JADESTONE ENERGY

Production Focus, Sustainable Returns

2020 Annual Report

Jadestone is a leading independent upstream oil and gas company focused on the Asia Pacific region. Its strategy is to acquire production and near-term development assets, create value through smart reinvestment and generate increasing cash flow from an expanding portfolio of balanced, low risk assets across the region.

Cover Photo:
Well pressure monitoring at the Akatara Field – Lemang PSC, Sumatra, Indonesia

STRATEGIC REPORT

CORPORATE GOVERNANCE

CONSOLIDATED FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

2020 Highlights

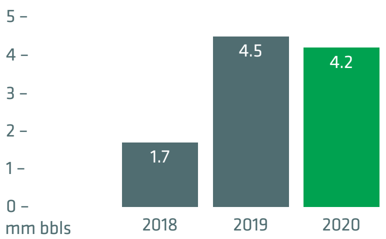
OH&S - Occupational Health & Safety

0 Zero total recordable injury frequency rate

Environmental Management

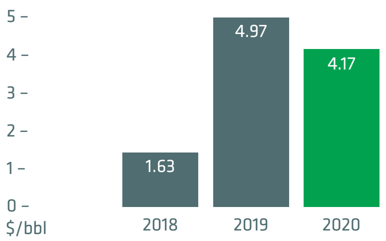
0 Zero reportable environmental incidents

Sales



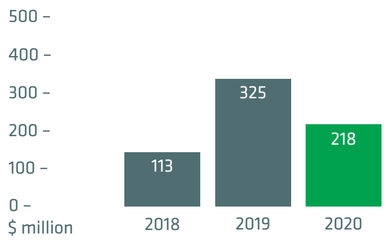
4.2 mm bbls

Price Premiums



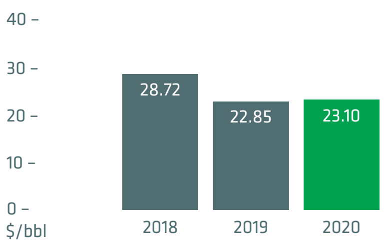
$4.17 /bbl

Revenue



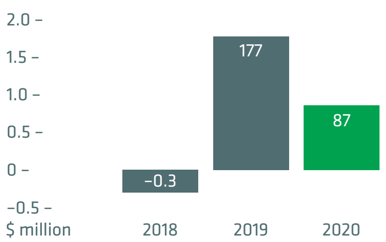
$218 million

Operating Costs



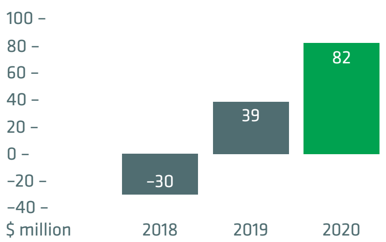
$23.10 /bbl

Operating Cash Flow [1]



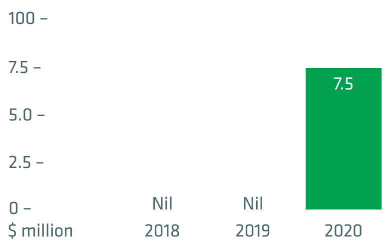
$87 million

Net Cash



$82 million

Dividend [2]



$7.5 million

1 Before movements in working capital.
2 The second 2020 dividend of US$5.0 million to be declared by the directors following completion of the capital reduction and filing of audited initial accounts.

Focusing on deeper efficiency

Jadestone achieved its revised production target for 2020, producing an average of 11,438 bbls/d, lifting 4.2 million bbls. While revenue was affected by lower benchmark prices, pricing premiums remained strong.

The Company focused on driving deeper efficiency across the entire business, resulting in operating costs being driven down approximately 12% on an absolute basis and within the original guidance range, and broadly flat on a per unit of production basis compared with the prior year.

Approximately 25% of the savings identified through the Company's Group-wide efficiency and cashflow savings programme, project Clover, have been locked in as permanent changes in the operating cost base.

The Company generated positive operating cash flow of $87 million, which contributed to a reduction of substantially all of its debt, and a more than doubling of its net cash position to $82 million at 31 December 2020.

Jadestone made no compromises to safety or integrity, and adhered to strict COVID-19-related protocols throughout the year. The Company recorded no serious incidents and experienced no reportable environmental incidents, which demonstrates the Company's commitment to its people and the environment in which it operates.

Well pressure monitoring at the Akatara Field – Lemang PSC, Sumatra, Indonesia

Foreword from Jadestone's Chairman

Dear fellow shareholders

On behalf of the Board of Directors of your Company, I am pleased to present the 2020 Jadestone Energy Annual Report and Sustainability Report. Your Company delivered exceptional results, against the backdrop of an exceptionally challenging year.

Management was able to rapidly adapt their efforts toward protecting the Company's balance sheet and, with the full support of the Board, took difficult decisions to defer near-term investments. We believed that spending should be rephased to resume under the much more favourable environment we see today, thereby maximising investment returns. At the same time, the team did not compromise on its steadfast commitment to world class health, safety, and environmental protection, all which took on new meaning as the world grappled with the challenges cascaded by the COVID-19 pandemic.

The Company also demonstrated its ongoing commitment to its growth strategy, including pursuing inorganic transactions where there is a strong value add proposition. During the year, Jadestone negotiated, announced, and completed the acquisition of the Lemang asset, onshore Indonesia, which added important diversity to the portfolio, particularly through its future gas development, which will serve as a natural pricing hedge against the currently oil-weighted production base. At the same time, the Company continues to press toward completion of its acquisition of a 69% operated interest in the Maari asset, offshore New Zealand. These acquisitions, once bedded into the portfolio, add to the existing organic growth profile, which also includes the Nam Du and U Minh gas development offshore Vietnam, as well as continuing high-value re-investment into the producing assets at Montara and Stag. More recently, Jadestone has also announced the acquisition of several assets offshore Peninsular Malaysia. In addition to an immediate and significant increase in both production and reserves, this transaction is important from a strategic perspective as it sets the stage for the Company to prove its operating credentials in Malaysia, elevates the Jadestone profile in the region, and will hopefully pave the way for access to more material opportunities to continue pursuing our high value strategy.

Akatara Field – Lemang PSC, Sumatra, Indonesia

ESG Progress

Today, the Company has published its second annual Sustainability Report. From the early formation of the current management team, we recognised the importance of transparency and open communication with regard to our environmental, social, and governance responsibilities. Moreover, as we increase the depth of our sustainability reporting, we are beginning to recognise the many competitive advantages that come with being a strong performer in this regard.

I am pleased to report that the Company is making ongoing progress in formalising its approach to environmental stewardship. With increased alignment to the Taskforce on Climate Related Financial Disclosure principles, and ongoing commitment to the UN Sustainable Development Goals, the Company is deepening what it means to be a responsible environmental citizen. We are committed to reporting on both key emissions metrics and carbon intensity of operations and seeking to reduce our environmental impact through continuous improvement.

Once again, the Company has delivered an excellent performance from a health and safety perspective, with zero lost time incidents and zero serious injuries. The Board takes an uncompromising approach to HSE as we strongly see world class HSE performance as a prerequisite to operational performance. Protecting and nurturing our workforce during the spread of the pandemic in 2020 has brought new challenges, affecting Jadestone as much as anyone, and yet we maintained safe operations without interruption.

Jadestone's governance practices continue to evolve and mature as well, while at the same time, shifting toward UK-style norms and practices. As a precursor to relocating the corporate residence to the UK (a process that is now complete), the Company adopted the Quoted Companies Alliance governance code, which is typical of our AIM-listed peers, and provides the Board with a solid governance framework to ensure ongoing protection of value and adherence to best practices.

Shareholder Returns

2020 saw Jadestone deliver its maiden dividend, a significant milestone, and one we had always envisaged for the type of Company we are building. Our business remains strongly cash generative, and the portfolio has been crafted to generate direct returns for shareholders, while maintaining a strong balance sheet and without compromising our ability to continue to grow. With our continuing focus on balance sheet strength and increasing cash flow generation in the years ahead, we expect dividends to increase too, but it will always be balanced by our primary focus of investment into the business.

"Once again, the Company has delivered an excellent performance from a health and safety perspective, with zero lost time incidents and zero serious injuries."

Dennis McShane
NON-EXECUTIVE CHAIRMAN

Outlook

Despite all the challenges our industry faced in 2020, from a collapse in benchmark oil prices, a loss of demand for equity investment in the sector, and the many challenges posed by the COVID-19 pandemic, including global lockdowns and travel restrictions, Jadestone not only delivered a sound performance, but also gathered new insight into how to further reduce waste and ensure our operations are as efficient as possible. Through a tough interrogation of our cost base, we have identified savings across the business, many which have been locked in as structural changes in the way the Company operates, and will serve to benefit all shareholders in 2021 and beyond.

At the same time, I am excited by the return to active reinvestment into our portfolio, at a time when global benchmark oil prices are recovering. While the Company will always be highly discerning in where resources are deployed, we are moving ahead with growth plans that will generate strong investor returns across the business.

Finally, I want to thank the Board for their advice, expertise and support during this past year. I especially wish to thank the executive team and all Jadestone staff for their sacrifices and contributions to our success, and I am confident we are well positioned for future successes too.

Thank you for your continued support.

Dennis McShane
NON-EXECUTIVE CHAIRMAN

Chief Executive Officer's Review

Our performance in 2020 underscores the resilience of the Jadestone work culture and portfolio. We have demonstrated what it is to be nimble and flexible, while maintaining a steadfast commitment to efficiency and shareholder returns, and without compromising on our commitment to health, safety, and environmental protection.

Drilling offshore western Australia

Stronger and more resilient

2020 was an extraordinary year, and by March and April, against the backdrop of collapsing oil prices and the global pandemic, we shifted our short-term strategy to protect our balance sheet. We cut near term capital investment into our assets by nearly 90% versus the original plan, and at the same time set out to cut costs, setting the stage to generate stronger returns than would otherwise have been possible. We made it clear that adding production while Brent was at record lows made no sense, and we therefore pulled back on activity and reduced our production guidance accordingly.

Throughout the year, our personnel have remained healthy, and operations uninterrupted, recording only one COVID-19 case within the Jadestone organisation, one of our leadership team in Jakarta who has since fully recovered. We instigated project Clover, which delivered $33 million in cashflow savings versus 2020 plan, across the business, and as a result were able to meet our original operating cost target on a per unit basis. A great illustration of the Jadestone culture at work was the team effort in delivering these savings, from every part of the business, while locking in over 25% of these savings as structural changes for the future. We're not here for the short-term, and so these decisions which constantly drive us to be more efficient, minimising waste, can add value for shareholders year after year.

We also maintained our commitment to our core principles towards environmental stewardship, social responsibility, and high governance standards, and have recorded no major incidents on any of these fronts, in keeping with our pursuit toward *Target Zero*.

Paul Blakeley
EXECUTIVE DIRECTOR,
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Nimble Capital Investment

90% Reduction in spending vs original plan

Project Clover

$33 Million in cash savings versus plan

Target Zero

0 No reportable environmental incidents or injuries

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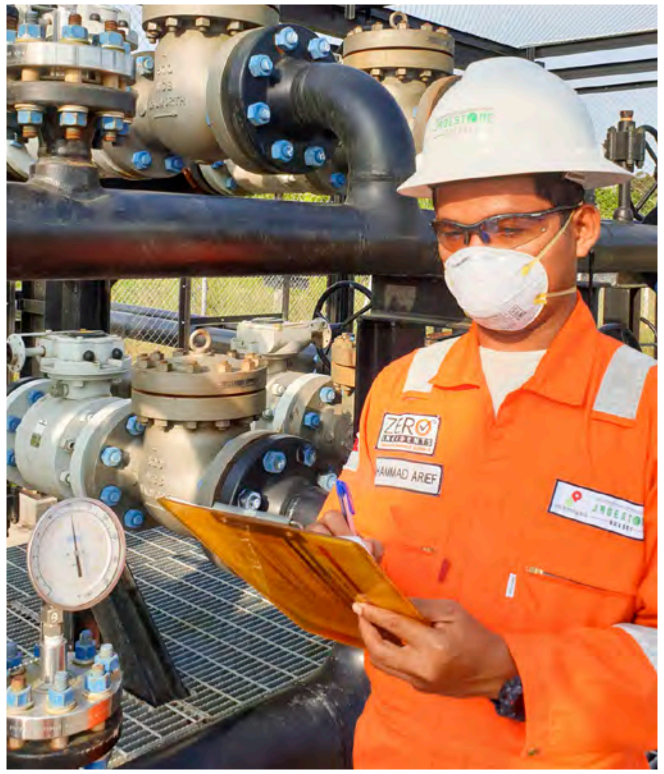
Asset Review

At Montara, we implemented a new and innovative offshore roster to maintain asset efficiency while meeting COVID-19 protocols, including some temporary reduced manning and longer shift patterns. This commitment from the offshore teams, along with some shared logistics arrangements in conjunction with neighbouring operators, resulted in uninterrupted production operations throughout the year. The pursuit toward Target Zero continued, with no lost-time injuries, reportable environment incidents or significant non-compliances recorded during the year. From a production perspective, we deferred the drilling of an infill well at the Montara field and also identified problems within the well bores of two Skua field subsea wells during the year. These two wells are temporarily offline while we prepare for a workover and repairs to be implemented as part of the 2021 work programme which will also drill the Montara H6 infill well. Despite the deferral of production from the Skua field wells, revised production guidance was met, largely by way of increases from the Swift/Swallow fields and improved uptime performance in the latter part of the year. Importantly, the production outage at Skua has no reserves-related impact, meaning production was deferred, not lost, and we will benefit from production being restored in a much higher priced oil market.

At Stag, we realised meaningful improvements in efficiency too, led by an innovative new offload tanker arrangement. By offloading production directly into shuttle tankers, without a Floating Storage and Offloading vessel as an intermediary, we now have one less vessel in the field, and an overall lower cost base. This also has a safety and environmental benefit with no ship-to-ship transfer now occurring at Stag. As with all operations, we constantly focus on maintaining best-in-class health and safety performance, and have experienced no reportable incidents during the year. Production met revised guidance in 2020 as we once again elected not to drill a new infill well and purposely slowed workover activity during the worst of the COVID-19 restrictions, with logistics challenges for both workover crews and equipment.

Despite reduced global consumption of crude oil during 2020, cleaner-burning fuels have remained in demand. Stag's low sulphur medium-heavy crude oil, helping to meet ever more stringent fuel oil requirements, has continued to attract strong premiums, averaging between $5.50/bbl to $21.00/bbl above Brent through the price cycle during the year.

Our planned Nam Du/U Minh gas development was deferred as part of the measures taken early in the year to protect the balance sheet. This was also consistent with slow progress on agreeing gas sales, and subsequently Vietnam has secured some additional gas volumes from the PM3 CAA licence in Malaysia and Vietnam to fill near term supply shortfall. Nonetheless, the demand for Nam Du and U Minh gas remains on the near term horizon, and the commercial drive to develop this resource is recognised by both Jadestone and Vietnam. Cooperation with Petrovietnam remains strong and discussions are ongoing regarding a first gas date and production profile, as a precursor to a gas sales contract and government sanction for the field development.



Akatara Field – Lemang PSC, Sumatra, Indonesia

Our planned acquisition of a 69% operated interest in New Zealand's Maari project achieved several key milestones over the course of the year, albeit with delays in progress caused by both the COVID-19 pandemic, and New Zealand's general election in the fourth quarter. One final government regulatory approval is required to complete the transaction, and both Jadestone and the seller remain committed to the deal.

In Indonesia, we acquired a 90% interest in the Lemang PSC, onshore Sumatra, containing the fully appraised undeveloped Akatara gas field. The transaction was finalised, signed, approved and closed within the year, and the next steps will be to agree a gas sales agreement and move the project forward to sanction. Adding Lemang to the Jadestone portfolio introduces a mix of gas, condensate and NGLs, in an onshore setting with low cost development and a PSC regime, bringing diversity as well as fixed price gas to naturally balance oil price volatility. Importantly, it also re-establishes our operating presence in Indonesia as an important step to accessing further opportunity and deepening working relationships with government and regulators.

Looking forward, having successfully navigated one of the toughest years our industry has ever experienced, we are now very well positioned to re-instate growth through capital deployed into our current assets, drilling in Australia and moving the gas developments forwards, as well as the potential to add more assets to our portfolio through inorganic opportunities. This is reinforced by the 2021 guidance which shows strong growth in the second half, and the recent announcement of the acquisition of a collection of assets offshore Peninsular Malaysia. The acquisition is an excellent fit with our capabilities and our strategy, and provides a material and immediate uplift in both production and reserves, together with a strong platform to grow further in Malaysia.

With our strong balance sheet and our reputation as a quality counterparty of choice, we are more upbeat than ever on the potential to continue adding value through acquisitions.

Results Review

In 2020, the business generated $218 million in net revenue, down by approximately 33% from the previous year, reflecting the combined impact of the collapse in oil prices and slightly lower liftings. We sold 4.2 mm bbls of crude oil and generated $86.9 million in cash flow from operations before working capital changes, with adjusted EBITDAX of $62.6 million. Following the non-cash impairment of the legacy Mitra SC56 exploration licence, the business reported a net post tax loss of $60.2 million on a unadjusted basis.

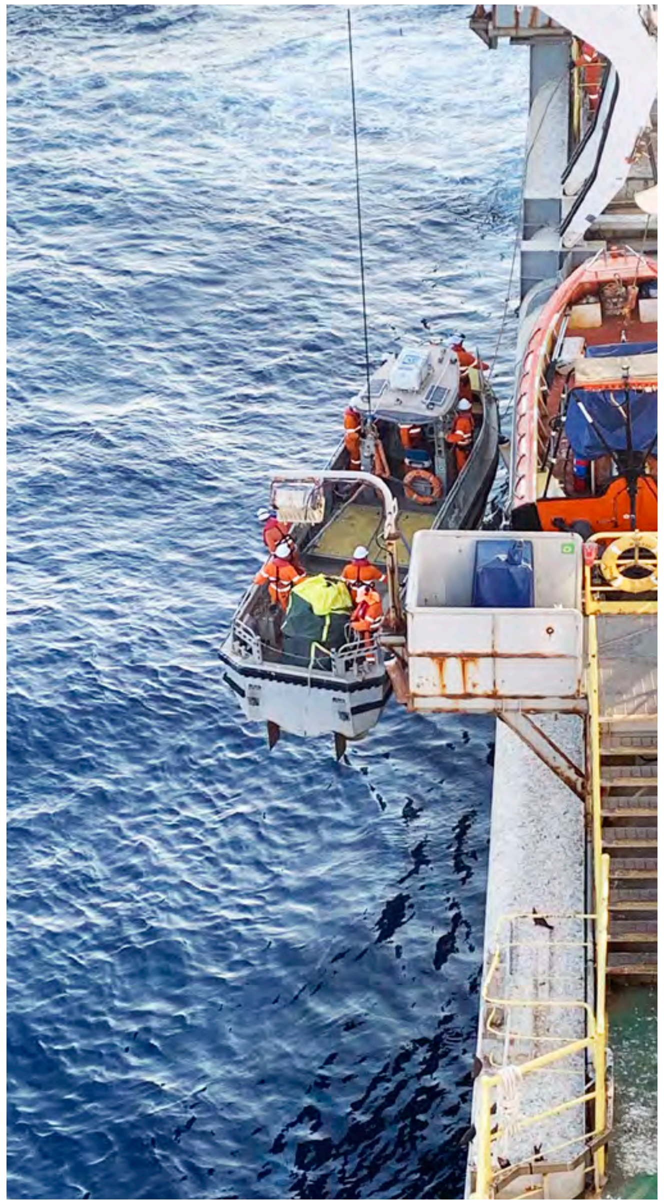
While 2020 was a year that presented challenges to business performance across the upstream sector, Jadestone's approach has been to leverage teamwork, engage the whole organisation in finding better ways of working and continuously improve our performance. We reduced headline production costs, down to $106 million, versus $120 million in the previous year and, when adjusting for the impact of well workovers as we usually do, held unit cash operating expense almost flat at $23.10/bbl compared to $22.85/bbl in the prior year, despite lower production.

Our end 2020 reserves position primarily reflects the end 2019 position, adjusted for the impact of production during the year. As of 31 December 2020, Jadestone had total 1P reserves of 23.2 mm bbls, and 2P reserves of 37.1 mm bbls. Reservoir performance at both producing assets remains very much as expected, but our reserves for end 2020 reflects the fact that volume additions which had previously been envisaged for 2020 have been deferred as a result of rephasing investment activities to coincide with a stronger price environment.

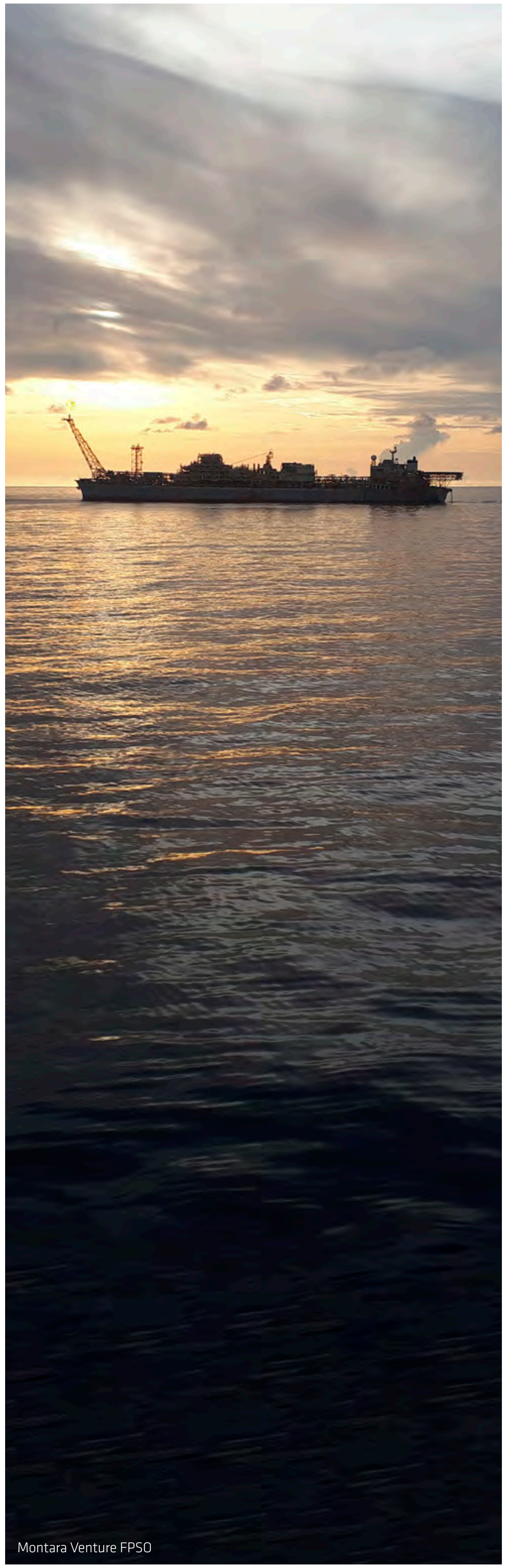
Instead, we deployed our cash flow to paying down debt, which was reduced by $42.8 million to just $7.3 million by the end of the year, and to providing direct returns to shareholders with a maiden dividend, paying the interim one third portion in October. We also closed and paid for the Lemang acquisition in Indonesia and, in a commitment to shareholders to maintain our balance sheet strength, we more than doubled our net cash position to $82 million, and have done so without any compromise to health, safety, and environmental responsibility. This is a performance our team can be proud of, and I'm grateful for the contribution and commitment of the team.

Paul Blakeley
EXECUTIVE DIRECTOR,
PRESIDENT AND CHIEF EXECUTIVE OFFICER

"Even in the face of substantial challenges, we have almost eliminated our debt and more than doubled our net cash position to $82 million, while also building out the portfolio with another acquisition."



Emergency evacuation drill at Montara
Crude oil offload by shuttle tanker at Stag

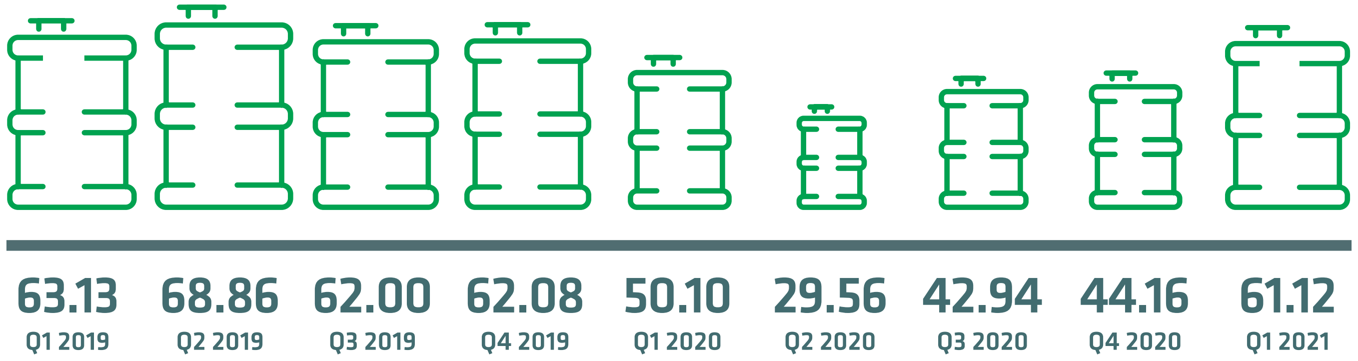


Montara Venture FPSO

Market Overview

Agility in a changing world

Brent oil, in $/bbl, quarterly



COVID-19 and the Economy

In Q1 2020, the world began to appreciate the wide-reaching impacts of the COVID-19 pandemic on the health and well-being of the global population. Keeping people healthy became such a challenge that all public institutions, not just those directly linked to medical care, were pushed to their limits, while industrial activity fell dramatically. The result was a swift and sharp retraction in global economic activity.

Upstream Oil & Gas Challenges

At the same time, the upstream oil and gas sector grappled with the predicament of a reduction in demand for hydrocarbons driven by reduced mobility and lower industrial output. To exacerbate matters, the usual global mechanisms to offset shocks in the demand for hydrocarbons also faltered, at least initially, with the major hydrocarbon producing countries of OPEC+ failing to reach an agreement to reduce oil supplies. This drove a precipitous fall in global oil benchmark prices through the first four months of the year, with Brent crude dropping below the $20/bbl mark just over one year ago, in April. For those companies who produce oil price linked hydrocarbon or those individuals whose livelihood depends in some way on ongoing production and investment into the sector, survival mode was the order of the day.

Survival Mode

Jadestone recognised the severity of the situation and undertook a methodical assessment of both operational and financial risks for its ongoing business. The result was a suite of actions aimed at protecting our people, ensuring critical supply chains continued working so as to continue safe ongoing operations, and adjusting spending plans to preserve the financial strength of the business. With a highly flexible and discretionary investment programme initially planned for the year, the Company was able to be proactive, and to adjust plans to both weather the worst of the impact and set the stage to maximise value creation thereafter.

Upswing

Cautious optimism began to appear mid-way through 2020, fuelled primarily by medical science breakthroughs in COVID-19. And while the implementation of developments like new vaccines is bound to be slow and non-linear in nature, the direction of travel was positive throughout the second half of the year.

Our industry too, saw positive steps to rebalance the global supply-demand picture, with OPEC+ ultimately agreeing to restrict supplies to the market, while the world demonstrated that the demand for hydrocarbons remains, even under lock-down conditions. This trend has continued through the first part of 2021 as economies have begun to rebound, and benchmark prices have briefly climbed as high as the $70/bbl mark, a level that seemed almost inconceivable a year ago.

M&A Overview

With 2020 bringing changes in how we work, where we work, and what we prioritise, global M&A activity fell to the lowest level seen in recent history. But even against that backdrop, transactions that had been planned as part of a long-term strategy continued to progress. Jadestone completed its Indonesia Lemang acquisition, made progress on its New Zealand Maari acquisition, and began evaluation work on several other opportunities. Competition for assets remains low in the Asia Pacific region, and with a financial position bolstered by tough action in 2020, Jadestone is poised to continue pursuing its inorganic growth agenda.

Market Comment

Along with the fall in activity, drop in cash flow, and slower deal completion activity, investment into the sector dropped off as well. Those that have endured have done so because of strong balance sheets, ongoing cash generation through the low price cycle, and demonstrated sustainable behaviour on the environment, social and governance agenda. We are optimistic that capital markets will be supportive of value accretive organic and inorganic growth.

Dampier Spirit FSO departing Stag

Jadestone's Strategy

Fit for growth

Jadestone Energy aspires to be a leading oil and gas development and production company in the Asia Pacific region, and is pursuing a strategy led by the acquisition and development of producing fields and discovered resource that can be quickly brought to production.

The Company is building a balanced portfolio of production and development assets with additional growth from low-risk exploration. The Company is exclusively focussed on the Asia Pacific region, and prefers select core areas in the region where the team has pre-existing expertise. The Company believes the Asia Pacific region presents a compelling proposition, with growing energy demand, industry leading margins and returns, and the potential for resilient cash flow generation.

Jadestone's strategic decisions are tailored to prioritise margin improvement and identify accretive growth which delivers exceptional value and leverages the team's expertise in second phase operating capabilities.

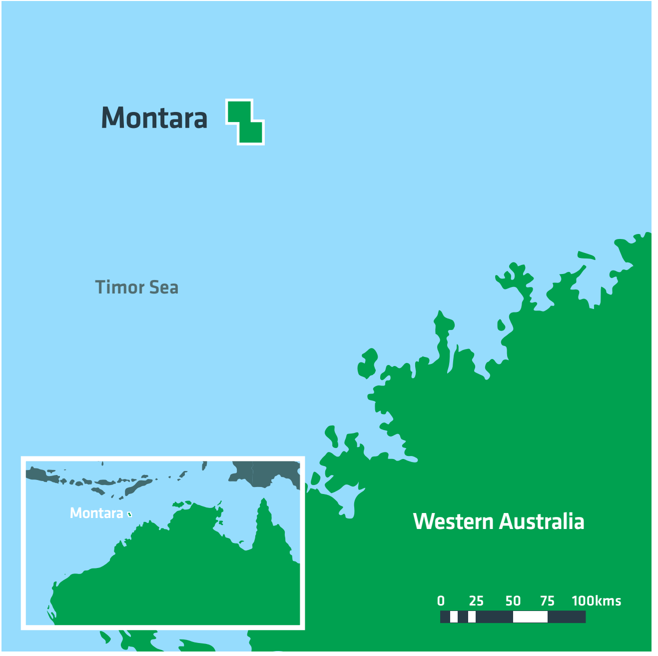
In a short period of time, Jadestone has built a business that delivers a solid free cash flow stream which is being actively redeployed into value accretive investments in the business and into inorganic opportunities, while at the same time, providing direct returns to shareholders in the form of dividends. The Company adheres to stringent screening criteria in all its investments, and is confident that the current market environment creates an opportunity set that meshes well with the strategy, and provides a platform to continue generating incremental value for shareholders.

View from the Montara Venture FPSO

NETTS apprentices

Operational Review

Producing Assets



Montara Venture FPSO

Montara Project Australia

WORKING INTEREST: **100%**
GROSS ACREAGE: **672km^2**
LOCATION: **Offshore Western Australia**
WATER DEPTH: **77m**

The Montara Project is located in production licenses AC/L7 and AC/L8, offshore Western Australia, in a water depth of approximately 77 meters. The Montara assets, comprising the three separate fields being Montara, Skua and Swift/Swallow, are produced through an owned floating production storage and offloading vessel, the Montara Venture. As at 31 December 2020, the Montara assets had proven plus probable reserves of 23.4mm barrels of oil, 100% net to Jadestone. The fields produce light sweet crude (42° API, 0.067% mass sulphur), which typically sells at a premium to Dated Brent. The premium in 2020 ranged between a discount of US$2.19/bbl to a premium of US$7.54/bbl due to the impacts on demand of COVID-19. The most recent lifting was agreed at a premium of US$0.66/bbl.

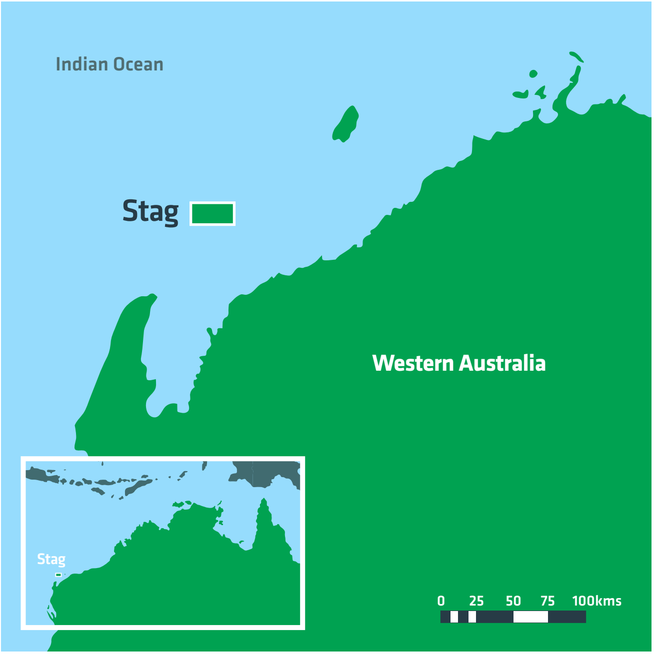
During the year, the Group completed a 3D seismic acquisition programme covering the AC/L7 and AC/L8 licences, to improve reservoir imaging for future infill wells and to assess prospects for future exploration targets. Interpretation work on the seismic data is being carried out by licence area and is expected to be completed by 2023.

Production averaged 9,045 bbls/d in 2020 (2019: 10,483 bbls/d). Lower production was primarily the result of natural field production decline, and identified problems within the well bores of the two Skua field wells, which were taken offline while workovers are planned.

During 2021, the Group plans to drill the H6 well, which was deferred from 2020 in response to COVID-19 and to perform the two Skua workovers. In the meantime, production volumes deferred from the Skua satellite field are being substantially offset by increased rates from the Swift and Swallow fields.

There were six liftings in 2020, resulting in total sales of 3,221,258 bbls, compared to 3,577,199 bbls in 2019 from the same number of liftings.

Producing Assets Continued



Stag Oilfield Australia

WORKING INTEREST: **100%**
GROSS ACREAGE: **160km²**
LOCATION: **Offshore Western Australia**
WATER DEPTH: **47m**

The Stag Oilfield, in block WA-15-L, is located 60km offshore Western Australia in a water depth of approximately 47 meters. As at 31 December 2020, the field contained total proved plus probable reserves of 13.7mm barrels of oil, 100% net to Jadestone. The Stag oilfield produces heavier sweet crude (18° API, 0.14% mass sulphur), which historically sells at a premium to Dated Brent. The premium in 2020 ranged between US$5.50/bbl to US$21.00/bbl, due to the impacts on demand from COVID-19. The most recent lifting was agreed at a premium of US$13.88/bbl.

In May 2020, the owners of the Dampier Spirit floating storage and offloading vessel ("FSO") advised the Group of their intention to retire the vessel. In response, the Group adopted a tanker shuttle operating model, whereby modern double hulled tankers are loaded directly, on a rotational basis, thus eliminating the need for ship to ship oil transfers in field. The new model commenced in September 2020, immediately following the departure of the Dampier Spirit. The tanker shuttle operating model offers environmental benefits relative to the permanently moored Dampier Spirit, as well as cost savings of approximately 20% per annum.

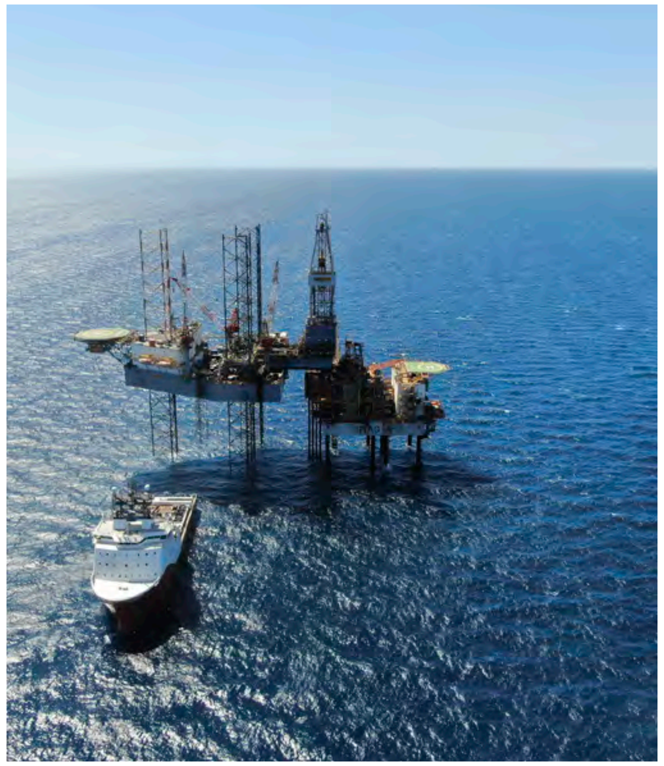
Reduced manning on the facility, due to restrictions arising from COVID-19, impacted upon the ability to conduct major activities, other than mandatory and core maintenance requirements. To work within these restrictions and in view of the lower oil price during the year, workover activity was reduced in the second and third quarters, before picking up again in the last quarter of 2020.

Production was 2,394 bbls/d in 2020, compared to 3,049 bbls/d in 2019. Lower production was primarily the result of the pull-back on well workovers during a period of prolonged lower oil prices and amidst heightened COVID-19 restrictions and costs on moving people and equipment.

There were four liftings in 2020, for total sales of 944,354 bbls, compared to 918,961 bbls in 2019 from the same number of liftings.

During 2021, the Group will continue the well workover programme, primarily as a result of the need to replace electronic submersible pumps at the end of their useful lives, and will conduct well planning work, in preparation for future drilling activities.

Drilling rig and work boat on location at Stag



Maari Oilfield New Zealand

WORKING INTEREST: **69%**
GROSS ACREAGE: **34km²**
LOCATION: **Offshore Taranaki Basin**
WATER DEPTH: **100m**

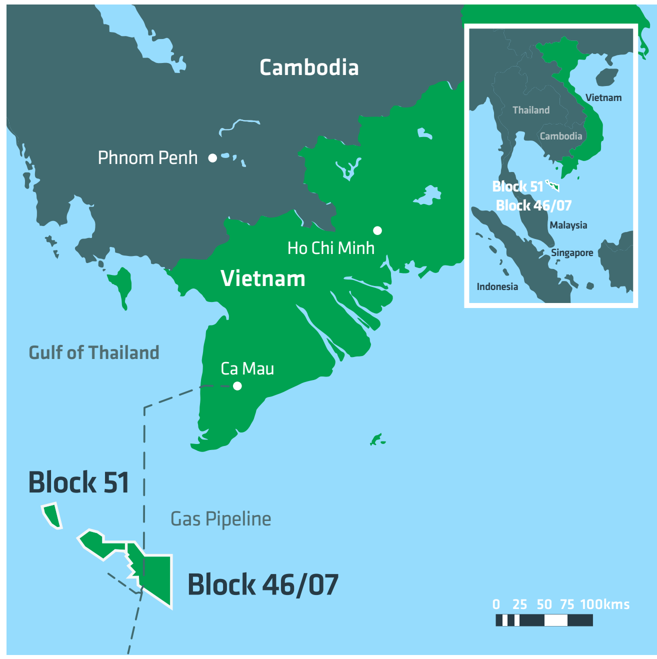
On 16 November 2019, the Group executed a sale and purchase agreement ("SPA") with OMV New Zealand Limited ("OMV New Zealand"), to acquire an operated 69% interest in the Maari project, shallow water offshore New Zealand, for a total cash consideration of US$50.0 million, and subject to customary closing adjustments.

The transaction has achieved several key milestones with regard to regulatory approvals, and the Group continues to focus on securing Ministerial consent. Jadestone and OMV New Zealand continue to work towards completion of the transaction. The SPA long stop date has been revised to 30 June 2021. The Group will assume the operatorship upon completion of the transaction. The economic benefits from 1 January 2019 until the closing date will be adjusted in the final consideration price. This is now anticipated to be a net receipt to the Group.

As at 31 December 2020, the field holds 2P audited reserves of 10.6mm barrels of oil, net to Jadestone's 69% interest.

Raroa FPSO on location at Maari

Pre-Production Assets



Block 51 PSC and Block 46/07 PSC Vietnam

WORKING INTEREST: **100%**
GROSS ACREAGE: **Block 46/07 – 2,622km², Block 51 – 887km²**
LOCATION: **Malay-Tho Chu Basin**
WATER DEPTH: **Block 46/07 – 48m, Block 51 – 64m**

Jadestone holds a 100% operated working interest in the Block 46/07 PSC and Block 51 PSC, both in shallow waters in the Malay Basin, offshore Southwest Vietnam. The two contiguous blocks hold three discoveries: the Nam Du gas field in Block 46/07 and the U Minh and Tho Chu gas/condensate fields in Block 51.

The formal field development plan ("FDP") in respect of the Nam Du/U Minh development was submitted to the Vietnam regulatory authorities in late 2019. In mid-March 2020, amid delays in Vietnamese Government approvals and the drop in global oil prices related to COVID-19, the Group opted to delay the project, as part of a review of its 2020 capital programme.

Discussions are continuing with Petrovietnam to agree a gas production profile for the development, as a precursor to a gas sales contract, and ultimately attaining government sanction for the field development.

Lemang PSC Indonesia

WORKING INTEREST: **90%**
GROSS ACREAGE: **743km²**
LOCATION: **Onshore South Sumatra Basin** PSC

On 29 June 2020, the Group executed an acquisition agreement with Mandala Energy Lemang Pte Ltd, to acquire an operated 90% interest in the Lemang PSC, onshore Indonesia, for an acquisition price of US$16.5 million, comprising cash consideration of US$12.1 million after closing statement adjustments and future estimated fair value potential contingent payments of US$4.4 million.

The Lemang PSC is located onshore Sumatra, Indonesia. The block includes the Akatara gas field, with a net to Jadestone 2C resource of 15.2 mm boe.

The asset has been substantially de-risked with 11 wells drilled into the structure, plus three years of oil production history, up until the field ceased production in December 2019.

The acquisition closed on 11 December 2020, following the receipt of governmental approval of the assignment of the interest and of the Group's appointment as operator.

The Group intends to commence a gas development project on the Lemang PSC and current efforts are focused on finalising a heads of agreement on gas sales, to be followed by a gas sales agreement with a buyer before seeking formal field development sanction. The timeline for the Lemang development is highly flexible, and at Jadestone's discretion.

Exploration Assets

Service Contract 56 ("SC56") Philippines

Jadestone held a 25% interest in SC56 in partnership with operator Total E&P Philippines B.V. ("Total"). The exploration period on the block expired on 1 September 2020. During the year, Total was granted a 12-month extension on the exploration period until 1 September 2021, with the COVID-19 pandemic representing a force majeure event under the service contract.

Following management's strategic review of available options for the asset, a mutual agreement was reached in mid-November between Jadestone and Total regarding the voluntary relinquishment of SC56. On 18 November 2020, Total and Jadestone expressed their intention to the Philippines Department of Energy ("DOE") to voluntarily surrender the entire interest in SC56 and accordingly, to terminate the contract. The effective date of termination is 21 December 2020.

SC56 was inherited from the former Mitra Energy management team and was not an asset consistent with Jadestone's strategy. It remained in the Jadestone portfolio due to the carried well commitment, which was intended to provide a cost-free option to further test this frontier basin/new basin entry opportunity. It was important for the Group and our shareholders to pursue this potential to its ultimate conclusion. The Mitra Energy management team had incurred an accumulated US$49.4 million of costs in capitalised exploration value by 30 June 2016. Jadestone spent a further US$1.1 million over the last four-and-a-half years.

The relinquishment decision has resulted in the recognition of an impairment in Q4 2020 in relation to the capitalised intangible exploration value of US$50.5 million.

Following the termination, the Group is liable for 25% of the unfulfilled minimum work programme as at the termination date. The total unfulfilled minimum work programme amount has been submitted by Total to the DOE and is currently under review. The Group's share of the unfulfilled minimum work programme will be funded from the net arbitration proceeds of US$2.2 million received from Total in Q1 2020.

Service Contract 57 ("SC57") Philippines

The Group holds a 21% working interest in SC57, which has been under force majeure since 2011, and these conditions are not expected to change in the foreseeable future.

Akatara Field – Lemang PSC, Sumatra, Indonesia

Akatara Field – Lemang PSC, Sumatra, Indonesia

Project Clover

Project Clover, an initiative that commenced in early Q2 2020, was one of the key steps taken by the Company in response to COVID-19 and the related oil price collapse.

Jadestone embraced the principle that its focus should be on cash flow, and not just capital spending or opex, but rather all aspects of its business that drive financial performance. In keeping with its pursuit of continuous improvement, the initiative was also guided by the notion that savings should come from across the entire business.

