ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

Wentworth Resources plc is a London AIM listed (WEN), full cycle exploration and production company with gas production and material exploration potential 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 a focused M&A led growth mandate.

Our ambition is to become a mid-tier, African focused, full cycle exploration and production company delivering a balance of accretive growth and capital returns to our shareholders.

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HIGHLIGHTS

COVID-19 AND COMMODITY PRICE VOLATILITY

- Global spread of the Coronavirus pandemic has led to unprecedented protocols by worldwide authorities restricting freedom of movement and increasing security procedures.
- In parallel, the recent oil price crash and accompanying stock market slumps have led to defensive measures by many companies in the oil and gas sector.
- Operational and financial resilience, accompanied by a limited 2020 work programme, should allow the Company to absorb materially adverse impacts from the current global crisis.
- Fixed gas price contracts protect the Company from fluctuations in global commodity prices.

CORPORATE

- Mnazi Bay, our core producing gas asset in Tanzania, produced at an average 2019 rate of 70.3 MMscf/day gross (2018: 83.2 MMscf/day).
- 2P Reserves of 95.1 Bscf valued at $118.6 million (after-tax NPV10)[1].
- Gas Sales Agreement ("GSA") with Tanzania Petroleum Development Corporation ("TPDC") signed into Commercial Effectiveness ("COD") in September 2019.
- Completed corporate restructuring with the delisting from Oslo Børs, resulting in a simpler transactional platform and driving efficiencies into the business model.
- Change in Executive Management with Katherine Roe appointed as CEO in November 2019, supported by a strengthened Board.
- Strong, supportive and loyal institutional shareholder register.

FINANCIAL

- Milestone Mnazi Bay gas sales revenue of $18.6 million (2018: $16.2 million).
- Adjusted earnings ("EBITDAX") of $8.8 million (2018: $8.3 million) excluding non-recurring expenses of $1.0 million (2018: $76.6 million).
- Net profit of $2.4 million (2018: loss $75.2 million).

- Net cash (cash less debt) at year-end of $11.8 million (2018: $0.8 million).
- Cash and cash equivalents on hand at year-end of $13.5 million[2] (2018: $9.42 million[2]).
- Reduced outstanding long-term loans by $7.0 million to $1.7 million (2018: $8.6 million). Term loans fully settled on 31 January 2020.
- Dividend policy established with maiden dividend declared in Q3 2019 and total distribution of $3.0 million for 2019.

OPERATIONAL

- Average gross daily gas production for the period decreased 16% to 70.3 MMscf/day from 83.2 MMscf/day in 2018; within annual 2019 guidance of 68-72 MMscf/day.
- Total cash receipts of $25.7 million from gas sales and recovery of long-term government receivables during 2019 (2018: $36.2 million).
- Relinquished the Tembo block in Northern Mozambique disposing of surplus drilling inventory and returning the Block to the Mozambique Authorities with no liability exposure.

[1] RPS Canada CPR 31 December 2019

[2] Cash and cash equivalents have been restated within the 2019 annual report net of the undrawn $2.5 million overdraft credit facility

At the end of January 2020 the Company became debt free when the last loan repayment was made.

CHAIRMAN'S STATEMENT

2019 was a year in which our Company continued to gain financial strength. This was highlighted by the Company declaring its first dividend with a yield of 7.2% on a 18p per share price and a total distribution of $3.0 million for 2019. In addition, at the end of January 2020, the Company also became debt free after making its final loan repayment. Cash reserves continue to increase and at 31 March 2020 the Group has a cash balance of $14.0 million. Mnazi Bay is performing as expected from a world class reservoir, but production rates have been affected over the past year by fluctuations in demand primarily driven by increased supply by hydroelectric generation. The production volumes for 2019 were within the guidelines provided by Wentworth management and averaged 70.3 MMscf/day. Mnazi Bay today has the capacity to deliver in excess of 100 MMscf/day from existing wells and production facilities ensuring it is well positioned to supply the expected demand increase over the near term.

During the past year the Company made a significant change in its senior management with the promotion of Katherine Roe to CEO following the departure of Eskil Jersing in November 2019. Following this, the Board was reduced to four Non-Executive Directors and one Executive Director, supported by long-standing and dedicated teams in both the UK and Tanzania.

2019 was a difficult year for the oil and gas business as public environmental protests affected financial institutions' ability to further invest in our industry. Although Wentworth's gas focused business model shields it from most negative sentiment, the Company still faces the pressure put forward by environmental groups to remove fossil fuels from the world energy supply mix.

The power access gap in Tanzania is growing, despite domestic energy supply increasing and transformational growth is needed to deliver universal access throughout the country through low-cost low carbon solutions. Natural gas will play a critical role in meeting this target to support cheaper and more reliable electricity alongside carbon-free renewable energy systems, such as hydro and solar. Wentworth is committed to being a long-term partner for Tanzania in delivering low-carbon, domestic energy supply growth that will underpin the socio-economic development of the country in the near and longer-term.

In closing, I would once again like to thank all shareholders for their continued support and to give special recognition to the entire Wentworth family, including the Board of Directors, for their hard work and loyalty in 2019.

Robert McBean
Chairman

24 April 2020

CHIEF EXECUTIVE'S STATEMENT

OVERVIEW

Our core asset at Mnazi Bay produced at an average rate of 70.3 MMscf/day throughout the year and in line with our updated guidance range of 68-72 MMscf/day. Consistent payments received from TPDC have enabled us to comfortably service the remainder of the term loan with our last repayment made in January 2020. The financial health of our business enabled the Board to declare our maiden dividend in September 2019 and second dividend in April 2020, bringing a total distribution of $3.0 million for 2019. We are fortunate to be able to continue with our sustainable dividend policy despite the global challenges facing of us all as we experience the effects of Covid-19 and oil price and stock market volatility.

OPERATIONAL

2019 saw variations in production demand nominations throughout the year by TPDC due to a combination of unseasonal heavy rainfall across the country, which increases the supply of hydro-electricity as well as additional supply into the National Natural Gas Pipeline from the Songo Songo production facility. Despite these challenges, we, along with our Operator, Maurel et Prom, committed to additional work in the second half of 2019 and continuing into 2020, to enable supply from Mnazi Bay to increase to over 100 MMscf/day to meet growing demand. This work programme included:

- Repairing the MB-2 flowline to restore production from that well whilst maintaining overall field deliverability;
- Removing the plug from MB-4 to add production from the Lower Mnazi Bay sands; and
- Replacing the chokes on the MB-2, MB-3, MB-4 and MS-1X wells.

CHIEF EXECUTIVE'S STATEMENT

Our limited work programme will allow the field to meet the increased demand that is expected as overall capacity rates of the existing gas-fired power plants increase with the first of these being the Kinyerezi-1 extension that is expected to be completed and commissioned towards the end of 2020. Despite some challenges with unseasonal rains and slower than anticipated demand growth, we are enjoying stable production rates and robust operations.

2019 also saw the Mnazi Bay Partners sign the GSA into commercial effectiveness and thereby achieving commercial operations date. This key milestone provides the Company with a fully collateralised contract for our gas sales.

Our most recent Reserves Report, as at 31 December 2019, stated Wentworth's share of 2P Reserves of 95.1 Bscf with a post-tax NPV10 of $118.6 million. This compared to $128.7 million for 2018. It should also be noted that during 2019, Wentworth increased its cash position by $4.1 million and made total debt repayments of $7.3 million (including interest), while returning $1.0 million to shareholders through our maiden interim dividend.

Dar es Salaam Team

FINANCIAL

We recorded milestone gas sales revenue for 2019 of $18.6 million, EBITDAX of $8.8 million and net profit of $2.4 million. Our net cash (cash less debt) at year-end was $11.8 million, a significant improvement from year-end 2018 net cash of $0.6 million.

CORPORATE

2019 also saw the completion of our corporate restructuring, the majority of which was executed during 2018. On 14 February 2019, we completed the delisting from Oslo Børs resulting in a simpler and more transparent corporate governance structure. This move to one stock exchange marked the completion of the Company's restructuring and redomicile to the UK, combined with a strengthened Board. We now have an efficient and cost-effective platform on which to grow our business. We have an ambitious African domestic gas-led focused growth strategy, both from our existing core asset in Mnazi Bay and through targeted Mergers and Acquisitions ("M&A").

OUTLOOK

Wentworth is now in the most financially and operationally robust position in its corporate history and we are fortunate to have strong relationships with all our stakeholders including aligned partners in Tanzania and supportive shareholders. The exploration and production ("E&P") sector has suffered during 2019 with investors increasingly wary of traditional oil and gas exposure. The dominating importance and awareness of environmental, social and

governance adherence ("ESG") and associated disclosure is expected to further differentiate between crude oil and natural gas as traditional energy sources. As a natural gas supplier to the domestic market in Tanzania, supporting the development of the country, our Company will be differentiated within the investor community. We have started developing our ESG strategy in earnest, which will continue to be at the heart of our business going forward, and we are confident that Wentworth is well positioned to communicate a progressive ESG strategy during 2020.

Whilst we are all currently experiencing the global impact of the widespread Covid-19 pandemic, combined with oil price volatility and related stock market slumps, we are fortunate to have a resilient and robust business that can weather the storm. With no commodity price exposure, a strong balance sheet, limited work for 2020 and operational resilience, we look forward to a healthy 2020 with positivity and confidence. I would like to thank all of our shareholders for their ongoing support.

Katherine Roe
Chief Executive Officer

24 April 2020

OUR STRATEGY AND FOCUS

CASH
AT 31 DEC 19
$13.5
MILLION

Our strategy is to maximise shareholder value through asset optimisation and fiscal responsibility.

Wentworth works closely with the Operator to ensure that maximum value can be realised from Mnazi Bay. To achieve this the Mnazi Bay Joint Venture ("JV") Partners:

- Monitor field production and pressures to ensure that reservoir performance is in line with expectations and that production forecasts are coordinated with the reservoir management strategy;
- Perform routine maintenance and inspections to ensure that equipment and facilities are fully operational;
- Work with Government and other stakeholders to promote alignment and compliance with local legislation and regulations;
- Communicate and engage with Government to ensure a sustainable and positive future within the sector and the Country; and
- Conduct operations that increase Mnazi Bay's overall deliverability and ability to meet Tanzania's growing demand for natural gas.

Wentworth has continued to strengthen its fiscal position. This includes:

- US$15-20 million/per annum forecast revenues;
- A cash balance of $13.5 million at YE 2019; and
- De-leveraging the balance sheet, with repayment of term loan in January 2020.

The Company's strong financial performance has allowed it to establish a dividend policy, with the maiden dividend declared and paid to shareholders during 2019.

Additionally, the Company has an M&A strategy that is focused on East Africa, and will specifically pursue opportunistic and accretive transactions in Tanzania.

2P NPV10 AFTER TAX
$118.6 MILLION

2019 REVENUE
$18.6 MILLION

2019 OPEX
$0.69/MSCF

2P RESERVES
95.1 BSCF

AVERAGE DAILY GAS PRODUCTION
70.3 MMSCF/DAY

TANZANIA: 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 Production Sharing Agreement ("PSA") in Tanzania in which TPDC is a partner. Mnazi Bay gas sold to TPDC is primarily utilised by Tanzania Electric Supply Company ("TANESCO").

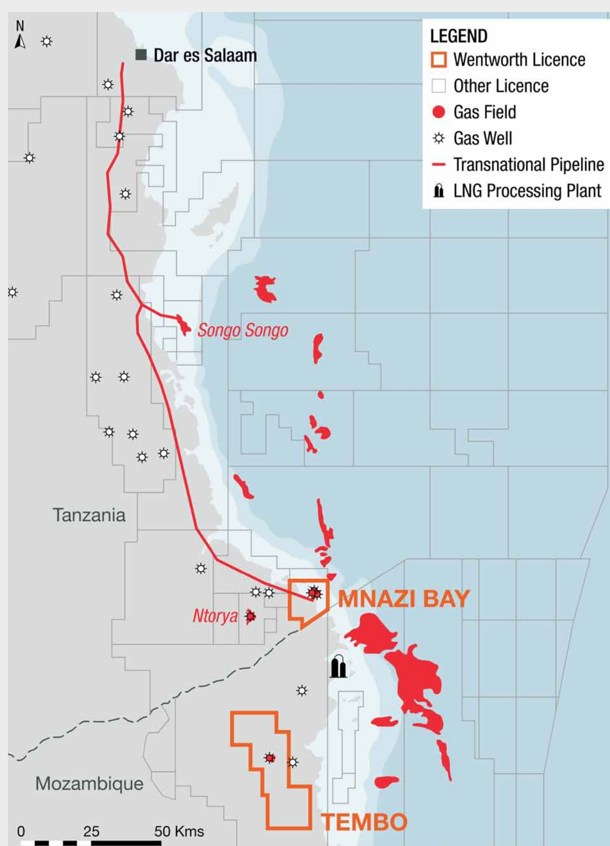
For exploration activities, Maurel et Prom hold a 60.075% working interest with Wentworth holding a 39.925% working interest. TPDC has a free carry on exploration costs; however, it pays its share (20%) of Development and Operational Costs.

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.

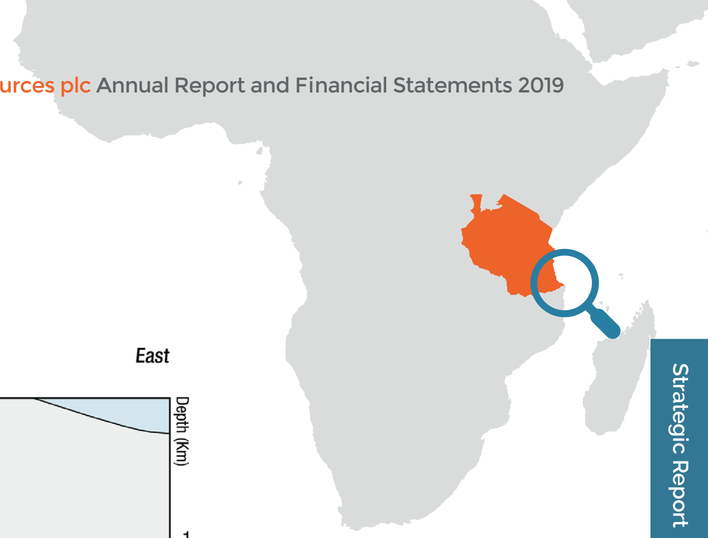
Production operations on the development licence area are governed by the PSA, executed in 2004. This is a cost recovery form of agreement and contains detailed cost recovery and profit-sharing arrangements and production royalty payment obligations.

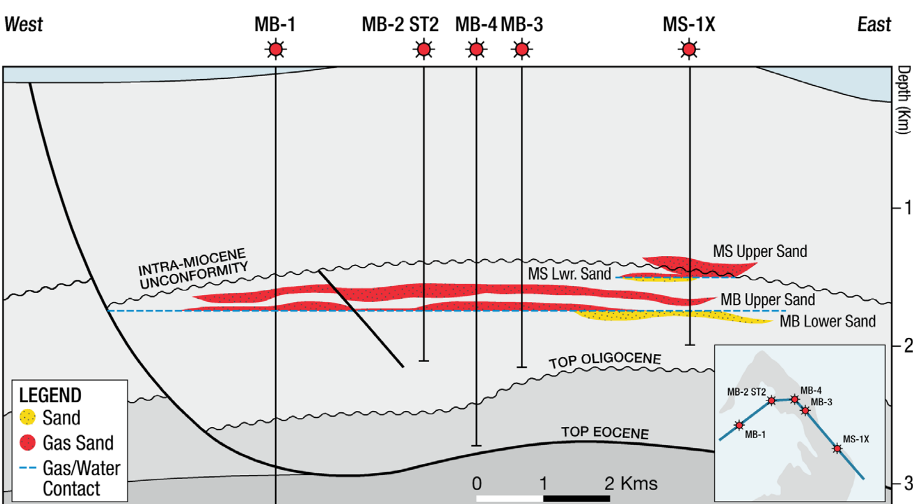
The Mnazi Bay gas field was discovered in 1982 by AGIP. The first well, Mnazi Bay-1 ("MB-1"), tested gas from a Miocene formation at rates of 13 MMscf/day. After testing, the well was suspended by AGIP, due to lack of viable gas monetisation options at the time. The concession was subsequently relinquished 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.



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

On 26 October 2006, the Tanzanian Ministry of Energy and Minerals ("MEM") 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.





