wentworth

Enabling Tanzania's energy transformation

Annual Report and Financial Statements

2020

We produce natural gas to transition Tanzania into the economy of tomorrow.

With our vibrant history, resilient business model and strong financial performance – we are a leading player in an opportunity rich landscape. Working closely with our partners in government, we are now entering our next phase of growth: to support Tanzania in delivering universal energy access by 2030.

wentworth

CONTENTS

AN AFRICAN FOCUS

Sub Saharan Africa is advancing rapidly and the opportunities it presents are extensive. With its young, urbanising population and shift from agriculture to industrialisation – demand for reliable and cost-effective power is on the rise.

We believe that natural gas is one of the best solutions to power Africa's ambitious development goals. With the continent projected to become the third-largest source of global gas demand growth by 2040, its rich supply, accessibility and low-cost makes it an attractive solution for Africa's emerging economy.

A SPOTLIGHT ON TANZANIA

Tanzania sits at the heart of East Africa and plays a strong economic role in the region. With a population of 58 million people and one of the highest birth rates in the world, its population is set to more than double by 2050.

Alongside its booming population, the Tanzanian economy has enjoyed significant growth over the last decade with sustained rates averaging 6% Gross Domestic Product ("GDP") growth per year. While poverty has declined as a whole, absolute numbers of poverty remain flat due to its high rate of population growth.

Tanzania's economy is diversifying fast, adding considerable pressure on its energy demand. Low access rates and supply limitations have delayed social and economic growth in the past, requiring a concerted effort to reach those that need it most.

THE WENTWORTH OPPORTUNITY

Sub Saharan Africa is a sleeping giant that will soon be an economic powerhouse on the world stage. With GDP growth averaging 6% year-on-year, Tanzania plays an exciting role in fuelling regional East Africa growth. With 7.7 million people in the country still without access to energy – we are working with our partners to generate over 50% of the country's power generation through natural gas.

< 25%
of Tanzania's population have access to electricity

HIGHLIGHTS

Mnazi Bay gas sales revenue of $18.9 million.

NET PROFIT
$3.4
MILLION

FINANCIAL

- Mnazi Bay gas sales revenue of $18.9 million (2019: $18.6 million)
- Adjusted earnings (“EBITDAX”) of $9.7 million (2019: $8.8 million) excluding non-recurring expenses of $1.6 million (2019: $1.0 million)
- Net profit of $3.4 million (2019: profit $2.4 million)
- Net cash (cash less debt) at year-end of $17.8 million (2019: $11.7 million)
- Long-term debt facilities repaid in-full (2019: $1.7 million)
- Increase in the total dividend distribution for the year ended 31 December 2020 to $3.8 million, representing 1.5 pence per share (2019: $3.0 million, representing 1.2 pence per share); the final dividend of $2.6 million to be paid in July 2021 subject to shareholder approval at the Company’s AGM
- Continued supportive and loyal institutional and retail shareholder register

OPERATIONAL

- Average gross daily gas production of 65.5 MMscf/day within guidance of 60-70 MMscf/day (70.3 MMscf/day in 2019)
- 2021 average gross daily gas production guidance set at 65-75 MMscf/day
- 2P Reserves of 142.2 Bscf (gross 2P) valued at $116.6 million (after-tax NPV10)[1] net to Wentworth
- Total cash receipts of $20.5 million from gas sales (2019: $25.7 million)

1. RPS Canada CPR 31 December 2020

COVID-19 & COMMODITY PRICE VOLATILITY

- Fixed gas price contracts protect our Company from fluctuations in global commodity prices
- Continued resilience displayed through our strategy of supplying fuel gas for domestic generation of electricity for the national grid
- Operational and financial resilience, with no material pressure on our capital in 2021 we can absorb materially adverse impacts from the COVID-19 pandemic
- Zero cases of COVID-19 at Mnazi Bay to date and no adverse impacts on our business operations

COVID-19 OUTLOOK

In Tanzania, the 'second wave' of the COVID-19 pandemic is creating some concern within the natural gas sector as companies adopt lock-down measures and continue to work from home. This has led to the reintroduction of voluntary protocols by international companies to protect their people and restrict the spread of the virus. These precautionary and contingency measures are working well for Wentworth and we will continue to prioritise the safety of our staff and operations.

CHAIRMAN'S STATEMENT

> Our goal for the next year will be to focus on pursuing the right growth opportunities both within our existing asset and beyond.

2020 has been a year unlike any seen for several generations. While I won't dwell on the impact of the COVID-19 pandemic on all our lives, I will say that the resilience of humanity to adapt in the face of change is cause for hope. Despite the uncertainty we face, I have no doubt that once the spread of the pandemic is contained, life will resume – hopefully with a renewed sense of perspective, optimism, and gratitude.

CONTINUED FINANCIAL STRENGTH

For Wentworth, 2020 has been a remarkable year. Our strong operational profile and agility has not only seen us weather the economic storm but thrive in the face of adversity. Being solely a natural gas producer with fixed price contracts, we have not been subject to the volatile price swings that have created financial difficulties faced by other E&Ps. This has resulted in us outperforming many of our oil and gas sector peers on the London Stock Exchange.

While others faced financial challenges, we continued to strengthen our balance sheet. Our rigour has enabled us to continue providing sustainable returns to our shareholders. Having introduced our divided policy and maiden dividend in 2019, we increased our dividend payout by 27% in 2020. This commitment puts us as one of only three AIM-listed exploration and production companies to be paying an annual dividend to shareholders.

ONGOING DEMAND FOR NATURAL GAS

Operationally, our single producing asset at Mnazi Bay in Southern Tanzania continues to perform well. Demand has remained stable on an annualised basis despite a slight decline in 2020, and we expect ongoing growth over the coming years in line with Tanzania's ambition to achieve universal energy access by 2030. With the important role natural gas plays in the country's energy mix, we are confident that Wentworth is well positioned to benefit from any increase in demand.

GROWTH AS OUR FOCUS

Over the past year we continued to reduce G&A expenditure, although we incurred additional legal costs from exploring and negotiating a couple of specific growth opportunities. Despite many positive conversations, restrictions from the COVID-19 pandemic made negotiations challenging. Looking to the year ahead, we are optimistic that as the global situation improves, we will continue those discussions. Our focus is on exploring opportunities in East Africa – primarily in Tanzania where our operational focus and unique proposition sits.

Our goal for the next year will be to focus on pursuing the right growth opportunities both within our existing asset and beyond that to support our existing stable operations. Whilst we are not budgeting for any significant capital projects in 2021, we are continuing to work with our Operator, Etablissements Maurel et Prom ("Maurel & Prom"), on an optimal field development plan. A minimal work programme will allow us to strengthen our balance sheet further by year-end. This solid financial base will also give us the ability to leverage our position in any competitive negotiations where appropriate; it is paramount to us that any growth will be responsible and only on terms that protect our existing shareholder returns and core asset value.

A DEPARTING NOTE

Sadly this will be my last Chairman's message as I will be stepping down at the end of June. I am doing so knowing that Wentworth is in the best financial shape of its 11-year history. I am extremely proud of what has been accomplished since Wentworth acquired its East African assets and would like to thank all who have helped along the way, not only the Company Directors and employees both past and present, but also our joint venture partners and the Governments of both Tanzania and Mozambique.

I would also like to take this opportunity to thank our staff in Dar es Salaam for their unwavering commitment during this difficult time. A special thanks too to Katherine Roe, our CEO, for her work ethic and outstanding contribution to the Company over the past year. Katherine has been a joy to work with and will continue to steer us forward into 2021 and beyond.

Finally, I would like to thank all our shareholders for their continued support in a year when the health of family and loved ones has been the main concern for all.

Robert McBean
Chairman
21 April 2021

CHIEF EXECUTIVE'S STATEMENT

> "Wentworth is now in the most financially and operationally robust position in its corporate history. We are also extremely fortunate to have strong relationships with all our stakeholders including our partners in Tanzania and supportive shareholders.

Whilst we are all experiencing the effects of the COVID-19 pandemic, we are fortunate that the resilience of our business has seen us successfully weather the storm.

CORPORATE HIGHLIGHTS

The strength of Wentworth during the tumultuous year that was 2020 has been testament to the work put in to reform our operational structure over recent years.

In 2018 and 2019, we shifted away from a multi-jurisdictional structure to something much simpler. We redomiciled our business from Canada to Jersey and delisted from the Oslo Børs. This means that we are now a Jersey incorporated company, with a lean UK-based senior management team and Board, listed on the AIM market of the London Stock Exchange.

With a fresh team and more agile structure – our emphasis on enforcing strong fiscal discipline has been a key objective. While we couldn't have predicted the events to come in 2020, our efforts have put us in good stead while many of our peers have struggled in the current environment.

FINANCIAL HIGHLIGHTS

We recorded milestone gas sales revenue for 2020 of $18.9 million, EBITDAX of $9.7 million and net profit of $3.4 million. Our net cash at year-end was $17.8 million, a significant improvement from our cash position at the end of 2019 ($11.8 million).

Since entering production at Mnazi Bay in 2015, we have focused on paying down our outstanding debt. As of January 2020, we are now debt free and have built strong cash reserves through the year. As we look ahead, our limited work programme at Mnazi Bay will require no additional major capital expenditure until 2023/2024 – which will further strengthen our positive financial position.

In September 2019, we announced our maiden dividend policy and payment. In April 2020 and October 2020, we paid further dividends whilst also increasing the level of payout. We are proud to continue our sustainable dividend policy despite the global challenges facing all of us, further evidenced by the declaration of our final dividend of $2.6 million bringing the total dividend distribution for 2020 to $3.8 million representing 1.5 pence per share.

OPERATIONAL HIGHLIGHTS

The combination of unseasonal heavy rainfall in Tanzania and the impacts of COVID-19 led to production variability in 2020. The rainfall, which began in October 2019 and lasted until the end of May 2020 meant increased availability of cheaper hydro-electric power from Tanzania's hydro-electric dams. This reduced gas-fired power demand by approximately 5%.

The additional closure of businesses and hotels due to COVID-19 related restrictions coupled with erratic demand from local industries in the Mtwara and Lindi regions led to an overall decline in demand for natural gas-fired generation during the year.

Yet, despite these challenges, our core asset at Mnazi Bay produced an average of 65.5 MMscf/day in 2020. This was in line with our updated guidance range of 60-70 MMscf/day. Working alongside our operator, Maurel & Prom, our commitment to continue our workover programme during the year enabled our assets to continue to perform well and can now supply 100 MMscf/day to meet any additional demand. Due to this continued commitment, we reached 103 MMscf/day (gross) for five consecutive days and a record high of 103.4 MMscf/day was achieved on 15 December 2020. We were also pleased to announce our strongest ever quarter with our full year results where production volumes averaged 85 MMscf/day for Q1 2021.

Our most recent Reserves Report, as of 31 December 2020, outlined Wentworth's share of 2P Reserves of 142.2 Bscf (gross) with a post-tax NPV10 of $116.6 million net to Wentworth ($118.6 million in 2019). It should be noted that during 2020, Wentworth increased its cash position to $17.8 million, while distributing in cash $3.2 million in dividends, compared to cash of $13.5 million as at 31 December 2019.

SUSTAINABILITY

As a natural gas supplier to the domestic market in Tanzania, we support the ongoing development of the country to create shared value for our business, our environment and broader society. Over the past year, our Board and management team have reflected on Wentworth's role as a responsible operator, what this means to us and how we must continue to focus on bolstering our performance and transparency when it comes to managing and disclosing on key Environmental, Social and Governance ("ESG") factors. To showcase our efforts, we produced our first annual Sustainability Report in April 2021, which outlines our ongoing commitment to ESG. I was also proud to announce our membership to the UN Global Compact in early 2021 to enhance our voluntary responsible business practice disclosure.

LOOKING AHEAD

Wentworth is now in the most financially and operationally robust position in its corporate history. We are also extremely fortunate to have strong relationships with all our stakeholders including our partners in Tanzania and supportive shareholders. We believe it is this powerful mix that will provide Wentworth with the ability to execute on the right growth opportunities at the right time. Given the strength of our business, we will not compromise our core asset or our returns to shareholders for growth's sake. We firmly believe the position we have built for ourselves sets us apart to capitalise on opportunities at the optimal moment.

I would like to pay tribute to Bob McBean as he ends his 11 year leadership of Wentworth. With no commodity price volatility exposure, a strong balance sheet and strong operational resilience, he leaves the Board with the Company in great health to pursue his ongoing vision of Wentworth as a champion in the East African gas sector. I would like to thank all our shareholders and wider stakeholders for their ongoing support.

Katherine Roe
Chief Executive Officer
21 April 2021

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

FINAL DIVIDEND FOR 2020
$3.8
MILLION

CASH AT 31 DEC 2020
$17.8
MILLION

2P NPV10 AFTER TAX
$116.6
MILLION (NET TO WENTWORTH)

2020 REVENUE
$18.9
MILLION

2020 OPEX
$0.69
/MSCF

AVERAGE DAILY GAS PRODUCTION
65.5
MMSCF/DAY (GROSS)

ORGANIC GROWTH

Working closely with our operator Maurel & Prom, we put in place efforts to maximise the value from Mnazi Bay through organic growth. To achieve this, we work alongside our Mnazi Bay joint venture ("JV") partners to:

- Monitor field production and pressures to ensure reservoir performance remains 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 policy, legislation, and regulation;
- Communicate and engage with Government to create shared value and build a sustainable future for the sector and country; and
- Conduct operations that increase Mnazi Bay's overall deliverability and ability to meet Tanzania's growing demand for natural gas.

FUTURE GROWTH OPPORTUNITIES

We continued to strengthen our fiscal position in 2020, which will enable us to explore further growth opportunities in our operational hub of Tanzania in 2021.

As of 2020, our financial outlook includes:

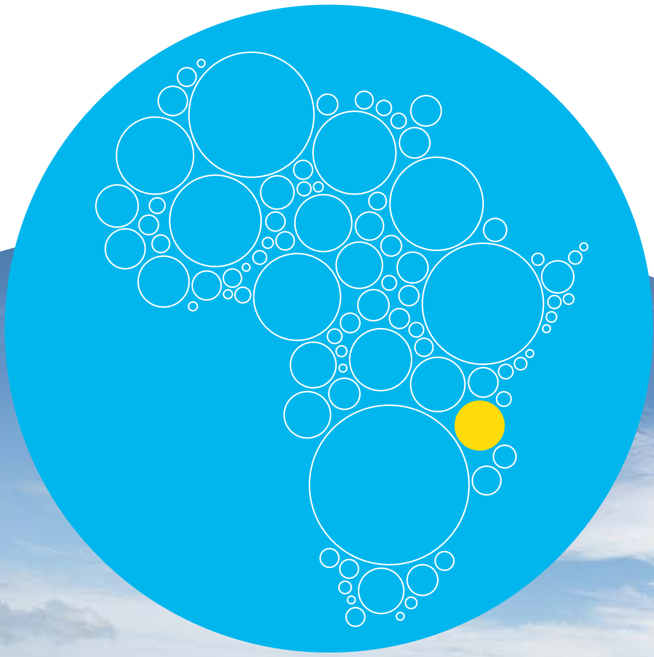
- Continuous regular payments from the Tanzania Petroleum Development Corporation ("TPDC") who have remained current throughout the period;
- A cash balance of $17.8 million at 2020 year-end; and
- Zero debt following the final loan repayment in January 2020.

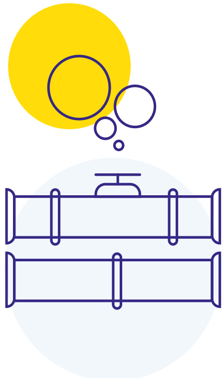
Our strong financial performance has contributed to our strengthened dividend policy. Since 2019, we have declared a total of $6.8 million to shareholders, including a total of$3.8 million for the financial year 2020 (an increase of 27% year-on-year).

2P RESERVES
142.2
BSCF

As one of Tanzania's leading onshore natural gas providers, we are delivering organic growth aligned with the nation's ambitious growth goals whilst providing consistent returns for our shareholders.

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

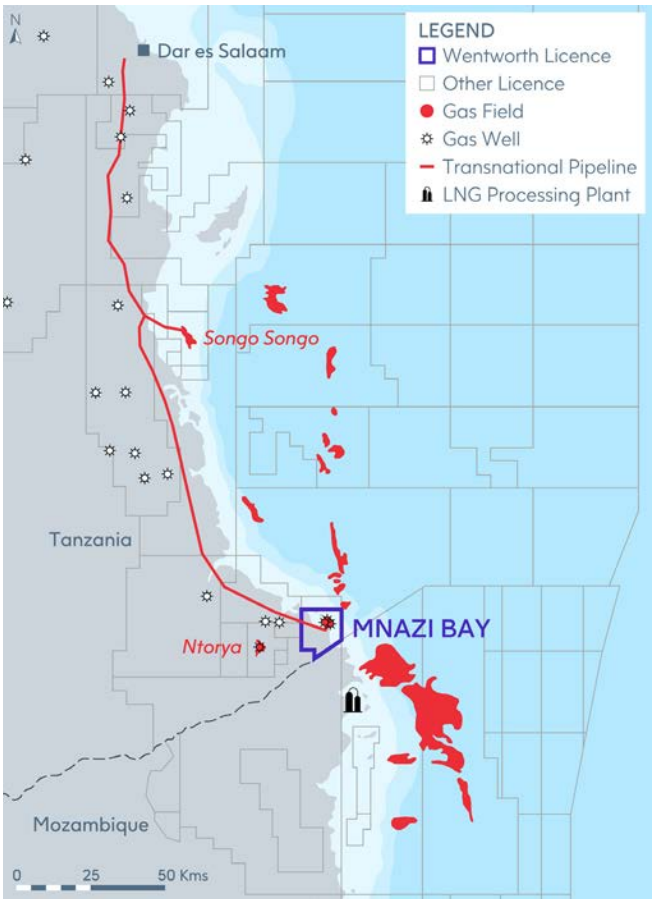




AVERAGE DAILY PRODUCTION

65.5

MMSCF/DAY (GROSS)



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

OUR WORKING INTEREST

Mnazi Bay is operated by Maurel & Prom (48.06%) with Wentworth Resources (31.94%) and the TPDC (20%) as JV partners. This is the only development licence in Tanzania to include TPDC in a Joint Operating Agreement. Mnazi Bay gas sold to TPDC is primarily utilised by Tanzania Electric Supply Company ("TANESCO").

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

Wentworth's working interests represent the interest in field gross recoverable volumes (and cost commitments), not net entitlements after application of royalties or equivalent deductions.

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

A HISTORY OF MNAZI BAY

The Mnazi Bay gas field was discovered in 1982 by AGIP. The first well, Mnazi Bay #1 ("MB-1"), tested gas from a Miocene 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 conducted in 2007 and 2008. In 2015, the MB-4 development well was drilled, adding to the existing production wells on the Mnazi Bay Concession.

On 26 October 2006, the Tanzanian Ministry of Energy and Minerals ("MEM") granted a development licence to TPDC 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.

The Mnazi Bay field has experienced continuous production since it was first put on stream in January 2007. Critically, in August 2015, the tie-in to the Tanzanian transnational gas pipeline was completed and gas deliveries commenced to this pipeline as well. This was followed by the commissioning of gas production facilities at Madimba and Songo Songo; and the gas receiving facility at Kinyerezi in Dar es Salaam which distributes gas to four power stations with a joint maximum capacity of 620 MW.

Maurel & Prom assumed Operatorship of Mnazi Bay in 2009. A 3D seismic survey covering 328 km^2 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.

The world continues to face a global pandemic of unprecedented scale. The COVID-19 crisis has created great uncertainty about the future for the global economy and the well-being of society.

THE TANZANIAN RESPONSE

The first case of COVID-19 was reported in Tanzania on 16 March 2020 in Arusha Region of northern Tanzania. Subsequently, the Government of Tanzania convened a task force to coordinate the response with international partners that included the World Health Organisation ("WHO"), international donors agencies and the private sector.

By the first week of April 2020, numbers of COVID-19 cases in the country increased substantially. The Government of Tanzania put in place immediate interventions to mitigate the spread of the virus by:

- Closing all schools and high learning institutions;
- Suspending all international passenger, chartered, and private air-traffic, including inbound flights to Tanzania;
- Supporting the private sector's efforts to cope with the economic impact of the pandemic by expediting the verification and clearance processes for Value Added Tax ("VAT") payments and refund arrears;
- The Bank of Tanzania reduced the discount rate and the minimum reserve requirement to inject liquidity into the financial system;
- The Government of Tanzania introduced "Deduction on contributions for COVID-19 and contributions to AIDS Trust Fund" through the Finance Act, 2020. This allowed for income tax deduction on contributions made in the fight against COVID-19 and AIDS Trust Fund.

In late April 2020, the Government stopped releasing new figures following a Presidential directive to form a committee to investigate the accuracy of the test results. By mid-May 2020, the Government eased the COVID-19 protocols and practices county-wide.

As a result, the Tanzania economy has fared relatively well in 2020 compared to its Eastern African neighbours, but economic growth has slowed. The country's real GDP growth rate fell to an estimated 2% in 2020, although GDP growth averaging 6.1% year-on-year is expected going forward.

The safety of our employees is our highest priority. As of February 2021, no COVID-19 cases had been reported amongst our employees.

