The Articles of Association of the Company
Bbl	Barrel, equivalent to 42 US gallons of fluid
Bcf	Billion standard cubic feet
Boe	Barrel of oil equivalent, a measure of the gas component converted into its equivalence in barrels of oil
Bopd	Barrel of oil per day
Board	The Board of Directors of the Company
Capex	Capital expenditure
CGU	Cash Generating Units
City Code	The City Code on Takeovers and Mergers
COD	Commercial Operations Date
Company	Wentworth Resources PLC
Companies (Jersey) Law	The Companies (Jersey) Law 1991
CSR	Corporate Social Responsibility
DCQ	Daily Committed Quotient
Directors	The Directors of the Company
Dissent Rights	Alberta Business Corporations Act Dissent Right in compliance with Section 191 of that Act entitling shareholders compensation for the fair value of the common shares determined as of the close of business on the last business day (in Alberta) before the day on which the Continuance is approved by the Shareholders.
D&P	Development and Production assets
E&A	Exploration and Appraisal
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
ECL	Expected Credit Lose
EITI	Extractive Industries Transparency Initiative
EPS	Earnings Per Share
EWURA	Energy and Water Utilities Regulatory Authority
FA	Funding Agreement
FCA	Financial Conduct Authority of the United Kingdom
G&A	General and Administrative
G&G	Geological and Geophysical
GAAP	Generally Accepted Accounting Principles
GBP	UK Pounds Sterling
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GSA	Gas Sales Agreement
Group	The Company and its subsidiary undertakings
HMRC	Her Majesty's Revenue and Customs
HSSE	Health, Safety, Security and Environment
hydrocarbons	Organic compounds of carbon and hydrogen
IAS	International Accounting Standards
IASB	International Accounting Standards Board
INP	Mozambique regulator
IFRS	International Financial Reporting Standards
Index	FTSE 350 Index
JV	Joint Venture
K	Thousands
Km	Kilometre(s)
km^2	Square kilometre(s)
KPIs	Key Performance Indicators
Lead	Indication of a potential exploration prospect
LNG	Liquid natural gas

GLOSSARY OF TERMS

London Stock Exchange or LSE	London Stock Exchange Plc
LTI	Lost Time Incident
LTIP	Long-Term Incentive Plan adopted in 2019??
M&A	Merger and Acquisition
M	Metre(s)
MEM	Ministry of Energy & Minerals
MEP	Mtwara Energy Project
Mcf	Thousand cubic feet
Mmboe	Million barrels of oil equivalent
Mscf	Thousand standard cubic feet of gas
MMscf/d	Million standard cubic feet per day of gas
MW	Megawatt
NPV	Net Present Value (at a specified discount rate and specified discount date)
OECD	Organisation for Economic Cooperation and Development
OPEC	Organisation of the Petroleum Exporting Countries
Ordinary Shares	Ordinary shares of 10 pence each
P90	The value on a probabilistic distribution which is exceeded by 90% of the outcomes
P50	The value on a probabilistic distribution which is exceeded by 50% of the outcomes. The P50 is also the median value of the distribution
P10	The value on a probabilistic distribution which is exceeded by 10% of the outcomes
Pmean	The average of the values in the probabilistic distribution between defined 'boundary conditions'. Universally regarded as the best single value to quote or communicate for any uncertain distribution of outcomes involved in repeated trial investigations
PAET	Pan African Energy Tanzania
Panel or Takeover Panel	The Panel on Takeovers and Mergers
Petroleum	Oil, gas, condensate and natural gas liquids
Petroleum system	Geologic components and processes necessary to generate and store hydrocarbons, including a mature source rock, migration pathway, reservoir rock, trap and seal
PPE	Property Plant and Equipment
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
PSC	Production Sharing Contract

PT Pertamina	An Indonesian state-owned oil and natural gas corporation based in Jakarta
PTTEP	PTT Exploration and Production Public Company Limited is a national petroleum exploration and production company based in Thailand
PURA	Petroleum Upstream Regulatory Authority
QCA Code	Corporate Governance Code for Small and Mid-Size Quoted Companies 2012
RA	Royalty Agreement
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
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	Ordinary shareholders of 10p each in the Company
Subsidiary	A subsidiary undertaking as defined in the 2006 Act
TANESCO	The Tanzania Electric Supply Company
Tcf	Trillion cubic feet
TEITI	Tanzania Extractive Industries Transparency Initiative
TPDC	Tanzania Petroleum Development Corporation
TND	Transmission and Distribution
Tsh	Tansanian Shillings
TSR	Total Shareholder Return (End Share Price – Opening Share Price/Opening Share Price) plus (Sum of Dividends per Share/Opening Share Price)
VAT	Value Added Tax
WAF	Wentworth Africa Foundation
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

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