

PETREL RESOURCES PLC

Annual Report and Financial Statements

For the financial year ended 31 December 2022



Petrel Resources Plc

Contents

	Page
Chairman's Statement	2
Review of Operations	3
Directors' Report	7
Corporate Governance Report	11
Audit Committee Report	15
Directors' Responsibilities Statement	17
Independent Auditors' Report	18
Consolidated Statement of Comprehensive Income	23
Consolidated Statement of Financial Position	24
Company Statement of Financial Position	25
Consolidated and Company Statement of Changes in Equity	26
Consolidated Statement of Cash Flows	27
Company Statement of Cash Flows	28
Notes to the Consolidated Financial Statements	29
Notice of Annual General Meeting	46

Petrel Resources Plc

Chairman's Statement

Europe is de-industrialising, due to policies hostile to reliable fuels. But global oil & gas demand continues to recover, as Asia and especially China recovers from C-19 policies, including lock-downs.

The withdrawal of most major oil and gas players from non-core basins killed the farm-out market from 2014. Majors who had entered projects in OPEC specific countries, often on uneconomic terms, now seek to exit marginally profitable or non-core projects as they buy shares back and issue record dividends instead of investing in exploration activities.

At the same time, there has been a shortage of institutional investor finance in London for several years now. Funds are available, but mainly from private clients and traders who demand discounts. In such circumstances, we have avoided issuing stock and incurring expensive work commitments which would only have diluted shareholders by issuing shares at too low a price. It is wiser to keep our powder dry and prepare a portfolio of early-stage projects to fund or farm out when markets turn.

However, it is worth remembering that Europe is now less than 15% of global energy consumption. BRICS+ now have a larger GDP than the G-7. Europe is in decline, but Asia is not. The future is in the emerging economies. Australian brokers and investors have profited through the liquidity of Petrel's sister company, Clontarf Energy plc. They are pressing Petrel Resources plc to open its books for greater Australian and Asian participation. So far, the board has been keen to avoid dilution, but as we roll out high-potential new projects, it may be worthwhile to accept funding – hopefully at much higher share prices.

Petrel has assessed a number of expansion projects in recent months. So far, none have completed necessary due diligence or in some cases demonstrated available funds on satisfactory terms.

Financing

The directors and their supporters have funded working capital needs during C-19, etc. and are prepared to participate in any necessary, future financing.



David Horgan
Chairman

Date: 20 June 2023

Petrel Resources Plc

Review of Operations

Petrel Resources plc Interests (as of May 2023):

Ghana

Tano 2A Petroleum Agreement: 30% Petrel Working Interest. Awaiting ratification, then exploration periods of 3 years initial term + 2 extension periods of 3.5 years.

Iraq

Western Desert Block 6.

Prior Technical Cooperation Agreement (TCA studies, with 50% Itochu interest) on the Merjan Oil Field.

Oil & Gas projects

Petrel Resources plc is also pressing the Ghanaian authorities to complete the ratification of the signed Petroleum Agreement on offshore Tano 2A Block, in a manner consistent with corporate governance and company policies.

Progress on these promising projects had been slowed by the virtual disappearance of the farm-out market after 2014. It made little sense to commit to a substantial work programme, without a reasonable prospect of de-risking through partnering with larger companies with greater financing capabilities.

Nonetheless, Petrel Resources plc, and its partners, have already invested circa US\$3m in the project, and are ready to advance the Ghana Tano 2A work programme, subject to securing the necessary funding in an environment complicated by prevailing circumstances, as soon as the signed Petroleum Agreement is ratified.

Despite volatile oil prices, the carefully calibrated Ghanaian fiscal terms help make the Tano Basin oil play feasible, given the demonstrated source rock and Cretaceous Sands which remain an industry favourite. Indeed, the industry's exploration contraction may assist Petrel's focused strategy on the bigger potential stratigraphic traps.

Ghana has progressed much since 2007 in terms of petroleum activities, ramping oil production up to 215 kbpd by 2020. Jubilee Gas started producing in 2010, just 3 years after discovery. Unfortunately, a slow ratification process, exacerbated by conflicting policies, hindered efficient development after which progress stagnated in the years following 2018, and output slipped below 200 kbod. Jubilee's topside issues constrained water injection, and gas output stalled, when Ghana Gas prioritised Sankofa Gas over Jubilee Gas.

How does Petrel share in this expansion?

High-level official meetings immediately prior to and during the pandemic were productive.

During productive discussions on the early resolution of all outstanding issues, Petrel's 60% owned project company, Pan Andean Resources (Ghana) Ltd. requested to finalize and implement the negotiated Petroleum Agreement on Tano 2A Block, with adjusted coordinates, in accordance with Section 10(9) of the Petroleum Exploration & Production Act 919, 2016.

Tano 2A Block, Tano Basin, Ghana

The Joint Venture (JV) group, which consists of Petrel 60%, Petrel Resources plc 30%, and local partner Abbey Oil & Gas 10% which was negotiated a Memorandum of Understanding (MoU) with GNPC in 2008, and signed (subject to ratification) a Petroleum Agreement in 2010.

The original licence area of 1,532km² in Tano 2A Block included 40% (less prospective onshore – since there are limited sediments from the target Cretaceous production), and 60% shallow offshore. The fillet of this original acreage was excised in 2014 and granted to the then Camac, now Erin Energy Inc., an American-listed company then controlled by Nigerian interests, which later entered Chapter 11 bankruptcy. The Ghanaian authorities are regulating this acreage, since the contracted company was in default – both (a) of its work programme and (b) by ceasing to be solvent – but this has been a slow process, without clear deadlines.

The fiscal terms were agreed before many of the Tano discoveries (other than the original Mahogany – now renamed 'Jubilee') had become public.

The work programme was aggressive (by the standards of the time), including 2D seismic and a well commitment, but it was not bonded (other than by corporate guarantees).

Petrel Resources Plc

Review of Operations

(continued)

Part of the Petroleum Agreement is a once-off “technology” grant (of US\$0.5million) and “training” (of US\$0.2m yearly) payments, together with land rentals, and standard fees.

Under previous administrations, the authorities raised periodic objections, usually concerning bonding (though this had been agreed to be unnecessary in the signed Petroleum Agreement), the market capitalisation of the original vehicle (Pan Andean Resources plc), they have encouraged us to admit additional Ghanaian partners – though to date these have proven to be ultimately Nigerian partners or other companies lacking substance.

The Company has had some initial partnership discussions with potential partners but could not advance these without full ratification of title. About 60% of Ghanaian Tano wells have been successful. Fiscal terms, in spite of upward creep, and lower oil prices, are competitive.

The current status of Tano 2A Petroleum Agreement, in which Petrel has a 60% Working Interest, is that it awaits ratification (by passage through Cabinet and Parliament), after which there are exploration periods of 3 years initial term, plus 2 extension periods of a total 3.5 years.

In September 2018 Petrel agreed that it could proceed with that portion of the original acreage that remains available – with the balance to be added when it is relinquished by Erin Energy (now in Chapter 11 bankruptcy), in accordance with law.

After a period of slow progress, Ghana’s current Government sought to galvanise licensing. The administration is pro-development, and actively reviewing historic Petroleum Agreements, with stated focus on early exploration, discoveries and output. During 2018 the Ghanaian Ministry of Energy and the Ghanaian National Petroleum Commission considered the current re-application by Pan Andean Resources over the original Tano 2A licence block acreage in the prospective Tano Basin.

There seems a mutual desire to complete the ratification process, albeit we are not yet in agreement over coordinates. Our preference is to honour, as far as possible, the terms of the existing signed Petroleum Agreement, adjusting the revised coordinates and any other fine-tuning necessary.

Pan Andean Resources Ltd. purchased available reports and seismic data from GNPC for the Tano 2A onshore and shallow offshore area. The 45 reports purchased from GNPC, mostly containing raw geological data, together with the well logs, have been studied and incorporated within a prospect report. The well data have also been integrated into a number of cross sections. New structural models were developed, taking into account the known structural data, together with an analysis of play categories on the licence.

One constraint was that the historic 4 seismic campaigns (all 2D – there was no 3D over this acreage) over the original 1,532km² of Tano 2A Block are now regarded as “old data”. Access is not free, and GNPC was missing some key data. Quality control was variable, and some of the seismic data did not belong to the operators – though this is not unique to Ghana.

The seismic work was sometimes not well supervised, and the key work was under state aid to Ghana, and therefore imperfectly conducted.

But we reprocessed the data at the GSC (Input-Output) offices in Amman – which were excellent, and eventually merged the various lines. That is why we included a new seismic 1,000km 2D programme in the agreed work programme – which will allow us to work up drillable targets. Much seismic, including 3D, has been done since 2005, which will help when acquired. It makes little sense to acquire 3D seismic in a shallow surf zone, such as in the shallow offshore of Tano 2A.

However, the Tano shelf plunges quite deeply on that acreage so any major company will want 3D before they will drill – though structure size tends to be big in Ghana Tano Basin, the edges of stratigraphic traps are hard to identify. Generally, the closer to existing discoveries the more prospective – both technically, and for access recent seismic and drill logs. Nevertheless, oil companies understand that Tano remains prospective despite these challenges – the wildcat hit rate was an excellent 66% for Tullow during the most active exploration phase.

Accordingly, Pan Andean Resources Ltd. prepared digital base maps for the onshore and offshore areas, incorporating seismic lines and wells, and all available topographic data. All the data are held within a multi-level GIS system. In addition, satellite images covering the licence area and surrounding region have been acquired and processed. The images have been interpreted for elements of structural geology and have also been used to geo-rectify the base maps.

Ghana remains an attractive province, especially as many oil companies retreat from dying basins like the North Sea and seek higher potential in relatively unexplored regions.

Petrel Resources Plc

Review of Operations

(continued)

Following the C-19 pandemic, Petrel Resources plc restored contacts with the Ghanaian authorities to update the acreage to be explored and resuscitate the ratification of our signed Petroleum Agreement on Tano 2A Block. Slowness in ratification of signed contracts had constrained the development of Ghana's oil and gas industry. The current Ghanaian government has indicated its determination to recover momentum. Ghanaian fiscal terms are competitive, while West African infrastructure steadily improves.

Iraq

Outside of Africa, opportunities are emerging in the Middle East, as well as outside the oil & gas sector.