THE WENTWORTH RESPONSE

The safety of our employees is our highest priority. As of February 2021, no COVID-19 cases had been reported amongst our employees. From the outset of the pandemic, in March 2020, Wentworth insisted that its employees follow COVID-19 protocols and guidance from the WHO and health authorities. During this period, Wentworth implemented several initiatives to mitigate the impact of the pandemic on its operations. This included:

- closing the Dar es Salaam office between 27 March – 15 June 2020;
- enabling all professional staff to work from home. Support staff followed a roster of support activities which reduced their on-site exposure by 60%;
- providing additional cleaning and sanitisation routines, with a focus on high-touch surfaces;
- enforcing strict hygiene and exposure protocols including the regular use of hand sanitiser, social distancing and the wearing of a mask at all times when exposed to non-family members; and
- requiring self-quarantine for 10 days in the case of an employee showing symptoms or having had direct contact with someone who had tested positive for COVID-19.

THE MNAZI BAY RESPONSE

In 2020, Mnazi Bay experienced a decline in production of 6.9% compared to the previous year. This impact is directly attributable to the COVID-19 pandemic, and several other factors (see page 16).

To ensure uninterrupted production, and that the gas field was able to supply additional capacity based on any demand spikes, several safety measures were introduced. These included:

- limiting access to the operations camp to ensure that no one could leave or enter the production facilities without a special permit or arrangement from the Field Manager;
- crew change (which typically occurs every 28 days) was suspended for 3 months from April-July to minimise exposure;
- mandatory wearing of masks and use of sanitisers;
- awareness campaigns were conducted on a continual basis within the camp;
- suspension of all mass gatherings (such as weekly meetings and emergency drills);
- regular managerial communication with Health Authorities in the Mtwara Region;
- all activities conducted within the camp to consider social distancing protocols even dining and work teams; and
- each staff member given a COVID-19 protocols induction.

SUPPORTING THE GOVERNMENT RESPONSE

Wentworth donated medical supplies to the value of approximately $43,400 (TZS 100 Million) to support the Government of Tanzania in the fight against COVID-19 .

The donation was aimed at supporting the Government of Tanzania in its efforts to supply much needed relief materials and critical health care facilities. The donation provided medical supplies including personal protective equipment and other equipment for hospitals and front-line medical staff in Mtwara and Dar es Salaam.

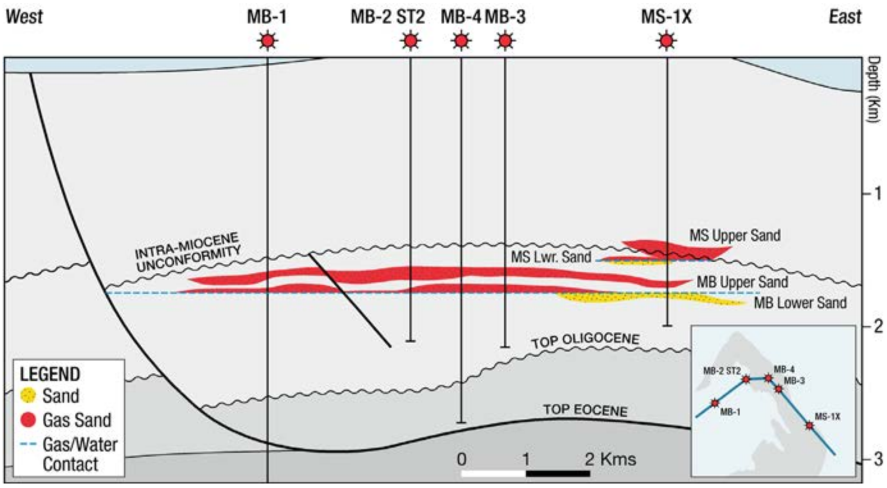
Minister of Health and Mnazi Bay partners hand over a donation of medical equipment to fight COVID-19. From left to right: Angelina Ngalula (Chair of Tanzania Private Sector Foundation); Richard Tainton (Country Manager, Wentworth Gas Limited), Nicolas Engel (Country Manager, Maurel et Prom), Ummy Mwalimu (Honourable Minister of Health, United Republic of Tanzania), James Mataragio (MD, TPDC).

MNAZI BAY PRODUCTION OPERATIONS

2020 OPEX

$0.69

/MSCF

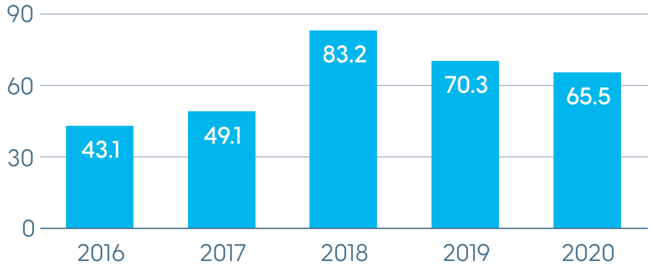


Schematic showing the producing wells and intervals in the Mnazi Bay gas field. The field currently produces from three Miocene aged intervals, the MS upper sand, MB upper sand, and MB lower sand.

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. The field began production in January 2007, producing 2.5 MMscf/day to the Mtwara power station.

In October 2015, the Government owned Madimba gas processing plant and the NNGI were completed and commissioned. This allowed for production from Mnazi Bay to be increased with material production from 2016, as shown in the graph below:

Gross Gas Production (MMscf/day)



PRODUCTION OVERVIEW

Mnazi Bay gas production averaged 65.5 MMscf/day in 2020, a fall in production from 2019. This was due to several factors:

1). unseasonal heavy rainfall within the catchment areas of in-country hydroelectric dams. The rains started in early October 2019 (the rainy season typically commencing from March) and lasted until the end of May 2020. Consequently, the hydro-dams were filled to capacity, which led to an increased availability of hydroelectric power and a subsequent reduction in natural gas demand;

2). erratic demand from industrial customers due to the construction and commissioning of their own on-site electricity generation infrastructure. Additional breakdowns and switching of electricity service providers (such as Dangote switching from turbine tech to on-site generation in November 2020) also contributed to decreased gas demand; and

3). constrained demand on the national grid due to COVID-19 lock down protocols in April to June of 2020 contributed to a reduction in demand of around 5%.

Gas is sold to TPDC on a fixed rate contract which is subject to an annual escalation based on US CPI. In 2020, the gas tariff associated with supply to TPDC Gasco was $3.2425/MMbtu; sold at the Mnazi Bay plant gate (excluding transport charges). TANESCO purchased the gas at a fixed tariff of $5.36/MMbtu.

PRODUCTION OUTLOOK

We anticipate overall demand growth to increase in 2021. Key drivers include:

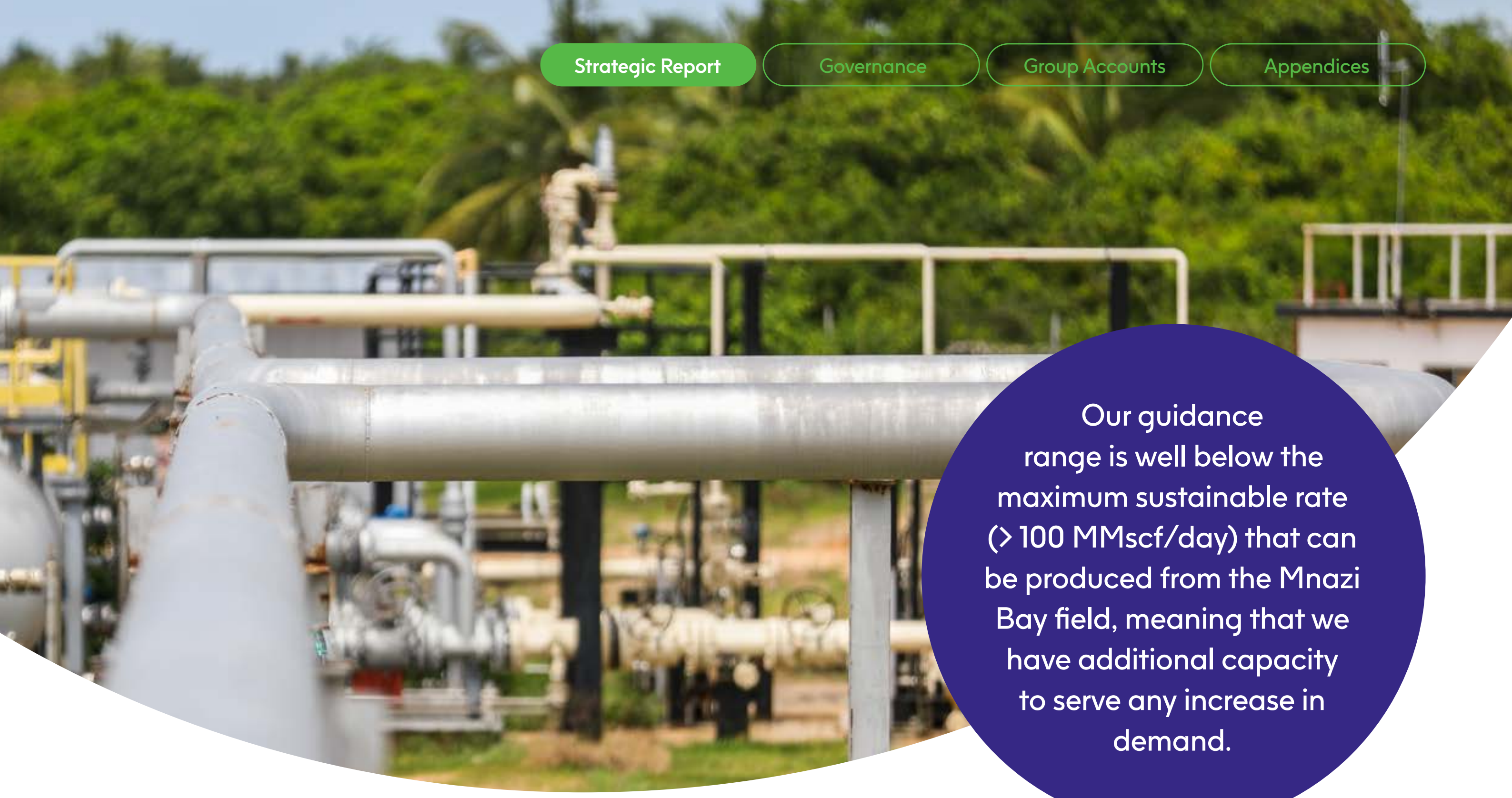
1). Increased demand due to the emergence of the industrial sector from COVID-19 restrictions;

2). The extension of the high voltage transmission network;

3). The connection of new industrial customers, estimated to be in the region of 1 MMscf/day;

4). The expansion of the Mtwara power plant by 8.6 MW, increasing demand by 1 MMscf/day;

5). The pending completion of the Kinyerezi-1 extension, increasing maximum demand by up to 30 MMscf/day.



Our guidance range is well below the maximum sustainable rate (> 100 MMscf/day) that can be produced from the Mnazi Bay field, meaning that we have additional capacity to serve any increase in demand.

Due to our collective size and capacity, it is expected that much of the anticipated extra demand will be assigned to the Mnazi Bay JV partners. During 2020, other gas suppliers averaged approximately 25 MMscf/day into the NNGI pipeline, whilst Mnazi Bay averaged 65.5 MMscf/day.

As well as supplying the Gas Processing Facility ("GPF") at Madimba into the NNGI pipeline (with a capacity of up to 210 MMscf/day), Mnazi Bay JV partners also supply the Mtwara power station. The power station averages 2.5 MMscf/day for the Mtwara/Lindi isolated grid, serving 16 towns and villages across the two regions.

There are plans for TPDC to develop more demand for gas in Mtwara in the years to come. Notably, TPDC and the Mnazi Bay JV partners have implemented a project to supply domestic gas to the newly built Mtwara gas network, which will supply residential households in the region.

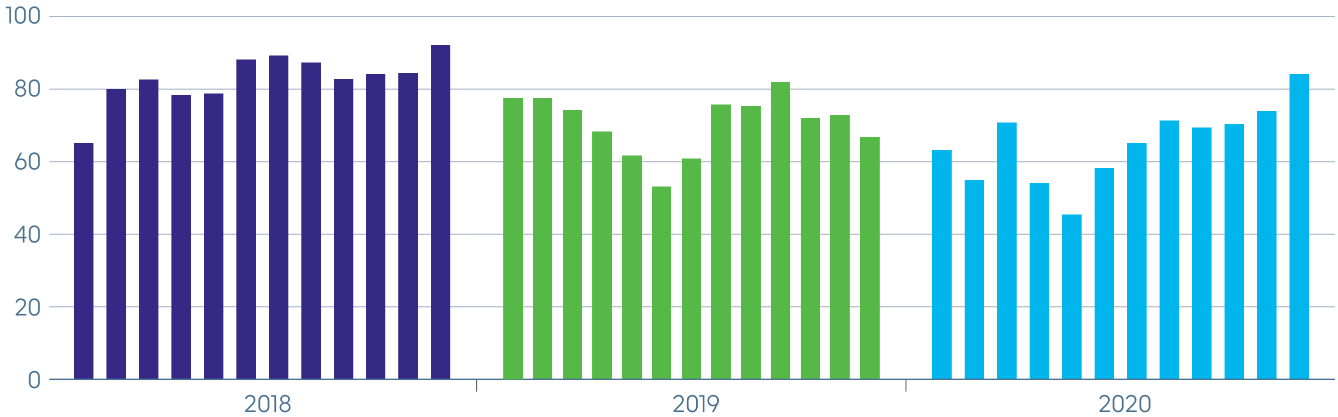
PRODUCTION GUIDANCE

Our 2021, production guidance for Mnazi Bay is 65-75 MMscf/day (annual average daily production). This guidance is based on a conservative demand forecast determined from four years of detailed historic monthly demand and production data at Mnazi Bay. Growth scalers based on GDP growth rate, tempered by historic plant availability and serviceability ratios for each off-taker were also considered.

Our model considers data for each month to anticipate seasonal fluctuations in demand and production. We work closely with TPDC to determine the load from new customers. Together we assess and monitor their list of new off-takers and assume that their maximum demand is achieved over a three-year period.

Mnazi Bay Field Monthly Average Production

Actual Gas Deliveries (MMscf/day)



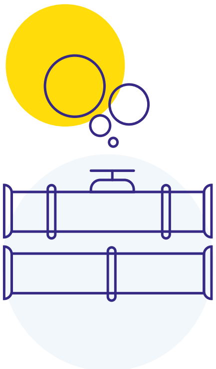
Like many operations around the world, our Mnazi Bay partners faced unprecedented challenges from the COVID-19 pandemic. However, despite new constraints, Mnazi Bay continued to remain operational throughout the year, supplying the Tanzanian National Grid with over 50% of its natural gas requirements, and over 30% of its total electricity generation.

MNAZI BAY 2020 HEALTH AND SAFETY: UNDETERRED BY COVID

The operations camp in Mnazi Bay remained COVID-19 free during the entirety of 2020. This was a result of the due-diligence and attention to protocols and practices deployed by the Mnazi Bay Partners and their staff, to ensure safe practices were upheld throughout the pandemic. For example, during the three critical COVID-19 months of April, May and June 2020, the incumbent operations crew remained committed to their tasks and the usual monthly crew change was suspended to minimise the risk of infection.

The outcome of this professionalism meant that the operations camp remained functional every day in 2020. It also resulted in Manzi Bay producing an average of 65.5 MMscf/day for the year – well in line with projected guidance.

As of 2020, the Mnazi Bay Operations have achieved four years without a Lost Time Incident ("LTI").



HIGHLIGHTS

Total gas production
65.5 MMscf/d

Gas export to TPDC Madimba
63.2 MMscf/d

Gas export to TANESCO Mtwara
2.3 MMscf/d

Gas export to Gasco Mtwara
c. 0.002 MMscf/d

Condensate production
c. 8.8 bbl/d

WORKING WITH THE NATIONAL AGGREGATOR TO BUILD A MORE SUSTAINABLE CONTRACT

In 2020, the Mnazi Bay JV Partners concluded and signed an addendum to the Gas Sales Agreement ("GSA") with the TPDC to revise existing terms, and provide a more practical contract to manage.

The changes included an amendment to the Deficiency Gas clause which will annualise determination. The definition of Maximum Daily Quantity ("MDQ") was also amended to incentivise production above MDQ, and the excess gas charge for quantities less than 120% of MDQ was removed.

Subsequently with the GSA, signed into commercial effect in 2019, and the new addendum signed in 2020, the Mnazi Bay Partners now have a solid and sustainable contract with the Government of Tanzania. The Mnazi Bay asset is now bankable in terms of securing finance for growth and development and thus provides for contract stability.

RESERVOIR PRODUCTION AND PERFORMANCE

The current maximum sustainable rate of production at Mnazi Bay is 100 MMscf/day. It would be possible to increase this if the current specification for the pipeline inlet pressure is reduced from its current level of 85 Bar(g). Discussions with TPDC regarding this change remain ongoing. This will allow for the field to produce more cumulative volumes before compression is required. It will also allow the field to produce at rates over 100 MMscf/day as demand grows. In 2020, we recorded our highest daily production record with the Mnazi Bay Field producing 110.7 MMscf/day in March 2021.

Since production began in 2007, reservoir pressure has decreased by 17% for Upper Msimbati, 33% for Upper Mnazi Bay and 5% for Lower Mnazi Bay Sands. Mnazi Bay continues to provide dry and sweet gas with a stable Condensate-Gas Ratio of 0.14 bbl/MMscf and Water-Gas Ratio of 0.61 bbl/MMscf. The water-gas ratio of 0.61 bbl/MMscf, is monitored closely meaning there is no coning effect. Mnazi Bay Gas is non-corrosive and almost 100% methane (CH_4). There is no hydrogen sulfide (H_2S) and carbon dioxide (CO_2) levels are near negligible (0.02%).

MTWARA DOMESTIC GAS PROJECT

The Mtwara Domestic Gas Project is set to supply domestic gas to private households in Mtwara. It is the first phase of a broader TPDC initiative which will supply domestic gas to individual households and businesses throughout Mtwara via a newly built reticulation network.

Manzi Bay Partners have installed equipment at the Mtwara Gas Receiving Facility ("GRF") to supply the gas. This includes the installation of an odorizer and a metering skid – which will be reimbursed by TPDC. The work commenced in August 2020 and was completed on 15 September 2020.

The current gas export is in the order of 1,800 scf/day. Over the medium term however, the project is expected to deliver increased demand which will provide the Mtwara community with affordable and safe energy for their cooking and heating requirements.

Metering skid and odorizer at the GRF at Mtwara

RUPTURE OF THE MB-2 PIPELINE

A rupture to the MB-2 Pipeline which occurred on 23 August 2020 was repaired by 7 December 2020.

The old Soluforce pipe was replaced with a newer and better generation pipe. Following successful testing and commissioning, the MB-2 well was brought back into production shortly thereafter.

The rupture was caused by transportation damage to the original pipe, as well as corrosion on its metallic armor interior. A 200 m length of pipe was replaced with the newer, higher specification features.

Rolls of composite pipe used to repair flowline connecting MB-2 well to the Mnazi Bay gathering system

SLICK LINE OPERATIONS

Mnazi Bay conducted a slickline operation in December 2020. This was the first slickline operation since December 2019. The operations performed were:

- A Static Gradient Survey at MB-4 completed following the MB-2 flowline repair;
- Retrieve pressure gauges for three wells; and
- Conduct a brine injection on the MB-4 well to introduce a brine column.

POSTPONED JOBS (DUE TO COVID-19)

The following activities were postponed in 2020 because of the COVID-19 pandemic. They have subsequently been scheduled for 2021:

- MB-1 refurbishment;
- 10-year vessel inspection;
- 8" intelligent pigging; and
- Compression study.

2021 OPERATIONS MAIN ACTIVITIES AND BUDGET

The Mnazi Bay JV Partners have agreed to a firm 2021 work programme. With a gross budget of $13 million, the programme will focus on field maintenance work to ensure the stability of future operations, an increase operational flexibility and insight into future project timing and requirements. Notable projects include:

- Inspecting pipeline gauge runs for a new 8" pipeline from Mnazi Bay to Mtwara;
- Undertaking a pre-front end engineering and design ("FEED") study on gas compression requirements and installing a thermal water evaporator;
- Conducting a compression study, a domestic gas project, and, an update to the Supervisory Control and Data Acquisition System at both GRF and GPF;
- Contracting local village contractors to maintain the Pipeline Wayleave;
- Smart pigging of the new 8" pipeline;
- Removing all oil-based muds;
- Completing a new EMP for Mnazi Bay; and
- Installing new chokes on all wells.

PROCUREMENT IN 2020

Total procurement in 2020 was $6.3 million; of which local content accounted for 91%. A breakdown of the non-local Procurement is as follows:

- 56% for Soluforce pipe for MB-2 repair;
- 19% for production spare parts;
- 11% for cathodic protection;
- 7% for operating manual;
- 5% for technicians; and
- 2% for other costs.

Most non-local procurement payments are a one-time purchase. The vast majority of equipment bought outside the country involves technology that is not yet available in Tanzania (especially for the Oil and Gas industry). The Mnazi Bay Partners always prioritise local contractors for procurement where appropriate and we support the Government in its aims to support local peopele and businesses.

The JV Partners have agreed a firm 2021 work programme of $13 million.

MNAZI BAY RESERVES SUMMARY

The attributable Proved and Probable reserves net to Wentworth's working interest are 142.2 Bcf of sales gas (gross), which correspond to an estimated after tax NPV10 of $116.6 million per the Competent Persons Report ("CPR") performed by RPS Canada, with an effective date of 31 December 2020.