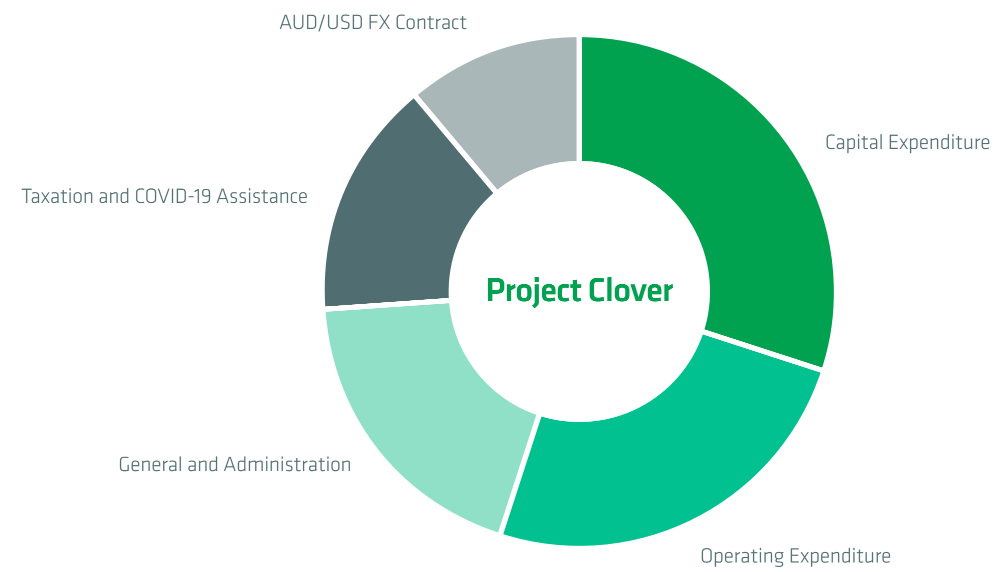
The results surpassed expectations, and achieved savings of US$33.0 million relative to the plan, and unlocked a number of sustainable changes to the Group's cost base. Jadestone's Project Clover achievements represent some of the very best of what the team is capable of.

While a portion of the savings that were implemented came in the form of cashflow deferrals, a meaningful contribution also came from innovative solutions sourced directly from the business itself. This included optimising commercial terms with vendors, adjusting our organisation to make it fit for purpose, and stamping out inefficiency across all operations including new and clever logistics arrangements in collaboration with adjacent operators.

The team also took a decisive approach to tackling G&A, with the senior management team agreeing to a 25% reduction to base salary and a 20% reduction to allowances for six months of 2020. Overseas assignment allowances remained at 80% for the full calendar year 2020. The Board also agreed to a 25% reduction in fees. These changes set the scene for reductions in G&A across the business, with most employees accepting salary reductions as well.

Having locked in 25% of the total Project Clover savings as structural changes in our cost base sets the organisation to be more efficient than ever in 2021 and beyond.

Cash Flow Savings



Cash flow savings by category in percentage of overall saving


Jadestone's Kuala Lumpur office

Financial Review

The following table provides select financial information of the Group, which was derived from, and should be read in conjunction with, the audited consolidated financial statements for the year ended 31 December 2020.

USD'000 except where indicated	2020	2019
Sales volume, barrels (bbls)	4,165,612	4,496,164
Production, bbls/day	11,438	13,531
Realised oil price, $/bbl[1]	44.79	69.07
Revenue	217,938	325,406
Production costs	(105,338)	(119,898)
Operating costs/bbl ($/bbl)[2]	23.10	22.85
Adjusted EBITDAX[2]	62,582	187,505
Depletion, depreciation & amortisation costs/bbl ($/bbl)	16.24	16.94
Impairment	50,455	-
(Loss)/Profit before tax	(57,238)	73,281
(Loss)/Profit after tax	(60,178)	40,505
(Loss)/Earnings per ordinary share: basic & diluted	(0.13)	0.09
Operating cash flows before movement in working capital	86,883	176,908
Capital expenditure	24,065	77,240
Outstanding debt[2]	7,386	50,144
Net cash[2]	82,055	39,275

1 Realised oil price represents the actual selling price, net of marketing fees, and before net impact from commodity hedging instruments. Inclusive of hedges, the average realised price was US$52.32/bbl (2019: US$72.39/bbl), compared to average annual Dated Brent of US$41.84/bbl (2019: US$64.21/bbl).

2 Operating cost per bbl, adjusted EBITDAX, outstanding debt and net cash are non-IFRS measures and are explained on pages 29-31.

"During one of the most challenging years our sector has seen, we doubled net cash, substantially paid off debt, and provided direct shareholder returns by way of our maiden dividend."

Dan Young
EXECUTIVE DIRECTOR, CHIEF FINANCIAL OFFICER

Benchmark Commodity Price And Realised Price

The annual average benchmark Brent crude decreased 35% to US$41.84/bbl, compared to US$64.21/bbl. The average benchmark price based on liftings was US$40.61/bbl in 2020, compared to 2019 at US$64.13/bbl.

The actual average realised price in 2020 decreased in line with the benchmark price, by 35% to US$44.79/bbl, compared to US$69.07/bbl in 2019. The average annual premium in the year was US$4.17/bbl, compared to 2019 at US$4.97/bbl. The premiums have gradually improved from the oil price trough in Q2 2020, with the Group achieving US$13.88/bbl and US$0.66/bbl from its latest liftings of Stag and Montara crude oil, respectively.

Amidst an uncertain global outlook, including second and third waves of COVID-19 infection, the Group has entered into Dated Brent swaps covering 30% of planned H1 2020 production at an average swap price of US$55.16/bbl, to support the 2020 planned organic growth programme.

Production and Liftings

The Group generated average production in 2020 of 11,438 bbls/d, compared to 13,531 bbls/d in 2019. Production at both Montara and Stag was lower compared to 2019, primarily the result of natural field production decline in addition to deferred production due to an intentional pull-back on well workovers during a period of prolonged lower oil prices and amidst heightened COVID-19 restrictions and costs on moving people and equipment.

The Group had 10 liftings during the year (2019: 10), resulting in sales of 4,165,612 bbls (2019: 4,496,164 bbls), reflecting the lower production compared to 2019.

Revenue

The Group generated US$217.9 million of revenues in 2020, compared to US$325.4 million from 2019, or a drop of 33%. Revenue derived from the sale of crude oil declined by US$124.0 million or 40%, from US$310.5 million in 2019 to US$186.6 million in 2020, due to:

- Lower average realised prices in 2020, compared to 2019 (US$44.79/bbl vs US$69.07/bbl), giving rise to a decline of US$101.2 million; and
- Lower lifted volumes in 2020 at 4.2mm bbls, compared to 4.5mm bbls in 2019, generating an additional decline of US$22.8 million.

This was partly offset by an increase in hedging income of US$31.4 million, more than double 2019's hedging income of US$14.9 million.

Production Costs

Production costs declined 12% in 2020 to US$105.3 million, from US$119.9 million in 2019, predominately due to:

- Logistics costs were lower by US$6.3 million compared to 2019, as a result of the reduction in the usage of transportation facilities in the production process, in line with the decreased production in 2020;
- Workover costs were US$8.6 million lower compared to 2019, due to the decision to defer several well interventions amid the costs and logistics challenges posed by COVID-19. In addition, high workover costs in 2019 were unusually high due to the non-routine replacement work associated with the riserless light well intervention;
- Operating staff costs were lower by US$2.9 million, as part of the Project Clover cost savings initiatives implemented by the Group in response to COVID-19; and
- A positive variance of US$4.5 million in movement of crude inventories, reflecting the year-on-year differential of the Group's inventories on hand at year end. There were 601,999 bbls in inventory as at 31 December 2020, compared to 581,133 bbls as at 31 December 2019.

Unit operating costs per barrel were US$23.10/bbl (2019: US$22.85/bbl), before workovers and movement in inventories, but including net lease payments and certain other adjustments (see non IFRS measures below), with the variance a result of lower production rates during the year.

DD&A

DD&A charges were US$84.6 million in 2020, compared to US$90.7 million in 2019, reflecting lower production during the year. The depletion cost on a unit basis was US$16.24/bbl in 2020 (2019: US$16.94/bbl), predominately due to a technical adjustment on Montara reserves at December 2019 vs December 2018.

Other Expenses

Other expenses in 2020 totalled US$26.9 million (2019: US$9.4 million). The variance of US$17.5 million was predominately due to:

- One-off litigation costs related to the settlement of SC56 of US$8.8 million and 05-1 PSC of US$0.3 million (see also other income, with respect to the arbitration awards to Jadestone that more than offset these costs);
- Rig contract deferral costs in Australia of US$3.0 million, following the decision to defer the Australian 2020 drilling campaign in response to the impact of COVID-19;
- Unrealised foreign exchange loss of US$2.6 million (2019: US$0.2 million), due to the depreciation of the United States Dollar against the Australian Dollar; and
- Professional and consultancy charges of US$1.3 million, in support of several business development projects in 2020, including the acquisition of the Lemang PSC.

Other Income

Other income was US$26.4 million (2019: US$3.0 million). The variance of US$23.4 million was predominately due to:

- Monetary damages awarded of US$11.1 million, for the breach of the SC56 farm out agreement by Total;
- Release of the provision made in relation to the Stag FSO of US$5.0 million, payable to the crew at the expiration of the Dampier Spirit FSO lease. Following the termination of the lease, the Group was no longer required to make this payment, and the provision reversed;
- Rebate income of US$3.6 million from the Group's helicopter lease contract, arising from the sublease of the right-of-use assets to a third party;
- Gain of US$1.4 million from the termination of the Dampier Spirit FSO lease in September 2020; and
- Settlement sum of US$1.0 million received from Inpex to resolve the dispute over the Block 05-1 PSC.

Impairment

The Group recorded an impairment of US$50.5 million associated with the capitalised intangible exploration costs at SC56 as the costs are no longer deemed recoverable. In Q4 2020, the Group and Total decided to voluntarily relinquish their interests in the block. US$49.4 million of the impaired amount was incurred by the previous Mitra Energy management team up to 30 June 2016.

Taxation

Taxation charges declined 91% to US$2.9 million from US$32.8 million in 2019.

The current tax charge was US$11.7 million, which consists of US$10.0 million of corporate tax expense and net PRRT paid of US$1.7 million, which is lower, compared to corporate tax expense of US$43.4 million and net PRRT refunded of US$1.9 million in 2019. This was due to:

- Lower corporate tax expense by US$33.4 million due to the significant decrease in realised average lifting price reductions and slightly lower lifted volumes. The Group was in a taxable position, despite the loss before tax position as presented in the consolidated statement of profit or loss, which was mainly the result of non-deductible expenses and DD&A recognised for oil and gas properties; and
- Net PRRT paid of US$1.7 million, compared to net PRRT refunded of US$1.9 million in 2019, which was predominately due to the liftings made in the first half of the year, prior to the significant decline in commodity prices, and the Group has spent less on its capital expenditure, resulting in lower PRRT deductibles generated, compared to 2019, when the 49H infill well was drilled.

The corporate tax expense was partly offset by a deferred tax credit of US$8.7 million, which consists of US$4.0 million (2019: US$20.3 million) for the unwinding of deferred tax liabilities and US$4.7 million of deferred PRRT credit (2019: expense of US$6.3 million). The smaller unwinding of deferred tax liabilities in 2020 versus 2019 was due to the lower production and depletion charges in 2020, and hence a smaller gap between the book depletion charge and the tax charge. The deferred PRRT credit of US$4.7 million in 2020 was due to the reduction of deferred tax liabilities associated with Stag PRRT, mostly attributable to the lower realised prices and the lower capital expenditure in 2020.

Impact of COVID-19

In view of the low crude oil price environment arising from the impacts of the COVID-19 pandemic, the Group has undertaken an impairment review on its non-financial assets, as at 31 December 2020, reflecting, among other factors, the then spot price for Dated Brent of US$50.48/bbl and the outlook for crude oil prices. Following this review, no impairment is required with respect to the Group's producing assets in Australia (Stag and Montara) and the exploration assets in Montara and Vietnam.

2020 Reconciliation of Net Cash

	US$'000	US$'000
Cash and cash equivalents, 31 December 2019		75,934
Restricted cash[1], 31 December 2019		13,485
Total cash and cash equivalent, 31 December 2019		**89,419**
Revenue	217,938	
Other operating income	19,690	
Operating costs	(105,338)	
Staff costs	(20,775)	
General and administrative expenses	(24,632)	
Cash flows from operations		**86,883**
Movement in working capital		25,225
Tax paid		(25,969)
Interest paid		(1,542)
Purchases of intangible exploration assets, oil and gas properties, and plant and equipment[2]		(19,458)
Net cash outflows on acquisition of Lemang PSC		(11,959)
Other investing activities		257
Financing activities		(53,415)
Total cash and cash equivalent, 31 December 2020		**89,441**
Outstanding debt, 31 December 2020		(7,386)
Net cash[3], 31 December 2020		**82,055**

Despite the dramatic fall in average realised prices in 2020, and the Group's reduced production and hence liftings amidst the pullback in workovers due to COVID-19 restrictions and the lower oil price environment, the business still generated positive operating cash flow. Additionally, after financing activities including US$42.8 million of debt principal repayments and interest payments on the Group's RBL, the Group also generated positive organic equity free cashflow during the year (before the acquisition cost of the Lemang PSC).

1 Restricted cash in 2019 excludes US$10.0 million in support of a bank guarantee to a key supplier in respect of Stag's FSO vessel.

2 Total capital expenditure was US$24.1 million (2019: US$77.2 million), comprising total capital expenditure paid of US$17.9 million (2019: US$68.3 million), plus accrued capital expenditure of US$6.1 million (2019: US$8.9 million).

3 Net cash is a non-IFRS measure and is explained on page 31.

Non-IFRS Measures

The Group uses certain performance measures that are not specifically defined under IFRS, or other generally accepted accounting principles. These non-IFRS measures comprise operating cost per barrel (opex/bbl), adjusted EBITDAX, outstanding debt, and net cash.

The following notes describe why the Group has selected these non-IFRS measures, and reconciles amounts to the nearest equivalent IFRS measure.

Operating costs per barrel (Opex/bbl)

Opex/bbl is a non-IFRS measure used to monitor the Group's operating cost efficiency as it measures operating costs to extract oil from the Group's producing reservoirs on a unit basis. Opex/bbl is defined as total production costs excluding oil inventories movement, write down of inventories, workovers (to facilitate better comparability period to period) and non-recurring repair and maintenance. It also includes lease payments related to operational activities, net of any income earned from right-of-use assets involved in production, and foreign exchange gains arising from foreign exchange forwards in respect of local currency operating expenditure, and excludes depletion, depreciation and amortisation and short term COVID-19 subsidies. Adjusted aggregate production cost is then divided by total produced barrels for the prevailing period, to determine the unit cost per barrel.

USD'000 except where indicated	2020	2019
Production costs (reported)	105,338	119,898
Adjustments		
Lease payments related to operating activity[1]	17,548	15,947
Movement in oil inventories[2]	2,806	7,337
Workover costs[3]	(21,686)	(30,331)
Impact from foreign exchange derivatives apportioned to production costs[4]	(2,649)	-
Other income[5]	(3,634)	-
Non-recurring repair and maintenance[6]	(1,619)	-
Australian Government JobKeeper scheme	600	-
Adjusted production costs	**96,704**	**112,851**
Total production, barrels	4,186,478	4,938,867
Operating costs per barrel	**23.10[7]**	**22.85**

1 Lease payments related to operating activity are lease payments considered to be operating costs in nature, including leased helicopters for transporting offshore crews, and FSO rental fees. The lease payments are added back to reflect the true cost of production.

2 Movement in oil inventories are added back to the calculation to match the full cost of production with the associated production volumes.

3 Workover costs are excluded to normalise the opex/bbl so as to enhance comparability. The frequency of workovers can vary significantly, across periods, particularly at Stag.

4 A portion of the net impact from foreign exchange hedging instruments was apportioned to production costs, based on the Group's actual local currency expenditure during the hedging period.

5 Other income represents the rental income from a helicopter rental contract (a right-of-use asset) to a third party.

6 Non-recurring repair and maintenance costs relates to costs associated with Cyclone Damien.

7 The Company previously announced unaudited estimate 2020 opex/bbl of US$23.24/bbl. This estimate was before removing the Australian Government JobKeeper scheme of US$0.6 million and upward revision of US$0.6 million to the Cyclone Damien costs noted in footnote 6, following finalisation of works.

Adjusted EBITDAX
Adjusted EBITDAX is a non-IFRS measure which does not have a standardised meaning prescribed by IFRS. This non-IFRS measure is included because management uses the information to analyse cash generation and financial performance of the Group.

Adjusted EBITDAX is defined as profit from continuing activities before income tax, finance costs, interest income, DD&A, other financial gains and exploration.

The calculation of adjusted EBITDAX is as follow:

USD'000	2020	2019
Revenue	217,938	325,406
Production cost	(105,338)	(119,898)
Staff cost	(21,903)	(22,027)
Impairment of assets	(50,455)	-
Other expenses	(26,918)	(9,379)
Other income, excluding interest income	26,119	-
Other financial gains	359	3,389
Unadjusted EBITDAX	**39,802**	**177,491**
Non-recurring		
Net gain from oil price derivatives	(30,889)	(14,242)
Impairment of assets	50,455	-
Non-recurring opex[1]	8,270	23,785
Net litigation income	(3,005)	-
Rig contract deferral costs	3,000	-
Gain on contingent considerations	(359)	(3,389)
Gain from termination of FSO lease	(6,429)	-
Others[2]	1,737	3,860
	22,780	**10,014**
Adjusted EBITDAX	**62,582**	**187,505**

1 Includes one-off major maintenance/well intervention activities, in particular the workover campaigns at Skua 10 and H3 in 2020, and the riserless light well intervention in 2019, as well as other non-recurring production expenditures such as the repair and maintenance costs associated with weather downtime.

2 2020 includes Montara seismic acquisition costs associated with areas outside the current license, Maari transition team costs, Australian Government JobKeeper scheme and gain on contingent considerations, while 2019 includes Montara transition team costs and gain on contingent considerations.

Outstanding debt
Total borrowings, as recorded in the Group's consolidated statement of financial position, represents the carrying amount of interest bearing debt, measured at amortised cost pursuant to IFRS 9 *Financial Instruments*.

Outstanding debt is a non-IFRS measure which does not have a standardised meaning prescribed by IFRS. Management uses this measure to manage the capital structure, and make adjustments to it, based on the funds available to the Group. Outstanding debt is defined as long and short-term interest bearing debt, with effective interest method financing costs added back (i.e. excluded), and excluding derivatives.

As at 31 December 2020, the Group had outstanding debt of US$7.4 million, which was fully repaid at the end of the first quarter of 2021.

USD'000	2020	2019
Long term borrowing	-	7,328
Short term borrowing	7,296	41,795
Add back: effective interest method financing costs	90	1,021
Outstanding debt	**7,386**	**50,144**

Net cash
Net cash is a non-IFRS measure which does not have a standardised meaning prescribed by IFRS. Management uses this measure to analyse the financial strength of the Group. The measure is used to ensure capital is managed effectively in order to support its ongoing operations, and to raise additional funds, if required.

USD'000	2020	2019
Outstanding debt	(7,386)	(50,144)
Cash and cash equivalents	81,996	75,934
Restricted cash	7,445	13,485
Net cash	**82,055**	**39,275**

Net cash is defined as the sum of cash and cash equivalents, which included the minimum working capital balance of US$15.0 million required under the Group's RBL, and restricted cash of US$7.4 million in the RBL debt service reserve account (2019: US$13.5 million), less outstanding debt. The restricted cash in 2020, as shown here, excludes the US$1.0 million cash collateralised bank guarantee placed with the Indonesian regulator with respect to a joint study agreement entered into by the Group in Indonesia. The restricted cash in 2019 excludes the US$10.0 million deposited in support of a bank guarantee to a key supplier in respect of the Stag FSO. This guarantee was wound-up by the Group during the year as part of the move to the shuttle tanker model.

2020 Principal Financial Risks and Uncertainties

The Group manages its principal risks and uncertainties via its risk management framework. The Group is exposed to a variety of political, environmental, commercial, operational, and financial risks, which are mitigated and monitored to acceptable levels.

The risk management framework provides a systematic process for the identification of principle risks which have the possibility of impacting the Group's strategic objectives. The Board regularly reviews the principle risks and defines the key performance indicators ("KPIs") based on acceptable risk levels. The Board assesses material risks quarterly with a full review of the risk matrix at least twice per year.

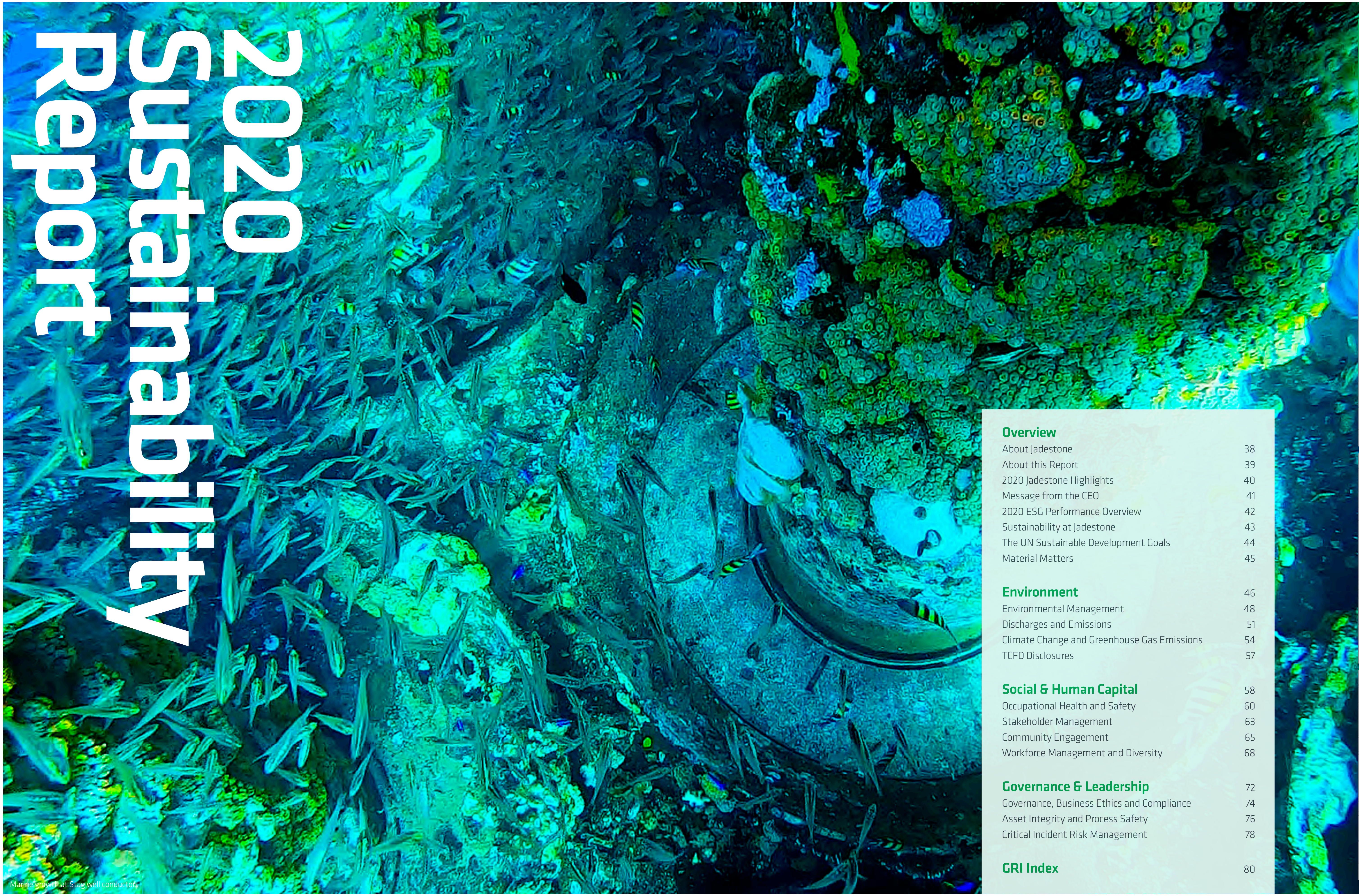
The principal risks which are currently recognised and their mitigating actions are detailed below.

Risk group	Risk	Select mitigations
Business development opportunities	The Group is in a growth phase. If there is a lack of high-quality opportunities, the anticipated growth of the business may not be achieved. Poor due diligence or unfavorable transaction terms may add low quality assets or unexpected material liabilities to the Group.	Opportunities are assessed against a set of strict evaluation criteria. Thorough and detailed due diligence analysis is performed, including the use of third-party experts wherever applicable. Detailed transition plans are prepared to ensure a seamless and successful asset transition.
Capital funding	The Group will at times require external funding to finance organic growth and/or M&A opportunities. A change in investor sentiment towards funding of upstream oil & gas production and development could impact access to funds and increase debt margins.	The Group maintains a strong balance sheet by maximising net cash to ensure sufficient liquidity within the business, and minimising interest bearing debt. Cash forecasts are continually monitored including considering multiple scenarios for base case, and low cases with mitigations. Disciplined allocation of capital across the portfolio. Strong long-term relationships are sought and maintained with major international financial institutions.
Climate change risks	In the face of growing societal expectations and emerging policies including a tax or taxes on carbon, there are risks arising from the Group's failure to manage the impact of climate change and to demonstrate climate action. The potential impacts from emerging policy, regulation and a shift to renewable energy could impact the performance of the business and may increase costs, reduce value and restrict future opportunities.	The Group has a dedicated Climate Change Working Group to drive Jadestone's climate action agenda. Climate action priority areas include: 1 Reducing GHG 2 Increasing climate resiliency 3 Supplying cleaner energy alternatives Sustainability measures are to be disclosed and in alignment with climate related financial disclosure recommendations. ESG performance is reflected in executive KPIs and cascaded throughout business. The Group targets top-quartile ESG performance among its peer group.
Commodity price risk	The Group's earnings are dependent on commodity prices which are influenced by global events. A prolonged decline in oil prices will have a negative impact on revenues, margins, profitability and cashflows.	The Group maintains a continual focus on its cost structure and continually seeks cost efficiency initiatives to embed further cashflow resiliency. The Company will use commodity price hedging to mitigate the exposure to fluctuations in oil prices during periods of elevated capital expenditure and/or debt incurrence. The Company seeks to diversify its asset portfolio and reduce exposure to commodity price fluctuation through fixed price gas contracts, including the Nam Du/U Minh gas development in Vietnam and the Lemang gas and liquids project in Indonesia.
Health, safety, and environment ("HSE") risks	HSE is a key priority for the Board and senior management team. The Group operates in challenging locations and conditions both off and onshore. An unsafe working environment and failure of HSE standards could result in personal injury, fatality and/or reputational damage. The consequence of a failure to manage HSE risk could result in penalties, increased costs and a potential loss of a licence to operate.	The Board, through the HSE committee, oversees and sets standards for the Group. HSE performance target of zero lost time incidents. Any lost time or near miss incidents are investigated and lessons learnt implemented promptly, alongside active monitoring of HSE standards leading and lagging indicators. The Group is committed to maintaining robust health and safety procedures including procedures in place to respond to unexpected operational incidents. The HSE management system includes environmental impact statements, environmental plans, oil spill response and other emergency plans and operational safety cases.
IT resiliency & continuity	The reliance on IT systems, networks and processes continues to evolve, and as the Group grows and develops, the connectivity of networks and systems becomes more complex. The risk from cyber threats continues to escalate.	Extensive data and server backups are performed regularly. The Group's redundancy strategy is applied to critical systems and network. The most up to date security software is maintained, and support and training is provided to all staff to minimise the exposure of security threats. Network and critical system penetration tests are also performed to measure and assure our level of protection.
Operating performance	The Group is focused on producing assets and discovered resource able to be brought to production rapidly. In the case of mid-life and/or mature producing assets there is a risk that operational performance will decline through lower production and increased costs.	The Group deploys a midlife field operating philosophy, which closely monitors reservoir, well and plant performance while continuously seeking out operating efficiencies and reinvestment opportunities to increase recovery rates and the production life of each field. In 2020 Jadestone has implemented a cost saving and efficiency project, Project Clover, to further lower the cost base across all operations and offices.
Pandemic impacts	During 2020, the Group has changed its working practices as offices adapted to working from home and offshore workers had to quarantine between shifts. While the disruptions have been managed in the short term, any prolonged pandemic related restrictions could impact business performance through a decline in commodity prices and additional expenditure to meet the new working arrangements.	The Group has assessed the financial and operational risks to the business and implemented multiple policies in response to the COVID-19 pandemic. The Group implemented new procedures covering IT, travel, supply chain and operations. The Group also implemented recommended safe practices across its operations and offices including remote working guidelines and established pandemic response committees at each location to manage local best practice.
Project execution & economics	As part of the growth strategy, the Group is dependent on the successful execution of strategic projects in Australia, New Zealand, Vietnam and Indonesia. Project failures could negatively impact operational performance and economic outcomes.	Regular liaison with national oil companies, regulators, and other government bodies to ensure acceptance and approvals are obtained as soon as possible. Projects are tailored to the local market conditions, including with regard to supply and price. Project economics are assessed with multiple sensitives to identify critical challenges, including contingency planning for potential project failures.
Regulatory infringement	The regulatory frameworks across the region within which the Group operates are diverse and complex and include emission controls, operational efficiency, legal and tax regulations, among others. A breach of any aspect could result in loss of production, revenues, increased costs, and/or reputational damage.	Policy and procedures are regularly updated to reflect changes in each of the regulatory environments in which the Group operates. Government relations officers are employed in-country, where it is deemed appropriate, to liaise with government bodies to understand the potential impacts of likely regulatory changes on the business. Regular communications occur with government and trade bodies to understand potential looming and actual changes in the regulatory environment.

Risk group	Risk	Select mitigations
Reserve write-downs	The Group is currently dependent on two producing assets and a reserve write down may impact long term business performance and corporate reputation.	The majority of the Group's reserves are in production. Estimation is done based on actual performance data, reducing the uncertainty range and risk of a write down. Internal technical reserves reviews ensure a high quality submission. All assets are either audited or reviewed on an annual basis pursuant to the Group's 51-101 filing requirements.
Sovereign / political risk	The Group's key assets are located in politically stable countries, but there is always the possibility of governmental or regulatory changes which could negatively impact the business.	The Group maintains positive relationships with governments and key stakeholders, and actively monitors the political and regulatory environment within each of the countries and regions in which it operates. Jadestone operates as a good corporate citizen, including in accordance with PSC and tax regulations. New assets are assessed for political risk, and the potential negative impacts that could arise on the Group.

Management team visit to Montara

2020 Sustainability Report



Marine growth at Stag well conductors

About Jadestone

Jadestone Energy is an independent oil and gas company listed on the AIM market of the London Stock Exchange.

Jadestone's business model focuses on acquiring mid-life producing assets and stranded discoveries in the Asia Pacific region and, through significant additional capital investment, maximising reserves recovery and improving operating performance, thereby extending field life beyond any previous expectations and creating significant shareholder value.

Jadestone's Mission

To continue to grow as a leading independent oil and gas development and production company in Asia Pacific respected as an operator, partner and employer of choice.

Operational Footprint

Jadestone is focused solely on the Asia Pacific region, headquartered in Singapore, with its principal technical team in Kuala Lumpur and country operations based in Perth, Jakarta, Ho Chi Minh City and in New Plymouth.

The Company's asset portfolio includes:

- **100%-owned producing Montara oilfield**, offshore Australia (Timor Sea)
- **100%-owned producing Stag oilfield**, offshore Australia (North-West Shelf)
- **100% interest in the pre-development Nam Du and U Minh gas fields**, offshore southern Vietnam
- **90% interest in the pre-development Akatara gas field on the Lemang PSC** onshore South Sumatra, Indonesia

Jadestone is also expanding into New Zealand, by acquiring a 69% operated interest in the Maari asset, offshore New Zealand. This transaction is subject to regulatory approvals and joint venture partners' acceptance. Following these approvals, the transaction will close and control of the Maari project will transfer to the Group.

*Jadestone's full **Mission & Values** can be found on Jadestone's website.*

About this Report

This Sustainability Report provides an overview of Jadestone's sustainability approach and performance for the 12-month period from 1 January to 31 December 2020.

It is part of Jadestone's 2020 corporate reporting, along with the Annual Report 2020, and provides further insight into how the Company manages its material sustainability risks, issues and opportunities, to create social, economic and environmental value. This Sustainability Report was approved by Jadestone's Board of Directors.

Frameworks and Standards

This report has been prepared in accordance with the **Global Reporting Initiative ("GRI") Standards: Core option. Sector-specific sustainability reporting guidance from IPIECA**, the global, not-for-profit upstream and downstream oil and gas industry association, as well as **London Stock Exchange ESG Reporting Guidance** have been consulted in the preparation of this report. Finally, we have built further alignment with the recommendations of the **Task Force on Climate-related Financial Disclosures ("TCFD")** as well as the **UN Sustainable Development Goals (the "UN SDGs").**

Memberships

- **Platinum Sponsor Member of the Energy Club NT**
- **Australian Petroleum Production & Exploration Association**
- **Indonesian Petroleum Association**
- **Energy Resources Aotearoa** (previously the Petroleum Exploration and Production Association of NZ)

GRI

ipieca

SUSTAINABLE DEVELOPMENT GOALS

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Reporting Scope and Boundaries

Jadestone is committed to being transparent about sustainability reporting boundaries and the effect of any changes in future reporting years. Jadestone primarily reports on an 'operational control' basis. This means that, in principle, this report focuses on those assets, offices and activities where Jadestone is the operator and over which it has control, in terms of policies and practices during 2020, irrespective of the licensed operating party. In the future, this may change to include other activities where participation without full control is included, and will reflect Jadestone's influence wherever possible.

As a result, the Stag and the Montara assets and operations in Australia are a primary focus for many of the environment, health and safety disclosures in this report. Where Jadestone is to assume operational control in the near future (as is in particular the case with the Maari asset in New Zealand), associated regulatory and transitional activities and their impacts have been disclosed. At the beginning of 2020, in response to the challenges of the COVID-19 global pandemic and approval delays, Jadestone made the decision to defer its Vietnamese operations. Therefore, in contrast to 2019, disclosures on Vietnam have been scaled back accordingly in 2020.

Sustainability Data and Disclosures

Jadestone calculates its greenhouse gas ("GHG") emissions in accordance with the Australian National Greenhouse and Energy Reporting (Measurement) Determination 2008. In 2020, GHG emissions data includes relevant Australian subsidiaries as set out in the National Greenhouse and Energy Reporting Act 2007, which is also in line with Jadestone's operational footprint.

This Sustainability Report has not been subject to external third-party assurance. However, to ensure stakeholder's confidence in environmental management and performance, Jadestone has engaged an independent third-party environmental accounting firm to prepare its 2020 Energy Use and GHG emissions data.

Jadestone has also sought support from MCC Environment & Sustainability, an environment and sustainability consultancy in developing its Environmental, Social and Governance ("ESG") agenda and disclosures further. These steps are a further testimony to credibility and reasonable external assurance over this report.

Report feedback: Jadestone welcomes your feedback on this report via ***esg@jadestone-energy.com***

2020 Jadestone Highlights

0
'Reportable' environmental incidents

14 mg/L
Average OIW concentration

15%
Reduction of overall GHGs

90,000 t
Reduction of CO_2-e due to significant reduction in flaring

TCFD
Alignment across risk and governance

0
Lost Time Injuries (LTIs) at operating assets

Effective stakeholder consultation across regions

88%
Nationals directly employed by Jadestone

$28.7mm
Paid in local taxes and fees in Asia Pacific

NETTS
Apprentice programme participation

0
Incidents of non-compliance in business ethics

QCA
Corporate governance code adoption

ESG
Metrics incorporated into executive KPI's

COVID-19
Workforce kept safe in COVID-19

0
Critical risk incidents

"Reportable" refers to there being no breach of the Environmental Performance Outcomes as defined in the Environment Plan for the asset in alignment with NOPSEMA's definition

Message from the CEO

I am pleased to present Jadestone's Sustainability Report for 2020, which provides details on our progress against a wide range of environmental, social, and governance priorities, while also demonstrating our ongoing commitment to enhanced transparency.

2020 was a year like no other, with the COVID-19 pandemic taking hold of our globalised economy and bringing with it health risk and socioeconomic disruption. In response, Jadestone acted decisively to the challenges imposed on our business, with both a significant reduction in near-term capital investment, and an extensive review of our operating cost base across the board, to remove or defer non-essential activity and costs, preserving the strength of our balance sheet and protecting longer-term project returns.

We also introduced measures to ensure the safety of our employees, as well as processes to minimise disruption to our business activities. Looking back and reflecting on this toughest of years, it is clear that Jadestone, and everyone who works within the business have navigated the challenges with perseverance and commitment, ensuring we retained financial resilience while continuing production operations without compromising our environmental and safety record.

Despite such difficult conditions, we achieved the majority of our 2020 sustainability targets and I am delighted to detail our performance and future outlook in this report. Some of the highlights include areas where we have exceeded our operational targets such as flaring volumes, with a reduction of 40% compared to the 2019 baseline for the recently acquired Montara asset. This translates into a substantial GHG reduction, which reinforces our strategy of investing in operational efficiencies for business improvement with an equal benefit in environmental performance. There are a number of recent examples, such as investments in new control systems, in produced water handling equipment and in the re-injection compressor, all on Montara, as well as the replacement of the ageing floating storage vessel at Stag. We will work on continuously improving our performance in all key areas and have committed to a further reduction in overall GHG emissions and improvement of water quality discharges in 2021, as an example.

Jadestone is also diversifying its production mix with the pursuit of natural gas development projects in both Vietnam and Indonesia. These developments will result in the supply of low-cost energy to key domestic markets within Southeast Asia, most likely replacing coal alternatives. This is energy to local communities who might otherwise not see the benefits that affordable energy can bring. We also understand the advantage of gas over coal, from an environmental perspective, is realised when fugitive emissions are measured and minimised, and this will be a focus for these developments.

"Despite the challenges brought about by the pandemic, we achieved the majority of our 2020 sustainability targets, working hard to prioritise the health and wellbeing of our people, stepping up our climate change agenda and maintaining our community engagement commitments, all with no detriment to operational excellence."

In this second Sustainability Report, we have progressed our alignment with the recommendations of the Task Force on Climate-related Financial Disclosures. Jadestone is committed to further investigate the material implications of climate-related risks on its business. This analysis will inform our climate change strategy which will be developed in 2021, setting a more strategic direction for navigating the energy transition, and mapping out a route to developing targets towards net zero carbon emissions, in line with the Paris Agreement.

We have continued integrating ESG considerations across our business and have taken steps to further align our framework with the UN Sustainable Development Goals in order to better demonstrate Jadestone's commitment and to measure our progress. We have increased our engagement with local communities, we are encouraging employment of local nationals (with 88% representation so far) and, through targeted community programmes, we are working to help address local needs. Jadestone remains committed to creating job opportunities for those entering the workforce for the first time, participating in the NETTS programme in Australia, and in graduate recruitment and internship opportunities throughout Asia Pacific.

Finally, we have also continued to strengthen our Governance systems through the recent adoption of the QCA Code and by specifically formalising Board-level oversight over ESG matters.

These are only some of the highlights from 2020. I invite you to read full details in the report.

Paul Blakeley
EXECUTIVE DIRECTOR,
PRESIDENT AND CHIEF EXECUTIVE OFFICER

2020 ESG Performance Overview

The Company's ESG targets are an expression of Jadestone's commitment to continuous improvement and full transparency. They form part of the annual Executive KPIs, linking sustainability performance with pay, which enable Jadestone to incentivise and measure progress against its strategic objectives.

● Not Achieved ● Ongoing ● Achieved

	Aspiration	2020 Target	2020 Performance		More Info
Environmental	Reducing our Energy & GHG Emissions	Reduce gas flaring at Montara (GHG emissions) by 10%	Target exceeded with flaring reduced by 40% compared to 2019, equivalent to 90,000 t of CO_2-e saved	● Achieved	Page 56
		Reduce diesel usage at Montara by 10%	Target exceeded with diesel use reduced by 33%	● Achieved	Page 56
	Excellence in Environmental Management	Ensure zero Loss of Primary Containment (LOPC) -Tier 1	1 LOPC - Tier 1 event	● Not Achieved	Page 76-77
		Improve overall oil-in-water (OIW) discharge performance at both facilities by 10% < 30mg/L	Target exceeded with average oil-in-water discharge around 14mg/L	● Achieved	Page 53
	Exceptional Regulatory Management	Target Zero regulatory enforcement notices and zero fines for regulatory breaches	1 enforcement notice issued to the Stag asset	● Not Achieved	Page 49-50
Social & Human Capital	Exceptional Occupational Health and Safety Culture	Target Zero Recordable Incidents, with continuous improvement year on year (<2)	0 Recordable incidents	● Achieved	Page 62
		Reduce Medical Treatment Cases by 10% through leadership and culture	0 Medical treatment cases	● Achieved	Page 62
		Provide full time medic to indigenous communities at Truscott during the COVID-19 pandemic	Medic currently stationed at Truscott	● Achieved	Page 62
	Engaged, supported and diverse workforce	Recruit and train local nationals where possible, and to the highest standards	Breakdown of local nationals and Jadestone's internship and apprenticeship programme are detailed in Section "Workforce Management and Diversity"	● Achieved	Page 68-70
		Provide training programmes for 4 Interns, and recruit 2 new graduates in 2020	9 internship and apprentice placements in Australia and Malaysia	● Achieved	Page 68-70
		Ensure robust succession plan in place & high retention of 92% with positive feedback	Leadership team and key roles succession plans in place; high retention of 96% reflective of positive sentiment amongst employees	● Achieved	Page 68-70
	Growing engagement and investment in local communities	Build open relationships with key local stakeholders and communities	Jadestone's approach is discussed in Sections "Stakeholder Management" and "Community Engagement"	● Achieved	Page 63-67
		Develop increasing effort and investment into local social support. Target 10% increase year-on-year	Investment target exceeded, with Community Engagement and volunteering funded and delivered	● Achieved	Page 65-67
		Develop a local stakeholder consultation strategy	Corporate Stakeholder Engagement Strategy approved	● Achieved	Page 63
Leadership & Governance	Excellence in business ethics and transparency	Target Zero fines for any regulatory breaches for non-compliance	0 fines or sanctions for non-compliance with laws and regulations	● Achieved	Page 74-75
		Maintain top Quartile Governance Standards	QCA Corporate Governance Code adoption	● Achieved	Page 74-75
	Critical Incident Risk Management	Perform 1 full emergency exercise and minimum 2 desktop exercises to test preparedness	Target exceeded, with 1 full and 4 IMT drills conducted	● Achieved	Page 78-79
	Providing energy to meet global demand in the most efficient and sustainable way	Deliver production at the improved unit cost as agreed in performance targets	• Delivered unit opex in line with original guidance; • Delivered revised production target, reduced in step with deferred capital investment	● Ongoing	Page 5
		Deliver capital investment programmes, adding reserves and extending facility life as agreed in performance targets	Jadestone reduced 2020 activity and investment levels to maintain balance sheet strength with revised short-term production guidance in the face of the pandemic	● Ongoing	Page 5

Sustainability at Jadestone

As a leading oil and gas development and production company in the Asia Pacific region, Jadestone strives to deliver sustainable value for all of its stakeholders in a safe, secure, environmentally and socially responsible manner. It achieves this by ensuring it reduces its environmental footprint through the life cycle of developments and by bringing social and economic benefits for people associated with its operations, in alignment with Jadestone's Shared Values.

Jadestone's Shared Values

Respect · Integrity · Safety · Sustainability · Passion · Results-Orientated

Jadestone's key policies can be found on Jadestone's website

Jadestone's ESG Framework

Sustainability	Ensuring Jadestone reduces its environmental footprint through the life cycle of developments and brings social and economic benefits for people associated with its operations		
Strategic Pillar	Environmental	Human & Social Capital	Leadership & Governance
ESG Aspiration	• Excellence in Environmental Management • Reducing our Energy & GHG Emissions • Exceptional Regulatory Management	• Exceptional Occupational Health & Safety ("OHS") culture • Engaged, supported and diverse workforce • Growing engagement and investment in our communities	• Exceptional Incident Preparedness • Excellence in business ethics, transparency & governance • Meet global energy demand in the most efficient and sustainable way
Material Matters	• Environmental Management • Emissions and Discharges • Climate Change - GHG	• OHS • Workforce Management & Diversity • Stakeholder Management	• Leadership & Governance • Critical Incident Risk Management • Business Ethics & Transparency • Economic Performance • Asset Integrity & Process Safety • Regulatory Management
SDG Alignment	7 Affordable and clean energy; 14 Life below water; 13 Climate action	3 Good health; 8 Good jobs and economic growth	8 Good jobs and economic growth; 7 Renewable energy; 14 Life below water

"Jadestone's ESG Framework has evolved over the course of 2020 to depict its continued alignment with wider societal challenges addressed by the Sustainable Development Goals."