The most immediate opportunity lies in bidding for exploration contracts in upcoming bid rounds. Under the current Iraqi model contracts, exploration attracts a higher Rate of Return than development Technical Service Contracts.

The stumbling block has been the challenging fiscal terms and preferred qualification criteria over recent years. These have led to an exit of oil majors and deterred dynamic new entrants. The geology is excellent but investors require a risk-adjusted return.

The Iraqi authorities had suggested that Petrel initially target "exploration of blocks in the western desert of Iraq, and present past studies done on the Merjan-Kifl-West Kifl discoveries, and Petrel's work on the Mesozoic and Paleozoic plays in the Western Desert".

Our updated development proposal requires an economic Iraqi Government contractual model in order to proceed with necessary funding and / or attract equity partners.

Financial markets and farm-out interest in petroleum had been depressed since the oil price war starting in 2014 and continuing periodically until 2022. This had constrained our options for early seismic or wells in Ghana. But recent oil & price surges show that major new investment is required to service global demand. Petrel Resources hopes to participate in the coming boom.

Despite challenges, Iraq offers the best petroleum commercial opportunity. Iraqi geology is unsurpassed. Oil demand reaches new records – despite high prices constraining demand – especially in gas. But barriers to rapid expansion are above-the-ground issues of logistics and contractual weaknesses, rather than lack of geological potential. The solution is to align interests, so that capital, technology contracts must be updated for effective exploration and development.

Many Iraqi decision-makers have reached similar conclusions: they want to increase output to rival Saudi capacity of circa 13mmbod. Unfortunately, the success of patriotic candidates in the 2021 elections has not yet led to an effective Government – without which there cannot be democratically-supported policy reforms.

But Iraqi oil output has recovered to pre-COVID 19 pandemic levels. The Baghdad authorities are restoring control over the regions, vindicating Petrel's longstanding stance of respecting the sovereignty of the elected Government. Recovering oil & gas demand and prices have opened room to update fiscal terms and development plans. Some western majors, ignorant of prevailing circumstances, had bid over-optimistically on service contracts from 2009, and then found it hard to operate effectively. Many of these have departed during the recent oil price war and pandemic.

Though some westerns majors have reduced their Iraqi involvement, Chinese NOCs continue to expand. Iraq is not for the faint of heart, but there is considerable upside to be realised provided the elected government implements necessary reforms.

For several years after the 2003 Iraqi invasion, there was a perception that contractors close to western governments, and later super-majors, would dominate Iraqi oil exploration and development. Iraqis had other ideas, however: they want partners, rather than bosses.

Iraq is sovereign, but so is finance. The investment dollar seeks out return and works to minimise risk – though resolute investors will carry risk if fairly compensated. Any investment can be considered to be worth the discounted Present Value of all cash flows (in and out). Calculations are sensitive to timing and the discount rate. Foreigners always see higher risks than locals do. The more uncertainty (political, tax, operational) the higher the discount rate, & the lower the Present Value. For capitalism to work, it must reward all the key players, whose interests should be aligned – rather than in conflict.

The biggest challenge facing Petrel in this new era is not operating conditions, access to technology or community relations. The biggest challenge facing agile industry players is outdated contracts and fiscal terms. The strong resurgence in demand and price will smoothen necessary reforms.

Petrel Resources Plc

Review of Operations

(continued)

What should Iraq's oil policy be now?

Unfortunately, the combination of suspicion of foreign oil companies, sanctions, and wars (including internal sectarian conflict and resistance since 2003) have held back Iraq's development, including the building of necessary oil and other infrastructure. Iraq's government earnings and economy remains dependent on oil.

Have Service Contracts achieved their objectives for companies and Iraq? No: even at its pre-C-19 peak of c.4.7 million barrels of oil daily (mmbod) output, Iraq fell short of its 6 to 9 mmbod 1989 plan, and the high hopes of rivalling Saudi Arabia. There is insufficient incentive for contractors to boost production, and recoveries – while the Ministry of Oil has been hollowed out by sanctions and wars, and now unable to fill the gap.

Should the Federal Ministry of Oil negotiate Production Sharing Agreements?

Yes: this would better align the interests of the parties, and create more wealth, value-added in downstream industries like refined products and petrochemicals, infrastructure and employment for Iraq.

The success of Qatar in LNG – or even the Emirates and Oman show what can be done.

Future

Petrel is confident that necessary funding will be available for sound Iraqi and Ghanaian projects.

The directors are confident of funding foreseeable cash needs.

Petrel Resources Plc

Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2022.

GENERAL INFORMATION

Petrel Resources plc is a public limited company listed on AIM, part of the London Stock Exchange and is incorporated and domiciled in the Republic of Ireland. The company's registered number is 92622.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The main activity of Petrel Resources plc and its subsidiaries is oil and gas exploration. The Group has exploration interests in Iraq and Ghana.

Further information concerning the activities of the Group during the financial year and its future prospects is contained in the Chairman's Statement and Review of Operations.

RESULTS AND DIVIDENDS

The consolidated loss for the financial year, after taxation, amounted to €310,813 (2021: €322,077).

The directors do not recommend that a dividend be declared for the financial year ended 31 December 2022 (2021: Nil).

PERFORMANCE REVIEW

The performance review is set out in the Chairman's Statement and Review of Operations.

DIRECTORS' COMPLIANCE STATEMENT

The directors, in accordance with Section 225(2)(a) of the Companies Act 2014 (the "Act"), acknowledge that they are responsible for securing the Company's compliance with its "relevant obligations." "Relevant obligations", in the context of the Company, are the Company's obligations under:

- a) the Act, where a breach of the obligations would be a category 1 or category 2 offence;
- b) the Act, where a breach of the obligation would be a serious Market Abuse or Prospectus offence; and
- c) tax law.

Pursuant to Section 225(2)(b) of the Act, the directors confirm that:

- the Company has drawn up a statement setting out the Company's policies that are in the opinion of the directors appropriate with respect to the Company complying with its relevant obligations;
- there are appropriate arrangements and structures in place designed to secure material compliance with the Company's relevant obligations; and
- a review of these structures has been performed during the year.

The directors confirm that the above sections have been complied with during the financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is subject to a number of potential risks and uncertainties, which could have a material impact on the long-term performance of the Group and could cause actual results to differ materially from expectation. The management of risk is the collective responsibility of the Board of Directors and the Group has developed a range of internal controls and procedures in order to manage risk. The following risk factors are the principal risks relevant to the Group's activities:

Risk	Nature of risk and mitigation
Licence obligations	<p>When licenses are obtained, operations must be carried out in accordance with the terms of each license agreed with the relevant ministry for natural resources in the host country. Typically, the law provides that operations may be suspended, amended or terminated if a contractor fails to comply with its obligations under such licenses or fails to make timely payments of relevant levies and taxes.</p> <p>The Group has regular communication and meetings with relevant government bodies to discuss future work plans and receive feedback from those bodies. Country Managers in each jurisdiction monitor compliance with license obligations and changes to legislation applicable to the company and reports as necessary to the Board once licenses are ratified or obtained</p>
Requirement for further funding	<p>The Group may require additional funding to implement its exploration and development plans as well as finance its operational and administrative expenses. There is no guarantee that future market conditions will permit the raising of the necessary funds by way of issue of new equity, debt financing or farming out of interests. If unsuccessful, this may significantly affect the Group's ability to execute its long-term growth strategy.</p> <p>The Board regularly reviews Group cash flow projections and considers different sources of funds. The Group regularly meets with shareholders and the investor community and communicates through their website and regulatory reporting.</p>
Geological and development risks	<p>Exploration activities are speculative and capital intensive and there is no guarantee of identifying commercially recoverable reserves.</p> <p>The Group activities in Ghana and Iraq are in proven resource basins. The Group uses a range of techniques to minimise risk prior to drilling and utilises independent experts to assess the results of exploration activity.</p>
Title to assets	<p>Title to oil and gas assets in Ghana and Iraq can be complex. The Group is currently awaiting ratification of its licenses in Ghana and Iraq.</p> <p>The Directors monitor any threats to the Group's interest in foreign jurisdictions and employ the services of experienced and competent lawyers in relevant jurisdictions to defend those interests, where appropriate. The directors maintain close contact with the relevant authorities to progress the ratification of license agreements.</p>
Exchange rate risk	<p>The Group seeks to minimise its exposure to currency risk by closely monitoring exchange rates and maintaining a level of cash in foreign denominated currencies sufficient to meet planned expenditure in that currency.</p>
Political risk	<p>The Group holds assets in Ghana and Iraq and therefore the Group is exposed to country specific risks such as the political, social and economic stability of this country. The countries in which the Group operates are encouraging foreign investment.</p> <p>The Group's projects are long standing and we have established strong relationships with local and national government which enable the Group to monitor the political and regulatory environment.</p>
Going Concern	<p>Group cashflows are rigorously monitored and managed to ensure that the Group is in a liquid position and able to meet its ongoing commitments.</p> <p>The Directors and management regularly meet to agree the appropriate course of action to ensure that any matters that significantly, positively or negatively, impact the cash generation of the Group, are resolved in the best interest of the Group and its shareholders. Further information is set out in Note 3.</p>
Financial risk Management	<p>Details of the financial risk management policies are set out in note 16.</p>

In addition to the above there can be no assurance that the current exploration programmes will result in profitable operations. The recoverability of the carrying value of exploration and evaluation assets is dependent upon the successful ratification of licenses, discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Group to raise additional financing, if necessary, or alternatively upon the Group's and Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write down of the carrying values of the Group's assets.

Petrel Resources Plc

Directors' Report

(continued)

FINANCIAL KEY PERFORMANCE INDICATORS

The two main KPIs for the Group are as follows. These allow the Group to monitor costs and plan future exploration and development activities:

	2022	2021
	€	€
Exploration and evaluation costs capitalised during the year	–	1,200
Finance raised in the year on AIM	285,925	–

In addition, the Group reviews ongoing operating costs which relate to the Group's ability to run the corporate function. As detailed in Note 3 of the financial statements, the directors expect that adequate resources will be available to meet the Group's committed obligations as they fall due. Further details are set out in the Chairman's Statement and Review of Operations.

DIRECTORS

The current directors are:

David Horgan (Chairman)
John Teeling

Riadh Mahmoud Hameed resigned as director on 27 September 2022.