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

AVERAGE 2019 PRODUCTION

70.3 MMSCF/DAY

The Mnazi Bay field has experienced continuous production since it 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. This was followed by the commissioning of gas production facilities at Madimba and Songo Songo; and the gas receiving facility at Kinyerezi in Dar es Salaam which distributes the gas to four power stations with a joint maximum capacity of 620 MW.

Maurel et Prom assumed Operatorship of Mnazi Bay in 2009. A 3D seismic survey covering 328 km² of 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/day 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/day in 2016 and c.50 MMscf/day in 2017. 2018 production averaged 83.2 MMscf/day and 70.3 MMscf/day in 2019. Annual average volumes were lower due to:

(1) unusually heavy and longer duration rainfall within the catchment areas of the hydroelectric plants (2019 experienced the highest levels of rainfall by a factor of 4 over the 10 year average), which lead to the increased availability of hydroelectric power generation and reduced demand for natural gas; and
(2) a decision by TPDC to ensure that the gas production facility at Songo Songo is utilised to a minimum throughput rate of 20-25 MMscf/day, which contributed to constrained demand for Mnazi Bay gas in 2019.

Gas is sold to TPDC on a fixed rate contract inflated for CPI ($3.18/MMbtu in 2019) and TANESCO on a fixed rate contract of $5.36/MMbtu.

Production from 2017 to YE 2019 is shown in the graph on page 14.

TANZANIA: MNAZI BAY LICENCE SUMMARY

SUMMARY 2019 PRODUCTION

Mnazi Bay gas production averaged 70.3 MMscf/day in 2019, a reduction from 2018 levels, which was due to increased hydroelectric power generation and additional natural gas supply from the TPDC Songo Songo plant.

Despite the unusually heavy rains, natural gas demand into the NNGI pipeline increased by more than 14% year-on-year. However, because TPDC was compelled to run their Songo Songo gas production plant at a minimum of 20-25 MMscf/day, the demand for Mnazi Bay gas was reduced to 70.3 MMscf/day, from 83.2 MMscf/day in 2018.

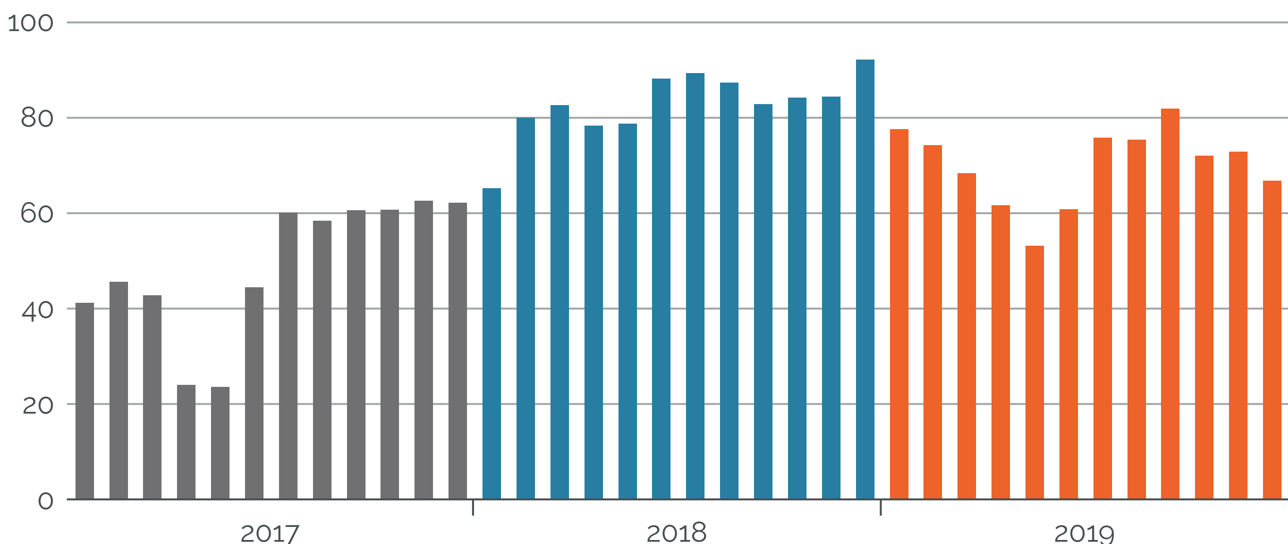
The Company anticipates overall demand growth in 2020 with key drivers being (i) increased overall utilisation of existing natural gas-fired power plants; and (ii) the pending completion of the Kinyerezi-1 extension, which may increase total demand by up to 30 MMscf/day. It is expected that most of this extra demand will be assigned to the Mnazi Bay JV partners. During 2019, the Songo Songo Gas Production Facility ("GPF") averaged c. 24.7 MMscf/day into the NNGI pipeline; whilst the Madimba GPF (supplied by Mnazi Bay JV) averaged 70.3 MMscf/day.

Apart from supplying the GPF at Madimba, which is capable of producing 210 MMscf/day into the NNGI pipeline; Mnazi Bay JV also supply the Mtwara power station (22 MW capacity), which provides the Mtwara/Lindi isolated grid, serving over 16 towns and villages throughout the regions of Mtwara and Lindi. The Mtwara power station averages 2.5 MMscf/day and this is not expected to change during the course of 2020. However, there are plans by TPDC to develop more demand for gas in Mtwara, notably TPDC and the Mnazi Bay JV are working to implement supply to a domestic grid providing household gas to residential households in Mtwara. As this will take time to develop, the project is expected to have a minimal impact on overall demand in 2020.

MNAZI BAY PRODUCTION OUTLOOK

Our 2020 production guidance is for average annual gross production of 65-75 MMscf/day. This guidance includes Wentworth's updated views given the decision by TPDC in late 2018 to keep the Songo Songo GPF operational, the higher-than anticipated rainfall in 2019 and the commensurate high availability of hydroelectric power generation.

It should be noted that our guidance range is well below the maximum sustainable rate (> 100 MMscf/day) that can be produced from the Mnazi Bay field.



TANZANIA: MNAZI BAY OPERATIONS REVIEW

MNAZI BAY 2019 OPERATIONS AND OUTLOOK

During 2019, the Mnazi Bay Partners signed the GSA into commercial effectiveness; and thereby achieved the COD, meaning that the full GSA is now effective and in-place. Therefore, the Mnazi Bay asset can now be used as a security for finance purposes, providing for contract stability with a take or pay provision should average annual production fall below 68 MMscf/day into the NNGI pipeline.

After discussions with TPDC, the Mnazi Bay JV Partners managed to negotiate a reduction in the pipeline inlet pressure from 95 bar(g) to 85 bar(g). This will allow for the field to produce more cumulative volumes before compression is required and will allow the field to produce at rates greater than 100 MMscf/day as demand grows.

During 2019, there were four slickline campaigns in March, June, August and October 2019.

In March and June 2019, slickline operations were performed to bring additional intervals into production for the MB-2 and MB-3 wells within the Upper Mnazi Bay sand packages.

In August 2019, there was a routine campaign to acquire static pressure of the MB-4 well and retrieve pressure gauges in MS-1X.

In September 2019, the MB-2 flowline experienced a rupture. The well was rapidly shut-in, and no injuries were reported. The flowline was repaired and the well brought back on to production in December 2019.

In October 2019, the plug isolating the Lower Mnazi Bay sand packages in the MB-4 well was removed to increase the deliverability of the field.

In addition to the above, cathodic protection was installed at the GPF in Mnazi Bay and in Mtwara. This work is still ongoing and is expected to be completed in Q1 2020.

The JV Partners have agreed a firm 2020 work programme of $14.0 million that is focused on field maintenance work that will ensure stable future operations, increase operational flexibility, provide insight into future project timing and requirements. Notable items include:

- Pipeline inspection gauge runs for the 8" pipeline from Mnazi Bay to Mtwara;
- Undertaking a pre-front end engineering and design ("FEED") study on gas compression needs;
- Installation of a thermal water evaporator;
- Installation of new chokes; and
- Completion of cathodic protection installation for production facilities.

TANZANIA: MNAZI BAY RESERVES SUMMARY

The attributable Proved and Probable reserves net to Wentworth's working interest are 95.1 Bscf of sales gas, which correspond to an estimated after tax NPV10 of $118.6 million per the CPR performed by RPS Canada, with an effective date of 31 December 2019.

Reserve Category	Gross Working Interest Reserves				Net Working Interest Reserves			
	Oil (MMbo)	Gas (Bscf)	NGLs (MMbo)	BOE (MMbo)	Oil (MMbo)	Gas (Bscf)	NGLs (MMbo)	BOE (MMbo)
Producing	0	18.5	0	3.1	0	15.1	0	2.5
Non-Producing	0	22.3	0	3.7	0	18.0	0	3.0
Undeveloped	0	51.3	0	8.5	0	29.8	0	5.0
Total Proved	**0**	**92.1**	**0**	**15.3**	**0**	**63.0**	**0**	**10.5**
Probable	0	57.7	0	9.6	0	32.1	0	5.3
Proved + Probable	**0**	**149.8**	**0**	**25.0**	**0**	**95.1**	**0**	**15.8**
Possible	0	82.0	0	13.7	0	43.7	0	7.3
Proved + Probable + Possible	**0**	**231.8**	**0**	**38.6**	**0**	**138.7**	**0**	**23.1**

Reserve Category	NPV Before Tax Million US$					NPV After Tax Million US$				
Discount Rate	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
Producing	10.1	10.8	10.8	10.5	10.1	8.9	9.8	10.0	9.7	9.4
Non-Producing	61.0	53.7	47.9	43.2	39.4	56.0	49.4	44.1	39.8	36.3
Undeveloped	71.7	51.4	37.8	28.4	21.8	66.5	47.5	34.8	26.1	19.9
Total Proved	**142.8**	**115.9**	**96.5**	**82.2**	**71.2**	**131.5**	**106.7**	**88.9**	**75.7**	**65.6**
Probable	71.4	46.2	32.3	24.4	19.8	64.9	42.3	29.7	22.5	18.3
Proved + Probable	**214.2**	**162.2**	**128.9**	**106.6**	**91.0**	**196.3**	**149.0**	**118.6**	**98.2**	**83.9**
Possible	106.4	68.1	48.0	36.9	30.2	97.3	62.6	44.2	34.0	27.8
Proved + Probable + Possible	**320.6**	**230.2**	**176.9**	**143.5**	**121.3**	**293.6**	**211.6**	**162.8**	**132.2**	**111.8**

TANZANIA: LEGISLATIVE AND POLICY FRAMEWORK

LOCAL CONTENT

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

The Regulatory authorities including the Petroleum Upstream Regulatory Authority ("PURA") and the Energy and Water Utilities Regulatory Authority ("EWURA") started to enforce the act in 2018. The Local Content Regulations require licensees, 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 principles behind the local content requirement are set by Regulation 5 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 Local Content 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.

Wentworth has developed a local content policy with the primary objective of meeting the local content obligations. Wentworth's chosen strategy for achieving the Tanzanian local content policy objective is based on ensuring (i) employment and training opportunities are provided to Tanzanians and that suitable succession plans are in place; (ii) provide a process which is open, fair and transparent, ensuring opportunities to local contractors and companies; (iii) that the Company develops programmes for research, development and technology transfer; (iv) that the Company procures legal, engineering and financial services from Tanzanian-based organisations in a prioritised and fit for purpose manner.

As part of the Company local content plan for 2019 / 2020, Wentworth has developed programmes for workforce development, procurement and supplier development and insurance, finance and legal services plans. These plans establish the framework for implementation of the local content programme for the year.

NEW REGULATIONS

CORPORATE INTEGRITY PLEDGE REGULATIONS

The Government of the United Republic of Tanzania has through Government Notice No. 782 published on 1 November 2019, issued The Petroleum (Corporate Integrity Pledge) Regulations, 2019. ("Integrity Pledge Regulations"). The Integrity Pledge Regulations are made under the Petroleum Act Cap 392.

The Integrity Pledge Regulations govern corporate integrity pledge programmes related to upstream activities, midstream activities and downstream activities and are administered by PURA and EWURA respectively.

The Integrity Pledge covers all owners who are Natural Persons (except those with an ownership interest of less than five percent (5%) and those who have acquired the ownership interest through public trading) and all officers, Directors, and employees of the contractor, sub-contractor, licensee or any other person who have responsibilities relating to petroleum activities and petroleum operations.

Through Government Notice No. 58 published on 31 January 2020, the Government of the United Republic of Tanzania issued regulations under the Natural Wealth and Resources Contracts (Permanent Sovereignty) Act, Cap 449 namely The Natural Wealth and Resources (Permanent Sovereignty) (Code of Conduct for Investors in Natural Wealth and Resources) Regulations 2020.

The objectives of the Code of Conduct are to ensure that arrangements or agreements on natural wealth and resources and related or connected business or activities are conducted in a manner consistent with the highest ethical principles and within the requirements of the Constitution of the United Republic of Tanzania 1977 and all applicable national policies and laws.

The regulations apply to entities, consultants, suppliers, contractors, investors, partners and agents, including their employees, involved in any arrangement or agreement on natural wealth and resources.

Through Government Notice No. 57 published on 31 January 2020, the Government of the United Republic of Tanzania issued regulations under the Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Act, Cap 450, namely "The Natural Wealth and Resources Contracts (Review and Renegotiation of Unconscionable Terms) Regulations 2020". This followed the Government of the United Republic of Tanzania's decision to embark upon a review of Tanzania's PSAs, a process which is still ongoing. It will be confirmed by the Tanzanian Attorney General that the review of PSAs on the Government's part is completed, and the authorities are currently waiting for due process to ensue.

REGULATIONS DESCRIBING THE PROCESS FOR RE-NEGOTIATION OF UNCONSCIONABLE TERMS

The regulations establish registers of natural wealth and resources within Ministries under whom arrangements or agreements on natural wealth and resources are made.

Application for registration of all agreements made before the regulations will be made within sixty days of coming into operation of the regulations, whereas applications for agreements made subsequent to the coming into operation of the regulations should be made no later than thirty days from the date of execution of the agreement

All contract renegotiation arrangements in existence on the date of coming into operation of the regulations would continue and be concluded as if the regulations had not been made.

THE PETROLEUM REGULATIONS OF 2019

Through Government notice No. 957 dated 6 December 2019, the Government of the United Republic of Tanzania introduced new regulations that must be followed by all companies operating in oil and gas industry.

The new regulations relate to all upstream activities and are administered by PURA. The regulations potentially introduce some changes to the existing Mnazi Bay PSA; however, at this stage the extent to which existing PSAs would need to be amended is not yet clear. The following regulations may have an impact on the commercial terms of the Mnazi Bay PSA:

TANZANIA: LEGISLATIVE AND POLICY FRAMEWORK

- Royalty shall have a first charge on gross volume on petroleum (including gas) recovered at the delivery point before determining the proportion to be allocated to cost oil/gas and profit oil/gas. The licence holder and the contractor shall, before the proportion to be allocated to cost petroleum and profit petroleum is determined, pay a royalty to the Government in respect of gross volume on petroleum recovered at the delivery point.

- Cost Recovery Hierarchy; the available cost oil and/or cost gas shall be applied first to recover operating expenses, and where joint operations have been established, the licence holder and contractor shall be entitled to recover such expenses in proportion to their individual cumulative unrecovered operating expenses;

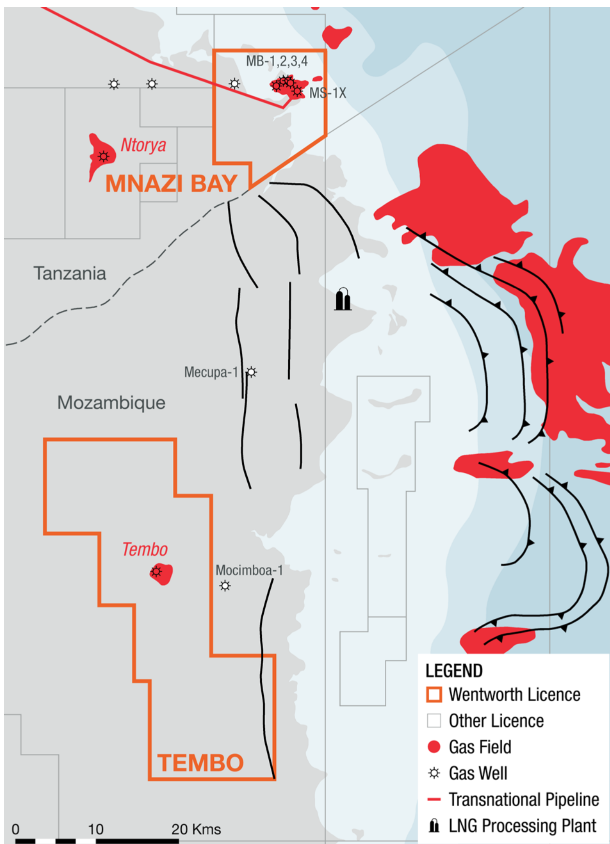
- Costs that are no longer recoverable:

  - Annual charges, which cover all direct costs attributable to the acquisition, renewal or relinquishment of surface rights;
  - Income tax, withholding taxes and all other taxes related expenses arising from income derived from petroleum operations;
  - Costs of arbitration and the sole expert in respect of any dispute under agreement;
  - Costs incurred as a result of misconduct or negligence of the contractor;
  - An annual overhead charge for services rendered outside the United Republic of Tanzania; and
  - Bonuses paid to employees and Directors.