Paulina Poray
ESG LEAD
MCC ENVIRONMENT & SUSTAINABILITY

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SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals

The UN SDGs were developed and adopted by all United Nations Member States in 2015 to achieve a more sustainable future for all by 2030.

The UN SDGs represent an opportunity for organisations to identify the major global challenges on which they can create the most impact. Jadestone believes it can support a number of UN SDGs, either through positive contributions or by preventing or by mitigating negative impacts. Whilst its business activities touch directly or indirectly on many of the goals, Jadestone has selected the goals that most closely align with its current business strategy, activities and purpose. It has also considered how these specific goals relate to the material matters, orientating its 2021 strategic corporate goals around them. Jadestone will continue to align its ESG framework and programmes with the UN SDGs in the years to come.

3 GOOD HEALTH AND WELL-BEING	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	13 CLIMATE ACTION	14 LIFE BELOW WATER
Ensure healthy lives and promote well-being for all at all ages	Ensure access to affordable, reliable, sustainable and modern energy for all	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Take urgent action to combat climate change and its impacts	Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Related Material Matters

3	7	8	13	14
• OHS • Workforce Management & Diversity	• Climate Change and GHG • Economic Performance	• Economic Performance • Workforce Management & Diversity • Stakeholder Management	• Climate Change and GHG	• Environmental Management • Emissions & Discharges • Critical Incident Response

Jadestone's Contribution

3 Good Health and Well-being

Through strong efforts to protect its workforce from the on-the-job risks and hazards as well as employee assistance programmes, Jadestone ensures that its workforce is supported and can sustain healthy livelihoods.

Jadestone also recognised the need to support the wider community in the face of the global pandemic by:

- Provision of a full-time medic to the indigenous community of a remote part of Western Australia
- Supporting a local orphanage in Malaysia

*For more details refer to Sections **"Occupational Health & Safety"**, **"Workforce Management & Diversity"** and **"Community Engagement"***

7 Affordable and Clean Energy

Jadestone will play a vital role in providing access to affordable, and reliable energy by the supply of gas to local Southeast Asian communities and industries; a region experiencing energy supply shortage in the midst of rapid growth.

Jadestone is committed to sustainable extraction from existing infrastructure, thereby reducing the need for greenfield development, whilst setting emission reduction targets to lower its operational carbon footprint.

*For more details refer to Section **"Climate Change and Greenhouse Gases"***

8 Decent Work and Economic Growth

Jadestone recognises that it can create sustainable value for local communities and maximise positive contribution by:

- Creating local employment
- Paying local taxes
- Supporting local business as part of its supply chain
- Community support programmes based on community needs

*For more details refer to Sections **"Community Engagement"** and **"Workforce Management & Diversity"***

13 Climate Action

As society responds and transitions to a low-carbon economy, Jadestone's contribution in the mid-term is to ensure the most efficient use of existing facilities and maximising reserves recovery from already discovered reservoirs and existing infrastructure.

Jadestone is committed to reducing its energy use and GHG emissions from operations by identifying further emission reduction opportunities and making deliberate investments towards improved emissions outcomes.

The Company is currently reviewing the material implications of climate-related risks on its business, and this analysis will further inform its climate change strategy to be developed in the course of 2021.

*For more details refer to Section **"Climate Change and Greenhouse Gases"***

14 Life Below Water

Jadestone recognises that its offshore operations carry a risk of impacting the aquatic systems and it takes great care in minimising any negative impacts by investing into its assets and raising their environmental performance.

*For more details refer to Section **"Emissions and Discharges"***

Material Matters

The annual materiality assessment helps to identify and prioritise the most significant sustainability issues to Jadestone's business and its stakeholders.

Materiality Map

Importance to Jadestone's stakeholders / Importance to Jadestone and its business	LOW	MEDIUM	HIGH	VERY HIGH
VERY HIGH		Local Community Impacts Human Rights & Modern Slavery	Stakeholder Management Business Ethics & Transparency Leadership & Governance Emissions & Discharges	Asset Integrity & Process Safety Economic Performance OHS Climate Change – GHG
HIGH		Energy Consumption Waste Fossil Fuel substitutes Indigenous Peoples	Regulatory Management Workforce Management & Diversity	Critical Incident Risk Mgt. Environmental Management (incl. Unplanned Hydrocarbon Releases)
MEDIUM		Innovation & Technology	Cyber Security	
LOW				

Environment | Human & Social Capital | Leadership & Governance

Materiality Assessment

In 2020 Jadestone conducted its second materiality assessment. This assessment is important to the Company as it ensures that it is responding to the ESG issues, risks and opportunities, seen in the context of emerging global and local trends, key stakeholder interests, industry best-practice and Jadestone's overall corporate context.

In line with the GRI standards and IPIECA Guidelines, Jadestone has sought input from a range of internal and external stakeholders to help establish ESG materiality. It regularly engages the investment community in gauging feedback on what ESG topics it should prioritise and, for the purpose of this assessment, targeted interviews have been conducted to inform this round of disclosures. Internally, an extensive review of potential topics of high materiality was reviewed by Jadestone leadership from across functional areas and geographies.

The Company also reached out to its employees through a survey, asking which ESG topics they identified as most important, resulting in a balanced internal and external perspective.

Material Matters

The outcomes of this assessment are displayed in the sustainability map above, with 12 Material Matters identified across the Environment, Human & Social Capital as well as Leadership & Governance pillars.

In addition to those matters listed as highly material, Jadestone also recognises matters that are the ones 'of very high importance' to stakeholders demand respect and attention. These are also referenced in this report.

Principle Changes in Materiality

Jadestone's Material Matters have largely remained unchanged from 2019. However, some matters increase in their importance to the business as summarised below:

- **Climate Change – GHG** emissions now has elevated importance to the Jadestone business, reflecting a growing recognition of the role Jadestone can play in the energy transition.
- **Workforce Management** has an expanded scope to include **Diversity**, reflecting an area that is increasingly recognised as requiring more management attention and focus.

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Produced water sampling

Environment

2020 Highlights

0
'Reportable' environmental incidents

14 mg/L
Average OIW concentration

15%
Reduction of overall GHGs

90,000 t
Reduction of CO_2-e due to significant reduction in flaring

TCFD
Alignment across risk and governance

8%
OIW Reduction at the Montara asset

2021 Outlook

- Target Zero regulatory enforcement notices
- Target Zero 'reportable' incidents
- Target Zero environmental HiPOs
- Target Oil-in-Water concentration in produced water <15mg/L
- Meet the Asset Safeguard limits for air emissions at operating assets
- Seek opportunities for continuous improvement in emissions and discharges
- 5% reduction of flaring and diesel use
- Continued alignment with the TCFD recommendations and commitment to transparent disclosures

"Jadestone takes a precautionary approach to managing its environmental impacts through robust environmental management that focuses on minimising pollution, reducing carbon footprint and commitment to safety."

Helen Astill
HSE MANAGER

MATERIAL MATTER

Environmental Management

Strong environmental performance is essential to Jadestone's success and continued growth.

2020 HIGHLIGHTS

- Zero 'reportable' incidents
- Zero environmental HiPOs

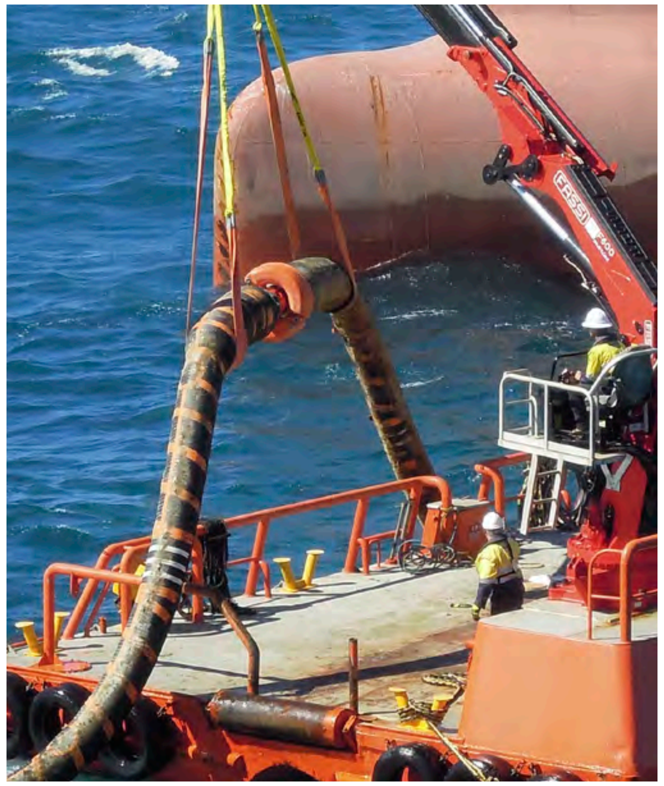
Jadestone's HSE Management System (Australia)

Corporate level	Corporate HSE Plan	HSE Policy	Legal Obligations	
Asset level	Environmental Impact Statements	Environmental Plans	Oil Pollution Emergency Plans	Safety Cases

Why it Matters

Jadestone recognises the environmental risks associated with the operations of its facilities and offshore installations. Effective Environmental Management is central to its operations to ensure best-practice environmental stewardship through efficient resource use, reducing emissions and discharges, preventing pollution and spills, managing waste and protecting biodiversity.

Retrieving the Stag marine breakaway coupling



Management Approach

Jadestone applies the precautionary principle when undertaking activities across the whole life cycle of operating assets in all countries where it has operations. For its operations in Australia the approach to managing environmental risks is closely integrated with health and safety considerations, addressed through an overarching HSE Management System ("HSE MS"). The system is aligned to the principles of the ISO14001 standard, ensuring that there are processes and practices in place to manage environmental impacts, risks and performance whilst meeting legislative and corporate requirements.

Robust impact and risk assessment form a cornerstone of Jadestone's management framework, along with a strong focus on prevention of spills, effective and reliable emergency response and preparedness systems, including hydrocarbon spill response capability.

For the assets Jadestone operates in Australia, bespoke Environment Plans have been developed. These Plans establish the regulatory context and legal requirements, identify key areas of impact and risk, define the most appropriate management practices and performance outcomes whilst embedding a principle of continued review, consultation and improvement.

In addition, Jadestone applies a comprehensive compliance assurance programme to demonstrate its environmental performance is as intended. This programme includes monthly checks of conformance with the environment plans, quarterly planned audits at operating facilities, six-monthly checks for currency in the legislative framework, and annual performance reporting to national Regulators. These activities then contribute to identifying lessons learnt and ensuring a continuous improvement in environmental performance.

As an expanding business, environmental standards, policies and practices are established for acquired assets that align with the standards in their local jurisdictions.

Regulatory Management

Jadestone is committed at a minimum, to comply with applicable national and international regulatory requirements at all levels in its operating regions. Regulatory Management pertaining to environment, health and safety is integral to Jadestone's HSE Management System. This starts with proactive dialogue with relevant regulatory bodies in the countries of operation. Below is a summary of key 2020 regulatory activities across the regions:

- **Australia**

  In addition to routine environmental performance reporting submitted to the regulator on an annual basis to demonstrate compliance with regulatory approval commitments:
  - Revised Environment Plan for the Stag asset prepared to reflect the change to tanker operations in the field.
  - New Environment Plan prepared for the Montara asset in relation to drilling campaigns.
  - Enforcement notice issued by the regulator for the Stag asset (discussed in detail in Case Study: Stag).
- **Indonesia**
  - Applications for Environment and Forestry Permits for the Company's Akatara gas development project in Sumatra prepared; the Environment permit obtained in August 2020.
  - An Environmental Impact Analysis as required by the Indonesian regulator prepared.
  - Environmental licence for field development and production obtained, a significant milestone for the Company.
- **New Zealand**
  - Regulatory approval obtained for a suite of documents pertaining to the Maari permit, as part of approval process for the transfer of interest and operatorship (e.g. Oil Spill Contingency and Emergency Spill Response Plans, Ecological Effects Management Plan)

Spill management

Jadestone's HSE framework examines the risk and potential consequences of incidents and accidents. This includes oil spills, chemical spills and the release of other hazardous substances. Jadestone has developed contingency plans and spill management and emergency response practices.

*Jadestone's **HSE Policy** can be found on Jadestone's website.*

Inspecting the Stag marine breakaway coupling

CASE STUDY: STAG

Ensuring safe and sustainable offtake arrangements at Stag

In September 2020 Jadestone changed its offtake arrangements at the Stag oilfield, substituting an old FSO with a direct offtake tanker. Jadestone awarded this contract to a respected international tanker provider.

During the first crude loading under new offtake procedures, traces of oil were spotted around the offtake tanker and as a result, the transfer was immediately stopped. It was later confirmed that the marine breakaway coupling ("MBC") in the import floating hose connected to the tanker had activated due to impact by the bulbous bow of the tanker with the MBC. The valve of the MBC (as shown in the photo above) closed in accordance with its design and shut off the hose line, thereby preventing any significant leakage of oil into the marine environment. A nominal amount of oil was released from the hose connected to the MBC, again as per equipment design, causing the oil sheen observed. Based on characteristics of the sheen, equipment design and historical events, it was estimated that 68.5 litres of oil was released; an amount below the required regulatory reporting limits. Regardless, Jadestone reported the release to NOPSEMA, the Australian regulator.

Following the incident, Jadestone conducted an internal investigation into the root cause and contributing factors of the MBC activation. The Australian regulator NOPSEMA issued Jadestone with a direction notice containing a number of actions, including a direction to identify and implement interim control measures to prevent recurrence. Jadestone management worked through the directions in close consultation with NOPSEMA, implementing and evidencing amendments to its practices. A key lesson from the event is for a comprehensive handover to be undertaken for new tanker crews to ensure MBC related risks and safe operations are fully understood.

Notwithstanding this event, Jadestone remains confident that it has implemented a new operating model that will be a significant improvement compared with the previous offloading model, which relied on an ageing vessel on location, inherited as part of the acquisition of the Stag asset. The new model provides environmental risk mitigants by eliminating one vessel in the field, removing the need for ship-to-ship oil transfers at sea, and providing modern double-hulled tankers. At the same time, this innovative offloading model results in substantial cost savings for the business.

2020 Performance

Jadestone remained a strong and resilient operator, maintaining operations despite tough logistical challenges amidst the global pandemic. This was achieved without compromising operational excellence in environmental management:

- **Zero 'reportable'[1] environmental incidents** at its operating facilities
- **Zero environmental high potential incidents** recorded during the reporting period
- **One enforcement notice** issued in relation to an incident at the Stag oilfield (see Case Study: Stag) which has been satisfactorily closed with the Regulator.

Environmental management metrics	2020	2019
'Reportable'[1] environmental incidents	0	0
Loss of Primary containment - Tier 1	1	0
Environmental High Potential Incident ("HiPO")	0	0
Regulatory enforcements	1	0
Regulatory fines	Nil	Nil

Future Outlook

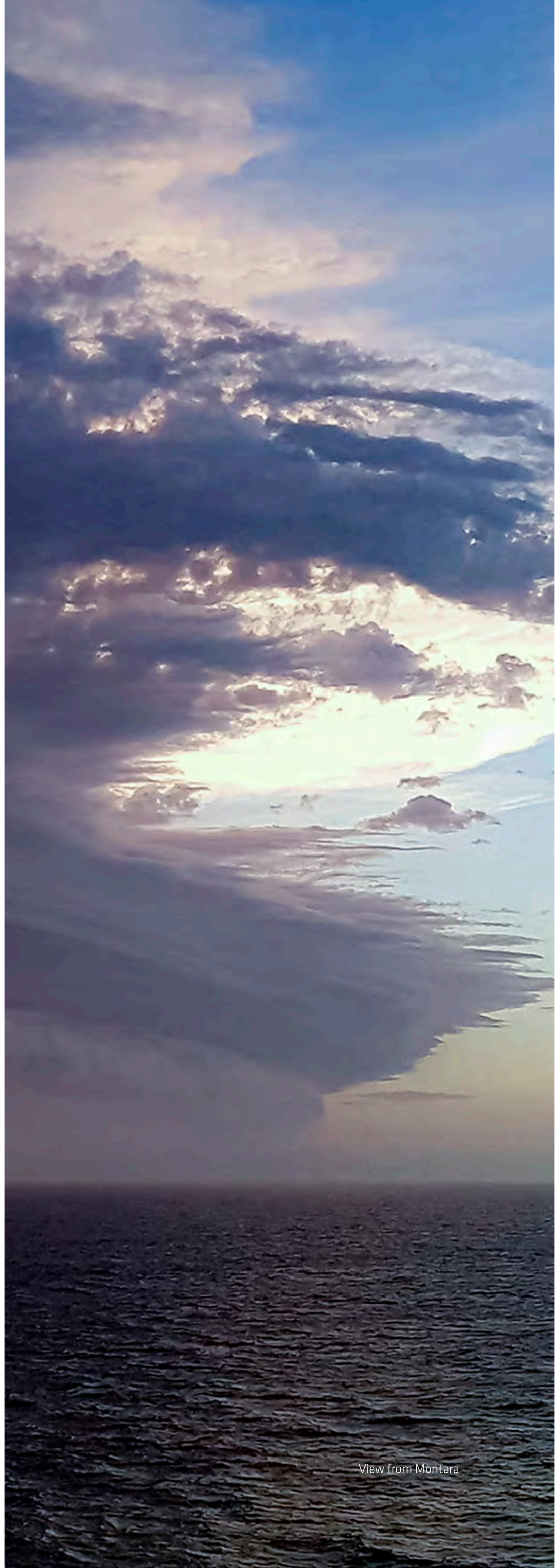
Jadestone is committed to maintaining the highest environmental standards and will foster a culture of continuous improvement by aspiring to achieve in 2021 the following goals:

2021 ESG STRATEGIC CORPORATE GOALS

- **Target Zero regulatory enforcement notices**
- **Target Zero 'reportable'[1] incidents**
- **Target Zero environmental HiPOs**

Jadestone will also continue integrating its new assets into its HSE Management Systems.

1 'Reportable' refers to there being no breach of the Environmental Performance Outcomes as defined in the Environment Plan for the asset in alignment with NOPSEMA's definition



View from Montara

MATERIAL MATTER

Discharges and Emissions

Jadestone carefully manages discharges and emissions and is committed to continuous improvement.

2020 HIGHLIGHTS

- **6ppm OIW concentrations at Stag**
- **8% reduction in OIW concentration at Montara**

Why it Matters

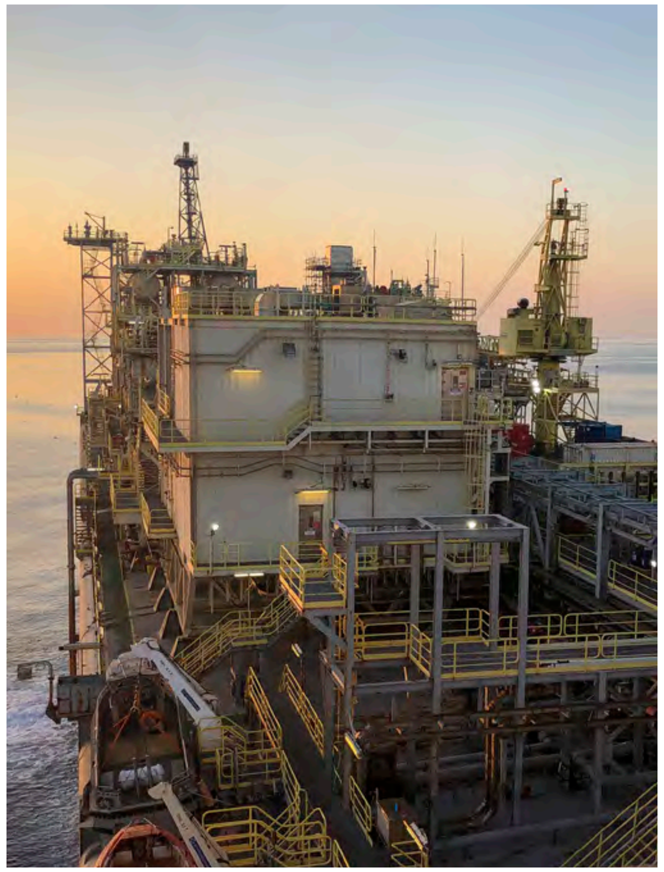
A range of pollution impacts and risks to air and water are associated with offshore oil and gas production activities.

Jadestone monitors and manages its emissions very closely across a range of parameters including nitrogen oxides ("NOx"), sulphur dioxide ("SO_2"), total volatile organic compounds ("TVOC"), particulate matter and GHGs.

As an offshore oil and gas operator, Jadestone understands that its business operations impact and depend on water resources.

Jadestone is committed to minimising impacts of its discharges to water by managing produced water and process wastewater in line with national management framework recommendations and industry best practice.

Montara Venture FPSO



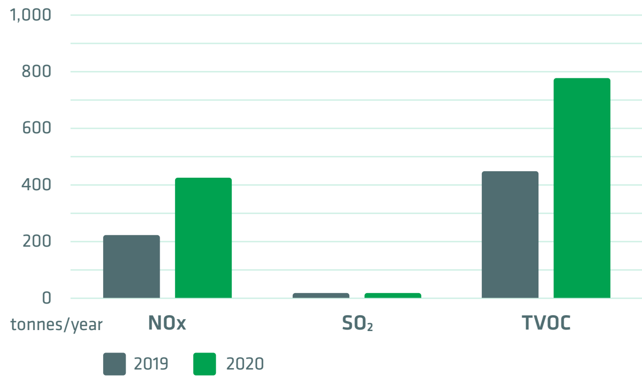
Management Approach

Air emissions

The main sources of atmospheric emissions during operations include the use of fuel to power generators and mobile and fixed plant, flaring of gases encountered from the oil extraction process, venting from storage infrastructure as well as fugitive emissions.

Jadestone implements management measures that include scheduled maintenance of equipment and availability of critical equipment spares, to keep air pollutant emissions from Jadestone operations as low as possible. In Australia, Jadestone reports a range of its pollution emissions to the National Pollutant Inventory and GHG emissions to the Clean Energy Regulator. NOx and SO_2 emissions released from Jadestone's operations in Australia have increased in 2020 due to full year of Montara operations (acquired in August 2019). GHG emissions are discussed at length in the section Climate Change and GHG emissions.

Air Emissions: NOx, SO_2, TVOC



STRATEGIC REPORT
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ADDITIONAL INFORMATION

Discharges and Emissions (continued)

Discharges to water

A key focus for Jadestone in managing impacts to the marine environment from its offshore facilities, relates to the treatment and discharge of operational waste streams, including produced water. Produced water is formed as a by-product of extracting oil from Jadestone's offshore operations.

Production from the subsurface reservoirs is typically processed in an on-site processing plant through a separation system into oil, gas, and water streams. The latter stream is either re-injected into the reservoir to maintain underground reservoir pressure, or it is cleaned, filtered, monitored for contaminants such as residual Oil-in-Water ("OIW"), and then discharged into the sea, should discharge quality be satisfactory.

Jadestone's approach to managing produced water is to reduce the OIW content to threshold concentrations which are below that considered appropriate under the National Water Quality Management Framework (ANZECC/ARMCANZ 2000).

Whilst other routine operational liquid discharges (e.g. flame retardants, cooling water, treated sewage) may be introduced to the environment from Jadestone's operations, the potential impact is minimised through the use of a risk assessment process for chemicals, onsite wastewater treatment and other specific management controls as appropriate.

Waste management

Jadestone waste streams on its offshore facilities typically include putrescible waste and non-hazardous materials resulting from day-to-day operations. Hazardous waste associated with the facilities may include fuel and lubricating oils, and chemicals associated with operations. Jadestone's approach to hazardous waste starts with effective materials management. Storage and handling of mixed classes of dangerous goods follows the guidelines set in Australian and New Zealand best practice standards. The transport of hazardous wastes is managed in accordance with respective MARPOL Regulations and relevant legislative requirements. Solid waste produced at the sites in Australia are logged and reported in monthly waste reports by Jadestones's waste management contractor. Solid wastes are segregated and transferred to a licensed waste facility as per Waste Management Plans and the assets' Environmental Plans.

Stag crude oil offtake using the Maersk Tacoma

Whales with calf, offshore western Australia

Decommissioning

Decommissioning is the process of removing or applying to leave in-situ production-related assets, including platform installations, equipment, pipelines and other subsea infrastructure, in a safe and environmentally responsible manner, at the end of their useful life. This includes plugging and abandoning wells, removal of unused equipment and carrying out any necessary post-decommissioning monitoring.

When managing unused equipment in its petroleum titles, Jadestone considers a range of priorities including maintenance and integrity requirements of the equipment while in-situ, needs of other marine users in the area, and environmental impacts and risks associated with the equipment whilst both in-situ and during removal, once this has been determined to be the best course of action.

Jadestone recognises that titleholders are required by law to dismantle and remove, reuse equipment or seek exemption to allow the equipment to be left in place. Jadestone takes a cradle-to-grave approach to its operations and sees decommissioning at the end of life of its assets as a phase in the overall value chain, for which it takes full responsibility. With all Jadestone's assets' lives being extended through investment by at least another decade or so, decommissioning of assets is not yet a material matter for Jadestone, although disused equipment is actively managed. Jadestone's insurance and financial positions guarantee that the Company will be ready to take on decommissioning activities when required.

CASE STUDY:

Plastics Free July campaigns

PLASTIC FREE JULY®

Waste streams generated in Jadestone's offices are typically separated into recyclables and landfill, with increasing efforts to minimise the latter.

In 2020, Jadestone's regional offices participated in the Plastic Free July campaign for the second year running. Due to restrictions related to the global pandemic, not all offices were able to run office-based initiatives and instead expanded the campaign, encouraging minimising plastics from day-to-day household use.

The Perth office, not subject to COVID restrictions, ran in July 2020 an office-based Plastics Free campaign which focused on collecting soft plastics for disposal the REDcycle programme. Due to the commitment of the Perth employees, over 4kg of soft plastics had been diverted away from landfill and the effort of Perth employees has continued beyond the campaign.

Through supporting participation the Plastic Free July campaign, the Company is encouraging employees to consider waste management and efficient disposal solutions both as part of their daily lives, and as part of Jadestone's corporate culture. Minimising waste is a key part of driving efficiency throughout everything Jadestone does.

2020 Performance

Through its focus on OIW performance, Jadestone has continued to reduce the concentration levels at the Montara oilfield, achieving an 8% reduction in average concentrations when compared to 2019 levels. The Company continues to investigate further improvement options for produced water streams.

The Stag asset, with concentrations around 6 ppm, is considered to be best-in-class with very low OIW discharge performance, and with little room for further optimisation. Jadestone monitors OIW concentrations daily ensuring that it maintains this high performance.

Through the application of best practice topside management, regular maintenance of oil removal equipment and investment in upgrading equipment from time to time, improvement of combined OIW concentration in 2020 to a daily average of 14mg/L was achieved. This is well below the upper limit of 30mg/L required by the operational Environment Plans.

Emissions & Discharges Metrics	Unit	2020	2019
Oil in Water Concentrations	ppm /mg/L	14.42	14.7
Air emissions NOx	tonnes	422	222
Air emissions SO_2	tonnes	9	9
Air emissions TVOC	tonnes	776	448

Future Outlook

Jadestone is focused on meeting performance pertaining to the quality of produced water discharges. It continues to commit to achieving the following environmental performance outcomes for produced water discharges, which is satisfied through rigorous and impartial laboratory testing.

Achieve the national marine water quality guidelines for protection of 99% of species as defined by the National Water Quality Management Framework (ANZECC/ ARMCANZ (2000)) at the boundary of the area of impact.

Jadestone has the following performance outcome targets for produced water quality and air emissions in 2021:

2021 ESG STRATEGIC CORPORATE GOALS

- **Target Oil-in-Water concentration in produced water <14mg/L**
- **Meet the Asset Safeguard limits for air emissions at our operating assets**
- **Seek opportunities for continuous improvement in emissions and discharges**

MATERIAL MATTERS

Climate Change and Greenhouse Gas Emissions

Jadestone is ensuring it is well positioned to navigate the energy transition through its focus on efficient, lower-carbon and lean operations.

2020 HIGHLIGHTS

- **90,000 t of CO_2-e avoided as a result of significant reduction in flaring**
- **15% reduction of GHGs**
- **TCFD alignment across governance and risk**

Why it Matters

The oil and gas industry is directly responsible for 9% of the global GHG emissions causing climate change. Furthermore, 33% of global emissions stem from downstream combustion of fossil fuels[1]. At the same time, oil and natural gas play critical roles in today's energy and economic systems, with low carbon alternatives not yet able to fully satisfy the world's energy needs. The energy system will need to undergo a carefully orchestrated transition to meet this dual challenge, and it is Jadestone's view that the oil and gas industry plays a vital role in providing responsible solutions during this transition.

Climate change presents a pressing societal challenge of our times: to decarbonise the economy and limit global warming, whilst continuing to provide affordable, reliable and abundant energy which is essential for economic development and sustained improvements in the quality of life and the eradication of poverty.

Management Approach

Even as society transitions to a low-carbon economy, Jadestone believes that the ongoing need for energy will continue to increase, with more efficient extraction and use of hydrocarbon fuels being an indispensable part of energy supply for some time to come.

According to the International Energy Agency, in the Sustainable Development Scenario, that charts a path consistent with the Paris Agreement, oil and gas are still expected to account for 46% of the world's energy mix in 2040[2]. Despite the circa 6% energy demand decline experienced in 2020 due to COVID-19, the most recent forecasts suggest that global energy demand will still grow as a result of population growth and further progress within developing economies. The demand for reliable and affordable energy is particularly strong in Southeast Asia, with some populations not yet having any access to modern energy. A clear focus on minimising GHG emissions, whilst maintaining a low-cost structure ensuring profitability even in a low oil price environment is critical.

As the industry is learning how to navigate this new landscape, Jadestone continues to develop its approach to climate change focusing its climate action across three main pillars.

Jadestone's Climate Action Priority Areas

1. Reducing GHG emissions in operations	2. Increasing climate-resiliency of the business	3. Supplying cleaner energy alternatives
Continued focus on efficient energy use and minimising GHG emissions	*Ensuring business model and strategy is resilient in the face of the energy transition*	*Increasing gas ratio in the product mix[3] and continued supply of high-quality low-sulphur crude oil*

1 McKinsey & Company, "The future is now: How oil and gas companies can decarbonise", January 2020

2 International Energy Agency, "Total energy supply outlook by fuel and scenario, 2000-2040", September 2020

3 Over the past decade, switching from coal to gas has proven to be a highly effective way to reduce power generation emissions while minimising costs and preserving grid stability. Such a switch can reduce emissions by 33% when applied to heating, and up to 50% in electricity generation with the caveat that fugitive emissions are managed responsibly (EIA, 2019, The role of gas in Today's energy transition).

Energy use

Direct energy use on Jadestone's facilities arises from combustion of such fuels as produced gas, and diesel that support day to day operations. In August 2019 Jadestone acquired the Montara asset, including a warehouse in Darwin, which resulted in the Company's energy consumption almost doubling in 2020.

Given that Jadestone is currently in a growth phase, with more new assets to be added to the portfolio, its overall energy use is expected to increase in the coming years. Additional maintenance activities and drilling campaigns may see energy use fluctuate annually. Jadestone is committed to being fully transparent about such activities. Simultaneously, when taking on mid-life assets, Jadestone continuously looks for ways to optimise operations opportunities as well as investing in equipment which reduces emissions and discharges.

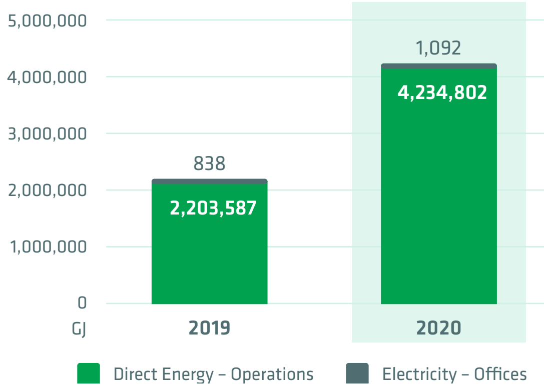
Whilst electricity used in Jadestone's offices is low when compared to use in operations, it did increase by 30% in 2020, with the variation attributable to the addition of an office in New Zealand and a warehouse in Australia.

GHG emissions

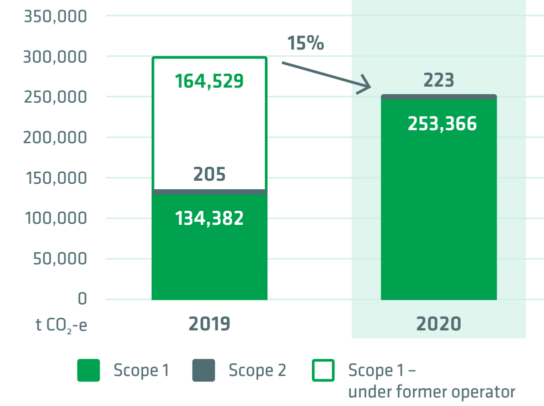
Jadestone's scope 1 GHG emissions typically arise from the combustion of fuel gas, diesel and flaring of unprocessed natural gas, a by-product of the production process. In 2020 the Company experienced a considerable increase in its overall GHG emissions due to the acquisition and operatorship transfer of Montara in 2019.

As per Jadestone's business strategy of acquiring mature, mid-life assets and transforming them into more sustainable, productive and efficient entities, the Company has invested in efficiency measures and introduced improvements to Montara's operational practices. Through an increase of unprocessed gas reinjection at the site, an estimated 90,000 t of CO_2-e of emissions was eliminated (see Case Study: Montara). Had Jadestone continued to operate the site in the same way as the previous operator, Jadestone's Scope 1 emissions in 2020 would have been 36% higher. To illustrate this positive improvement, Jadestone has charted a full 2019 emissions data set for Montara as a baseline, on the principle that Jadestone's operational control and thus GHG responsibility begins at the point of operator transfer in August, 2019.

Total Energy Use: Operations and Office Electricity



Total GHG Emissions: Scopes 1* and 2



* A full 2019 emissions data set for Montara had been plotted, designating the portion of emissions that Jadestone has no operational control over as it covers the emissions for period January - July 2019, under former operator

JADESTONE'S CLIMATE CHANGE ACTION:

Supplying cleaner energy alternatives to Southeast Asia

Jadestone plays a vital role in providing access to affordable, and reliable energy by the supply of gas to local Southeast Asian communities and industries, in a region experiencing energy supply shortage in the midst of rapid growth.

Jadestone has plans to develop two fully appraised gas fields in Vietnam, which will see this lower carbon fuel, brought to the market, potentially replacing coal, and backfilling existing but declining sources of energy. The Nam Du and U Minh gas fields in offshore southern Vietnam, when developed, will supply domestic gas to the Ca Mau power and industrial complex and feedstock to a fertiliser plant supporting farmers in the Mekong Delta. The development will use existing pipeline infrastructure to reduce environmental impact. This will reduce dependence on imported thermal coal given the operational constraints imposed by the national electricity grid and the regionalised nature of the Vietnam gas pipeline network.

In Indonesia, Jadestone is supporting the Government's efforts to meet local energy needs and domestic liquefied petroleum gas ("LPG") demand for residential and cooking purposes through the development of Jadestone's Akatara gas field in Sumatra. When operations commence, the Akatara field is expected to produce around 200 metric tonnes of LPG per day targeting the total LPG demand of the whole local province.

Future Outlook

Jadestone is committed to ensuring that the carbon footprint of its assets is reduced to as low as reasonably practicable. Throughout 2021 Jadestone will continue looking for emissions reduction opportunities across existing and newly added assets. Furthermore, Jadestone recognises that it will continue to evolve its strategy to demonstrate to its stakeholders a compelling business case and a relevance in the face of the energy transition as demonstrated by priority 2.

Jadestone's climate change strategy will identify priority areas for action, setting a more strategic direction for navigating the energy transition and inevitably, mapping out a route towards net zero carbon emissions, in line with the Paris agreement.

Energy & GHG Emissions Metrics	Unit	2020	2019
Hydrocarbon production	mm bbls	4,2	4,5
Energy use - Operations	GJ	4,234,802	2,178,652
Electricity Use - Offices	GJ	1,092	838
Total Flaring	m^3	62,123,031	35,551,790 (91,764,290[1])
Diesel Use	kL	1,326	942 (1,879[1])
Total GHG Scope 1	tCO2-e	253,366	134,382 (298,911[1])
GHG – crude oil	tCO2-e	13,066	13,284
GHG – produced gas	tCO2-e	73,609	25,229
GHG – flaring	tCO2-e	161,953	92,683 (239,227[1])
GHG – diesel	tCO2-e	3,592	2,551 (5,090[1])
Total GHG Scope 2	tCO2-e	223	180

1 To ascertain the magnitude of GHG reduction, 2019 performance in brackets also includes Montara performance data covering the period under the previous operator

2021 ESG STRATEGIC CORPORATE GOALS CLIMATE CHANGE AND GHG COMMITMENTS

1. Reducing GHG emissions in operations by…

A further 5% reduction of flaring and diesel use

- Emissions Reduction options prioritised and deployed across existing assets
- Increased internal GHG reporting to support performance tracking and decision-making
- GHG Emission review conducted on the New Zealand asset
- Survey of actual fugitive emissions conducted in a pilot project at Stag

2. Increasing climate-resiliency of the business by …

Continued alignment with the TCFD recommendations and commitment to transparent disclosures

- Develop a Climate Change Strategy in alignment with TCFD requirements
- Further integration of climate risk into the Corporate Risk Framework and business processes
- Define most suitable metrics for assessing climate related risks and opportunities
- Develop Scenario Analysis methodology

CASE STUDY: MONTARA

Reduction of flaring and diesel use

2020 performance:

40% reduction in flaring, 10% target exceeded

33% reduction in diesel use

90,000t of CO_2-e avoided

Montara Venture FPSO

Upon taking over operatorship of the Montara asset, Jadestone's Operations team identified an opportunity to increase the uptime of the reinjection compressor and therefore enable increased reinjection of produced gas. This presented an opportunity of great environmental value whilst also maintaining reservoir pressure support. At acquisition, the average daily flaring volume was approximately 10mm scf/d, with the majority of produced gas being flared. The Company has made a substantial investment into the gas reinjection system and has adopted improved operating practices. This is reflective of the strong management focus on flaring volumes, a key metric monitored and reviewed daily at Jadestone.

* 2019 levels include data from previous operator to arrive at the full calendar year performance

A reduction target was set at **10%** for Montara, however through this project, Jadestone has managed to increase equipment reliability more than expected, achieving **40% reduction in flaring** during 2020, compared to 2019 levels*. A further 5% reduction has been targeted for 2021. Jadestone will continue to seek ways of further driving down flaring volumes, whilst acknowledging that some level of residual gas flaring is necessary to maintain safe oil and gas operations.

Diesel consumption at Montara was also reduced by 33%, exceeding the 10% target set, due to an increased availability of reinjection gas to kick off wells instead of using diesel. This is both an environmental and economical improvement to the business.

Task Force on Climate-related Financial Disclosures

In 2020 Jadestone developed its alignment with the recommendations outlined in the G20's Financial Stability Board Task Force on Climate-related Financial Disclosures, utilising it as a practical tool for navigating the transition to a low-carbon economy and increasing our understanding of the resilience of our business strategy. Jadestone introduced improvements across the Governance and Risk Management areas.

Governance

Disclose the organisation's governance around climate-related risks and opportunities	
Board oversight of climate-related risks and opportunities	Jadestone recognises that climate change is a potential strategic risk to companies and society at large, and it is therefore the duty of the Board to manage it in the same way as any other strategic risk. The Board reviews Jadestone's Corporate Risk Matrix biannually, which as of 2020, also includes the transitional risk of climate change. In addition, the Board receives monthly ESG briefings from the Leadership Team, which report on progress of climate-related programmes where appropriate. The Board's HSE, Remuneration and Disclosure Committee are jointly responsible for overseeing Jadestone's strategies, programmes, performance and disclosures relating to ESG, which includes climate change.
Management role in assessing and managing climate-related risks and opportunities	In 2020, the Climate Change Working Group ("CCWG") was formed, which included senior leaders from Finance, Risk & Strategy, HR, Investor Relations and Environment. The CCWG is tasked with developing climate-related strategies and programmes in line with the TCFD recommendations and its work is supported by energy and emissions reporting from key functional areas such as HSE and Operations.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material	
Climate-related risks and opportunities identified over short, medium and long term	Throughout 2020, Jadestone made considerable progress in understanding its climate-related risks. Through a series of risk workshops the Company identified and assessed the following climate-related risks: - Key physical risks include increase of extreme/adverse weather events, change in metocean conditions and an increase in high heat days. - Transitional risks include changes in government legislation, shareholder divestment and public expectation around emissions management and decarbonisation. These risks were assessed considering short (<2 years) and medium (3-5 years) and long (>5 years) timeframes.
Impacts of climate-related risks and opportunities on organisation's businesses, strategy and financial planning	Jadestone is currently reviewing the material implications of climate-related risks on its business. This analysis will inform Climate Change Strategy to be developed in the course of 2021.
Resilience of organisation's strategy taking into account different climate scenarios, including a 2°C scenario	as above

Risk Management

Disclose how the organisation identifies, assesses and manages climate-related risks	
Processes for identifying and assessing climate-related risks	Climate change considerations are aligned with Jadestone's formal Risk Management Framework and follow the same process as the identification and management of risk in other parts of the business. Climate-related risks, that are of strategic importance, have been incorporated into the Corporate Risk Register in 2020 after a series of risk workshops facilitated by the newly formed CCWG. Further integration of climate risk into Corporate Risk Framework is planned in 2021.
Processes for managing climate-related risks	as above
How processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	as above

Metrics and Targets

Disclose the metrics and targets used to assess and manage the relevant climate related risks and opportunities where such information is material	
Metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	For the purposes of internal performance review, Jadestone monitors metrics such as flaring, diesel consumption and absolute GHG emissions as well as emission intensity of its assets by unit of production. Jadestone is currently reviewing the implications of the climate-related risks on its business which includes consideration of the most suitable metrics for assessing climate related risks and opportunities.
Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Jadestone collects and manages the emission and energy consumption data for its operated assets and continuously looks for ways to improve the efficiency of operations. Jadestone currently reports Scope 1 and 2 emissions, as per Section "Climate Change - GHG" of this report.
Targets used by the organisation to manage climate-related risks and opportunities and performance against targets	In 2021, Jadestone commits to reducing flaring and diesel use by 5% compared to 2020 levels at its Australian assets.


Mark Pearce, a mechanical technician on the Montara Venture FPSO

Social and Human Capital

2020 Highlights

0
Lost Time Injuries (LTIs) at operating assets

88%
Nationals directly employed by Jadestone

NETTS
Apprentice programme participation

2021 Outlook

- Target Zero recordable incidents, (<2)
- Undertake Company-wide HSE Culture Survey
- Complete 8 OHS & Environment audits
- Implement a community activity in all countries of operation, target 10% increase in spending year-on-year
- Improve the measurement of community investment impact as well as employee participation in community programmes
- Retain local national talent, targeting 90% representation
- Conduct an Employee Engagement Survey, targeting for 80% participation rate
- Sponsor 2 more apprentices as part of NETTS programme, and provide student internships for at least 5 new graduates
- Ensure all employees have completed a Performance Review under a range of KPIs
- Ensure the offshore workforce achieves training and competency levels as defined in the Offshore training matrix, targeting at least 90% completion

"At Jadestone we strive to create a safe and rewarding working environment for our workforce, and go beyond this to recognise the positive impacts we can make on wider society."

Lucy Dean
GROUP HR MANAGER

MATERIAL MATTER

Occupational Health and Safety

Providing a safe working environment and maintaining people's health and well-being is of paramount importance to Jadestone.