DIRECTORS AND SECRETARY'S INTEREST IN SHARES

The directors and secretary holding office at 31 December 2022 had the following interests in the ordinary shares of the company:

	31 December 2022		31 December 2021	
	Ordinary Shares of €0.0125 each	Warrants of €0.0125 each	Ordinary Shares of €0.0125 each	Warrants of €0.0125 each
	Number	Number	Number	Number
David Horgan	4,215,384	–	4,215,384	–
John Teeling	27,334,871	833,333	5,415,000	–
James Finn	13,618,718	833,333	1,785,384	–

There have been no changes to the directors' interests between the financial year end and the date of this report.

SUBSTANTIAL SHAREHOLDINGS

The share register records that, excluding the directors, the following shareholders held 3% or more of the issued share capital of the company as at 31 December 2022 and 31 May 2023:

	31 December 2022	
	No. of Shares	%
Interactive Investors Services (SMKTNOMS)	15,126,948	8.50%
Interactive Investor Services (SMKTISAS)	10,807,997	6.08%
Hargreaves Lansdown (Nominees) Ltd	7,148,067	4.02%
Cantor Fitzgerald Europe	7,041,668	3.96%
HSDL Nominees Limited	5,760,320	3.24%
	31 May 2023	
	No. of Shares	%
Interactive Investor Services (SMKTISAS)	20,811,164	11.70%
Interactive Investors Services (SMKTNOMS)	13,294,789	7.47%
Hargreaves Lansdown (Nominees) Ltd	5,771,294	3.24%
HSDL Nominees Limited	5,702,082	3.21%

Petrel Resources Plc

Directors' Report

(continued)

GOING CONCERN

Information in relation to going concern is outlined in Note 3 to the financial statements.

SOCIAL RESPONSIBILITY

The Group works toward positive and constructive relationships with government, neighbours and the public, ensuring fair treatment of those affected by the Group's operations. In particular, the Group aims to provide employees with a healthy and safe working environment whilst receiving payment that enables them to maintain a reasonable lifestyle for themselves and their families.

SUBSIDIARIES

Details of the company's significant subsidiaries are set out in Note 12 to the financial statements.

CHARITABLE AND POLITICAL DONATIONS

The company made no charitable or political donations during the financial year.

ACCOUNTING RECORDS

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 162 Clontarf Road, Dublin 3.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

POST BALANCE SHEET EVENTS

Material post balance sheet events are detailed in Note 24.

AUDITORS

The auditors Evelyn Partners resigned and PKF O'Connor, Leddy & Holmes Limited were appointed on a casual vacancy. They have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board on 20 June 2023 and signed on its behalf.

David Horgan
Director

John Teeling
Director

Petrel Resources Plc

Corporate Governance Report

The Company's securities are traded on AIM, part of the London Stock Exchange ("AIM"). The Company has accomplished the requirements of the Quoted Company Alliance ("QCA") corporate governance guidelines for AIM companies. Due to the size and nature of its current business the Company has not adopted the UK Corporate Governance Code in its entirety. The Company have complied with the QCA corporate guidelines where practical; instances of noncompliance have been highlighted below.

In addition, the Company has an established code of conduct for dealings in the shares of the Company by directors.

David Horgan, in his capacity as Chairman, has assumed responsibility for ensuring that the Company has appropriate corporate governance standards in place and that these requirements are communicated and applied.

The Board currently consists of 2 directors: the Chairman and one Non-Executive Director. This is not in compliance with the QCA Code which requires at least two independent non-executive directors. However the Board considers that appropriate oversight of the Company is provided by the currently constituted Board having regard to the current size and resources of the Company.

The Company also has a Chief Financial Officer who also acts as the Company Secretary.

The 10 principles set out in the QCA Code are listed below, with an explanation of how Petrel applies each of the principles and the reason for any aspect of non-compliance. The same information can be viewed at the following link <http://www.petrelresources.com/financial-reports>.

1. Establish a strategy and business model which promote long-term value for shareholders

The Company has a clearly defined strategy and business model that has been adopted by the Board.

The Company strategy is the appraisal and exploitation of the assets currently owned. Concurrent with this process, management will continue to use its expertise to acquire additional license interests for oil and gas exploration to generate long term value for shareholders. The key challenges in executing this are referred to in paragraph 4 below.

2. Seek to understand and meet shareholder needs and expectations

All shareholders are encouraged to attend the Company's Annual General Meetings where they can meet and directly communicate with the Board. After the close of business at the Annual General Meeting, the Chairman makes an up to date corporate presentation and opens the floor to questions from shareholders. Shareholders are also welcome to contact the Company via email at info@petrelresources.com with any specific queries.

The Company also provides regulatory, financial and business news updates through the Regulatory News Service (RNS) and various media channels. Shareholders also have access to information through the Company's website www.petrelresources.com which is updated on a regular basis and which includes the latest corporate presentation on the Company. Contact details are also provided on the website.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board is committed to having the highest degree possible of Corporate Social Responsibility in how the Company undertakes its activities.

We aim to have an uncompromising stance on health, safety, environment and community relations. The Company policy is that all Company activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount. The Company will ensure an appropriate level of contact and negotiation with all stakeholders including landowners, community groups and regional and national authorities and will seek to obtain feedback from such stakeholders. This is carried out by David Horgan and local management in Ghana and Iraq.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board regularly reviews the risks to which the Company is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible whilst recognising that its business opportunities carry an inherently high level of risk. It is ultimately responsible for the management, governance, controls, risk management, direction and performance of the Company. The principal risks and uncertainties facing the Company at this stage in this development and in the foreseeable future are detailed in on page 8 of the Annual Report, together with risk mitigation strategies employed by the Board.

5. Maintain the board as a well-functioning, balanced team led by the chair

The Board's role is to agree the Company's long-term direction and strategy and monitor achievement of its business objectives, while ensuring that they are properly pursued within a robust framework of risk management and internal controls. The Board meets formally at least four times a year for these purposes and holds additional meetings when necessary to transact other business. The Board held six scheduled meetings during the year, during which the Board received reports for consideration on all significant strategic, operational and financial matters.

The Board is supported by the Audit and Remuneration and the Nomination committees, detailed below. The Audit Committee met twice during the year, and both the Remuneration and Nomination Committee's met once.

The Board comprises the Chairman, David Horgan and John Teeling, Non-executive Director.

The Board currently has one non-executive director, which is a departure from the QCA Code which requires at least two independent non-executive directors. However, the Board considers that appropriate oversight of the Company is provided by the currently constituted Board having regard to the current size and resources of the Company.

All directors are subject to re-election intervals as prescribed in the Company's Articles of Association. At each Annual General Meeting one-third of the Directors who are subject to retirement by rotation, shall retire from office. They can then offer themselves for re-election.

On appointment, each director receives a letter of appointment from the Company. The Directors will receive a fee for their services as a director which is approved by the Board, being mindful of the time commitment and responsibilities of their roles and of current market rates for comparable organisations and appointments. The non-executive Directors are reimbursed for travelling and other incidental expenses incurred on Company business.

6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board considers the current balance of sector, financial and public market skills and experience which it embodies is appropriate for the size and stage of development of the Company and that the Board has the skills and requisite experience necessary to execute the Company's strategy and discharge its fiduciary duties effectively. The experience and knowledge of each of the Directors gives them the ability to constructively challenge the strategy and execute performance. The Board is committed to ensuring diversity of skill and experience.

The Board delegates certain of its responsibilities to the Board Committees, listed within this report, which clearly defined terms of reference.

All Directors have access to the advice and services of the Company's solicitors and the Company Secretary, who is responsible for ensuring that all Board procedures are followed. Any Director may take independent professional advice at the Company's expense in the furtherance of his duties.

Details of the current Board of Directors' biographies are as follows:

David Horgan, Chairman

David Horgan has over 20 years' experience in oil and gas and resources projects in Latin America, Africa and the Middle East through a number of AIM listed companies including Clontarf Energy and Pan Andean Resources. He previously worked at Kenmare where he raised finance, captured the premium graphite worldwide market and evaluated investment opportunities. Prior to that he worked with Boston Consulting Group internationally for seven years. He holds a first class law degree from Cambridge and an MBA with distinction from the Harvard Business School.

John Teeling, Director

John Teeling is non-executive director of Petrel Resources. He has 40 years' resources experience. John Teeling is also involved in a number of other AIM exploration companies. He is a founder of a number of companies in the resource sector including African Diamonds, Pan Andean Resources, Minco, African Gold, Persian Gold and West African Diamonds, all were listed on AIM. John Teeling holds degrees in Economics and Business from University College Dublin, an MBA from Wharton and a Doctorate in Business Administration from Harvard. He lectured for 20 years in business and finance at University College Dublin.

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures and applicable rules and regulations are observed.

The Board as a whole considers the Non-Executive Director to be independent of management and free from any business or other relationship which could materially interfere with the exercise of independent judgement.

7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

In accordance with provisions of the Code, a performance evaluation of the Board is carried out annually. In 2022, the performance evaluation process was conducted internally.

Board Evaluation Process in July 2022

The Chairman David Horgan appraised the Board on the performance of each of the Directors during the year. The Board formally concluded on its own performance, on the performance of Committees and on the performance of individual Directors, including the Chairman.

Analysis of 2022 evaluation

The evaluation indicated a high level of satisfaction with the composition, performance and effectiveness of the Board, its Chair and Committees. It found that there are good communications both within the Board/ Committees and with management.

A number of key focus areas were identified for the Board to consider. These include:

- Continued consideration of succession planning at Board and management level
- Increased allocation of Board meeting time to consideration of strategic issues
- Increased diversity on the Board

Arising from the evaluation process, a number of actions were agreed by the Board which will be implemented by the Chairman during the current year.

8. Promote a corporate culture that is based on ethical values and behaviours

The corporate culture of the Company is promoted throughout its contractors and is underpinned by compliance with local regulations and the implementation and regular review and enforcement of various policies: Health and Safety Policy; Share Dealing Policy; Code of Conduct and Privacy Policy. The Company policy is that all Company activities are carried out in compliance with safety regulations, in a culture where the safety of personnel is paramount. The Company will ensure an appropriate level of contact and negotiation with all stakeholders including strategic partners, landowners, community groups and regional and national authorities.

The Board recognises that their decisions regarding strategy and risk will impact the corporate culture of the Company and that this will impact performance. The Board is well aware that the tone and culture set by the Board will greatly impact all aspects of the Company and the way that contractors behave.