	FIELD		WENTWORTH 31.94% WI			
	Gross Reserves		Gross Reserves		Net Reserves	
	Sales Gas	BOE	Sales Gas	BOE	Sales Gas	BOE
Reserve Category	(Bscf)	(MMbbl)	(Bscf)	(MMbbl)	(Bscf)	(MMbbl)
Proved Developed Producing (PDP)	90.4	15.1	28.9	4.8	24.9	4.1
Proved Developed	100.8	16.8	32.2	5.4	27.8	4.6
Total Proved Developed (PD)	**191.2**	**31.9**	**61.1**	**10.2**	**52.7**	**8.7**
Proved Undeveloped	48.8	8.1	15.6	2.6	2.6	0.5
Total Proved (1P)	**240.0**	**40.0**	**76.7**	**12.8**	**55.3**	**9.2**
Proved + Probable (2P)	**445.3**	**74.2**	**142.2**	**23.7**	**90.8**	**15.1**
Proved + Probable + Possible (3P)	**637.8**	**106.3**	**203.7**	**34.0**	**233.5**	**20.6**

	NPV Before Tax Million US$					NPV After Tax Million US$				
Reserve Category	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
Producing	50.1	46.3	42.8	39.7	36.9	45.8	42.6	39.5	36.7	34.2
Non-Producing	9.6	8.8	8.1	7.5	7.0	8.9	8.1	7.5	7.0	6.5
Undeveloped	70.9	54.1	42.1	33.4	26.9	56.9	42.0	31.4	23.8	18.2
Total Proved (1P)	**130.6**	**109.2**	**93.0**	**80.6**	**70.8**	**111.6**	**92.7**	**78.4**	**67.5**	**58.9**
Probable	83.4	56.7	41.4	32.5	27.1	75.9	51.9	38.1	30.0	25.1
Proved + Probable (2P)	**214.0**	**165.9**	**134.4**	**113.1**	**97.9**	**187.5**	**144.6**	**116.6**	**97.5**	**84.0**
Possible	74.4	52.3	39.6	32.1	27.4	67.8	47.8	36.4	29.5	25.1
Proved + Probable + Possible (3P)	**288.4**	**218.2**	**174.0**	**145.2**	**125.3**	**255.3**	**192.4**	**152.9**	**127.0**	**109.1**

TANZANIA LEGISLATIVE AND POLICY FRAMEWORK

LOCAL CONTENT REQUIREMENTS

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

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

The local content regulations are monitored and administered by the Petroleum Upstream Regulatory Authority ("PURA"). PURA is responsible for reviewing, approving, and ensuring compliance of local content plans in relation to upstream licences.

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

OUR LOCAL CONTENT POLICY

Wentworth has developed a local content policy to meet our responsibilities. Our chosen strategy for achieving the Tanzanian local content policy objective is:

1). to provide guidelines to Wentworth's contractors, subcontractors and other entities in taking decisions in local content implementation within Wentworth;

2). to increase the proportion of goods and services sourced locally without compromising on cost, quality or safety;

3). to promote job creation through efficient and beneficial use of local expertise;

4). to promote inclusion of local products and services within our supply chain and procurement policy within our Tanzanian operations;

5). to create sustainable linkages with local suppliers;

6). to promote the development of local human and institutional capacity through skills and technology transfer;

7). to empower Wentworth's vendors to develop capabilities to produce goods and services domestically and compete with international businesses;

8). to provide transparent monitoring and reporting systems to ensure delivery of the Policy objectives.

As part of the Company's local content plan for 2020/2021, we have developed projects for workforce development, procurement, and supplier development and insurance, finance, and legal services plans. These plans establish the framework for implementing the local content programme during the year.

CHANGES TO LEGISLATION IN TANZANIA RELEVANT TO WENTWORTH'S BUSINESS DURING 2020

The Arbitration Framework, 2020

Dispute resolution in Tanzania has taken a significant step forward with the commencement of new legislation and regulations on arbitration. The new Arbitration Act, 2020, came into force on 18 January 2021, replacing the previous Arbitration Act, 2002. The changes bring Tanzanian arbitration law more in line with international arbitration standards. The new framework addresses the enforcement of foreign and domestic arbitral awards, allows for the creation of the Tanzanian Arbitration Centre and, for the first time, permits the use of foreign arbitral bodies.

Some provisions of the Act are a breakthrough for arbitration in Tanzania. For example, it removes the legal obstacles in using foreign arbitral bodies such as the London Court of International Arbitration, if the venue of the arbitration is in Tanzania where Tanzanian law applies. Previously, only arbitral bodies that were established in Tanzania were permitted to conduct such actions. This is no longer the case, which is a welcome development for investors, some of whom had reservations about the independence of Tanzanian bodies.

The new Arbitration Act seeks to enhance the standing and professionalisation of Tanzanian arbitral bodies, practitioners, and processes. Through the establishment of the Tanzania Arbitration Centre, the act provides for: the conduct and management of arbitration in Tanzania; the registration and accreditation of arbitrators; and the enforcement of the code of conduct and practice for arbitrators.

THE FINANCE BILL 2020 UPDATES

Source rules - services provided by non-residents

A payment for services will now have a source in Tanzania: (i) irrespective of the place of exercise, rendering or forbearance; and (ii) regardless of the place of payment, provided that the services are consumed in the United Republic.

In 2016, a Court of Appeal ruling confirmed that the Income Tax Act 2004 provided for the source of services to be determined by reference to the place of performance. Following this ruling a legislative amendment (under the Finance Act 2016) was passed to the provision on the source of services (s69(i)). The Finance Bill 2020 amendment appears to effectively acknowledge that whilst the objective of the 2016 amendment was to make withholding tax apply to all payments to non-residents for services (that is, irrespective of place of performance), as drafted, it did not achieve this objective. Withholding tax is a tax on income, however the new definition makes clear that, under Tanzanian legislation, its scope is to be determined by reference to consumption tax principles (namely the place of consumption).

Changes in the allowable deductions in the computation of a corporate taxable income

The following changes are applicable to Wentworth:

1). Deduction on contributions for COVID-19 and contributions to AIDS Trust Fund: The Finance Act has introduced an income tax deduction on contributions made to the AIDS Trust Fund established under the Tanzania Commission for Aids Act and contributions made to the Government in the fight against COVID-19. These expenses, therefore, will be deductible in the calculations of corporate income tax and shall remain an allowable deduction until the Government announces the end by notice in the Gazette.

2). Interest free loans - foreign exchange losses: The deduction of a foreign exchange loss realised on an interest free loan is restricted to no more than 70% of the amount of loss attributable to such loan obligation. This restriction mirrors the ratio applied in the existing thin-capitalisation restriction (3:7). However, it is not clear whether the non-deductible amount will be deductible in the subsequent years or permanently disallowed.

3). Deductibility of unrelieved losses: The offset of losses brought forward is limited to 70% of current year taxable profit before brought forward losses if an entity: (a) has tax losses in the preceding four years, and (b) does not operate in one of the sectors excluded from this limitation (namely, agriculture, education, health). The excess losses not utilised are carried forward to later years. A similar restriction was introduced in 2016 for entities in the extractive sector (but in that case without the precondition of tax losses in the preceding four years). Given this change, there would appear to be little reason to maintain alternative minimum tax (applied to perpetual loss-making entities).

Agent of a non-resident person or of a “beneficial owner” (“resident representative”)

The 2020 Finance Act has resulted in changes to Section 4 of the Income Tax Act. This stipulates that a resident person who is an agent of a non-resident person or beneficial owner will be required to pay income tax on income derived directly or indirectly in Tanzania by a non-residential person. Such income will be from any business connection with a residential person, any property in Tanzania, payment made by a residential person or transfer of an asset situated in Tanzania.

The Finance Act defined business connection as any activity carried out by a resident person on behalf of a non-resident person or beneficial owner whereby the resident person habitually exercises authority to conclude contracts on behalf of the non-resident person or a beneficial owner in Tanzania. The non-resident person continues to be taxed on income derived in Tanzania and not on worldwide income.

Compliance requirements on realisation of investment assets

The Finance Act has introduced compliance requirements on the realisation of investment assets in Tanzania. A person who derives gain from the realisation of investment assets will be required to (i) notify the Commissioner within fourteen days of realisation of the asset, (ii) pay instalment tax on the gain within 30 days or such other period determined by the Commissioner from the date of realisation of an interest. The date of realisation of an interest is defined in the Finance Act to mean (a) the date of execution of contract for sale (b) the date of parting with possession, use or control of a realised asset or (c) the date of payment of part or whole of the consideration for the realised asset, whichever comes earlier.

The amendment further suggests that the relevant regulators for registration, transfer or approval shall not be allowed to register the transfer of the interest or change of name without the production of a certificate by the Commissioner certifying that the instalment tax has been paid or that no instalment tax is payable.

ANTI-MONEY LAUNDERING ACT, COMPANIES ACT, TRUSTEES INCORPORATION ACT

Beneficial Owners - Reporting Requirements

The Anti-Money Laundering Act, Companies Act and Trustees Incorporation Act are amended to introduce the same definitions of ‘arrangement’ and ‘beneficial owner’ as under the Income Tax Act 2004. The term beneficial owner is defined as a natural person who directly or indirectly owns or exercises substantial control over an entity or an arrangement; who has a substantial economic benefit from an entity or an arrangement directly or indirectly whether acting alone or together with other persons; on whose behalf an arrangement is conducted or who exercises significant control or influence over a person or agreement. Details of beneficial owners now need to be filed as follows: (i) Companies: with the Registrar of Companies initially with the memorandum and then with the annual return. (ii) Trusts: with the Administrator General.

The stated purpose is to ensure access to accurate and up to date records of beneficial owners of legal entities for information required, among other things, for tax purposes, control of anti-money laundering and terrorism financing.

IMPACT ON WENTWORTH

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

STRATEGIC REPORT

WINDING-UP OF MOZAMBIQUE ENTITY

Since the relinquishment of the Tembo licence and the transfer of remaining assets back to the Government of Mozambique, Wentworth's Mozambique subsidiary has since entered into liquidation with this process expected to be completed in 2021. It is further expected that the winding-up process will be completed without any additional costs.

FINANCIAL REVIEW

	2020	2019
REVENUE		
Revenue ($000)	18,991	18,636
Net entitlement to gas production (MMscf)	5,564	5,699
Average realised gas price ($/Mscf)	3.41	3.27
OPERATING COSTS		
Production and operating costs ($000)	(3,837)	(3,935)
Production and operating cost ($/Mscf)	(0.69)	(0.69)
Depletion ($000)	(5,607)	(6,236)
EBITDAX		
Gross profit ($000)	9,547	8,465
Add: Depletion ($000)	5,607	6,236
Less: recurring administrative costs ($000)	(5,548)	(5,883)
EBITDAX ($000)	9,706	8,818
EBITDAX per ($/Mscf)	1.73	1.55
NON-RECURRING EXPENDITURES		
New ventures and business development costs ($000)	(1,558)	(609)
Restructuring and redomicile ($000)	-	(489)
Deferred tax expense ($000)	1,311	1,511
Non-recurring expenditures ($/Mscf)	(0.05)	0.07
INVESTMENT IN OIL & GAS ASSETS		
Investments in Mnazi Bay ($000)	58	18
CASH & DEBT		
Year-end cash and cash equivalents ($000)	17,787	13,487
Current portion of long-term loans ($000)	-	(1,714)
Net cash/(debt) at year-end ($000)	17,787	11,773
EQUITY & CAPITAL		
Profit after tax ($000)	3,428	2,366
Closing share price (p)	18.3	19.0

TANZANIA

Revenue generated from the sale of gas and condensate produced at Mnazi Bay increased marginally in 2020 from $18.6 million (2019) to $18.9 million despite the overall average daily production rate falling from 70 MMscf/day to 66 MMscf/day. This is partly due to the increased blended gas sales price per Mscf, which increased from $3.27 to $3.34 in 2020. The main factor affecting the marginal increase in revenue, was the final adjustment to Wentworth's gas sales entitlement during 2019 with respect to the Ziwani-1 well carry costs which totalled $1.3 million. Had this entitlement adjustment not been made during 2019, 2019 revenue would have been $19.9 million on a like-for-like basis.

Demand reduction from the effects of COVID-19 and the impact of unseasonably high rainfalls experienced in 2019 and 2020 have been the most influential factor in constraining higher revenue growth. Whilst management can, with reasonable accuracy, project overall demand and projected growth for energy consumption within Tanzania, the impact of hydro-electric supply to the national grid which displaces our own natural gas at certain times of the year remains an area of unpredictability, as it is entirely dependent on changing weather patterns.

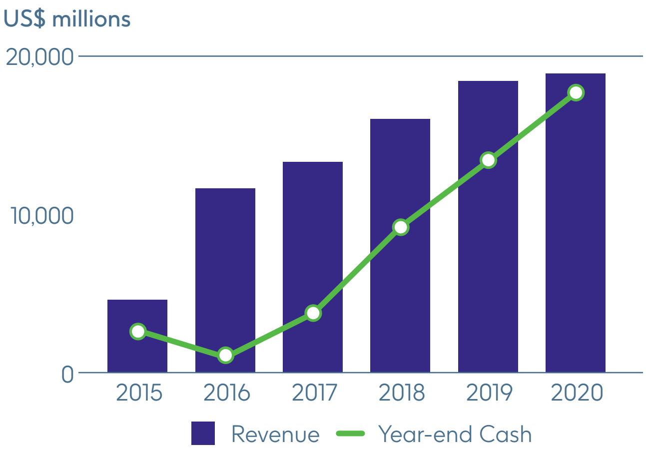
Operating costs at Mnazi Bay remained largely flat during the year at $3.8 million or $0.67 per Mscf produced (2019: $3.9 million or $0.69 per Mscf produced). Operating costs in 2020 included the $500k cost of repairing the flowline rupture at MB-2 (2019: $177k). Operating costs are largely fixed which adds significant upside to sales revenues from increased gas production. There were no significant workover projects during 2020.

Discussions with the Operator on the quantum and timing of future capital expenditure activities continue, however, excluding some initial gas compression pre-FEED studies which total $200k (gross), it is not anticipated that there will be any significant material expenditure in 2021.

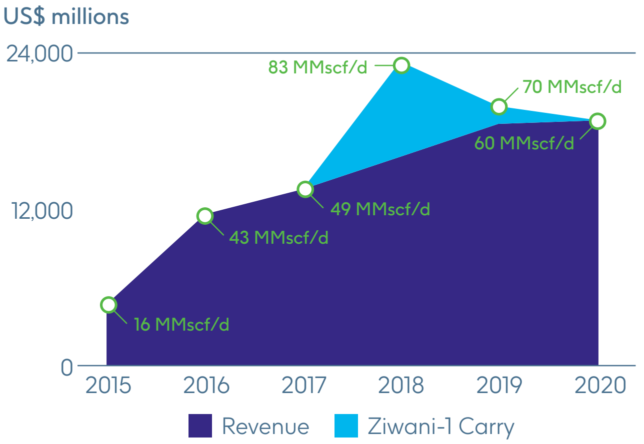
The gas compression project is estimated to have a three-year timescale to upgrade the surface facilities at Mnazi Bay from a capacity of 100 MMscf/day to 140 MMscf/day. The next significant project, subject to completion and acceptance of FEED and pre-FEED in 2021 and 2022, will be the installation of a gas compression export system that will allow wells to sustain higher rates of production for longer whilst supplying gas at the required pressures through the NNGI pipeline.

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

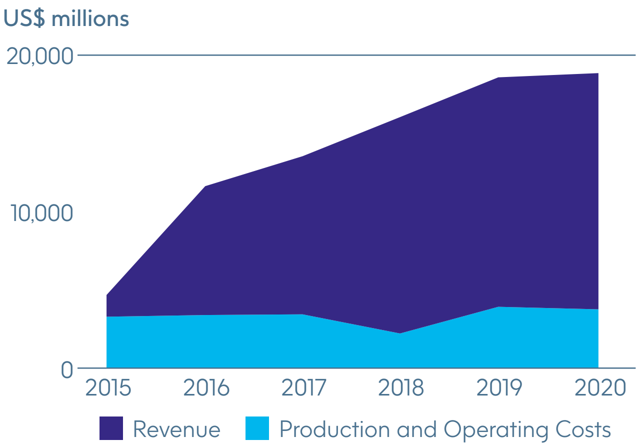
Revenue vs Cash



Impact of Ziwani-1 Carry



Revenue vs Operating Costs



MOZAMBIQUE

The Tembo licence was relinquished in June 2019 and the Group continue to fulfil its administrative and statutory commitments with respect to closing its local subsidiary. It is expected that this process will be completed in 2021.

EBITDAX

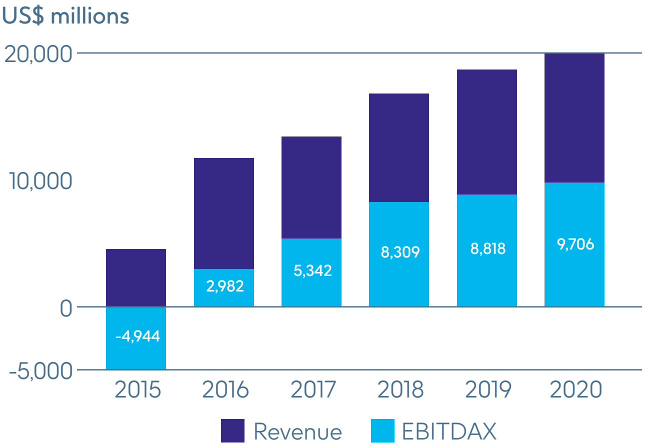
The Group define EBITDAX as earnings before interest, taxation, depreciation, depletion, amortisation, impairment costs, share-based payments, provisions, and pre-licence expenditures. This serves to provide more transparency to the reporting process. Year-on-year EBITDAX has continued to increase in-line with revenue and gas sales production outputs. Management has projected expected average daily production in 2021 to be in-line with 2020. Whilst there is clearly a proportional relationship between revenue and EBITDAX, given the fixed cost base, there may be further opportunity to drive modest increases through efficiencies and synergies across the wider Group.

GENERAL AND ADMINISTRATIVE COSTS

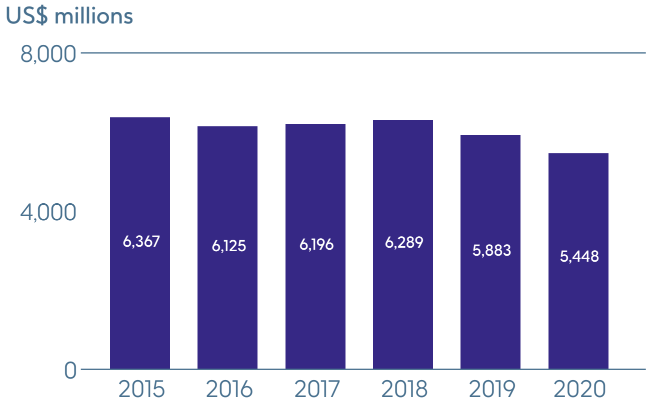
Recurring general and administrative costs have been further reduced during the year as management continue to leverage cost synergies derived from both the redomicile and restructuring process that took place during 2018 and a rationalisation of corporate activities. Management remains committed to ensuring that overheads are continually monitored whilst maintaining the ability to effectively screen and capitalise on new strategic growth opportunities in as cost-effective a manner as possible.

During 2020, the Group incurred costs totalling $1.6 million (2019: $609k) on screening and evaluating opportunities which have been brought to varying stages of maturity at the year-end. A number of these opportunities continue to be appraised in 2021.

Revenue vs EBITDAX



General and Administrative Costs



REVENUE

$18.9

MILLION

TAX AND FISCAL

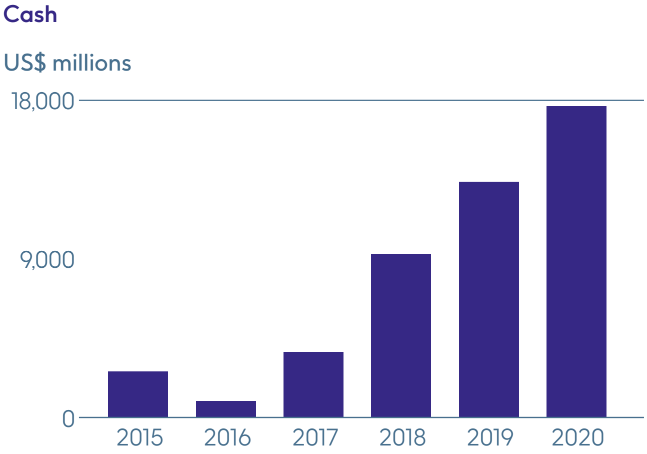
The tax and fiscal environments in Tanzania remain challenging. The legislative and fiscal frameworks under which we are required to adhere are under constant review and reinterpretation by the Tanzanian Revenue Authority ("TRA"). The Group engages with the TRA early when it is set to enter a large or complicated transaction which may be subject to interpretation. It completed its most recent TRA audit for the years of 2016 and 2017 in December 2020, the result of which was an agreed assessment for taxes totalling $126k. A further, smaller, amount was assessed by the TRA for withholding taxes deemed due for the year-ended 31 December 2018 which we are in continuing discussions over.