IMPACT ON WENTWORTH

The extent to which all or some of the new regulations will apply to existing PSAs will depend on the outcome of a review of all PSAs, which is currently being conducted by the Regulator and the auditor general. The PSA reviews are due to be published later in 2020 and should provide further clarity on this issue. Upon submission of the PSA Review report to parliament, the Regulator will engage with each of the PSA joint-ventures on an individual basis to discuss the findings of the review.

MOZAMBIQUE: TEMBO LICENCE RELINQUISHMENT

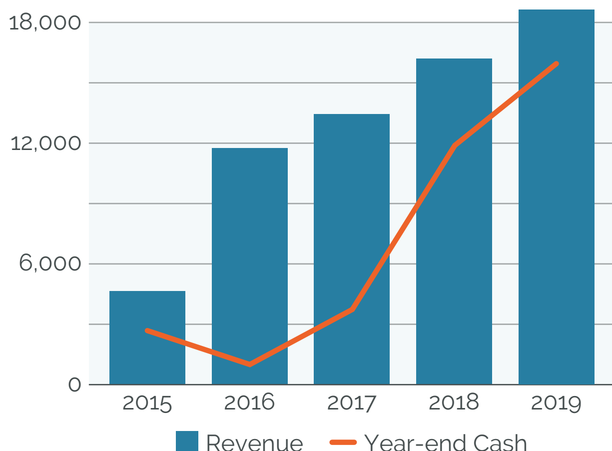


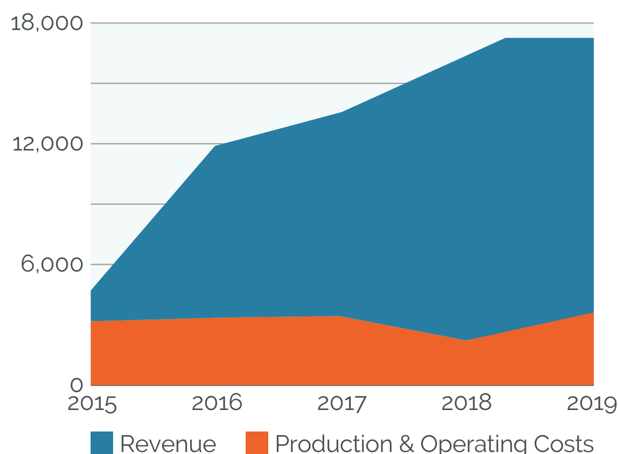
The Tembo Block Appraisal Licence ("Tembo") 85% Wentworth; 15% Empresa Nacional de Hidrocarbonetos ("ENH") was relinquished in 2019 following a detailed technical and commercial re-evaluation which determined that the existing discovery could not be commercially advanced to production.

Wentworth has received approval to relinquish Tembo from the Ministry of Natural Resources and Energy. The Company transferred all remaining assets back to the Government of Mozambique and has closed its office in Maputo. Legacy surplus drilling inventories were disposed of with no liability exposure. The Company is currently in the process of winding up the Mozambique entity and it is expected that the exit process will be completed without any significant additional costs.

FINANCIAL REVIEW

REVENUE	2019	2018
Revenue ($000)	**18,636**	16,224
Net entitlement to gas production (MMscf)	**5,699**	4,946
Average realised gas price ($/Mscf)	**3.27**	3.28
OPERATING COSTS		
Production and operating costs ($000)	**(3,935)**	(2,290)
Production and operating cost ($/Mscf)	**(0.69)**	(0.46)
Depletion ($000)	**(6,236)**	(7,803)
EBITDAX		
Gross profit	**8,465**	6,131
Add: Depletion ($000)	**6,236**	7,803
Add: amounts capitalised to E&E assets ($000)	**-**	664
Less: recurring administrative costs ($000)	**(5,883)**	(6,289)
EBITDAX ($000)	**8,818**	8,309
EBITDAX per ($/Mscf)	**1.55**	1.68
NON-RECURRING EXPENDITURES		
Restructuring & redomicile ($000)	**(609)**	-
New ventures and business development costs ($000)	**(489)**	(2,333)
Tanzanian withholding tax ($000)	**-**	(993)
Deferred tax expense ($000)	**1,511**	(26,714)
Impairments of Tembo ($000)	**-**	(41,598)
Provision against Government receivables ($000)	**-**	(4,959)
Non-recurring expenditures ($/Mscf)	**(0.07)**	(15.49)
INVESTMENT IN OIL & GAS ASSETS		
Investments in Mnazi Bay ($000)	**18**	1,256
Investments in Tembo ($000)	**-**	1,806
CASH & DEBT		
Year-end cash and cash equivalents ($000)	**13,487**	9,403
Current portion of long-term loans ($000)	**(1,714)**	(7,091)
Non-current portion of long-term loans ($000)	**-**	(1,688)
Net cash/(debt) at year-end ($000)	11,773	**624**
EQUITY & CAPITAL		
Profit/(loss) after tax ($000)	**2,366**	(75,224)
Closing share price (p)	**19.0**	22.0





TANZANIA

Whilst overall demand for Mnazi gas in 2019 has been less than the previous year, decreasing from 83 MMscf/day in 2018 to 70 MMscf/day in 2019, revenue has increased from $16.2 million to $18.6 million, an increase of 15%. This is principally due to the effect of the Ziwani-1 well carry cost gas surrender to the Operator which was substantially completed in 2018 with $7.1 million being surrendered during that year and the balance of only $1.3 million paid during 2019.

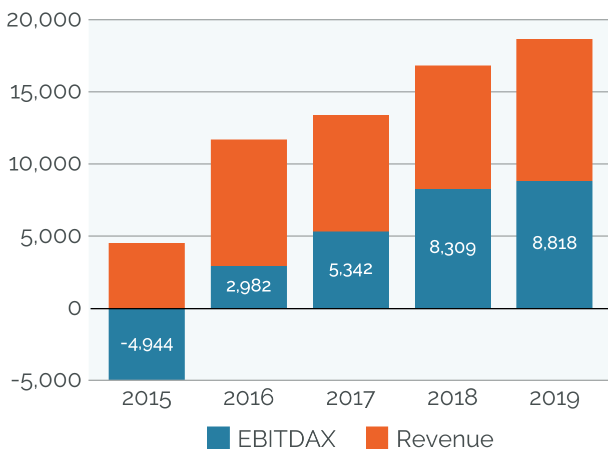
The Group continue to provide in full against the amortised balance of the Umoja asset, which was sold in 2012 due to uncertainty over the recoverability of the Government receivable and the ongoing review by the Government of the United Republic of Tanzania for which there has been no material update.

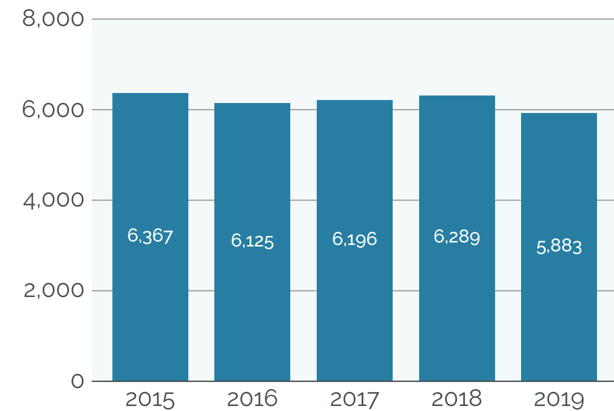
Operating costs in Mnazi Bay during 2019 increased to $0.69/Mscf from $0.44/Mscf but kept within the overall work programme and budget agreed with the Operator for the year. This increase was primarily with respect to one-off costs associated with the repair of the MB-2/3 flowline rupture, and the replacement of the Operator's senior country management team and costs associated with appointing and relocating their replacements. Other operating costs are largely fixed which adds significant upside to sales revenues from increased gas production.

There were no significant workover projects during 2019, albeit additional costs were incurred due a rupture of a flowline between wells MB-2 and MB-3. Discussions with the Operator on the quantum and timing of future operational activities continue, however, excluding some initial gas compression FEED studies, it is not anticipated that there will be any significant material outlays in 2020.

There was no significant capital investment in Mnazi Bay during the year (2018: $1.3 million). A three-year project to upgrade the surface facilities at Mnazi Bay from a capacity of 100 MMscf/day to 140 MMscf/day was completed during 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 supervisory control and data acquisition 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. The next significant project, subject to completion and acceptance of FEED during 2020 and 2021, will be the installation of a gas compression export system that will allow the wells to sustain higher rates of production for longer whilst still supplying gas at required pressures through the NNGI pipeline.

FINANCIAL REVIEW





MOZAMBIQUE

The Group had fully accrued for costs associated with the relinquishment of its Mozambique licence in 2018 and did not incur any further expenditures in 2019 (2018: $1.8 million). Whilst the Tembo licence was relinquished in June 2019, the Group continue to fulfil its administrative and statutory commitments with respect to closing its local subsidiary and expect that this process will be completed in 2020.

EBITDAX

Management introduced EBITDAX as a key performance metric during 2018 (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. Management have guided expected average daily production in 2020 to be in-line with 2019, and whilst there is clearly a proportional relationship between revenue and EBITDAX, given the fixed cost base, there may be further opportunity to drive some modest increases through efficiencies and synergies across the wider Group.

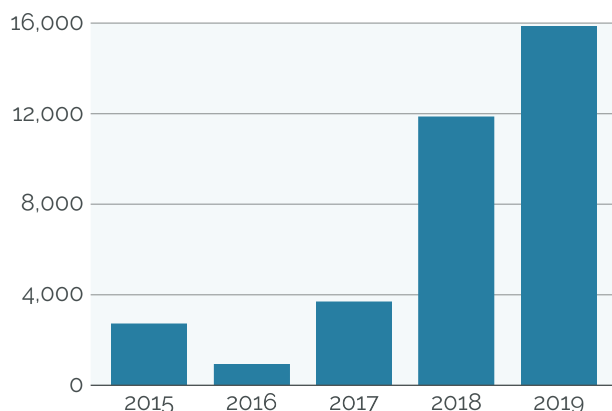
GENERAL AND ADMINISTRATIVE ("G&A") COSTS

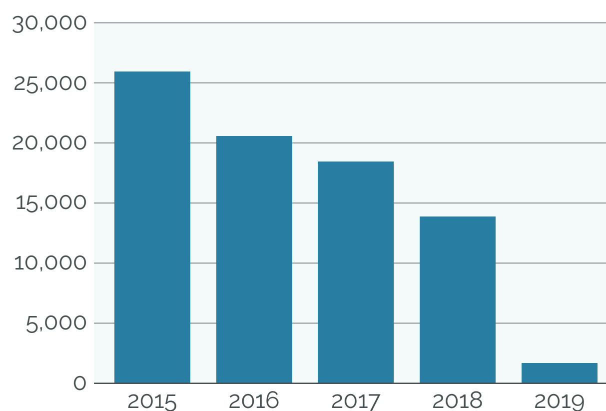
Recurring general and administrative costs have been reduced during the year as management continues to leverage cost synergies derived from the redomicile and restructuring process that took place during 2018. Management remains committed to ensuring that overheads are continually reviewed, without compromising the operating effectiveness of the Group or negatively impacting its ability to effectively screen and capitalise on new strategic growth opportunities in as cost-effective a manner as possible. During 2019, the Group incurred costs totaling $609k on screening and evaluating a number of opportunities which were brought to varying stages of maturity; however, none ultimately passed the rigorous due diligence thresholds the Board set itself.

During the year, Eskil Jersing stepped down as Chief Executive Officer and was replaced by Katherine Roe, who previously held the position of Chief Financial Officer. Whilst this restructuring will doubtless realise some modest cost-savings during 2020, the decision to appoint Katherine as CEO, who will also retain oversight of the finance function, was based on her strong leadership credentials, her determination and her transformative vision for the Group into 2020 and beyond.

TAX AND FISCAL

The tax and fiscal environment in Tanzania remains challenging with the legislative and fiscal frameworks that the Company must abide by under constant review and reinterpretation by the Tanzanian Revenue Authority ("TRA"). Although the Group settled a number of legacy disputes in 2018, there remains a risk that further challenge to the treatments of certain material items may





arise in the future. The Group has appointed KPMG LLP as its tax advisor in Tanzania and maintains strict adherence to the guidance that they issue. Current tax and legislative changes are discussed in detail within the Tanzania Legislative and Policy Framework section of this report; however, it is as yet unknown the impact of the Petroleum Regulations Act 2019 which is most likely to impact future performance, albeit early indications and internal analysis suggest that the Mnazi Bay PSA adheres to the new draft guidance in most areas.

CASH AND DEBT

At the balance sheet date, cash and cash equivalents has increased by $4.1 million from $9.4 million to $13.5 million. This increase has been achieved through a combination of sustained, albeit marginally reduced, gas sales and financial discipline with recurring Group overheads being reduced from $6.3 million in 2018 to $5.9 million in 2019. This increase in cash reserves has been achieved in addition to the payment of the Group's first interim dividend of $1.0 million to shareholders in September 2019. The Directors have announced a second dividend of $2.0 million.

The Group continued to pay-down its debt during the year and made the final payment of $1.7 million on its medium-term $20 million credit facility in January 2020. The Group has been in a net cash position since December 2018 and, with the exception of its overdraft facility which is currently undrawn, is now wholly ungeared.

The current $2.5 million overdraft facility expires in April 2020 with discussions on an extension ongoing. Whilst there is no immediate need for additional finance, it is anticipated that this facility will be renewed.

DIVIDEND POLICY

The Company's significantly strengthened balance sheet enabled the introduction of a sustainable dividend policy in 2019 with the Group declaring its maiden interim dividend of $1.0 million to shareholders in September 2019. Furthermore, an additional interim dividend has been declared of $2.0 million bringing a total distribution in respect of 2019 of $3.0 million which is expected to deliver an annual yield of approximately 7.6% based on the closing share price on 15 April 2020 in line with previous guidance.

In light of uncertainty around timing and logistics of the Company's 2020 Annual General Meeting ("AGM") due to the Covid-19 pandemic, the Company has declared a second interim dividend rather than a final dividend for 2019 to avoid any delay in shareholders receiving the dividend which, if declared as a final dividend, could not be paid until after the AGM has been held. There will be no final dividend declared for 2019; however, it is anticipated that in future years the Company will revert to a declaration of an interim dividend with the Interim Results and a final dividend declared with the Final Results to be put to shareholders at the Company's AGM.

CORPORATE SOCIAL RESPONSIBILITY

Our culture and values are fundamental to Wentworth. How we behave and treat our team, partners and in-country stakeholders is 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 the 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 and licence to operate and grow our value proposition in a sustainable manner for all our stakeholders.

We aim to ensure that we comply with all local, national and international laws and regulations in those jurisdictions in which we operate. The entire Wentworth team are responsible for maintaining our standards of conduct in all of their activities. Further, the management team hold the additional responsibility of ensuring that best practice behaviours are upheld, and setting the overall tone of conduct.

Our approach and commitment to Corporate Social Responsibility ("CSR") is built on five areas of focus: Health, Safety, Security and 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 of its operations on the environment. Wentworth values engagement 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 its 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 welfare of those communities. Our work in the community is based on establishing partnerships to identify and meet community needs, and to ensure open and transparent dialogue in relation to our current operations and future plans.