The exploration for and development of oil and gas resources can have significant impact in the areas where the Company and its contractors are active and it is important that the communities in which we operate view the Company's activities positively. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to successfully achieve its corporate objectives. The Board places great importance on this aspect of corporate life and seeks to ensure that this is reflected in all the Company does.

The Company also has an established code for Directors' dealings in securities which is appropriate for a company whose securities are traded on AIM, and is in accordance with Rule 21 of the AIM rules and the Market Abuse Regulation.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the board

The Board has overall responsibility for all aspects of the business. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making. The Chairman has overall responsibility for corporate governance matters in the Company and chairs the Nomination Committee. The Chairman has the responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Company. The Company Secretary is responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with.

The Nomination Committee comprises the Chairman, the Company Secretary and the Non-Executive Director, John Teeling meets at least once per year to examine Board appointments and to make recommendations to the Board in accordance with best practice and other applicable rules and regulations. The Nomination Committee met to discuss and accept the resignation of Riadh Mahmoud Hameed.

The Audit Committee, which is chaired by Chairman, David Horgan, and also includes John Teeling meets at least twice a year and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Chief Financial Officer and Company Secretary James Finn is invited to attend meetings of the Committee. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditor taking account of any non-audit services provided by them.

The Remuneration Committee is comprised of David Horgan and John Teeling. The Remuneration Committee meets at least once a year to determine the appropriate remuneration for the Company's executive directors, ensuring that this reflects their performance and that of the Company. The Company has a share option scheme for directors. No Director participates in discussions concerning his own remuneration.

The Company's Audit Committee Report is presented on page 15 and provides further details on the committee's responsibilities and its activities during 2022, and while a separate report from the Remuneration Committee was not produced due to the size of the company, the Company intends to review this requirement on an annual basis.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to maintaining good communication and having constructive dialogue with its shareholders. Institutional shareholders and analysts have the opportunity to discuss issues and provide feedback at meetings with the Company.

Investors also have access to current information on the Company through its website <http://www.petrelresources.com> and through David Horgan, Chairman, who is available to answer investor relations enquiries. In addition, all shareholders are encouraged to attend the Company's Annual General Meeting and any other General Meetings that are held throughout the year.

The Company's financial reports can be found here: <http://www.petrelresources.com/investors/financial-reports>

Petrel Resources Plc

Audit Committee Report

Dear Shareholders,

I am pleased to present this report on behalf of the Audit Committee and to report on the progress made by the Committee during the year. This report details how the Audit Committee has met its responsibilities under its Terms of Reference and the Irish Companies Act over the last twelve months.

Aims of the Audit Committee

Our purpose is to assist the Board in managing risk, discharging its duties regarding the preparation of financial statements, ensure that a robust framework of accounting policies is in place and enacted and oversee the maintenance of proper internal financial controls.

The Audit Committee, which is chaired by Chairman, David Horgan, and also includes John Teeling meets at least twice a year and assists the Board in meeting responsibilities in respect of external financial reporting and internal controls. The Chief Financial Officer and Company Secretary James Finn is invited to attend meetings of the Committee. The Audit Committee also keeps under review the scope and results of the audit. It also considers the cost-effectiveness, independence and objectivity of the Auditor taking account of any non-audit services provided by them.

The Audit Committee is committed to:

- Maintaining the integrity of the financial statements of the Company and reviewing any significant reporting matters therein;
- Reviewing the Annual & Interim Report and Accounts and monitoring the accuracy and fairness of the Company's financial statements;
- Ensuring compliance of financial statements with applicable accounting standards and the AIM Rules;
- Reviewing the adequacy and effectiveness of the internal financial control environment and risk management systems; and
- Overseeing the relationship with and the remuneration of the external auditor, reviewing their performance and advising the Board members on their appointment.

The Audit Committee met twice in 2022.

Activities of the Audit Committee during the year

On behalf of the Board, the Audit Committee has closely monitored the maintenance of internal controls and risk management during the year. Key financial risks are reported during each Audit Committee meeting, including developments and progress made towards mitigating these risks.

The Audit committee received and reviewed reports from the Chief Financial Officer, other members of management and external auditors relating to the interim and annual financial statements and the accounting and internal control systems in use throughout the Group.

The external auditor attended one of the meetings to discuss the planning and conclusions of their work and meet with members of the committee. The committee was able to call for information from management and consult with the external auditor directly as required.

The objectivity and independence of the external auditor was safeguarded by reviewing the auditor's formal declarations and monitoring relationships between key audit staff and the Company.

As noted above, the committee met twice during the year, to review the 2021 annual accounts and the interim accounts to 30 June 2022 and audit planning for the year ended 31 December 2022. Members of the committee reviewed with the independent auditor its judgements as to the acceptability of the Company's accounting principles.

The audit committee met to discuss appointing new external auditors and various tenders were considered. It was agreed to appoint PKF O'Connor, Leddy & Holmes Limited as auditors for the Company.

Petrel Resources Plc

Audit Committee Report

(continued)

Since the year end, the committee has met with the newly appointed auditors to consider the 2022 financial statements. In particular, the committee discussed the significant audit risks and the audit report.

David Horgan
Chairman Audit Committee

20 June 2023

Petrel Resources Plc

Directors' Responsibilities Statement

The directors are responsible for preparing the Group Strategic Report, Directors' Report and the consolidated 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 they have elected to prepare the Group and parent Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the consolidated financial statements, the directors are required to:

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

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They 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 taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are also responsible for ensuring that they meet their responsibilities under the AIM Rules.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Opinion

We have audited the financial statements of Petrel Resources plc and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent assets, liabilities and financial position as at 31 December 2022 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2014; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality uncertainty related to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We draw attention to note 3 in the financial statements concerning the group and parent's ability to continue as a going concern. The Group incurred a loss for the year of €310,813 (2021: loss of €322,077) after exchange differences on retranslation of foreign operations of €2,527 (2021: profit of €9,620) at the balance sheet date. The Group had net current assets of €243,356 (2021: €268,243) and the Company €243,356 (2021: €268,243) at the balance sheet date. of approval of the financial statements.

The going concern assumption of the group and parent company is dependent on the group and parent company obtaining additional finance to meet the working capital needs for a period of not less than twelve months from the date.

These events and conditions, along with the other matters as set forth in note 3 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the group and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the directors' assessment of the group's and parent company's ability to adopt the going concern basis of accounting included:

- Obtaining an understanding of the group and parent company's relevant controls over the preparation and review of cash flow projections and assumptions used in the cash flow forecasts to support the going concern assumption and assessed the design and implementation of these controls;
- Challenging the key assumptions used in the cash flow forecasts by agreement to historical run rates, expenditure commitments and other supporting documentation;
- Testing the clerical accuracy of the cash flow forecasts;
- Sensitivity analysis on the cash flow forecasts to assess the amount of headroom available to the group and parent company based on its year end cash position;
- Assessment of the group and parent company's ability to raise additional finance; and
- Assessment of the adequacy of the disclosures in the financial statements with a particular focus on appropriate disclosure of the key uncertainties relating to going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

The materiality applied to the group financial statements was €23,000. This has been calculated using Gross Assets benchmarks which we have determined, in our professional judgement, to be the most appropriate benchmarks within the financial statements relevant to the members of the Group in assessing financial performance. The materiality applied to the parent company financial statements was €18,400 based upon 2% of Gross Assets. Performance materiality was 75% of overall materiality for the group and parent company.

We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit in excess of €1,150 for the group and parent company. We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

The group and its one subsidiary are accounted for from a central location in Dublin, Ireland.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, 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.

Key Audit Matter	How the scope of our audit addressed the key audit matter
<p>Valuation and recoverability of intangible assets (refer note 11)</p> <p>The group carries a material amount of intangible assets in relation to capitalised costs associated with group's exploration activities in both the consolidated balance sheet and parent company balance sheet. As a result, the following risks arise:</p> <ul style="list-style-type: none"> – Costs may have been incorrectly capitalised and not conform with all the 6 step criteria detailed in IAS 38. – The carrying value of the capitalised cost may be overstated and the realisation of these intangible assets is dependent on the discovery and successful development of economic oil and gas reserves, which is subject to a number of risks and uncertainties, including obtaining title to licences and the ability of the group to raise sufficient finance to develop the projects. 	<p>The work undertaken to mitigate the risks were as follows:</p> <ul style="list-style-type: none"> • We reviewed and challenged management's assessment of impairment of exploration activities, considered whether there are any indicators of impairment. We found the judgements used by management in their impairment assessment were reasonable. • We verified the capitalised exploration costs meet the eligibility criteria detailed in IAS 38 for that given site. • We substantively tested additions in the year back to supporting documentation to include licences held by the group and parent company to identify terms and commitments in relation to those licences. • We also considered the adequacy of the disclosures included in the financial statements in accordance with IFRS.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Companies Act 2014.

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company'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 the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to those directly impacting the preparation of the financial statements, such as the Companies Act 2014 and the AIM Rules. There are no significant laws and regulations currently impacting the trading activities of the group other than compliance with normal business contractual terms.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks related to management bias through judgements and assumptions in significant accounting estimates, and to posting inappropriate journal entries. The key audit matters section of our report explains the specific procedures performed in respect of the valuation and recoverability of intangible assets.

Our audit procedures performed included:

- Discussions with and inquiry of management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes from board and other committee meetings;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Testing the appropriateness of journal entries and other adjustments and evaluating the business rationale of any significant transactions that are unusual or outside the normal terms of business.

Petrel Resources Plc

Independent Auditor's Report to the Members of Petrel Resources plc.

(continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: <https://www.iaasa.ie/Publications/Auditing-standards/>

This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

Keith Doyle
For and on behalf of PKF O'Connor, Leddy & Holmes Limited
Statutory Auditor
20 June 2023

Century House
Harold's Cross Road
Dublin 6W

Petrel Resources Plc

Consolidated Statement Of Comprehensive Income

For The Year Ended 31 December 2022

	Note	2022 €	2021 €
Administrative expenses	4	(310,813)	(322,077)
Operating loss		(310,813)	(322,077)
Loss before taxation		(310,813)	(322,077)
Income tax expense	9	-	-
Loss for the financial year		(310,813)	(322,077)
Other comprehensive income		-	-
Total comprehensive income for the financial year		(310,813)	(322,077)
Earnings per share attributable to the ordinary equity holders of the parent		2022 Cents	2021 Cents
Loss per share – basic and diluted	10	(0.19)	(0.21)

Petrel Resources Plc

Consolidated Statement Of Financial Position

As At 31 December 2022

	Note	2022 €	2021 €
Assets			
Non-current assets			
Intangible assets	11	933,167	933,167
		933,167	933,167
Current assets			
Trade and other receivables	13	33,807	25,663
Cash and cash equivalents	14	166,309	101,843
		200,116	127,506
Liabilities			
Current liabilities			
Trade and other payables	15	(889,927)	(792,430)
Total liabilities		(889,927)	(792,430)
Net assets		243,356	268,243
Equity			
Share capital	17	2,223,398	1,962,981
Capital conversion reserve fund	19	7,694	7,694
Capital redemption reserve	19	209,342	209,342
Share premium	17	21,811,520	21,786,011
Share based payment reserve	18	26,871	26,871
Retained deficit	20	(24,035,469)	(23,724,656)
Total equity		243,356	268,243

The financial statements were approved by the board of directors on 20 June 2023 and were signed on its behalf by:

David Horgan
Director

John Teeling
Director

Petrel Resources Plc

Company Statement Of Financial Position

As At 31 December 2022

	Note	2022 €	2021 €
Assets			
Non-current assets			
Intangible assets	11	921,930	921,930
Investment in subsidiaries	12	15,019	15,019
		936,949	936,949
Current assets			
Trade and other receivables	13	30,025	21,881
Cash and cash equivalents	14	166,309	101,843
		196,334	123,724
Liabilities			
Current liabilities			
Trade and other payables	15	(889,927)	(792,430)
Total liabilities		(889,927)	(792,430)
Net assets		243,356	268,243
Equity			
Share capital	17	2,223,398	1,962,981
Capital conversion reserve fund	19	7,694	7,694
Capital redemption reserve	19	209,342	209,342
Share premium	17	21,811,520	21,786,011
Share based payment reserve	18	26,871	26,871
Retained deficit	20	(24,035,469)	(23,724,656)
Total equity		243,356	268,243

The financial statements were approved by the board of directors on 20 June 2023 and were signed on its behalf by:

David Horgan
Director

John Teeling
Director

Petrel Resources Plc

Consolidated Statement Of Changes In Equity

For The Year Ended 31 December 2022

Group and company

	Share Capital €	Share Premium €	Capital Redemption Reserve €	Capital Conversion Reserve Fund €	Share Based Payment Reserve €	Retained Deficit €	Total €
At 1 January 2021	1,962,981	21,786,011	209,342	7,694	26,871	(23,402,579)	590,320
Total comprehensive income for the financial year	-	-	-	-	-	(322,077)	(322,077)
At 31 December 2021	1,962,981	21,786,011	209,342	7,694	26,871	(23,724,656)	268,243
Issue of shares	260,417	25,509	-	-	-	-	285,926
Total comprehensive income for the financial year	-	-	-	-	-	(310,813)	(322,077)
At 31 December 2022	2,223,398	21,811,520	209,342	7,694	26,871	(24,035,469)	243,356

Petrel Resources Plc

Consolidated Statement of Cash Flows

For The Year Ended 31 December 2022

	2022 €	2021 €
Cash flows from operating activities		
Loss for the year	(310,813)	(322,077)
Foreign exchange	2,527	(9,622)
Operating cashflow before movements in working capital	(308,286)	(331,699)
Increase in trade and other payables	97,497	81,889
(Increase)/decrease in trade and other receivables	(8,144)	9,331
Cash used in operations	89,353	91,220
Net cash used in operating activities	(218,933)	(240,479)
Investing activities		
Payments for exploration and evaluation assets	–	(1,200)
Net cash used in investing activities	–	(1,200)
Financing activities		
Shares issued	285,926	–
Net cash generated from financing activities	285,926	–
Net cash increase/(decrease) in cash and cash equivalents	66,993	(241,679)
Cash and cash equivalents at the beginning of year	101,843	333,900
Exchange gains / (loss) on cash and cash equivalents	(2,527)	9,622
Cash and cash equivalents at the end of the year	166,309	101,843

Petrel Resources Plc

Company Statement of Cash Flows

For The Year Ended 31 December 2022

	2022 €	2021 €
Cash flows from operating activities		
Loss for the year	(310,813)	(322,077)
Foreign exchange	2,527	(9,622)
	(308,286)	(331,699)
Operating cashflow before movements in working capital		
Increase in trade and other payables	97,497	81,889
(Increase)/decrease in trade and other receivables	(8,144)	9,331
	89,353	91,220
Cash used in operations		
	(218,933)	(240,479)
Investing activities		
Payments for exploration and evaluation assets	–	(1,200)
	–	(1,200)
Net cash used in investing activities		
	285,926	–
Financing activities		
Shares issued	285,926	–
	285,926	–
Net cash generated from financing activities		
	66,993	(241,679)
Net cash increase/(decrease) in cash and cash equivalents		
Cash and cash equivalents at the beginning of year	101,843	333,900
Exchange gains / (loss) on cash and cash equivalents	(2,527)	9,622
	166,309	101,843

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

1. GENERAL INFORMATION

Petrel Resources plc (the Company) is a public company limited by shares incorporated and registered in Ireland. The number under which it is registered is 92622. The address of its registered office is 162 Clontarf Road, Dublin 3.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out on page 7.

2. ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2.1 Basis of preparation

The financial statements of the Group and the Parent Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and in accordance with the provisions of the Companies Act 2014.

The financial statements of the Group and the Parent Company have been prepared on the historical cost basis. The consolidated financial statements have been prepared in accordance with the Companies Act 2014.

2.2 International Financial Reporting Standards

a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2021

The International Accounting Standards Board (IASB) issued various amendments and revisions to International Financial Reporting Standards and IFRIC interpretations. The amendments and revisions were applicable for the period ended 31 December 2022 but did not result in any material changes to the financial statements of the Group or Company.

b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 3	Reference to Conceptual Framework	1 January 2022
IAS 37	Onerous contracts	1 January 2022
IAS 16	Proceeds before intended use	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2022
IAS 8	Accounting estimates	1 January 2023
IAS 1	Presentation of Financial Statements	1 January 2023

There was no material impact to the financial statements in the current year from these standards, amendments and interpretations.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

2. ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation of subsidiaries

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The company has taken advantage of the exemption under section 304 of the Companies Act 2014 from publishing its individual income statement, statement of other comprehensive income and related notes. The Company's loss for the year was €310,813 (2021: €322,077).

2.5 Functional and presentational currency

The individual financial statements of each Group Company are maintained in the currency of the primary economic environment in which it operates (their functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in Euro, the presentation currency.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was re-determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the Statement of Comprehensive Income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the Statement of Comprehensive Income for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the year in which the operation is disposed of.

2.6 Investment in subsidiaries

Investments in subsidiaries are stated at cost less any accumulated impairment losses.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

2. ACCOUNTING POLICIES (continued)

2.7 Intangible assets Exploration and evaluation assets

Exploration expenditure relates to the initial search for mineral deposits with economic potential in Ghana and Iraq. Evaluation expenditure arises from a detailed assessment of deposits that have been identified as having economic potential. The Group's exploration activities are subject to a number of significant uncertainties including:

- license obligations;
- exchange rate risks;
- uncertainty over development and operational costs;
- political and legal risks, including arrangements with Governments for licences, profit sharing and taxation;
- foreign investment risks including increases in taxes, royalties and renegotiation of contracts;
- financial risk management;
- going concern; and
- ability to raise finance.

The recoverability of these intangible assets is dependent on the discovery and successful development of economic reserves, which is subject to the risks and uncertainties set out above. Should this prove unsuccessful, the value included in the Statement of Financial Position would be written off to the Statement of Comprehensive Income.

Exploration costs are capitalised as an intangible asset until technical feasibility and commercial viability of extraction of reserves are demonstrable, when the capitalised exploration costs are re-classified to property, plant and equipment. Exploration costs include an allocation of administration and salary costs (including share based payments) as determined by management, where they relate to specific projects.

The assessment of whether general administration costs and salary costs are capitalized or expensed involves judgement. Management considers the nature of each cost incurred and whether it is deemed appropriate to capitalize it within intangible assets. Costs which can be demonstrated as project related are included within exploration and evaluation assets.

Impairment of intangible assets

The assessment of intangible assets for any indications of impairment involves judgement. If an indication of impairment exists, a formal estimate of recoverable amount is performed and an impairment loss is recognised to the extent that the carrying value amount exceeds the recoverable amount. The recoverable amount is determined as the higher of fair value less costs of disposal and value in use.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. The Company reviews and tests for impairment on an ongoing basis and specifically if the following occurs:

- a) the period for which the Group has a right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and
- d) sufficient data exists to indicate that although a development in the specific area is likely to proceed the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full through successful development or by sale.

Prior to reclassification to property, plant and equipment exploration and evaluation assets are assessed for impairment and any impairment loss is recognised immediately in the Statement of Comprehensive Income.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

2. ACCOUNTING POLICIES (continued)

2.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax payable is based on the taxable profit for the year. Taxable profit differs from the loss as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences arising on investments in subsidiaries and associates, only to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2.9 Share-based payments

The Group issues equity-settled share-based payments only to certain employees and directors. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period based on the Group's estimate of shares that will eventually vest and adjusted for the effect of market based vesting conditions.

The fair value determined at grant date is measured by use of a Black Scholes Model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.10 Operating loss

Operating loss comprises general administrative costs incurred by the Company. Operating loss is stated before finance income, finance costs and other gains and losses.

2.11 Financial instruments

Financial assets and liabilities are recognised in the Group and Company balance sheet when the Group and Company respectively becomes a party to the contractual provisions of the instrument.

A loss allowance for expected credit losses is determined for all financial assets, other than those at fair value through profit and loss (FVTPL), at the end of each reporting period. The expected credit loss recognised represents a probability-weighted estimate of credit losses over the expected life of the financial instrument.

For all other financial assets at amortised cost, the Group recognises lifetime expected credit losses using the simplified model within ECL.