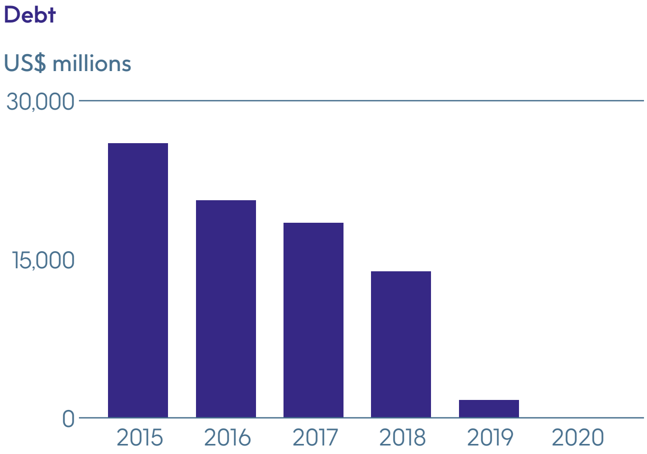
Due to the nature and complexity of the hydrocarbon production fiscal environment in Tanzania, there continue to be risks of challenge to the adopted treatment of certain material items or transactions. To best manage and mitigate this, the Group appoints external independent advisor's and maintains a strict adherence to the guidance they issue. Where there is a choice in treatment for certain items which meet the Group recognition criteria, the most conservative, reasonable approach is always taken. Current tax and legislative changes are discussed in detail within the Tanzania Legislative and Policy Framework section of this report.

CASH AND DEBT

Cash and cash equivalents increased by $4.3 million from $13.5 million to $17.8 million at the year end. This increase is the result of the Group's continued fiscal discipline, the full repayment of its debt finance facility to the TIB Development bank in Tanzania in January 2020 totalling $1.7 million (2019: $6.7 million), and the continued stability of production cash flows from Mnazi Bay. This has been partially offset by increased cash dividend distributions to shareholders of $3.8 million in 2020 (2019: $3.0 million) and an increased spend on new opportunity screening and appraisal of $1.6 million (2019: $609k).

The $2.5 million overdraft facility expired in April 2020. Whilst the Group is in discussions with various institutional counterparties in Tanzania to renew or replace this facility, if terms that are not more aligned with the current robust financial position cannot be secured it will be permanently surrendered.





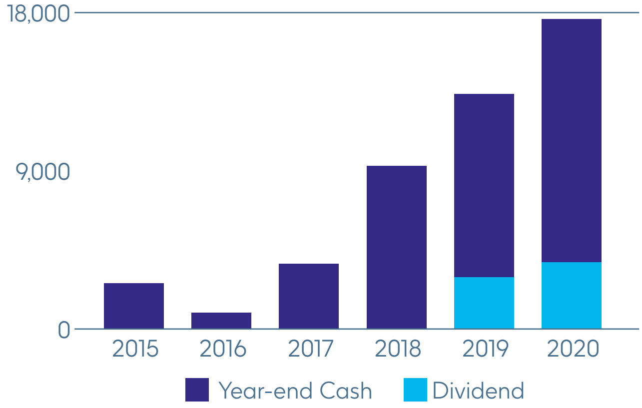
DIVIDEND POLICY

A strong balance sheet has enabled the Group to deliver its ambitious sustainable dividend distribution policy. Since its commencement in September 2019, the Group paid $3.0 million to shareholders with respect to the year-ended 2019, yielding 6.4%. During 2020, the payout will increase to $3.8 million, with the declaration of the 2020 final dividend to be paid in July 2021, yielding 6.7%.

Our sustainable and progressive dividend policy of distributing returns to shareholders demonstrates the strength of the ongoing performance of the business, ensuring the right balance between shareholder returns and business continuity. This is of particular importance during times of instability and uncertainty as is being experienced worldwide with the COVID-19 pandemic.

Dividend and Cash

US$ millions



TOTAL DIVIDEND DISTRIBUTION SINCE 2019

$6.8

MILLION

By empowering people with energy, we create shared value to improve the lives of Tanzania and its citizens. Through our focus on long-term sustainable growth, environmental performance, and good governance, we are improving outcomes for our stakeholders. Our sustainability and environmental, social and governance efforts, cover several key areas and activities.

OUR APPROACH

At Wentworth, the way we lead, work, and behave is driven by our core values. These values influence the way we work while respecting the regulatory requirements and the way we promote ethically sound practices. We expect all our employees, consultants, and contractors to tangibly demonstrate our shared values, which ultimately support and protect our brand, as well as our licence to operate and grow our value proposition.

We have modelled our sustainability policy on our values. They also align to the core principals of the Tanzanian Petroleum Local Content Regulations Oil and Gas Industry Act (2017). Our leadership in sustainability is driven by a bold and influential approach that includes:

- Acting in an environmentally conscientious and responsible manner;
- Promoting an open, transparent, and diverse work environment which provides opportunities for all;
- Maintaining a safe and healthy work environment;
- Spending time, money, and resources to give back to the community.

Our approach and commitment to Sustainability is built on five areas of focus: health and safety, social impact, environmental stewardship, strengthening local communities and good governance.

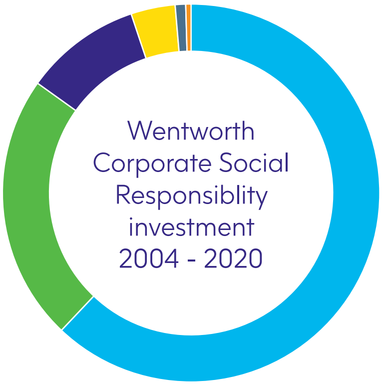
INVESTING FOR GOOD

Wentworth's sustainability policy encompasses the management of relationships with shareholders, employees, and communities in Tanzania, together with the impact on society and the environment. We recognise the specific responsibilities in each of these areas and the adherence to ESG values is a key factor in securing our long-term success.

Our objective is to support development in local communities and to minimise the impact our operations have 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 supporting the socio-economic development and welfare of those communities. Our work in the community is based on hands-on participation in determining needs, establishing partnerships and ensuring open and transparent dialogue.

In 2005, the Wentworth Africa Foundation ("WAF") was established in Tanzania. WAF is a UK and Tanzania registered charity. Wentworth invests a portion of its sustainability budget through WAF and has contributed over $1 million to WAF since its inception. These funds support initiatives aimed at contributing to the development of safe and effective educational environments and conditions in rural communities within Mtwara and Lindi, close to our Mnazi Bay producing asset.



- Education Support Programme $692,000
- SMEs Development Programme $254,000
- Health Support Programme $111,000
- Community Support Programme $42,000
- Cultural Support Programme $10,000
- Contributions to Local Initiatives $5,000

2020 WAF Highlights

During 2020, through WAF, we have focused on supporting the following community projects in Tanzania:

Library Refurbishment Programme for Secondary Schools

In collaboration with READ International, WAF has worked to address the lack of access to books in Tanzanian secondary schools. The collaboration work with this local Non-Government Organisation involves working closely with school's management, Parent Teachers Associations, local government, and local communities.

To ensure sustainable and effective use of funds, the programme uses disused space in schools identified for refurbishment. The collaborative work is a youth-led process which ensures a vital sense of ownership and supports the long-term development of the library.

WAF transforms unused, rundown spaces into well organised and engaging libraries. It also constructs new libraries in schools with no appropriate pre-existing space. The library is then equipped with books and other reading resources to support learning and teaching. Students and teachers are trained on how to use and manage the library on their own under minimal supervision. Since 2016, WAF has created over six libraries and provided 8,430 books, 11 computers and trained 78 teachers in library management skills.

"Keep a Girl in School" Programme

It has been proven that improving sanitation in schools reduces truancy and drop-out rates among female students. Poor menstrual health management in schools has been shown to lead to worry and humiliation among adolescent girls, which contributes to monthly absenteeism and poor performance. Although sanitary supplies are available in most urban areas within Tanzania, they are not as easily available in rural areas. In addition, sanitary towels are not given priority due to their high cost for rural families in Tanzania.

To tackle this problem, Wentworth and WAF developed the 'Keep a Girl in School' programme to empower girls to stay in school and complete their education. This in turn will help to break the cycle of poverty for future generations. The programme provides sanitary supplies and education to girls during their monthly menstruation. It also provides mentorship by teaching girls life skills and character development training, as well as education to both parents and teachers on the importance and benefits of girls' reproductive health education.

To date, WAF has provided 385,080 sanitary towels to over 3,800 girls in selected secondary schools across the Mtwara, Lindi and coastal regions.

To date, WAF has provided 385,080 sanitary towels to over 3,800 girls in selected secondary schools across Mtwara, Lindi and the coastal regions.

In 2020, a total of 14 students were awarded various bursaries with courses ranging from vocational courses to bachelor's degrees.

2020 Highlights (continued)

Bursary Support Programme

The Bursary Support programme was created to support young people in accessing higher education, with a particular focus on supporting students from low-income families. Students attending tertiary educational institutions from low income and rural backgrounds often struggle to access higher education due to a lack of financial resources.

To address this challenge, WAF provides bursaries for students in local communities, to attend the local Mtwara and Masasi-based tertiary vocational training institution and Masasi Folk Development College (also known as Chuo cha Maendeleo ya Wananchi Masasi). In 2020, a total of 14 students were awarded various bursaries with courses ranging from vocational courses to bachelor's degrees. A total of $8,202 has been spent in this programme in 2020.

To date, WAF has supported 84 students in studying for a range of vocational, diploma and degree-based courses. Vocational courses range from food preparation, plumbing, welding and carpentry to motor vehicle mechanics, electrical installation and maintenance. Diploma and degree courses have focused on education, nursing, pharmaceutical science, social development, finance & banking, rural development, project planning and various other disciplines.

WANT TO SUPPORT US?
For more information, or to support WAF's impactful programmes, please visit:

www.wentworthfoundation.com

EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE

Guided by the belief that a country's natural resources belong to its citizens, the Extractive Industries Transparency Initiative ("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 the 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"), to increase transparency and accountability in the extractive industries within Tanzania. TEITI was accepted as an EITI implementing country by the EITI International Board in February 2009. We have followed TEITI regulations and been a committed stakeholder since the inception of TEITI.

During the year-ended 31 December 2020, Wentworth has made the following payments to the government bodies (figures are as per government financial years in $000):

	2020	2019
Taxes paid by Wentworth	935	515

During 2020, the Government was allocated with the following share of Wentworth's gas revenues and royalties, in terms of the Mnazi Bay PSA and the Joint Operating Agreement (figures are as per government financial years in US $000):

	2020	2019
Government entitlements from Mnazi Bay concession:		
Royalty	10,177	12,313
NOC profit gas	12,124	14,797
Profit gas	2,053	2,458
Cost gas	9,770	11,821
	34,123	41,389

We have followed TEITI regulations and been a committed stakeholder since the inception of TEITI.

The sustained success of Wentworth as a profitable natural gas producer depends on our ability to manage our asset and to acquire, develop and/or commercially produce new natural gas reserves.

Key
- Increase
- No change
- Decrease

CATEGORY	RISK(S)
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 GDP and are unable to meet their monthly gas sales commitments on a timely basis. • 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.
	• Staff may become ill or require themselves to be quarantined, excessive numbers of which may limit gas production or the ability to operate safely.
Financial	• Difficulty in raising external capital or funding for M&A and/or development activities in volatile markets. • The Group's business may 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.
Revenues and Receivables	• Counterparty default and distress and concentration of asset(s).

The Board regularly monitors risk by using information obtained from internal and external sources. We utilise a risk management approach that identifies key business risks and implements procedures to actively address and mitigate them. This is especially critical given our East African operating environment.

Other significant elements of our risk management approach include regular Board reviews, a defined process for preparation, monitoring and approval of the annual work programme and budget, monthly management reporting, financial operating procedures and policies, 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.

RISK REGISTER

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 principal risks.

The focus of management and the Board of Directors is to manage exposure to risk rather than eliminate the risk completely. Our Risk Register contains the following risk categories, risks and mitigants:

MITIGANTS	RISK CHANGE
• Both 2020 and 2021 have seen the TPDC gas sales receivable fall to its lowest levels, with only the current invoice outstanding. Whilst the ultimate duration of the second wave of 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. • If a full national quarantine of industrial and commercial activities was to be required due to the second wave of this pandemic, the Group may be subjected to reduced availability of third party services and equipment. The limited work programme reduces the risk this could place on the Company's operations.	▼
• Mnazi Bay has 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. • WHO 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.	
• 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 as well as deciding the correct level of capital return to shareholders. • 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.	▼
• 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.	▼

PRINCIPAL BUSINESS RISKS CONTINUED

CATEGORY	RISK(S)
Cost/Budget Overruns	• Financial control of non-operated assets.
Legal and Compliance	• Fraud and corruption / increased third party and jurisdictional exposure. • AIM / Financial Conduct Authority and/or other or financial covenant breaches.
Country	• Governments, regulations, and the security environment may adversely change, including the potential use of exaggerated tax claims. • Security threat due to spillover from Mozambican insurgents. • 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 / potential breach of covenants. • Potential for legal recourse against Wentworth.
Portfolio and Assets	• Company over-reliance on single core (producing) asset in Tanzania. • Competitors have significantly greater financial and technical resources.
HSSE, Operational and Technical	• Dependent on other operators for the performance of E&P activities. • Counterparty misalignment. • 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. • Reduced income from gas sales and high levels of fixed operating costs may significantly squeeze cash-reserves. • Third party contractors and availability of equipment. • Well shut-ins and reduced cash-flow from gas sales. Possible adverse effects of shut-in for extended periods on re-commencement of production.

MITIGANTS	RISK CHANGE
• 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.	
• Top down leadership of the Group's values. • Wentworth places the highest importance on corporate governance matters and upholding the highest ethical standards. • Wentworth employs suitably experienced and qualified staff and, when required, external advisor's to ensure full compliance. • Legal risk assessment and due diligence (where appropriate) are undertaken for all counterparties Wentworth deals with. • Extensive risk assessment undertaken in 2020 with new policies adopted.	
• Regular monitoring of political, regulatory and HSSE changes. • Engaging in constructive discussions where and when appropriate and introducing third party expertise as required. • Contingency plans in place to boost security at our facilities and continued engagement with Government and its security measures. • 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 advisor's to ensure full compliance. • Risk assessment and due diligence (where appropriate) are undertaken for all counterparties Wentworth deals with.	
• 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.	

• 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.
• 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.	

OTHER BUSINESS RISKS

In addition to the above risks, Wentworth 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

During 2020, Wentworth undertook an extensive risk assessment of its business to inform an update to its policies. During Q4 2020 and Q1 2021, the Company's policies were reviewed, and new policies prepared where additional governance was identified as being required. In February 2021, the Board adopted several revised and new policies, including its Code of Ethics and Business Conduct, Anti-Modern Slavery, Anti-facilitation of tax evasion, Anti-Bribery and Corruption and its Conflicts of Interest policy, as well as other operational policies. Our comprehensive company policies align with local, national and international policy and regulatory frameworks 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 role in our success. All employees, consultants and contractors are accountable for the way they conduct themselves during their contributions. The overarching drivers are to ensure, honesty, integrity, and professionalism, whilst maintaining the highest ethical standards in the jurisdictions where we conduct our business.

Our policies are available on our corporate website.

The Directors are mindful of the impact that Wentworth's business has on its employees and contractors, the environment and on the wider community in the UK and Tanzania. It sets dedicated policies and processes with respect to HSSE, sustainability, business integrity, community responsibility and employees.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT

It is vital for Wentworth that everyone is aware of his or her responsibility in maintaining a safe and secure working environment. HSSE and social responsibility leadership are considered core competencies. Our HSSE risks are managed in a systematic way by utilising procedures and appropriate training of staff, with the aim of reducing any 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 works closely with with Mnazi Bay JV partners, Maurel & Prom, and TPDC 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 office in 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.

SUSTAINABILITY

Wentworth is committed to conducting its business responsibly and sustainably. Wentworth has ESG related 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 our business objectives, we intend not to compromise our relationship with any of these stakeholders. This commitment is demonstrated by the publication of our inaugural Sustainability Report in April 2021.

BUSINESS INTEGRITY

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

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.

We are 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.

Our whistleblowing policy 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 an independent hotline which are directed to the Senior Independent Director.

Katherine Roe
Chief Executive Officer
21 April 2021

Wentworth is committed to providing a workplace free of discrimination where all employees are afforded equal opportunities and are rewarded on merit and ability.

STATEMENT OF CORPORATE GOVERNANCE

Dear Shareholder

As Chairman of Wentworth Resources plc I have led the Company to carry out its work and behave in accordance with our values. Our values run through everything we do: we are dedicated to Tanzania, our stakeholders, and partners; as a company we embrace new perspectives and ideas and are proactive in our approach; we remain resilient in the face of external headwinds; and we work hard to build a better future for all.

These values influence the way we work with respect to the regulatory requirements which govern the business and the way we promote ethically sound practices within Wentworth. Our values drive our interactions and relationships with our stakeholders, suppliers, employees and the communities in which we operate.

Our focus this year has been to develop a comprehensive, transparent and appropriate ESG strategy capturing our purpose to empower people with low cost and reliable energy to fuel long-term sustainable growth. Our ESG strategy seeks to disclose how we deliver value for all our stakeholders both in and outside the country. By leveraging the power of natural gas, we are enabling Tanzania, the communities where we operate and the people we serve, to thrive by closing the energy access gap and doing so in a sustainable way.

The Company continues to comply with the QCA Corporate Governance Code 2018 (the "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 remain focused on HSSE and are committed to prioritising 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 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. Mnazi Bay recently celebrated four years without an LTI which is testament to the focus on providing a safe working environment.

LONG-TERM VALUE AND STRATEGY

The Company is dedicated to enabling Tanzania's energy transformation by replacing expensive, heavy polluting diesel-based generation to cleaner and more sustainable power by the provision of natural gas. Our purpose is to empower the people of Tanzania with energy and working closely with our partners in government we are now focused on delivering universal energy access by 2030. We remain focused on creating shared value by the delivery of long-term sustained shareholder value and growth, both organically through our core Mnazi Bay producing gas asset, and through a focused growth vision. Our strategy and business model is explained in detail within the Strategic Report.

Wentworth continues to embed effective risk management throughout the business in order to execute and deliver the Company's strategy. During 2020, we undertook an extensive risk assessment of our business to identify those areas of high and medium risk and consider how we could mitigate those risks. As a result of that risk assessment, in February 2021, the Company updated many of its operational policies and adopted new policies to address areas which were identified as requiring stronger risk management. The Company is continuing to embed the new policies and associated procedures through its business by way of informing and training staff and engaging with our JV partners.

In response to the COVID-19 pandemic, and in order to protect our people and communities during this difficult time, we implemented robust precautionary measures, resulting in zero cases of COVID-19 at Mnazi Bay. Further, we launched an internal COVID-19 awareness campaign at Mnazi Bay to promote safe behaviours on site, such as social distancing and routine disinfection of shared equipment and spaces. These measures have effectively mitigated the risks of any outbreaks or operational disruption, resulting in no adverse impacts due to COVID-19 on our business.

BOARD COMPOSITION

The Board sets the Corporate Governance framework for the Company and has overall responsibility for setting the Company's strategic aims, defining the business plan and strategy and reviewing the performance of the Company and its officers and management.

During 2020, the composition of the Board remained stable following Katherine Roe's appointment as CEO. To avoid further disruption following the departure of Eskil Jersing at the end of 2019, I agreed to remain on the Board for an additional year to support that transition. I am delighted to see Katherine successfully take on the mantel of CEO and drive the business forward during what was an unprecedented and challenging year, and therefore I will be stepping down from the Board at the AGM, with my contract ending on 30 June 2021.

Tim Bushell, our Deputy Chairman, will be stepping up to the role of Non-Executive Chairman and I am confident that he will continue to lead the Company embedding the core values and ethically sound practices that I have worked to establish. Tim's appointment further strengthens our governance as he is considered independent on appointment. Tim will remain as Chairman of the Remuneration Committee and will continue to sit on the Audit Committee and the Nominations Committee until a new independent Director has been appointed, at which point the Board will consider committee composition.

During 2020, our intention was to appoint an additional independent Non-Executive Director to the Board. The aim is to bring further diversity to our Board and to ensure our Board composition contains the right balance of sector, jurisdiction and public market skills and therefore we were seeking to appoint an individual with a background in Tanzania or the wider East Africa region. Unfortunately COVID-19, and the associated travel restrictions, has made it difficult for us to pursue this appointment more quickly and meet prospective directors. We have continued in our search to find the right potential director and a process is underway to identify suitable candidates for further Board refreshment and renewal with independent agents appointed to aid the process.

We intend to make at least one appointment of a new independent Non-Executive Director during 2021 with a second independent Non-Executive Director appointed thereafter. In order to avoid two long-standing directors stepping down simultaneously and leaving a Board of just three directors, John Bentley, who had intended to retire from the Board during 2020, has agreed to remain on the Board until a new appointment has been made or until the end of the year, whichever is sooner. This will facilitate an orderly handover to an incoming director and help to maintain stability at Board level.

Each of the continuing Non-Executive Directors are considered by the Board to be independent in character and judgement. In the case of John Bentley, in determining his independence, the Board had particular regard for his tenure on the Board and the fact that he served as Executive Chair of Artumas Group prior to the formation of Wentworth. Following a rigorous review, and in light of John's invaluable insight and contribution at Board level, the Board was fully satisfied that he remains an independent Director. Iain McLaren will remain as Chairman of the Audit Committee and John Bentley will continue to Chair the Nominations Committee until such time as he steps down from the Board.

Following my retirement from the Board, I have agreed to remain involved with the Group as President of our Tanzanian company. In this time of transition and change in the Tanzanian political landscape, the Board have expressed a desire to retain my operational experience as well as to be able to access my relationships in our primary markets. The importance of this is further exacerbated by recent travel restrictions to Tanzania as well as a change in the political landscape following the passing of the Tanzanian President and subsequent change in leadership in the Country.

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. The role of the CEO is a full-time position.