In 2005, Wentworth established the Wentworth Africa Foundation ("WAF") in Tanzania. WAF is a registered charity and affiliate of the Company. Wentworth has contributed over $1 million to WAF for a range of CSR initiatives, aimed at contributing to the development of safe and effective educational environments and conditions within rural communities in the Mtwara and Lindi Regional areas, close to our Mnazi Bay producing asset.

CORPORATE SOCIAL RESPONSIBILITY

2019 HIGHLIGHTS

During 2019, the Company, through the WAF, has focused on supporting the following sustainable projects in Tanzania.

LIBRARY REFURBISHMENT PROGRAMME FOR SECONDARY SCHOOLS

WAF has worked in collaboration with READ International for three years to address the lack of access to books in Tanzanian secondary schools. The collaboration work with this local Non-Government Organisation ("NGO") involves working closely with schools management, Parent Teachers Associations, local government and local communities. To ensure sustainability and effective use of funds, the programme uses disused space in the school identified for refurbishment. The collaborative work is a youth led process which ensures a vital sense of ownership and supports the long-term sustainability of the library. The programme has to-date constructed five secondary school libraries and provided 8,382 books.

MENSTRUATION HYGIENE MANAGEMENT OR "KEEP A GIRL IN SCHOOL" PROGRAMME

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 at a typical price of $2 per packet, the price is too expensive for most families. The problem is particularly prominent in the rural areas where the schools have poor or no sanitation. As a result, Wentworth and WAF have developed the "Keep a Girl in School" programme with the vision of empowering girls to stay in school and to restore their dignity, so that they are able to attend school throughout the year and complete their education. This will help to break the cycle of poverty for future generations.

The Keep a Girl in School programme provides sanitary supplies and education to girls during their monthly menstruation. The programme also provides mentorship to the girls through life skills and character development training, and education to both parents and teachers on the importance and benefits of girls' reproductive health education.

WAF has to date provided 385,080 sanitary towels to more than 3,000 girls in selected secondary schools in the Mtwara, Lindi and Coastal Regions.

BURSARY SUPPORT FOR SECONDARY SCHOOL, UNIVERSITY AND VOCATIONAL COLLEGE STUDENTS

University Students

The Bursary Support for University Students began in 2014, where we have been funding promising young students with the drive to create change and to attend university. We are currently sponsoring three future leaders to study education, nursing and medicine.

Secondary School Students

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 150 students have been assisted since the programme began in 2012.

Vocational College Students

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.

THE WENTWORTH AFRICA FOUNDATION

Wentworth Africa Foundation is a charitable foundation registered in the United Kingdom and Tanzania, set up in 2005 as the vehicle for Wentworth Resources Limited's corporate social responsibility programme.

Want to find out more?
For more information
please visit our website:
www.wentworthfoundation.com

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 these revenues 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.

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

During the year-ended 31 December 2019, Wentworth has made the following payments to the government bodies (figures are as per government financial years in US $000):

	2019	2018
Taxes paid by Wentworth	**1,970**	515

During the course of the year-ended 31 December 2019, the Government was allocated with the following share of gas revenues and royalties, in terms of the Mnazi Bay PSA and the Joint Operating Agreement ("JOA"), (figures are as per government financial years in US $000):

	2019	2018
Government entitlements from Mnazi Bay concession:		
Royalty	**12,313**	10,714
NOC profit gas	**14,797**	14,899
Profit gas	**2,458**	2,156
Cost gas	**11,821**	8,414
	41,389	36,183

BUSINESS RISKS

PRINCIPAL BUSINESS RISKS

The sustained success of Wentworth as a full cycle E&P company, depends on our ability to manage our portfolio and to acquire, develop and/or commercially produce new 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, financial operating procedures and policy, due attention to HSSE and anti-bribery management systems.

The relative importance and impact of risks faced by Wentworth will change as Wentworth's strategy progresses 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 by both the management team and the Board, who monitor progress against the principal risks.

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

Category	Risk(s)	Mitigants	Risk change

Covid-19 Pandemic	• Demand for natural gas drops and/or the Government of the United Republic of Tanzania find their fiscal budgets constrained through unforeseen reductions in Gross Domestic Product ("GDP") and are unable to meet their monthly gas sales commitments on a timely basis.
	• An incident, occurring at the Mnazi Bay production facility, resulting in the temporary suspension of production resulting from damage to a well or any part of the gas gathering system.
	• The availability of third-party support services and the ability to readily move equipment to and from the well-site may become restricted and inhibit normal operations.
		• Both 2019 and 2020 have seen the TPDC gas sales receivable fall to its lowest levels, currently at ~45-days from ~5-months in 2018. Whilst the ultimate duration of the Covid-19 outbreak is not yet known, the Group does have sufficient working capital cash reserves to continue operations and absorb a delinquency period of more than one year should it need to.
		• Latest Government forecasts suggest that demand for electricity during the pandemic may decrease by between 20-30% if a full national quarantine of industrial and commercial activities were to be required. During such a scenario, the Group may be subjected to reduced gas sales income, without the imposition of a significant delinquency period and is well-placed to deal with this.
		• In the event of there being a limitation in production to the current production zones, there exists the contingent capacity to produce from additional horizons within the existing well stock as follows:
		  • MB-1 Well: 2 horizons from the F Sands and the G Sands;
		  • MS-1X Well: 1 horizon from the K3 Sands; and
		  • MB-4 Well: 2 horizons from the F Sands and the G Sands.
			▲

	• Staff may become ill or require themselves to be quarantined, excessive numbers of which may limit gas production or the ability to operate safely.	• Mnazi Bay does have its own medical facilities and provision has been made to treat a limited number of cases on-site. A full emergency response plan has been in-place since operations commenced and has been updated to take account of any outbreak. • World Health Organisation procedures, designed to limit staff exposure and isolate those suspected of contracting the virus alongside implementation of enhanced hygiene and sanitation protocols, have been put in-place.	

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BUSINESS RISKS

Financial	• Difficulty in raising external capital 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.	• The Company remains fully funded with enough working capital cash reserves for its share of the Mnazi bay current work programme costs and G&A. • 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.	▲
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/ Financial Conduct Authority ("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 potential use of exaggerated tax claims. • Wentworth's assets in Tanzania 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 lifecycle are rigorously stress tested for all known circumstances and that these circumstances have been fully risk assessed.	▶

BUSINESS RISKS

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

COMPANY POLICIES

Wentworth has developed comprehensive company policies that align with local, national and international policy and regulatory framework 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.

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 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 WAF, its employees and to its shareholders. In pursuing its business objectives, it undertakes not to compromise its CSR 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 being 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 Director.

Katherine Roe
Chief Executive Officer

24 April 2020

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. The Company has adopted the QCA Corporate Governance Code 2018 ("QCA Code") which is considered by the Directors to provide the most suitable governance framework for the Company given its current size and stage of development.

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.

During 2019 Eskil Jersing resigned as CEO and Katherine Roe was appointed in his place. She continues to oversee the finance function and is well supported by a senior finance team in Tanzania and the UK. Following this change the Company reviewed its financial controls to ensure they were appropriate for the new executive structure.

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 through a focused M&A led growth mandate. Our strategy and business model is explained in detail within the Strategic Report.

BOARD COMPOSITION

During 2019, Eskil Jersing, the Company's former CEO, left the Company and Katherine Roe, (previously CFO), was appointed CEO with a mandate to lead the Company into the next phase of its growth. The Board currently comprises myself, Robert McBean, as Non-Executive Chairman, three Non-Executive Directors and our CEO. Full details of each Director can be found within their biographies in this report. I lead the Board with a strong vision of the Company culture and a clear focus on strategy. My experience in global oil and gas markets as well as M&A markets is considered key to the Company at this stage of its development. I previously held the role of Executive Chairman and currently hold 5.22% of the voting rights in the capital of the Company and therefore was not considered independent on appointment as Non-Executive Chairman. However, in the opinion of the Non-Executive Directors, I bring to the Board a great depth of experience and knowledge and continue 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 and bring integrity and vision to the Board. Though John Bentley has served on the Board for more than nine years, he continues to exercise independence of character and judgement and as such is considered independent. Similarly, Tim Bushell and Iain McLaren are both considered independent.

The CEO has considerable oil and gas and capital markets experience, as well as a demonstrable ability to execute complex transactions. I am confident that she can deliver the Company's strategy with the support of the rest of the Board.

For the Board to function effectively and lead the Company, the Directors must have detailed knowledge of Tanzanian gas production operations, the 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.

To achieve this, the Directors collectively pursue ongoing training and professional development opportunities, and regularly visit the Tanzanian assets and meet with key in-country stakeholders. Further, Directors are encouraged to retain membership of professional and/or industry bodies and attend external courses as required. Lastly, the Board receives briefing notes, 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 and be available to shareholders as required. 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 role of the CEO is a full-time position.

The full Board meets at least four times a year and on any other occasions it deems necessary[1]. During 2019, there were six scheduled Board meetings, five ad-hoc Board meetings convened at short-notice, three Remuneration Committee meetings, two Audit Committee meetings, one Nominations Committee meeting and the Reserves Committee did not meet but passed a resolution in writing. Directors attendance is shown below.

	Board Meetings	Audit Committee	Remuneration Committee	Nomination Committee	Reserves Committee
Number of scheduled Board meetings in a year	**6**	**2**	**3**	**1**	**0**
Robert McBean	6	-	3	1	-
John Bentley	6	2	3	1	-
Tim Bushell	6	2	3	1	-
Iain McLaren	6	2	3	1	-
Katherine Roe	6	-	-	-	-
Eskil Jersing (resigned 15 November 2019)	5	-	-	-	-
Cameron Barton (resigned effective 30 March 2019)	1	-	1	-	-

[1] The Company has established procedures whereby ad-hoc Board meetings can be convened at short-notice to deal with specific matters which need to be considered between scheduled meetings of the Board.

STATEMENT OF CORPORATE GOVERNANCE

EXTERNAL ADVISERS

The Audit Committee has secured external advice on tax and legal matters as required. The Remuneration Committee received external legal advice relating to Eskil Jersing's resignation.

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. Following the resignation of Eskil Jersing in November 2019, the Nominations Committee met to consider the composition of the Board. As a result of that review, Katherine Roe was appointed interim CEO and subsequently CEO.

No formal board performance evaluation was conducted in 2019. The Remuneration Committee assesses the performance of the Executive Director against Key Performance Indicators ("KPIs") which are determined at the beginning of each financial year and reviewed at the end of the performance period.

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.

Myself as 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 we do. We 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 behavior 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; details of their activities during 2019 can be found in each of their reports. Since the end of the year, the Board has decided that the functions of the Reserves Committee can be carried out by the Board as a whole and therefore the Reserves Committee has been disbanded.

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 role, was granted share options over a total of 1.9m ordinary shares in the capital of the Company. Additionally, John Bentley was previously 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; and

- The Executive Director is 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
Chairman

24 April 2020

BOARD OF DIRECTORS

Katherine Roe
Chief Executive Officer

Katherine, Chief Executive Officer, was appointed to the role following the departure of Eskil Jersing on 15 November 2019, Katherine was previously the Company's CFO and retains oversight of the finance function. Katherine joined the Company in 2014 as Vice President Corporate Development & Investor Relations. Katherine has 20 years of senior corporate and capital markets experience and prior to joining Wentworth, Katherine spent 11 years at Panmure Gordon & Co, where she headed up the Natural Resources team, with a principle focus on the oil and gas sector. Katherine has experience across a number of international jurisdictions with exposure to emerging and development markets, particularly in Africa. Further, Katherine has extensive experience with a range of strategic growth options in the public markets through multiple IPO launches, equity capital fundraisings and M&A transactions. Katherine was an AIM Nominated Adviser and Qualified Executive for many years, having moved from Morgan Stanley's investment banking division. She is currently independent Non-Executive Director and Audit Chair of Longboat Energy plc, having been independent Non-Executive Director of Faroe Petroleum plc, following DNO's hostile takeover in early 2019.

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, 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 Committee.

John Bentley
Non-Executive Director and Senior Independent Director

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 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 Genel Energy plc, Petro Matad Limited and Sval Energi AS. He is also a Director Redrock Energy Limited. Tim is Chair of the Remuneration Committee 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 a Director of two 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 twice during the year and with specific regard to the Annual Report and Accounts, considered Group financial disclosures and accounting matters, including the impact and treatment of standards that came into effect, those that have not yet done so but have been endorsed by the EU and amendments to existing standards.

With the world currently struggling to deal with and assess the impact of the recent Covid-19 pandemic, the Audit Committee dedicated a significant amount of time to assessing the Group's financial systems, preparations and resilience for what will likely be a prolonged period of uncertainty. The Audit Committee have judged that the business will continue, anticipating minimal disruption and do not at this stage foresee these to be either longstanding or material in nature. The Audit Committee will, however, continue to monitor the situation as it progresses and is mindful of the speed at which circumstances may change, both for the better or for the worse. Further disclosures on the risks associated with Covid-19 are made within the Business Risks section of this report and more details on the assessment of the uncertainties surrounding the situation can be found in note 3.

Other areas the Audit Committee paid specific regard to are noted below:

- the impairment provision with respect to the Tembo asset in Mozambique, which was formally relinquished during 2019 but impaired in-full within the 2018 financial statements;
- the provision-in-full made against the Government of the United Republic of Tanzania receivable and any indicators of a change to the present obligation, probability or amount of anticipated final settlement;
- the presentation of certain non-recurring administrative costs within the statement of comprehensive income;
- the recoverability of gas sales receivables;
- the carrying values of both producing and non-producing assets capitalised within the statement of financial position; and
- the relevance of current financial and accounting policies alongside the requirements contained within the recently executed GSA following the award of COD in September 2019.

A summary of the areas in which the Audit Committee were required to exercise significant judgement is noted below, all of which are further disclosed within note 3 of the Annual Report and Accounts:

- Covid-19 readiness and contingency planning progress, noting that the situation is fast-moving and has not previously been specifically anticipated, albeit the implications of which are similar in nature to other scenarios that have been analysed and where possible mitigated;
- continued accounting treatment of Cyprus Mnazi Bay Limited ("CMBL") as a joint-operation;
- recoverability of costs capitalised on Mnazi Bay, their carrying value and the supportive results of the most recent RPS Reserves Report;
- Mnazi Bay gas supply, demand and settlement assumptions with respect to current receivables, capitalised carrying value and going concern; and
- the ongoing recognition basis for deferred tax losses attributed to Wentworth's equity share of CMBL.

A key role of the Audit Committee is to monitor the effectiveness of the internal control environment which includes giving consideration to the Group's internal control and risk management policies and systems, their effectiveness and the requirements for an internal audit function in the context of the Group's overall risk management system. The Audit Committee is satisfied that the Group does not currently require an internal audit function, however, it will continue to periodically review the situation and, where it deems necessary, commission limited internal audit of controls and processes. These informal audits may be carried out randomly and on areas where the Audit Committee deems there to be an elevated exposure to risk or where it is difficult to fully mitigate a particular risk entirely. The Audit Committee receives and monitors monthly operating and financial reports for unexpected variances or instances that may indicate a possible change to the existing risk profile of an activity and interrogate those activities in more detail if required.

The external audit function plays an important part in assessing the effectiveness of financial reporting and internal controls and, in turn, the effectiveness and quality of audit is of key importance with sufficient weight given to new areas of compliance, such as International Financial Reporting Standard ("IFRS") 16, and existing areas of risk as is deemed appropriate for the relative size and complexity of the Group's activities. Our Auditors, KPMG LLP (UK), have been in place since 2018 and, in line with the audit profession's own ethical guidance, the current audit engagement partner is due to rotate off the Company's account in the year-ending 31 December 2022 having served for a period of five years. KPMG LLP (UK) may serve as external auditor for a total period of 20 years, with a mandatory tender process occurring after no more than 10 years in 2028.

There are no contractual restrictions on the choice of the external auditor. The Audit Committee reviews the Auditors' independence and monitors the nature and level of non-audit fees payable to them on an annual basis. The Audit Committee believes that certain work of a non-audit nature is best undertaken by the external auditors, and that it is not appropriate to limit the level of such work by reference to a set percentage of the audit fee, as this does not take into account important judgments that need to be made concerning the nature of work undertaken to help safeguard the auditors' independence. Details of fees payable to the auditors are set out in note 7.