Cash and cash equivalents

Cash and cash equivalents comprises cash held by the Group and Company and short-term bank deposits with a maturity of three months or less from the date of placement.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

2. ACCOUNTING POLICIES (continued)

2.11 Financial instruments (continued)

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade payables

Trade payables classified as financial liabilities, are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.12 Critical accounting judgements and key sources of estimation uncertainty

Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Exploration and evaluation assets

The assessment of whether general administration costs and salary costs are capitalised or expensed involves judgement. Management considers the nature of each cost incurred and whether it is deemed appropriate to capitalise it within intangible assets.

Costs which can be demonstrated as project related are included within exploration and evaluation assets. Exploration and evaluation assets relate to exploration and related expenditure in Ireland, Ghana and Iraq.

The Group and Company's exploration activities are subject to a number of significant and potential risks including:

- License obligations;
- Funding requirements;
- Political and legal risks, including title to license, profit sharing and taxation;
- Exchange rate risk;
- Political risk;
- Financial risk management; and
- Geological and development risks.

The recoverability of exploration and evaluation assets is dependent on the discovery and successful development of economic reserves which is subject to a number of uncertainties including the ability to raise finance to develop future projects. Should this prove unsuccessful, the value included in the balance sheet would be written off as an impairment to the Statement of Comprehensive Income.

Going concern

The preparation of financial statements requires an assessment on the validity of the going concern assumption. The validity of the going concern concept is dependent on finance being available for the continuing working capital requirements of the Group and Company and finance for the development of the group's projects becoming available. Based on the assumptions that such finance would become available, the directors believe that the going concern basis is appropriate for these accounts. Should the going concern basis not be appropriate, adjustments would have to be made to reduce the value of the Group's assets, in particular the intangible assets, to their realizable values. Further information concerning going concern is outlined in Note 3.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

2. ACCOUNTING POLICIES (continued)

2.12 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of Intangible Assets

The assessment of intangible assets for any indication of impairment involves uncertainty. There is uncertainty as to whether the exploration activity will yield any economically viable discovery. Aspects of uncertainty surrounding the Group's intangible assets include the recoverability of the asset, which is dependent upon the discovery and successful development of economic reserves, ability to be awarded exploration licences and the ability to raise sufficient finance to develop the Group's projects. If the directors determine that an intangible asset is impaired, an allowance is recognised in the Statement of Comprehensive Income. Further information concerning the impairment of Intangible Assets is outlined in note 11.

3. GOING CONCERN

The Group incurred a loss for the financial year of €310,813 (2021: loss of €322,077) and had net current liabilities of €689,811 (2021: €664,924) at the balance sheet date. These conditions as well as those noted below, represent a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern.

Included in current liabilities is an amount of €857,531 (2021: €767,531) owed to key management personnel in respect of remuneration due at the balance sheet date. Key management have confirmed that they will not seek settlement of these amounts in cash for a period of at least one year after the date of approval of the financial statements or until the Group has generated sufficient funds from its operations after paying its third party creditors.

The Group and Company had a cash balance of €166,309 (2021: €101,843) at the balance sheet date. The directors have prepared cashflow projections for a period of at least twelve months from the date of approval of these financial statements which indicate that additional finance may be required to fund working capital requirements and develop existing projects. As the Group is not revenue or cash generating it relies on raising capital from the public market.

These conditions as well as those noted below, represent a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern.

As in previous years the Directors have given careful consideration to the appropriateness of the going concern basis in the preparation of the financial statements and believe the going concern basis is appropriate for these financial statements. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

4. LOSS BEFORE TAXATION

The loss before taxation is stated after charging the following items:

Administrative expenses:

	2022	2021
	€	€
Professional fees	186,009	204,209
Staff costs – Directors and Secretary (Note 6)	90,000	90,000
Other administration expenses	34,804	27,868
	<u>310,813</u>	<u>322,077</u>

Details of auditor's and directors' remuneration are set out in Notes 5 and 6 respectively.

5. AUDITOR'S REMUNERATION

Auditor's remuneration for work carried out for the Group and Company in respect of the financial year is as follows:

	2022	2021
	€	€
Group		
Audit of Group accounts	12,500	16,500
Other assurance services	2,015	6,343
	<u>2,750</u>	<u>2,750</u>
Tax advisory services		
Total	<u>17,265</u>	<u>25,593</u>
	2022	2021
	€	€
Company		
Audit of individual company accounts	12,500	16,500
Other assurance services	2,015	6,343
Tax advisory services	2,750	2,750
	<u>17,265</u>	<u>25,593</u>

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

6. RELATED PARTY AND OTHER TRANSACTIONS

Group and Company

Directors' Remuneration

The remuneration of the directors is as follows:

	2022			2021		
	Fees: Services as director €	Fees: Other services €	Total €	Fees: Services as director €	Fees: Other services €	Total €
David Horgan	5,000	25,000	30,000	5,000	25,000	30,000
John Teeling	5,000	25,000	30,000	5,000	25,000	30,000
	10,000	50,000	60,000	10,000	50,000	60,000

The number of directors to whom retirement benefits are accruing is Nil. There were no entitlements to pension schemes or retirement benefits. Details of directors' interests in the shares of the company are set out in the Directors' Report.

Directors' remuneration accrued at financial year end 31 December 2022 was €592,460 (2021: €532,460).

Key management compensation

Key management personnel are David Horgan (Chairman), John Teeling (Director), and James Finn (Chief Financial Officer and Company Secretary). The total compensation expense comprising solely of short-term benefits in respect of key management personnel was as follows:

	2022 €	2021 €
Short-term employee benefits	90,000	90,000

Key management compensation accrued at financial year end 31 December 2022 was €857,531 (2021: €767,531).

Other

The Group and Company shares offices and overheads with a number of other companies also based at 162 Clontarf Road. These companies share some of the same key management personnel, who exercise control over these entities.

Transactions with these companies during the year are set out below:

	Botswana Diamonds Plc €	Clontarf Energy Plc €	Arkle Resources Plc €	Great Northern Distillery €	Total €
At 1 January 2021	-	-	-	-	-
Office and overhead costs recharged	(13,391)	10,024	(10,019)	(8,114)	(21,500)
Repayments	13,391	(10,024)	10,019	8,114	21,500
At 31 December 2021	-	-	-	-	-
Office and overhead costs recharged	(14,187)	35,951	(9,868)	(8,373)	3,523
Repayments	14,187	(18,044)	9,868	8,373	14,384
At 31 December 2022	-	17,907	-	-	17,907

Amounts due to and from the above companies are unsecured and repayable on demand.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

7. STAFF NUMBERS

The average number of persons employed by the Group (including directors and secretary) during the financial year was:

	2022	2021
Management and administration	3	4

Staff costs for the above persons were:

	€	€
Wages and salaries	90,000	90,000
Social welfare costs	-	-
Pension costs	-	-
	90,000	90,000

8. SEGMENTAL ANALYSIS

IFRS 8 requires operating segments to be identified on the basis of internal reports about the Group that are regularly reviewed by the chief operating decision maker. The Board is deemed the chief operating decision maker within the Group.

For management purposes, the Group has one class of business: oil exploration and development. This is analysed on a geographical basis.

8.1 Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Segment revenue	Segment results	Segment revenue	Segment results
	2022	2022	2021	2021
	€	€	€	€
Ireland	-	-	-	-
Unallocated head office	-	(310,813)	-	(322,077)
	-	(310,813)	-	(322,077)

8.2 Segment assets and liabilities

	Assets 2022	Liabilities 2022	Assets 2021	Liabilities 2021
	€	€	€	€
Group and Company				
Ghana	933,167	-	933,167	-
Iraq	-	-	-	-
Total continuing operations	933,167	-	933,167	-
Unallocated head office	200,116	(889,927)	127,506	(792,430)
	1,133,283	(889,927)	1,060,673	(792,430)

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

9. INCOME TAX EXPENSE

Income tax recognised in profit or loss

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the Republic of Ireland applied to losses for the year are as follows:

	2022 €	2021 €
Loss for the year	(310,813)	(322,077)
Loss before income taxes	(310,813)	(322,077)
Tax using the Company's domestic tax rate of 12.5%	(38,852)	(40,260)
Deferred tax not recognised	38,852	40,260
Total tax expense	-	-

No corporation tax charge arises in the current or prior financial years due to losses brought forward.

At the balance sheet date, the Group had unused tax losses of €9,083,018 (2021: €8,772,205) which equates to a deferred tax asset of €1,135,378 (2021: €1,096,526).

No deferred tax asset has been recognised due to the unpredictability of the future profit streams. Losses may be carried forward indefinitely.

10. LOSS PER SHARE

Basic loss per share is computed by dividing the loss after taxation for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and ranking for dividend during the year. Diluted loss per share is computed by dividing the loss after taxation for the year by the weighted average number of ordinary shares in issue, adjusted for the effect of all dilutive potential ordinary shares that were outstanding during the year.

The following tables set out the computation for basic and diluted earnings per share (EPS):

	2022 €	2021 €
Numerator		
For basic and diluted EPS Loss after taxation	(310,813)	(322,077)
Denominator	No.	No.
For basic and diluted EPS	160,919,745	157,038,467
Basic EPS	(0.19c)	(0.21c)
Diluted EPS	(0.19c)	(0.21c)

Basic and diluted loss per share are the same as the effect of the outstanding share options and warrants is anti-dilutive.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

11. INTANGIBLE ASSETS

	Group 2022 €	Group 2021 €	Company 2022 €	Company 2021 €
Exploration and evaluation assets:				
Cost:				
At 1 January	933,167	931,967	921,930	920,730
Additions	-	1,200	-	1,200
Impairment	-	-	-	-
At 31 December	933,167	933,167	921,930	921,930
Carrying amount:				
At 31 December	933,167	933,167	921,930	921,930
 Segmental analysis				
	Group 2022 €	Group 2021 €	Company 2022 €	Company 2021 €
Ghana	933,167	933,167	921,930	921,930
Iraq	-	-	-	-
	933,167	933,167	921,930	921,930

Exploration and evaluation assets relate to expenditure incurred in exploration in Ghana. The directors are aware that by its nature there is an inherent uncertainty in exploration and evaluation assets and therefore inherent uncertainty in relation to the carrying value of capitalized exploration and evaluation assets.

During 2018 the Group resolved the outstanding issues with the Ghana National Petroleum Company (GNPC) regarding a contract for the development of the Tano 2A Block. The Group has signed a Petroleum Agreement in relation to the block and this agreement awaits ratification by the Ghanaian government.