2020 HIGHLIGHTS

- **Zero LTIs at operating assets**
- **Healthy and safe workforce during COVID-19 pandemic**
- **HSE Culture Survey launched**

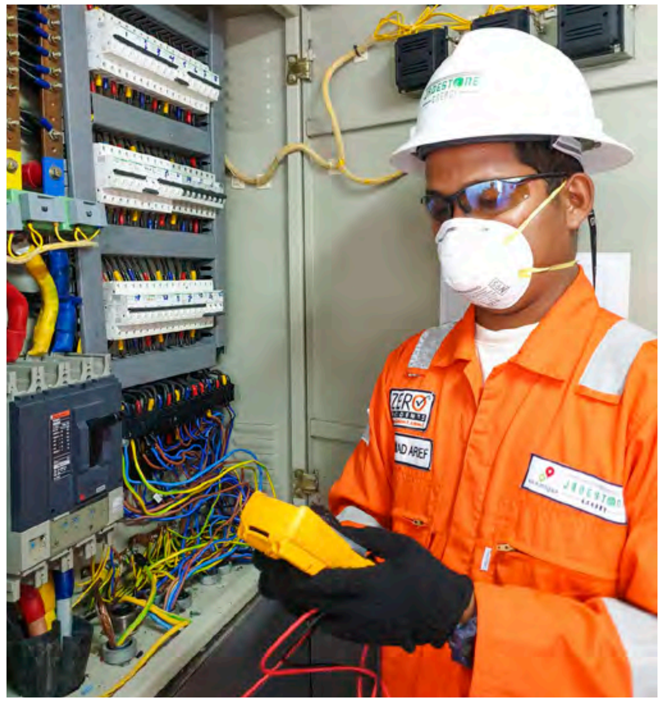
Why it Matters

Health and safety considerations remain a central focus for Jadestone. The Company is committed to providing a safe and rewarding work environment, and to maintain an exceptional health and safety performance wherever it operates. As safety starts with the individual, all individuals who work for Jadestone are expected to demonstrate a commitment to their own health, safety and wellbeing. Jadestone is committed to supporting its workforce with the necessary training, systems, procedures, personal preventative equipment and tools.

Management Approach

Jadestone's Board-approved HSE Policy and Corporate HSE Plan lay out Jadestone's philosophy and approach to health and safety. This is further supported by the shared value of "Safety". Safety takes precedence in everything Jadestone does and is a key element identified in Management and employee performance pay.

Electrical maintenance and testing at Lemang



Jadestone's Shared Value

Putting safety first at all times, aligning standards across assets, geographies and cultures

*Jadestone's **HSE Policy** can be found on Jadestone's website.*

Regulatory management

Jadestone recognises its duty of care to protect the health, safety and welfare of its workforce and other stakeholders who might be impacted by the business. Jadestone abides by the legal requirements in the countries within which it operates as a minimum.

In Australia, the OHS regulatory regime for offshore oil and gas operators uses a safety case approach, as underpinned by the Offshore Petroleum and Greenhouse Gas Storage (Safety) Regulations 2009. In this regime an operations-specific Safety Case document is developed, which identifies the hazards and risks, describes how the risks are controlled as well as the safety management system in place to ensure the controls are effectively and consistently applied.

In 2020, Jadestone engaged in the following OHS regulatory activities:

- **Australia**: In regard to the new offtake model at Stag (refer to Case Study: Stag, pg 49), the revision to operations necessitated a change to the regulatory management framework that had been in place for the prior floating, storage and offloading arrangement. Jadestone worked with Australian regulators to ensure the new operating model complied with all relevant laws and regulations and to obtain their acceptance. As part of that effort, the Company's Safety Case for the Stag asset was updated.
- **New Zealand**: Jadestone has engaged New Zealand's Health and Safety regulator, Worksafe NZ, in respect of the Maari Safety Case and has received consent for its Maari Field Bridging Document. This document will be replaced in due course following the transfer of interest and commencement of operatorship by Jadestone. (For more details please refer to Section: Environment Management, pg. 48 for more details.)

CASE STUDY:

Exceptional safety record in Australia: 1 and 8 years LTI free

2020 was a year of important safety milestones for the Company's Australian operations. In August 2020, Montara achieved 1-year LTI free (representing the time under Jadestone operating control), whilst Stag celebrated 8 years LTI free. These milestones are particularly meaningful in the context of the pandemic and the level of activity on both assets.

A safety performance like this is a huge credit to the safe and professional behaviour of the offshore team involving both core crew and contract partners, onshore support functions, the safety leadership and the commitment to safety shown throughout the business right to the top.

Pictured above is Australia's Operations Manager Tom Coolican presenting the award of safety excellence to Montara and Stag OIMs.

HSE Management System

In order to satisfy its commitments to proper control of risk at the facility, as well as to protection of workers, environment and communities, Jadestone relies on its HSE MS, as per Section: Environmental Management, pg. 48. The HSE MS describes the standards, procedures and behaviours necessary to achieve the desired HSE performance and outcomes when it comes to the assets in Australia.

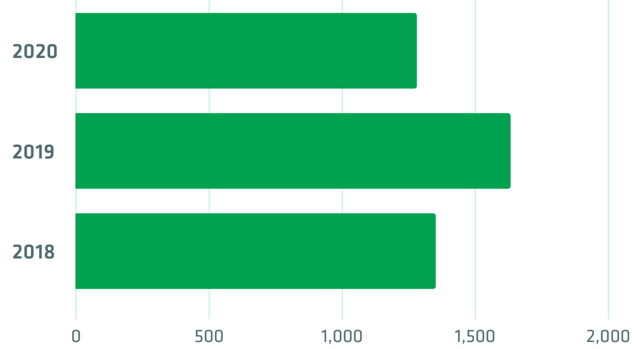
To drive continuous improvement, Jadestone regularly reviews and updates the HSE MS system in line with its operational requirements and the findings from the activity risk assessments and internal audits. As Jadestone continues to grow and expand its geographical footprint as a business, it recognises the importance of aligning its HSE standards across regional assets, whilst ensuring local requirements are well understood and addressed as a minimum.

The Company monitors its OHS performance closely through a combination of leading and lagging KPIs and reports this information on an ongoing basis to the Leadership Team and to the Board.

Jadestone's Leadership Team is responsible for the implementation of the HSE MS, which is supported by executive performance KPIs. In Australia, a **Regional HSE Committee**, which includes representatives from onshore, offshore and senior management, meets quarterly to review HSE performance and to identify opportunities for improvement.

Furthermore, the **Health, Safety and Environment Board Sub-Committee** meets at least three times a year and assists the Board in obtaining assurance that appropriate policies and systems are in place to effectively manage the health, safety and environmental as well as ESG risks in relation to the Group's operations and ensure that the Group's activities are planned and executed in a safe and responsible manner.

Emergency Response Training Hours*



* applies to workforce in Australia and NZ

Culture of safety

To ensure a culture of safety is maintained throughout its operations, Jadestone regularly conducts safety briefings, toolbox talks and emergency drills. These activities are underpinned by workplace risk assessments and audits to identify unsafe practices or conditions. Other mitigations include engineering controls, permit to work controls and safe work procedures.

Jadestone maintains an onsite emergency response capability and mandates that all incidents, including accidents and spills are reported and recorded in an electronic incident management and hazard reporting tool. Any actions which may arise from incident investigations are assigned and tracked. HSE KPIs are set for each facility and reviewed by management on a monthly basis.

Jadestone ensures that all individuals have the correct competencies to achieve its HSE targets. In Australia, anyone visiting sites must complete Jadestone's formal online HSE required inductions prior to their arrival on site. The completion of Safety Case Awareness training for offshore personnel is mandatory for employees and contractors, as is a site-specific induction, and formal helicopter and sea survival training.

COVID-19 Response to Health and Wellbeing

Jadestone developed and implemented management frameworks to manage the COVID-19 pandemic and potential exposure for all individuals. Jadestone offices took steps to strengthen the working-from-home arrangements, while rostering and travel arrangements for offshore personnel in Australia were modified to accommodate quarantine and isolation requirements, as well as reducing exposure risks wherever possible.

Jadestone recognises that the mental health and wellbeing of its workforce is of paramount importance to its business with the issue becoming more critical during the COVID-19 pandemic. Recognising this increasing need for workforce support, Jadestone introduced the following measures:

- Mental health programme for offshore employees (e.g. mental health check ins, on-call support during the time working offshore); and
- Fatigue risk assessment to support the temporary need for longer offshore work cycles.

HSE Culture Survey

Jadestone launched its first HSE Culture survey in 2020, to further assess Jadestone's safety culture and improve the understanding of HSE Performance. The survey was based on the industry-wide 'Safer Together' HSE Culture survey.

The 2020 results instigated the following Company-wide focus areas:

- The provision of mental health first aid training for employees;
- Leadership training for supervisory and management roles; and
- Delivering information sessions on Jadestone's behavioural based safety programme.

It is Jadestone's intention to undertake the HSE Cultural survey on an annual basis and to conduct peer benchmarking to ensure the continued improvement of its practices.

2020 Performance

Despite the recognised impacts of the COVID-19 pandemic, Jadestone's performance across key OHS indicators has remained strong.

- Improvement of **Recordable Incidents**, achieving target of **< 2**
- **Zero LTIs** at our **Stag** facility offshore Australia **for 8 consecutive years** and **1 year at Montara**
- Combined Total Recordable Injury Rate ("TRIR") significantly reduced

Despite these positive developments reflected in lagging statistics, Jadestone experienced an increasing number of HiPOs. Transparent reporting of incidents including HiPOs is important and actively supported at Jadestone to allow for continuous improvement. Jadestone carefully investigates each HiPO with a view to ensure learnings are cascaded widely and aimed to prevent re-occurrence and further improve safety performance.

Stephen Porter on Montara

Occupational H&S Metrics	Unit	2020	2019
Manhours worked	mm hours	3.2	0.21 *
Recordable Incidents	# per year	0	1
Total Recordable Injury Rate	rate	3.15	12.32
Medical Treatment Cases	# per year	0	0
High Potential Incident	# per year	2	0
Lost Time Injury	# per year	0	0
Loss of Primary containment - Tier 1	# per year	1	0
HSE Audits	# per year	7	8
Full emergency exercises	# per year	1	1
Desktop Emergency exercises	# per year	4	3

* Jadestone commenced operation of Montara facilities August 2019

Future Outlook

Robust health and safety management systems rely on a cycle of continuous improvement. In 2021 Jadestone has committed to improving its HSE performance through the following targets:

2021 ESG STRATEGIC CORPORATE GOALS

- **Target Zero Recordable Incidents, with continuous improvement year on year (<2)**
- **Undertake a further company-wide HSE Culture Survey**
- **Complete 8 OHS & Environment Audits as per HSE Audit Plan 2021**
- **Continue the provision of full-time medic to indigenous communities at Truscott during the COVID-19 pandemic emergency**

STRATEGIC REPORT
CORPORATE GOVERNANCE
FINANCIAL STATEMENTS
ADDITIONAL INFORMATION

MATERIAL MATTER

Stakeholder Management

Jadestone is committed to engaging with its stakeholders in a transparent and meaningful way, ensuring they are considered in the Company's processes and operations.

2020 HIGHLIGHTS

- **Relationship Agreement with the Iwi communities in New Zealand**
- **Stakeholder programmes successfully undertaken in Australia**
- **Corporate Stakeholder Engagement Strategy developed**

Why it Matters

Inclusive and tailored stakeholder management is key to successful operations across geographies, jurisdictions and cultures. With an expanding operating footprint in the Asia Pacific region, Jadestone recognises the importance of a comprehensive stakeholder management strategy to successfully and considerately operate in this diverse range of countries.

Management Approach

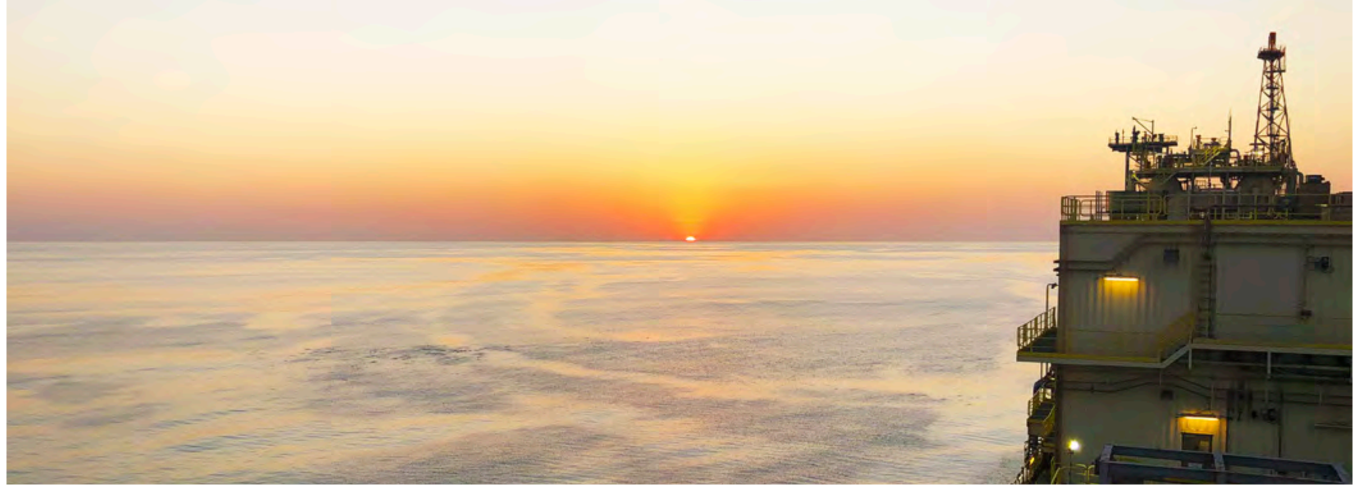
Jadestone's commitment to understanding stakeholders' feedback and views is fundamental to achieving balanced outcomes for the community, workforce and shareholders. Jadestone strives to facilitate open communication in order to build and maintain relationships with both internal and external stakeholders and dedicates a significant amount of time and effort to engage with stakeholders all year-round.

In 2020, Jadestone developed a **Corporate Stakeholder Engagement Strategy**. This strategy was implemented to determine a more strategic and cohesive approach, and an overall engagement framework as to how Jadestone engages with its stakeholders across Asia Pacific.

The table below lists its key stakeholders and methods of engagement.

Paul Blakeley and Owen Hobbs at Montara

Jadestone Stakeholders	How we Engage
Employees and contractors	Holding regular staff and contractor meetings, internal news updates and newsletters, tailored surveys, townhalls, apprenticeship and internship shows
Communities and Indigenous groups	Country specific stakeholder mapping and consultation, interviews and surveys, support through community programmes and events
Regulators	Regular meetings and correspondence, representation on industry associations, site visits, ongoing information sharing
Shareholders and investment community	Annual General Meeting, Capital Markets Events, roadshows, webcasts, investor presentations, correspondence and direct contact through dedicated investor relations function, social media engagement, ESG questionnaires and surveys, website
Business partners and suppliers	Regular meetings, active management of key projects and assets, contracts and tenure
Non-government organisations	Collaboration on social investments, representations through industry associations, media monitoring
Media	Media releases, interviews, contact through dedicated media liaison function, website
Industry peers	Industry conferences and presentations, representation on industry associations



View from the Montara FPSO

2020 Overview

In 2020 Jadestone initiated its first ESG survey. The intent of this survey was to seek feedback from its workforce on ESG topics that matter to them the most, and what more the Company should be doing in the context of the ESG agenda.

The key stakeholder engagement activities undertaken across regions in 2020 are summarised below:

Future Outlook

Jadestone is committed to developing tailored Stakeholder Management Plans for each location in which it operates, with early engagement expected to take place prior to transfer of operatorship.

Jadestone will continue to engage with internal and external stakeholders in a transparent manner. Jadestone's country-specific engagements will help it to understand the local communities and will help shape Jadestone's community development programmes.

Maari (New Zealand)

Key Stakeholders:	Local Iwi communities, neighbours and NZ Regulators
Context:	Ahead of assuming operatorship over the Maari asset, Jadestone confirmed and prioritised key stakeholders that may be affected by its operations. Jadestone has also initiated a dialog with the Iwi representatives, entering into a Relationship Agreement Through the agreement Jadestone committed to working together with Iwi representatives, Te Kāhui, "to enable on-going information sharing and mutual education on matters relating to Jadestone's activities and Te Kāhui's interests …".
Key stakeholder topics:	Environmental impacts that may affect the Iwi ability to use, protect and enhance the land and sea that is of cultural, historical and environmental significance to them.
Outcome:	• Stakeholder Engagement Plan developed • Jointly signed Relationship Agreement with the Iwi community

Stag and Montara (Australia)

Key Stakeholders:	Local communities and Australian Regulators
Context:	In relation to a planned drilling campaign on the Montara asset, Jadestone developed a specific Environment Plan for this discrete activity, which was accompanied by a stakeholder consultation exercise. All relevant persons to the operations received information sheets detailing the scope and timing of the activities, with an opportunity to ask questions and raise concerns. Jadestone liaised with the West Australian Fishing Industry Council to consult relevant fishing licence holders.
Key stakeholder topics:	Environmental and other impacts and risks posed by the drilling activities and the effect they have on the stakeholders.
Outcome:	• Relevant stakeholder informed on the planned activities • Successful Environmental Plan approval

Lemang (Indonesia)

Key Stakeholders:	Local communities, local and Indonesia central Government bodies
Context:	In line with the acquisition of Lemang assets during 2020, a smooth transition process was achieved from the previous operator. Transition was facilitated by the Jadestone Indonesia team liaising with the Government in relation to the work programme and budget commitments to meet the regulatory compliance obligations. Early engagement with local communities to introduce Jadestone was carried out successfully.
Key stakeholder topics:	Impact of development activities during the future construction work and operations of the Akatara gas plant and sales gas pipeline; employment and economic growth opportunities.
Outcome:	• An Engagement Plan developed • Smooth transition that takes into account stakeholder expectations

Community Engagement

Jadestone strives to deliver positive socioeconomic outcomes for the local communities in the countries where it operates.

2020 HIGHLIGHTS

- 88% Nationals directly employed in Company operations in Asia Pacific
- $28.7mm paid in local taxes and fees in Asia Pacific
- 3 Community programmes in Southeast Asia

Management Approach

Jadestone recognises that it can create sustainable value for the local communities and maximise positive contribution by:

- **Creating local employment**
- **Paying local taxes**
- **Supporting local business** as part of its supply chain
- **Community support programmes** based on community needs

Through its targeted business strategy of taking over mid-life assets in Asia Pacific that otherwise might have been retired, Jadestone extends employment opportunities to local communities. In doing so, it actively seeks to employ the national workforce. This is demonstrated by 88% representation across the organisation.

Jadestone's contribution goes beyond job creation. Jadestone endeavours to utilise local supply chains by engaging local contractors.

Jadestone makes a positive contribution to local economies in 2020 by paying local taxes and fees amounting to $28.7 million.

Community Engagement Programmes

Jadestone is focused on forming long term partnerships in communities where it operates. It is involved in local community projects that contribute to a more sustainable future. When investigating the most suitable options to support, Jadestone's sustainability material matters are taken into consideration, amongst other parameters. As per **Jadestone Social Investment Guidelines**, the potential programmes are screened according to their ability to contribute in two focus areas:

Education: Jadestone is committed to finding opportunities to support education and training in local communities, through corporate sponsorship, training and volunteer time.

Health & Wellness: Jadestone looks for ways in which it can contribute to improving the health and wellness of partner communities.

CASE STUDY:

Continued partnership with local NGO in Vietnam

In Vietnam, Jadestone has continued to collaborate with a local NGO supporting two initiatives that delivered positive education and health outcomes for disadvantaged local communities.

Supporting early education

Jadestone identified an opportunity to support early education in one of the poorest remote areas of Vietnam. It supported the development of three public school libraries in the central highlands of Vietnam: Kroongpa – Gia Lai, Phu Mo – Phu Yen, and Phu Hai – Binh Thuan province, through purchase of children's books and necessary equipment. The desired outcome of the initiative is improvement in the quality of local primary education.

Public school library at Kroongpa - Gia Lai province, Vietnam

Clean water access

As part of Jadestone's ongoing engagement with communities in the U Minh district in the Ca Mau province of Vietnam, a coastal area close to Jadestone's development project, Jadestone's team identified challenges for local families accessing consistent supplies of clean, fresh water. Water provision can be sporadic in the region, especially during the dry season, with saltwater intrusion impacting large parts of the Mekong Delta in southwestern Vietnam.

Jadestone has provided high quality water storage tanks to over 50 families in the region.

Water tank in transit, Vietnam

Volunteering

Jadestone's direct investment initiatives are complemented by employee volunteering within the organisation.

- **Indonesia**
  Jadestone's Indonesia team have a long-standing relationship with a Jakarta-based soccer club, Kemang FC.
  The club aims to promote the sport and provide positive activities for children and teenagers. Jadestone employees are passionate about playing alongside the local community members as well as training the members of the club and advancing their skills.
- **Singapore**
  Willing Hearts was selected as an organisation of choice for volunteering in 2020. Willing Hearts is a secular, non-affiliated charity, that operates a soup kitchen. Beneficiaries include the elderly, the disabled, low-income families, children from single parent families or otherwise poverty-stricken families, and migrant workers in Singapore. Jadestone Singapore staff were able to take part in the food preparation process that contributed to the daily effort of very many volunteers resulting in about 5,000 meals daily.
- **Australia**
  The Montara facility has been involved in the 'Cash for Containers' programme since 2015. In this scheme, Jadestone's personnel collect water bottles, aluminium cans and soft drink bottles used on the facility and donate them to the Down Syndrome Association of Northern Territory (Australia). Association workers remove and count the lids and receive Cash for Containers donations, which in 2020 amounted to over $10,000 (60% increase from 2019).

Future Outlook

Throughout 2020 Jadestone has increased its focus on supporting targeted community programmes. This commitment will extend into 2021 and beyond.

2021 ESG STRATEGIC CORPORATE GOALS

- **Implement a community activity in all countries of operations, target 10% increase in spending year-on-year**
- **Improve the measurement of community investment impact as well as employee participation in community programmes**

Setting up a school library in rural Vietnam

Jadestone Indonesia team supporting a local soccer club

Volunteering at Willing Hearts in Singapore

COVID-19 SUPPORT

Supporting an orphanage in Malaysia

Jadestone identified an opportunity to support an orphanage in Kuala Lumpur, that was struggling financially throughout the enforced lockdown during the pandemic.

Housing 55 children ranging from 8 months to 19 years old, the centre was having difficulties paying rent and providing for utilities, school supplies and groceries.

Jadestone Malaysia staff visited the center a number of times throughout 2020 and were able to assist with the outstanding bills as well as the purchase of new household appliances. Company donations were supplemented by generous direct contributions from the employees.

The Company is humbled by recognising the opportunity to support the center, its staff and the children, recognising the devastating effects of the COVID-19 pandemic on those groups who are particularly vulnerable.

MATERIAL MATTER

Workforce Management and Diversity

Jadestone strives to create a working environment that recognises and rewards performance, offers development opportunities and promotes diversity.

2020 HIGHLIGHTS

- **Diversity Policy developed**
- **Mental Health programme for Offshore Workforce**
- **ESG Employee Survey conducted**
- **NETTS apprentice programme participant**

Why it Matters

Comprehensive workforce management helps provide a positive working environment, improves retention, and minimises operational disruptions.

Jadestone values its people and the contribution they make and has an engaged, supported and diverse workforce.

"We attract the best talent from different backgrounds, empower them, develop capable leaders and offer challenging opportunities that help them realise their potential."

As per Jadestone's mission

Management Approach

Jadestone's people strategy focuses on building strong capabilities and driving a diverse culture that optimises workforce performance and fuels business growth. Its approach to managing people is reflective of a diverse workforce that is office and site-based, spanning across a number of geographies and cultures.

Jadestone's working environment offers equal opportunities, safe working conditions, competitive terms of employment and comprehensive learning and development opportunities. Jadestone's HR, compensation and performance management practices are overseen by the Board's Compensation Committee.

Jadestone's Ho Chi Minh City office

Diversity

Jadestone's approach to diversity and inclusion is underpinned by its Diversity Policy, which was approved by the Board in 2020. This policy recognises that people from different backgrounds and experiences can bring valuable insights to the workplace and enhance Jadestone's operations. Ultimate responsibility for ensuring implementation and operation of this policy rests with the Jadestone Board and Leadership team.

Jadestone's diversity principles

- Develop a workforce that reflects the diversity of the communities we serve
- Cultivate a culture which fosters access and inclusion, with all internal and external stakeholders treated fairly and with respect
- Recruit, develop and manage employees in line with individual competencies
- Provide a supportive working environment that is adapted as required to meet the needs of a diverse workforce
- Adapt and adopt an organisation and work methods to include everyone
- Commit to a policy of equal employment opportunity and pay equality
- Maintain a workplace that is free of any harassment or unfair discrimination with appropriate avenues for the investigation of complaints

Workforce profile

At the end of 2020, Jadestone had 161 permanent employees and 66 temporary employees, with females representing 19% and 27% of the totals respectively. Jadestone only had 1 part-time employee. Permanent and temporary employees by regions - Southeast Asia (SEA) and Australia & New Zealand (A&NZ) are summarised below:

- Permanent: SEA - 41, A&NZ - 120
- Temporary: SEA - 14, A&NZ - 52

32% of total employees were at year's end covered by Enterprise Bargaining Agreements.

Women represent 36% of the total onshore workforce and 18% of total overall workforce, with 25% percent of women holding leadership positions at year end. A Company-wide gender balance of 18% female is reflective of gender diversity being a common challenge for most oil and gas operators.

Diversity at Jadestone has many facets and goes beyond the issues of gender balance. Jadestone is committed to developing a workforce that reflects the diversity of the communities it serves. Jadestone prioritises the employment of suitably qualified nationals and supports this by investing in their skills, knowledge and experience. 88% of Jadestone's employees are nationals.

*Jadestone's **Diversity Policy** can be found on Jadestone's website.*

Jadestone Permanent Employees

161 2020

162 2019

Women in Jadestone*

36% of onshore workforce

19% of overall workforce

21% of Senior Management

12.5% of Jadestone's Board

* relates to permanent employees

% of Local Nationals across Jadestone Offices

100% in Vietnam

75% in Indonesia

72% in Malaysia

44% in Singapore

96% in Australia

Performance, training and development

Jadestone has an annual performance review process that enables employees and managers to review the performance of the previous year and to determine performance outcomes for the year ahead. This is in line with Jadestone's focus on a performance culture, with all permanent employees required to complete a performance review.

Jadestone develops its workforce through on-the-job opportunities and formal training. In Australia, Jadestone provides training and competency assessments to all of its workforce through the implementation of role-specific training matrices for office and offshore workforce.

Jadestone is committed to ensuring its offshore workforce achieves training and competency levels as defined in the Offshore training matrix, targeting at least 90% completion. Performance against the matrix Key Performance Indicators is tracked on a monthly basis for each site.

Diversity of Governance Bodies and Employees (2020)

	% Female	<30 years old	30-50 years old	>50 years old
Board %	12.5%	0%	13%	88%
Senior Management* %	21%	0%	43%	57%
Middle Management* %	16%	0%	47%	53%
Other Employees* %	21%	8%	49%	43%

* employee categories have been established according to job bands

HR Metrics	Unit	2020	2019
Total permanent employees	#	161	162
Female	#	29	33
Male	#	132	129
Retention rate	%	96	97
Local national representation	%	88	88

Graduate and apprentice programme

Jadestone seeks to create opportunities and build capacity amongst the future workforce through a programme of apprenticeship and internships, enabling in 2020:

- 4 apprentices seconded to Jadestone Australia. Jadestone has committed to ongoing apprenticeship placement via the NETTS programme in Australia
- A vacation student programme established in Perth with 2 Engineering, 1 Finance and 1 HR student
- Graduate and Intern programmes established in Malaysia in Subsurface, Finance and IT

NETTS apprentices

RUOK?:

Raising awareness of mental health

Jadestone Australia participated in the 2020 RUOK? day for the second year running.

RUOK? is a suicide prevention charity that aims to start life-changing conversations by creating a more connected world. The charity aims to engage as many people as possible in a safe and inspiring way, and we are proud to be ambassadors toward that endeavour.

Jadestone's objective is to help its team learn simple but effective ways to be more connected with one another and the world around them, and to raise awareness of mental health issues.

Future Outlook

2021 ESG STRATEGIC CORPORATE GOALS

- **Conduct an Employee Engagement Survey, aiming for 80% participation rate**
- **Sponsor 2 more apprentices as part of NETTS programme (Australia), and provide student internships for at least 5 new graduates (Australia and Malaysia)**
- **Ensure all employees have completed a Performance Review**
- **Ensure the offshore workforce achieves training and competency levels as defined in the Offshore training matrix, targeting at least 90% completion**
- **Retain local national talent, targeting 90% representation or more**

Commitment to building a highly skilled workforce for the future

- **NETTS is the National Energy Technician Training Scheme, an innovative collaboration between major oil and gas organisations and Programmed to build a skilled, diverse and capable workforce for the future of the oil and gas industry.**
- **Jadestone has registered with the NETTS programme for 2021, where it will select apprentices across Process, Mechanical, and Electrical disciplines.**
- **Jadestone Australia welcomed two 3rd year Process Plant specialist apprentices to its offshore team in July 2020 as part of the scheme.**
- **Their enthusiasm and eagerness to learn was an excellent fit with the Jadestone culture, and through this programme the Company provided plenty of exposure and real-life experience in the offshore environment to further their education.**

Incident response exercise, Perth office

Governance and Leadership

2020 Highlights

0
Incidents of non-compliance in business ethics

QCA
Corporate governance code adoption

ESG
Metrics incorporated into executive KPI's

0
Critical risk incidents

TCFD
Alignment across risk and governance

2021 Outlook

- Target Zero violations of anti-bribery and anti-corruption laws
- Support timely regulatory approvals for new operations and growth projects
- Continue strengthening governance over climate risk as per TCFD recommendations
- Target Zero loss of primary containment
- Undertake comprehensive emergency training

"Sustainability is a C-suite matter at Jadestone that starts with effective governance."

Neil Prendergast
GENERAL COUNSEL

MATERIAL MATTER

Governance, Business Ethics and Compliance

Operating in accordance with high standards of governance, transparency and business ethics is essential to creating long-term sustainable value and a key priority for Jadestone.

2020 HIGHLIGHTS

- **QCA corporate governance code adoption**
- **Zero fines for any regulatory breaches for non-compliance**
- **ESG metrics incorporated in executive performance plans**

Jadestones's ESG Governance

The Board	Ensures ESG risks and opportunities have been identified and incorporated into the Corporate Risk Framework, with risk considerations integrated into the Company's long-term strategy
HSE Committee	Oversees operational risks pertaining to health, safety, environment and sustainability, including those related to climate change. The Committee's remit has been expanded in 2020 to formalise its oversight over ESG topics.
Compensation Committee	Develops and proposes changes to the Remuneration Policy which are in line with Jadestone's strategic performance targets. As of 2020, ESG Strategic Corporate Goals have been aligned with executive incentive schemes, cascading from CEO through to the leadership team and deeper into the organisation.
Disclosure Committee	Oversees the appropriateness of disclosures included in the Company's financial and non-financial reporting, which include sustainability and climate-related disclosures.

Why it Matters

Effective governance at Jadestone means that Board members, the management team and shareholders clearly understand their roles and responsibilities. It also ensures that the right policies and procedures are in place which promote individual and group accountability, ethical and responsible decision making and effective risk management. The ability to create long-term value is the ultimate measurement of successful corporate governance.

Management Approach

Corporate governance

Jadestone believes that an effective corporate governance framework adds value to its business and enhances stakeholder confidence in the Company. Jadestone complies with the Quoted Companies Alliances Corporate Governance Code 2018 (the "QCA Code"), which was adopted in December 2020.

The Jadestone Board recognises that the QCA Code provides the Company with the appropriate framework to sustain a strong level of governance, given its size on the AIM market of the London Stock Exchange. The Board of Directors regularly assesses Jadestone's corporate governance against regulatory developments, relevant best practice standards and stakeholder demands.

Jadestone has embedded appropriate governance systems to ensure that the Board and Jadestone leadership have oversight of the critical ESG issues and enterprise-level risks, such as climate change, safety, incident preparedness and community impacts. The Board's HSE, Compensation as well as Disclosure Committees are jointly responsible for overseeing Jadestone's strategies, programmes, performance and disclosures relating to ESG.

In 2020, the HSE Committee oversaw changes to:

- Jadestone's Community Investment programme with an increased budget allocation
- Further alignment with the TCFD
- UN SDG alignment

*For details of Jadestone's governance, including our Board of Directors, Board Committees and other governance arrangements, please see **the Website** and the Corporate Governance section of the Annual Report.*

*Refer to **QCA Disclosures** for more information on how Jadestone abides by the QCA Code.*

In 2020 Jadestone recoded zero incidents of non-compliance in relation to violations of anti-bribery and anti-corruption laws.

Business ethics

The Board sets the "tone at the top" that demonstrates the Company's commitment to integrity and compliance. This tone lays the groundwork for a corporate culture that is communicated to individuals at all levels of the organisation.

Jadestone has implemented a **Code of Conduct Policy** ("Code" or "Code of Conduct") that applies to all individuals working at Jadestone. The Code clarifies Jadestone's mission, values and principles, linking them with standards of professional conduct. The Code articulates the values Jadestone wishes to foster with all who work for the Company and defines desired behaviours. The Code of Conduct reflects the Company's commitment to a culture of honesty, integrity and accountability. It condemns such practices as corruption, anti-trust or any other practices that may result in violating anti-bribery and anti-corruption laws.

The Company shares a set of core values – Respect, Integrity, Safety, Results-Orientated, Sustainability and Passion. All individuals working at Jadestone are expected to make a commitment to these values, and to contribute to protecting and enhancing the Company's reputation. Jadestone's core values underpin every aspect of work done within the business, and form the foundation of the Code of Conduct.

It is the responsibility of all individuals working at Jadestone to familiarise themselves with the Code, and to comply with it. All Jadestone onshore and offshore employees undertake an e-learning course on the Code of Conduct upon commencing their employment. The induction is monitored to ensure a 100% completion rate. Employees are required to complete a refresher on the Code of Conduct every 12 months including confirmation of their compliance with the Code.

Regulatory compliance

The oil and gas industry is subject to a rapidly-changing regulatory environment, which can result in material impacts on shareholder value. As the Company's footprint spans across several jurisdictions in Asia Pacific, Jadestone sets high expectations of all of its business activities in relation to meeting regulatory obligations as well as managing risk and stakeholder expectations. This task is carried out jointly in the regions with such functions as Legal, HSE and Finance working in tandem to ensure Jadestone maintains its licence to operate.

Extractive sector transparency

As part of its commitment to transparency and legal compliance, Jadestone disclosed all payments made to governments in all jurisdictions, in accordance with Canada's Extractive Sector Transparency Measures Act.

*Jadestone's **Code of Conduct** can be found on Jadestone's website.*

Business Ethics Metrics	Unit	2020	2019
Number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	# per year	0	0
Significant fines and non-monetary sanctions for non-compliance with laws and regulations	# per year	0	0
Confirmed incidents of corruption	# per year	0	0

2020 Performance

Jadestone is committed to conducting business in accordance with all applicable laws and regulations and the highest ethical standards in all jurisdictions in which it operates. In 2020 Jadestone has recoded zero incidents of non-compliance in relation to violations of anti-bribery and anti-corruption laws.

2021 ESG STRATEGIC CORPORATE GOALS

- **Target Zero violations of anti-bribery and anti-corruption laws**
- **Support timely regulatory approvals for new operations and growth projects**
- **Continue strengthening Governance over climate risk as per TCFD recommendations**

Jadestone's Kuala Lumpur office

MATERIAL MATTER

Asset Integrity and Process Safety

Jadestone deploys robust processes and systems that ensure process safety and integrity of its operating assets.

2020 HIGHLIGHTS

- **Safe and reliable adaptation to COVID operations**
- **Assimilation of Montara**
- **Realisation of savings from innovative maintenance**

Why it Matters

Process Safety is a disciplined framework for managing the integrity of operating systems and processes that handle hazardous substances . Its primary focus is on prevention and control of events that have the potential to release hazardous materials and could result in an explosion or fire, leading to a major incident. Whilst typically initiated by a hazardous release, a major incident may also result from a structural failure or loss of stability. Process safety is delivered through its innovative and holistic approach to asset integrity management.

Management Approach

As an operator of mid-life assets, Jadestone's approach to delivering best practice asset integrity & process safety performance covers Plant, Process and People improvements:

- **Plant**: Upgrading asset infrastructure in line with remaining field life
- **Process**: Rapid assimilation of new assets into Jadestone's rigorous facility and well integrity management systems
- **People**: Adoption of skills and good practice from the experienced staff from newly acquired assets

Process safety

Process safety management practices in Australian operations are described in facility Safety Cases. These are accepted by the regulator, NOPSEMA to reduce risks to As Low As Reasonably Practicable. Safety Cases for each of the Company's Australian assets describe the specific process safety controls. Failure of these controls upon demand, may lead to Tier 1 or Tier 2 process safety events as defined by the International Association of Oil & Gas Producers ("IOGP").

Verification of the effectiveness of these controls are subject to Jadestone's assurance and audit processes. Jadestone tracks its IOGP Tier 3 performance for each asset by measuring the percentage of assurance activities completed versus plan.

Tier 4 performance is assured by Independent Competent Person audits, which investigate the entire set of performance standards on each asset on a rolling 5-year review cycle.

Asset Integrity

Asset integrity includes all integrity aspects of Company owned facilities. Significant effort is applied to ensure fabric maintenance is managed consistently with Jadestone's end of field life projection for each of its facilities. Innovation is applied to maximise productivity and impact in all of its activities (as per Case Study).

2020 Performance

Lagging process safety metrics (Tier 1 and 2)

In 2020, there were zero Loss of Primary Containment events associated with Jadestone's Australian facilities in either Tier 1 or Tier 2 classification. There was, however, a Tier 1 release of 3,900kg of lift gas from one of the Montara wells in November. A lift-gas leak is not a part of primary well containment and the well barrier remained intact. As a result, the well was removed from service awaiting a well workover, scheduled in the second half of 2021. The investigation into this event is ongoing and will be informed by recovery of key components during the well workover.

Leading process safety metrics (Tier 3 and 4)

COVID-19 had a significant impact on the ability to execute work efficiently in 2020. By year end, however, logistical efficiencies were re-established and 97% of assurance activities were completed on time.

Annual Independent Competent Person audits were completed for Stag and, for the first time, Montara. Six performance standards were reviewed for Stag, with four minor non-compliances identified. Sixteen performance standards were reviewed for the Montara assets, including the Montara Venture FPSO and wellhead platform, with one significant and nine minor non-compliances identified.

CASE STUDY:

Stag conductor guide repair

When Cyclone Damien passed directly over the Stag platform in February 2020 it caused violent swells that dislodged the stabilising guides of several well conductors. Conductors are non-pressure retaining piping elements that support individual well heads. With dislodged guides, the conductors lose lateral stiffness and move with ocean waves and tides.

Such subsea repair work is complicated by the marine growth that occurs in the warm waters of North West Australia and the congestion caused by the close coupling of the Stag wells.

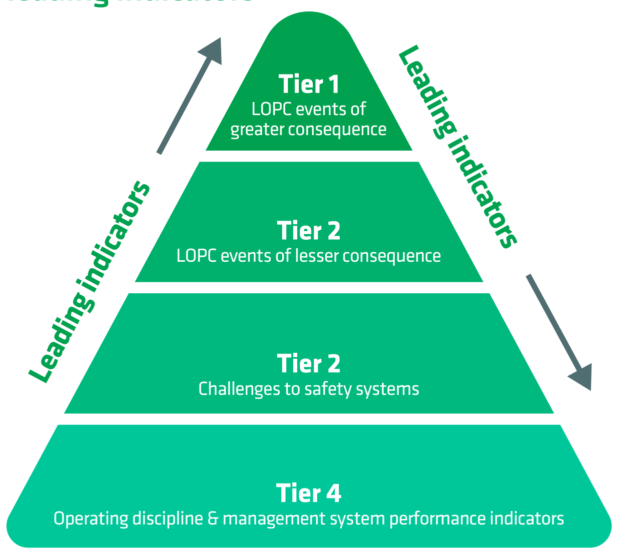
The typical repair would need to be conducted by a full work-class Remote Operated Vehicle ("ROV"), launched from a specialised vessel with Dynamic Positioning capability. With careful planning and innovative use of a smaller package ROV, deployed directly from the Stag platform, the displaced guides were refitted directly from the platform, facilitating repair up to 6 months earlier than the traditional approach, at a saving of some $3-4 million.

CASE STUDY:

Montara fabric maintenance campaign

On Montara, a fabric maintenance campaign was launched as part of the careful transition to Jadestone Operations. Improvements to the facility are much more than cosmetic, symbolising Jadestone's intent to reinforce the value of its assets through to end of field life. The following images provide an example of after shots of the starboard deck at the Bow of the Montara Venture FPSO:

The four tiers of lagging and leading indicators[1]



1 IOGP. "Process safety – recommended practice on key performance indicators", IOGP Report 456

Other 2020 highlights

Jadestone retains Technical Authorities ("TAs") to oversee all aspects of asset integrity and process safety, including well integrity and environment. The TAs are required to provide direction on specific and systemic risk issues, ensuring that the primacy of safety is preserved at all times. In line with Jadestone's focus on establishing systematic processes to efficiently support the acquisition of new assets, all of the core TA disciplines were brought in house in 2020.

- Zero Tier 1 or 2 LOPC events at Jadestone facilities
- Refinement of the Jadestone process safety Management Framework
- Design of an electronic implementations of the Jadestone Management of Change ("MOC") system
- Integration of TAss across regulatory areas (Safety; Well integrity and environment)
- Development of the Jadestone Well Integrity Assurance Management Framework
- Closeout of 6/7 Stag 2019 Independent Competent Person review actions

Future outlook

Jadestone will continue its focus on maintaining effective and efficient process safety and asset Integrity practices built on best practice industry standards. In 2021, these considerations will be extended onto newly acquired assets as part of operatorship transition and careful change management. Good practices from new assets will be codified in Jadestone's corporate standards.

2021 ESG STRATEGIC CORPORATE GOALS

- **Zero Loss of Primary containment**
- **Extending process safety and asset integrity practices onto newly acquired assets**

MATERIAL MATTER

Critical Incident Risk Management

Effective Risk Management and Incident Response in the unlikely event of a major incident are a key priority for Jadestone.

2020 HIGHLIGHTS

- 75% of the Perth office are trained and participate in the IMT
- Successful IMT exercise with AMSA
- 1 full emergency and 4 IMTs

Why it Matters

The unplanned release of hydrocarbons or spills of chemicals, oils, and fuels, can potentially affect soil, water, air, biodiversity, and human health. Effective and reliable emergency response and preparedness systems including hydrocarbon spill response capability is crucial.

As an operator of two offshore oil and gas facilities in Australia, Jadestone is committed to managing major incident risk and developing robust response capabilities in line with regulatory requirements and industry best practice.

Management Approach

Risk management

The Jadestone Energy Risk Management framework is aligned with the requirements of ISO 31000 and addresses risk management at three levels 1 - Task, 2 - Facility and 3 – Business. The three risk levels are directly related and the risk assessments cascade such that Business level risks set the context for Facility risk assessments, and Facility level risks set the context for Task risk assessments.

Level 1 Task

Task level risks are assessed ahead of execution of each task, as required by the Integrated Safe System of Work.

Level 2 Facility

Risks are assessed concurrently with the requirements of key regulatory documents, and are continually reviewed against the context of planned activity over the detailed plan time horizon.

Level 3 Business

Risks are assessed concurrently with the development of the Annual Value Plan, which details the high-level activities over a 12 month reporting period.

Emergency Preparedness

Corporate response

Jadestone's Group Crisis Team ("GCT") are responsible for the development of the Group Crisis plan and the management of Jadestone's reputation, operability, licence to operate, liabilities and potential financial loss.

The GCT identify and manage domestic and global issues and developments that may have an impact upon the business operations of Jadestone Energy. The GCT follow the Jadestone Energy Crisis Management Plan that defines process and procedures to respond effectively to a major crisis event and provide the framework for the integrated management of crisis and incidents within Jadestone Energy. The GCT provide technical, operational and communication advice to country-level incident management teams or to the wider Jadestone organisation.

Jadestone utilises a tiered incident response structure to deal with and manage crises, incidents and disruptions associated with each of the organisation's risks. This structure is activated progressively, from facility-based Emergency Response Team "ERT", shore-based Incident Management Team "IMT", then if required to the corporate GCT as illustrated below.

Strategic	3 **Group Crisis Team** Corporate response	• Business Continuity • Liability • Reputation • Stakeholder management
Operational	2 **Incident Management Team** Shore-based response	• People • Environment • Assets • Recovery
Tactical	1 **Emergency Response Team & First Responders** Facility/Site-Level response	• Lifesaving • Mustering • Firefighting • Rescue • First Strike Actions

Montara control room

Operational response

Jadestone's IMT Response Plan is the Company's response tool at a facility level, that, amongst other things, defines the IMT exercises that the Company undertakes.

To maintain Jadestone's ability to react to and manage major incidents, a three-year exercise cycle has been implemented. Over the course of a three-year period it is intended that all major incident events including key major accident events and oil spills are exercised using a stand-alone IMT drill or as part of an annual functional exercise. The exercise cycle is planned in such a way as to include a quarterly major accident event scenario, oil spill response workshop and exercises to test the IMT. The exercises alternate between offshore facilities, with all completed IMT exercises recorded.