Where the auditor could not objectively provide services but had historically done so, it had given Wentworth sufficient notice of this and disengaged from this activity. This was the case with certain Group tax advisory services which had been provided by KPMG Calgary and has now been moved to CW Energy Consultants, based in the United Kingdom, and assisted by the computation of certain aspects of the IFRS 2 share-based payments charge, the valuations for which are now prepared internally by Wentworth.

The Audit Committee has reviewed the UK Corporate Governance and QCA Code including the requirement for FTSE 350 companies to put the external audit contract out to tender at least every ten years. Having considered the guidance on aligning the timing of such re-tenders with the audit engagement partner rotation cycle, the Audit Committee's current intentions are that it will initiate a re-tendering process in 2028 in line with KPMG LLP (UK)'s own requirements noted above. This policy will be kept under review and the Audit Committee will use its regular reviews of auditor effectiveness to assess whether an earlier date for such a re-tender would be desirable. The Audit Committee has recommended to the Board that it recommend the re-appointment of KPMG LLP (UK) at the 2020 AGM.

AUDIT COMMITTEE REPORT

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

Finally, the Audit Committee gave due consideration to the adequacy of its whistleblowing procedures and the ongoing engagement of LLP (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, Group Financial Controller and senior management.

REMUNERATION COMMITTEE REPORT

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year-ended 31 December 2019.

The Committee aims to ensure that remuneration is linked to the performance of the Company and believes that the Long-Term Incentive Plan ("LTIP"), 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 2019, the composition of the Board of Directors was subject to further change.Eskil Jersing resigned from the Company and Katherine Roe was appointed CEO. Cameron Barton left the Board in March having resigned previously.

No changes have been made to the remuneration policy and practices adopted at the end of 2018. 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.

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

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 management and recommending any changes to the remuneration policy;
- reviewing and agreeing the total remuneration package for the Executive Director and other members of senior management;
- approving targets for the performance-related LTIP scheme;
- agreeing KPIs for the Executive Director's annual bonus targets and monitoring achievement of those KPIs; and
- appointing remuneration consultants as may be required by the Committee to advise in respect of any matters.

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.

REMUNERATION COMMITTEE REPORT

Following a period of significant corporate change in 2018, there was further change during 2019 as Eskil Jersing resigned from his position as CEO towards the end of the year. Katherine Roe was appointed interim CEO and subsequently CEO.

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 Director 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.

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, where appropriate, 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, having discretion, in exceptional circumstances only, to increase beyond this. • 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 provided to Executive Directors including life assurance and private healthcare provisions.

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 management's 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 management. 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 the Company's achievement related to share price performance. Employees are entitled to a maximum annual bonus of up to two 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.

REMUNERATION COMMITTEE REPORT

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.

Service Contracts and change of control provisions

The Executive Director has a signed service contract that is not fixed in duration. Details of the Director's service contract and appointment dates are as follows:

	Date of Current Contract	Notice Period
Katherine Roe	23 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 AGM at the venue for the meeting.

Termination of employment

Clause 17 of the Executive Director's service agreement outlines 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 six 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 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.

LTIP
Non-Executive Directors do not participate in the LTIP Scheme.

KEY ACTIVITIES

- Agreed and set KPIs for the Executive Directors for 2019;
- agreed the total remuneration package for each Executive Director and members of senior management;
- agreed a new remuneration package for Katherine Roe on appointment as CEO; and
- agreed the terms of Eskil Jersing's resignation.

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.

REMUNERATION COMMITTEE REPORT

EXTERNAL ADVICE

Pinsent Mason provided legal advice in relation to the termination of Eskil Jersing's contract. No other external advice was sought by the Committee during the year.

DIRECTORS REMUNERATION DURING THE PERIOD ENDED 31 DECEMBER 2019

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 $	2019 Total $	2018 Total $
Eskil Jersing [1]	340,867	-	524,891	(12,825)	**852,933**	361,727
Katherine Roe [2]	260,172	131,846	50,201	55,726	**497,945**	175,986
Total	**601,039**	**131,846**	**575,092**	**42,901**	**1,350,878**	**537,713**

[1] Departed the Company on 15 November 2019 Eskil Jersing elected to take his pension of $34,055 as salary and it has been included within other benefits. Other amounts included in other benefits include; healthcare of $3,646; separation payment of $476,583; accrued but unused leave of $10,607.

[2] Appointed as CEO on 15 November 2019.

Annual Bonus of the Executive Director

The Remuneration Committee did not award a bonus to Eskil Jersing, as a result of his resignation, and on termination of his employment with the Company. Katherine Roe was awarded a bonus of $131,846 in recognition of KPI performance.

The following key objectives had been agreed with Katherine Roe for the financial year-ending 31 December 2019:

- HSSE: zero lost time incidents;
- Financial objectives: Quantifiable revenue and G&A targets;
- Operational targets: Quantifiable production targets;
- Objectives relating to stakeholder engagement and investor relations; and
- An M&A Transaction target.

LTIP Awards granted during the financial year

No LTIP awards were granted to the Directors during the financial year-ended 31 December 2019. At the time of Katherine Roe's appointment as permanent CEO, on 3 January 2020, the following LTIP award was granted 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]
Katherine Roe	3 January 2020	£0.1843	-	2,485,621	2,485,621	£458,100 ($599,946)

[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.

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

- The award is in the form of nil cost conditional rights to ordinary shares;
- Performance will be measured over a three-year period to 3 January 2023;
- 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; and
- In certain situations, including a change of control, the awards may vest early if no replacement award has been made.

Resignation of Eskil Jersing

On termination of Eskil Jersing's contract, the Remuneration Committee agreed that, in addition to his contractual entitlements, Eskil was paid a seperation payment of £30,000 ($38,626), which is included in the total remuneration table, as well as a contribution to his legal costs of £1,500 ($1,931).

Pursuant to the terms of his service agreement Eskil Jersing is subject to certain restrictive covenants in favour of the Company for a period of 12 months from termination of his service agreement.

REMUNERATION COMMITTEE REPORT

Total Remuneration of Non-Executive Directors

The table below reports remuneration for each Non-Executive Director

	Base Remuneration $	Bonus $	Other Benefits $	Share options $	2019 Total $	2018 Total $
Cameron Barton [1]	-	20,000	-	-	**20,000**	80,000
Robert McBean	230,518	-	26,204	-	**256,722**	418,418
John Bentley	76,807	-	-	-	**76,807**	80,000
Iain McLaren	76,807	-	-	-	**76,807**	18,030
Tim Bushell	76,807	-	-	-	**76,807**	18,030
Total	**460,939**	**20,000**	**26,204**	**-**	**507,143**	**614,478**

[1] Resigned, effective 31 March 2019

Following the resignation of Eskil Jersing on 15 November 2019, the Board (other than Robert McBean) determined that the Company would benefit from an extension of the term of Mr McBean's letter of appointment which terminated on 30 June 2020. In February 2020, the Company agreed with Mr McBean that his letter of appointment would be extended by 12 months to 30 June 2021, and in consideration for this the Company agreed to pay $100,000 immediately (equal to half of the termination payment due to Mr McBean on 30 June 2020) with the remaining $100,000 to be paid on 30 June 2021.

IMPLEMENTATION OF DIRECTOR REMUNERATION POLICY FOR 2020

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	KPIs have been agreed with the Executive Director for her 2020 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 will be capped at 100% of 2020 base salary.
LTIP	The Committee intends to grant further LTIP awards during 2020 in accordance with the Policy. The Committee will consider quantum, performance period and performance targets at the time of award but expects 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 2020 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 in 2018 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 2020	**Share options 24 April 2020**	Ordinary shares 24 April 2019	Share options 24 April 2019
Robert McBean	**9,605,385**	**1,900,000**	9,605,385	1,900,000
John Bentley	**368,202**	**900,000**	368,202	900,000
Iain McLaren	**302,502**	**-**	100,000	-
Tim Bushell	**-**	**-**	-	-
Eskil Jersing [1]		**-**		2,670,226
Katherine Roe [2]	**91,666**	**3,675,696**	-	1,190,075

[1] Resigned 15 November 2019
[2] Appointed permanent CEO 3 January 2020

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 $45k in 2019 (2018: $59k).

EXECUTIVE DIRECTOR EXTERNAL APPOINTMENTS

The Company acknowledges the benefit of the Executive Director accepting appointments as a Non-Executive Director of other companies however she is only permitted to engage in other activities and businesses outside the Group provided there is no risk of conflict with her executive duties and subject to full Board disclosure.

The Executive Director held the following positions during 2019 whilst she was an employee of the Company:

Katherine Roe is a Non-Executive Director of Longboat Energy plc and she was a Non-Executive Director of Faroe Petroleum plc until she resigned on 14 February 2019.

NOMINATIONS COMMITTEE REPORT

During 2019 the Board of the Company was subject to further change following the resignation of Eskil Jersing. The Nominations Committee met once during the year to discuss succession planning for the position of CEO and to assess the composition of the Board, the balance of skills and experience and the personal qualities and capabilities of the remaining board members. To maintain the Board as a well-functioning unit, the Committee recommended that Mr McBean's letter of appointment be extended by a 12-month period and that Katherine Roe be appointed interim CEO and subsequently CEO.

During 2020, the Committee will continue to evaluate the balance of the skills and qualities of the individual board members and will continue to focus on Board composition including succession planning for the Chairman, who will now retire at the end of June 2021.

John Bentley
Chairman, Nominations Committee

COMMITTEE MEMBERS

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

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; and
- Review the time requirement of Non-Executive Directors.

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 2019, the Committee passed a resolution to approve the RPS Canada Competent Persons Report for Mnazi Bay (effective date 31 December 2019).

Subsequently the Board has decided that the functions of the Reserves Committee can be carried out by the Board as a whole and therefore the Reserves Committee has been disbanded.

Tim Bushell
Chairman, Reserves Committee

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. The Executive Director maintains a Q&A page on the Corporate website and a Corporate page on Linkedin both of which are populated and updated regularly. 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 and shareholders and other interested parties can subscribe to receive notification of news updates and other documents from the Company via email. In addition, the Directors meet with major shareholders to discuss the progress of the Company. The Executive Director provides periodic feedback to the Board following meetings with shareholders.

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 2019.

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 2019, 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's and Chief Executive Officer's statements 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 17 to the financial statements.

RESULTS AND DIVIDENDS

The Group profit for the financial year was $2.3 million (2018: loss $75.2 million). This leaves an accumulated Group retained loss of $337.2 million (2018: $338.5 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 recommend the payment of a second interim dividend of $2.0 million with a total distribution of $3.0 million for 2019 (2018: $nil).

GOING CONCERN

The Group's 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, its cash flows and liquidity position are described in the Financial Review contained within this report.

With the world currently struggling to come to terms with the unprecedented events of the Covid-19 pandemic and the risk presented to the continued health and well-being of our workforce alongside the disruption that preventative measures have had on the global supply chain in placing restrictions on the transportation of goods, services and personnel set to continue for some time to come, considerable time and resource have been allocated by Directors and senior management in ensuring that Wentworth is best placed to be able to continue to safely produce gas from Mnazi Bay alongside the Operator, Maurel et Prom. Given the essential nature of services provided and the forecasted impact of the virus in the country, the Group notes that an interruption of production and unavailability of key workforce is remote. The Directors however are mindful of the speed with which circumstances may change, both for the better or for the worse, and all modelling is based on information that we currently have available to us.

The Group has a long established and collaborative relationship with the Government of the United Republic 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, judged that on a risk-weighted basis, which takes into consideration both the probability of occurrence and an estimate of the financial impact, the continued timely settlement of gas-sales invoices by the Government of the United Republic of Tanzania continues to be the most significant risk currently faced by the Group. To this end, should no settlement of further gas sales invoices be received from the date of approval of these financial statements, we have assessed that the Group would be able to continue to operate for a period of up to 14-months without the need for a further injection of working capital.

Further to this based on the application of reasonable and foreseeable sensitivities, which include potential changes in demand, capital spend, operating costs, the Directors believe that the Group is well placed to manage its financial exposures. The Directors have judged that owing to a combination of the stability of this relationship which has seen payment terms continue to improve during 2019, and its much improved financial position having fully repaid all of its fixed-term debt in January 2020, the Group has sufficient cash resources for its working capital needs, committed capital and operational expenditure programmes for at least the next 14-months based on the Directors worst case scenario of no settlement of future gas sales as noted above.

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 25 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 24. 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 (Non-Executive Chairman)
- Ms Katherine Roe (Chief Executive Officer)
- Mr Eskil Jersing (formerly Chief Executive Officer) (resigned 15 November 2019)
- Mr John Bentley (Non-Executive Director and Senior Independent Director)
- Mr Tim Bushell (Non-Executive Director)
- Mr Iain McLaren (Non-Executive Director)
- Mr Cameron Barton (Non-Executive Director) (resigned 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 AGM of the Company one-third of the Directors shall retire from office.

DIRECTORS' REPORT

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 shares[1] of no par value of the Company as at 31 March 2020:

Shareholder	No. of Shares	% of Issued Share Capital	% of Total Voting Rights [1]
AXA Investment Managers	18,784,944	10.0730	10.2004
Sustainable Capital	17,558,598	9.4154	9.5345
Vitol Energy	16,818,545	9.0185	9.1326
FiL Investment International	13,109,210	7.0295	7.1184
Robert P. McBean	9,605,385	5.1507	5.2158

[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 may be 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.

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

Katherine Roe
Chief Executive Officer

24 April 2020

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 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 IFRS 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

Katherine Roe
Chief Executive Officer

24 April 2020

INDEPENDENT AUDITORS' REPORT

Year-ended 31 December 2019

1. OUR OPINION IS UNMODIFIED

We have audited the consolidated financial statements of Wentworth Resources plc ("the Company") for the year ended 31 December 2019, which comprise the Consolidated Statement of Financial Position, the Consolidated Statement of Comprehensive Income, 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 consolidated financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the European Union, of the state of the Group's affairs as at 31 December 2019 and its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991.

Basis for opinion

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

2. 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.

We continue to perform procedures over Recoverability of Trade Receivables. However, following improvements in collections from the Group's largest counterparty, we have not assessed recoverability of trade receivables as a significant risk in our current year audit and, therefore, it is not separately identified in our report this year.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Going Concern (Risk vs 2018 ▲)

Refer to the Audit Committee Report, and accounting policy Note 1.

The risk

Disclosure Quality

Note 1 to the financial statements explains how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Group.

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

The risk most likely to adversely affect the Group's available financial resources over this period is defaults on payments by the Group's major customer.

There are also less predictable but realistic second order impacts, such as the challenges posed by the Covid-19 pandemic including potential disruption of production.

The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.

Our response

Our procedures included:

- Benchmarking assumptions: We assessed the appropriateness of key assumptions in the cash flow projections (including production costs, production volumes, committed and other planned capital expenditure) against our sector knowledge and experience, historical production information where relevant, internal development plans.
- Sensitivity analysis: We considered sensitivities around the level of production and receipt of payments from customers indicated by the Group's financial forecasts taking account of reasonably possible downside (but not unrealistic) adverse effects that could arise from the Covid-19 outbreak.
- Assessing transparency: We considered the appropriateness of relevant disclosures, including both the going concern disclosure in note 1 of the financial statements and also the commentary elsewhere in the annual report.

Recoverability of tangible and intangible assets (Risk vs 2018 ◄►)

Property, plant and equipment - $77.5 million (2018: $83.7 million), Exploration and Evaluation Assets - $8.1 million (2018: $8.1 million).

Refer to the Audit Committee Report, accounting policy Note 2, and financial disclosure notes.

The risk

Asset Carrying Amount

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 and if so that an Impairment test could result in a material change to the carrying value of assets. Identifying and assessing whether impairment indicators have arisen involves judgement and can be subjective.

Our response

Our procedures included:

- Accounting Application: evaluating management's assessment of indicators of impairment of the Group's operating and exploration assets with reference to the relevant accounting standards.
- Test of details: Assessing indicators of impairment by considering changes in the political, economic and legal environment and their implications on the Group's business. Identifying and assessing changes in production profile and plans, asset obsolescence, and any significant changes in cost base.
- Assessing transparency: we assessed the appropriateness of the Group's disclosures about the outcome of the impairment indicators assessment.

Recoverability of Deferred Tax assets (Risk vs 2018 ◄►)

(Deferred Tax Asset- $5.5 million (2018: $4.0 million)

Refer to the Audit Committee Report, accounting policy Note 2, and financial disclosure notes.