All Board members are expected to attend shareholder meetings and be available to shareholders as required. During 2020 the Company was forced to hold a closed AGM although we did answer shareholders questions and voting was conducted by proxy. This year the Company is using a virtual platform called Investor Meet Company to host the AGM due to continuing COVID-19 restrictions so whilst there will not be the ability to vote online at our AGM and voting by proxy will be encouraged, the meeting will be interactive with shareholders able to submit questions which will be answered by the Board in real time. Should COVID-19 restrictions lift prior to the date of the AGM then the Company will hold a physical meeting but we will endeavour to host the meeting on the virtual platform as well. We believe shareholder engagement should be made as easy as possible and we are confident that the use of this platform will allow all shareholders the ability to participate and feel included in our AGM, despite COVID-19 related restrictions.

During 2020, the Board was unable to hold face-to-face meetings but all Board interaction moved online and regular virtual board meetings were held which enabled Board communications to continue uninterrupted. Frequent communications between board members continued and channels of communication remained open between all board members.

The full Board meets at least four times a year and on any other occasions it deems necessary[1]. During 2020, there were five scheduled Board meetings, three ad-hoc Board meetings convened at short-notice, one Remuneration Committee meeting, three Audit Committee meetings and one Nominations Committee meeting. The Reserves Committee was formally disbanded and the functions previously delegated to the Reserves Committee taken on by the full Board. Directors attendance is shown below.

	Board Meetings	Audit Committee	Remuneration Committee	Nomination Committee
Number of scheduled Board meetings in a year	**5**	**3**	**1**	**1**
Robert McBean	5	-	-	1
John Bentley	5	3	1	1
Tim Bushell	5	3	1	1
Iain McLaren	5	3	1	1
Katherine Roe	5	-	-	-

[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.

EXTERNAL ADVISOR'S

During the year the Audit Committee has secured external advice on tax and legal matters as required and the Remuneration Committee received external legal advice. In early 2021 the Remuneration Committee appointed Ellason LLP to advise on Executive and Non-executive remuneration and their advice has informed the Remuneration Policy adopted by the Company and presented to shareholders in this Annual Report.

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

BOARD EVALUATION

The Nominations Committee is responsible for conducting assessments of the Board, its committees and individual Directors, which are carried out on an informal basis.

No formal board performance evaluation was conducted in 2020 however since year end, Russell Reynolds and Associates have been appointed to assist the Company in its search for an independent Non-executive Director to replace John Bentley and they have guided a Board assessment of the balance of skills and experience of the existing Board members to help inform the Board of the key skills and experience required in the new director. Appointments are based on merit and objective criteria and, within this context, promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.

The Remuneration Committee assesses the performance of the Executive Director against Key Performance Indicators ("KPI") which are determined at the beginning of each financial year and reviewed at the end of the performance period. Following the review by Ellason LLP in January 2021 the KPI's for 2021 were set and were adjusted to more closely reflect updated governance advice. Further detail of the Executive Director's remuneration can be found in the Remuneration Report.

Skills and experience of Board members and ongoing training

Tim Bushell, John Bentley 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. The CEO also has considerable oil and gas and capital markets experience, as well as demonstrable ability to execute complex transactions. For the board to function effectively, achieve our purpose and deliver value to shareholders the Directors must have detailed knowledge of Tanzanian gas production operations, the jurisdictional landscape as well as knowledge of the global oil and gas industry, 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, prior to the travel restrictions caused by the COVID-19 pandemic, regularly visited the Tanzanian assets and met with key in-country stakeholders. Those meetings have continued via video conference and our in-country manager, Richard Tainton, has remained in-country throughout. As referenced above, the intention is to strengthen this area of skills and experience of the Board with the appointment of a new independent Non-Executive Director with a background in Tanzania or the wider East Africa region.

Directors are encouraged to retain membership of professional and/or industry bodies and attend external courses as required. The Board also receives briefing notes, updates and training from the Company's Nominated Advisor and legal advisor's on an ad-hoc basis.

COMPANY CULTURE

Our core values of respect, integrity, honesty and transparency are the back bone of our Company culture and our focus this year on developing our ESG strategy has, more than ever, ensured the Board remains focused on our unique 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. Guided by our purpose we leverage the power of natural gas to create sustainable energy and enable the societies we serve to develop and thrive. Working closely with our partners in government we are now focused on delivering universal energy access by 2030.

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, setting the tone for the Company by exemplifying consistent values of high ethical standards and fairness; leading the Company in defining its vision; we 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 building the Company into a resilient business with a strong financial performance.

During 2020, the Company undertook a review of its key policies including the Code of Ethics and Business Conduct Policy which sets out the minimum standards of behavior required by all Directors, officers, employees and contractors in conducting the business affairs of the Company. New policies were adopted and existing policies updated in early 2021 and include conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, anti-bribery and corruption, anti-facilitation of tax evasion, anti-modern slavery, maintenance of corporate records and the reporting of illegal and unethical behaviour.

I am confident our culture will continue under the guidance and leadership of Tim Bushell as he steps up to the role of Non-Executive Chairman.

BOARD COMMITTEES

The Board has been supported by an Audit Committee, Remuneration Committee and Nominations Committee. Details of their activities during 2020 can be found in each of their reports. During 2020 the Board 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.

COMMUNICATIONS WITH SHAREHOLDERS

The Board is accountable to the Company's stakeholders including its 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 purpose and 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 as well as updating the market via press releases which are issued throughout the year. The Company maintains a website (www.wentplc.com) on which press releases, Corporate presentations and Annual Reports are available to view and there is a Q&A page on the Corporate website as well as a Corporate page on Linkedin and Twitter all of which is populated and updated regularly. This Annual Report contains extensive information about the Company's activities. We have also published our inaugural Sustainability Report, a consolidation of the development of our ESG strategy during 2020.

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.

Unfortunately, as a result of the COVID-19 pandemic, the Company was required to hold a closed AGM due to the stay-at-home measures in place at the time. Shareholders were encouraged to vote by proxy and to submit questions via an email address answers to which were made available on the Company's website. For the 2021 AGM the Company has made arrangements to hold a virtual meeting using the Investor Meet Company platform (although online voting will not be possible so shareholders should still vote by proxy) and shareholders will be able to log on to the meeting and submit questions which will be answered in real-time by the Board and the Board will provide a live presentation to investors relating to the preliminary results for FY21. In the event that a physical meeting can be held the Company intends to hold a physical meeting with access available virtually for shareholders unable to attend in person.

CONFLICTS OF INTEREST

The Company reviewed its Conflicts policy towards the end of 2020 and a new Conflicts Policy was adopted in February 2021. 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.

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 1.9 million 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;
- The Executive Director is assessed against clear and objective criteria. No formal board evaluation process has been undertaken where the Board, Committees and individual effectiveness of the Non-Executive Directors has been considered.

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
21 April 2021

BOARD OF DIRECTORS

KATHERINE ROE
Chief Executive Officer

Katherine, Chief Executive Officer, was appointed in November 2019. 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 principal 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 Advisor and Qualified Executive for many years, having moved from Morgan Stanley's investment banking division. She is currently independent Non-Executive Director of Longboat Energy plc and Non-Executive Director of ITM Power plc.

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.

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. Previously he was Non-Executive Chairman of Faroe Petroleum plc and remains a Non-Executive Director of Africa Energy Corp.

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. Tim was Chief Executive Officer at Falkland Oil and Gas Limited until its merger with Rockhopper Exploration. He was a co-founder of Core Energy which via a series of mergers between Point Resources and then Var Energi, is now one of the largest E&P companies in Norway. He currently serves on the boards of Genel Energy plc, Petro Matad Limited, Sval Energi AS. and Redrock Energy Limited.

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

Key
- Audit Committee
- Remuneration Committee
- Nominations Committee
- Chairman
- Member

AUDIT COMMITTEE REPORT

The Audit Committee met three times 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 had been endorsed by the EU and UK prior to the end of the Brexit transition period on 31 January 2021. After this date, the power to endorse new or amended standards lies with the UK Secretary of State for Business, Energy and Industrial Strategy. This also applies to amendments to existing standards.

UK-adopted IFRS will be effective for accounting periods beginning on or after 1 January 2021.

At the last year-end, the impact of the COVID-19 pandemic was an emerging issue and presented the Audit Committee with significant uncertainty. 12-months on, and whilst we understand considerably more about COVID-19, its behaviour, the impact upon the people we employ and actively engage with and the more general macro economic environment, that uncertainty still remains.

The Audit Committee has again dedicated a significant amount of time in assessing the Group's financial systems, continued preparedness and resilience for what will likely be a prolonged period of uncertainty yet to come. Largely, the precautionary and preventative systems that were initially instituted in 2020 have worked very well, with little need for significant changes to them as circumstances have developed.

The historic assessment of the Audit Committee, which judged that the business would continue to operate with minimal disruption, proved to be accurate and we do not, once again, foresee any disruption 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.

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

- the carrying values of both producing and non-producing assets capitalised within the statement of financial position following the identification of certain impairment indicators. Full impairment reviews were conducted at the year-end under IAS 36 and, following their completion, the recoverable amount of both producing and non-producing assets were assessed to be higher than their carrying values, requiring no impairment charge;
- the recoverability of gas sales receivables, which have in absolute terms improved, however, at the year-end there remained a 14-month receivable from TANESCO which totalled $1.3 million. Under IFRS 9, $11k of expected credit losses were recognised against amounts past due, albeit the Group continues to anticipate that the debt will be collected in full over time;
- the presentation of certain non-recurring administrative costs within the statement of comprehensive income;
- 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 final dissolution of Mozambique corporate entities is ongoing and the expectation is that this will be completed during 2021; and
- the continued provision-in-full made against the Government of the United Republic of Tanzania receivable ("Umoja") with respect to the transmission and distribution infrastructure sold to TANESCO totalling $6.5 million and any indicators of a change to the present obligation, probability or amount of anticipated final settlement.

A summary of the main areas in which the Audit Committee were required to exercise significant judgement are noted below, some of which are discussed in more detail within note 3 to the Annual Report and Accounts:

- COVID-19 readiness and contingency planning protocols;
- Mnazi Bay gas supply, demand and settlement assumptions with respect to current receivables, capitalised carrying values and going concern;
- the application of tax assumptions, where the legal and tax systems in certain countries are less developed, which affect the recognition of tax liabilities and deferred tax assets; and
- the continued accounting treatment of Cyprus Mnazi Bay Limited ("CMBL") as a joint-operation and the 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 investigate 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 IFRS 9, and existing areas of risk as is deemed appropriate for the relative size and complexity of the Group's activities. The auditors, KPMG LLP (UK), have been in place since 2018 and, in line with the audit profession's ethical guidance, the current audit engagement partner is due to rotate off the Company's account following 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 judgements 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 would not be able to provide services objectively but had historically done so, it was required to give Wentworth sufficient notice of this and disengage from any disqualified activity.

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 re-appoint KPMG LLP (UK) at the 2021 AGM.

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 KPMG 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

Tim Bushell
Chairman,
Remuneration
Committee

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year-ended 31 December 2020.

COVID-19 has had a significant worldwide impact in 2020 and whilst Wentworth has performed well during this time and has been relatively resilient in the face of the pandemic, Tanzania has been impacted by falling tourist numbers which has driven a stagnation in energy demand in the country in 2020, particularly from the large hotel chains. In addition unseasonal heavy rainfall increased the availability of cheaper hydro-electric power which affected demand for gas. However Wentworth demonstrated how operationally and financially robust the Company is by still performing well during 2020 despite these challenges. Performance so far in 2021 has continued to strengthen with production averaging 85 MMscf/day for Q1 2021 against 64 MMscf/day during Q1 2020 and I look forward to another strong performance from the Executive Director and Senior Management during 2021.

In light of the challenges facing our stakeholders no changes were made to the CEO's base salary for 2020. During 2020 Katherine Roe was eligible for an annual bonus of up to 170% of salary, with 100% of salary based on a range of financial and operational targets linked to Company strategy, and an exceptional bonus of up to 70% of salary payable only on the delivery of a successful M&A transaction. Following year-end the Committee reviewed Katherine's performance against these objectives and approved an overall bonus of 81% of salary, reflecting strong performance against cash balance targets, and delivery against both HSE and stakeholder objectives, including the development of a new ESG strategy. No bonus was payable under the exceptional element.

During 2020, the composition of the Board remained stable with Bob McBean agreeing to stay on as Non-executive Chairman until June 2021 to support Katherine Roe in her new position as CEO following the departure of Eskil Jersing at the end of 2019. I am delighted that Bob will remain involved with the Group as President of our Tanzanian company given his unique deep understanding of Wentworth and the Tanzanian landscape. While he has no role on the Board or in an executive capacity, given his prior relationship as a Board member, the Remuneration Committee has determined that it should remain responsible for his compensation in his role as President of the Tanzanian company and that his compensation arrangements be fully disclosed.

Following Bob's departure all legacy remuneration arrangements, which largely stemmed from the Company's Canadian domicile, are now resolved and the Committee is confident that the Company's remuneration policy reflects market practice for an AIM listed company of its size and within its market sector.

Following feedback from institutional shareholders, as well as the initiation of a long-term sustainable dividend policy, the Committee undertook a review of our approach to remuneration during 2020. As part of that review and to ensure appropriate support was in place the Committee ran a process to appoint independent remuneration consultants to review executive and non-executive remuneration and to advise the Committee on our remuneration policy resulting in the appointment of Ellason LLP in January 2021. Following Ellason's input into the review, we have amended our remuneration policy and further details of this are set out in this Report. Key changes to our policy and approach to executive remuneration include:

- more relevant and challenging KPIs applied to the Executive Director's annual bonus with a higher level of Remuneration Committee discretion to ensure the annual bonus award reflects the fortunes of the Company and its stakeholders;
- refocusing the variable pay opportunities towards the long-term, with a removal of the exceptional opportunity under the annual bonus (reducing the bonus opportunity from 170% to 100% of salary), and clarifying the LTIP policy such that the 200% of salary upper limit, previously only available in exceptional circumstances, is available during a regular year;
- a change in the LTIP performance conditions away from absolute share price growth to a mix of absolute and relative total shareholder return; and
- the adoption of a new share ownership and retention policy for the Executive Director.

In preparing this report, the Committee was guided by the QCA's Remuneration Committee guide and has made appropriate disclosures recommended therein. We hope the steps we have taken to enhance our incentive framework and disclosure will be reflected in your support for that proposal.

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

Yours sincerely

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;
- 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

In response to institutional investor feedback after the 2020 AGM and in combination with our newly appointed remuneration advisor's Ellason LLP, the Committee has made a number of changes to the Group's remuneration policy which will be implemented from the date of the Company's AGM.

Key changes made to the Executive Director Remuneration Policy are set out in the table below to ensure these are clearly identified to shareholders. No changes were made to the Non-Executive Director Remuneration Policy.

Changes to the Remuneration Policy and approach to executive remuneration

Base salary	Base salary was reviewed by Ellason and quantum was assessed against both a sector peer group and a peer group reflective of the size of the Company. Executive remuneration was found to be appropriate and no changes have been implemented as a result of our review. Base salary was originally reviewed in April every year and this time frame has been changed to January to fall in line with the assessment of the Executive Director's annual bonus and KPIs.
Performance related bonus	The annual bonus remains capped at 100% of salary but the discretion of the Remuneration Committee to pay an exceptional bonus in excess of this has been removed. Within the annual bonus a greater element of Committee discretion has been incorporated to ensure that any bonus payment accurately reflects the performance of the Company and the experience of its stakeholders, including its shareholders. The KPIs which are agreed with the Executive Director at the beginning of the year, have been reviewed and their weighting has been adjusted to refocus the annual bonus with an appropriate balance between objective and financial targets, and non-financial metrics. Greater emphasis is now placed on the LTIP to ensure that variable pay is equity-based and focused on long term performance.
Pension	Pension contributions of 10% of base salary are considered appropriate and no change has been made.
LTIP	The greatest changes to the Remuneration Policy are in respect of the LTIP. The maximum award under the LTIP in a regular year has been increased to 200% of annual base salary in line with the exceptional opportunity previously incorporated into the policy to refocus the Executive Director's variable pay on longer term outcomes that are aligned with shareholder returns. Institutional shareholders have previously raised concerns around LTIP vesting being based entirely on absolute share price growth targets, which can be unduly impacted by broader market sentiment both negatively and positively. The Committee also considered that the use of absolute share price targets no longer fully aligned the interests of participants and shareholders following adoption of a dividend policy. Following advice from Ellason and input from shareholders, the Committee has determined the performance conditions applying to 2021 LTIP awards to be based 50% on Absolute Total Shareholder Return ("ATSR") to include rolled-up dividends, and 50% on Relative Total Shareholder Return measured against a selection of constituent companies of the FTSE AIM All-Share Energy Index ("AXOIG"). Given the Company is now a dividend paying company, the Committee has also considered the existing LTIP awards which are currently in place and which vesting is based on absolute share price growth not including dividends and intends to amend the performance conditions of the existing LTIPs as set out in on page 62. The Committee recognises that this is unusual but it is of the opinion that the significant change in the Company's dividend policy does require those 'in-flight' LTIPs to be amended.
Share Ownership and Retention	In response to institutional investor feedback a new policy has been adopted whereby the Executive Director(s) are required to hold ordinary shares in the Company equal to their maximum entitlement under the LTIP. In the case of the Executive Director this is equal to shares to the value of 200% of her base salary and she will be required to build up this holding within five years of adoption of the policy.

The revised 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 not only attract but, importantly, retain high-calibre employees with the requisite skill-sets required to execute the Company's strategy.

The Committee is tasked with ensuring that the policy is applied in such a way that remuneration of Directors, management and senior staff is set at a level no higher than is required to achieve the Company's objectives and that pay is closely linked to performance.

The focus of the variable remuneration has shifted towards the LTIP to ensure the Executive Director is aligned with long-term shareholders and decisions are made to ensure long term value growth rather than short-term gain.

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 an appropriate reward for their role and responsibilities.
Operation	• Base salary is reviewed annually in January considering the Director's performance, individual responsibilities and experience. • Salary increases will be awarded to reflect changes in role or responsibility and any industry benchmarking adjustment and will be effective from 1 January of each year. • The Committee considers matters of retention, motivation and economic climate as well as the challenges facing the business and pay and conditions through-out the Company. • As and when required, the Committee obtains benchmarking data and reviews peer group comparator companies' remuneration.
Performance related annual bonus	
Purpose and link to strategy	To incentivise and reward, on an annual basis, the achievement of individual and Group targets set around financial and non-financial metrics.
Operation	• Objectives/KPIs are set prior to the year under review with Group wide targets in addition to individual performance considerations. • KPIs, specific to the Executive Director(s) 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. • 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 Committee retains significant discretion to ensure that any bonus is reflective of the underlying performance of the Company and the experience of its stakeholders during the year. • The bonus is non-contractual, discretionary and 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 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 and to support individuals in carrying out their roles, including in different locations as may be requested.
Operation	• A range of customary benefits, in addition to base salary, is provided 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 Committee intends to make annual awards in July of each year, subject to the Company being in an open dealing period, to Executive Directors and senior management. Annual awards to Executive Directors are capped at 200% of annual base salary. • All awards are over nil cost options or conditional rights, with vesting subject to continued employment and performance against relevant metrics measured over a period of at least three-years. The Committee will determine the performance measures ahead of each cycle to ensure that they continue to be linked to the delivery of Company strategy and aligned with shareholder interests. Performance conditions for the 2021 LTIP award will be based 50% on Absolute TSR and 50% on relative TSR measured against a selection of the constituent companies of the AXOIG. • A payment equal to the value of dividends which would have accrued on vested awards will be made following the release of awards to participants, either in the form of cash or as additional shares. • Options granted under the Company's previous schemes remain in place. • Any LTIP grant is subject to the Company's malus and claw-back policy.
Shareholder requirement	
Purpose and link to strategy	To align the Executive Director(s) interests with those of shareholders through build-up and retention of a personal shareholding.
Operation	• For the duration of their appointment, Executive Director(s) are required to hold shares with a value equivalent to the maximum opportunity under the LTIP (e.g. equivalent to 200% of base salary for the CEO). • Executive Directors have five years from the date of appointment (or the date of adoption of the policy) to reach their share-holding requirement.

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 practices.

The Company conducts 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. Individual goals represent 50% of an employee's annual bonus and the other 50% is based on share price performance.

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. In addition:

- 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. Where new appointees have initial base salaries set below market, any shortfall may be managed with phased increases over a period of two to three years subject to the individual's development in the role.
- Any annual bonus will be consistent 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 up to 200% of base salary.
- 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 doing so, the Committee will consider relevant factors including time to vesting, any performance conditions attached to these awards and the likelihood of those conditions being met. Any such 'buy-out' awards would typically have a fair value no higher than the awards forfeited. In the case of an internal hire existing awards made to that individual would be retained.

Service Contracts
The Executive Director signed a new service contract on 6 January 2021 that is not fixed in duration but contains a notice period of 12 months in line with best practice.

The Executive Director's service contract is available to view at the Company's registered office and prior to each Annual General Meeting 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 after termination of employment or after the award vests. The Committee has discretion to determine to what extent any award granted to a good leaver vests taking into account the proportion of the performance period falling prior to the event and the extent to which any performance conditions have been satisfied. The Committee may determine that a good leaver's award may vest early but where no such determination is made the award will vest on the original vesting date.

Under the previous Company Option Plan which still has some un-exercised options in issue, 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 Director(s) 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. As and when required, the Committee obtains benchmarking data and reviews peer group comparator companies' remuneration. • The chairs 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. • Fees are reviewed annually with changes effective from 1 January.
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 and are not entitled to benefits other than travel and business expenses incurred in the normal course of business.	
LTIP	
Non-Executive Directors do not participate in the LTIP Scheme.	