2020 Performance

Jadestone has remained committed to its culture of safety and delivered on its IMT Exercise and Testing Programme in 2020 as planned. Throughout 2020 Jadestone focused on improving its oil spill and incident management team training and drills. To ensure the best response in the event of an incident, 75% of the Perth office are trained and participate in the IMT.

Future Outlook

Jadestone will ensure that it maintains high levels of preparedness and response through its testing and exercising programme.

2021 ESG STRATEGIC CORPORATE GOALS

Undertake:

- Quarterly IMT exercises*
- Annual oil spill response exercise*,
- Annual oil spill workshop*,
- Weekly facility drills

* Relates to Australia IMT

CASE STUDY:

Incident management team exercise: "Black Hawk Down"

In June 2020 Jadestone conducted an IMT exercise drill - 'Black Hawk Down' in the Perth office. The drill was one of the quarterly IMT drills that are planned to address a Jadestone major accident event for both Stag and Montara over a period of three years.

The Black Hawk Down scenario was a controlled emergency landing into the ocean from a helicopter on route to Montara for a crew change-out. Planning for the exercise involved the key personnel from Operations, the Aviation contractor and the Australian Maritime Safety Authority "AMSA" representatives.

The drill achieved the key objectives: clarification of roles and responsibilities and ensuring collaborative approach with the external parties.

IMT exercises form a cornerstone of Jadestone's commitment to safety and emergency preparedness.

GRI Content Index

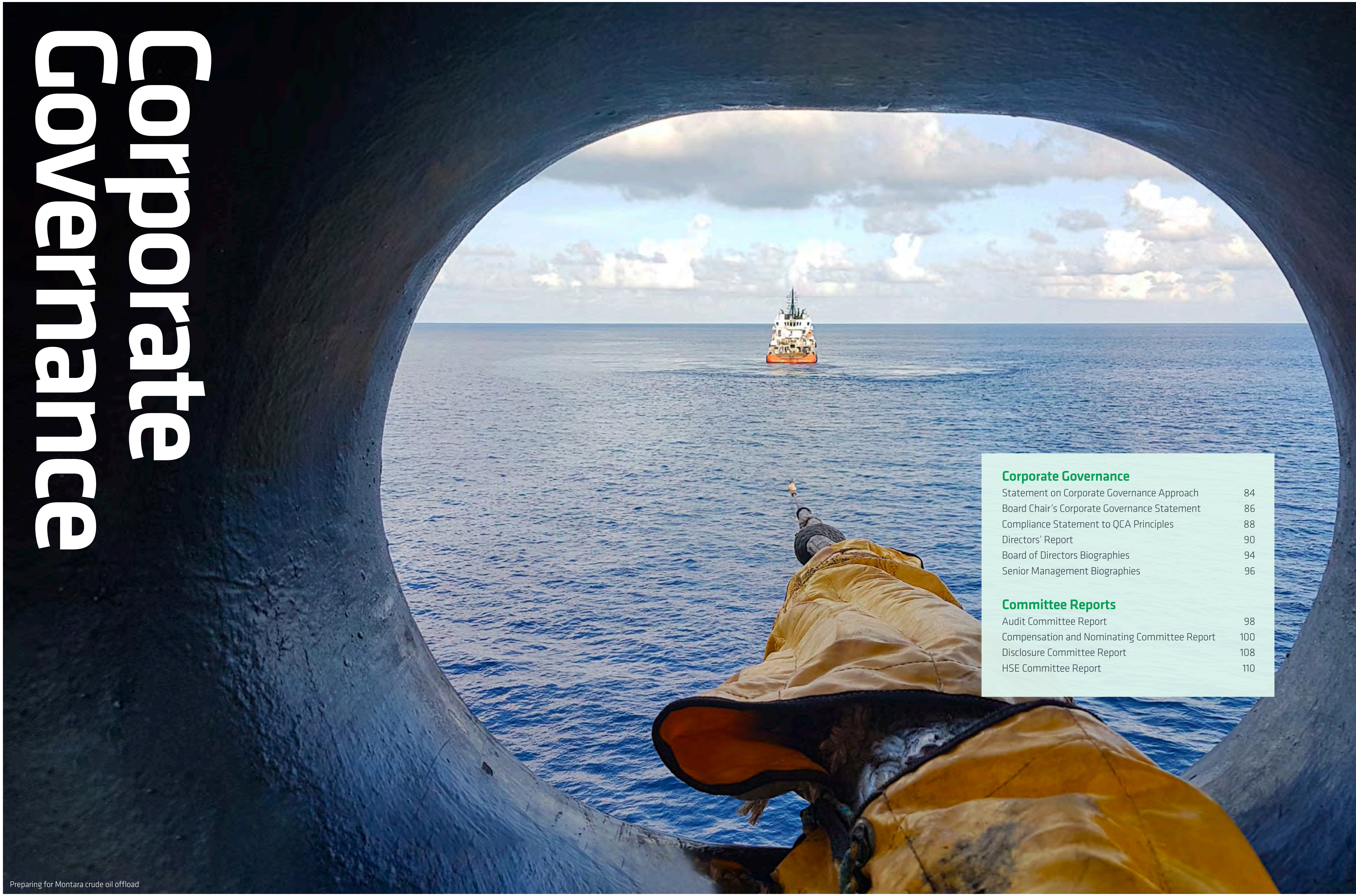
Standard Disclosure	Description	Reference
GRI 102: General disclosures (2016)		
Organisational profile		
102-1	Name of organisation	page 38
102-2	Activities, brands, products and services	pages 14 – 21, 38
102-3	Location of headquarters	page 38
102-4	Location of operations	pages 14 – 21, 38
102-5	Ownership and legal form	page 38
102-6	Markets served	page 38
102-7	Scale of the organisation	pages 4, 16 – 21, 68 – 70
102-8	Information on employees and other workers	pages 68 – 70
102-9	Supply chain	page 63, 65
102-10	Significant changes to the organisation and its supply chain	page 10
102-11	Precautionary principle or approach	page 48
102-12	External initiatives endorsed	page 39
102-13	Membership of associations	page 39
Strategy		
102-14	Statement from senior decision-maker	page 41
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour	pages 74 – 75
Governance		
102-18	Governance structure	pages 74 – 75, 82 – 111
Stakeholder engagement		
102-40	List of stakeholder groups	page 63
102-41	Collective bargaining agreements	page 69
102-42	Identifying and selecting stakeholders	pages 45, 63
102-43	Approach to stakeholder engagement	pages 63 – 64
102-44	Key topics and concerns raised	pages 63 – 64
Reporting practice		
102-45	Entities included in the consolidated financial statements	pages 16 – 21
102-46	Defining report content and topic boundaries	page 39, 45
102-47	List of material topics	page 45
102-48	Restatement of information	page 39
102-49	Changes in reporting	pages 39, 45
102-50	Reporting period	page 39
102-51	Date of most recent report	2019
102-52	Reporting cycle	page 39
102-54	Contact point for questions regarding the report	page 39
102-54	Claims of reporting in accordance with the GRI standards	page 39
102-55	GRI content index	page 80
102-56	External assurance	page 39

Topic-specific disclosures

Standard Disclosure	Description	Reference
Environmental Management and Regulatory Management		
103-1	Explanation of the material topic and its Boundary	page 48
103-2	The management approach and its components	pages 48 – 49
103-3	Evaluation of the management approach	pages 48 – 49
GRI 307 (2016): Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	pages 48 – 50
GRI 306: Effluents and Waste (2016)		
306-3	Significant spills	pages 49 – 50
Discharges and Emissions		
103-1	Explanation of the material topic and its Boundary	pages 51 – 53
103-2	The management approach and its components	pages 51 – 53
103-3	Evaluation of the management approach	pages 51 – 53
GRI 303: Water and Effluents (2018)		
303-1	Interactions with water as a shared resource	pages 51 – 53
303-2	Management of water discharge-related impacts	pages 51 – 53
GRI 305: Emissions (2016)		
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	pages 51 – 53
GRI 306: Waste (2020)		
306-1	Waste generation and significant waste-related impacts	page 52

Standard Disclosure	Description	Reference
Climate Change and GHG		
103-1	Explanation of the material topic and its Boundary	page 54 – 55
103-2	The management approach and its components	pages 54 – 57
103-3	Evaluation of the management approach	pages 54 – 57
GRI 305: Emissions (2016)		
305-1	Direct (Scope 1) GHG emissions	pages 55, 56
305-2	Energy indirect (Scope 2) GHG emissions	pages 54 – 57
305-5	Reduction of GHG emissions	pages 55, 56
GRI 302: Energy (2016)		
302-1	Energy consumption within the organisation	pages 55, 56
Occupational Health & Safety		
103-1	Explanation of the material topic and its Boundary	pages 60 – 62
103-2	The management approach and its components	pages 60 – 62
103-3	Evaluation of the management approach	pages 60 – 62
GRI 403: Occupational Health ad Safety (2018)		
403-1	Occupational health and safety management system	page 61
403-2	Hazard identification, risk assessment, and incident investigation health and safety	page 61
403-3	Occupational health services	page 62
403-4	Worker participation, consultation, and communication on occupational	pages 60 – 62
403-5	Worker training on occupational health and safety	pages 61, 69
403-9	Work-related injuries	page 62
403-10	Work-related ill health	page 62
Workforce Management & Diversity		
103-1	Explanation of the material topic and its Boundary	pages 68 – 71
103-2	The management approach and its components	pages 68 – 71
103-3	Evaluation of the management approach	pages 68 – 71
GRI 405: Diversity and Equal opportunity		
405-1	Diversity of governance bodies and employees	pages 69 – 70
Stakeholder Management * As per general disclosures GRI 102-40 to 102-44		
103-1	Explanation of the material topic and its Boundary	page 63
103-2	The management approach and its components	page 63
103-3	Evaluation of the management approach	pages 63 - 64
Leadership & Governance*, Business Ethics & Transparency, Regulatory Management * As per general disclosures GRI 102-18		
103-1	Explanation of the material topic and its Boundary	page 74
103-2	The management approach and its components	pages 74 – 75
103-3	Evaluation of the management approach	pages 74 – 75
GRI 205: Anti-Corruption (2016)		
205-3	Confirmed incidents of corruption and actions taken	page 75
GRI 206: Anti-competitive behaviour (2016)		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly Practices	page 75
Asset Integrity & Process Safety		
103-1	Explanation of the material topic and its Boundary	page 76
103-2	The management approach and its components	pages 76 – 77
103-3	Evaluation of the management approach	pages 76 – 77
GRI 306: Effluents and Waste (2016)		
306-3	Significant spills	pages 49 – 50
Critical Incident Risk Management		
103-1	Explanation of the material topic and its Boundary	page 78
103-2	The management approach and its components	pages 78 – 79
103-3	Evaluation of the management approach	page 79
GRI 306: Effluents and Waste (2016)		
306-3	Significant spills	pages 49 – 50
Economic Performance and Contribution		
103-1	Explanation of the material topic and its Boundary	page 25, 65
103-2	The management approach and its components	page 25, 65
103-3	Evaluation of the management approach	page 25, 65
GRI 203: Indirect Economic Impacts (2016)		
203-1	Infrastructure investments and services supported	pages 65 – 66
203-2	Significant indirect economic impacts	pages 55, 65 – 66
GRI 201: Economic Performance (2016)		
201-1	Direct economic value generated and distributed	pages 25 – 31
201-2	Financial implications and other risks and opportunities due to climate change	page 57

Corporate Governance



Preparing for Montara crude oil offload

Corporate Governance

Committee Reports

Statement on Corporate Governance Approach

Jadestone Energy Inc. was the parent company of the Group for the full calendar year 2020. This Annual Report, including the audited financial statements as at and for the year ended 31 December 2020, is a report of the business of Jadestone Energy Inc.

TSX Venture Exchange Delisting

Since the admission of the Company's shares to trading on AIM, in August 2018, the Company has experienced a significant shift away from Canada in both the composition of its share register and in the trading volume of its shares. Approximately 97% of the Company's shares were held by non-Canadian residents as at 31 December 2019, while more than 98% of all Jadestone shares that traded in 2019, were traded on AIM. Effective at the close of business on 24 March 2020, the Company's shares were delisted from the TSX Venture Exchange. The Company's shares continued to trade on AIM.

BCSC Order

Following the TSX Venture Exchange de-listing, on 28 May 2020, the Company's principal regulator in Canada, the British Columbia Securities Commission ("BCSC") issued an order (the "Order"), granting the Company relief from certain Canadian disclosure requirements, generally consistent with the relief granted to a designated foreign issuer ("DFI"), as defined in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.

While the Company remained as a British Columbia incorporated company, following issuance of the BCSC Order, the Company provided disclosure in Canada generally consistent with the disclosures required of a DFI. In the Company's case, satisfaction of its disclosure obligations under the AIM Rules and UK legislation applicable to the Company, were required under the BCSC Order.

Adoption of QCA Code

Over 2020, the Board reviewed the Company's corporate governance practices and assessed the codes commonly adopted by UK listed companies. With a view to the size, structure and business of the Company, the Board adopted the Quoted Companies Alliance Corporate Governance Code (the "QCA Code"), with implementation to be effective 31 December 2020. As a result, the Board completed a review and update of the Board Charter and Terms of Reference for each of the Board Committees. The Board also determined that the Compensation and Nominating Committee would be separated into a Remuneration Committee and a Nomination Committee.

Following the internal reorganisation, Jadestone Energy plc adopts and currently applies corporate governance practices to reflect the QCA Code. Jadestone Energy plc will prepare a corporate governance statement at least annually to explain the way in which it has applied the QCA Code and to identify any areas in which governance structures and practices differ from the expectations set out under the QCA Code.

Corporate Reorganisation

Jadestone Energy Inc. was the parent company of the Group for the full calendar year 2020. In early 2021, the Group commenced an internal corporate reorganisation by way of a plan of arrangement under the Business Corporations Act (British Columbia) (the "Reorganisation"). Under the Reorganisation, a newly incorporated English public limited company, Jadestone Energy plc ("Jadestone plc"), became the ultimate parent company of the Jadestone Group, including all subsidiaries. Jadestone plc acquired the entire issued share capital of Jadestone Energy Inc., in exchange for new ordinary shares in Jadestone plc on a one for one basis. The Arrangement was approved by Jadestone Energy Inc. shareholders and received the required court approvals.

The Reorganisation did not result in a change in control in the ultimate holding company of the Group, or in a change of ultimate shareholding in any of the assets of the Group, or in a change in the management of any the Group's assets. Immediately prior to completion of the Arrangement on 23 April 2021, the shares of Jadestone Energy Inc. were delisted from trading on AIM. On 26 April 2021, the shares of Jadestone plc were admitted to trading on AIM.

As Jadestone Energy Inc. was the parent company of the Group for the full calendar year 2020, this Report, including the enclosed audited financial statements, are prepared and presented with Jadestone Energy Inc. as the parent company of the Group. Reference to the Company in relation to the period prior to 23 April 2021 means Jadestone Energy Inc. Reference to the Company in relation to the period from 23 April 2021 means Jadestone Energy plc.

The Reorganisation effected a re-domicile of the ultimate holding company to the United Kingdom. Upon completion at 11:59pm Canadian Pacific Time on 23 April 2021, Jadestone plc became the ultimate holding company of the Group in place of Jadestone Energy Inc.

Reserved Matters for the Board

The Board has a primary responsibility to foster the success of the Company through the management or supervision of the management of the Company's business and affairs. The Board is responsible for the direction and overall performance of the Company with an emphasis on strategy, policy, financial results and compliance matters.

The matters reserved for the Board include, amongst others:

(i) setting the Group's purpose, values and standards;
(ii) reviewing and approving the Group's strategy and annual plans for achievement;
(iii) monitoring corporate governance compliance with significant policies and procedures, including health and safety;
(iv) oversight of communications and timely disclosure;
(v) ensuring the integrity of internal controls and management of risks, including regular risk review; and
(iv) approving the Group's annual and interim reports and accounts.

In addition to the above, the Board has approved a set of financial delegations of authority to ensure clarity throughout the business concerning the distinction between financial matters which require Board approval and those that can be delegated to senior management.

Board Composition and Independence

During calendar year 2020, the Board was comprised of eight directors. These included the Non-Executive Chair, the Group's President and CEO, the Group's CFO and five Non-Executive Directors. Four of the five Non-Executive Directors are considered independent. The skills and experience of the Non-Executive Directors vary across disciplines, each enhancing the Board's independent oversight of the Group's business. The Directors biographies on pages 94 and 95 speak to their relevant skills and experience.

More than half of the Board is independent when accounting for the independent Non-Executive Chair and four independent Non-Executive Directors. The composition of each of the Audit Committee and the Remuneration Committee is fully independent. With Lisa Stewart's appointment at the end of 2019, female representation on the Board has improved from 0 to 13%. The Nomination Committee is charged with increasing diversity at the Board level and within senior management.

All Directors have access to independent legal advice in addition to the Company Secretary. Any Director may take independent professional advice at the Group's expense in the furtherance of their duties.

Board Committees

The Board delegates specific responsibilities to the Board committees. Each committee has Board approved Terms of Reference which describe the committee's responsibilities and the framework by which those responsibilities are fulfilled. The Terms of Reference for each Committee were last reviewed and updated in 2020 to align with the QCA Code.

During calendar year 2020, the Board operated four committees: an Audit Committee, a Compensation and Nominating Committee, an HSE Committee and a Disclosure Committee. A summary of the roles, responsibilities, composition and 2020 activities of each of these committees is found at pages 98 to 111 of this Report.

With the adoption of the QCA Code, effective 31 December 2020, the Compensation and Nominating Committee was separated into the following two committees: a Remuneration Committee and a Nomination Committee.

Board Chair's Corporate Governance Statement

It is the role of the Board, led by myself as Board Chair, to ensure that Jadestone has both sound corporate governance and an effective Board. Strong corporate governance helps strengthen the foundations of a solid and successful business. The Board is supportive of embracing a high level of corporate governance and works to instil a culture across the Company which delivers strong values and behaviours.

It is my responsibility to ensure that good standards of governance are delivered, from executive level and throughout the operations of the business. The importance of engaging with our shareholders underpins the essence of the business, ensuring that there are opportunities for investors to engage with both the Board and executive team.

Jadestone is committed to upholding high standards of governance and responsible, social and ethical behaviour. Jadestone has implemented a Code of Conduct Policy that applies to all employees and contractors and which provides a framework of principles for conducting business, dealing with other employees, clients and suppliers, and reflects the Company's commitment to a culture of honesty, integrity and accountability. The Company shares a set of core values – Respect, Integrity, Safety, Results-Orientated, Sustainability and Passion. Each employee is expected to make a commitment to these values, and to contribute to protecting and enhancing the Company's reputation. Jadestone's core values underpin the work the business does, and forms the foundation of the Code of Conduct. A copy of the Company's key governance documents, including the Company's Articles of Association, the Code of Conduct and related policies, are available on the Company's website at www.jadestone-energy.com.

In accordance with the QCA Code and AIM Rule 26, the report below provides a high-level overview of how Jadestone has applied the principles of the QCA Code. The Board considers that the Company complies with the QCA Code in all material respects. Further details on the Company's adherence to the QCA Code can be found on the Company's website at *https://www.jadestone-energy.com/wp-content/uploads/2020/12/QCA-Code-JSE-Board-Chairs-Corp-Gov-Statement-vf-PDF.pdf*.

As Board Chair, I will work with the Board members to build upon the existing values that are in place and ensure that good corporate governance continues within the organisation and is delivered throughout the business, ensuring that Jadestone grows with foundations of integrity and strong principles for the benefit of all stakeholders.

Dennis McShane
Board Chair

Dennis McShane
NON-EXECUTIVE CHAIRMAN

Principles of Corporate Governance

The Board fully endorses the importance of good corporate governance and applies the corporate governance code in the form issued by the Quoted Companies Alliance in April 2018. The Board views the QCA Code as an appropriate, recognised governance code for a company of Jadestone's size and structure with shares listed on AIM.

The Board believes that the QCA Code provides the Company with the framework to add value to its business, enhance stakeholder confidence in the Company and sustain a strong level of governance.

The QCA Code identifies ten principles of corporate governance for companies to apply and against which companies must publish certain specified disclosure. The Company has committed to apply these ten principles within the foundation of the business. These principles are:

1. **Establish a strategy and business model which promote long-term value for shareholders.**
2. **Seek to understand and meet shareholder needs and expectations.**
3. **Take into account wider stakeholder and social responsibilities and their implications for long term success.**
4. **Embed effective risk management, considering both opportunities and threats, throughout the organisation.**
5. **Maintain the Board as a well-functioning, balanced team led by the chair.**
6. **Ensure that between them the directors have the necessary up to date experience, skills and capabilities.**
7. **Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.**
8. **Promote a corporate culture that is based on ethical values and behaviours.**
9. **Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.**
10. **Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.**

Compliance Statement to QCA Principles

PRINCIPLE ONE – Establish a strategy and business model which promote long-term value for shareholders

Jadestone is a leading independent upstream oil and gas production and development company in the Asia Pacific region. The Company has an acquisitive strategy and is focused on growth and creating value through identifying, acquiring, developing and operating assets within select parts of the Asia Pacific region. The Company is focused on creating value through leveraging the significant experience and track-record of its management team to maximise value from Jadestone's existing asset base through production and cost optimisation, and on identifying acquisitions that offer significant value both at the time of purchase and through potential organic development and reinvestment. The Board's objective is to create and maintain a leading independent Asia-Pacific-focused upstream oil and gas company that generates significant shareholder returns through capital growth and, dividends. The Company's strategy and business model are further detailed in the Strategic Report at page 10.

PRINCIPLE TWO – Seek to understand and meet shareholder needs and expectations

Jadestone is committed to effective communication and constructive dialogue with its shareholders and the investment community at large. The Company actively strives to understand and meet shareholder needs and expectations. Jadestone works hard to ensure members of the Board and the executive team are highly accessible to shareholders. The Company offers direct lines of access to the Chief Executive Officer and Chief Financial Officer, as applicable, and members of the Board.

The Company has two retained corporate brokers, with mandates that include coordinating corporate access for shareholders, and eliciting feedback from the investment community on corporate developments and news flow. Jadestone hosts conference calls and webcast presentations to accompany financial results disclosures, and in respect of major announcements.

Shareholder feedback

Jadestone regularly meets with shareholders and prospective investors through periodic investor conferences and roadshows which are conducted at numerous times throughout the year. Through these interactions, which take the form of both one-on-one and group meetings, the Board and executive team maintain relationships with investors and elicit ad-hoc feedback to understand shareholder preferences and needs.

Information

Jadestone provides regular updates to shareholders through guidance announcements, operations updates, and the release of half yearly and annual financial and operating results. These disclosures are designed to set expectations, to provide previews of performance against those expectations, and to offer detailed accounts of performance. In accordance with its continuous disclosure obligations, Jadestone will provide corrective guidance where forecasts differ materially from publicly disclosed expectations, and announce price-sensitive developments in its business without delay.

Shareholder advisory bodies

Jadestone has ongoing relationships with multiple shareholder advisory bodies to enable feedback regarding proposals either put to, or to be put to, shareholders for voting at annual meetings.

Annual General Meeting

The annual general meeting is the main forum for dialogue between the Board and the Company's shareholders, and all shareholders are encouraged to attend and participate.

PRINCIPLE THREE – Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Board recognises that the long-term success of the Company is reliant upon the efforts of employees of the Group and its contractors, suppliers, regulators and other stakeholders. With an expanding operating footprint in the Asia-Pacific region, Jadestone recognises the importance of a comprehensive stakeholder management strategy to successfully and considerately operate in this diverse range of countries.

The Company engages with its key stakeholders through various channels, dependent on the nature of the relationship, and values the feedback it receives from those stakeholders. The Company takes every opportunity to ensure that, where possible, the views of its stakeholders are considered and acted upon when these are believed likely to bring material benefit to the success and integrity of the Company's business activities.

For the latest update on Jadestone's key stakeholder consultation and engagement activities in 2020, please refer to the "Stakeholder Management" section in the Sustainability Report at page 63.

PRINCIPLE FOUR – Embed effective risk management, considering both opportunities and threats, throughout the organisation

Jadestone has in place a risk management framework which assists the Board in identifying, assessing, and mitigating the risks faced by the Group to an acceptable level. This is reviewed on an ongoing basis and actions are taken as needed to reduce the risks to an acceptable level, as required.

The Company's risk management process is aligned with the requirements of ISO 31000 and addresses risk management at three levels: Business, Facility and Task. The Company's risk management framework is also discussed in the Audit Committee Report.

PRINCIPLE FIVE – Maintain the Board as a well-functioning, balanced team led by the chair

Details on the Board structure and composition are set out on page 85.

PRINCIPLE SIX – Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities

The Board covers a wide range of experience and skills. To meet the requirements of an independent upstream oil and gas production and development company, these experiences and skills must cover financial, legal, operational and technical knowledge, experience of risk management and growth in the independent E&P sector and of public markets. The Company believes that the current balance of skills in the Board as a whole reflects a very broad range of commercial and professional skills across geographies and industries and each of the Directors has experience in public markets. Details of the Directors' experience and areas of expertise are outlined on pages 94 and 95.

The Company's secretary ("Company Secretary") is responsible for ensuring that Board procedures are complied with and that governance matters are addressed by the Company. All Directors have direct access to the Company Secretary and are able to take independent legal advice. The Board has considered the guidelines under the QCA Code with regard to the key responsibilities of a Senior Independent Director ("SID"), and took into account additional facts, including the role of the Board Chair, the size of the Board, the existence of a Deputy Chair of the Board, the number of independent non-executive directors, and the channels of communication amongst the Company's executive, the non-executive directors and shareholders. As such, the Board has determined that it will not currently appoint a SID, though the matter will be considered at regular intervals and as circumstances change.

PRINCIPLE SEVEN – Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

A Board matrix helps guide the assessment of the skills and diversity of the Board members and highlights any skill gaps that requires addressing. The Board considers that its effectiveness and the individual performance of Directors is vital to the success of the Company. The Company currently conducts an internal process which involves each Board member completing a self-assessment and delivering it to the Board Chair who is also the Chair of the Nomination Committee. However, it is recognised that with the potential increase of the Board, in parallel with the expansion of the Company's activities, and the need to meet the requirements of the QCA Code, a more formal evaluation process will be adopted during the course of 2021.

Directors are (re)elected by shareholders pursuant to the Company's Articles, while taking into consideration the provisions of the QCA Code, having due regard to their performance and ability to continue to contribute to the Board in the light of the knowledge, skills and experience required and the need for progressive refreshing of the Board (particularly in relation to Directors serving for a term beyond nine years).

PRINCIPLE EIGHT – Promote a corporate culture that is based on ethical values and behaviours

As stated in the Chair's corporate governance statement above, the Board is responsible for the management, or for supervising the management, of the Company's business and affairs. In supervising the conduct of the business, the Board through the CEO sets the standards of conduct for the Company. Further the application of details of the Company's corporate governance, including business ethics and integrity, are set out within the Sustainability Report on pages 74-75.

The Group's values of respect, integrity, safety, result-oriented, sustainability and passion foster a culture of accountability, efficiency and innovation which support the Group's mission and promote a corporate culture based on ethical behaviours and conduct. These values are enshrined in the written policies and working practices, including the Code of Conduct, adopted by all Group employees. An open culture is encouraged across the Group, with regular communications to staff regarding progress. The senior management team regularly monitors the Group's cultural environment and seeks to address any concerns than may arise, escalating these to Board level as necessary.

PRINCIPLE NINE – Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

The Board has a primary responsibility to foster the short and long-term success of the Company and is accountable to the shareholders. Details on the Company's governance structures, including matters reserved for the Board are set out on pages 84 and 85.

PRINCIPLE TEN – Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Board is committed to ensuring that it communicates with shareholders and other stakeholders in a transparent and timely manner, and believes that by doing so it demonstrates the importance it places upon the views of all stakeholders. The Company's methods for maintaining a dialogue with shareholders and other relevant stakeholders is set out in Principles 2 and 3 above. The Company's financial and operational performance, in addition to reports from each of the Board Committees, is summarised in this Annual Report.

Directors' Report

The Directors present their Annual Report on the affairs of the Group and the audited Group, including the audited consolidated financial statements of Jadestone Energy Inc. as at and for the year ended 31 December 2020.

Corporate Reorganisation

Jadestone Energy Inc. was the parent company of the Group for the full calendar year 2020. In early Q1 2021, the Group commenced an internal corporate reorganisation by way of a plan of arrangement under the Business Corporations Act (British Columbia). Under the Reorganisation, a newly incorporated English public limited company, Jadestone Energy plc ("Jadestone plc"), became the ultimate parent company of the Group.

The Reorganisation did not result in a change in control in the ultimate holding company of the Jadestone group, or in a change of ultimate shareholding in any of the assets of the Jadestone group, or in a change in the management of any the Jadestone group's assets. Following completion of the Arrangement on 23 April 2021, the Company's shares were delisted from trading on AIM. On 26 April 2021, the shares of Jadestone plc were admitted to trading on AIM.

On 15 March 2021, Jadestone plc, Jadestone Energy Inc. and a wholly owned subsidiary, Jadestone Energy Holdings Limited, entered into an arrangement agreement pursuant to which, through Jadestone Energy Holdings Limited, Jadestone plc acquired the entire issued share capital of Jadestone Energy Inc., in exchange for new ordinary shares in Jadestone plc on the basis of one ordinary share in Jadestone plc for each outstanding common share in Jadestone Energy Inc. The arrangement agreement was approved by Jadestone Energy Inc. shareholders and received the required court approvals.

The Reorganisation effected a re-domicile of the ultimate holding company to the United Kingdom. Upon completion, Jadestone plc became the ultimate holding company of the Jadestone group of companies, in place of Jadestone Energy Inc.

As Jadestone Energy Inc. was the parent company of the Group for the full calendar year 2020, this Report, including the audited consolidated financial statements, are prepared and presented with the Jadestone Energy Inc. as the parent company of the Group.

Incorporation and Listing

Jadestone Energy Inc. was incorporated and exists under the Business Corporations Act (British Columbia) and its head office is located in Singapore. The Company's shares were admitted to trading on AIM on 8 August 2018. The Company's shares were delisted from AIM on 23 April 2021 as part of the Reorganisation, with the shares of Jadestone plc admitted to trading on AIM on 26 April 2021.

Principal Activities

Jadestone is an independent oil and gas production and development company focused on the Asia-Pacific region. The Company has an acquisitive strategy and is focused on growth and creating value through identifying, acquiring, developing and operating assets within select parts of the Asia-Pacific region.

Jadestone currently has a portfolio of oil and gas production, development and exploration assets in Australia, Indonesia, Vietnam and the Philippines and has signed binding sales and purchase agreements to acquire assets in New Zealand and Malaysia. The Company is focused on creating value through leveraging the significant experience and track-record of its management team to maximise value from Jadestone's existing asset base through production and cost optimisation, and on identifying acquisitions that offer significant value both at the time of purchase and through potential organic development and/or reinvestment. The Directors' objective is to create a leading independent Asia-Pacific-focused upstream oil and gas company that generates significant shareholder returns through capital growth and dividends.

Business Review and Future Developments

A review of the business and the future developments of the Group is included in the Strategic Report (including the Chief Executive Officer's Report, Review of Operations and Financial Review) and Chairman's Statement (all of which, together with the Corporate Governance Statement, are incorporated by reference into this Directors' Report).

Dividend

The Board's target is provide direct returns to shareholders by way of dividend, on a biannual basis, and intends to maintain and grow the dividend over time, in line with underlying cash flow generation. In light of the Group's strong financial position including a record high net cash position, the Company declared its maiden dividend in 2020, and paid the interim one third portion, being 0.54 US cents per share in October 2020.

The Board intends to declare the second 2020 dividend of US$5.0 million following completion of the capital reduction and filing of audited initial accounts.

The dividend policy reflects the Group's current and expected future cash flow generation potential. The Board may further revise the Group's dividend policy from time to time in line with the actual results and financial position of the Group.

Financial Instruments

The Group's financial risk management objectives and policies are discussed in note 35 to the Consolidated Financial Statements.

Events Since the Balance Sheet Date

Events since the balance sheet date are disclosed in note 38 to the Consolidated Financial Statements.

Directors and Their Interests

The following Directors have held office in the Company during the year:

- **Dennis McShane** (Independent Non-Executive Chair)
- **A. Paul Blakeley** (Executive Director, President and CEO)
- **Daniel Young** (Executive Director and CFO)
- **Robert A. Lambert** (Independent Non-Executive Deputy Chair)
- **Cedric Fontenit** (Independent Non-Executive Director)
- **Iain McLaren** (Independent Non-Executive Director)
- **David Neuhauser** (Non-Executive Director)
- **Lisa A. Stewart** (Independent Non-Executive Director)

The Directors who held office at the end of the financial year had the following interests in the ordinary shares of the Company:

Director	Interest as at start of year	Interest as at end of year
Dennis McShane	302,919	453,651
A. Paul Blakeley	2,482,798	2,732,798
Daniel Young	217,919	217,919
Robert A. Lambert	553,919	553,919
Iain McLaren	162,870	163,778
David Neuhauser	32,319,167 [1]	32,319,167 [1]
Cedric Fontenit	Nil	200,000 [2]
Lisa A. Stewart	Nil	Nil

No rights to subscribe for shares in or debentures of Group companies were granted to any of the Directors or their immediate families, or exercised by them, during the financial year.

Details of share awards that have been granted to certain Directors under the Company's Stock Option Plan in addition to details of performance shares awarded to certain Directors under the Performance Share Plan and the Restricted Share Plan are also included in the Compensation and Nominating Committee report, included in this Annual Report.

1 Mr. Neuhauser does not own any common shares of the Company directly but, as managing director of Livermore Partners LLC, exercises control or direction over the common shares beneficially owned by Livermore Partners LLC.

2 Mr. Fontenit owns 200,000 Common Shares of the Company directly. He also holds an indirect beneficial interest in the Company through 443.5565 units of a fund managed by Tyrus Capital S.A.M. (the "Fund") holding an interest in the common shares of the Company. However, Mr. Fontenit does not exercise control or direction over the Fund's holding in the Company.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations. The Directors are required to prepare financial statements for each financial year. They have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards "IFRS" as adopted by the European Union.

In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether the applicable IFRS's as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain Jadestone's transactions and disclose with reasonable accuracy the financial position of the Company. They are also responsible for safeguarding the assets of Jadestone and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the strategic report and director's report and other information included in the annual report and financial statements is prepared in accordance with applicable law.

The maintenance and integrity of the website is the responsibility of the Directors.

The work carried out by the auditors does not involve consideration of information included on the Company's website and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the information contained in the Financial Statements since they were initially presented on the website. Legislation governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions.

Directors' Indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Conflicts of Interest

There are no potential conflicts of interest between any duties owed by the Directors to the Company and their private interests and/or other duties, nor any arrangements or understandings with any of the shareholders of the Company, customers, suppliers or others pursuant to which any Director was selected to be a Director. The Company tests regularly to ensure awareness of any future potential conflicts of interest and related party transactions.

Substantial Shareholders

As at 19 May 2021, the Jadestone plc has received notification from the following shareholders of interests in excess of 3% of the Company's issued ordinary shares with voting rights, being the level at which notification is required to be made to the Jadestone plc.

Shareholder	Number of Common Shares as at 19 May 2021	% Interest as at 19 May 2021
Tyrus Capital S.A.M.	118,205,247	25.49%
Baillie Gifford & Co	39,195,875	8.45%
Livermore Partners LLC	32,295,867	6.96%
Odey Asset Management	28,690,514	6.19%
Premier Miton Investors	23,117,512	4.99%
Polar Capital	22,440,273	4.84%
Blackrock	17,296,655	3.73%
Invesco	16,400,791	3.54%
Sandgrove Capital Management	15,189,197	3.28%

Share Dealing Code

The Group adopted a code for share dealings appropriate for an AIM company, in compliance with Rule 21 of the AIM Rules for Companies and with the Market Abuse Regulation.

Annual General Meeting

Jadestone Plc's annual general meeting will be held in Singapore on 16 June 2021. Formal notice of the AGM will be issued separately from this Annual Report.

Registrar

Jadestone plc's share registrar in respect of its ordinary shares traded on AIM is Computershare Investor Services plc, full details of which can be found on the Company's website.

Auditor

Having reviewed the independence and effectiveness of the auditor, the Audit Committee has recommended to the Board that the existing auditor, Deloitte & Touche LLP ("Deloitte") be reappointed. Deloitte has expressed its willingness to continue in office as auditor. A resolution to appoint Deloitte, as auditor of Jadestone plc, will be put to the shareholders at the annual general meeting of Jadestone plc.

Disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' Report are listed above. So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow Directors and the Group's auditors, each Director has taken all the steps that he or she is obliged to take as a director in order to make him or herself aware of any relevant audit information and to establish that the auditors are aware of that information.

On behalf of the Board

A. Paul Blakeley
DIRECTOR | 22 APRIL 2021

2020 Board and Committee Attendance

The table below shows a summary of directors' attendance at Board and Committee meetings for the period from 1 January 2020 to 31 December 2020.

Name and positions held in the Company	Board	Audit committee	Compensation and nominating committee	Disclosure committee	Health, safety and environment committee
A. Paul Blakeley *Director, President and Chief Executive Officer*	6 of 6	N/A	N/A	1 of 1	3 of 3
Daniel Young *Director and Chief Financial Officer*	6 of 6	N/A	N/A	1 of 1	N/A
Dennis McShane *Director and Chairman*	6 of 6	N/A	5 of 5	N/A	N/A
Robert A. Lambert *Director and Deputy Chairman*	6 of 6	4 of 4	N/A	N/A	3 of 3
Cedric Fontenit *Director*	6 of 6	N/A	5 of 5	N/A	N/A
Iain McLaren *Director*	6 of 6	4 of 4	5 of 5	N/A	N/A
David Neuhauser *Director*	6 of 6	N/A	N/A	N/A	N/A
Lisa Stewart *Director*	6 of 6	4 of 4	N/A	N/A	3 of 3

- **2020 Board Meetings** (6 meetings): 4 Mar, 25 Mar, 17 Jun, 9 Sep, 27 Oct and 1 Dec
- **2020 Audit Committee Meetings** (4 meetings): 15 April, 22 May, 4 Sep, and 24 Nov
- **2020 Compensation and Nominating Committee Meetings** (5 meetings): 25 Feb, 11 Mar, 19 Mar, 27 Apr and 20 Nov
- **2020 HSE Committee Meetings** (3 meetings): 18 Feb, 30 Jul and 1 Oct
- **2020 Disclosure Committee Meeting** (1 meeting): 16 Dec

Board of Directors

Paul Blakeley OBE

EXECUTIVE DIRECTOR, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Appointed:
Executive Chairman June 7, 2016 / President and CEO June 15, 2017

Committee Memberships:
HSE Committee, Disclosure Committee and Nomination Committee

Paul commenced at Jadestone in June 2016. Paul holds a BSc. from Bedford College, University of London. Paul has over 40 years' energy experience, including over 20 years at Talisman Energy Inc ('Talisman'). As Executive Vice President Asia Pacific & Middle East at Talisman, Paul led the building of Talisman's portfolio in Asia Pacific to become the largest upstream independent in the region.

Paul has a long track record of acquiring production and managing commercial and operational risks, while overseeing investment to further enhancing value through follow-on development activity.

Directorships of Other Reporting Issuers:
None

Robert Lambert

INDEPENDENT NON-EXECUTIVE DIRECTOR, DEPUTY CHAIRMAN

Appointed:
May 5, 2011

Committee Memberships:
HSE Committee (Chair) and Audit Committee

Robert has over 50 years' experience in the international petroleum exploration and production business. Robert is MBA-qualified and is a Chartered Geologist (GSL and EFG), having held numerous operational and management positions (during his long career with Conoco Inc from 1978 to 2004), Robert's contributes his extensive experience in commercial and operational risk management in upstream oil & gas to the Jadestone board. Robert is currently also a Director of Ipex Energy Ltd. and Hillcrest Petroleum Ltd.

Directorships of Other Reporting Issuers:
Hillcrest Petroleum Inc.

Cedric Fontenit

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed:
June 7, 2016

Committee Memberships:
Remuneration Committee (Chair) and Nomination Committee

Cedric has extensive experience in advising on M&A, financing and structuring investments gained from his 20-year career in investment banking and hedge fund industries. Cedric is currently co-founder and managing partner of Amavia Capital, a private investment firm. He was previously a senior member of the investment team at Tyrus Capital S.A.M. where he had significant investment experience in the oil and gas and mining industries, among others.

Directorships of Other Reporting Issuers:
None

Iain McLaren

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed:
April 21, 2015

Committee Memberships:
Audit Committee (Chair), Nomination Committee and Remuneration Committee

Iain has significant experience in the oil and gas sector and is currently Director, Chair of the Audit Committee and a member of the Remuneration and Nominations committees for Wentworth Resources Plc, as well as a Director of Ecofin Global Utilities and Infrastructure Trust Plc. Iain is a past Senior Independent Director for Cairn Energy Plc and a number of other companies. Iain was the President of the Institute of Chartered Accountants of Scotland, and was a partner in KPMG for 28 years until 2008, bringing extensive experience in public company audit, internal control and risk management.

Directorships of Other Reporting Issuers:
Ecofin Global Utilities and Infrastructure Trust Plc; and Wentworth Resources Plc.

Dennis McShane

INDEPENDENT NON-EXECUTIVE DIRECTOR, CHAIRMAN

Appointed:
December 10, 2017

Committee Memberships:
Nomination Committee (Chair) and Remuneration Committee

Dennis has over 40 years' experience in finance, oil and gas, and mining sectors in the US, Europe, Africa, and Australia.

Dennis has been involved in numerous transformational corporate transactions both as director or advisor. He currently serves as an Executive Director of The Advertising Checking Bureau, Inc., and previously he was the Executive Director of Strategy for Ophir Energy, Plc having previously served as a Senior Independent Director during its Initial Public Offering (IPO), and Director of Finance and Strategy leading the IPO of Ferrexpo, Plc. Dennis was also previously a Managing Director with JP Morgan Chase and Co.

Directorships of Other Reporting Issuers:
None

Lisa Stewart

INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed:
December 1, 2019

Committee Memberships:
HSE Committee and Audit Committee

Lisa has over 30 years of experience in the upstream oil and gas industry in engineering and senior management positions. Currently Lisa is a Director of Cimarex Energy Co, Director of Western Midstream Partners LP, and Executive Chairman of Sheridan Production Partners, previously Lisa has served as President and Chief Executive Officer of Sheridan Production Company LLC. Lisa was an Executive Vice President of El Paso Corporation, President of El Paso E&P, and Director of Talisman Energy Inc. Prior to her time at El Paso, Lisa spent 20 years at Apache, including extensive experience in Asia Pacific, leaving in January 2004 as Executive Vice President with responsibility for reservoir engineering, business development, land, environmental, health & safety, and corporate purchasing.

Directorships of Other Reporting Issuers:
Cimarex Energy Co., Western Midstream Partners LP

David Neuhauser

NON-EXECUTIVE DIRECTOR

Appointed:
June 7, 2016

David has extensive capital markets and M&A experience and is currently founder and managing director of event-driven hedge fund Livermore Partners in Chicago, and the chairman of Kolibri Global Energy Inc. He has invested in and advised global public companies for the past 21 years and has a strong track record of enhancing intrinsic value through restructuring and strategic initiatives.

Directorships of Other Reporting Issuers:
Kolibri Global Energy Inc.

Dan Young

EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

Appointed:
CFO January 18, 2017, Executive Director August 8, 2018

Committee Memberships:
Disclosure Committee

Dan commenced at Jadestone in January 2017. Dan holds a BCom (Hons) from the University of Western Australia, and an MBA(Hons) from the University of Chicago Booth School of Business. Dan is a Chartered Accountant and a CFA charter holder. Dan has more than 24 years' experience in senior oil and gas, energy and natural resources investment banking, advisory and consulting roles, including financial and commercial risk. Prior to joining Jadestone, Dan was the Senior Vice President and Head of APAC Consulting for Wood Mackenzie. Dan also worked for 13 years in JP Morgan's investment banking coverage/mergers and acquisitions group.

Directorships of Other Reporting Issuers:
None

Senior Management

Paul Blakeley OBE

EXECUTIVE DIRECTOR, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Paul commenced at Jadestone in June 2016. Paul holds a BSc. from Bedford College, University of London. Paul has over 40 years' energy experience, including over 20 years at Talisman Energy Inc ('Talisman'). As Executive Vice President Asia Pacific & Middle East at Talisman, Paul led the building of Talisman's portfolio in Asia Pacific to become the largest upstream independent in the region.

Paul has a long track record of acquiring production and managing commercial and operational risks, while overseeing investment to further enhancing value through follow-on development activity.