The risk

Forecast-based valuation

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. There is judgement involved in determining the extent to which tax losses can be used to absorb future taxable profits as tax legislation can be subject to interpretation. The effect of these matters is that, as part of our risk assessment, we determined that the recoverable amount of deferred tax assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.

Our response

Our procedures included:

- Our tax expertise: Use of our own tax specialists to assist us in assessing the recoverability of the tax losses against the forecast future taxable profits, taking into account the group's tax position, the timing of forecast taxable profits, and our knowledge and experience of the application of relevant tax legislation.
- Assessing impact (if any) of updated tax legislation and inspecting correspondence with tax authorities (where applicable) to assess interpretation of tax legislation.
- Assessing forecasts: challenging key assumptions underpinning near and medium term financial projections against reserves report prepared by external experts, historical production information where relevant, internal development plans and our knowledge and experience of the sector and the economic conditions in Tanzania.
- We compared previous forecasts against actual results achieved to assess historical reliability of the forecasting.
- Assessing transparency: we assessed the adequacy of the Group's disclosures regarding the deferred taxation asset.

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

Materiality for the consolidated financial statements as a whole was set at $1.15 million (2018: $1.57 million) determined with reference to a benchmark of group total assets, of which it represents 1.0% (2018: 1.0%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding $58k (2018: $78k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 8 (2018: 3) reporting components, we subjected 3 to full scope audit (2018: 1) and 2 (2018: 2) to audits of account balances for Group purposes. The components for which we performed work other than audits for group reporting purposes were not individually significant but were included in the scope of our work in order to provide further coverage over the group's results.

The components within the scope of our work accounted for the percentages illustrated below.

(2018: 1 Audits for group reporting and 2 audits of account balances covering 100% of revenue, 100% of PBT, and 96% group assets)

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	3	100%	100%	96%
Audits of account balances	2	0%	0%	0%
Total	8	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 $925k and $637k (for Wentworth Gas Limited and Cyprus Mnazi Bay Limited respectively) (2018: $1.25 million for both components) having regard to the mix of size and risk profile of the Group across the components. The work for group reporting purposes on 2 (2018: 2) of the 8 (2018: 3) components was performed by the component auditor and the rest, was performed by the Group team.

The Group team visited the component auditor located in Tanzania to assess the audit risk and strategy which relates to both reporting components. Telephone conference meetings were also held with the component auditor. At these meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

4. 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, including Brexit and Covid-19 (as discussed above), 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.

We identified going concern as a key audit matter (see section 2 of this report). Based on the work described in our response to that key audit matter, 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.

5. 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, except as explicitly stated below, 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.

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

We have nothing to report in these respects.

7. RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in the Statement of Directors' Responsibilities, 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

8. 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 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 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year-ended 31 December 2019

	Note	**31 December 2019 $000**	31 December 2018 $000
Total revenue	5	**18,636**	16,224
Production and operating costs		**(3,935)**	(2,290)
Depletion	16	**(6,236)**	(7,803)
Total cost of sales		**(10,171)**	(10,093)
Gross Profit		**8,465**	6,131
Recurring administrative costs	7	**(5,883)**	(6,289)
New venture and pre – licence costs		**(609)**	-
Amounts capitalised to E&E assets		**-**	664
Impairment loss on E&E assets	15	**-**	(41,598)
Provision for Tanzania Government receivables	14	**-**	(4,959)
Management restructuring costs	10	**(489)**	(940)
Redomicile costs		**-**	(1,393)
Share-based payment charges	24	**(63)**	(98)
Depreciation	16	**(2)**	(12)
Loss on sale of PP&E		**-**	(3)
Tanzanian withholding tax costs	28	**-**	(993)
Total costs		**(7,046)**	(55,621)
Profit/(loss) from operations		**1,419**	(49,490)
Finance income	11	**21**	2,659
Finance costs	11	**(453)**	(1,616)
Profit/(loss) before tax		**987**	(48,447)
Current tax expense	28	**(132)**	(63)
Deferred tax income/(expense)	28	**1,511**	(26,714)
		1,379	(26,777)
Net and comprehensive profit/(loss) after tax		**2,366**	(75,224)
Net profit/(loss) per ordinary share			
Basic and diluted (US$/share)	26	**0.01**	(0.40)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year-ended 31 December 2019

	Note	**31 December 2019 $000**	31 December 2018 (Restated)[1] $000
ASSETS			
Current assets			
Cash and cash equivalents		**13,487**	11,903
Trade and other receivables	12	**6,075**	9,403
TPDC receivables	13	**-**	5,238
		19,562	22,194
Non-current assets			
Exploration and evaluation assets	15	**8,129**	8,129
Property, plant and equipment	16	**77,559**	83,777
Deferred tax asset	28	**5,548**	4,036
		91,236	95,942
Total assets		**110,798**	118,136
LIABILITIES			
Current liabilities			
Trade and other payables	18	**2,125**	3,062
Current portion of long-term loans	20	**1,714**	7,091
Contingent PTTEP liability	21	**-**	848
		3,839	11,001
Non-current liabilities			
Long-term loans	20	**-**	1,688
Decommissioning provision	22	**1,085**	969
		1,085	2,657
EQUITY			
Share capital	25	**416,426**	416,426
Equity reserve	25	**26,651**	26,588
Accumulated deficit		**(337,203)**	(338,536)
		105,874	104,478
Total liabilities and equity		**110,798**	118,136

[1] Restated amounts relate to the presentation adjustment net-off of $2.5 million cash and cash equivalents within current assets against $2.5 million credit overdraft facility within current liabilities with respect to the undrawn overdraft credit facility at 31 December 2018 (note 19).

The financial statements of Wentworth Resources plc, registered number 127571 were approved by the Board of Directors and authorised for issue on 24 April 2020.

Signed on behalf of the Board of Directors.

Katherine Roe
Chief Executive Officer

24 April 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year-ended 31 December 2019

	Note	Number of shares	Share capital $000	Equity reserve $000	Accumulated deficit $000	Total equity $000
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	24	-	-	98	-	98
Balance at 31 December 2018		**186,488,465**	**416,426**	**26,588**	**(338,536)**	**104,478**
Dividends	27	-	-	-	(1,033)	(1,033)
Net profit and comprehensive profit		-	-	-	2,366	2,366
Share based compensation	24	-	-	63	-	63
Balance at 31 December 2019		**186,488,465**	**416,426**	**26,651**	**(337,203)**	**105,874**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year-ended 31 December 2019

	Note	**31 December 2019 $000**	31 December 2018 (Restated)[1] $000
Operating activities			
Net profit/(loss) for the year		**2,366**	(75,224)
Adjustments for:			
Depreciation and depletion	16	**6,238**	7,815
Impairment loss on E&E assets	15	**-**	41,598
Provision for Tanzania Government receivables	14	**-**	4,959
Finance costs/(income), net	31	**432**	(1,043)
Deferred tax expense	28	**(1,511)**	26,714
Share based compensation	24	**63**	98
Loss on sale of PP&E		**-**	3
		7,588	4,920
Change in non-cash working capital	31	**410**	1,576
Net cash generated from operating activities		**7,998**	6,496
Investing activities			
Additions to exploration and evaluation assets	31	**-**	(1,806)
Additions to property, plant and equipment	31	**(20)**	(1,968)
Reduction of TPDC receivable	31	**5,238**	15,377
Proceeds from sale of office assets	16	**-**	3
Interest income		**21**	-
Net cash from investing activities		**5,239**	11,606
Financing activities			
Principal term loan repayments	20	**(6,661)**	(6,996)
Overdraft credit facility repayment[1]	19	**-**	(2,500)
Interest on term loan	20	**(593)**	(1,544)
Interest/renewal fee on overdraft facility	19	**(18)**	(68)
Payment of contingent PTTEP liability	21	**(848)**	(1,341)
Dividends paid	27	**(1,033)**	-
Net cash used in financing activities		**(9,153)**	(12,449)
Net change in cash and cash equivalents		**4,084**	5,653
Cash and cash equivalents, beginning of the period		**9,403**	3,750
Cash and cash equivalents, end of the period		**13,487**	9,403

[1] Restated amounts relate to the presentation adjustment net-off of $2.5 million cash and cash equivalents within current assets against $2.5 million credit overdraft facility within current liabilities with respect to the undrawn overdraft credit facility at 31 December 2018 (note 19).

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2019

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 and shares of the Company as at 31 December 2019 were widely held and listed on the AIM part of the London Stock Exchange (ticker: WEN).

The Company's principal place of business is located at Thames Tower, 2nd Floor, Station Road, Reading RG1 1LX, United Kingdom.

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

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

The consolidated financial statements were approved by the Board of Directors on 24 April 2020.

At the time of writing this report, relatively little is known about the behaviour and ultimate impact of the Covid-19 virus, both operational and financial. The virus was entirely unanticipated, and the speed of infection and reinfection has taken worldwide authorities by surprise. Freedom of movement and security protocols have been put in place in the United Kingdom that are unprecedented in the past 75-years. That being said, Wentworth has never been in a stronger position to be able to absorb and deal with the potential downside scenarios that we have been working very hard to model and mitigate internally. Ultimately, however, it will be the macro-economic environment that influences the impact upon the wider Group and there can be no certainty as to what this final outcome will be. We continue to apply the judgement that the business will continue, anticipating minimal disruption and do not at this stage foresee these to be either longstanding or material to our business. We do, however, continue to monitor the situation as it progresses and are mindful of the speed in which circumstances may change, both for the better or for the worse.

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 legal entities within the Wentworth Group of Companies are disclosed within note 17. All inter-company transactions, balances and unrealised gains on transactions between the parent and subsidiary companies are eliminated on consolidation.

The Group holds a 31.94% participation interest in the Mnazi Bay Concession through two subsidiaries. Wentworth Gas Limited ("WGL"), which is a wholly owned subsidiary, owns a 25.40% participation interest and 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.

The Group's 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, its cash flows and liquidity position are described in the Financial Review contained within this report.

With the world currently struggling to come to terms with the unprecedented events of the Covid-19 pandemic and the risk presented to the continued health and well-being of our workforce alongside the disruption that preventative measures have had on the global supply chain in placing restrictions on the transportation of goods, services and personnel set to continue for some time to come, considerable time and resource have been allocated by Directors and senior management in ensuring that Wentworth is best placed to be able to continue to safely produce gas from Mnazi Bay alongside the Operator, Maurel et Prom. Given the essential nature of services provided and the forecasted impact of the virus in the country, the Group notes that an interruption of production and unavailability of key workforce is remote. The Directors however are mindful of the speed with which circumstances may change, both for the better or for the worse, and all modelling is based on information that we currently have available to us.

The Group has a long established and collaborative relationship with the Government of the United Republic 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, judged that on a risk-weighted basis which takes into consideration both the probability of occurrence and an estimate of the financial impact, the continued timely settlement of gas-sales invoices by the Government of the United Republic of Tanzania continues to be the most significant risk currently faced by the Group. To this end, should no settlement of future gas sales invoices be received from the date of approval of these financial statements, we have assessed that the Group would be able to continue to operate for a period of up to 14-months without the need for a further injection of working capital.

Further to this based on the application of reasonable and foreseeable sensitivities, which include potential changes in demand, capital spend, operating costs, the Directors believe that the Group is well placed to manage its financial exposures. The Directors have judged that owing to a combination of the stability of this relationship which has seen payment terms continue to improve during 2019 and its much improved financial position having fully repaid all of its fixed-term debt in January 2020, the Group has sufficient cash resources for its working capital needs, committed capital and operational expenditure programmes for at least the next 14-months based on the Directors worst case scenario of no settlement of future gas sales as noted above.

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.

Future accounting pronouncements

The following amended standards and interpretation are effective for financial years commencing on or after 1 January 2020. 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 3 (amendments)	Definition of a Business	1 January 2020	Endorsed
IAS 1 and IAS 8 (amendments)	Definition of Material	1 January 2020	Endorsed
IFRS 9, IAS 39 and IFRS 7 (amendments)	Interest Rate Benchmark Reform	1 January 2020	Endorsed
IFRS 17	Insurance Contracts	1 January 2021	Endorsed

The Company intends to adopt the above listed standards and interpretations in its financial statements for the annual period beginning 1 January 2020. 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. By virtue of the provisions contained within the underlying shareholder agreements, to which CMBL (see below for accounting considerations of this entity) and Wentworth Holdings Gas Limited, a wholly owned subsidiary of Wentworth Resources plc, are parties to, management have assessed that the Company has a joint arrangement through its 31.94% ownership in the licence and accounts for this interest as a joint operation as no single individual shareholder may exercise absolute control over the entity. The agreement is bilateral, with Maurel et Prom and whilst the Operator may make day-to-day decisions, the overall strategic direction of the partnership requires unanimous consent between Maurel et Prom and Wentworth. Maurel et Prom hold 48.06% share in the licence and 20% is owned by TPDC. As such the Group is entitled to its share of production from the licence and therefore revenue generated from the sale of this output. Wentworth also recognise its share of all expenses incurred the joint arrangement, its right to the assets, as well as its share of the liabilities and obligations.

Accounting treatment of CMBL

The Group holds a 31.94% participation interest in the Mnazi Bay Concession through two subsidiaries. WGL, which is a wholly owned subsidiary, which owns a 25.40% participation interest and Wentworth Holdings (Jersey) Limited, a wholly owned subsidiary whom hold 39.925% in CMBL, which owns a 16.38% participation interest of which the Group's proportionate share is therefore 6.54% (i.e. Wentworth's interest of 39.925% interest in CMBL multiplied by 16.38% participation interest). CMBL is considered a jointly controlled entity and accounted for as a joint operation rather than a joint venture. The Group therefore recognises its share of production from the licence and therefore revenue generated from the sale of this output. It also recognises its share of all expenses incurred the joint arrangement, its right to the assets, as well as its share of the liabilities and obligations.

Financial instruments

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

(i) Financial assets

Classification and initial measurement

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

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

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

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

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

Subsequent measurement

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

Derecognition

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

Impairment of financial assets

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

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

(ii) Financial liabilities

Classification and initial measurement

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

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

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

Subsequent measurement

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

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

Derecognition

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

(iii) Offsetting of financial instruments

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

(iv) Fair value of financial instruments

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

Cash and cash equivalents

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

Exploration and evaluation ("E&E")

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

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

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

Leases

IFRS 16 Leases applies to all leases, including subleases, but does not apply to leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there as a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in a profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12-months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Decommissioning obligation

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

Impairment

The carrying values of production assets, exploration and evaluation expenditures that have been capitalised and property, plant and equipment are assessed for impairment when indicators of such impairment exist. In performing impairment reviews, assets are categorised into the smallest identifiable groups (cash generating units) that generate cash flows independently. If any indication of impairment exists, the estimated recoverable amount of the asset or cash generating unit ("CGU") is calculated.

If the carrying amount of the asset or CGU exceeds its recoverable amount, it is impaired with the loss charged to the income statement so as to reduce the carrying amount to its recoverable amount.

Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset or CGU.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount.

(i) Calculation of recoverable amount

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

(ii) Reversals of impairment

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

Share capital

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

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

Share issuance costs

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

Share based payments

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

Capitalisation of interest

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

Revenue recognition

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

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

Changes in accounting policies

IFRS 16 'Leases' was adopted on 1 January 2019, replacing International Accounting Standards ("IAS") 17 'Leases'. The new standard has not been applied retrospectively. The standard changes the identification of leases and how they will be recognised, measured and disclosed by lessees, requiring the recognition of a right-of-use asset and liability for the future lease payments on the balance sheet. The standard requires the right-of-use asset to be depreciated over the duration of the lease term and shown within operating profit in the income statement, with the interest cost associated with the financing of the asset included within interest expense. In applying the transition requirements and provisions of the new standard, the Group reviewed its lease contracts, which mainly related to leased office buildings and the right-of-use asset and related liability was found to be immaterial. The standard does not apply to leases to explore for or use natural resources, such as production licences and rights.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases which have low value, or short-term leases with a duration of 12 months or less. The payments associated with such leases are charged directly to the income statement on a straight-line basis over the lease term.

In assessing the application of IFRS 16, the Group considered the following practical expedients:

- the previous determination of whether a contract is, or contains, a lease pursuant to IAS 17 'Leases' and IFRIC 4 'Determining whether an Arrangement Contains a Lease' has been maintained for existing contracts;
- right-of-use assets or lease liabilities for leases where the lease term ends within 12 months of the date of initial application have not been recognised;
- initial direct costs from right-of-use assets have been excluded; and
- hindsight was used when assessing the lease term.