Relating to the remaining exploration and evaluation assets at the financial year end, the directors believe there were no facts or circumstances indicating that the carrying value of the intangible assets may exceed their recoverable amount and thus no impairment review was deemed necessary by the directors. The realisation of these intangible assets is dependent on the successful discovery and development of economic reserves and is subject to a number of significant potential risks, as set out in Note 2.

Directors' remuneration of €Nil (2021: €Nil) and salaries of €Nil (2021: €Nil) were capitalised as exploration and evaluation expenditure during the financial year.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

12. INVESTMENT IN SUBSIDIARIES

	2022 €	2021 €
Company		
At beginning of the financial year	15,019	15,019
Additions	-	-
At end of the financial year	<u>15,019</u>	<u>15,019</u>

The Group consisted of the parent company and the following wholly owned subsidiaries as at 31 December 2022:

Name of subsidiary	Registered Office	Total allotted Capital	Group share	Nature of business
Petrel Industries Limited	162 Clontarf Road, Dublin 3, Ireland	12 Ordinary shares of €1.269738 each	100%	Dormant
Petrel Resources of the Middle East Offshore S.A.L.	Damascus Street, Beirut, Lebanon	2,000 Ordinary shares of US\$10 each	100%	Dormant
Petrel Resources (TCI) Limited	Duke Street, Grand Turk, Turks & Caicos Island	5,000 Ordinary shares of US\$1 each	100%	Holding
Pan Andean Resources Limited	Accra, Ghana	15,000 Ordinary shares of GHC1 each	30%	Dormant

13. OTHER RECEIVABLES

	Group 2022 €	Group 2021 €	Company 2022 €	Company 2021 €
VAT refund due	12,118	19,774	12,118	19,774
Prepayments	3,782	5,889	-	2,107
Related parties (note 6)	17,907	-	17,907	-
	<u>33,807</u>	<u>25,663</u>	<u>30,025</u>	<u>21,881</u>

14. CASH AND CASH EQUIVALENT

	Group 2022 €	Group 2021 €	Company 2022 €	Company 2021 €
Cash and cash equivalents	166,309	101,843	166,309	101,843

The fair value for cash and cash equivalents is €166,309 (2021: €101,843) for the Group and €166,309 (2021: €101,843) for the Company.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

15. OTHER PAYABLES

	Group 2022 €	Group 2021 €	Company 2022 €	Company 2021 €
Amounts due to key personnel (Note 6)	857,531	767,531	857,531	767,531
Accruals	12,000	16,500	12,000	16,500
Other payables	20,396	8,399	20,396	8,399
	889,927	792,430	889,927	792,430

It is the Group's normal practice to agree terms of transactions, including payment terms, with suppliers. It is the Group's policy that payments are made between 30 – 45 days and suppliers are required to perform in accordance with the agreed terms. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Key management personnel have confirmed that they will not seek settlement in cash of the amounts due to them in relation to remuneration for a period of at least one year after the date of approval of the financial statements or until the Group has generated sufficient funds from its operations after paying its third-party creditors.

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group's financial instruments comprise cash balances, investments and various other items such as other payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital to finance Group operations.

The Group undertakes certain transactions denominated in foreign currencies. Hence exposures to exchange rate fluctuations arise.

The Group and Company holds cash as a liquid resource to fund the obligations of the Group. The Group's cash balances are held in Euro, British Pound Sterling and in US dollar.

The Group and Company have a policy of not hedging due to no significant dealings in currencies other than euro and dollar and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposures on an ad hoc basis.

The Group and Company has relied upon equity funding to finance operations. The directors are confident that adequate cash resources exist to finance operations for future exploration, but expenditure is carefully managed and controlled.

The Group and Company do not enter into any derivative transactions, and it is the Group's policy that no trading in financial instruments shall be undertaken. The main financial risk arising from the Group's financial instruments is currency risk.

The Board reviews and agrees policies for managing financial risks and they are summarised below.

Interest rate risk profile of financial assets and financial liabilities

The Group finances its operations through the issue of equity shares and had no exposure to interest rate agreements at the financial year end date.

The Group has no outstanding bank borrowings at the year end. New projects and acquisitions are financed by a combination of existing cash surpluses and through funds raised from equity share issues. The Group may use project finance in the future to finance exploration and development costs on existing licenses.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk

As regards liquidity, the Group's policy is to ensure continuity of funding primarily through fresh issues of shares. Short term funding is achieved through utilizing and optimising the management of working capital. All financial liabilities are due within 1 year from the year end. Based on cashflow projections for a period of at least 12 months from the date of this report the directors are confident that adequate cash resources exist to finance operations in the short term, including exploration and development expenditure.

Foreign currency risk

In the normal course of business, the Group enters into transactions denominated in foreign currencies (Sterling and Euro). As a result, the Group is subject to exposure from fluctuations in foreign currency exchange rates; however it does review its currency exposures on an ad hoc basis.

The carrying amounts of the Group and Company foreign currency denominated monetary assets and monetary liabilities at the reporting dates are as follows:

	Assets	Assets	Liabilities	Liabilities
	2022	2021	2022	2021
	€	€	€	€
Sterling	147,473	54,510	3,766	238
US Dollars	504	602	6,988	6,504

Credit risk

Credit risk arises from cash and cash equivalents.

The maximum credit exposure of the Group and Company at 31 December 2022 amounted to €166,309 relating to cash and cash equivalents. The directors believe there is limited exposure to credit risk on the Group and Company's cash and cash equivalents as they are held with major financial institutions. The Group manages its credit risk in cash and cash equivalents by holding surplus funds in high credit worthy financial institutions and maintains minimum balances with financial institutions in remote locations. Given the nature of the Group's business significant amounts are required to be invested in exploration and evaluation activities at various locations. The directors manage this risk by reviewing expenditure plans and budgets in relation to projects before any monies are advanced to subsidiary undertakings in respect of those projects. The maximum credit loss exposure to the Group at 31 December 2022 amounted to €17,907. This review ensures that any expenditure is value enhancing and as a result the recovery of amounts receivable is subject to successful discovery and development of economic reserves.

Capital Management

The primary objective when managing capital is to safeguard the ability of the Group to continue of as a going concern in order to support its business and maximise shareholder value. The capital structure of the Group consists of issued share capital, share premium and reserves.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group does not hold any external debt and is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2022. The Group's only capital requirement is its authorised minimum capital as a plc. The Companies Act 2014 specifies that the authorised minimum is €25,000 with 25% paid up.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

17. SHARE CAPITAL

	2022 Number	2022 €	2021 Number	2021 €
Authorised				
Ordinary shares of €0.0125 each	800,000,000	10,000,000	800,000,000	10,000,000

Ordinary Shares – nominal value of €0.0125 Allotted, called-up and fully paid:

	Number	Share Capital €	Share Premium €
At 1 January 2021	157,038,467	1,962,981	21,786,011
Issued during the year	–	–	–
At 31 December 2021	157,038,467	1,962,981	21,786,011
Issued during the year	20,833,333	260,417	25,509
At 31 December 2022	177,871,800	2,223,398	21,811,520

On 24 October 2022 a total of 20,833,333 shares were placed at a price of 1.2 pence per share. Proceeds were used to provide additional working capital and fund development costs. For each share subscribed for, the investors also received one warrant to subscribe for an additional ordinary share at a price of 1.8p per share for a period of 2 years.

18. SHARE BASED PAYMENT

The Group issues equity-settled share-based payments to certain directors and individuals who have performed services for the Group. Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by the use of a Black-Scholes valuation model.

Options

The Group plan provides for a grant price equal to the average quoted market price of the ordinary shares on the date of grant. The options vest immediately.

The options outstanding as at 31 December 2022 have a weighted average remaining contractual life of 4 years.

	31 December 2022		31 December 2021	
	Options	Weighted average exercise price in pence	Options	Weighted average exercise price in pence
Outstanding at beginning of year	500,000	10.50	500,000	10.50
Granted during the year	–	–	–	–
Outstanding at end of year	500,000	10.50	500,000	10.50

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

18. SHARE BASED PAYMENT (continued)

Warrants

	31 December 2022		31 December 2021	
	Warrants	Weighted average exercise price in pence	Warrants	Weighted average exercise price in pence
Outstanding at beginning of year	-	-	-	-
Issued	20,833,333	1.8	-	-
Expired	-	-	-	-
Outstanding at end of year	<u>20,833,333</u>	<u>1.8</u>	<u>-</u>	<u>-</u>

On 24 October 2022 a total of 20,833,333 warrants were issued at an exercise price of 1.8p per warrant as part of a placing. Further information is note 17 above.

19. OTHER RESERVES

	Capital Redemption Reserve	Capital Share Based Conversion Reserve Fund	Share Based Payment Reserve
	€	€	€
Balance at 1 January 2021	209,342	7,694	127,199
Movement during the year	-	-	29,295
Balance at 31 December 2021	209,342	7,694	156,494
Movement during the year	-	-	-
Balance at 31 December 2022	<u>209,342</u>	<u>7,694</u>	<u>156,494</u>

Capital redemption reserve

The Capital redemption reserve reflects nominal value of shares cancelled by the Company.

Capital conversion reserve fund

The ordinary shares of the company were re-nominalised from €0.0126774 each to €0.0125 each in 2001 and the amount by which the issued share capital of the company was reduced was transferred to the capital conversion reserve fund.

Share Based Payment Reserve

The share-based payment reserve arises on the grant of share options under the share option plan. Share options expired are reallocated from the share-based payment reserve to retained deficit at their grant date fair value.

Petrel Resources Plc

Notes To The Consolidated Financial Statements

For the Year Ended 31 December 2022

20. RETAINED DEFICIT

	Group and Company	
	2022	2021
	€	€
Opening Balance	(23,724,656)	(23,402,579)
Profit/(Loss) for the year	(310,813)	(322,077)
Closing Balance	<u>(24,035,469)</u>	<u>(23,724,656)</u>

Retained deficit

Retained deficit comprises of losses incurred in the current and prior years.

21. LOSS ATTRIBUTABLE TO PETREL RESOURCES PLC

In accordance with Section 304 of the Companies Act 2014, the company is availing of the exemption from presenting its individual profit and loss account to the Annual General Meeting and from filing it with the Registrar of Companies. The loss for the financial year in the parent company was €310,813 (2021:€322,077).