Fauzi Abbas

GROUP DRILLING MANAGER AND GENERAL MANAGER, MALAYSIA

Fauzi has 25 years' of operations and technical experience with a strong background in Drilling, Wells and Completions, with a track record of leading low cost drilling initiatives and delivering numerous development projects from conceptual well design through FDP approval to production. Just prior to Jadestone, he worked for Vestigo Petroleum, the marginal field development specialist company within PETRONAS, as a Senior Manager, Well Engineering. Fauzi planned and executed wells from conceptual design through first oil on the fast-track South Angsi development in Malaysia, and has prior experience in drilling and engineering roles in for Petronas Carigali, for BG Group in Tunisia and for Saudi Aramco in the Middle East.

Helen Astill

HSE MANAGER

Helen is an HSE specialist with over 15 years' experience in development of business and HSE management systems, risk management and organisational processes, and capability building across a number of industries.

Prior to Jadestone, Helen has worked with ConocoPhillips, Quadrant Energy, and Apache Energy. She has extensive experience with regulatory requirements within the Australian offshore oil and gas industry, and in the development and implementation of assurance systems used for compliance, executive performance reporting and continuous improvement objectives.

James Borras

GENERAL MANAGER, VIETNAM

James has worked in oil and gas for 26 years. Prior to Jadestone, he worked for Talisman Energy and BP, and holds a BEng in Electrical Engineering. James has been in Vietnam for 13 years and was lead engineer on several field development projects before joining Jadestone in 2018. James has a strong track record in successful project delivery and HSE leadership. He assembled the Vietnam project team and led the gas development project to the point of being sanction ready in less than 18 months.

Mark Craig

GROUP OPERATIONS MANAGER

Mark has 28 years' energy experience, including over four years at Jadestone Energy. He previously held positions in Wells, Projects and Operations departments, and has spent the last four years at Jadestone working within the asset teams, and now as the Group Operations Manager. Mark's focus is on implementing midlife operating philosophies in the operated assets and ensuring efficient design of the Jadestone project portfolio. Marks holds an MBA and a Masters in Petroleum Engineering, both from Robert Gordon University, Aberdeen.

Owen Hobbs

COUNTRY MANAGER, AUSTRALIA AND NEW ZEALAND

Owen has over 30 years of experience in the upstream oil and gas industry, including leading some of Australia and New Zealand's largest onshore and offshore operations with roles in Boral Energy, Santos, and Origin Energy. He has managed conventional and unconventional assets, provided leadership to cross- functional teams, worked closely with regulators, and been involved in M&A and divestment activities. Prior to Owen's career in the Oil and Gas industry he spent five years with the Royal New Zealand Navy as an Executive Branch officer.

David Lamb

COUNTRY MANAGER, INDONESIA

David has over 40 years' oil and gas industry experience, mostly in Asia. He has a proven track record of operational excellence, particularly with HSE matters, and is also fluent in Bahasa Indonesia. David was previously the country manager of Talisman Energy Indonesia where he created and executed the company's South Sumatra Strategy, successfully partnering with the national oil company Pertamina. Jadestone has returned to South Sumatra as operator of the Lemang PSC and are now progressing development of the Akatara gas field.

Lucy Dean

GROUP HR MANAGER

Lucy has over 26 years' HR experience working in both the Energy Sector and top tier Financial Institutions in South East Asia and the UK. Her experience includes business partnering at an international level and coordinating HR activities across multiple geographies. Lucy has spent the last 10 years in Singapore working in the upstream oil and gas industry. During her time with Jadestone she has overseen all HR activities including the successful transition of employees to Jadestone as part of the Stag and Montara acquisitions.

Henning Hoeyland

GROUP SUBSURFACE MANAGER

Henning has 20 years' experience in the upstream sector and was with Schlumberger and Talisman Energy in the North Sea and Southeast Asia prior to joining Jadestone. He has held various roles across operations and subsurface where his focus has been on maximising value from producing assets and extending field life. Over the last five years Henning has led all subsurface activities within Jadestone with a special focus on technical due diligence. Henning's strong analytical bias is a key differentiator which identifies the value opportunities that underpin Jadestone's investment options and growth potential.

Neil Prendergast

GENERAL COUNSEL AND COMPANY SECRETARY

Neil has more than 19 years of experience advising on operations, joint venture projects, acquisitions and divestitures within the energy industry and across Asia Pacific, the Middle East, North Africa and North America. He has played an integral role in the expansion of Jadestone's portfolio and the Company's listing on AIM since joining in early 2017. Neil previously spent six years as a member of Talisman Energy Indonesia's senior management team, setting strategy, mitigating risk and ensuring safe and profitable production.

Nguyen Thanh Ha

GROUP COMMERCIAL MANAGER

Ha has spent over 17 years working in the oil and gas industry with both BP and Talisman Energy. Ha has significant experience in M&A, operational commercial, project evaluation, strategy and portfolio management. Ha's last seven years were with Talisman Energy where she undertook a regional Business Development and Commercial role for the Company's Asia Pacific portfolio. During her time with Jadestone, Ha has played a pivotal role in delivering successful M&A transactions. She also oversees commercial evaluation and portfolio analysis to support the Company's organic growth.

Michael Horn

EXECUTIVE VICE PRESIDENT, CORPORATE AND BUSINESS DEVELOPMENT

Michael has over 30 years' experience in the oil and gas industry, largely in Asia Pacific, with assignments in Vietnam, Malaysia and Singapore, 12 of which were with Talisman Energy. He has identified and closed a number of key transactions which were a vital part of Talisman Energy's success in Asia, and has a strong reputation as a dealmaker within Asia amongst industry stakeholders and the investment community. Over the past five years, Michael has successfully delivered Jadestone's acquisitions in Australia, Indonesia and New Zealand and remains active in the pursuit of new opportunities.

Dan Young

EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

Dan commenced at Jadestone in January 2017. Dan holds a BCom (Hons) from the University of Western Australia, and an MBA(Hons) from the University of Chicago Booth School of Business. Dan is a Chartered Accountant and a CFA charter holder. Dan has more than 24 years' experience in senior oil and gas, energy and natural resources investment banking, advisory and consulting roles, including financial and commercial risk. Prior to joining Jadestone, Dan was the Senior Vice President and Head of APAC Consulting for Wood Mackenzie. Dan also worked for 13 years in JP Morgan's investment banking coverage/ mergers and acquisitions group.

Audit Committee Report

Committee members and meeting attendance

In 2020 the Audit Committee comprised:
- **Iain McLaren** (Committee Chair)
- **Robert Lambert**
- **Lisa Stewart**

All of whom are independent.

Iain McLaren	4 out of 4
Robert Lambert	4 out of 4
Lisa Stewart	4 out of 4

15 April • 22 May • 4 September • 24 November

Role of the Committee

The Audit Committee has oversight of the Company's financial reporting, including any accompanying narrative, internal controls and risk management systems, compliance, whistle-blowing and fraud, as well as external statutory financial audits and reserves audits.

Responsibilities of the Audit Committee include:

a. Monitor the integrity of the Company's financial statements, including its annual and interim financial statements and reviewing significant financial reporting issues and judgments contained within them;

b. Overseeing the Company's accounting and financial reporting processes, the Company's internal controls and risk management systems and the resolution of any issues identified by the Company's external auditors;

c. Meeting with the Company's external auditors, along with the Chief Financial Officer and select senior finance managers of the Company, to review the annual and interim financial statements of the Company; and

d. Ensuring the Company meets its reporting obligations related to oil and gas reserves, as prescribed under the Canadian National Instrument on Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), including overseeing the work undertaken by the Company's independent third party reserves evaluator.

Review of the financial statements

The Audit Committee monitored the integrity of the annual and interim financial statements and reviewed the significant financial reporting matters and accounting policies and disclosures in the financial reports. The external auditor attended all Audit Committee meetings during the year.

The annual audit process included consideration of the auditor's annual planning report to the Audit Committee. This report addressed a number of topics including the planned scope and audit approach, the level of materiality, significant risks and areas of focus, and independence, among other matters.

At the conclusion of the annual audit process, the auditor provided a detailed final report to those charged with governance, which revisited these same topics, along with the results of their audit and other audit matters. The audit committee also evaluated the overall performance of the auditors and recommended their continued appointment to the Board.

In addition, the Audit Committee monitored the integrity of the interim financial statements for both the three month period ended 31 March 2020 (as was required by Canadian financial reporting obligations at the time) and the interim financial statements for the six month period ended 30 June 2020.

Internal controls and risk management

The Audit Committee is responsible for the oversight of the Group's system of internal controls, including the risk management framework. The Group's principal risks and uncertainties, which provide a framework for the Committee's focus, are discussed on pages 32-33. Management has identified the key operational and financial processes that exist within the business and has developed an internal control framework. This is structured around a number of Group policies and procedures and includes a delegated authority framework.

Compliance, whistleblowing and fraud

The Audit Committee reviews the Company's procedures, systems and controls, including for detecting fraud, for the prevention of bribery, money-laundering, and corporate criminal offence. The Committee receives reports on any non-compliance, of which there were none in 2020.

The Group has a Whistleblowing policy in place and the Committee is responsible for overseeing the arrangements and the effectiveness of the processes for this. The policy exists to enable employees to raise any concerns in confidence about wrongdoing or impropriety within the Group.

Internal audit

The Group currently does not have an internal audit function. The committee continues to monitor the appropriateness of this as the Group evolves and grows.

Letter from the Committee Chair

Dear shareholder,
It is my pleasure to present the Audit Committee Report for the year ended 31 December 2020.

Financial reporting

Over the last twelve months, the Audit Committee has monitored and reviewed the preparation and issuance of the Company's consolidated audited financial statements as at and for the year ended 31 December 2020, along with each of the unaudited condensed consolidated interim financial statements for the three-months ended 31 March 2020 and for the six months ended 30 June 2020.

Following the Company's delisting from the TSX-V in late March 2020, the Company was granted relief from certain Canadian disclosure requirements, generally consistent with the relief granted to a designated foreign issuer, as defined in Canadian National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*. The Company was no longer required to report quarterly financial information, and immediately moved to report financial results on a semi-annual basis, in line with market practice in the UK, and as required by the AIM Rules for Companies.

The Audit Committee has remained focussed on reviewing material matters affecting the risks and financial position of the Company. This focus took on a special meaning in early 2020 as the combined impact of the COVID-19 pandemic and the collapse in the price of crude oil presented significant new risks for the Company. We reviewed and challenged a series of stress tests to the Company's financial resilience, along with a number of scenarios as part of impairment testing of the Company's carrying values for oil and gas properties.

We also reviewed the auditor's planning report for the 2020 full year audit, including consideration of the materiality level and the auditor's identified items of significant risk and areas of audit focus. The Committee then oversaw the completion of the preparation and finalisation of the issuance of the Company's consolidated audited financial statements as at and for the year ended 31 December 2020. This has included a thorough review and challenge of the financial statements as well as the significant financial reporting issues and judgements contained within them, and a detailed discussion with the auditor of their April 2021 final report to those charged with governance.

QCA Code implementation

During Q4 2020 the Audit Committee Terms of Reference ("TOR") were modified, along with a number of other changes noted in the Directors' Report, as part of the adoption of the QCA Code. Changes to the Audit Committee's TOR included:

- Ensuring at least one member of the committee has recent and relevant technical experience in reserves audits and reserves reviews;
- Appointments to the committee shall be for up to three years, extended for further periods of three years provided the director still meets the membership eligibility requirements;
- The external audit lead partner must be rotated after a maximum period of five years;
- At least once every ten years the audit service contract shall be put out to competitive tender; and
- A series of provisions to ensure that the Committee subjects the Company's annual reserves disclosures to challenge and review, including the procedures related to the determination and accompanying disclosures of the Company's reserves and resources.

Reserves reporting

The Board has continued to delegate to the Audit Committee the oversight, monitoring and review of the Company's oil and gas reserves and resources disclosures, including the Company's disclosures in April 2020 under the Canadian National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

The Audit Committee has duly overseen the work conducted by management and by the Company's qualified third party reserves evaluator, culminating in the Company's disclosure of year end 2020 reserves in March 2021.

Sincerely,

Iain McLaren
NON-EXECUTIVE DIRECTOR AND CHAIR OF THE AUDIT COMMITTEE

Compensation and Nominating Committee Report

Committee members and meeting attendance

In 2020 the Compensation and Nominating Committee comprised:

- **Cedric Fontenit** (Committee Chair)
- **Dennis McShane**
- **Iain McLaren**

All of whom are independent.

Cedric Fontenit	5 out of 5
Dennis McShane	5 out of 5
Iain McLaren	5 out of 5

25 February • 11 March • 19 March • 27 April • 20 November

Role of the Committee

The Compensation and Nominating Committee ensures that the compensation of directors, employees and officers is set appropriately based on industry data, with the goal of attracting, retaining and motivating key management personnel to ensure the long-term success of the Company.

Key roles and responsibilities
The Compensation and Nominating Committee responsibilities include:

- Annually reviewing and making recommendations with respect to executive remuneration including short term and long-term incentives;
- Identifying individuals qualified to become new Board members; and
- Annually assessing the contribution and effectiveness of each director, as well as the competencies and characteristics each director is expected to bring to the Board.

The Chairman of the Compensation and Nominating Committee is responsible for:

- Setting agendas, chairing committee meetings and ensuring all tasks delegated to the committee are dealt with;
- Leading consultations with shareholders on the Company's remuneration policy when ever there is a significant change proposed;
- Answering questions about remuneration more generally with shareholders.

Members of the Compensation and Nominating Committee must:

- Be independent and willing to justify the decisions of the remuneration committee to executive directors and senior management;
- Be willing and able to resist inappropriate demands from executive directors and senior management;
- Be prepared to seek external advice when necessary;
- Be willing to seek and take into consideration the views of shareholders; committing sufficient time to the role to develop the necessary skills and knowledge (including, for example, current market practice, taxation and legal requirements) to work as part of a small committee;
- Conduct an annual review of remuneration committee advisers, and the fees charged for remuneration committee advice and other services, including review of their independence and objectivity to identify potential conflicts of interest; and
- Review the Company's legal obligations, including changes to employment and discrimination law, Company law and relevant regulations as well as the effect of any changes to tax law or rates of tax.

Letter from the Committee Chair

Dear shareholder,
On behalf of the Board, I am pleased to present the Compensation and Nominating Committee Report for the year ended 31 December 2020.
This report is divided into three sections – this introductory letter, a summary of our Total Reward structure, and the remuneration report.

The first section describes the in-place Total Reward structure, and explains its application and implementation in 2020 and beyond, including the application of long-term incentive policies, which were approved by shareholders on 15 May 2019. Our remuneration strategy was crafted in recognition of the Company's ongoing pivot away from its Canadian heritage and toward norms and practices more typical of a UK-based entity. This prescribes a three-year transition in aspects which include director compensation, performance-based compensation, and long-term incentives. Also in keeping with that transition, for 2021 and beyond we have divided the committee's responsibilities into a separate Remuneration Committee and a Nomination Committee.

The remuneration report provides detail on how the policy was applied in 2020, and demonstrates the inherent flexibility we have instilled in our policies so as to preserve shareholder value in the face of a challenging external environment for the upstream industry as a whole, while still ensuring we are able to attract, retain, and motivate the team for success. The report details the remuneration paid to senior management and directors in 2020, and underscores the adjustments made in service of protecting long- term project returns and ensuring the ongoing financial strength of the business in light of the challenges our industry faced in 2020.

In 2020, key matters considered by the committee included:

- Reviewing the CEO's 2019 Performance contract and agreeing on outcomes relating to performance pay, as well as reviewing and providing constructive input on the CEO's proposed 2020 performance agreement;
- Reviewing recommendations for salary increases for 2020, and subsequently agreeing that salary revisions would not be implemented in 2020 as a result of the economic downturn due to COVID-19;
- Reviewing and agreeing on Performance Share Plan metrics for 2020 and 2021 and agreeing on long term incentive plan grants for individuals;
- Acknowledging an overall 2020 performance of 46% of total objectives for the year 2020, as further detailed below;
- Reviewing Board fees in relation to the decision to no longer have Board members participate in the Long Term Incentives ("LTIP") programme, but instead receive cash fees only, in alignment with the pivot toward UK company practices;
- Conducting a review of foreign service allowances;
- Reviewing Board competencies in line with the Company's move toward adopting the QCA code; and
- Overseeing an update to the Company's succession plans for key roles in the organisation, a project that will continue into 2021.

In conducting its work, the Compensation and Nominating Committee sought the support of several independent specialist service providers. Mercer Singapore provided assistance with the roll out of the Performance Share Plan, and Mercer UK assisted with NED compensation benchmarking and Pay Peer Group Disclosure with regard to executive compensation. Mercer Singapore presented a Performance Share Plan ("PSP") proposal to the Compensation and Nominating Committee and PWC Singapore provided benchmarking analysis on foreign service allowances in several of the Company's key office locations - Singapore, Kuala Lumpur and Jakarta.

The Committee also works to ensure that the Board continues to have the appropriate balance of skills, knowledge, experience, independence and diversity to lead the Company effectively. The Committee keeps under review the composition of the Committees to ensure that they retain the appropriate combination of expertise and diversity, and that their non-executive members remain independent and are not overly committed elsewhere such that they risk being unable to attend properly to Jadestone's affairs. Further, the Committee takes into account the findings of an annual Board and Committees evaluation exercise, commissioned by the Board chair, in exercising its duties.

The Board recognises that diversity and inclusion are essential both for the Board and throughout the Company. In 2020, the Board approved the Company's Diversity Policy, which recognises that people from different backgrounds and experiences can bring valuable insights to the workplace and enhance Jadestone's operations. While all appointments are made based on merit, the Board embraces the principles of the Diversity Policy and seeks to ensure inclusion and diverse representation in all its recommendations.

In 2021 and beyond, the newly formed Remuneration Committee will consider how best to instill additional linkages between ESG performance and performance pay, and will once again, conduct a review of remuneration for Senior Management roles, and a review of Board performance. The Remuneration Committee will be comprised of the same members as the Compensation and Nominating Committee. The newly formed Nomination Committee will primarily focus on identifying individuals qualified to become new Board members, and will make recommendations to the Board with respect to membership on Board committees other than the Nomination Committee, as well as assisting the Board with respect to providing continuing education programmes for directors. The Nomination Committee is comprised of Dennis McShane (Committee Chair), Cedric Fontenit, Iain McLaren and Paul Blakeley.

The work of both new committees is founded in the notion that the Company's practices should evolve in step with its ongoing pivot toward practices more typical of a UK company, while ensuring our key objectives, as identified above, are met to best support the ongoing delivery of shareholder value.

Sincerely,
Cedric Fontenit
NON-EXECUTIVE DIRECTOR AND CHAIR OF THE COMPENSATION AND NOMINATING COMMITTEE (2020) / REMUNERATION COMMITTEE (2021)

Total Rewards Structure

Jadestone's Total Rewards structure offers a competitive package aligned to the principles of performance and delivery. The Company believes that emphasis on performance pay, with clear goal-setting, helps to deliver a results-oriented culture that generates exceptional results with visible recognition and reward for delivery of objectives.

Jadestone is committed to employees' personal and professional development in a work place environment that appreciates diversity, inclusion and provides equal opportunities.

a. **Remuneration at a glance**

Total Reward component	Detail	Eligible employees
Base Salary	To enable the recruitment and retention of individuals who possess the appropriate experience, knowledge, commercial acumen and capabilities required to deliver sustained long-term shareholder value.	All permanent employees
Performance Pay	Annual Performance Pay Target for 8 Job Bands with performance pay ranging from 0-10% to 0-150%. Annual performance pay depends on both employee and company performance against agreed Key Performance Indicators.	All permanent employees
Pension	Aligned to pension standards in the country of jurisdiction (EPF for Malaysia; CPF for Singapore; Superannuation for Australia) etc.	All permanent employees
Long Term Incentive	Transition from Share Option Plan to a Performance Share Plan to align with pivot to UK market. Implemented over a 3-year transition with 100% PSP award by 2023.	Limited to permanent employees at a senior job band who can most influence corporate outcomes.

b. **Executive employment agreements**

Mr. Blakeley is party to an executive employment agreement which provides that in the event of a change of control of Jadestone and where notice of termination is given by Jadestone to Mr. Blakeley in connection with such change of control, Mr. Blakeley is entitled to payment in the amount of twenty-four (24) times his monthly salary; two (2) times the annual performance pay target (the annual performance pay target amount in respect of the year preceding the date of notice, if the date of notice precedes the date upon which such performance pay amount would have been paid and, a pro-rata portion of the annual performance pay target amount in respect of that portion of the current year to the date of notice) and an amount equivalent to US$500,000 as compensation for the loss of foreign service allowances and all other benefits over the period of twenty-four (24) months.

Mr. Young is similarly party to an executive employment agreement which provides that in the event of a change of control of Jadestone and where notice of termination is given by Jadestone to Mr. Young in connection with such change of control, Mr. Young is entitled to payment in the amount of twelve (12) times his monthly salary; two (2) times the annual performance pay target (the annual performance pay target amount in respect of the year preceding the date of notice, if the date of notice precedes the date upon which such performance pay amount would have been paid and, a pro-rata portion of the annual performance pay target amount in respect of that portion of the current year to the date of notice) and an amount equivalent to US$100,000 as compensation for the loss of foreign service allowances and all other benefits over the period of twenty-four (24) months.

c. **External input to policy**

Where required, the Compensation and Nominating Committee relies on external input to remuneration-related policy, and in 2020 has elicited input from Mercer in the UK and Singapore and PWC in Singapore.

d. **External appointments**

The Company has no explicit restriction to its directors accepting additional directorship appointments, external to Jadestone seeking to ensure adequate time commitment to Jadestone and no conflicts of interest.

e. **Illustration of policy application**

The following table presents the targets and maximums possible for each component of the Total Reward structure.

Reward component	Position	Detail
2020 Base Salary	CEO CFO	Annual salary of USD$550,000 per annum[1] Annual salary of USD$320,000
Performance Pay	CEO CFO	0 – 150% 0 – 130% (Increased from 0 -100% to 0 – 130% effective for 2020[2])
Pension Allowance	CEO CFO	10% of base salary 10% of base salary
LTIP – SOPs and PSPs	CEO CFO	95% of base salary 80% of base salary (increased from 70% to 80% effective for 2020[2])

1 In 2020 Mr Blakeley elected to receive USD50,000 of his annual base salary of USD 550,000 in the form of Restricted Share Units. Note that RSUs are only used as an alternative to cash under exceptional circumstances to provide greater alignment with shareholder objectives.

2 Following an independent market review, Mr Young's Performance Pay target and LTIP target in 2020 was increased to ensure competitive remuneration within the peer group.

Remuneration Report

a. **Total remuneration**

The following table sets out the total remuneration, excluding the value of Long Term Incentive Programme ("LTIP") awards, for Executive Directors and Non-Executive Directors for 2020, as compared to 2019.

Name and position	Year	Salary, consulting fee, retainer, or commission (US$)	Performance pay (US$)[1 2]	Committee or meeting fees (US$)	Pension allowance (10% of base salary)	Value of overseas allowance support (US$)	Value of all other compensation (US$)	LTIP[1 2 3]	Total fixed remuneration	Total variable compensation	Total compensation
A. Paul Blakeley	2020	437,500	536,250	Nil	55,000	443,332	Nil	449,433	935,832	985,683	1,921,515
Director, President and Chief Executive Officer	2019	500,000	585,000	Nil	50,000	516,926	Nil	317,640	1,066,926	902,640	1,969,566
Cedric Fontenit	2020	56,667	Nil	9,792	Nil	Nil	Nil	11,395	66,459	Nil	66,459
Director	2019	56,250	Nil	10,000	Nil	Nil	Nil	19,853	66,250	Nil	66,250
Robert Lambert	2020	56,667	Nil	13,125	Nil	Nil	Nil	11,395	69,792	Nil	69,792
Director and Deputy Chairman	2019	56,250	Nil	12,500	Nil	Nil	Nil	19,853	68,750	Nil	68,750
Iain McLaren	2020	56,667	Nil	21,875	Nil	Nil	Nil	11,395	78,542	Nil	78,542
Director	2019	56,250	Nil	25,000	Nil	Nil	Nil	19,853	81,250	Nil	81,250
Dennis McShane	2020	114,583	Nil	4,375	Nil	Nil	Nil	17,093	118,958	Nil	118,958
Director and Chairman	2019	125,000	Nil	5,000	Nil	Nil	Nil	26,470	130,000	Nil	130,000
David Neuhauser	2020	56,667	Nil	Nil	Nil	Nil	Nil	11,395	56,667	Nil	56,667
Director	2019	56,250	Nil	Nil	Nil	Nil	Nil	19,853	56,250	Nil	56,250
Eric Schwitzer	2020	n/a	n/a	n/a	Nil	n/a	n/a	0	n/a	Nil	n/a
Director	2019	56,250	Nil	10,000	Nil	Nil	Nil	19,853	67,619	Nil	67,619
Lisa Stewart	2020	56,667	Nil	17,500	Nil	Nil	Nil	11,395	74,167	Nil	74,167
Director	2019	5,000	Nil	833	Nil	Nil	Nil	28,343	5,833	Nil	5,833
Daniel Young	2020	280,000	224,000	Nil	32,000	328,460	Nil	213,952	640,460	437,952	1,078,412
Director and CFO	2019	320,000	198,400	Nil	32,000	331,538	Nil	198,525	683,538	396,925	1,080,463

1 The performance pay is finalised and approved in the March of the following year based on the achievement of various corporate targets and objectives. The amounts shown in 2020 reflect the bonus paid during the year based on performance targets set for 2019, the bonus for 2020 will be paid in April 2021 once targets have been reviewed and approved by the remuneration committee. The LTIP awards are subject to three year cliff vesting as discussed further in this report.

2 Performance pay and LTIP awards comprise amounts paid or awarded in the prevailing year based on performance in the prior year.

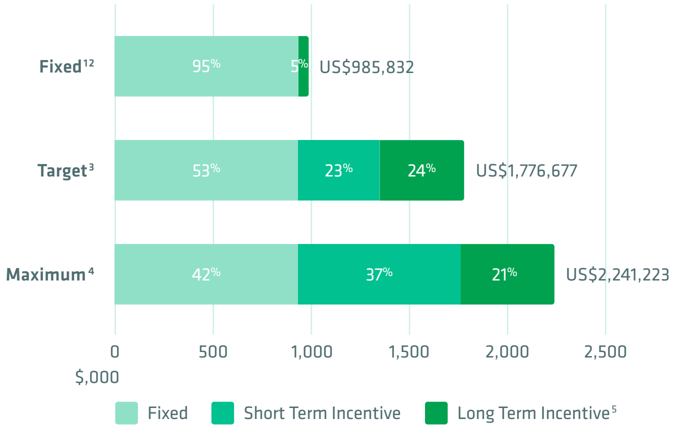
3 LTIP for CEO includes Share Options, Performance Shares and USD$50,000 elected by CEO to be received in form of RSUs.

Overseas allowance support

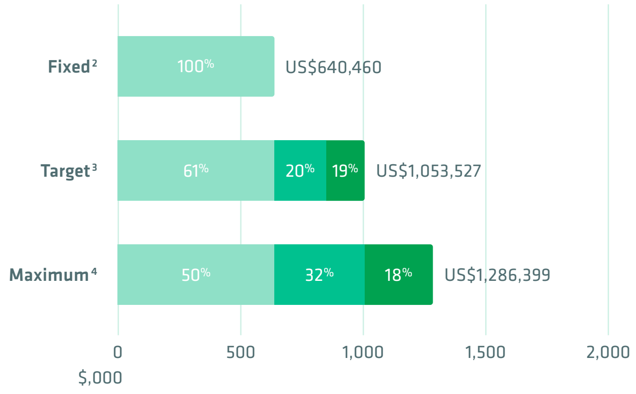
Overseas Allowance Support is provided to individuals on assignment in a Host Location with the objective of providing market competitive benefits consistent with the role and location of the posting. Jadestone shares are listed on AIM but the Company is headquartered in Singapore. This unique approach among its peers ensures the leadership team work closely within the business in Asia Pacific. This has an advantage both within the organisation in managing the activity, as well as with external stakeholders, being able to interact directly. It also eliminates the cost of maintaining a London office. Because the CEO and CFO are foreigners working in a host location, aligned to standard market practice, they receive certain allowances to ensure that they are maintained cost neutral on housing, schooling, transportation, home leave and utilities when compared with their home location. These allowances are reviewed on an annual basis by a third-party provider.
The overseas allowance values could not be benchmarked against Jadestone peer companies, due to limited data points. The review was based on the current market data for each element, per the relevant assumption (i.e. median values were used where a range existed, applied based on compensation, location and / or family size as appropriate) across a range of sectors including Finance, Oil and Gas, Blue Chip companies. There are a significant number of data points to ensure competitive positioning by Jadestone.

Market data in this context means actual costs in each location / location combination as researched by Mercer, rather than reported allowance values by a peer group of companies.

CEO Fixed Pay Targets



CFO Fixed Pay Targets



1 2020 Base salary figure reflects reduction as a result of Project Clover and described below.
2 Fixed Pay – Base Salary (including USD50,000 for CEO paid as RSUs and reflected as LTIP), Pension Allowance, Overseas Allowance.
3 Total Pay Target – Base Salary (including USD50,000 for CEO paid as RSUs and reflected as LTIP), Pension Allowance, Performance Pay at Target – CFO at 65% and CEO at 75% and assumed LTIP value.
4 Total Pay Maximum – Base Salary (including USD50,000 for CEO paid as RSUs and reflected as LTIP), Pension Allowance, Performance Pay at maximum pay-out – CFO at 130% and CEO at 150% and assumed LTIP value.
5 Performance Share Target – calculated on 2020 share price at date of grant. Maximum award to achieve 200% performance outcome requires >80% share performance compared with Jadestone Peer group for Relative TSR and >40% increase in share price for Absolute TSR. Further details see page 106.

In recognition of the extraordinary financial challenges the industry faced in 2020, and with a priority on protecting balance sheet strength, the CEO and CFO agreed to a 25% reduction to base salary and a 20% reduction to all cash-based allowances (excluding pension) for the period 1 June 2020 to 30 November 2020. As oil prices recovered late in the year and economic performance improved, the CEO and CFO's base salaries were restored to 100% in December 2020. Cash based allowances (excluding pension) remained at 80% until the end of the calendar year 2020. In line with the salary reduction of the CEO and CFO, all Board members agreed to a 25% reduction in Board fees. Board Fees were reinstated in December 2020 and were subject to a pre-agreed increase, which had been presented in the 2019 circular, but placed on hold, and was introduced as a result of the Board no longer participating in the Company's Share Option Plan. This is, once again, aimed at further aligning Board remuneration with UK standards as a part of the shift away from Canadian practices.

During 2020, an external independent benchmarking of compensation for senior executives was carried out by Mercer in the UK. The review resulted in a base salary increase for the CFO to USD$340,000 effective 1 April 2021 and a revised Performance Pay target from 100% to 130% and LTIP target from 70% to 80% both of which were effective for the 2020 calendar year.

2020 Performance pay

Information on 2020 performance pay

The following table presents the key performance indicators specified in the CEO's Performance Contract, and was used to determine performance pay in 2020.

Despite the challenges in 2020, and based on these reasons, among others, the committee believes it was appropriate to award executive directors a performance pay award for 2020. Performance is paid 100% in cash with no deferral.

Performance measure	Weighting	Key targets summary		Assessed overall 2020 performance
Achieve 2020 Operations Targets	40%	Deliver plan production & operating cost targets. Capital programmes and work programmes. Performance Improvement targets.	20% 15% 5%	12%
Deliver Continuous Improvement in ESG Performance	20%	Maintain top quartile HSE. Deliver improving performance on environmental targets. Build a strong, diverse and sustainable organisation. Adher to top quartile governance standards.	10% 5% 2.5% 2.5%	16%
Deliver Per Share Accretive Growth in Asia-Pacific	20%	Deliver strategic portfolio objectives. Complete one or more new accretive acquisitions.	7.5% 12.5%	6%
Create Sustainable Shareholder Value	20%	Improve market value and share price. Maintain sustainable funding and leverage. Broaden shareholder base, increase liquidity and maintain investor relationship.	12.5% 2.5% 5%	12%
	100%			46%

Each of these categories contains at least 4 sub sections with outcomes for each target assessed by the Committee.

LTIP Awards During the Year

Long-term incentives were granted to the senior executives and directors in April 2020. This was the first year in which the Company granted incentives under the Performance Share Plan ("PSP") in addition to the Stock Option Plan ("SOP"), and was the first year of the Company's transition away from a long-term incentive programme based solely on stock options. This transition will be completed over three years and stock options will no longer be used as a long-term incentive after 2022. The phased replacement of stock options towards performance shares, is consistent with the Company's pivot away from typical Canadian company practices. In the same context, 2020 was the final year that non executive directors ("NED") will receive any form of long-term shares or share option-based incentive awards and, following an external review of Non-executive cash remuneration within the peer group, the NED salaries were adjusted, to compensate for the loss in value of stock options, and targeted to place pay at around the 50% percentile. This increase was finally awarded in December, 2020, having been withheld from April as part of the Project Clover initiative to reduce 2020 costs.

The 2020 grant was the first year where the LTIP grants were subject to a 3-year cliff vest. Awards granted prior to 2020 will continue to vest over a 3-year period. The Long-Term incentive awards granted by Jadestone under the LTIP Plans are aligned to company and individual performance and are subject to Board approval. Both the SOP and PSP grants are subject to Good Leaver/Bad Leaver and malus and clawback provisions.

The following table summarises the long-term incentive awards granted in 2020.

Name and position	Type of compensation security	Number of compensation securities	Date of issue or grant	Strike price or unit value at issuance (GBp)[1]	Closing price of security or underlying security at year end (GBp)	Expiry date
A. Paul Blakeley *Director, President and Chief Executive Officer*	Stock Options Performance Share Units Restricted Share Units	1,290,000 155,000 101,063	27 April 2020 27 April 2020 27 April 2020	44.0 56.0 40.0	61.5 61.5 61.5	26 April 2030 n/a n/a
Daniel Young *Director and CFO*	Stock Options Performance Share Units	700,000 80,000	27 April 2020 27 April 2020	44.0 56.0	61.5 61.5	26 April 2030 n/a
Dennis McShane *Director and Chairman*	Stock Options	75,000	27 April 2020	44.0	61.5	26 April 2030
Iain McLaren *Director*	Stock Options	50,000	27 April 2020	44.0	61.5	26 April 2030
Robert Lambert *Director and Deputy Chairman*	Stock Options	50,000	27 April 2020	44.0	61.5	26 April 2030
David Neuhauser *Director*	Stock Options	50,000	27 April 2020	44.0	61.5	26 April 2030
Cedric Fontenit *Director*	Stock Options	50,000	27 April 2020	44.0	61.5	26 April 2030
Lisa Stewart *Director*	Stock Options	50,000	27 April 2020	44.0	61.5	26 April 2030

1. For Stock Options, values are strike price, for Performance Share Units and Restricted Share Units, values are unit value at issuance.

b. **Stock options phase-out**

While common practice in North America, the granting of stock options is being phased out by the Company, as part of the ongoing pivot towards UK standards and best practice. A phased approach is being taken, and 2020 was the first year in which options were reduced by 25% of the grant value in favour of performance shares which were introduced at matching value. Valuations of both forms of long-term incentive were independently assessed and verified by Mercer UK. The table below lays out the plan for full conversion to performance shares. It is worth re-emphasising that this transition does not apply to NEDs who will no longer receive any LTIP awards going forwards, in line with UK best practice.

Year	SOP grant allocation	PSP grant allocation
2020	75%	25%
2021	50%	50%
2022	25%	75%
2023	0%	100%

2020 Performance measures

The Performance Measures agreed by the Committee incorporate a balance of relative and absolute Total Shareholder Return ("TSR") to reward outperformance vs. peers (relative TSR) and alignment with shareholders (absolute TSR). Jadestone considered a number of other performance metrics but in the context of extreme volatility in the sector and in the oil price, TSR metrics seem the most transparent and efficient to measure long term performance.

c. **Performance share award details**

The Performance Share awards granted by the Company in 2020 will vest in accordance with a pre-defined set of performance measures, to be determined over a three-year performance period.

Performance measure 1: Absolute Total Shareholder Return **Weighting: 30%**

Share price target plus dividend to be set at the start of the performance period and assessed annually; the threshold share price plus dividend has to be equal to or greater than a 10% increase in absolute terms to earn any payout at all, and must be 25% or greater for target payout.

Performance measure 2: Relative Total Shareholder Return **Weighting: 70%**

Jadestone's Total Shareholder Return (TSR) as measured against the TSR of our agreed peer companies; the size of the payout is based on Jadestone's ranking against the TSR outcomes of our peer group.

Jadestone peer group

Cooper Energy	Australia	**Gulf Keystone**	UK	**Senex Energy**	Australia
Energean	UK	**Horizon Oil**	Australia	**Serica Energy**	UK
Enquest	UK	**Pharos Energy**	UK	**Transglobe**	UK
Genel Energy	UK	**Premier Oil**	UK	**Tullow Oil**	UK

In 2020, Mercer undertook the first review of Jadestones Relative and Absolute TSR performance.

Full Performance Period	1 January 2020 to 31 December 2022
Performance Testing Date	31 December 2020
% of performance period elapsed	33%

Performance measure 1 – Absolute TSR		**2020 Outcome**	**Performance measure 2 – Relative TSR**		**2020 Outcome**
Average FY2020 -2022 Performance	*Achievement Factor (AF)*		*Average FY2020 -2022 Performance*	*Achievement Factor (AF)*	
Superior 40%	2.0	<10% Achievement Factor - Nil	Superior P80 (20%)	2.0	Superior Achievement Factor 2.0
Target 25%	1.0		Target P60 (15%)	1.0	
Threshold 10%	0.5		Threshold P50 (10%)	0.5	
<10%	NIL		<P40	NIL	

d. **Statement of Directors' shareholding interests**

Directors are encouraged to acquire a meaningful shareholding interest in the Company, however the Company does not impose mandatory share ownership guidelines. The Remuneration Committee feels the Total Reward policy is appropriate to ensure alignment of interests between Executive Directors and shareholders.

The number of shares held by Directors as of 31 December 2020, are set out in the table below:

Director	Shares owned outright	Interests in share incentive schemes, subject to performance conditions
A. Paul Blakeley *Director, President and Chief Executive Officer*	2,732,798	5,990,000
Daniel Young *Director and CFO*	217,919	2,650,000
Dennis McShane *Director and Chairman*	453,651	420,000
Iain McLaren *Director*	163,778	525,000
Robert Lambert *Director and Deputy Chairman*	553,919	425,000
David Neuhauser *Director*	32,319,167[1]	275,000
Cedric Fontenit *Director*	200,000[2]	125,000
Lisa Stewart *Director*	Nil	125,000

1 Mr. Neuhauser does not own any common shares of the Company directly but, as managing director of Livermore Partners LLC, exercises control or direction over the common shares beneficially owned by Livermore Partners LLC.

2 Mr. Fontenit owns 200,000 Common Shares of the Company directly. He also holds an indirect beneficial interest in the Company through 443.5565 units of a fund managed by Tyrus Capital S.A.M. (the "Fund") holding an interest in the common shares of the Company. However, Mr. Fontenit does not exercise control or direction over the Fund's holding in the Company.

2021 Total rewards structure implementation

2021 Implementation

The Remuneration Committee revised the Total Rewards structure for the Senior Leadership team in 2021. The Committee continues to have an overall objective to continue its pivot toward UK-style norms and practices. The following key attributes are expected to feature in the 2021 remuneration programme:

1. Base salary expectation in 2021 – average 2.5% base salary increase, with no base salary increase for CEO.
2. Base Salary increase for CFO from USD$320,000 to USD$340,000
3. Performance Pay Target revised for CFO from 0% to 100% to 0% to 130% - this target was applied to the 2020 Performance Pay for the CFO
4. LTIP pay out revised from 70% to 80% for CFO and from 85% to 95% for the CEO – this revised percentage was used for the 2021 LTIP award.
5. Cash Benefits were reinstated to 100% for CEO and CFO with effect from 1 January 2021
6. Performance pay – aligned to prior year's performance outcomes
7. LTIP – Weighted 25% SOP, 75% PSP as a continuation of the transition from the SOP to the PSP

2021 performance targets

The 2021 performance contract is consistent with the 2020 performance contract with one revision. The weighting for M&A has been increased from 20% to 30% for the 2021 targets. This reflects feedback from shareholders that they see future M&A as the critical path to creating superior shareholder value.

Performance measure	Weighting	Key targets summary
Achieve 2021 Operations Targets	30%	Deliver plan production targets, capital programmes, work programmes and improved performance.
Deliver Continuous Improvement in ESG Performance	20%	Maintain health and safety performance at top quartile and deliver environmental targets consistent with improving performance. Build a strong, diverse and sustainable organisation, adhering to top quartile governance standards. Maintain MSCI ESG Rating at BBB but striving to progress to level "A".
Deliver Per Share Accretive Growth in Asia-Pacific	30%	Maintain delivery on strategic objectives and complete one or more new accretive acquisitions.
Create Sustainable Shareholder Value	20%	Improve market value and share price by end of 2021. Maintain sustainable funding, leverage and relationships with investors.
	100%	

Montara Venture FPSO

Disclosure Committee Report

Committee members and meeting attendance

In 2020, the Disclosure Committee comprised of:

- **Dan Young** (Committee Chair)
- **Paul Blakeley**

	16 December
Dan Young	1 out of 1
Paul Blakeley	1 out of 1

Role of the Committee

The Disclosure Committee assists the Board in fulfilling its responsibilities in respect of the Company's disclosure obligations arising under the Market Abuse Regulation (EU) No. 596/2014, the AIM Rules for Companies and the Disclosure Guidance and Transparency Rules "DTRs" sourcebook published by the FCA. It also ensures the Company takes reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations in this regard, and it oversees the appropriateness of disclosures included in the Company's financial and non-financial reporting, which include sustainability and climate-related disclosures.

Key Matters Considered by the Disclosure Committee in 2020

The Disclosure Committee considered the Company's processes for continuous disclosure and reviewed the Company's related policies and procedures.

Matters considered, among others, included:

- The procedures around the maintenance of insider lists;
- Communication protocols around closed periods;
- Compliance with the Company's Dealing Code
- FCA notification protocols; and
- Changes arising from the BCSC's 28 May 2020 decision granting relief to the Company from certain Canadian disclosure obligations.

In addition, through ad-hoc engagement, and partly in their capacity as executive management of the Company, the committee members, together with the Company's General Counsel, also refined procedures to safeguard against the accidental release of confidential information, and bolstered internal control mechanisms to ensure timely disclosure of information under its DTR obligations.

2021 Priorities

In keeping with the Company's ongoing pivot toward practices typical of a UK company, Jadestone has adjusted its Board committee structure, and as of late 2020 has adopted a new Terms of Reference Document for the Disclosure Committee which defines membership as including the Chief Executive Officer, Chief Financial Officer, and General Counsel. Accordingly, Neil Prendergast, Jadestone's General Counsel, is now a member of the Disclosure Committee. The role and responsibilities of the Disclosure Committee are substantially unchanged under its new Terms of Reference.

Dan Young
EXECUTIVE DIRECTOR AND
CHAIR OF THE DISCLOSURE COMMITTEE

HSE Committee Report

Committee members and meeting attendance

The HSE Committee is comprised of:
- **Robert Lambert** (Committee Chair)
- **Lisa Stewart**

Both of whom are independent.
- **Paul Blakeley** (Executive Director, President and CEO)

Robert Lambert	3 out of 3
Paul Blakeley	3 out of 3
Lisa Stewart	3 out of 3

18 February • 30 July • 1 October

Role of the HSE Committee

The HSE Committee assists the Board in obtaining assurance that appropriate policies and systems are in place to effectively manage the health, safety, environmental and wider sustainability risks in relation to the Group's operations and ensure that the Group's activities are planned and executed in a safe and responsible manner. The HSE Committee reports to the Board regarding the Group's health, safety and environmental records. The Board has ultimate responsibility for health, safety and environmental matters, including those related to climate change. The HSE Committee meets at least three times per year and otherwise as required.

Responsibilities of the HSE Committee include:

a. Formulating the Group's policies and systems for identifying and managing health, safety, environmental and sustainability risks within Jadestone's operations and publish them on the website;

b. Evaluating the effectiveness of the Group's policies and systems for identifying and managing health, safety, environmental and sustainability risks within Jadestone operations;

c. Assessing the policies and systems within the Group for ensuring compliance with health, safety, environmental and sustainability regulatory requirements;

d. Assessing the performance of the Group with regard to the impact of health, safety and environmental regulations decisions and actions upon employees, communities and other third parties. The Committee also assesses the impact of such decisions and actions on the reputation of the Group;

e. On behalf of the Board, receiving reports from management concerning all serious safety-related incidents within the Group and actions taken by management as a result of such incidents;

f. Evaluating and overseeing, on behalf of the Board, the quality and integrity of any reporting to external stakeholders concerning health, safety and environmental regulations issues, in collaboration with the Disclosure Committee; and

g. Reviewing the results of independent audits of the Group's performance in regard to health, safety or environmental regulations matters, and any strategies and action plans developed by management in response to issues raised, and where appropriate making recommendations to the Board concerning the same.