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.

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

Significant accounting Judgements

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

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 over whether reserves are recoverable or not 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.

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.

Key sources of estimation uncertainty

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

The valuation underpinning the carrying value of PP&E assets are largely dependent on supply and demand variables.

The gas sales price is fixed and the cost base of production operations is also largely fixed in nature. Whilst the benefits of increased production volumes are clear, the opposite is equally true during operational downtime, prolonged or permanent gas supply outages which may in turn impact upon the commerciality of the field. Mnazi Bay currently has 5 producing wells and formally signed the COD making all terms contained within the Mnazi Bay GSA legally binding and fully in effect from 10 September 2019. The Mnazi Bay JO is committed to supplying a minimum quota of natural gas to TPDC and TANESCO of 80.0 MMscf/day rising to 130.0 MMscf/day for the entire remaining term of the GSA and is guaranteed of future

revenue streams via a take or pay provision of 85% of these amounts. Whilst this greatly strengthens and formally ratifies the long-term commerciality of the Mnazi Bay asset, 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 $77.6 million.

Gas sales in Tanzania are not only constrained by the ability of the joint operation 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 field is contingent upon the continued demand for Mnazi Bay gas.

Reserves estimates

Significant accounting judgements

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

Key sources of estimation uncertainty

Oil and natural gas reserves, prepared by an external independent reserve evaluator as at 31 December 2019, are used in the calculation of depletion, impairment and impairment reversal determinations and recognition of deferred tax asset. Reserve estimates are based on engineering data, estimated future prices and costs, expected future rates of production and the timing of future capital expenditures; all of which are subject to many uncertainties and certain input assumptions.

Foreign currency exposure

Significant accounting judgements

The Group operates across a number of different jurisdictions with primary exposures to US Dollars, Tanzanian Shillings and Pound Sterling. The Directors have judged both the functional and presentation currencies of the Group to be US Dollars.

Key sources of estimation uncertainty

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. All group revenue is generated from gas sales in Tanzania and upon declaration of COD on 10 September 2019 the PSA entered 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. Currently the Operator continues to be paid in US Dollars. While some costs are denominated in Tanzanian Shillings, most of the operating expenditures are denominated in US Dollars which would lead to an increased currency exposure if payment were to be received in Tanzanian Shillings. Wentworth Resources plc deposits any cash reserves that it does not immediately need with counterparties rated BB- or better (S&P long-term rating or equivalent). Deposits are made primarily in US Dollars, the functional currency of the Group, unless a future requirement for other currencies is identified and reserves of that currency are held but not immediately required. Where possible, cash reserves are deposited with more than one counterparty to mitigate the risk of counterparty default. The Company does not currently undertake any currency hedges.

Abandonment provision

Significant accounting judgements

The Directors use judgement and experience to determine the expected timing, closure and decommissioning method, which can vary in response to changes in the relevant legal requirements or decommissioning technologies.

Key sources of estimation uncertainty

The ultimate cost of decommissioning and rehabilitation is uncertain and cost estimates can vary in response to many factors including the emergency of new restoration techniques and costs of labour. Therefore, the Group periodically reviews the cost estimate for its operations. 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. Due to the relatively long life of the Groups assets, changes in estimates within a reasonably possible range in the next 12 months are not expected to significantly impact the carrying value of the Groups provisions for decommissioning and site restoration costs.

Taxes

Significant accounting judgements

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

Key sources of estimation uncertainty

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

- The timing and discounting of future profits for 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.

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

4. SEGMENT INFORMATION

The Company conducts its business through Tanzania ("Mnazi Bay Concession") segment. Gas operations include the exploration, development, and production of natural gas and other hydrocarbons. The Mozambique ("Rovuma Onshore Block") segment was relinquished, effective 30 April 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.

Net income/(loss) for the year-ended 31 December 2019

	Tanzania Operations $000	Corporate $000	Consolidated $000
Total revenue	**18,636**	**-**	**18,636**
Production and operating costs	(3,935)	-	(3,935)
Depletion	(6,236)	-	(6,236)
Total cost of sales	(10,171)	-	(10,171)
Gross profit	**8,465**	**-**	**8,465**
Recurring administrative costs	(2,939)	(2,944)	(5,883)
New venture and pre-licence costs	-	(609)	(609)
Management restructuring costs	-	(489)	(489)
Share-based payment charges	(23)	(40)	(63)
Depreciation and depletion	-	(2)	(2)
Total costs	**(2,962)**	**(4,084)**	**(7,046)**
Profit/(loss) from operations	**5,503**	**(4,084)**	**1,419**
Finance income	-	21	21
Finance costs	(338)	(115)	(453)
Profit/(loss) before tax	**5,165**	**(4,178)**	**987**
Current tax expense	(83)	(49)	(132)
Deferred tax expense	1,511	-	1,511
	1,428	(49)	1,379
Net profit/(loss) and comprehensive profit/(loss) from continued operation	**6,593**	**(4,227)**	**2,366**

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2019

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

	Tanzania Operations $000	Mozambique (Discontinued) $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 restructuring 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 PP&E	(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 from continued operation	**(28,211)**	**-**	**(5,396)**	**(33,607)**
Net loss and comprehensive loss from discontinued operation	**-**	**(41,617)**	**-**	**(41,617)**

Selected balances at 31 December 2019

	Tanzania Operations $000	Mozambique (Discontinued) $000	Corporate $000	Consolidated $000
Current assets	8,758	118	10,686	19,562
Exploration and evaluation assets	8,129	-	-	8,129
Property, plant and equipment	77,556	-	3	77,559
Deferred tax asset	5,548	-	-	5,548
Total assets	**99,991**	**118**	**10,689**	**110,798**
Current liabilities	3,356	-	483	3,839
Non-current liabilities	1,085	-	-	1,085
Total Liabilities	**4,441**	**-**	**83**	**4,924**

Capital additions for the year-ended 31 December 2019

Additions to property, plant and equipment	18	-	2	20

Selected balances at 31 December 2018

	Tanzania Operations (Restated)[1] $000	Mozambique (Discontinued) $000	Corporate $000	Consolidated (Restated)[1] $000
Current assets[1]	21,391	392	411	22,194
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	**117,329**	**392**	**415**	**118,136**
Current liabilities[1]	9,870	428	703	11,001
Non-current liabilities	2,657	-	-	2,657
Total Liabilities	**12,527**	**428**	**703**	**13,658**

[1] Restated amounts relate to the presentation adjustment net-off of $2.5 million cash and cash equivalents within current assets against $2.5 million credit overdraft facility within current liabilities with respect to the undrawn overdraft credit facility at 31 December 2018 (note 19).

Capital additions for the year-ended 31 December 2018

Additions to exploration and evaluation assets	-	1,086	-	1,806
Additions to property, plant and equipment	1,256	-	6	1,262

5. REVENUE

	2019 $000	2018 $000
Revenue from gas sales	**18,601**	16,169
Revenue from condensate sales	**35**	55
	18,636	16,224

6. LEASES

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Company is a lessee:

2019: Leases under IFRS 16

	2019 $000
Expenses relating to short-term leases	**250**

2018: Operating leases under IAS 17

	2019 $000
Leases expenses	**281**

Amounts recognised in statement of cash flows

	2019 $000	2018 $000
Cash outflow for leases	**250**	**281**

7. EXPENSES AND AUDITOR'S REMUNERATION

	2019 $000	2018 $000
Employee salaries and benefits	**2,277**	2,685
Contractors and consultants	**972**	775
Travel and accommodation	**248**	347
Professional, legal and advisory	**829**	1,257
Office and administration	**638**	696
Corporate and public company costs	**919**	529
	5,883	6,289
Auditor's remuneration:		
Audit of these financial statements	**111**	107
Audit of financial statements of subsidiaries of the Company	**151**	52
Taxation compliance services	**62**	202
Other tax advisory services	**60**	15
	384	376

8. STAFF NUMBERS AND COSTS

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

	2019 Number of employees	2018 Number of employees
Senior Managers	**1**	2
Managers and supervisors	**5**	5
Support staff	**9**	8
	15	15

The aggregate payroll costs were as follows:

	2019 $000	2018 $000
Salaries	**775**	845
Social security costs	**167**	79
Bonus	**116**	93
Severance	**-**	111
Other payroll costs	**141**	169
	1,199	1,297

9. DIRECTORS' REMUNERATION

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

	2019 $000	2018 $000
Director's remuneration	**1,062**	787
Bonus	**152**	334
Severance	**489**	-
Other benefits	**112**	46
LTIP charges	**43**	37
Share option charges	**-**	15
	1,858	1,219

The aggregate of remuneration of the highest paid Director was $341k (2018: $202k).

10. MANAGEMENT RESTRUCTURING COSTS

During year 2019, management restructuring costs of $489k (2018: $940k) were incurred and comprise employee severance related to the departure of Eskil Jersing, formerly CEO of the Company, who was based in Reading, United Kingdom.

11. FINANCE INCOME AND FINANCE COSTS

	2019 $000	2018 $000
Finance income		
Interest income	**21**	-
Accretion – TPDC receivable (Note 13)	**-**	2,188
Accretion – Tanzanian Government receivable (Note 14)	**-**	471
	21	2,659
Finance costs		
Accretion – decommissioning provision	**(116)**	(104)
Change in estimates – Tanzanian Government receivable (Note 14)	**-**	(471)
Interest expense and other finance costs	**(208)**	(980)
Foreign exchange loss	**(129)**	(61)
	(453)	(1,616)

12. TRADE AND OTHER RECEIVABLES

	2019 $000	2018 $000
Trade receivable from TPDC	**4,014**	5,760
Other receivable from TPDC	**513**	513
Trade receivable from TANESCO	**789**	491
Other receivables	**759**	789
	6,075	7,553

Other receivables from TPDC represent income tax of $513k (2018: $513k) paid by WGL, a wholly owned subsidiary of the Company. The income tax is anticipated to be recovered from TPDC's share of profit gas within the next 12-months under the terms of the Mnazi Bay PSA, which provides such a mechanism for the recovery of all corporate taxes.

Other receivables include Value Added Tax ("VAT") recoverable of $279k (2018: $258k), gas condensate sales of $35k (2018: $74k) and corporate tax prepayments with respect to changes in the Tanzanian tax law of $312k (2018: $326) in accordance with IFRS 9. The Company notes no material expected credit losses.

13. TPDC RECEIVABLES

On 30 June 2009, the Company and TPDC entered into a 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 was considered a financial instrument and initially recorded at fair value based on discounted cash flows and its carrying amount has been adjusted for accretion and changes in the estimated timing of cash flows.

As at 31 December 2019, the receivable from TPDC was fully recovered (2018: $5.2 million).

	$000
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
Retained gas revenue to offset receivable	(5,685)
Share of TPDC Mnazi Bay Concession costs paid by the Company	447
Balance at 31 December 2019	**-**

14. TANZANIA GOVERNMENT RECEIVABLES

As at 31 December 2019, the undiscounted Tanzanian Government receivable is $6.5 million (2018: $6.5 million).

	$000
Balance at 31 December 2017	4,959
Accretion	417
Change in estimated timing of receipt	(417)
Provision against amortised balance	(4,959)
Balance of amortised cost at 31 December 2018	**-**
Accretion	516
Change in estimated timing of receipt	(516)
Balance of amortised cost at 31 December 2019	**-**

The Group has an agreement with the Government of the United Republic of Tanzania (TANESCO, TPDC and 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 totalling $1.6 million, the amount agreed to be reimbursed was $6.5 million.

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

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

15. EXPLORATION AND EVALUATION ASSETS

	Tanzania $000	Mozambique $000	Total $000
Cost			
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 and 2019	**8,129**	**-**	**8,129**

During 2018, the Company performed a technical and commercial review of the Mozambique E&E asset portfolio and determined that the Tembo licence did not provide the Company with suitable monetisation solutions in keeping with the Company's material growth mandate. All Mozambique E&E assets of $41.6 million were impaired in 2018.

Tanzania E&E assets were $8.1 million (2018: $8.1 million). The Mnazi Bay Concession agreement will expire in 2031. The Mnazi Bay joint operation have identified several prospects within the concession area but outside of the area covering discovered gas reserves. The costs incurred in evaluating these prospects have been capitalised and, to the extent that it is possible to do so given their maturity, have been assessed as being recoverable in full.

16. PROPERTY, PLANT AND EQUIPMENT

	Natural gas properties $000	Office and other equipment $000	Total $000
Cost			
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
Additions	18	2	20
Balance at 31 December 2019	**104,046**	**608**	**104,654**
Accumulated depreciation and depletion			
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)
Depreciation and depletion	(6,236)	(2)	(6,238)
Balance at 31 December 2019	(26,490)	(605)	(27,095)
Carrying amounts			
31 December 2018	83,774	3	83,777
31 December 2019	77,556	3	77,559

The Company assessed triggers for impairment on the natural gas properties and determined that none of the criteria had been met. An impairment test was therefore not required. Materially all 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 Proved plus Probable reserves of $118.6 million is in excess of the net book value of the Company's PP&E.

17. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings at 31 December 2019 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 [1]	Mozambique	Ordinary	Indirect	100%	Exploration company

[1] The Wentworth Moçambique Petroleos, Limitada is in the process of liquidation after relinquishment of the Tembo Block Appraisal Licence.

18. TRADE AND OTHER PAYABLES

	2019 $000	2018 $000
Payable to Maurel et Prom (Operator)	**1,303**	1,710
Trade payables	**150**	413
Other payables and accrued expenses	**672**	939
	2,151	3,207

Other payables and accrued expenses includes accrued bonus $203k (2018: nil), payroll taxes $25k (2018: $133k) and accrued third party services $372k (2018: $806k).

19. RESTATEMENT OF OVERDRAFT CREDIT FACILITY

The Company has a rolling one-year, $2.5 million overdraft credit facility with a Tanzanian Government owned bank which was is in the process of being renewed for a further 12 months to 5 April 2021 subject to 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.

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 December 2019, the Company paid interest expense and renewal fee of $18k (2018: $68k) on the overdraft credit facility.

The credit facility, which was fully repaid on 9 July 2018, was not drawn-down at the year-ended 31 December 2018 but was included within cash and cash equivalents, with a matching current liability recognised within "overdraft credit facility". It was felt that to better reflect the true nature of the Group's position, provide enhanced transparency to the financial reporting process and bring the presentation in-line with established international accounting convention, that the cash and cash equivalents asset be netted down against the undrawn overdraft credit facility liability. This restatement has had no effect on either the net asset position or the net and comprehensive profit after tax of the Group at 31 December 2018.

20. LONG-TERM LOANS

Credit facilities from Tanzania based banks

On 8 December 2014, WGL, a wholly owned subsidiary of the Company, entered into a $20.0 million loan to finance field infrastructure development within the Mnazi Bay Concession in Tanzania.

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 2019, the Company incurred interest expense on long-term loans, inclusive of accretion of financing costs, of $0.2 million (2018: $0.9 million). A total of $0.6 million was settled in cash during 2019 (2018: $1.5 million).

The carrying amount of the long-term loans include transaction costs of $25k (net of accretion). At 31 December 2019, 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	
Balance as at 1 January 2018	15,661
Proceeds from loan	-
Loan repayments during the year	(6,996)
Total changes from financing cash flows	**(6,996)**
Other changes	
Interest expense	1,178
Interest paid	(1,544)
Finance cost accretion	(266)
Transitional adjustment	746
Total other charges	**114**
Balance as at 31 December 2018	8,779
Proceeds from loan	-
Loan repayments	(6,661)
Total changes from financing cash flows	**(6,661)**
Interest expense	474
Interest paid	(593)
Finance cost accretion	(285)
Total other charges	**(404)**
Balance as at 31 December 2019	**1,714**

The $20 million credit facility

During 2017, the Company executed amendments to the credit facility agreement, which included the restructuring of principal loan repayments and added provisions. The new provisions were not finalised at the time of the execution of the amendment to the credit facility agreement. On 6 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 its 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 2019, the six-month interest rate was 9.69%.

As at 31 December 2019, only one principal repayment of $1,684k was outstanding which was paid on 30 January 2020.

21. CONTINGENT PTTEP LIABILITY

On 26 July 2012, the Company completed the acquisition of Cove Energy plc's 16.38 percent interest in Mnazi Bay production operations which was held by Cove Energy's 100 percent owned subsidiary Cove Energy Tanzania Mnazi Bay Limited.