22. CAPITAL COMMITMENTS

There is no capital expenditure authorised or contracted for which is not provided for in these accounts.

23. CONTINGENT LIABILITIES

There are no contingent liabilities (2021: €Nil).

24. POST BALANCE SHEET EVENTS

There were no material post balance sheet events affecting the Company or Group.

Petrel Resources Plc

Notices of Annual General Meeting

For the Year Ended 31 December 2022

Notice is hereby given that an Annual General Meeting of Petrel Resources plc will be held on 27 July 2023 at the Rui Plaza The Gresham, 23 O'Connell Street Upper, North City Dublin, D1 C3W7 at 12.00 pm for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the Director's Report, Audited Accounts and Auditor's Report for the year ended 31 December 2022.
2. To re-elect Director: John Teeling retires in accordance with Article 95 and seeks re-election.
3. To appoint PKF O'Connor, Leddy & Holmes as auditors and to authorise the Directors to fix their remuneration.
4. To transact any other ordinary business of an annual general meeting.

For Consideration

To consider in accordance with section 1111 Companies Act 2014 whether any, and if so what, steps should be taken to deal with the situation that the net assets of the Company are less than half its called-up share capital.

By order of the Board:

James Finn
Secretary

Registered Office: 162 Clontarf Road, Dublin 3.

20 June 2023

Notes:

- a. Any shareholder of the Company entitled to attend and vote may appoint another person (whether a member or not) as his/her proxy to attend, speak and on his/her behalf. For this purpose a form of proxy is enclosed with this Notice. A proxy need not be a shareholder of the Company. Lodgement of the form of proxy will not prevent the shareholder from attending and voting at the meeting.
- b. Only shareholders, proxies and authorised representatives of corporations, which are shareholders, are entitled to attend the meeting.
- c. To be valid, the form of proxy and, if relevant, the power of attorney under which it is signed, or a certified copy of that power of attorney, must be received by the Company's share registrar, Computershare Investor Services (Ireland), 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82 at not less than 48 hours prior to the time appointed for the meeting.
- d. In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of member of the Company in respect of the joint holding.
- e. The Company, pursuant to Section 1095 of the Companies Act 2014 and regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulation 1996 (as amended) specifies that only those shareholders registered in the Register of Member of the Company (the "Register") at the close of business on the day which is four days before the date of the Meeting, (or in the case of an adjournment at the close of business on the day which is four days prior to the adjourned Meeting), shall be entitled to attend and vote at the Meeting or any adjournment thereof in respect only of the number of shares registered in their name at that date.
- f. Subject to the articles of association of the Company and provided it is received not less than 48 hours before the time appointed for the holding of the AGM or adjourned AGM or (in the case of a poll taken otherwise than at or on the same day as the AGM or adjourned AGM) at least 48 hours before the taking of the poll at which it is to be used, the appointment of a proxy by a Shareholder may be submitted electronically, subject to the terms and conditions of electronic voting, via the internet by accessing the Company's Registrar's website www.eproxyappointment.com. You will need your control number, shareholder reference number and your PIN number, which can be found on your Form of Proxy.

Electronic proxy voting by Euroclear Nominees Limited in respect of the ordinary shares registered in the name of Euroclear Nominees Limited as nominee for Euroclear Bank SA/NV ("Euroclear Bank") may also occur through the use of a secured mechanism to exchange electronic messages as agreed by the Company with Euroclear Bank.

- g. Persons who hold their interests in ordinary shares of the Company as Belgian law rights through the Euroclear system (either directly or indirectly, including through a custodian) or as CREST depository interests through the CREST system, should consult with their stockbroker, custodian or other intermediary at the earliest opportunity for further information on the processes and timelines for submitting proxy voting instructions for the AGM through the respective systems.

Petrel Resources Plc

Notices of Annual General Meeting

For the Year Ended 31 December 2022

Voting Instructions

Proxy voting

Those Shareholders unable to attend the Meeting may appoint a proxy. For Shareholders whose name appears in the register of members of the Company at the record date, your proxy may be submitted by post by completing the enclosed Form of Proxy and returning it to the Company's Registrar, Computershare Investor Services (Ireland) Limited, 3100 Lake Drive, Citywest Business Campus, Dublin 24, D24 AK82, Ireland. Your proxy may also be submitted through Computershare's voting website www.eproxyappointment.com, instructions on how to do this are set out on the Form of Proxy.

Electronic proxy voting by Euroclear Nominees Limited as nominee for Euroclear Bank SA/NV ("Euroclear Bank" or "EB") in respect of the ordinary shares registered in the name of Euroclear Nominees Limited may also occur through the use of a secured mechanism to exchange electronic messages (as agreed by the Company with Euroclear Bank).

Deadlines for receipt by the Company of proxy voting instructions

All proxy votes must be received by the Company's Registrar not less than 48 hours before the time appointed for the Meeting or any adjournment of the Meeting. However, persons holding through the Euroclear Bank or (via a holding of CREST depository interests ("CDIs")) CREST systems will also need to comply with any additional voting deadlines imposed by the respective service offerings. All persons affected are recommended to consult with their stockbroker or other intermediary at the earliest opportunity.

The submission of a proxy will not prevent members attending and voting at the Meeting should you wish to do so. We are encouraging Shareholders to submit their votes on the resolutions in advance of the meeting through the appointment of a proxy. For voting services offered by custodians holding Irish corporate securities directly with Euroclear Bank, please contact your custodian.

The following information for EB Participants and holders of CDIs is based on the information available to the Company as at the date of this document.

Further information for EB Participants

Participants in the Euroclear system ("EB Participants") can submit proxy appointments (including voting instructions) electronically in the manner described in the document issued by Euroclear Bank in February 2022 and entitled "Euroclear Bank as issuer CSD for Irish corporate securities" (the "EB Services Descriptions"). EB Participants can either send:

- electronic voting instructions to instruct Euroclear Nominees Limited (as sole registered shareholder of all ordinary shares held through the Euroclear system) ("Euroclear Nominees") (or to appoint the chairman of the meeting as proxy) to:
- vote in favour of all or a specific resolution(s);
- vote against all or a specific resolution(s);
- abstain from all or a specific resolution(s); or
- give a discretionary vote to the chairman in respect of one or more of the resolutions being put to a shareholder vote; or
- a proxy voting instruction to appoint a third party (other than Euroclear Nominees/the chairman of the meeting) to attend the meeting and vote for the number of ordinary shares specified in the proxy voting instruction.

Euroclear Bank will, wherever practical, aim to have a voting instruction deadline of one (1) hour prior to the Company's proxy appointment deadline (being 48 hours before the relevant meeting).

Voting instructions cannot be changed or cancelled after Euroclear Bank's voting deadline. There is no facility to offer a letter of representation/appoint a corporate representative other than through the submission of third-party proxy appointment instructions.

Petrel Resources Plc

Notices of Annual General Meeting

For the Year Ended 31 December 2022

EB Participants are strongly encouraged to familiarise themselves with the new arrangements with Euroclear Bank, including the new voting deadlines and procedures.

Further information for CREST members with holdings of CDIs

Euroclear UK & Ireland Limited (“EUI”), the operator of the CREST system has arranged for voting instructions relating to the CDIs held in CREST to be received via a third-party service provider, Broadridge Financial Solutions Limited (“Broadridge”). Further details on this service are set out on the “All you need to know about SRD II in Euroclear UK & Ireland” webpage (see section CREST International Service – Proxy voting). CREST members can complete and submit proxy appointments (including voting instructions) electronically through Broadridge.

If you hold CDIs you will be required to make use of the Euroclear UK & Ireland proxy voting service facilitated on EUI’s behalf by Broadridge Global Proxy Voting service in order to receive meeting announcements and send back voting instructions as required.

To facilitate client set up, if you hold CDIs and wish to participate in the proxy voting service, you will need to complete the following documentation: Meetings and Voting Client Set-up Form (CRT408).

Completed application forms should be returned to EUI by an authorised signatory with another relevant authorised signatory copied in for verification purposes using the following email address: eui.srd2@euroclear.com

Fully completed and returned applications forms will be shared with Broadridge by EUI. This will enable Broadridge to contact you and share further detailed information on the service offering and initiate the process for granting your access to the Broadridge platform. The voting service will process and deliver proxy voting instructions received from CREST members on the Broadridge voting deadline date to Euroclear Bank, by its cut-off and to agreed market requirements. The same voting options as described above for EB Participants will be available (i.e. electronic votes by means of chairman proxy appointments or appointing a third-party proxy).

Broadridge’s voting deadline will be earlier than Euroclear Bank’s voting instruction deadline as set out above. Broadridge will use best endeavours to accept late votes, changes and cancellations from a CDI holder after the voting deadline but there is no guarantee that these will be processed within the requisite timeframes. There is no facility to offer a letter of representation/ appoint a corporate representative other than through the submission of third-party proxy appointment instructions.

CREST members with holdings of CDIs are strongly encouraged to familiarise themselves with the arrangements with Broadridge, including the voting deadlines and procedures and to take, as soon as possible, any further actions required by Broadridge before they can avail of this voting service.

Petrel Resources Plc

Company Information

Directors	David Horgan (Chairman) John Teeling Riadh Mahmoud Hameed (resigned 27 September 2022)
Company secretary	James Finn
Registered office	162 Clontarf Road Dublin 3 Ireland
Independent auditors	PKF O'Connor, Leddy & Holmes Limited Century House Harold's Cross Road Dublin 6W Ireland
Solicitors	Philip Lee Solicitors Connaught House One Burlington Road Dublin 4 Ireland
Bankers	Barclays Bank Ireland plc Two Park Place Hatch Street Upper Dublin 2 Ireland
Nominated broker and advisor	Beaumont Cornish Limited Building 3 566 Chiswick High Road London W4 5YA United Kingdom
Joint Broker	Novum Securities Limited 8-10 Grosvenor Gardens London, SW1W 0DH United Kingdom
Registrars	Computershare Investor Services (Ireland) Limited 3100 Lake Drive Citywest Business Campus Dublin 24 D24 AK82
Registered number	92622



Corporate Office:
162 Clontarf Road, Dublin 3, Ireland,
Tel: +353 (0)1 833 2833
Fax: +353 (0)1 833 3505
Company Registration Number: 92622

www.petrelresources.com