Accomplishments Over the Course of 2020

- Continued safe operations in response to COVID-19 challenges to operations;
- Evaluated HSE performance against industry standards;
- Assessed Regulator feedback and monitored the implementation of recommendations;
- Reviewed major and reportable incidents, investigations and lessons learned;
- Established the Group's offshore leadership action plan to increase the Group's ability and effectiveness in implementing its safety procedures, policies and processes;
- Reviewed the Group's sustainability and ESG related communications, including the composition and preparation for issuance of the Group's 2020 Sustainability Report (e.g. further alignment with the TCFD, as well as the UN SDGs), in collaboration with the Disclosure Committee; and
- Oversaw Jadestone's Community Investment programme with an increased budget allocation.

a. **HSE Committee activities by focus area**

During 2020, the Committee met regularly to review and deliberate the Group's safe and responsible operations, measured against specific metrics and compliance with regulatory requirements pertaining to health and safety, environmental protection and conservation activities.

The Committee also addressed several prioritised topics which included:

Process safety

- Jadestone Group's process safety through safety cases approach and identification of high-risk facility performance, as well as comparable performance analysis against industry peers.

Corporate metrics and targets

- Monitoring and reviewing of the implication of the climate-related risks, GHG emissions a well as emission intensity of Jadestone's assets by unit of production which includes suitable metrics that support performance analysis.

HSE culture survey

- Completion of the inaugural HSE culture survey. The survey established baseline cultural attitudes of participants, including their own practices as well as feedback for priority focus areas. The survey is repeatable, providing a monitoring and review tool of HSE performance.

ESG survey

- Completion of the inaugural ESG survey to solicit workforce feedback on environmental, social and corporate governance topics.

Climate risk

- The committee engaged the support of industry and globally significant consultants to help the Group establish a roadmap to meet the recommendations set by the TCFD. The committee oversaw the Group's preparation of emissions inventory and detailed asset GHG emissions review. The committee has considered the relevance of material climate-related matters, including the risks of climate change and transition risks associated, when preparing this Annual Report. Further information can be found in the TCFD and Climate and ESG Risks sections within this Annual Report.

The Sustainability Report at pages 38 to 81 details the Group's 2020 ESG performance, covering sustainability, environmental management, climate change and greenhouse emission, occupational health and safety and critical incident risk management.

Areas of Focus for 2021 and Beyond

- A continuing review of the Group's HSE procedures and culture with an objective that they remain effective and address arising issues;
- Evaluation of the Group's HSE performance against internal metrics, regulatory requirements and industry standards; and
- Support management with effective oversight and advice as the Group engages on and implements the recommendations of the TCFD.

Letter from the Committee Chair

Dear shareholder,
On behalf of the Board and my fellow HSE Committee members, I am pleased to present Jadestone's HSE Committee Report for the year ended 31 December 2020.

Jadestone's response to the COVID-19 pandemic was a key focus of the Committee. Health incident management plans were in place, supported by robust business continuity processes, which enabled continued safe operations. These plans, together with a comprehensive communication program for onshore and offshore employees, supported ongoing operations during the pandemic despite a changeable set of quarantine and travel requirements that varied across jurisdictions throughout the year, which continue to be the case.

In 2020, in response to findings raised through incident investigations, we established our offshore leadership action plan with the objective of identifying areas for improvement. We have shared learnings across the Group to maximise the benefits of the action plan and eliminate the recurrence of similar events. The Committee continued to emphasise the importance of process safety and the need for a focus on asset integrity and maintenance.

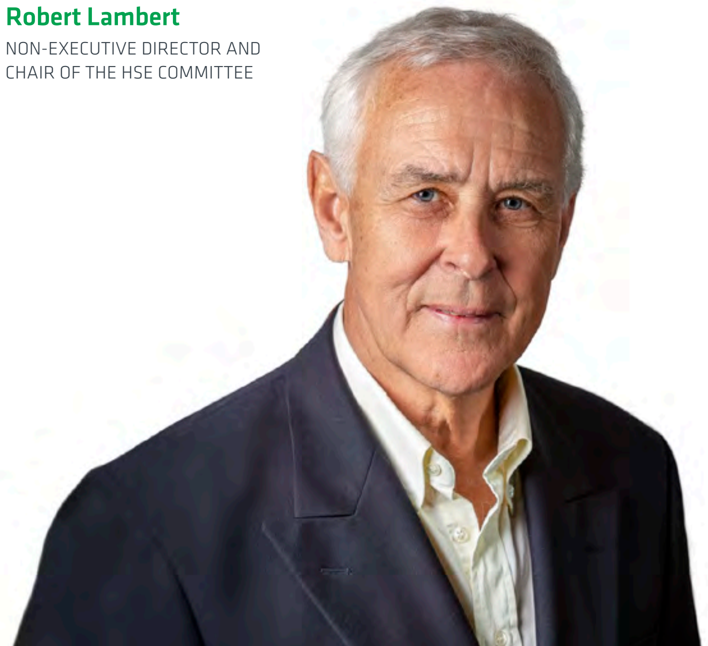
Jadestone continued to review its overall approach to sustainability, with a focus on environmental controls. This involved reviewing Jadestone's resilience to the risk of climate change and pathways to greenhouse gas emissions' reduction.

The Committee reviews and challenges performance against a specific metrics at each Committee meeting. The Committee has concluded that over 2020, the Group continued to improve its processes for identifying and managing risks and mitigating their impact, which in turn supports the Group's achievement of its strategy.

Looking ahead to the coming year, the Committee will focus on the Group's business review in concert with the recommendations of the TCFD, as well as the Company's overall approach to sustainability.

Sincerely,

Robert Lambert
NON-EXECUTIVE DIRECTOR AND
CHAIR OF THE HSE COMMITTEE



Drilling rig on location at Stag

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Consolidated Financial Statements

Management's Report

The accompanying consolidated financial statements are the responsibility of management. The consolidated financial statements were prepared by management, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and as outlined in the notes to the consolidated financial statements.

Management maintains appropriate systems of internal controls. Policies and procedures are designed to give reasonable assurance that transactions are appropriately authorised, assets are safeguarded, and financial records properly maintained, to provide reliable information for the presentation of consolidated financial statements.

Deloitte & Touche LLP, an independent firm of public accountants and chartered accountants, was appointed by the shareholders to audit the consolidated financial statements, and to provide an independent audit opinion.

The Audit Committee reviewed the consolidated financial statements with management. The Board of Directors has approved the consolidated financial statements, on the recommendation of the Audit Committee.

These financial statements were approved by the directors and authorised for issue on 22 April 2021.

A. Paul Blakeley
DIRECTOR
22 APRIL 2021

Daniel Young
DIRECTOR
22 APRIL 2021

Independent Auditor's Report

to the Shareholders of Jadestone Energy Inc.

Opinion

We have audited the accompanying consolidated financial statements of Jadestone Energy Inc. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Jadestone Energy Inc. as at 31 December 2020, and its financial performance and its cash flows for the year ended 31 December 2020, in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accountant Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, 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.

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS

Impairment Assessment of Oil and Gas Properties

As at 31 December 2020, the Group recorded US$317.7 million of oil and gas properties, which approximate 52% of the Group's total assets.

Management performed an assessment of the internal and external factors of the oil and gas properties' carrying values to determine whether there is any indicator of impairment, and observed that oil prices decreased significantly in 2020.

Hence, management assessed recoverability of its oil and gas properties by looking at future cash flows from the respective oil and gas properties ("Financial Model") at 31 December 2020 and its future plans for these assets. The assessment requires the exercise of significant judgement about and assumptions on, amongst others, the discount rate, oil reserves, expected production volumes and future oil prices. Accordingly, management who is ultimately responsible for the third party estimates, have also engaged an independent qualified person to estimate, where appropriate, the proved, probable and possible reserves for its oil and gas properties, including the future net cash flows arising from such.

The Group has made disclosures on the above judgement in Note 3.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Our audit procedures focused on evaluating impairment indicators in accordance with IAS 36 *Impairment of assets*, and challenging the judgements and key assumptions used by management in determining the recoverable amount. Such procedures included, amongst others:

- Reviewing the internal and external factors used by management to determine impairment indicators;
- Checking the Group's budget to evaluate the plan for the assets, including the funding options for future capital expenditure to be able to realise the future cash flows;
- Assessing the objectivity, competency and experience of the independent qualified person who prepared the reserve reports;
- Challenging management's oil price assumptions against external data, to determine whether they indicate that there has been a significant change with an adverse effect on the recoverable amount;
- Comparing field and plant production performance during the year against budget, to determine whether they indicate that there has been a significant change with an adverse effect on the recoverable amount;
- Challenging management's assumptions on key data used in their computation of the discount rate; and
- Checking the reserve reports prepared by the independent qualified person to determine that the reserve estimates and expected production volume used by management in its Financial Model is supported.

Based on our procedures, we noted that the carrying amounts of oil and gas properties are stated appropriately.

We have assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

KEY AUDIT MATTERS

Impairment Assessment of Intangible Exploration Assets

As at 31 December 2020, the Group recorded US$100.7 million of intangible exploration assets, which approximate 17% of the Group's total assets.

Management performed an assessment of the internal and external factors of the intangible exploration asset properties' carrying values to determine whether there is any indicator of impairment.

Management also performed an assessment of the technical feasibility and commercial viability of extracting a mineral resource and whether there is any adverse information that will affect the final investment decision to commercialise the asset.

Management, who is ultimately responsible for third party estimates, have also engaged an independent qualified person to estimate, where appropriate, the gross contingent resources for all of the intangible exploration assets in previous years and in the current year for the newly acquired Lemang field (Note 15). Where management has not obtained a revised reserve report, management has assessed that given that these are exploration assets, there are no significant conditions in the current year that will negatively impact reserves.

Based on management's assessment, an impairment loss of US$50.5 million was recorded for the financial year ended 31 December 2020 as detailed in Notes 9 and 16. Critical judgement and estimates on the above are also disclosed in Note 3.

HOW THE MATTER WAS ADDRESSED IN THE AUDIT

Our audit procedures focused on evaluating and challenging the judgements and key assumptions used by management in performing the impairment review under IFRS 6 *Exploration for and evaluation of mineral resources*. Such procedures included, amongst others:

- Reviewing the internal and external factors used by management to determine impairment indicators;
- Checking the Group's budget to evaluate the plan for the assets, including the funding options for future capital expenditure to be able to realise the future cash flows;
- Reviewing the relinquishment notification submitted to the relevant authority, where applicable;
- Performing a retrospective review of prior year's work budget and current year's actual activity to determine the reliability of management's plan and budget for the purpose of assessing impairment indicators;
- Assessing the objectivity, competency and experience of the independent qualified person who prepared the reserve reports; and
- Checking the reserve reports prepared by the independent qualified person relating to the Group's estimated reserves, and assessing based on current year activity if there are any negative implications on previously obtained reserve reports.

Based on our procedures, we noted that the carrying amounts of intangible exploration assets are stated appropriately.

We have assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

Independent Auditor's Report

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The information, other than the financial statements and the auditors' report thereon, in the Annual Report is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility 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 ISA 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.

As part of an audit in accordance with ISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kanagasabai s/o Haridas.

Deloitte & Touche LLP
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE

22 APRIL 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020

	Notes	2020 USD'000	2019 Reclassified* USD'000
Consolidated statement of profit or loss			
Revenue	4	217,938	325,406
Production costs	5	(105,338)	(119,898)
Depletion, depreciation and amortisation	6	(84,642)	(90,746)
Staff costs	7	(21,903)	(22,027)
Other expenses	8	(26,918)	(9,379)
Impairment of assets	9	(50,455)	-
Other income	10	26,376	2,979
Finance costs	11	(12,655)	(16,443)
Other financial gains	12	359	3,389
(Loss)/Profit before tax		**(57,238)**	**73,281**
Income tax expense	13	(2,940)	(32,776)
(Loss)/Profit for the year		**(60,178)**	**40,505**
(Loss)/Earnings per ordinary share			
Basic and diluted (US$)	14	(0.13)	0.09
Consolidated statement of comprehensive income			
(Loss)/Profit for the year		(60,178)	40,505
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Gain/(Loss) on unrealised cash flow hedges	27	26,093	(30,542)
Hedging gain reclassified to profit or loss		(31,364)	(14,874)
		(5,271)	**(45,416)**
Tax income relating to components of other comprehensive loss	13	1,583	13,624
Other comprehensive loss		**(3,688)**	**(31,792)**
Total comprehensive (loss)/income for the year		**(63,866)**	**8,713**

* Certain 2019 comparative information has been reclassified between line items. Please refer to Note 40.
All comprehensive (loss)/income is attributable to the equity holders of the parent.
The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Financial Position as at 31 December 2020

	Notes	2020 USD'000	2019 Reclassified* USD'000
Assets			
Non-current assets			
Intangible exploration assets	16	100,670	117,440
Oil and gas properties	17	317,676	381,674
Plant and equipment	18	1,652	1,780
Right-of-use assets	19	23,673	59,787
Other receivables	23	4,404	-
Restricted cash	24	-	17,477
Deferred tax assets	21	19,727	16,012
Total non-current assets		**467,802**	**594,170**
Current assets			
Inventories	22	45,361	31,411
Trade and other receivables	23	7,110	42,283
Derivative financial instruments	34	-	5,275
Restricted cash	24	8,445	6,008
Cash and cash equivalents	24	80,996	75,934
Total current assets		**141,912**	**160,911**
Total assets		**609,714**	**755,081**
Equity and liabilities			
Equity			
Capital and reserves			
Share capital	25	466,979	466,573
Share-based payments reserve	28	24,985	23,857
Hedging reserves	27	-	3,688
Accumulated losses		(331,322)	(268,651)
Total equity		**160,642**	**225,467**
Non-current liabilities			
Provisions	29	288,224	280,833
Borrowings	31	-	7,328
Lease liabilities	30	13,305	42,533
Tax liabilities		26,896	-
Deferred tax liabilities	21	58,229	64,825
Total non-current liabilities		**386,654**	**395,519**
Current liabilities			
Borrowings	31	7,296	41,795
Lease liabilities	30	12,478	19,739
Trade and other payables	33	32,192	25,799
Provisions	29	4,558	2,107
Derivative financial instruments	34	471	-
Tax liabilities		5,423	44,655
Total current liabilities		**62,418**	**134,095**
Total liabilities		**449,072**	**529,614**
Total equity and liabilities		**609,714**	**755,081**

* Certain 2019 comparative information has been reclassified between line items. Please refer to Note 40.
The accompanying notes are an integral part of the consolidated financial statements

Consolidated Statement of Changes in Equity for the year ended 31 December 2020

	Share capital USD'000	Share-based payments reserve USD'000	Hedging reserves USD'000	Accumulated losses USD'000	Total USD'000
As at 1 January 2019	466,562	22,375	35,480	(309,156)	215,261
Profit for the year	-	-	-	40,505	40,505
Other comprehensive loss for the year	-	-	(31,792)	-	(31,792)
Total comprehensive income for the year	**-**	**-**	**(31,792)**	**40,505**	**8,713**
Share-based compensation (Note 7)	-	1,482	-	-	1,482
Shares issued, net of transaction costs (Note 25)	11	-	-	-	11
Total transactions with owners, recognised directly in equity	**11**	**1,482**	**-**	**-**	**1,493**
As at 31 December 2019/1 January 2020	**466,573**	**23,857**	**3,688**	**(268,651)**	**225,467**
Loss for the year	-	-	-	(60,178)	(60,178)
Other comprehensive loss for the year	-	-	(3,688)	-	(3,688)
Total comprehensive loss for the year	**-**	**-**	**(3,688)**	**(60,178)**	**(63,866)**
Dividend paid (Note 26)	-	-	-	(2,493)	(2,493)
Share-based compensation (Note 7)	-	1,128	-	-	1,128
Shares issued, net of transaction costs (Note 25)	406	-	-	-	406
Total transactions with owners, recognised directly in equity	**406**	**1,128**	**-**	**(2,493)**	**(959)**
As at 31 December 2020	**466,979**	**24,985**	**-**	**(331,322)**	**160,642**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated Statement of Cash Flows for the year ended 31 December 2020

	Notes	2020 USD'000	2019 Reclassified* USD'000
Operating activities			
(Loss)/ Profit before tax		(57,238)	73,281
Adjustments for:			
Depletion, depreciation and amortisation	6	68,414	75,870
Impairment of intangible exploration assets	9	50,455	-
Depreciation of right-of-use assets	6	16,228	14,876
Other finance costs	11	10,289	10,376
Interest expense	11	2,366	6,067
Unrealised foreign exchange loss/(gain)	8 / 10	1,495	(8)
Share-based payments	7	1,128	1,482
Fair value loss on oil derivatives	8	471	-
Inventories written off	8	173	164
Provision of slow moving inventories	8	143	-
Loss on ineffective hedge recycled to profit or loss	8	4	633
Change in Stag FSO provision	10	(5,047)	(1,717)
Gain from termination of right-of-use asset	10	(1,382)	-
Change in fair value of contingent payments	12	(359)	(3,389)
Interest income	10	(257)	(1,260)
Oil and gas properties written off	8	-	533
Operating cash flows before movements in working capital		**86,883**	**176,908**
Decrease/(Increase) in trade and other receivables		35,560	(10,183)
Increase in inventories		(14,071)	(7,510)
Increase/(Decrease) in trade and other payables		3,736	(12,431)
Cash generated from operations		**112,108**	**146,784**
Interest paid		(1,542)	(4,698)
Tax (paid)/ refunded		(25,969)	2,551
Net cash generated from operating activities		**84,597**	**144,637**
Investing activities			
Net cash outflows on acquisition of Lemang PSC	15	(11,959)	-
Payment for oil and gas properties	17	(4,732)	(43,817)
Payment for plant and equipment	18	(473)	(502)
Proceeds from disposal of plant and equipment		-	4
Payment for intangible exploration assets	16	(14,253)	(12,933)
Transfer from debt service reserve account	24	5,040	5,159
Interest received	10	257	1,260
Net cash used in investing activities		**(26,120)**	**(50,829)**
Financing activities			
Net proceeds from issuance of shares	25	406	11
Release of deposit for bank guarantee	24	10,000	-
Dividend paid	26	(2,493)	-
Repayment of borrowings	32	(42,766)	(54,203)
Repayment of lease liabilities	32	(18,562)	(16,671)
Net cash used in financing activities		**(53,415)**	**(70,863)**
Net increase in cash and cash equivalents		**5,062**	**22,945**
Effect of translation on foreign currency cash and cash balances		-	8
Cash and cash equivalents at beginning of the year		75,934	52,981
Cash and cash equivalents at end of the year	24	**80,996**	**75,934**

* Certain 2019 comparative information has been reclassified between line items. Please refer to Note 40.
The accompanying notes are an integral part of the consolidated financial statements.

Significant Accounting Policies and Explanation Notes to the Financial Statements for the year ended 31 December 2020

1 | CORPORATE INFORMATION

Jadestone Energy Inc. (the "Company" or "Jadestone") is an oil and gas company incorporated in Canada.

As first announced on 1 February 2021, Jadestone is pursuing an internal reorganisation which will result in a new UK-based parent company for the Group, Jadestone Energy plc. This reorganisation is expected to be effective on 23 April 2021. The internal reorganisation will not result in a change in control in the ultimate holding company of the Jadestone group of companies and, accordingly, will not result in a change in control in the ultimate shareholding in any of the companies or assets of the Jadestone group of companies. Further, the internal reorganisation will not result in a change in the management of any of the companies or assets of the Jadestone group of companies.

The Company's ordinary shares are listed on AIM, a market by the London Stock Exchange. The Company was listed on the TSX-V throughout 2019 but delisted on 25 March 2020. The Company trades under the symbol "JSE".

The financial statements are expressed in United States Dollars ("US$" or "USD").

The Company and its subsidiaries (the "Group") are engaged in production, development, exploration and appraisal activities in Australia, Vietnam, Indonesia and the Philippines. The Group's current producing assets are in the Carnarvon (Stag) and Vulcan basins (Montara), offshore Western Australia. During the year, the Group has submitted a notice to relinquish Service Contract 56 ("SC56") in the Philippines. The effective date of relinquishment was 21 December 2020.

On 29 June 2020, the Group executed an acquisition agreement with Mandala Energy Lemang Pte Ltd ("Mandala Energy") to acquire an operated 90% interest in the Lemang PSC, onshore Indonesia, for a total cash consideration of US$12.0 million, plus closing statement adjustments and subsequent contingent payments. The acquisition closed on 11 December 2020 ("Closing Date"), following the completion of various conditions precedent at the time of signing the sale and purchase agreement ("SPA").

On 16 November 2019, the Group executed a SPA with OMV New Zealand Limited ("OMV New Zealand") to acquire an operated 69% controlling interest in the Maari project for a total consideration of US$50.0 million, subject to customary working capital adjustments. The transaction is subject to regulatory approvals and joint venture partners' acceptance. Following these approvals, the transaction will close and control of the Maari project will transfer to the Group. The economic benefits from 1 January 2019 until the closing date will be adjusted in the final consideration price. On 22 March 2021, the Group and OMV New Zealand have agreed to revise the long stop date under the SPA to 30 June 2021. Both parties remain fully committed to the transaction and anticipate completing the transaction prior to the expiration of the long stop date.

The Company's head office is located at 3 Anson Road, #13-01 Springleaf Tower, Singapore 079909. The registered office of the Company is 10th Floor, 595 Howe Street, Vancouver, British Columbia V6C 2T5, Canada. The registered office of the expected new UK-based parent company for the Group, Jadestone Energy plc, is Suite 1, 3rd Floor 11-12 St James's Square, London SW1Y 4LB.

2 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Share-based Payment, leasing transactions that are within the scope of IFRS 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories, or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value adjustments are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value adjustments are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Adoption of new and revised standards
New and amended IFRS standards that are effective for the current year

Amendments to IFRS 3 Definition of a Business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

Amendments to IAS 1 and IAS 8 Definition of Material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of this amendment does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

1 Effective from 1 January 2023.
2 Effective for annual reporting periods beginning on or after 1 June 2020.
3 Effective from 1 January 2022.

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following amendments to IFRS Standards relevant to the Group that have been issued but are not yet effective:

Amendments to IAS 1[1]	Classification of Current or Non-current
Amendments to IFRS 16[2]	COVID-19-Related Rent Concessions
Amendments to IAS 16[3]	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to IFRSs[3]	Annual Improvements to IFRS Standards 2018–2020

All amendments are effective for annual periods beginning on or after 1 January 2021 and generally require prospective application.

The Group is currently performing an assessment of the impact of these amendments but does not expect material impact on the financial statements of the Group in future periods, except as noted below:

Amendments to IAS 1 Classification of Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and enterprises controlled by the Company and its subsidiaries. Control is achieved where 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.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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. 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.

Business Combinations

Acquisitions of businesses, including joint operations which are assessed to be businesses, are accounted for using the acquisition method. The consideration for each acquisition is measured as the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Company to the former owners of the acquiree, and equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- Deferred tax assets or liabilities, and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;
- Liabilities or equity instruments related to share-based payment transactions of the acquiree, or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer, in accordance with the method in IFRS 2 *Share-based Payment* at the acquisition date; and
- Assets, disposal groups, that are classified as held for sale in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration, that do not qualify as measurement period adjustments, depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as a liability is re-measured at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs,the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as at that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one year from acquisition date.

Where an interest in a production sharing contract ("PSC") is acquired by way of a corporate acquisition, the interest in the PSC is treated as an asset purchase unless the acquisition of the corporate vehicle meets the requirements to be treated as a business combination and definition of a business.

Accounting for Transaction that is not a Business Combination

When a transaction or other event does not meet the definition of a business combination due to the asset or group of assets not meeting the definition of a business, it is termed an `asset acquisition'. In such circumstances, the acquirer:

- identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38) and liabilities assumed; and
- allocates the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

Such a transaction or event does not give rise to goodwill or a gain on a bargain purchase.

Transaction costs in an asset acquisition are generally capitalised as part of the cost of the assets acquired in accordance with applicable Standards.

Foreign Currency Transactions

The Group's consolidated financial statements are presented in USD, which is the parent's functional currency and presentation currency. The functional currencies of subsidiaries are determined based on the economic environment in which they operate.

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was 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 retranslation of monetary items, are included in profit or loss for the period.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains or losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- Its assets, including its share of any assets held jointly;
- Its liabilities, including its share of any liabilities incurred jointly;
- Its revenue from the sale of its share of the output arising from the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Changes to the Group's interest in PSCs usually require the approval of the appropriate regulatory authority. A change in interest is recognised when:

- Approval is considered highly likely; and
- All affected parties are effectively operating under the revised arrangement.

Where this is not the case, no change in interest is recognised and any funds received or paid are included in the statement of financial position as contractual deposits.

Pre-Licence Award Costs

Costs incurred prior to the effective award of oil and gas licence, concessions and other exploration rights, are expensed in profit or loss.

Exploration and Evaluation Costs

The costs of exploring for and evaluating oil and gas properties, including the costs of acquiring rights to explore, geological and geophysical studies, exploratory drilling and directly related overheads such as directly attributable employee remuneration, materials, fuel used, rig costs and payments made to contractors are capitalised and classified as intangible exploration assets ("E&E assets").

If no potentially commercial hydrocarbons are discovered, the E&E assets are written off through profit or loss as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g. the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried as intangible exploration costs, while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons.

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as E&E assets.

All such capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at the end of each reporting period. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When such intent no longer exists, or if there is a change in circumstances signifying an adverse change in initial judgment, the costs are written off.

When commercial reserves of hydrocarbons are determined and development is approved by management, the relevant expenditure is transferred to oil and gas properties. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proved or probable reserves are determined to exist. The determination of proved or probable reserves is dependent on reserve evaluations which are subject to significant judgments and estimates.

Costs related to geological and geophysical studies that relate to blocks that have not yet been acquired, and costs related to blocks for which no commercially viable hydrocarbons are expected, are taken direct to the profit or loss and have been disclosed as exploration expenses.

Farm-Outs in the Exploration and Evaluation Phase

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but re-designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest, with any excess accounted for by the farmor as a gain on disposal.

Oil and Gas Properties

Producing assets

The Group recognises oil and gas properties at cost less accumulated depletion, depreciation and impairment losses. Directly attributable costs incurred for the drilling of development wells and for the construction of production facilities are capitalised, together with the discounted value of estimated future costs of decommissioning obligations. Workover expenses are recognised in profit or loss in the period in which they are incurred, unless it generates additional reserves or prolongs the economic life of the well, in which case it is capitalised. When components of oil and gas properties are replaced, disposed of, or no longer in use, they are derecognised.

Depletion and amortisation expense

Depletion of oil and gas properties is calculated using the units of production method for an asset or group of assets, from the date in which they are available for use. The costs of those assets are depleted based on proved and probable reserves.

Costs subject to depletion include expenditures to date, together with approved estimated future expenditure to be incurred in developing proved and probable reserves. Costs of major development projects are excluded from the costs subject to depletion until they are available for use.

The impact of changes in estimated reserves is dealt with prospectively by depleting the remaining carrying value of the asset over the remaining expected future production. If reserves estimates are revised downwards, earnings could be affected by higher depletion expense, or an immediate write-down of the property's carrying value.

Asset restoration obligations

The Group estimates the future removal and restoration costs of oil and gas production facilities, wells, pipelines and related assets at the time of installation or acquisition of the assets, and based on prevailing legal requirements and industry practice. In most instances, the removal of these assets will occur many years in the future. The estimates of future removal costs are made considering relevant legislation and industry practice and require management to make judgments regarding the removal date, the extent of restoration activities required, and future removal technologies.

Site restoration costs are capitalised within the cost of the associated assets, and the provision is stated in the statement of financial position at its total estimated present value. These costs are based on judgements and assumptions regarding removal dates, technologies, and industry practice. This estimate is evaluated on a periodic basis and any adjustment to the estimate is applied prospectively. Changes in the estimated liability resulting from revisions to estimated timing, amount of cash flows, or changes in the discount rate are recognised as a change in the asset restoration liability and related capitalised asset restoration cost within oil and gas properties.

The change in the net present value of future obligations, due to the passage of time, is expensed as accretion expense within financing charges. Actual restoration obligations settled during the period reduce the decommissioning liability.

The asset restoration costs are depleted using the units of production method (see above accounting policy).

Borrowing Costs

Finance costs of borrowing are allocated to periods over the term of the related debt, at a constant rate on the carrying amount. Borrowing as shown on the consolidated statement of financial position, are net of arrangement fees and issue costs, and the borrowing costs are amortised through to the statement of profit or loss and other comprehensive income as finance costs over the term of the debt.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred and this includes borrowing costs in relation to exploration activities which are capitalised in intangible exploration assets, as management is of the view that these do not meet the definition of a qualifying asset.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

The government grants received during the year relates to the Australian Government's JobKeeper Scheme for the Australian offshore and onshore personnel, as part of the Australian Government initiative to provide immediate financial support as a result of COVID-19 pandemic. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year. There are no unfulfilled conditions and other contingencies in relation to the grants.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants are presented on a net basis in profit or loss, where grant income are offset against the related costs, in either "production costs" (Note 5) or "staff costs" (Note 7).

Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of assets evenly over their estimated useful lives, on the following:

- Computer equipment: 3 years; and
- Fixtures and equipment: 3 years.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If the ownership of the underlying asset in a lease is transferred, or cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of Assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use, are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal ("FVLCOD") and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. FVLCOD will be assessed where there is no readily available market price for the asset or where there are no recent market transactions. Assumptions relating to forecast capital expenditures that enhance the productive capacity can be included in the discounted cash flows model, but only to the extent that a typical market participant would take a consistent view. The post-tax discounted cash flows are compared against the carrying amount of the asset on an after-tax basis; that is, after deducting deferred tax liabilities relating to the asset or group of assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined as follows:

- Petroleum products, comprising primarily of extracted crude oil stored in tanks, pipeline systems and aboard vessels, and natural gas, are valued using weighted average costing, inclusive of depletion expense; and
- Materials, which include drilling and maintenance stocks, are valued at the weighted average cost of acquisition.

Net realisable value represents the estimated selling price less applicable selling expenses. If the carrying value exceeds net realisable value, a write-down is recognised. The write-down may be reversed in a subsequent period if the inventory is still on hand, but the circumstances which caused the write-down no longer exist.

Financial Instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through the profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date basis, where the purchases or sales of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are measured subsequently in their entirely, at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the financial asset, or, where appropriate, a shorter period, to the gross carrying amount of the financial instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and at fair value through other comprehensive income. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss and is included in "other income" (Note 10) line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

All financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in either "other income" (Note 10) or "other expenses" (Note 8) line item.

Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss model comprise trade and other receivables. While cash and bank balances are also subject to the impairment requirements of IFRS 9 *Financial Instruments*, the expected credit loss allowances are not expected to be significant.

The Group's trade and other receivables are primarily with (i) counterparties to oil and gas sales and (ii) governments for recoverable amounts of value added taxes.

The concentration of credit risk relates to the main counterparty to oil and gas sales in Australia, where the sole customer has an A1 credit rating (Moody's). All trade receivables are generally settled 30 days after the sale date. In the event that an invoice is issued on a provisional basis then the final reconciliation is paid within 3 days of the issuance of the final invoice, largely mitigating any credit risk.

The Group recognises lifetime expected credit loss ("ECL") for trade receivables. The expected credit losses on these financial assets are estimated based on days past due, applying expected non-recoveries for each group of receivables.

The Group measures the loss allowance for other receivables at an amount equal to 12-months ECL, as there is no significant increase in credit risk since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, based on consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available), or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default, for internal credit risk management purposes, as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default), and the exposure at default. The assessment of the probability of default, and loss given default, is based on historical data adjusted by forward looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, together with any additional amounts expected to be drawn down in the future by the default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract, and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership, and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all of the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivables, is recognised in the profit or loss.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost, using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability other than a contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities classified as at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in either "other financial gains" (Note 12) or "finance costs" (Note 11) line item in profit or loss

Financial liabilities measured subsequently at amortised cost

Other financial liabilities are measured subsequently at amortised cost, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other income" (Note 10) or "other expenses" (Note 8) line items in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

Equity instruments

Equity instruments issued by the Group are recorded at the fair value of the proceeds received, net of direct issue costs, except where the accounting treatment is defined by a separate accounting standard, as in the case of share-based payments.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability decognised, and the consideration paid and payable, is recognised in profit or loss.

Derivative financial instruments

The Group enters in a variety of derivative financial instruments to manage its exposure to commodity price and foreign exchange risks.

Derivatives are initially recognised at fair value on the date the contract is entered into, and is subsequently remeasured to fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

All hedges are classified as cash flow hedges, which hedges exposure to the variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability, or a component of a recognised asset or liability, or a highly probable forecasted transaction.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge), so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument, for all of its hedging relationships involving forward contracts. The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction related, the time value is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a rational basis; the Group applies straight line amortisation. Those reclassified amounts are recognised in profit or loss in the same line as the hedged item. If the hedged item is a non financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognised non financial item. Furthermore, if the Group expects that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Note 34 sets out details of the fair values of the derivative instruments used for hedging purposes.

Movements in the hedging reserve in equity are detailed in Note 27.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss in either "other financial gains" (Note 12) or "finance costs" (Note 11) line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. If the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in cash flow hedge reserve, at that time, remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in cash flow hedge reserve is reclassified immediately to profit or loss.

Fair Value Estimation of Financial Assets and Liabilities

The fair value of current financial assets and liabilities carried at amortised cost, approximate their carrying amounts, as the effect of discounting is immaterial.

Equity Instruments

Ordinary shares are classified as equity and recorded at the value of consideration received. The cost of issuing shares is shown in share capital as a deduction, net of tax, from the proceeds.

Share-Based Payments

Share-based incentive arrangements are provided to employees, allowing them to acquire shares of the Company.

The fair value of options granted is recognised as an employee expense, with a corresponding increase in equity.

Share options are valued at the date of grant using the Black-Scholes pricing model, and are charged to operating costs over the vesting period of the award. The charge is modified to take account of options granted to employees who leave the Group during the vesting period and forfeit their rights to the share options, and in the case of non-market related performance conditions, where it becomes unlikely they will vest. At the end of the reporting period, the Group revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date at which the entity obtains the goods or the counterparty renders the service.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method), and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

During the year, the Group has revalued certain lease liabilities to nil followed by the termination of leases.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Impairment of Assets" policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, and where the effect of the time value of money is material.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Retirement Benefit Obligations

Payments to defined contribution retirement benefit plans are charged as an expense as and when employees have tendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as Malaysia's Employees Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. The Group does not have any defined benefit plans.

Revenue

Revenue from contracts with customers is recognised in the profit or loss when performance obligations are considered met, which is when control of the hydrocarbons are transferred to the customer.

Revenue from the production of oil and gas, in which the Group has an interest with other producers, is recognised based on the Group's working interest and the terms of the relevant production sharing contracts.

Production revenue (liquids revenue) is recognised when the Group gives up control of the unit of production at the delivery point agreed under the terms of the contract. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism. The amount of production revenue recognised is based on the agreed transaction price and volumes delivered. In line with the aforementioned, revenue is recognised at a point in time when deliveries of the liquids are transferred to the customers.

A receivable is recognised once transfer has occurred, as this represents the point in time at which the right to consideration becomes unconditional, and only the passage of time is required before the payment is due.

Income Tax

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other 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 not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted, in countries where the Company and its subsidiaries operate, by the end of the reporting period.

Petroleum resource rent tax (PRRT)

PRRT incurred in Australia is considered for accounting purposes to be a tax based on income. Accordingly, current and deferred PRRT expense is measured and disclosed on the same basis as income tax.

PRRT is calculated at the rate of 40% of sales revenues less certain permitted deductions and is tax deductible for income tax purposes. Deferred tax in relation to PRRT is calculated at a rate of 28%.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not utilised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, 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 arising from deductible temporary differences associated with such investments and interests, are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the 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 realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted, by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Other taxes

Revenue, expenses, assets, and liabilities are recognised net of the amount of Goods and Services Tax ("GST") except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Cash and Bank Balances

Cash and bank balances comprise cash in hand and at bank, and other short-term deposits held by the Group with maturities of less than three months.

3 | CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimates (see below), that management has made on the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

a) Acquisitions, divestitures, farm-in arrangements and/or assignment of interests

The Group accounts for acquisitions, divestitures, and farm-in arrangements by considering if the acquired or transferred interest relates to that of an asset, or of a business as defined in IFRS 3 *Business Combinations*. Accordingly, the Group considers if there is the existence of business elements (e.g., inputs and substantive processes), or a group of assets that includes inputs and substantial processes that together significantly contribute to the ability to create outputs and providing a return to investors or other economic benefits.

The Group considers farm-in arrangements that pertain to exploration interests, with no production license, and no proved reserves, to be assets, rather than a business, and would account for such farm-ins based on the consideration paid, which would be capitalised as an intangible exploration asset and subject to impairment reviews.

b) Liquidity and going concern

Despite the lower realised prices during 2020, arising from the impact of the COVID-19 pandemic on benchmark crude oil prices, and the resultant impact on revenue, the Group was able to generate positive organic free cashflow in 2020. The Group manages it liquidity risk by optimising the positive free cash flow from its producing assets, and in 2020 implemented an aggressive and on-going business performance and efficiency programme named Project Clover. Project Clover aims to identify potential savings as well as area to further improve operational efficiency within the Group's operations, to reinforce its resiliency through the pandemic. Where possible, the savings achieved under Project Clover will be embedded as structural changes in the Group's future cost base. In addition, several significant capital expenditure programmes were also deferred, to preserve the Group's cash balance during the low oil price environment.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a) Contingent consideration

The determination of the contingent liability components within purchase agreements require significant management judgement and assumptions. The contingent payments are based on multiple future triggering events that may or may not occur. The Group assesses these factors independently taking into account probabilities and future circumstances. Where management deems necessary, independent valuation models and advisors will be requested to determine the fair value of such commitments. The contingent consideration payments for the Lemang PSC are set out in Note 15.

b) Depletion of oil and gas properties

Oil and gas properties are depleted using the units of production method.

Estimates of the Group's oil and gas reserves are inherently uncertain. Proved plus probable reserves are the estimated volumes of crude oil and natural gas which geological and engineering data demonstrate are most likely to be economically producible, from known reservoirs under existing economic conditions and operating methods. Changes in proved plus probable oil and gas reserves, and the associated expected development capital, will affect units of production depletion in the Group's consolidated financial statements for oil and gas properties. Proved plus probable oil and gas reserves are subject to revision, based on new information, such as from development drilling and production activities, or from changes in economic factors, including product prices, contract terms, evolution of technology or development plans, etc.

The carrying amount and depletion amount of oil and gas properties are disclosed in Notes 17 and 6, respectively.

c) Deferred Taxes

The Group recognises the net future economic benefit of deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and the carry forward of unutilised tax credits and unutilised tax losses can be utilised accordingly. Assessing the recoverability of deferred income tax and PRRT assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets as recorded in the statement of financial position, could be impacted. The carrying amounts of the Group's deferred tax assets are disclosed in Note 21 to the financial statements.

d) Reserves estimates

The estimated reserves are management assessments, and take into consideration reviews by an independent third party, under the Group's reserves audit programme, as well as other assumptions, interpretations and assessments. These include assumptions regarding commodity prices, exchange rates, discount rates, future production and transportation costs, and interpretations of geological and geophysical models to make assessments of the quality of reservoirs and the anticipated recoveries thereform. Changes in reported reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, depletion and amortisation charged to the statement of profit or loss and other comprehensive income, and the calculation of inventory.

e) Impairment of assets

The Group undertakes a regular review of asset carrying values to determine whether there is any indication of impairment. In the impairment assessment of intangible exploration assets, the Group takes into consideration the technical feasibility and commercial viability of extracting a mineral resource and whether there is any adverse information that will affect the final investment decision.

For oil and gas properties, management assessed its recoverable amount using the value in use approach. The post-tax estimated future cash flows are prepared based on estimated reserves, future production profiles, future oil prices assumptions and costs. In view of the low oil price environment arising from the impacts of COVID-19 pandemic, management has revised downward its future oil prices assumptions, compared to assumptions used in prior year. The future oil price assumptions used are highly judgemental and may be subject to increased uncertainty given the climate change, the global energy transition and the COVID-19 impacts. There is a risk that management do not forecast reasonable "best estimate" oil prices for the purpose of impairment assessment.

For right-of-use assets, the Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the `Impairment of Assets' policy.

The carrying amounts of intangible exploration assets, oil and gas properties and right-of-use assets are disclosed in Notes 16, 17 and 19, respectively.

f) Asset restoration obligations

The Group estimates the future removal and restoration costs of oil and gas production facilities, wells, pipelines and related assets at the time of installation of the assets and reviewed subsequently at the end of each reporting period. In most instances the removal of these assets will occur many years in the future.

The estimate of future removal costs is made considering relevant legislation and industry practice and requires management to make judgments regarding the removal date, the extent of restoration activities required and future costs and removal technologies. The carrying amounts of the Group's asset restoration obligations is disclosed in Note 29 to the financial statements.

g) Lemang PSC asset acquisition

Management has reviewed and assessed that the acquisition of the Lemang PSC does not meet the definition of a business combination according to IFRS 3 *Business Combinations*. Accordingly, it is classified as an asset acquisition. Management identified and recognised the individual identifiable assets acquired and liabilities assumed and allocated the cost of the group of assets and liabilities to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of acquisition. The Group assessed the fair values based on the estimated future economic benefits and costs associated with these assets and liabilities, as at the date of acquisition. The fair value of identifiable assets and liabilities are set out in Note 15.

4 | REVENUE

The Group presently derives its revenue from contracts with customers for the sale of oil products.

In line with the revenue accounting policies set out in Note 2, all revenue is recognised at a point in time.

	2020 USD'000	2019 USD'000
Liquids revenue, after hedging	217,938	325,406

5 | PRODUCTION COSTS

	2020 USD'000	2019 USD'000
Operating costs	49,675	52,527
Workovers	21,686	30,331
Logistics	14,333	20,635
Repairs and maintenance	22,450	23,742
Movement in inventories	(2,806)	(7,337)
	105,338	**119,898**

Operating costs in 2020 are net of US$0.6 million received during the year from the Australian Government's JobKeeper scheme in respect of the Group's Australian offshore personnel.

6 | DEPLETION, DEPRECIATION AND AMORTISATION ("DD&A")

	2020 USD'000	2019 USD'000
Depletion and amortisation (Note 17):	68,005	83,686
Depreciation of:		
Plant and equipment (Note 18)	601	427
Right-of-use assets (Note 19)	16,228	14,876
Movement in inventories	(192)	(8,243)
	84,642	**90,746**

7 | STAFF COSTS

	2020 USD'000	2019 Reclassified USD'000
Wages, salaries and fees	16,721	13,764
Staff benefits in kind	4,054	6,781
Share-based compensation	1,128	1,482
	21,903	**22,027**

The above staff cost includes all directors' salaries and fees.

Wages, salaries and fees in 2020 are net of US$0.5 million received during the year from the Australian Government's JobKeeper scheme in respect of the Group's Australian onshore personnel.

8 | OTHER EXPENSES

	2020 USD'000	2019 Reclassified USD'000
Corporate costs	19,265	7,398
Rig contract deferral costs	3,000	-
Exploration expenses	972	-
Loss on valuation of oil derivatives	475	633
Assets written off	173	697
Provision for slow moving inventories	143	-
Other expenses	2,890	651
	26,918	**9,379**

The increase in corporate costs during the year is predominately due to the litigation costs incurred in relation to the SC56 and 05-1 PSC arbitrations of US$9.1 million, and project transition costs of US$1.0 million.

Rig contract deferral costs in Australia of US$3.0 million arose from the decision to defer the Australian 2020 drilling campaign in response to the impact of COVID-19.

9 | IMPAIRMENT OF ASSETS

	2020 USD'000	2019 USD'000
Impairment of intangible exploration assets (Note 16)	50,455	-

The impairment expense of US$50.5 million relates to management's decision to voluntarily relinquish of SC56. During the year Total, the operator of SC56, notified the Group of its intention to withdraw from the block at the end of the current exploration phase. Having reviewed its options, the Group decided to relinquish its interest in the block with Total, and return the exploration license to the Philippines Department of Energy ("DOE"). The relinquishment notification was submitted on 18 November 2020. The effective date of relinquishment was 21 December 2020.

10 | OTHER INCOME

	2020 USD'000	2019 USD'000
Interest income	257	1,260
Litigation income	11,075	-
Fair value gain on foreign exchange derivatives	3,784	-
Reversal/Change in Stag FSO provision	5,047	1,717
Gain from termination of right-of-use asset	1,382	-
Net foreign exchange gain	48	2
Other income	4,783	-
	26,376	**2,979**

Litigation income represents the arbitration award granted in January 2020, in response to a breach of the SC56 farm out agreement by Total E&P Philippines BV. The breach of the SC56 farm out agreement arose in 2017, at which point, the Group commenced arbitration proceedings against Total with the Singapore International Arbitration Centre, claiming failure by Total to drill a commitment well and resultant damages. On 24 March 2020, the court issued the final award in favour of Jadestone.