REPORT ON REMUNERATION

Key activities

- Agreed and set KPIs for the annual bonus for the Executive Director for 2020.
- Agreed the total remuneration package for the Executive Director and members of senior management.
- Appointed Ellason LLP in January 2021 to review remuneration for both Executive and Non-Executive Directors.
- Finalised the terms of Katherine Roe's executive service agreement as well as amending Richard Tainton's (Country Manager not an Executive Director) service agreement and amending Robert McBean's letter of appointment as non-executive Chairman following the extension of the term of his letter of appointment by a further year to 30 June 2021.

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

External Advice

Pinsent Masons LLP provided legal advice in relation to Katherine Roe's new contract as well as advising on changes to Richard Tainton's service agreement and the amendment to Robert McBean's letter of appointment. Ellason LLP was appointed in January 2021 to conduct a review of remuneration for both Executive and Non-Executive Directors and reported to the Committee in February 2021.

Committee Discretion

The Committee exercised its discretion in relation to the adjustment of the performance period for the LTIP awarded to Katherine Roe in December 2020 to ensure that the performance period and notional share price at date of grant reflected the fact that the Executive Director was entitled to the award in July but the Company was unable to grant the award until December. The performance period for the award granted in December 2020 runs from 1 August 2020 to 31 July 2023 and the VWAP used to calculate the award was based on the share price during the 3 month period immediately prior to 31 July 2020.

DIRECTORS REMUNERATION DURING THE PERIOD ENDED 31 DECEMBER 2020

Total Remuneration of Executive Director

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

	Base Remuneration	Bonus	Other Benefits[1]	LTIP charges	2020 Total	2019 Total
	$	$	$	$	$	$
Katherine Roe	385,476[2]	312,988	62,409	227,800	988,673	497,945
Total	**385,476**	**312,988**	**62,409**	**227,800**	**988,673**	**497,945**

[1] Other benefits includes pension.
[2] Gross base remuneration excludes $117,473 employers National Insurance contributions.

Base Salary and Annual Bonus of the Executive Director

Katherine Roe agreed to a salary freeze to her base salary (reviewed in April) in 2020 to reflect the economic uncertainty due to the COVID-19 pandemic. Her base salary remained at £305,400 (US$385,476) for the fiscal year.

Katherine Roe was awarded a bonus of US$312,988 (equating to 81 % of her base salary) in recognition of the achievement of KPIs set at the start of 2020.

Her annual bonus entitlement during the year was 170% of base salary. The Committee exercised its discretion to award a higher maximum entitlement than 100% setting an additional annual bonus target of 70% of base salary achievable for delivery of an M&A transaction. Therefore her maximum entitlement during the year was 170% of base salary for achievement of the following key objectives which had been agreed with Katherine Roe for the financial year ending 31 December 2020.

Objective	KPI	Achievement
HSSE	Zero lost time incidents.	There were no LTIs at Mnazi Bay during 2020.
Financial	Quantifiable financial targets including a minimum cash target of $17 million (accommodating dividend payments).	This was achieved in addition to a higher dividend payout than budgeted.
Operational	Quantifiable production targets in line with market expectation.	Partially achieved.
Non-financial metrics	Stakeholder engagement and investor relations.	Achieved by positive interactions with JV partners and government relations as well as the operator of the asset resulting in increased allocation to Mnazi Bay.
ESG	Development of the Company's ESG strategy.	Achieved with detailed external reporting of ESG matters targeted for release on time in 2021 reporting cycle with the publication of the Company's inaugural Sustainability Report.
M&A	Delivery of an M&A transaction in line with the Company's strategy.	Not achieved to execution.

LTIP Awards granted during the financial year

At the time of Katherine Roe's appointment as permanent CEO on 3 January 2020, an LTIP award was granted in accordance with the policy. A further award should have been made in July, however the Committee was unable to make an award at that time due to the Company being in a restricted period. On 17 December 2020, a further award was made reflecting the regular award that was due to be made in July. The award made in December replicated the grant which would have been made in July as per the Company's policy, with 200% of salary the maximum amount permitted to be granted in any year.

The percentage of awards which will vest will be dependent on absolute share price growth during the performance period.

LTIP awards table

Director	Date of Grant	Share price at date of grant	Performance Period	Number of options subject to performance conditions set out below	% of salary	Face value of maximum award
Katherine Roe	3 January 2020	£0.1843[1]	3 January 2020 to 2 January 2023	2,485,621	150%	£458,100 ($599,946)[3]
Katherine Roe	17 December 2020	£0.162[2]	1 August 2020 to 31 July 2023	942,593	50%	£152,700 ($205,909)[4]

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

[2] The share price is calculated by reference to a 3-month volume weighted average price of an ordinary share for the 3 months preceding the date that the grant should have been made which was to 31 July 2020.

[3] 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.

[4] 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 31 July 2020. 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 2020 LTIP awards are as follows:

- The awards are in the form of nil cost conditional rights to ordinary shares;
- For the award granted on 3 January 2020, the performance will be measured over a three-year period to 2 January 2023 and for the award granted on 17 December 2020, for a three-year period to 31 July 2023 reflecting the delay to the award which should have been made by the end of July, 2020 but which was prevented due to being in a restricted period;
- 25% of each award will vest if the Company's share price at the end of the Performance Period has increased by 8% p.a. and 100% of the award will vest if the share price has increased by 16% p.a.;
- Should the Company's share price increase between 8% p.a. and 16% p.a. 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% p.a;
- Share price growth is calculated with reference to the average price over a 3-month dealing period; and
- In certain situations, including a change of control, the awards may vest early if no replacement award has been made.

Amendment to the existing LTIP awards previously granted to Katherine Roe

As discussed above, following the adoption of revised performance conditions for future awards which has been driven by shareholder feedback and the implementation of a dividend policy by the Company, the Committee has resolved to amend the performance conditions of Katherine Roe's existing LTIP awards to ensure they are linked to absolute TSR rather than absolute share price growth from the date of the AGM. This will apply to all of Katherine Roe's existing LTIPs amounting to a total of 4,618,289 conditional rights over ordinary shares.

Outstanding Wentworth LTIP cycles are each based on a share price growth target range, with threshold vesting requiring 8% per annum growth and full vesting requiring 16% per annum growth over the respective performance periods.

Having announced a dividend policy, and reflecting the material 12-month yield, the Remuneration Committee has considered whether outstanding LTIP awards should be adjusted to ensure the continued alignment between shareholders and participants. In conclusion, the Committee has resolved to change the LTIP performance measure for outstanding awards from absolute share price growth to ATSR which the Committee believes should have been the correct performance measure to apply to the awards at grant. ATSR will recognise and reward participants for dividends paid over the remainder of the performance period, and will ensure there is no misalignment in the priorities of executives and shareholders when it comes to future decisions around dividends.

The same adjustments will be made to an existing award made under the LTIP to Richard Tainton on 10 June 2019 over 495,422 conditional rights.

Total Remuneration of Non-Executive Directors

The table below reports remuneration for each Non-Executive Director

	Base Remuneration	Bonus	Other Benefits	Share options	2020 Total	2019 Total
	$	$	$	$	$	$
Robert McBean	234,927	-	149,000	-	**383,927**	256,722
John Bentley	78,309	-	-	-	**78,309**	76,807
Iain McLaren	78,309	-	-	-	**78,309**	76,807
Tim Bushell	78,309	-	-	-	**78,309**	76,807
Total	469,854[1]	-	149,000	-	**618,854**	487,143

[1] Gross base remuneration excludes $27,593 employers National Insurance contributions.

Arrangements with Mr McBean, Non-Executive Chairman

Mr McBean's contract

Mr McBean was previously Executive Chairman at the time that the Company was domiciled in Canada. When the Company redomiciled from Canada to Jersey in 2018, and subsequently de-listed from Oslo Bors, Mr McBean agreed to transition from Executive to Non-Executive Chairman to provide a level of continuity to the Board with a view to stepping down in June 2020. As detailed in previous Annual Reports, at the time, his executive service agreement included a clause whereby the Company was obligated to pay the sum of US$200,000 on termination and, with Mr McBean's agreement, this was rolled into his Letter of Appointment so that the liability did not crystallise immediately. When Eskil Jersing left the Company, and in order to ensure there was sufficient continuity at Board level, Mr McBean agreed to extend his Letter of Appointment by 12 months and in consideration the Company paid 50% of his contractual termination payment early. The remaining US$100k, originally due on 30 June 2020, was deferred and will be paid on termination of his contract on 30 June 2021. The cost to the Company has remained unchanged while Mr McBean continued as Non-Executive Chairman for an additional year.

Benefits and Expenses

As previously disclosed, and again due to Mr McBean being entitled to private healthcare pursuant to the terms of his executive service agreement, the Company agreed to continue to pay for private healthcare in his Letter of Appointment. On extending the letter of appointment to 30 June 2021, the Company agreed to continue to pay for Mr McBean's private health care until termination on 30 June 2021.

Following the payment of the remainder of the outstanding termination sum, due on 30 June 2021, on termination of Mr McBean's contract, the Committee considers all outstanding legacy issues relating to remuneration to be resolved.

Appointment as President of our Tanzanian Company

The Company has entered into an agreement with Mr McBean whereby he will be appointed as President of our Tanzanian Company for a period of two years commencing on 1 July 2021. He will receive an annual fee of £180,000 for an advisory role to work with the Group to achieve its growth objectives and support the continued transition of in-country relationships. Under his new agreement Mr McBean will have no contractual right to any additional payments other than he will continue to receive US$20,000 towards his healthcare policy. During a significant period of transition for the Board, as well as an inflection point in the Company's primary market, the Board and the Committee are satisfied the continued support of an individual with unrivalled knowledge of the business and our relationships is in the best interests of the Company and our stakeholders. The Company would also like to formally thank Bob for his service to the board.

IMPLEMENTATION OF DIRECTOR REMUNERATION POLICY FOR 2021

Executive Directors	
Base Salary	Base salaries for the Executive Director and senior management were reviewed in January and adjusted to reflect inflation with a modest increase of 2% effective 1 January 2021.
Annual Bonus	KPIs have been agreed with the Executive Director for her 2021 annual bonus targets under the following classifications: • HSSE; • Financial including preservation of the Company's cash position, payment of dividends to shareholders and revenue targets which are considered commercially sensitive by the Committee; • Operational including production targets which are considered commercially sensitive by the Committee but are in-line with market expectations; • Stakeholder relations including shareholder engagement and continued strengthening of the relationship with Maurel & Prom; • ESG Strategy; and • M&A activity Total bonus opportunity will be capped at 100% of 2021 base salary.
LTIP	The Committee intends to grant further LTIP awards during 2021 in accordance with the Policy. The Committee will consider quantum, performance period and performance targets at the time of award. It is currently intended that vesting will be based 50% on absolute TSR and 50% on relative TSR verses a selection of constituent companies from the AXOIG.
Benefits and Pension contribution	The Executive Director will receive the range of Company benefits and pension contribution in line with the Remuneration Policy.
Non-Executive Directors	
Fees	The 2021 fees for the Non-Executive Directors are unchanged 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. Should John Bentley step down from the board prior to 31 December 2021 he will receive a pro-rata sum to reflect time served. Tim Bushell will receive a fee of £95,000 per annum for the role of Non-Executive Chairman, pro-rata for 2021 from the date of his appointment at the 2021 AGM. The Non-Executive Chairman, who is stepping down following the 2021 AGM, will receive a pro- rata annual fee of £180,000 up to 30 June 2021.
Benefits	It was agreed in 2018 that the Non-Executive Chairman will continue to receive health care insurance which he will be entitled to until 30 June 2021. Non-Executive Directors do not receive any other benefits.

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

	Ordinary shares 24 April 2021	Share options 24 April 2021	Ordinary shares 24 April 2020	Share options 24 April 2020
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	**325,277**	**-**	302,502	-
Tim Bushell		**-**	-	-
Katherine Roe	**91,666**	**4,618,289**	91,666	3,675,696

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 $88k in 2020 (2019: $45k). The UK directors and officers liability insurance market has changed considerably in the last 18 to 24 months. This continued into 2020, as capacity contracted and there were no new market entrants. As a result, we saw a material increase in the cost of our insurance premiums.

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 position of Non-Executive Director of Longboat Energy plc and Non-Executive Director of ITM Power plc during 2020 whilst she was an employee of the Company.

Yours sincerely

Tim Bushell
Chairman of the Remuneration Committee

NOMINATIONS COMMITTEE REPORT

I am pleased to present the report of the Nomination Committee for 2020 which has been a year like no other. Wentworth has remained resilient in the face of the COVID-19 pandemic but the impact of the travel restrictions has been felt on our activities and has hampered our recruitment ambitions for new Board appointments.

SUCCESSION PLANNING

Following the Board changes in 2019, the Committee recommended that the Board remain stable in 2020 whilst Katherine Roe transitioned into her new role as CEO. To that end Bob McBean agreed to remain on the Board until 31 June 2021 and his contract was extended and as the COVID-19 Pandemic gripped the world, the Committee continued to seek stability at the Board.

Katherine Roe has taken on the role of CEO with great success and Wentworth has shown itself to be resilient in the face of the global pandemic. Therefore the Committee has now recommended further changes to the Board. Mr McBean will sadly be standing down as Chairman at the end of the AGM in 2021. His contribution to the Company has been invaluable, however it is also important to continue to refresh the Board and Tim Bushell, who joined the Company as Deputy Chairman in 2018, will become Chairman. I am delighted that Bob McBean will continue to advise the Group in the role of President of our Tanzanian Company, with particular focus on the Company's growth strategy.

Following a tenure of more than nine years, I too will be stepping down from the Board and the intention was for me to step down at this years AGM. Due to the travel restrictions caused by the COVID-19 Pandemic and in light of the Committee recommendation to seek a new Board appointee with a background in Tanzania or the wider East Africa region, it has been challenging to connect with potential new Board appointees and therefore no new appointments have been made. In order to maintain a strong board I have agreed to stay on to ensure an orderly transition and a staggered succession and to avoid two long-serving directors stepping down at the same time. I will step down from the Board on 31 December 2021 or earlier once a new appointment has been made.

To ensure the Company finds the right candidate to join our Board and to ensure this is done in a timely manner the Committee has recently appointed Russell Reynolds Associates to assist with the search. I hope to update the market soon with details of a new appointment.

COMMITTEE COMPOSITION AND MEETINGS

The Committee is chaired by me, Senior Independent Director, with all non-executive Directors, including the Chairman, as members. The Board considers Tim Bushell, Iain McLaren and I to be independent. During 2020 the Committee met once to formally consider succession planning for members of the Board and to consider the composition of the senior executive team. All members of the Committee attended that meeting.

Although there was only one meeting of the Committee, during the year Board composition has been subject to continuous review through informal conversations and also at meetings of the full Board.

The Committee has recommended the appointment of two new independent directors, with at least one of those appointments to be of a person with a background in Tanzania or the wider East Africa region. The Committee is also mindful of diversity and the Company is keen make an appointment to increase the diversity of the Board.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee is responsible for reviewing the structure, size and composition of the Board and for recommending any changes to the Board. In particular it:

- Carries out succession planning for the Board and senior management;
- Is 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;
- Reviews the time requirement of Non-executive Directors;
- Is responsible for using open advertising or appointing any external advisor's to facilitate the search for suitable candidates; and
- Is responsible for board evaluation.

BOARD COMPOSITION

The Board has spent some time considering the skills and experience as well as the personal qualities and capabilities a new appointment to the Board needs to have and the Committee has recommended that at least one new appointee should have a background in Tanzania or the wider East Africa region.

Guided by Russell Reynolds, and having reviewed internally the balance of skills on the board, including reviewing sector, financial and public markets experience as well as looking at personal qualities and capabilities and considering diversity the Committee has prepared an outline of experiences and competencies of an ideal candidate to join the Board of Wentworth.

My role for the remainder of 2021 is to focus on recruiting at least one new independent director and I am confident that a new appointee will be in place prior to the end of 2021 with the intention to make a further new appointment in fairly short order.

John Bentley
Chairman, Nominations Committee

The Committee has recommended that at least one new appointee should have a background in Tanzania or the wider East Africa region.

COMMITTEE MEMBERS

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

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 2020.

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 2020, 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 15 to the financial statements.

RESULTS AND DIVIDENDS

The Group profit for the financial year was $3.4 million (2019: $2.4 million). This leaves an accumulated Group retained loss after dividend distributions of $337.2 million (2019: unchanged) 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 final dividend of $2.6 million with a total distribution of $3.8 million for 2020 (2019: $3.0 million).

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 continuing to struggle 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 has been allocated by Directors and senior management to ensuring that Wentworth is best placed to be able to continue to safely produce gas from Mnazi Bay alongside the Operator, Maurel & 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 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 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 17 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 and 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 from 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 17 months based on the Directors worst case scenario of no settlement of future gas sales as noted above.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

CAPITAL STRUCTURE

Details of the issued share capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 22 to the financial statements. The Company has one class of ordinary share, which carries no right to fixed income. Each ordinary share carries the right to one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are both governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or on voting rights. Details of the employee share schemes are set out in note 21. No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

DIRECTORS

The Directors who served during the year were as follows:

- Mr Robert McBean (Non-Executive Chairman)
- Ms Katherine Roe (Chief Executive Officer)
- Mr John Bentley (Non-Executive Director and Senior Independent Director)
- Mr Tim Bushell (Non-Executive Director)
- Mr Iain McLaren (Non-Executive Director)

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

DIRECTORS AND ELECTION ROTATION

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

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

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 185,549,139 issued ordinary shares of no par value of the Company as at 21 April 2021 :

Shareholder	No. of Shares	% of Issued Share Capital
Sustainable Capital	17,558,598	9.4630
Vitol Energy	16,818,545	9.0642
AXA Investment Managers	15,965,004	8.6042
FIL Investment International	14,076,189	7.5862
Robert P. McBean	9,605,385	5.1767

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 26 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
21 April 2021

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 financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") in conformity with the requirements of the Companies (Jersey) Law 1991.

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 judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as issued by the IASB and assess the Group ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for safeguarding the assets of the Group 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.

For and on behalf of the Board

Katherine Roe
Chief Executive Officer
21 April 2021

GROUP ACCOUNTS

INDEPENDENT AUDITORS' REPORT

Year-ended 31 December 2020

1. OUR OPINION IS UNMODIFIED

We have audited the consolidated financial statements of Wentworth Resources PLC ("the Company") for the year ended 31 December 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board in conformity with the requirements of the Companies (Jersey) Law 1991, of the state of Group's affairs as at 31 December 2020 and of its profit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company 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 judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

RECOVERABILITY OF TANGIBLE AND INTANGIBLE ASSETS (RISK VS 2019 ▲)

Property, plant and equipment – $72.3 million (2019: $77.5 million), Exploration and Evaluation Assets – $8.1 million (2019: $8.1 million).

Refer to page 50 in the Audit Committee Report, pages 91 and 92 in note 3, and pages 100 to 101 in notes 13 and 14 of financial disclosures.

The risk	Our response
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. Forecasting the recoverable amount of the Group's cash-generating unit, which has had impairment indicators identified, is a highly subjective area due to the inherent uncertainty involved in forecasting and discounting future cash flows, specifically around reserve estimates. The effect of these matters is that, as part of our risk assessment, we determined that the value in use of US$80.4 million 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. The financial statements (note 3) disclose the sensitivity estimated by the Group.	Our procedures included: • *Impairment trigger analysis:* We evaluated management's assessment of indicators of impairment of the Group's operating and exploration assets with reference to the relevant accounting standards. This is included considering changes in the political, economic and legal environment along with changes in the production profile, asset obsolescence, significant changes in cost base, and future plans for development of exploration assets. • *Historical Comparisons:* We assessed the reasonableness of the budgets considering historical accuracy of previous forecasts. • *Our Sector Experience:* We challenged whether the Group's key assumptions, being production and reserves estimates, operating costs, and development costs reflect our knowledge of the business and market. • *Benchmarking assumptions:* We compared the Group's key inputs used in the discount rate by comparing them to externally derived data, including sources for comparable companies. • *Evaluating reserves estimation:* We assessed the competence and objectivity of the Group's external expert to satisfy ourselves they were appropriately qualified to carry out estimation of reserves included within the model. • *Sensitivity analysis:* We completed sensitivity analysis on the key assumptions noted above. • *Assessing transparency:* We assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of tangible and intangible assets.

GOING CONCERN (RISK VS 2019 ◄►)

Refer to page 50 in the Audit Committee Report and pages 84 to 85 in note 1.

The risk	Our response
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 collection on gas sales invoices from its sole customer the Government of the United Republic of Tanzania. There are also less predictable but realistic second order impacts, such as changes in demand or disruptions in production due to COVID-19. 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.	We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the directors' sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively. Our procedures also 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, market and other externally available information. • *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. • *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. We continue to perform procedures over Recoverability of Deferred Tax Assets. However, following continued stability in local tax legislation, we have not assessed recoverability of deferred tax assets as a significant risk in our current year audit and, therefore, it is not separately identified in our report this year.

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 $1.076 million (2019: $1.15 million) determined with reference to a benchmark of Group total assets of $109.9 million (2019: $110.8 million), of which it represents 1.0% (2019: 1.0%).

Performance materiality was set at 75% (2019: 75%) of materiality for the financial statements as a whole, which equates to $807k (2019: $868k) for the Group. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding $54k (2019: $58k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 8 (2019: 8) reporting components, we subjected 3 to full scope audit (2019: 3) and 2 (2019: 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.