Part of the consideration was a contingent payment to Cove Energy of up to $8.5 million, should certain future natural gas production thresholds from Mnazi Bay be achieved.

At the same time, the Company completed the sale of 60.075 percent of the share capital of CETMBL to Maurel et Prom for which their part of the contingent consideration was $5.1 million.

The net contingent liability for the Company after the completion of the two transactions was, therefore, $3.4 million ($8.5 million less $5.1 million).

The net contingent liability as at 31 December 2019 was $nil (31 December 2018: $850k).

	2019 $000	2018 $000
Balance at 1 January	**848**	2,189
Payments to reduce liability	**(848)**	(1,341)
Balance at 31 December	**-**	848

22. 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 2019 were 12.0% and 2.03%, respectively (2018: 12.0% and 2.03%, respectively).

A reconciliation of the decommissioning obligations is provided below:

	2019 $000	2018 $000
Balance at 1 January	**969**	865
Accretion	**116**	104
Balance at 31 December	**1,085**	969

23. 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 may 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 $768k. As the process has yet to be finalised and fair values agreed, the buy-back remains contingent at the balance sheet date.

24. SHARE-BASED PAYMENTS

	2019 $000	2018 $000
Share based compensation recognised in the statement of Comprehensive loss	**63**	98

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

	2019		2018	
	Number of options	**Weighted average exercise price (US$)**	Number of options	Weighted average exercise price (US$)
Outstanding at 1 January	**12,560,301**	**0.49**	10,600,000	0.52
Granted	**495,422**	**-**	3,560,301	0.49
Forfeited	**(5,020,226)**	**0.29**	(1,600,000)	0.49
Lapsed	**(1,650,000)**	**0.62**	-	-
Outstanding at 31 December	**6,385,497**	**0.57**	12,560,301	0.49

The following table summarises share options outstanding and exercisable at 31 December 2019:

		Outstanding		**Exercisable**
Exercise price (NOK)	Exercise price (US$)[1]	Number of options	Weighted average remaining life (years)	Number of options
-	-	1,385,497	9.4	-
3.85	0.44	750,000	6.0	750,000
3.60	0.41	1,600,000	0.8	1,600,000
4.08	0.46	250,000	3.3	250,000
5.18	0.59	200,000	4.4	200,000
5.18	0.59	1,700,000	4.2	1,700,000
5.57	0.63	500,000	1.3	500,000
		6,385,497		**5,000,000**

[1] The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at 31 December 2019 is 0.113891.

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

		Outstanding		Exercisable
Exercise price (NOK)	Exercise price (US$)	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
5.55	0.66	500,000	2.3	500,000
-	-	3,560,301	9.9	-
		12,560,301	5.2	**9,000,000**

25. SHARE CAPITAL AND RESERVE

	2019 $000	2018 $000
Authorised, called up, allotted and fully paid		
186,488,465 (2018: 186,488,465) ordinary shares	**416,426**	416,426

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

Reserve

	2019 $000	2018 $000
Balance at 1 January	**26,588**	26,490
Share base compensation charges	**-**	61
LTIP charges	**63**	37
Balance at 31 December	**26,651**	26,588

26. EARNINGS PER SHARE

Basic and diluted eps

	2019 $000	2018 $000
Net loss for the period	**2,366**	(75,224)
Weighted average number of ordinary shares outstanding	**186,488,465**	186,488,465
Dilutive weighted average number of ordinary shares outstanding	**186,488,465**	186,488,465
Net profit/(loss) per ordinary share	**0.01**	(0.40)

During the year-ended 31 December 2019 11,285,497 (2018: 13,460,075) options were excluded from the dilutive weighted average number of shares outstanding because they were anti-dilutive.

27. DIVIDENDS

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

	2019 $000	2018 $000
0.45 pence (US$ 0.00583; NOK 0.0514) per ordinary share (2018: nil)	**1,033**	-

On 3 September 2019, the Company announced a maiden interim dividend of 0.45 pence per share, being a total interim distribution of US$1.0 million.

The interim dividend payment timetable was:

- Ex-dividend date: 12 September 2019.
- Record Date: 13 September 2019.
- UK Payment Date (for shareholders who hold shares on the UK Register): 11 October 2019.
- VPS Payment Date (for shareholders who hold shares on the VPS Register): 22 October 2019.

28. INCOME TAXES

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

	2019 $000	2018 $000
Profit/(loss) before income taxes	**987**	(48,447)
Expected income tax (recovery) expense at combined Tanzanian rate of 30% (2018: 30%)	**296**	(14,236)
Rate differentials	**541**	1,396
Share based compensation	**12**	29
2014- 2015 Tanzania tax reassessments	**-**	8,096
Tanzania cost gas excluded from taxable income	**(3,367)**	(2,015)
Derecognition of Mozambique and Canada tax pools	**-**	13,236
Movement in deferred tax assets not previously recognised and other	**1,139**	20,271
Income tax expense/(recovery)	**(1,379)**	26,777

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:

	2019 $000	2018 $000
Non-capital losses	**20,262**	19,675
Property and equipment	**(263)**	-
Accounts receivables and others	**16**	1,470
	20,015	21,145

The total non-capital losses of the Company are $163.6 million (2018: $164.4 million) of which $163.6 million (2018: $163.6 million) are in Tanzania and $6.6 million (2018: $800k) are in the UK.

A deferred tax asset is recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences and the loss carry forwards can be utilised. A deferred tax asset of $5.5 million as at 31 December 2019 (2018: $4.0 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.

	2019 $000	2018 $000
Balance at 1 January	**4,036**	30,751
Deferred income tax assets recognised in profit or loss:		
Non-capital losses	**820**	(27,300)
Asset retirement obligations	**(50)**	124
Deferred income tax liabilities recognised in profit or loss:		
PP&E	**1,200**	1,002
Receivables	**(458)**	(541)
Balance at 31 December	**5,548**	4,036

29. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (currency fluctuations, interest rates and commodity prices). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. A full description of the 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 VAT in Tanzania and Mozambique.

The Group's ongoing exposure to trade receivables from TANESCO, the state power company, relates to the gas sales from the Mnazi Bay Concession to a TANESCO owned 18-megawatt gas-fired power plant located in Mtwara, Tanzania. At 31 December 2019, the Mnazi Bay Concession partners were owed eight months of invoices for gas sales made to TANESCO, with $789k owing to Wentworth (2018: $491k). Subsequent to year-end, TANESCO has paid $293k net to Wentworth. The receivable from TANESCO was not discounted at year-end (2018: $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 Group commenced gas sales to TPDC under a long-term gas sales agreement, the operator of the new transnational gas pipeline in Tanzania. Credit risk relating to sales to TPDC is substantially mitigated through a two-part payment guarantee structure. The first part relates to a prepayment amount of approximately three to four months of gas deliveries at current sales volumes which has been received and is held by the Operator of the Mnazi Bay Concession. The second part is a one-month replenishable letter of credit which is not yet executed but expected to be executed during 2020. At 31 December 2019, the Mnazi Bay Concession partners were owed two months gas sales invoices, with $4.0 million owing to Wentworth (2018: $5.7 million). Subsequent to year-end, TPDC has paid $6.7 million net to Wentworth.

At 31 December 2019, an undiscounted long-term receivable of $6.5 million (2018: $6.5 million) related to the Group'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 14). On 6 February 2012, the Group, TANESCO, TPDC and MEM reached an agreement that the Group's cost of historical operations in respect of the MEP should be reimbursed.

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

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

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

The exposure to credit risk as at:

	2019 $000	2018 (Restated)[1] $000
Trade and other receivables	**6,075**	7,553
TPDC receivable (Note 13)	**-**	5,238
Cash and cash equivalents	**13,487**	9,403
	19,562	22,194

[1] Restated amounts relate to the presentation adjustment net-off of $2.5 million cash and cash equivalents within current assets against $2.5 million credit overdraft facility within current liabilities with respect to the undrawn overdraft credit facility at 31 December 2018 (note 19).

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 2019					
Trade receivables	1,720	1,736	94	1,254	4,804
Other receivables	448	-	-	823	1,271
	2,168	**1,736**	**94**	**2,077**	**6,075**
Balance at 31 December 2018					
Trade receivables	3,007	1,507	1,420	243	6,177
Other receivables	1,376	-	-	-	1,376
	4,383	1,507	1,420	243	7,553

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 an undrawn $2.5 million 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 31 December 2019				
Trade and other payables	2,125	-	-	2,125
Long-term loans, including interest [1]	1,732	-	-	1,732
	3,857	-	**-**	**3,857**
Balance at 31 December 2018				
Trade and other payables	3,062	-	-	3,062
Contingent PTTEP liability	848	-	-	848
Long-term loans, including interest [1]	7,548	1,732	-	9,280
	11,458	1,732	-	13,190

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

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

The Company has a working capital surplus at 31 December 2019 and generated positive cash flow from operations in 2019. The Company plans to pay its financial liabilities in the normal course of operations and fund future operating and capital requirements through operating cash flows, bank debt, bank overdraft credit facility and equity raises, when deemed appropriate. Operating cash flow of the Company is dependent upon the purchasers of natural gas, TPDC and TANESCO, continuing to meet their payment obligations 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 (2018: $49k) 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 had 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 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 $17k (2018: $102k) 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 and Pound Sterling 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:

	Pound Sterling $000	Tanzanian Shilling $000	Other Currency $000	United States Dollar $000	Total $000
Balance at 31 December 2019					
Cash and cash equivalents	1,442	47	120	11,878	13,487
Trade and other receivables	105	1,000	92	4,878	6,075
Trade and other payables	(62)	(52)	(10)	(2,027)	(2,151)
	1,485	**995**	**202**	**14,729**	**17,411**

	Pound Sterling $000	Tanzanian Shilling $000	Other Currency $000	United States Dollar $000	Total $000
Balance at 31 December 2018					
Cash and cash equivalents	56	37	29	9,281	9,403
Trade and other receivables	43	106	152	7,252	7,553
Trade and other payables	(232)	(246)	(58)	(2,671)	(3,207)
	(133)	**(103)**	**123**	**13,862**	**13,749**

A 10% increase/decrease of the Pound Sterling against US dollar would result in a change in profit or loss before tax of $28k (2018: $11k). 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 (2018: $5k).

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.

30. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

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

	2019 $000	2018 $000
Short-term employee benefits	**1,815**	1,167
Share based compensation	**43**	52
	1,858	1,219

31. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital:

	2019 $000	2018 $000
Net change in non-cash working capital related to operating activities:		
Trade and other receivables	**1,376**	3,381
Prepayments and deposits	**101**	(300)
Trade and other payables	**(1,067)**	(1,505)
	410	1,576

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

	Exploration and evaluation $000	**Property, plant and equipment $000**	**TPDC receivable $000**
Year-ended 31 December 2019			
Total additions/(reductions)	-	20	(9,161)
Change in non-cash investing activities	-	-	3,923
Cash additions/(reductions)	**-**	**20**	**(5,238)**
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)

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2019

Closing balance of liabilities arising from financing liabilities:

	Long-term Loan $000	Contingent liability $000	Total liability $000
Balance as at 1 January 2019	8,779	848	9,627
Changes from financing cash flows			
Principal term loan repayments	(6,661)	-	(6,661)
Contingent liability payment	-	(848)	(848)
Total changes from financing cash flows	(6,661)	(848)	(7,509)
Other changes			
Interest expense	474	-	474
Interest paid	(593)	-	(593)
Finance cost accretion	(285)	-	(285)
Total liabilities related to other charges	(404)	-	(404)
Balance as at 31 December 2019	**1,714**	**-**	**1,714**
Balance as at 1 January 2018	15,661	2,189	17,850
Changes from financing cash flows			
Principal term loan repayments	(6,996)	-	(6,996)
Contingent liability payment	-	(1,341)	(1,341)
Total changes from financing cash flows	(6,996)	(1,341)	(8,337)
Other changes			
Interest expense	1,178	-	1,178
Interest paid	(1,544)	-	(1,544)
Finance cost accretion	(266)	-	(266)
Transitional adjustment	746	-	746
Total liabilities related to other charges	114	-	114
Balance as at 31 December 2018	**8,779**	**848**	**9,627**

Finance costs/(income), net:

	2019 $000	2018 $000
Finance income		
Interest income	**21**	-
Accretion – TPDC receivable (Note 13)	**-**	2,188
Accretion – Tanzanian Government receivable (Note 14)	**-**	471
	21	2,659
Finance costs		
Accretion – decommissioning provision	**(116)**	(104)
Change in estimates – Tanzanian Government receivable (Note 14)	**-**	(471)
Interest expense and other finance costs	**(208)**	(980)
Foreign exchange loss	**(129)**	(61)
	(453)	(1,616)
Finance costs/(income), net	**(432)**	1,043

32. 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 2019 is $61k committed for year 2019.

33. SUBSEQUENT EVENT

On 2 January 2020, the Company announced an LTIP award of 2,485,621 to Katherine Roe subject to a three-year performance period and certain other provisions.

On 3 February 2020, the Company announced the publication of its 2019 CPR Reserves Report.

On 24 April 2020, the Company announced that the Directors had declared a second interim dividend of $2.0 million, bringing a total distribution of $3.0 million for 2019.

GLOSSARY OF TERMS

$ or US Dollar	United States Dollar
£	UK Pound Sterling
2D	Two Dimensional
2P	1P (proven reserves) + probable reserves, hence "proved AND probable"
3D	Three Dimensional
AIM	AIM, a SME Growth market of the London Stock Exchange
AGM	Annual General Meeting
Articles	The Articles of Association of the Company
Bscf	Billion standard cubic feet
Boe	Barrel of oil equivalent, a measure of the gas component converted into its equivalence in barrels of oil
Board	The Board of Directors of the Company
Capex	Capital expenditure
CGU	Cash Generating Units
CMBL	Cyprus Mnazi Bay Limited
COD	Commercial Operations Date
Company	Wentworth Resources plc
Companies (Jersey) Law	The Companies (Jersey) Law 1991
CSR	Corporate Social Responsibility
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.
E&E	Exploration and Evaluation assets
E&P	Exploration and Production
EBITDAX	(Adjusted) earnings before interest, taxation, depreciation, depletion and amortisation, impairment, share-based payments, provisions, and pre-licence expenditure
EIR	Effective Interest Rate

EITI	Extractive Industries Transparency Initiative
ENH	Empresa Nacional de Hidrocarbonetos
EPS	Earnings Per Share
ESG	Environmental, social and governance
EWURA	Energy and Water Utilities Regulatory Authority
FCA	Financial Conduct Authority of the United Kingdom
FEED	Front End Engineering Design
G&A	General and Administrative
GPF	Gas Production Facility
GSA	Gas Sales Agreement
Group	The Company and its subsidiary undertakings
HSSE	Health, Safety, Security and Environment
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
JOA	Joint Operating Agreement
JV	Joint Venture
K	Thousands
Km	Kilometre(s)
km^2	Square kilometre(s)
KPIs	Key Performance Indicators
London Stock Exchange or LSE	London Stock Exchange plc
LTI	Lost Time Incident
LTIP	Long-Term Incentive Plan adopted in 2018
M&A	Mergers and Acquisitions
MEM	Ministry of Energy and Minerals
MEP	Mtwara Energy Project

GLOSSARY OF TERMS

MMboe	Million barrels of oil equivalent
Mscf	Thousand standard cubic feet of gas
MMscf/day	Million standard cubic feet per day of gas
MW	Megawatt
NGO	Non-Government Organisation
NPV	Net Present Value (at a specified discount rate and specified discount date)
NNGI	National Natural Gas Infrastructure (Pipeline)
OCI	Other comprehensive income
Ordinary Shares	Ordinary share capital (no par value)
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
Petroleum	Oil, gas, condensate and natural gas liquids
PP&E	Property Plant and Equipment
PSA	Production Sharing Agreement
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
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 in the Company
Subsidiary	A subsidiary undertaking as defined in the 2006 Act
TANESCO	The Tanzania Electric Supply Company
TEITI	Tanzania Extractive Industries Transparency Initiative
Tembo	The Tembo Block Appraisal Licence, Mozambique (85% Wentworth, 15% ENH)
TPDC	Tanzania Petroleum Development Corporation
TRA	Tanzanian Revenue Authority
VAT	Value Added Tax
VETA	Vocational Training Institution (Tanzania)
WAF	Wentworth Africa Foundation
WGL	Wentworth Gas Limited
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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