(2019: 3 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%	85%
Audits of account balances	2	0%	0%	9%
Total	8	100%	100%	98%

The Group team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the components' materiality, which was set at $914k and $538k (for Wentworth Gas Limited and Cyprus Mnazi Bay Limited, respectively) (2019: $925k and $637k) having regard to the mix of size and risk profile of the Group across the components. The work for group reporting purposes on 2 (2019: 2) of the 8 (2019: 8) components was performed by the component auditor and the rest, was performed by the Group team.

On account of travel restrictions in place during the performance of the audit, the Group team did not visit the component auditors and instead held virtual conference meetings with the component auditors (2019: visited one component auditor located in Tanzania). Telephone conference meetings at the planning, execution and finalisation stages of the audit were 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. Remote review was also completed by the Group team.

4. 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 their 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 its 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").

An explanation of how we evaluated management's assessment of going concern is set out in the related key audit matter in section 2 of this report.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 1 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group will continue in operation.

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

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors and other management and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for directors and other management.

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

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

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries and other adjustments to test across components based on risk criteria and comparing the identified entries to supporting documentation. These included entries impacting PPE/EE and inter company balances, entries posted on the weekend to accounts linked to significant risks, and material post close entries.

We discussed with the audit committee matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit.

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

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

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

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

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

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

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

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

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

6. 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.

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

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

- proper accounting records have not been kept by the Company; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the Company's 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.

8. RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 71, 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**

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

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP

Chartered Accountants and Recognised Auditor
15 Canada Square
London
E14 5GL

21 April 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year-ended 31 December 2020

	Note	31 December 2020 $000	31 December 2019 $000
Total revenue	5	**18,991**	18,636
Production and operating costs		**(3,837)**	(3,935)
Depletion	14	**(5,607)**	(6,236)
Total cost of sales		**(9,444)**	(10,171)
Gross Profit		**9,547**	8,465
Recurring administrative costs	7	**(5,448)**	(5,883)
New venture and pre – licence costs		**(1,558)**	(609)
Management restructuring costs		**-**	(489)
Share-based payment charges	21	**(300)**	(63)
Depreciation	14	**(4)**	(2)
Total costs		**(7,310)**	(7,046)
Profit from operations		**2,237**	1,419
Finance income	10	**146**	306
Finance costs	10	**(154)**	(738)
Profit before tax		**2,229**	987
Current tax expense	25	**(112)**	(132)
Deferred tax income	25	**1,311**	1,511
		1,199	1,379
Net and comprehensive profit after tax		**3,428**	2,366
Net profit per ordinary share			
Basic and diluted (US$/share)	23	**0.02**	0.01

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year-ended 31 December 2020

	Note	31 December 2020 $000	31 December 2019 (Restated) 1 $000
ASSETS			
Current assets			
Cash and cash equivalents		**17,787**	13,487
Trade and other receivables	11	**4,847**	6,075
		22,634	19,562
Non-current assets			
Exploration and evaluation assets	13	**8,129**	8,129
Property, plant and equipment	14	**72,307**	77,559
Deferred tax asset	25	**6,859**	5,548
		87,295	91,236
Total assets		**109,929**	110,798
LIABILITIES			
Current liabilities			
Trade and other payables	16	**2,382**	2,125
Current portion of long-term loans	18	**-**	1,714
		2,382	3,839
Non-current liabilities			
Decommissioning provision	19	**1,514**	1,085
		1,514	1,085
EQUITY			
Share capital	22	**416,426**	416,426
Equity reserve	22	**26,656**	26,651
Accumulated deficit		**(337,049)**	(337,203)
		106,033	105,874
Total liabilities and equity		**109,929**	110,798

The financial statements of Wentworth Resources plc, registered number 127571 were approved by the Board of Directors and authorised for issue on 21 April 2021 .

Signed on behalf of the Board of Directors.

Katherine Roe
Chief Executive Officer
21 April 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year-ended 31 December 2020

	Note	Number of shares	Share capital $000	Equity reserve $000	Accumulated deficit $000	Total equity $000
Balance at 31 December 2018		**186,488,465**	**416,426**	**26,588**	**(338,536)**	**104,478**
Dividends	24	-	-	-	(1,033)	(1,033)
Net profit and comprehensive profit		-	-	-	2,366	2,366
Share based compensation	21	-	-	63	-	63
Balance at 31 December 2019		**186,488,465**	**416,426**	**26,651**	**(337,203)**	**105,874**
Dividends	24	-	-	-	(3,274)	(3,274)
Net profit and comprehensive profit		-	-	-	3,428	3,428
Share based compensation	21	-	-	300	-	300
Repurchase of own shares	20			(295)	-	(295)
Balance at 31 December 2020		**186,488,465**	**416,426**	**26,656**	**(337,049)**	**106,033**

CONSOLIDATED STATEMENT OF CASH FLOWS

Year-ended 31 December 2020

	Note	31 December 2020 $000	31 December 2019 $000
Operating activities			
Net profit for the year		3,428	2,366
Adjustments for:			
Depreciation and depletion	14	5,611	6,238
Finance costs, net	28	8	432
Deferred tax	25	(1,311)	(1,511)
Share based compensation	21	300	63
		8,036	7,588
Change in non-cash working capital	28	1,513	410
Net cash generated from operating activities		9,549	7,998
Investing activities			
Additions to property, plant and equipment	28	(60)	(20)
Reduction of TPDC receivable	28	-	5,238
Interest income		82	21
Net cash from investing activities		22	5,239
Financing activities			
Principal term loan repayments	18	(1,664)	(6,661)
Interest on term loan	18	(38)	(593)
Interest/renewal fee on overdraft facility	17	-	(18)
Payment of contingent PTTEP liability		-	(848)
Dividends paid	24	(3,274)	(1,033)
Repurchase of own shares	20	(295)	-
Net cash used in financing activities		(5,271)	(9,153)
Net change in cash and cash equivalents		4,300	4,084
Cash and cash equivalents, beginning of the period		13,487	9,403
Cash and cash equivalents, end of the period		17,787	13,487

NOTES TO THE FINANCIAL STATEMENTS

Year-ended 31 December 2020

1. INCORPORATION AND BASIS OF PREPARATION

Wentworth Resources plc ("Wentworth" or the "Company") is an East Africa-focused upstream natural gas production company. These audited consolidated financial statements include the accounts of the Company and its subsidiaries (collectively referred to as "Wentworth Group of Companies" or the "Group"). The Company is actively involved in oil and gas exploration, development and production operations. Wentworth is incorporated in Jersey and shares of the Company as at 31 December 2020 were held and listed on the AIM Market of the London Stock Exchange (ticker: WEN).

The Company's principal place of business is located at 4th Floor, St Paul's Gate, 22-24 New Street, Jersey JE1 4TR.

The Group maintains offices in Jersey, Tanzania and the 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 International Financial Reporting Standard ("IFRS") as issued by the International Accounting Standards Board ("IASB") in conformity with the requirements of the Companies (Jersey) Law 1991.

The consolidated financial statements were approved by the Board of Directors on 21 April 2021.

Over 12-months have passed since the emergence of COVID-19 as an issue of unprecedented international consequence in early 2020. Whilst it is true that the longer international trade is frustrated by the necessity or quarantine protocols, the more severe the long-term impact on the worldwide economic recovery will be, we do have a better understanding of both the operational and financial impact upon our business and are well placed to deal with any reasonable eventualities.

Over the past 12-months, we have continued to strengthen our working capital position whilst at the same time increasing dividend returns to shareholders and continuing to model and, where possible, mitigate potential downside scenarios. 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 despite the positivity surrounding the various accelerated vaccination programmes and the early indications that these are beginning to make a difference with respect to retransmission rates. We continue to apply the judgement that the business will continue, anticipating minimal disruption, and do not at this stage foresee this to be material in nature to it. 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 15. 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 the group accounts for its share of CMBL assets and liabilities as CMBL has contractual agreements which establish that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of ownership in proportion to their interest in the arrangement.

Going Concern

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 continuing to struggle 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 has 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 17 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 and 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 17 months based on the Directors worst case scenario of no settlement of future gas sales as noted above.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Changes in accounting policies

A number of new standards are effective from 1 January 2020 but they do not have material effect on the Group's financial statements.

New and amended standards

The following amended standards and interpretation are effective for financial years commencing on or after 1 January 2021. The Group does not intend to adopt the standards below, before their mandatory application date.

<table>
<tr><th>STANDARD</th><th>DESCRIPTION</th><th>EFFECTIVE DATE</th><th>EU ENDORSEMENT STATUS</th><th>UK ENDORSEMENT STATUS</th></tr>
<tr><td>IFRS 9, IAS 39 and IFRS 7 (Amendments)</td><td>Interest Rate Benchmark Reform.</td><td>1 January 2021</td><td>Endorsed</td><td rowspan="3">Given these amendments were endorsed by the EU before 31 December 2020 they are part of the EU-IFRS as it stands at 31 December 2020 and therefore are UK endorsed. UK effective date 1 January 2021.</td></tr>
<tr><td>IAS 1 (Amendments)</td><td>Presentation of financial statements' on classification of liabilities.</td><td>1 January 2021</td><td>Endorsed</td></tr>
<tr><td>IFRS 17</td><td>Insurance Contracts.</td><td>1 January 2022</td><td>Endorsed</td></tr>
</table>

Future accounting pronouncements

The Company intends to adopt the above listed standards and interpretations in its financial statements for the annual period beginning 1 January 2021. 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 license and accounts for this interest as a joint operation as no single individual shareholder may exercise absolute control over the entity. The agreement is bilateral, with Maurel & Prom Mnazi Bay Holdings SAS (M&P) and whilst the Operator may make day-to-day decisions, the overall strategic direction of the partnership requires unanimous consent between M&P and Wentworth. M&P hold 48.06% share in the licence and 20% is owned by TPDC. As such the Group is entitled to its share of production from the license and therefore revenue generated from the sale of this output. Wentworth 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. 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 other comprehensive income. 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 solely represent 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 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

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

DECOMMISSIONING OBLIGATION

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

IMPAIRMENT

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

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 Group's accounting policies, the preparation of consolidated financial statements requires management to make estimates, judgements 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 judgements used in the preparation of these consolidated financial statements include the assessment of impairment triggers related to E&E and PP&E assets and the 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 or reversal thereof has arisen requires considerable judgement, taking account of factors such as future operational and financial plans, commodity prices and the competitive environment.

Oil and gas assets are inherently judgemental to value. The amounts capitalised represent active projects and investments. These amounts are expensed to profit or loss as 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. Indictors of impairment include but are not limited to; declines in market value; company net assets in excess of market capitalisation; obsolescence or physical damage; economic performance worse than expected; or substantive expenditure in the specific area is neither budgeted nor planned. The outcome of ongoing production and exploration activities and whether their carrying values will ultimately be recovered is inherently uncertain and requires significant judgement.

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

Key sources of estimation uncertainty

The preparation of discounted cash flows used to assess the recoverable amount of the Groups CGU 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 producing and non-producing 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 five producing wells and formally signed the Commercialisation of Discovery making all terms contained within the Mnazi Bay GSA legally binding and fully in effect from 10 September 2019. The Mnazi Bay JO is committed to supplying a minimum quota of natural gas to TPDC and TANESCO of 80 MMscf/day rising to 130 MMscf/day for the entire remaining term of the GSA and is guaranteed of future revenue streams via a take or pay provision of 85% of these amounts. This greatly strengthens and formally ratifies the long-term commerciality of the Mnazi Bay asset, and as such it would require significant reductions in daily production operations to trigger an indication of impairment under IFRS 6 and IAS 36 and a subsequent write down in the book value of the Mnazi Bay asset which currently totals $72.3 million.

At the year-end, a full impairment test was conducted on the Mnazi Bay production asset as there was an indication of impairment with respect to the discrepancy between the market capitalisation of the Company at 31 December 2020 of $46.4 million and the carrying value of $72.3 million. The full impairment testing ultimately determined that the recoverable amount was significantly higher than the market value at the year-end which had been externally corroborated by the RPS third party Independent Reserves Assessment Report valuation (NPV10) of $116.6 million.

Equally, due to there being no formal agreement between Mnazi Bay partners to sanction further expenditure on non-producing assets, a full impairment test was also undertaken carrying value of $8.1 million at the year-end. The impairment test ultimately determined that the value-in-use exceeded the carrying amount and that no impairment was required.

In both of the above cases, the impairment testing was conducted over the licence term which expires in 2031.

The key assumptions that went into the impairment modelling related to:

- Production supply and demand forecasting, which was largely in-line with the RPS independent reserves assessment modelling;
- Gas sales invoice settlement terms, which have been extrapolated from both historic and future expectations on terms;
- Operating cost forecasts, noting both fixed and variable elements of production operating costs and the impact of future development expenditures;
- Future field development expenditures and their anticipated timings;
- Cost pool recovery expenditures available for future recovery; and
- Known tax and fiscal changes to the extent that an interpretation of the legislation was required.

Sensitivities were run on the following variables:

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

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 2020, 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. A summary of the independent RPS reserves assessment report for the year-ended 31 December 2020 can be found within the Strategic Report's Mnazi Bay Production Operations section of this report in which 2P field reserves are assessed to be 90.8 Bcf with an indicative NPV10 of $117 million.

TAXES

Significant accounting judgements

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

Key sources of estimation uncertainty

Estimates may be made to determine the amount of taxes recoverable, principally deferred tax assets. 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 company recognizes is subject to the following estimates:

- The timing 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 tax rate of Tanzania as this is where all of the company's operations are;
- 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 Group's taxes that are recoverable.

The Group engages early with tax authorities where it has or will enter into a large or complicated transaction that is subject to interpretation and, in Tanzania, completed its most recent TRA audit for the years of 2016 and 2017 in December 2020, the result of which was an agreed assessment for taxes totalling $126k. A further, smaller, amount was assessed by the TRA for withholding taxes deemed due for the year-ended 31 December 2018 which the company is in continuing discussions over.

4. SEGMENT INFORMATION

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

NET INCOME/(LOSS) FOR THE YEAR-ENDED 31 DECEMBER 2020

	Tanzania Operations $000	Corporate $000	Consolidated $000
Total revenue	**18,991**	**-**	**18,991**
Production and operating costs	(3,837)	-	(3,837)
Depletion	(5,607)	-	(5,607)
Total cost of sales	(9,444)	-	(9,444)
Gross profit	**9,547**	**-**	**9,547**
Recurring administrative costs	(2,415)	(3,033)	(5,448)
New venture and pre–licence costs		(1,558)	(1,558)
Share-based payment charges	(72)	(228)	(300)
Depreciation and depletion	(3)	(1)	(4)
Total costs	**(2,490)**	**(4,820)**	**(7,310)**
Profit/(loss) from operations	**7,057**	**(4,820)**	**2,237**
Finance income	36	110	146
Finance costs	(154)	-	(154)
Profit/(loss) before tax	**6,939**	**(4,710)**	**2,229**
Current tax expense	(160)	48	(112)
Deferred tax	1,311	-	1,311
	1,151	48	1,199
Net profit/(loss) and comprehensive profit/(loss) from continued operation	**8,090**	**(4,662)**	**3,428**

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	-	306	306
Finance costs	(338)	(400)	(738)
Profit/(loss) before tax	**5,165**	**(4,178)**	**987**
Current tax expense	(83)	(49)	(132)
Deferred tax	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**

SELECTED BALANCES AT 31 DECEMBER 2020

	Tanzania Operations $000	Mozambique (Discontinued) $000	Corporate $000	Consolidated $000
Current assets	8,535	101	13,998	22,634
Exploration and evaluation assets	8,129	-	-	8,129
Property, plant and equipment	72,305	-	2	72,307
Deferred tax asset	6,859	-	-	6,859
Total assets	**95,828**	**101**	**14,000**	**109,929**
Current liabilities	1,436	-	946	2,382
Non-current liabilities	1,514	-	-	1,514
Total Liabilities	**2,950**	**-**	**946**	**3,896**

Capital additions for the year-ended 31 December 2019				
Additions to property, plant and equipment	357	-	2	359

SELECTED BALANCES AT 31 DECEMBER 2019

	Tanzania Operations (Restated) [1] $000	Mozambique (Discontinued) $000	Corporate $000	Consolidated (Restated) [1] $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**	**-**	**483**	**4,924**

Capital additions for the year-ended 31 December 2018				
Additions to property, plant and equipment	18	-	2	20

5. REVENUE

	2020 $000	2019 $000
Revenue from gas sales	18,881	18,601
Revenue from condensate sales	49	35
Other revenue	61	-
	18,991	18,636

Other revenue represents the recovery of corporate income taxes incurred through adjustments to TPDC gas sales entitlements.

6. LEASES

AMOUNTS RECOGNISED IN PROFIT OR LOSS

The following amounts have been recognised in the income statement for which the Company is a lessee under IFRS 16:

	2020 $000	2019 $000
Expenses relating to short-term leases	152	250

AMOUNTS RECOGNISED IN STATEMENT OF CASH FLOWS

	2020 $000	2019$000
Cash outflow for leases	152	250

7. EXPENSES AND AUDITOR'S REMUNERATION

	2020 $000	2019 $000
Employee salaries and benefits	2,289	2,277
Contractors and consultants	1,043	972
Travel and accommodation	116	248
Professional, legal and advisory	431	829
Office and administration	513	638
Corporate and public company costs	1,056	919
	5,448	5,883
Auditor's remuneration:		
Audit of these financial statements	163	111
Audit of financial statements of subsidiaries of the Company	125	151
Taxation compliance services	79	62
Other tax advisory services	21	60
	388	384

8. STAFF NUMBERS AND COSTS

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

	2020 Number of employees	2019 Number of employees
Senior Managers	**1**	1
Managers and supervisors	**5**	5
Support staff	**8**	9
	14	15

The aggregate payroll costs were as follows:

	2020 $000	2019 $000
Salaries	**798**	775
Social security costs	**109**	167
Bonuses	**158**	116
Other payroll costs	**179**	141
	1,244	1,199

9. DIRECTORS' REMUNERATION

	2020 $000	2019 $000
Director's remuneration	**1,000**	1,062
Bonuses	**313**	152
Contractual termination payments	**100**	-
Pensions	**43**	44
Severance payments	**-**	489
Other benefits	**69**	68
LTIP charges	**228**	43
	1,763	1,858

The aggregate of remuneration of the highest paid Director was $699k (2019: $341k).

Contractual termination payments relate to amounts paid to Bob McBean who will be standing down as Company chairman in 2021.

Severance payments include amounts paid to Eskil Jersing, who resigned as Chief Executive Officer in 2019.

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

10. FINANCE INCOME AND FINANCE COSTS

	2020 $000	2019 $000
Finance income		
Interest income	82	21
Foreign exchange gain	37	-
Other finance income	27	285
	146	306
Finance costs		
Accretion – decommissioning provision	(130)	(116)
Interest expense	(13)	(493)
Foreign exchange loss	-	(129)
Expected credit losses on TANESCO receivable (note 11)	(11)	-
	(154)	(738)

11. TRADE AND OTHER RECEIVABLES

	2020 $000	2019 $000
Trade receivable from TPDC	1,943	4,014
Other receivable from TPDC	215	513
Trade receivable from TANESCO	1,316	789
Other receivables	1,373	759
	4,847	6,075

At the year-end $1.3 million was receivable from TANESCO representing fourteen months of gas sales (2019: $790k representing eight months of gas sales). Due to the age of the receivable at the year-end and the likely time it will take to recover the debt, the an expected credit loss of $11k at a loss rate of 0.4% has been recognised (2019: $nil).

Other receivables from TPDC represent income tax of $215k (2019: $513k) paid by Wentworth Gas Limited, 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 VAT recoverable of $600k (2019: $279k), gas condensate sales of $47k (2019: $35k), corporate tax prepayments of $508k (2018: $312k)) and corporate tax receivable $48k (2019: nil). In accordance with IFRS 9 the Company notes no material expected credit losses.

12. TANZANIA GOVERNMENT RECEIVABLES

As at 31 December 2020, the undiscounted Tanzanian Government receivable is $6.5 million (2019: $6.5 million).

	$000
Balance at 31 December 2018	-
Accretion	516
Change in estimated timing of receipt	(516)
Balance of amortised cost at 31 December 2019	**-**
Accretion	565
Change in estimated timing of receipt	(565)
Balance of amortised cost at 31 December 2020	**-**

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

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

The Government is conducting a second 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.

13. EXPLORATION AND EVALUATION ASSETS

	Tanzania $000
Balance at 31 December 2019 and 2020	**8,129**

At the year-end, E&E assets totalled $8.1 million (2019: $8.1 million) and represent the cost of seismic acquisition and interpretation studies on Mnazi Bay on prospective but, as yet, non-producing areas of the concession licence. 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. The Mnazi Bay Concession agreement will expire in 2031.

At the year-end the carrying value of these assets were assessed for impairment and due to there being no formal agreement between Mnazi Bay partners to sanction further expenditure at this time, a full impairment test was undertaken. The impairment test ultimately determined that the value-in-use exceeded the carrying amount and that no impairment was required.

14. PROPERTY, PLANT AND EQUIPMENT

	Natural gas properties $000	Office and other equipment $000	Total $000
Cost			
Balance at 31 December 2018	104,025	609	104,634
Additions	18	2	20
Balance at 31 December 2019	104,043	611	104,654
Additions	58	2	60
Change in decommissioning liability	299	-	299
Balance at 31 December 2020	**104,400**	**613**	**105,013**
Accumulated depreciation and depletion			
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)
Depreciation and depletion	(5,607)	(4)	(5,611)
Balance at 31 December 2019	**(32,097)**	**(609)**	**(32,706)**
Carrying amounts			
31 December 2019	77,553	6	77,559
31 December 2020	**72,303**	**4**	**72,307**

During the year a full impairment test was conducted on the Mnazi Bay asset as there was an indication of impairment with respect to the discrepancy between the market capitalisation at 31 December 2020 of $46.4 million and the carrying value of $72.3 million. The full impairment test ultimately determined that the recoverable amount was significantly higher than the market value of the Company at the year-end which had been externally corroborated by the RPS third party Reserves Report valuation (NPV10) of $116.6 million. Refer to note 3 for additional detail regarding the assumptions used within the impairment testing.

During the year, the Group made cash additions to PPE totalling $60k (2019: $20k). A change to the assumptions used in calculating the decommissioning and abandonment provisions resulted in further non-cash additions of $299k (2019: $nil) (see note 19).

15. SUBSIDIARY AND JOINT UNDERTAKINGS

The subsidiary and joint undertakings at 31 December 2020 are:

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

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

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

16. TRADE AND OTHER PAYABLES

	2020 $000	2019 $000
Payable to Maurel et Prom (Operator)	**884**	1,303
Trade payables	**181**	150
Other payables and accrued expenses	**1,317**	672
	2,382	2,125

Other payables and accrued expenses include bonuses and payment in lieu of leave of $451k (2019: 228k), legal fees of $422k (2019: nil), audit fees of $364k (2019: $230k) and other third party services of $201k (2019: $241k).

17. OVERDRAFT CREDIT FACILITY

The Company overdraft credit facility with a Tanzanian Government owned bank of $2.5 million expired on 5 April 2020. The Company is in discussions with respect to renewing the facility on equivalent or better terms with a number of counterparties in Tanzania, however, no firm commitment has yet been made.

No interest expense or renewal fees were incurred during the year-ended December 2020 (2019: $18k) on the overdraft credit facility.

18. LONG-TERM LOANS

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

The term of the loan was initially forty-eight months in duration commencing on the first draw-down date and bore 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 was in the form of a debenture creating a first ranking charge over 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 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 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 30 January 2020 when the last instalment was settled, the six-month interest rate was 9.42%.

The credit facility was fully settled on 30 January 2020.

During the year-ended 31 December 2020, the Company incurred interest expense on long-term loans of $13k (2019: $0.5 million) with finance costs) accretion of $25k (2019: $0.3 million). A total of $38k was settled in cash during 2020 (2019: $0.6 million).

	$000
Credit facilities balance	
Balance as at 1 January 2019	8,779
Loan repayments during the year	(6,661)
Total changes from financing cash flows	**(6,661)**
Other changes	
Interest expense	474
Interest paid	(593)
Finance cost accretion	(285)
Total other charges	**(404)**
Balance as at 31 December 2019	1,714
Loan repayments	(1,664)
Total changes from financing cash flows	**(1,664)**
Interest expense	13
Interest paid	(38)
Finance cost accretion	(25)
Total other charges	(50)
Balance as at 31 December 2020	**-**

19. DECOMMISSIONING AND ABANDONMENT PROVISION

The Company's decommissioning provision results from net ownership interests in petroleum and natural gas assets including well sites, pipeline gathering systems, and processing facilities in Tanzania. The operator of the Mnazi Bay Concession has estimated the Company's share of the undiscounted inflation-adjusted amount of cash flows required to settle decommissioning obligations for the infrastructure within the Mnazi Bay Concession to be $4.23 million. The costs are expected to be incurred in 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.

A reconciliation of the decommissioning obligations is provided below:

	2020 $000	2019 $000
Balance at 1 January	**1,085**	969
Accretion	**299**	-
Accretion	**130**	116
Balance at 31 December	**1,514**	1,085

During the year the discount rate used for calculating the current provision was amended to 8.3% from 12.0% in 2019 to better reflect a United States Dollar interest rate from a Tanzanian Shilling interest rate as it was felt that this would likely be the denomination of the final liability. At the same time, the inflation rate was updated and amended to 1.36% from 2.03% in 2019. These amendments have materialised an additional charge in the current period of $299k (2019: $nil).

20. REPURCHASE OF OWN SHARES

On 17 December 2020, the Company entered into a settlement agreement with a dissenting shareholder to purchase 702,874 ordinary shares of the Company at NOK 2.91 ($0.339) per ordinary share less dividend payments made with respect to those shares from the notification of dissent. The cost to the Company with respect to this buyback was NOK 1.89 million ($222k).

On 18 December 2020, the Company entered into a second settlement agreement with a separate dissenting shareholder to purchase a further 236,452 ordinary shares of the Company at NOK 2.91 ($0.338) per ordinary share less dividend payments made with respect to those shares from the notification of dissent. The cost to the Company with respect to this buyback was NOK 649k ($80k).

The following table summarises dissenting shareholder settlements and fair valuation:

	Gross amount $000	Dividend deducted $000	Settled amount $000
Settlement of 702,874 ordinary shares at NOK 2.91 (US$0.339) each	237	(17)	220
Settlement of 236,452 ordinary shares at NOK 2.91 (US$0.338) each	80	(5)	75
Exchange rate difference	1	-	-
	318	**(22)**	**295**

The $295k was recognised within equity reserves at 31 December 2020 (see note 22) and was transferred to the share capital reserve on 3 February 2021, the date that the shares were cancelled and removed from the Company register.

21. SHARE-BASED PAYMENTS

	2020 $000	2019 $000
Share based compensation recognised in the statement of Comprehensive loss	**300**	63

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

	2020		2019	
	Number of options	Weighted average exercise price (US$)	Number of options	Weighted average exercise price (US$)
Outstanding at 1 January	**6,385,497**	**0.57**	12,560,301	0.49
Granted	**3,428,214**	**-**	495,422	-
Forfeited	**-**	**-**	(5,020,226)	0.29
Lapsed	**(2,000,000)**	**0.67**	(1,650,000)	0.62
Outstanding at 31 December	**7,813,711**	**0.30**	6,385,497	0.57

The following table summarises share options outstanding and exercisable at 31 December 2020:

		Outstanding		Exercisable
Exercise price (NOK)	Exercise price (US$)[1]	Number of options	Weighted average remaining life (years)	Number of options
-	-	942,593	9.9	-
-	-	2,485,621	9.0	-
-	-	1,385,497	8.4	-
3.85	0.45	750,000	5.0	750,000
4.08	0.47	250,000	2.3	250,000
5.18	0.60	1,500,000	3.2	1,500,000
5.57	0.64	500,000	0.3	500,000
		7,813,711		**3,000,000**

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
-	0.36	1,000,000	1.8	1,000,000
3.85	0.40	500,000	3.0	500,000
3.60	0.41	1,800,000	1.8	1,800,000
4.08	0.44	1,850,000	7.0	1,850,000
5.18	0.59	2,800,000	4.8	2,800,000
5.18	0.66	500,000	2.3	500,000
5.57	-	3,560,301	9.9	-
		6,385,497		**5,000,000**

[1] The US Dollar to Norwegian Kroner exchange rate used for determining the exercise price at 31 December 2020 is 0.11676.

22. SHARE CAPITAL AND RESERVE

	2020 $000	2019 $000
Authorised, called up, allotted and fully paid		
186,488,465 (2019: 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

	2020 $000	2019 $000
Balance at 1 January	**26,651**	26,588
LTIP charges	**300**	63
Repurchase of own shares (note 20)	**(295)**	-
Balance at 31 December	**26,656**	26,651

The buyback of stock from dissenting shareholders totalling 939,326 ordinary shares (note 20) was settled in-full in December 2020, cancelled and removed from the share register on 3 February 2021. At 31 December 2020 these shares were included within equity reserves.

23. EARNINGS PER SHARE

Basic and diluted eps

	2020 $000	2019 $000
Net profit for the period	3,428	2,366
Weighted average number of ordinary shares outstanding	186,488,465	186,488,465
Weighted average number of own ordinary shares repurchased	(31,426)	-
	186,457,039	186,488,465
Dilutive effect of share options outstanding	4,813,711	2,135,497
Dilutive weighted average number of ordinary shares outstanding	191, 270,750	188,623,962
Undiluted net profit per ordinary share	0.02	0.01
Diluted net profit per ordinary share	0.02	0.01

During the year-ended 31 December 2020 3,000,000 options (2019: 4,250,000 options) were excluded from the dilutive weighted average number of shares outstanding because they were anti-dilutive.

On 18 December 2020 and 21 December 2020, the Company repurchased own ordinary shares 702,874 and ordinary shares 236,452 respectively from dissenting shareholders. On 3 February 2021, the Company cancelled all repurchased ordinary shares 939,326. (see note 20).

24. DIVIDENDS

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

	2020 $000	2019 $000
0.9 pence (US$ 0.01137; NOK 0.10872) per ordinary share (2019: 0.45 pence; US$ 0.00583; NOK 0.0514)	2,120	1,033
0.48 pence (US$ 0.00619; NOK 0.05683) per ordinary share	1,154	-
Total dividend paid	3,274	1,033

On 26 June 2020, the Company paid the full year 2019 dividend of GBP 0.9 pence (NOK 0.10872; US$ 0.01137) per ordinary share, being a total dividend distribution of $2.1 million.

On 23 October 2020, Company paid a 2020 interim dividend of GBP 0.48 pence (NOK 0.05683; US$ 0.00619) per ordinary share, being a total dividend distribution of $1.1 million.

25. INCOME TAXES

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

	2020 $000	2019 $000
Profit before income taxes	**2,229**	987
Expected income tax (recovery) expense at combined Tanzanian rate of 30% (2019: 30%)	**669**	296
Rate differentials	**506**	541
Share based compensation	**-**	12
Tanzania cost gas excluded from taxable income	**(3,530)**	(3,367)
Movement in deferred tax assets not previously recognised and other adjustments	**1,156**	1,139
Income tax expense	**(1,199)**	(1,379)

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 result in unrecognised deferred income tax assets of:

	2020 $000	2019 $000
Non-capital losses	**3,717**	20,262
Property and equipment	**(325)**	(263)
Accounts receivables and others	**-**	16
	3,392	20,015

The total non-capital losses of the Company are $116.6 million (2019: $163.6 million) of which$105.1 million are in Tanzania, $10.3 million (2019: $5.8 million) are in the UK and $1.2 million (2019: $0.7 million) are in Jersey.

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 $6.9 million as at 31 December 2020 (2019: $5.5 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.

	2020 $000	2019 $000
Balance at 1 January	5,548	4,036
Deferred income tax assets recognised in profit or loss:		
Non-capital losses	(179)	820
Asset retirement obligations	33	(50)
Deferred income tax liabilities recognised in profit or loss:		
PP&E	1,454	1,200
Receivables	3	(458)
Balance at 31 December	6,859	5,548

26. 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.

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 2020, the Mnazi Bay Concession partners were owed 14 months of invoices for gas sales made to TANESCO, with $1.3 million owing to Wentworth (2019: $789k). Due to the age of the TANESCO receivable at the year-end and the likely time it will take to recover the debt, the an expected credit loss of $11k at a loss rate of 0.4% has been recognised (2019: $nil). The Company continues to engage in discussions with TANESCO to accelerate the settlement 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 2020, the Mnazi Bay Concession partners were owed one month gas sales invoices, with $1.9 million owing to Wentworth (2019: $4.0 million). Subsequent to year-end, TPDC has paid $3.5 million net to Wentworth.

At 31 December 2020, an undiscounted long-term receivable of $6.5 million (2019: $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 12). On February 6, 2012, the Company, TANESCO, TPDC and MEM reached an agreement that the Group's cost of historical operations in respect of the Mtwara Energy Project should be reimbursed.

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 of $17,787 as at 31 December 2020 (2019: $13,487). The cash and cash equivalents are held with financial institutions. which are rated below. Wherever possible ratings are provided by Fitch Ratings, however, where no rating was available from either Fitch Ratings or either of the other major international credit rating agencies such as Standard & Poors or Moodys, the bank's local credit rating was used.

Financial Institutions	Rating	2020 Cash held $000	2019 Cash held $000
Santander	A+	7,296	10,303
Standard Bank	BB-	6,049	105
FirstRand Bank	BB-	4,066	2,134
Citibank Group	A	219	24
Mauritius Commercial Bank Limited	BB-	107	107
Tanzania Postal Bank	-	31	789
RBC Royal Bank	AA	14	11
Barclays	A+	3	12
Petty cash	N/A	2	2
		17,787	13,487

The exposure to credit risk as at:

	2020 $000	2019 $000
Trade and other receivables	4,847	6,075
Cash and cash equivalents	17,787	13,487
	22,634	19,562

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 2020					
Trade receivables	2,128	94	84	954	3,260
Other receivables	1,061	-	-	526	1,587
	3,189	**94**	**84**	**1,480**	**4,847**
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

The movement in the allowances for impairment in respect of trade receivables and contract assets during the year was as follows (see note 11):

	2020 $000	2019 $000
Balance as at 1 January	-	-
Impairment loss recognised	11	-
Impairment loss reversed	-	-
Amount written off	-	-
	11	-

LIQUIDITY RISK

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

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

	Less than 1 year $000	1 to 2 years $000	2 to 5 years $000	Total $000
Balance at 31 December 2020				
Trade and other payables	2,382	-	-	2,382
	2,382	**-**	**-**	**2,382**
Balance at 31 December 2019				
Trade and other payables	2,125	-	-	2,125
Long-term loans	1,714	-	-	1,714
Future interest	18	-	-	18
	3,857	-	-	3,857

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 2020 and generated positive cash flow from operations in 2020. 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 $58 (2019: $57k) in revenue.

FOREIGN EXCHANGE RISK

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

Current receivables and liabilities denominated in various currency:

	Pound Sterling $000	Tanzanian Shilling $000	Other Currency $000	United States Dollar $000	Total $000
Balance at 31 December 2020					
Cash and cash equivalents	95	110	123	17,459	17,787
Trade and other receivables	935	384	92	3,436	4,847
Trade and other payables	(74)	(101)	(5)	(2,202)	(2,382)
	956	**393**	**210**	**18,693**	**20,252**

	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)	(2,001)	(2,125)
	1,485	**995**	**202**	**14,755**	**17,437**

A 10% increase/decrease of the Pound Sterling against US dollar would result in a change in profit or loss before tax of $39k (2019: $28k). 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 $2k (2019: $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 following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount 2020 $000	Fair value 2020 $000	Level 1 2020 $000	Level 2 2020 $000	Level 3 2020 $000	Carrying amount 2019 $000	Fair value 2019 $000	Level 1 2019 $000	Level 2 2019 $000	Level 3 2019 $000
Loans and receivables										
Cash and cash equivalent	17,787	-	-	-	-	13,487	-	-	-	-
Trade and other receivables (note 11)	4,810	4,799	-	4,799	-	6,075	-	-	-	-
Total financial assets	22,597	4,799	-	4,799	-	19,562	-	-	-	-
Financial liabilities measured at amortised cost										
Trade and other payables (note 16)	(2,382)	-	-	-	-	(2,125)	-	-	-	-
Long-term loans (note 18)	-	-	-	-	-	(1,714)	-	-	-	-
Total financial liabilities	(2,382)	-	-	-	-	(3,839)	-	-	-	-
Total financial instruments	**20,215**	**4,799**	**-**	**4,799**	**-**	**15,723**	**-**	**-**	**-**	**-**

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.

27. RELATED PARTY TRANSACTIONS

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

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

	2020 $000	2019 $000
Short-term employee benefits	**1,525**	1,815
LTIP charges	**228**	43
	1,753	1,858

28. SUPPLEMENTAL CASH FLOW INFORMATION

Change in non-cash working capital:

	2020 $000	2019 $000
Net change in non-cash working capital related to operating activities:		
Trade and other receivables	**1,229**	1,477
Trade and other payables	**284**	(1,067)
	1,513	410

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

	Property, plant and equipment $000	TPDC receivable $000
Year-ended 31 December 2020		
Total additions (see note 14)	359	-
Addition decommissioning and abandonment asset (see note 19)	(299)	-
Cash additions/(reductions)	**60**	**-**
Year-ended 31 December 2019		
Total additions/(reductions)	20	(5,238)
Cash additions/(reductions)	20	(5,238)

Closing balance of liabilities arising from financing liabilities:

	Long-term Loan $000	Contingent liability $000	Total liability $000
Balance as at 1 January 2020	1,714	-	1,714
Changes from financing cash flows			
Principal term loan repayments	(1,664)	-	(1,664)
Total changes from financing cash flows	(1,664)	-	(1,664)
Other changes			
Interest expense	13	-	13
Interest paid	(38)	-	(38)
Finance cost accretion	(25)	-	(25)
Total liabilities related to other charges	(50)	-	(50)
Balance as at 31 December 2020	**-**	**-**	**-**
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 2018	**1,714**	**-**	**1,714**

Finance income:

	2020 $000	2019 $000
Finance income		
Interest income	**82**	21
Foreign exchange gain	**37**	-
Accretion – finance cost	**27**	285
	146	306
Finance costs		
Accretion – decommissioning provision	**(130)**	(116)
Interest expense	**(13)**	(493)
Foreign exchange loss	**-**	(129)
Discount on receivable	**(11)**	-
	(154)	(738)
Finance costs/(income), net	**(8)**	(432)

29. COMMITMENTS

LEASE PAYMENTS

The Group has office locations in Jersey, Tanzania and the United Kingdom. The future minimum lease payments associated with these office premises as at 31 December 2020 is $38k committed for year 2021.

30. SUBSEQUENT EVENTS

On 14 January 2021, the Company provided a financial and operational update, setting 2021 production guidance at 65-75 MMscf/day (gross).

On 2 February 2021, the Company announced the completion of the Independent Reserves Assessment Report in which Wentworth's share of gross 2P Reserves as at 31 December 2020 was estimated by RPS Group to be 142.2 Bcf (23.7 MMboe) with a post-tax NPV10 of $116.6 million.

On 3 February 2021, the Company cancelled 939,326 Ordinary Shares of no par value from the register following the purchase of these shares from the two dissenting shareholders on 17 and 18 December 2020. The shares were held in Treasury until cancellation.

On 19 February 2021, the Company announced its membership to the United Nations (UN) Global Compact, a voluntary initiative to promote the development, implementation and disclosure of responsible business practices.


MAUREL&PROM
MP
TANZANIA

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
Bcf	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
CGU	Cash Generating Units
CMBL	Cyprus Mnazi Bay Limited
Company	Wentworth Resources plc
Companies (Jersey) Law	The Companies (Jersey) Law 1991
CSR	Corporate Social Responsibility
Directors	The Directors of the Company
E&E	Exploration and Evaluation assets
E&P	Exploration and Production
EBITDAX	(Adjusted) earnings before interest, taxation, depreciation, depletion and amortisation, impairment, share-based payments, provisions, and pre-licence expenditure
EIR	Effective Interest Rate
EITI	Extractive Industries Transparency Initiative
EPS	Earnings Per Share
ESG	Environmental, social and governance
FEED	Front End Engineering Design

G&A	General and Administrative
GDP	Gross Domestic Product
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
JV	Joint Venture
K	Thousands
Km	Kilometre(s)
km^2	Square kilometre(s)
KPIs	Key Performance Indicators
London Stock Exchange	London Stock Exchange plc
LTI	Lost Time Incident
LTIP	Long-Term Incentive Plan adopted in 2018
M&A	Merger and Acquisition
MEM	Ministry of Energy and Minerals
MEP	Mtwara Energy Project
Mcf	Thousand cubic feet
MMboe	Million barrels of oil equivalent
MMscf/day	Million standard cubic feet per day of gas
MW	Megawatt
NPV	Net Present Value (at a specified discount rate and specified discount date)
NNGI	National Natural Gas Infrastructure (Pipeline)

GLOSSARY OF TERMS

Ordinary Shares	Ordinary share capital (no par value)
Petroleum	Oil, gas, condensate and natural gas liquids
PPE	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 2018
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
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
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

PROFESSIONAL ADVISORS

REGISTERED OFFICE:
4th Floor, St Paul's Gate
22 – 24 New Street
St Helier, Jersey
JE1 4TR

TANZANIA OFFICE:
P.O Box 203
2nd Floor Coco Plaza
254 Toure Drive, Oyster Bay
Dar Es Salaam, Tanzania

NOMINATED ADVISOR AND JOINT BROKER:
Stifel Nicolaus Europe Ltd
150 Cheapside
London
EC2V 6ET

JOINT BROKER:
Peel Hunt LLP
Moor House
120 London Wall
London
EC2Y 5ET

AUDITORS:
KPMG LLP
15 Canada Square
London
E14 5GL

REGISTRARS:
Link Market Services (Jersey) Ltd
12 Castle Street
St. Helier
JE2 3RT

CORPORATE BANKERS:
Santander Bank plc
Customer Service Centre
Bootle
Merseyside
L30 4GB

COMMUNICATIONS ADVISOR:
FTI Consulting
200 Aldersgate
Aldersgate Street
London
EC1A 4HD

SOLICITORS:
Pinsent Mason
30 Crown Place
Earl Street
London
EC2A 4ES

DESIGNED AND PRODUCED BY: BLUE ASTERISK* * CARTOGRAPHY & GRAPHICS FOR ENERGY

www.wentplc.com

Wentworth Resources plc
Registered Office
4th Floor, St Paul's Gate
22-24 New Street
Jersey
JE1 4TR
Email: info@wentplc.com

Tanzania Office
P.O Box 203
2nd Floor Coco Plaza
254 Toure Drive, Oyster Bay
Dar Es Salaam
Phone: +255 222 601 139
Email: info.tz@wentplc.com