Other income includes the settlement sum of US$1.0 million agreed by the Group with Teikoku Oil (Con Son) Co. Ltd ("Teikoku"), a subsidiary of Inpex Corporation, in November 2020 to resolve the dispute between both parties in relation to the arbitration proceedings commenced by the Group against Teikoku in July 2020 over Block 05-1 PSC. Other income also includes US$3.6 million of rental income from a helicopter rental contract (a right-of-use asset) to a third party.

11 | FINANCE COSTS

	2020 USD'000	2019 USD'000
Interest expense	2,366	6,067
Accretion expense for asset retirement obligations (Note 29)	6,312	5,842
Interest expense on lease liabilities	3,341	4,280
Accretion expense for Stag FSO provision	51	110
Other finance costs	585	144
	12,655	**16,443**

Interest expense refers to the effective interest rate charge on the reserve based lending facility.

12 | OTHER FINANCIAL GAINS

	2020 USD'000	2019 USD'000
Change in provisions - Montara contingent payments	359	3,389

The change in provisions represents the reduction in the fair value of the Montara contingent payments. The Group has derecognised the 2020 contingent payment as the trigger event to crystallise this payment did not arise. The fair values of the remaining contingent payments have been valued as US$ Nil, as the possibility of realisation is remote.

13 | INCOME TAX EXPENSE

	2020 USD'000	2019 USD'000
Current tax		
Corporate tax	(11,020)	(43,370)
Petroleum resource rent tax ("PRRT")	(1,678)	1,850
Overprovision in prior year	1,030	-
	(11,668)	**(41,520)**
Deferred tax		
Tax depreciation	4,026	20,285
Tax losses	-	(5,257)
PRRT	4,702	(6,284)
	8,728	**8,744**
	(2,940)	**(32,776)**

The Australian corporate income tax rate is applied at 30% of Australian corporate taxable income. PRRT is calculated at 40% of sales revenue less certain permitted deductions and is tax deductible for Australian corporate income tax purposes.

During the year, Stag recorded a net PRRT credit of US$3.0 million and gained PRRT carried forward credits of US$4.7 million during the year. In 2019, Stag incurred a net expense of US$4.4 million, after utilised PRRT carried forward credits of US$1.1 million.

Montara has utilised PRRT carried forward credits of US$6.4 million during the year with no PRRT expense incurred. As at year end, Montara has US$3.3 billion (2019: US$3.1 billion) of unutilised PRRT carried forward credits. Based on management's latest forecasts, the augmentation on historic accumulated PRRT net losses will more than offset PRRT that would otherwise arise on future PRRT taxable profits. Accordingly, Montara is not anticipated to incur any PRRT expense.

The Company was a resident in the Province of British Columbia and paid no Canadian tax; the Group has no operating business in Canada. Subsidiaries are resident for tax purposes in the territories in which they operate.

As first announced on 1 February 2021, the Company is pursuing an internal reorganisation which will result in a new UK-based parent company for the Group, Jadestone Energy plc. This reorganisation is expected to be effective on 23 April 2021. The internal reorganisation will not result in a change in control in the ultimate holding company of the Jadestone group of companies and, accordingly, will not result in a change in control in the ultimate shareholding in any of the companies or assets of the Jadestone group of companies. Further, the internal reorganisation will not result in a change in the management of any of the companies or assets of the Jadestone group of companies. Jadestone Energy plc is in the process of applying to the UK and Singapore tax authorities to confirm its tax domicile to be Singapore.

The tax expense on Group's (loss)/profit differs from the amount that would arise using the standard rate of income tax applicable in the countries of operation as explained below:

	2020 USD'000	2019 USD'000
(Loss)/Profit before tax	**(57,238)**	**73,281**
Tax calculated at the domestic tax rates applicable to the profit/loss in the respective countries (Australia 30%, New Zealand 28%, Canada 27% and Singapore 17%)	9,198	(23,190)
Effects of non-deductible expenses	(16,192)	(5,152)
Effect of PRRT tax (expense)/benefit	(1,678)	1,850
Deferred PRRT tax credit/(expense)	4,702	(6,284)
Overprovision in prior year	1,030	-
Tax expense for the year	**(2,940)**	**(32,776)**

In addition to the amount charged to the profit or loss, the following amounts relating to tax have been recognised in other comprehensive income.

	2020 USD'000	2019 USD'000
Other comprehensive loss - deferred tax		
Income tax credit related to carrying amount of hedged item	(1,583)	(13,624)

14 | (LOSS)/EARNINGS PER ORDINARY SHARE

The calculation of the basic and diluted (loss)/profit per share is based on the following data:

	2020 USD'000	2019 USD'000
(Loss)/Profit for the purposes of basic and diluted per share, being the net (loss)/profit for the year attributable to equity holders of the Company	(60,178)	40,505

	2020 Number	2019 Number
Weighted average number of ordinary shares for the purposes of basic EPS	463,553,521	461,040,802
Effect of diluted potential ordinary shares - share options	-	2,512,719
Weighted average number of ordinary shares for the purposes of dilutive EPS	**463,553,521**	**463,553,521**

In 2020, 4,679,402 of potential ordinary shares associated with share options are anti-dilutive.

The calculation of diluted EPS for 2019 includes 2,512,719 of weighted average dilutive ordinary shares available for exercise from in-the-money vested options. Additionally, 590,902 of weighted average potential ordinary shares available for exercise in 2020 are excluded, as they are out-of-the-money (2019: 607,821).

(Loss)/Earnings per share (US$)	**2020**	**2019**
- Basic and diluted	(0.13)	0.09

15 | ACQUISITION OF LEMANG PSC

15.1 | Acquisition date

On 29 June 2020, the Group executed an acquisition agreement with Mandala Energy Lemang Pte Ltd ("Mandala Energy") to acquire an operated 90% interest in the Lemang PSC, for a total cash consideration of US$12.0 million, including closing statement adjustments and subsequent contingent payments. The acquisition closed on 11 December 2020 ("Closing Date"), following the completion of various conditions precedent at the time of signing the acquisition agreement. These included the receipt of governmental approval of the assignment of the interest and of the Group's appointment as operator, and other consents required under the Lemang PSC joint operating agreement.

15.2 | Asset acquisition

Management has concluded that the acquisition of the Lemang PSC is an asset acquisition as the Lemang PSC does not come with an organised workforce, and the Group does not take over any process in the form of a system, protocol or standards to contribute to the creation of outputs. Hence, the acquisition does not fall within the definition of a business combination under IFRS 3 *Business Combinations*. Therefore, the fair value of the assets acquired and liabilities assumed in the acquisition of the Lemang PSC, and the consideration transferred have been measured at fair value, in accordance to the definition of fair value under IFRS 13 *Fair Value Measurement* to determine the fair values.

15.3 | Fair value of consideration transferred

The fair value consideration of the Lemang PSC reflected a net cash outflows of US$12.0 million, as set out below:

	USD'000
Asset purchase price	12,000
Closing statement adjustments	55
Cash payment on acquisition date	**12,055**
Less: cash and bank balances acquired	(96)
Net cash outflows on acquisition	**11,959**

The total net cash outflows on acquisition reflects the net receipts arising from the working capital adjustments at the Closing Date.

There are additional potential deferred contingent payments, dependent on the future outcome of a number of trigger events. Please refer to Note 15.5 for the full disclosure of all the contingent payments along with the management's assessment. Management has reviewed all the contingent payments, and at the date of acquisition recorded an amount of US$4.4 million at fair value for the following two contingent events:

- First gas date: US$5.0 million; and
- The accumulated receipts of VAT reimbursements received which are attributable to the Lemang Block as at the Closing Date, exceeding an aggregate amount of US$6.7 million on a gross basis: US$0.7 million.

Management has assessed the fair value of the above contingent consideration based on the estimated timing of first gas date, and the estimated receipts from the VAT receivables. This implies the fair value of the contingent considerations to be US$3.9 million and US$0.5 million, respectively, totalling US$4.4 million as at Closing Date. This reflects a discount of 23% and 20% for the respective contingent consideration payments arising from the time value of money and the likelihood of the trigger event occurring.

Fair value of purchase consideration	USD'000
Asset purchase price	12,000
Closing statement adjustment	55
Cash payment on acquisition date	**12,055**
Deferred contingent consideration	4,436
Total	**16,491**

The Group considers that the purchase consideration and the transaction terms to be reflective of fair value for the following reasons:

- Open and unrestricted market: there were no restrictions in place preventing other potential buyers from negotiating with Mandala Energy during the sales process period and there were a number of other interested parties in the formal sale process;
- Knowledgeable, willing but not anxious parties: both the Group and Mandala Energy are experienced oil and gas operators under no duress. The process was conducted over several months which gave both parties sufficient time to conduct due diligence and prepare analysis to support the transaction; and
- Arm's length nature: the Group is not a related party to Mandala Energy. Both parties had engaged their own professional advisors so there is no reason to conclude that the transaction was not transacted at arm's length.

15.4 | Assets acquired and liabilities assumed at the date of acquisition

The fair value of the identifiable assets and liabilities of the Lemang PSC, acquired and assumed as at the date of acquisition, were:

	Total USD'000
Asset	
Non-current assets	
Intangible exploration assets (Note 16)	14,825
VAT receivables	4,393
Current assets	
Trade and other receivables	398
Inventories	3
Cash and bank balances	96
	19,715
Liabilities	
Non-current liabilities	
Provision for asset retirement obligations (Note 29)	2,741
Current liabilities	
Trade and other payables	483
	3,224
Net identifiable assets acquired	**16,491**

The provision for asset restoration obligations assumed by the Group is associated with the oil production by Mandala Energy that has ceased at the Lemang PSC prior to the acquisition. This liability is assumed by the Group following the acquisition. The decommissioning expenditure is expected to be incurred from 2034, at the end of the life of the gas asset.

15.5 | Deferred contingent consideration

No.	Trigger event	Consideration	Management's rationale
1.	First gas date	US$5.0 million	Please refer to 15.3 above.
2.	The accumulated VAT receivables reimbursements which are attributable to the unbilled VAT in the Lemang Block as at the Closing Date, exceeding an aggregate amount of US$6.7 million on a gross basis	US$0.7 million	Please refer to 15.3 above.
3.	First gas date on or before 31 March 2023	US$3.0 million	It is unlikely that the first gas date will be on or before 31 March 2023.
4.	Total actual Akatara Gas Project "close out" costs set out in the AFE(s) approved pursuant to a joint audit by SKK MIGAS and BPKP is less than, or within 2% of the "close out" development costs set out in the approved revised plan of development for the Akatara Gas Project	US$3.0 million	The Akatara Gas Project has not been sanctioned as at year end due to ongoing preparation of project approval documentation. It is unknown if the future close out costs will be less than or within 2% of the budgeted amount and it is unable to be reliably measured as at year end.
5.	The average Saudi CP in the first year of operation is higher than US$620/MT	US$3.0 million	Saudi CP is not expected to be above US$620/MT throughout the PSC term to 2037.
6.	The average Saudi CP in the second year of operation is higher than US$620/MT	US$2.0 million	Saudi CP is not expected to be above US$620/MT throughout the PSC term to 2037.
7.	The average Dated Brent price in the first year of operation is higher than US$80/bbl	US$2.5 million	The Dated Brent price is not expected to be above US$80/bbl throughout the PSC term to 2037.
8.	The average Dated Brent price in the second year of operation is higher than US$80/bbl	US$1.5 million	The Dated Brent price is not expected to be above US$80/bbl throughout the PSC term to 2037.
9.	A plan of development for the development of a new discovery made, as a result of the remaining exploration well commitment under the PSC, is approved by the relevant government entity.	US$3.0 million	There are no prospects or leads presently selected for the exploration well commitment. As at year end, it is not probable that this contingent consideration trigger will be met.
10.	The plan of development described in item 9 above is approved by the relevant government entity and is based on reserves of no less than 8.4mm barrels (on a gross basis).	US$8.0 million	There are no prospects or leads presently selected for the exploration well commitment. As at year end, it is not probable that this contingent consideration trigger will be met.

16 | INTANGIBLE EXPLORATION ASSETS

	Total USD'000
Cost	
As at 1 January 2019	95,607
Additions	21,833
As at 31 December 2019/1 January 2020 (Reclassified)	**117,440**
Acquisition of Lemang PSC (Note 15)	14,825
Additions	18,860
As at 31 December 2020	**151,125**
Impairments	
As at 1 January 2019/31 December 2019/1 January 2020	-
Additions (Note 9)	50,455
As at 31 December 2020	**50,455**
Net book value	
As at 31 December 2019 (Reclassified)	**117,440**
As at 31 December 2020	**100,670**

For the purpose of the consolidated statement of cash flows, current year expenditure on intangible exploration assets of US$4.6 million remained unpaid as at 31 December 2020 (2019: US$8.9 million).

17 | OIL AND GAS PROPERTIES

	Total USD'000
Cost	
As at 1 January 2019	457,818
Changes in asset restoration obligations (Note 29)	(8,117)
Additions	43,817
Written off	(533)
As at 31 December 2019/1 January 2020 (Reclassified)	**492,985**
Changes in asset restoration obligations (Note 29)	(725)
Additions	4,732
As at 31 December 2020	**496,992**
Accumulated depletion and amortisation	
As at 1 January 2019	27,625
Charge for the year	83,686
As at 31 December 2019/1 January 2020	**111,311**
Charge for the year	68,005
As at 31 December 2020	**179,316**
Net book value	
As at 31 December 2019 (Reclassified)	**381,674**
As at 31 December 2020	**317,676**

18 | PLANT AND EQUIPMENT

	Computer equipment USD'000	Fixtures and fittings USD'000	Total USD'000
Cost			
As at 1 January 2019	2,372	1,269	3,641
Additions	452	50	502
Disposal	-	(4)	(4)
As at 31 December 2019/1 January 2020	**2,824**	**1,315**	**4,139**
Additions	280	193	473
As at 31 December 2020	**3,104**	**1,508**	**4,612**
Accumulated depreciation			
As at 1 January 2019	975	957	1,932
Charge for the year	359	68	427
Disposal	-	-*	-*
As at 31 December 2019/1 January 2020	**1,334**	**1,025**	**2,359**
Charge for the year	323	278	601
As at 31 December 2020	**1,657**	**1,303**	**2,960**
Net book value			
As at 31 December 2019	**1,490**	**290**	**1,780**
As at 31 December 2020	**1,447**	**205**	**1,652**

* Due to figures rounded to nearest thousand.

19 | RIGHT-OF-USE ASSETS

	Production assets USD'000	Transportation and logistics USD'000	Buildings USD'000	Total USD'000
Cost				
As at 1 January 2019	29,339	3,507	3,004	35,850
Additions	-	38,813	-	38,813
As at 31 December 2019/1 January 2020	**29,339**	**42,320**	**3,004**	**74,663**
Additions	-	419	472	891
Termination	(29,339)	-	(307)	(29,646)
Adjustment	-	(394)	-	(394)
As at 31 December 2020	**-**	**42,345**	**3,169**	**45,514**
Accumulated depreciation				
As at 1 January 2019	-	-	-	-
Charge for the year	5,334	8,519	1,023	14,876
As at 31 December 2019/1 January 2020	**5,334**	**8,519**	**1,023**	**14,876**
Charge for the year	3,837	11,419	972	16,228
Termination	(9,171)	-	(92)	(9,263)
As at 31 December 2020	**-**	**19,938**	**1,903**	**21,841**
Net book value				
As at 31 December 2019	**24,005**	**33,801**	**1,981**	**59,787**
As at 31 December 2020	**-**	**22,407**	**1,266**	**23,673**

The decrease in production assets arose from the termination of the Stag FSO lease in September 2020, due to the retirement of the FSO by its owner, and the Group's move to the shuttle tank model.

The Group leases several assets including the helicopters, a supply boat, logistic facilities for the Montara field, and buildings. The average lease term is 3 years.

The maturity analysis of lease liabilities is presented in Note 30.

	2020 USD'000	2019 USD'000
Amount recognised in profit or loss		
Depreciation expense on right-of-use assets	16,228	14,876
Interest expense on lease liabilities	3,341	4,280
Expenses relating to short-term leases	3,065	11,748
Expense relating to leases of low value assets	30	15

20 | INVESTMENTS IN SUBSIDIARIES AND INTERESTS IN JOINT OPERATIONS

The succeeding sections of this Note present the details of the principal subsidiaries and joint operations of the Group.

Details of the investments in which the Group holds 20% or more of the nominal value of any class of share capital are as follows:

Name of the company	Place of incorporation	% Voting rights and shares held 2020	% Voting rights and shares held 2019	Nature of business
Jadestone Energy (Eagle) Pty Ltd	Australia	100	100	Production oil & gas
Jadestone Energy (Australia Holdings) Pty Ltd	Australia	100	100	Investment holdings
Jadestone Energy (Australia) Pty Ltd	Australia	100	100	Production oil & gas
Jadestone Energy (New Zealand Holdings) Ltd	New Zealand	100	100	Investment holdings
Jadestone Energy (New Zealand) Ltd	New Zealand	100	100	Production oil & gas
Jadestone Energy (Lemang) Pte Ltd	Singapore	100	-*	Exploration
Jadestone Energy (Singapore) Pte Ltd	Singapore	100	100	Investment holdings
Jadestone Energy International Holdings Inc.	Canada	100	100	Investment holdings
Jadestone Energy Ltd	Bermuda	100	100	Investment holdings
Jadestone Energy Sdn Bhd	Malaysia	100	100	Administration
Mitra Energy (Philippines SC- 56) Ltd	Bermuda	100	100	Exploration
Mitra Energy (Philippines SC- 57) Ltd	BVI	100	100	Exploration
Mitra Energy (Vietnam 05-1) Pte Ltd	Singapore	100	100	Exploration
Mitra Energy (Vietnam Nam Du) Pte Ltd	Singapore	100	100	Exploration
Mitra Energy (Vietnam Tho Chu) Pte Ltd	Singapore	100	100	Exploration

* Jadestone Energy (Lemang) Pte Ltd was incorporated on 19 June 2020 as part of the Lemang acquisition.

Details of the operations, of which all are in exploration stage except for Stag and Montara which are in the production stage, are as follows:

Contract Area	Date of expiry	Held by	Place of operations	Group effective working interest % as at 31 December 2020	2019
Montara Oilfield	Indefinite	Jadestone Energy (Eagle) Pty Ltd	Australia	100	100
Stag Oilfield	25 Aug 2039	Jadestone Energy (Australia) Pty Ltd	Australia	100	100
46/07	29 Jun 2035	Mitra Energy (Vietnam Nam Du) Pte Ltd	Vietnam	100	100
51	10 Jun 2040	Mitra Energy (Vietnam Tho Chu) Pte Ltd	Vietnam	100	100
Lemang	17 Jan 2037	Jadestone Energy (Lemang) Pte Ltd	Indonesia	90	-
SC57	14 Sept 2055	Mitra Energy (Philippines SC-57) Ltd	Philippines	21	21
SC56	4 Aug 2055	Mitra Energy (Philippines SC-56) Ltd	Philippines	-	25

21 | DEFERRED TAX

The following are the deferred tax liabilities and assets recognised by the Group and movements thereon.

	Australian PRRT USD'000	Tax depreciation USD'000	Derivatives financial instruments USD'000	Tax losses USD'000	Total USD'000
As at 1 January 2019	19,499	(80,730)	(15,207)	5,257	(71,181)
(Charged)/Credited to profit or loss	(6,284)	20,285	-	(5,257)	8,744
Credited to OCI	-	-	13,624	-	13,624
As at 31 December 2019/ 1 January 2020	**13,215**	**(60,445)**	**(1,583)**	**-**	**(48,813)**
Credited to profit or loss	4,702	4,026	-	-	**8,728**
Credited to OCI	-	-	1,583	-	**1,583**
As at 31 December 2020	**17,917**	**(56,419)**	**-**	**-**	**(38,502)**

The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2020 USD'000	2019 USD'000
Deferred tax liabilities	(58,229)	(64,825)
Deferred tax assets	19,727	16,012
	(38,502)	**(48,813)**

The Group has unutilised PRRT credits of approximately US$3.3 billion (2019: US$3.1 billion) available for offset against future PRRT taxable profits in respect of the Montara field. No deferred tax asset has been recognised in respect of these PRRT credits, due to management's projections that there will continue to be current augmentation of PRRT credits that are more than sufficient to offset any PRRT tax to be paid. As PRRT credits are utilised based on a last-in-first-out basis, the unutilised PRRT credits of approximately US$3.3 billion (2019: US$3.1 billion) will not be utilised given the forecasted augmentation, and are therefore not recognised as a deferred tax asset.

22 | INVENTORIES

	2020 USD'000	2019 USD'000
Materials and spares	20,059	8,964
Less: provision for slow moving (Note 8)	(143)	-
	19,916	**8,964**
Crude oil inventories	25,445	22,447
	45,361	**31,411**

The cost of inventories recognised as an expense during the year for lifted volumes, comprising production costs excluding workovers, plus depletion expense of oil and gas properties, and plus depreciation of right-of-use assets deployed for operational use, is US$166.9 million (2019: US$187.1 million).

23 | TRADE AND OTHER RECEIVABLES

	2020 USD'000	2019 USD'000
Current assets		
Trade receivables	106	34,007
Prepayments	2,012	4,754
Other receivables and deposits	4,273	2,311
GST/VAT receivables	719	1,211
	7,110	**42,283**
Non-current asset		
VAT receivables	4,404	-
	11,514	**42,283**

Trade receivables arise from revenues generated in Australia. The average credit period is 30 days (2019: 30 days). All outstanding receivables as at 31 December 2020 and 2019 have been fully recovered in 2021 and 2020, respectively.

The non-current VAT receivables of US$4.4 million are associated with the Lemang PSC. It is classified as a non-current asset as the recovery of the VAT receivables is dependent on the share of revenue entitlement by the Indonesian government after the commencement of gas production, which is estimated to occur after 2021.

No interest is charged on outstanding receivables. There are no trade receivables older than 30 days.

24 | CASH AND BANK BALANCES

	2020 USD'000	2019 USD'000
Current assets		
Cash and bank balances	89,441	81,942
Less: restricted cash	(8,445)	(6,008)
Cash and cash equivalents	**80,996**	**75,934**
Non-current assets		
Cash and bank balances	-	17,477
Less: restricted cash	-	(17,477)
Cash and cash equivalents	**-**	**-**
Cash and cash equivalents in the consolidated statement of cash flows	**80,996**	**75,934**

As part of the reserve based lending agreement (Note 31), the Group had to retain an aggregate amount of principal, interest, fees and costs payable at each quarter-end in a debt service reserve account ("DSRA"). An amount of US$7.4 million (2019: US$13.5 million) is deposited in the DSRA as at 31 December 2020. In addition, the Group is required to maintain a minimum cash balance in the Montara cash operating account of US$15.0 million (2019: US$15.0 million). The DSRA has been classified as restricted cash given certain restrictions under the loan agreement to withdraw amounts from the DSRA. The DSRA was released on 31 March 2021, upon the repayment of the final balance outstanding repayment on the loan, and is hence classified as a current asset as at 31 December 2020.

On 24 July 2020, the Group entered into a joint study agreement ("JSA") in Indonesia to assess an area in advance of applying for a new PSC. The JSA required a US$1.0 million performance bank guarantee to be placed with the Indonesian regulator. It is kept in a specific bank account that has in place restrictions and does not allow for the cash to be used for normal operations. The bank guarantee will be released to the Group at completion of the JSA which is anticipated in Q3 2021.

The restricted cash of US$10.0 million held by the Group in 2019, in support of a bank guarantee to a key supplier in respect of Stag's FSO vessel, has been released to the Group upon the termination of the FSO vessel lease agreement during the year.

25 | SHARE CAPITAL

Authorised ordinary shares

Unlimited number of ordinary voting shares with no par value.

	No. of shares	USD'000
Issued and fully paid		
As at 1 January 2019	461,009,478	466,562
Issued during the year	33,333	11
As at 31 December 2019/1 January 2020	**461,042,811**	**466,573**
Issued during the year	800,000	406
As at 31 December 2020	**461,842,811**	**466,979**

During the year, employee share options of 800,000 were exercised and issued at an average price of GB£ 0.33 per share (2019: 33,333; CAD0.47 per share).

The Company has one class of ordinary share. Fully paid ordinary shares carry one vote per share without restriction, and carry a right to dividends as and when declared by the Company.

26 | DIVIDENDS

An interim dividend of 0.54 US cents/share was declared on 10 September 2020 (0.42 GB pence/share, based on the spot exchange rate of 0.7708 on 9 September 2020) and paid on 30 October 2020, equivalent to a total distribution of US$2.5 million (2019 interim dividend: nil).

27 | HEDGING RESERVES

	2020 USD'000	2018 USD'000
At beginning of the year	(3,688)	(35,480)
(Gain)/Loss arising on changes in fair value of hedging instruments during the year	(26,093)	30,542
Income tax related to gain/(loss) recognised in other comprehensive income	7,828	(9,162)
Net gain reclassified to profit or loss	31,364	14,874
Income tax related to amounts reclassified to profit or loss	(9,411)	(4,462)
At end of the year	**-**	**(3,688)**

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in profit or loss only when the hedged transaction impacts the profit or loss. The Group's oil price capped swap expired on 30 September 2020 and accordingly, all cumulative deferred gains were recognised in the profit or loss.

28 | SHARE-BASED PAYMENTS RESERVE

The total expense arising from share-based payments recognised for the year ended 31 December 2020 was US$1.1 million (2019: US$1.5 million) (Note 7).

On 15 May 2019, the Company adopted, as approved by shareholders, the amended and restated stock option plan, the performance share plan, and the restricted share plan (together, the "LTI Plans"), which establishes a rolling number of shares issuable under the LTI Plans up to a maximum of 10% of the Company's issued and outstanding Common Shares at any given time. Options under the stock option plan will be exercisable over periods of up to 10 years as determined by the Board.

The Black-Scholes option-pricing model, with the following assumptions, was used to estimate the fair value of the options at the date of grant:

	Options granted on		
	27 April 2020	3 December 2019	28 March 2019
Risk-free rate	1.41% to 1.56%	1.46% to 1.47%	1.46% to 1.47%
Expected life	5.5 to 6.5 years	5.5 to 6.5 years	5.5 to 6.5 years
Expected volatility	42.7% to 43.9%	40.1% to 42.8%	39.9% to 42.3%
Share price	GB£ 0.44	C$1.17	C$0.85
Exercise price	GB£ 0.44	C$1.17	C$0.85
Expected dividends	2.9%	Nil	Nil

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

	Share Options			
	Number of options	Weighted average exercise price C$	Weighted average remaining contract life	Number of options exercisable
As at 1 January 2019	12,132,842	0.56	8.50	3,232,830
New share options issued	8,075,000	0.85	9.25	75,000
Vested during the year	-	0.50	7.63	3,858,316
Exercised during the year	(33,333)	0.47	-	(33,333)
Cancelled during the year	(306,667)	0.48	-	(113,333)
As at 31 December 2019	**19,867,842**	**0.68**	**8.21**	**7,019,480**

	Share Options			
	Number of options	Weighted average exercise price GB£	Weighted average remaining contract life	Number of options exercisable
As at 1 January 2020	19,867,842	0.39	8.21	7,019,480
New share options issued	6,525,000	0.44	9.83	-
Vested during the year	-	0.38	7.20	6,193,247
Exercised during the year	(800,000)	0.33	-	(800,000)
Cancelled during the year	(400,000)	0.73	-	(200,000)
As at 31 December 2020	**25,192,842**	**0.40**	**7.91**	**12,212,827**

29 | PROVISIONS

	Asset restoration obligations (a) USD'000	Stag FSO (b) USD'000	Contingent payment (c) USD'000	Employees benefit (d) USD'000	Incentive scheme (e) USD'000	Others USD'000	Total USD'000
As at 1 January 2019	277,697	6,603	3,748	762	828	-	289,638
Additions	-	-	-	89	800	-	889
Accretion expense (Note 11)	5,842	110	-	-	-	-	5,952
Changes in discount rate assumptions and estimates (Note 17/Note 10)	(8,117)	(1,717)	-	-	-	-	(9,834)
Fair value adjustment (Note 12)	-	-	(3,389)	-	-	-	(3,389)
Reversal	-	-	-	-	(316)	-	(316)
As at 31 December 2019/ 1 January 2020 (Reclassified)	**275,422**	**4,996**	**359**	**851**	**1,312**	**-**	**282,940**
Additions	-	-	-	67	1,304	1,905	3,276
Acquisition of Lemang PSC (Note 15)	2,741	-	4,436	-	-	-	7,177
Accretion expense (Note 11)	6,312	51	-	-	-	-	6,363
Changes in discount rate assumptions (Note 17)	(725)	-	-	-	-	-	(725)
Utilised	-	-	-	(22)	(821)	-	(843)
Fair value adjustment (Note 12)	-	-	(359)	-	-	-	(359)
Reversal (Note 10)	-	(5,047)	-	-	-	-	(5,047)
As at 31 December 2020	**283,750**	**-**	**4,436**	**896**	**1,795**	**1,905**	**292,782**
As at 31 December 2019 (Reclassified)							
Current	-	-	-	795	1,312	-	2,107
Non-current	275,422	4,996	359	56	-	-	280,833
	275,422	**4,996**	**359**	**851**	**1,312**	**-**	**282,940**
As at 31 December 2020							
Current	-	-	-	858	1,795	1,905	4,558
Non-current	283,750	-	4,436	38	-	-	288,224
	283,750	**-**	**4,436**	**896**	**1,795**	**1,905**	**292,782**

(a) The Group's asset restoration obligations ("ARO") comprise the future estimated costs to decommission each of the Montara, Stag and Lemang assets.

The carrying value of the provision represents the discounted present value of the estimated future costs. Current estimated costs of the ARO for each of the Montara, Stag and Lemang assets have been escalated to the estimated date at which the expenditure would be incurred, at an assumed blended inflation rate of 1.52%, 1.48% and 2.54% respectively (2019: Montara - 2.10%; Stag - 2.06%). The estimates for Montara and Stag are a blend of assumed US and Australian inflation rates to reflect the underlying mix of US dollar and Australian dollar denominated expenditures. The estimates for Lemang are a blend of assumed US and Indonesian inflation rates to reflect the underlying mix of US dollar and Indonesian Rupiah denominated expenditures. The present value of the future estimated ARO for each of the Montara, Stag and Lemang assets has then been calculated based on blended risk-free rates of 1.72%, 1.78% and 5.86% respectively (2019: Montara: 2.31%; Stag - 2.24%). The base estimate ARO for Montara and Stag remains largely unchanged from 2019. The Lemang asset ARO was assessed in 2020 based on the existing oil infrastructure assets acquired, and required to be decommissioned at the end of field life.

Management expects decommissioning expenditures to be incurred from 2031, 2035 and 2034 onwards for Montara, Stag and Lemang, respectively.

In 2019, Jadestone Energy (Eagle) Pty Ltd, a wholly owned subsidiary of the Company entered into a deed poll with the Australian Government with regard to the requirements of maintaining sufficient financial capacity to ensure Montara's asset restoration obligations can be met when due. The deed states that the Group is required to provide a financial security in favour of the Australian Government when the aggregate remaining net after tax cash flow of the Group is 1.25 times or below the Group's estimated future decommissioning costs.

(b) The provision for Stag FSO in 2019 represented the fair value of amounts payable to the crew of the FSO on termination of the lease. The provision has been reversed due to the September 2020 termination of the FSO vessel lease.

(c) The contingent payment of US$0.4 million in 2019 represented the fair value of 2020 contingent payments to PTTEP for the Montara acquisition. The 2020 contingent payment has been derecognised during the year as the liability has failed to materialise. The Group has not recognised other contingent payments as the management considers the probability of outflow is remote.

During the year, the Group has recognised contingent consideration payments of US$4.4 million, representing the fair value of contingent payments to Mandala Energy Lemang Pte Ltd for the acquisition of the Lemang PSC (see Note 15.5).

(d) Included in the provision for employee benefits is provision for long service leave which is payable to employees on a pro-rata basis after 7 years of employment and is due in full after 10 years of employment.

(e) The Group's performance pay incentive scheme is based on the Group's and employees' performance, and is payable annually to the employees at variable percentages of their annual wage.

30 | LEASE LIABILITIES

	2020 USD'000	2019 USD'000
Presented as:		
Non-current	13,305	42,533
Current	12,478	19,739
	25,783	**62,272**
Maturity analysis of lease liabilities based on undiscounted gross cash flows:		
Year 1	13,448	20,228
Year 2	11,239	19,881
Year 3	2,803	17,934
Year 4	-	9,547
Year 5	-	3,145
Future interest charge	(1,707)	(8,463)
	25,783	**62,272**

The decrease in lease liabilities is predominately due to the termination of the Stag FSO lease in September 2020, due to the retirement of the FSO by its owner, and the resultant move to the shuttle tanker model.

The Group does not face a significant liquidity risk with regards to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

31 | BORROWINGS

	2020 USD'000	2019 USD'000
Non-current secured borrowings		
Reserve based lending facility	-	7,328
Current secured borrowings		
Reserve based lending facility	7,296	41,795
	7,296	**49,123**

During the year, the Group made principal repayment and interest service costs of US$42.8 million and US$1.4 million (2019: US$52.9 million; US$4.5 million) respectively, leaving an outstanding balance of US$7.3 million (2019: US$49.1 million) as at year end, which was repaid in full on 31 March 2021.

The loan incurred interest at LIBOR plus 3% (2019: LIBOR plus 3%).

32 | RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows, as cash flows from financing activities.

The cash flows represent the repayment of borrowings and lease liabilities in the consolidated statement of cash flows.

	Reserved based lending facility USD'000	Lease liabilities USD'000	Other borrowings USD'000
As at 1 January 2019	100,534	-	1,279
Adoption of IFRS 16	-	35,850	-
Financing cash flows	(52,924)	(16,671)	(1,279)
New lease liabilities	-	38,813	-
Interest expense	(4,519)	-	-
Non-cash changes – other changes	6,032	4,280	-
As at 31 December 2019/1 January 2020	**49,123**	**62,272**	**-**
Financing cash flows	(42,766)	(18,562)	-
New lease liabilities	-	891	-
Termination of leases	-	(20,777)	-
Interest expense	(1,427)	-	-
Non-cash changes – other changes	2,366	1,959	-
As at 31 December 2020	**7,296**	**25,783**	**-**

33 | TRADE AND OTHER PAYABLES

	2020 USD'000	2019 Reclassified USD'000
Trade payables	10,131	9,192
Other payables	2,004	156
Accruals	20,047	16,347
GST/VAT payables	10	104
	32,192	**25,799**

Trade and other payables and accruals principally comprise amounts outstanding for trade and non-trade purchases and ongoing costs. The average credit period taken for purchases is less than 30 days. For most suppliers, no interest is charged on the payables in the first 30 days from the date of invoice. Thereafter, interest may be charged on outstanding balances at varying rates of interest. The Group has financial risk management policies in place to ensure that all payables are settled within the pre-agreed credit terms.

The Group believes that the carrying amount of trade and other payables approximates their fair value.

34 | DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivatives to manage its exposure to oil price fluctuations. Oil hedges are undertaken using swaps and in some cases, call options. All contracts are referenced to Dated Brent oil prices. During the year, the Group entered into commodity swaps that are carried at fair value through profit or loss ("FVTPL").

	2020 USD'000	2019 USD'000
Derivative financial assets		
Designated as cash flow hedges		
Commodity capped swap	-	5,275
Derivative financial liabilities		
Carried at FVTPL		
Commodity capped swap	(471)	-

The following is a summary of the Group's outstanding derivative contracts:

Contract quantity	Type of contracts	Terms	Contract price	Hedge classification	Fair value asset at 31 December 2020 USD'000	Fair value asset at 31 December 2019 USD'000
Contracts designated as cash flow hedges						
27% (2019: 32%) of Group's actual 2PD production	Commodity capped swap: swap component	Oct 2018 - Sep 2020	US$78.26/bbl for Q4 2018, US$71.72/bbl for 2019 and US$68.45/bbl for the nine months to 30 September 2020	Cash flow	-	5,203
67% of swapped barrels in 2019 and in the nine months to 30 September 2020	Commodity capped swap: call component	Jan 2019 - Sep 2020	US$80.00/bbl for the nine months to 30 September 2019, then US$85.00/bbl to September 2020		-	72
Contracts that are not designated in hedge accounting relationships						
31% of Group's anticipated planned 2P production from January to March 2021	Commodity swap	Jan - March 2021	US$49.00/bbl	FVTPL	(471)	-

The Group's October 2018 to September 2020 capped swap programme was designated as a cash flow hedge. Critical terms of the capped swap (i.e., the notional amount, life and underlying oil price benchmark) and the corresponding Montara hedged sales are highly similar. The Group performed a qualitative assessment of the effectiveness of the capped swap contracts and concluded that the value of the capped swap and the value of the corresponding hedged items will systematically change in opposite directions in response to movements in the underlying commodity prices.

There is however, a source of ineffectiveness in the capped swap arrangement, arising from the slight difference in the timing of Montara's production and the settlement of the capped swap arrangement versus the crude sales. The overall change in value in the capped swap transaction arising from the hedge ineffectiveness amounted to a net loss of approximately US$4,000 in 2020 (2019: US$0.6 million), and has been included in the statement of profit or loss within "other expenses" (Note 8).

The following tables detail the commodity swap contracts outstanding at the end of the year, as well as information regarding their related hedged items. Commodity swap contract assets are included in the "derivative financial instruments" line item in the consolidated statement of financial position.

Hedging instruments – outstanding contracts

	Oil volumes bbls	Notional value USD'000	Change in fair value used for calculating hedge ineffectiveness USD'000	Fair value USD'000
2019				
Cash flow hedges				
Commodity swap component	1,136,940	77,829	633	5,203
Commodity call component	568,470	48,320	-	72
			633	**5,275**

Hedged items

	Change in value used for calculating hedge ineffectiveness USD'000	Balance in cash flow hedge reserve for continuing hedges USD'000	Balance in cash flow hedge reserve arising from hedging relationships for which hedge accounting is no longer applied USD'000
2020			
Cash flow hedges			
Forecast sales	4	-	-
2019			
Cash flow hedges			
Forecast sales	633	3,688	-

The following table details the effectiveness of the hedging relationships and the amounts reclassified from hedging reserve to profit or loss:

	Current period hedging gain/(loss) recognised in OCI USD'000	Amount of hedge ineffectiveness recognised in profit or loss USD'000	Line item in profit or loss in which hedge ineffectiveness is included	Amount reclassified to profit or loss due to hedged item affecting profit or loss USD'000	Line item in profit or loss in which reclassification adjustment is included
2020					
Cash flow hedges					
Forecast sales	18,265	4	Other expenses	31,360	Revenue
2019					
Cash flow hedges					
Forecast sales	(21,380)	633	Other expenses	14,241	Revenue

35 | FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

Financial assets and liabilities

Current assets and liabilities
Management considers that due to the short-term nature of the Group's current assets and liabilities, the carrying values equate to their fair value.

Non-current assets and liabilities
All non-current assets and liabilities are reflected at fair value.

	2020 USD'000	2019 USD'000
Financial assets		
At amortised cost	93,820	135,737
Derivative instruments designated in hedge accounting relationships	-	5,275
	93,820	**141,012**
Financial liabilities		
At amortised cost	353,607	419,671
Contingent consideration for Montara business acquisition	-	359
Contingent consideration for Lemang PSC acquisition	4,436	-
Derivative instruments carried at FVTPL	471	-
	358,514	**420,030**

Fair values are based on management's best estimates, after consideration of current market conditions. The estimates are subjective and involve judgment, and as such are not necessarily indicative of the amount that the Group may incur in actual market transactions.

Commodity price risk
The Group's earnings are affected by changes in oil prices. The Group manages this risk by monitoring oil prices and entering into commodity hedges against fluctuations in oil prices if considered appropriate.

Montara
The Group hedged 50% of its planned production volumes for the 24 months to 30 September 2020. The hedge was a capped swap, providing downside price protection via swaps, while allowing for participation in higher commodity prices via purchased call options. The call strike was set at US$80/bbl for the nine months to 30 September 2019 and US$85/bbl for the twelve months to September 2020. The swap price was set at US$78.26/bbl for Q4 2018, US$71.72/bbl for 2019 and US$68.45/bbl for the nine months to September 2020. Approximately two thirds of the swapped barrels in 2019 and 2020 have upside price participation via purchased calls. The effective date of the hedge contracts was 1 October 2018.

In December 2020, the Group entered into a commodity swap to cover 31% of its planned production volumes from January to March 2021, to provide downside price protection. The swap price was set at US$49/bbl.

Commodity price sensitivity
The results of operations and cash flows from oil and gas production can vary significantly with fluctuations in the market prices of oil and/or natural gas. These are affected by factors outside the Group's control, including the market forces of supply and demand, regulatory and political actions of governments, and attempts of international cartels to control or influence prices, among a range of other factors.

The table below summarises the impact on profit/(loss) before tax, and on equity, from changes in commodity prices on the fair value of derivative financial instruments. The analysis is based on the assumption that the crude oil price moves 10%, with all other variables held constant. Reasonably possible movements in commodity prices were determined based on a review of recent historical prices and current economic forecasters' estimates.

Gain or loss	Effect on the result before tax for the year ended 31 December 2020 USD'000	Effect on other comprehensive income before tax for the year ended 31 December 2020 USD'000	Effect on the result before tax for the year ended 31 December 2019 USD'000	Effect on other comprehensive income before tax for the year ended 31 December 2019 USD'000
Increase by 10%	(1,348)	-	-	(7,266)
Decrease by 10%	1,348	-	-	7,266

Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between United States Dollars ("US Dollar") and foreign currencies will affect the fair value or future cash flows of the Group's financial assets or liabilities presented in the consolidated statement of financial position as at year end.

Cash and bank balances are generally held in the currency of likely future expenditures to minimise the impact of currency fluctuations. It is the Group's normal practice to hold the majority of funds in US Dollars, in order to match the Group's revenue and expenditures. The Group's US$120.0 million reserve based loan facility was a US Dollar denominated instrument.

In April 2020, the Group entered into a series of forward exchange contracts under which it contracted to purchase AU$10.0 million per month, from May to November 2020, at a fixed forward AU$/US$ exchange rate of 0.6344.

In addition to US Dollar, the Group transacts in various currencies, including Australian Dollar, Singapore Dollar, Vietnamese Dong, Malaysian Ringgit, Indonesian Rupiah, New Zealand Dollar, British Pounds Sterling and Canadian Dollar.

Foreign currency sensitivity

Material foreign denominated balances were as follows:

	2020 USD'000	2019 USD'000
Cash and bank balances		
Australian Dollars	8,043	7,088
Trade and other receivables		
Australian Dollars	1,547	5,853
Trade and other payables		
Australian Dollars	21,233	16,236
Provisions		
Australian Dollars	2,692	7,158

A strengthening/weakening of the Australian dollar by 10%, versus the functional currency of the Group, is estimated to result in the net carrying amount of Group's financial assets and financial liabilities as at year end decreasing/increasing by approximately US$1.4 million (2019: US$1.0 million), and which would be charged/credited to the consolidated statement of profit or loss.

Interest rate risk

The Group's interest rate exposure arises from some of its cash and bank balances and borrowings. The Group's other financial instruments are non-interest bearing or fixed rate, and are therefore not subject to interest rate risk.

Jadestone holds some of its cash in interest bearing accounts and short-term deposits. Interest rates currently received are relatively low levels historically. Accordingly, a downward interest rate movement would not cause significant exposure to the Group.

On 2 August 2018, the Group entered into a reserve based lending agreement with the Commonwealth Bank of Australia and Société Générale to borrow US$120.0 million, repayable quarterly to 31 March 2021. The loan was fully drawn down on 28 September 2018 and incurred interest at LIBOR plus 3%. The loan incurred establishment and other costs of US$3.2 million, which were offset against the proceeds received.

Based on the carrying value of the reserve based loan as at 31 December 2020, if interest rates had increased or decreased by 1% and all other variables remained constant, the impact on the Group's quarterly net income/(loss) before tax would be immaterial (2019: US$0.1 million). The loan was fully repaid on 31 March 2021.

Credit risk

Credit risk represents the financial loss that the Group would suffer if a counterparty in a transaction fails to meet its obligations in accordance with the agreed terms.

The Group actively manages its exposure to credit risk, granting credit limits consistent with the financial strength of the Group's counterparties and customers, requiring financial assurances as deemed necessary, reducing the amount and duration of credit exposures, and close monitoring of relevant accounts.

The Group trades only with recognised, creditworthy third parties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses ("ECL")
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month ("12m") or lifetime ECL	Gross carrying amount(i) USD'000	Loss allowance USD'000	Net carrying amount USD'000
2020							
Cash and bank balances	24	n.a	Performing	12m ECL	89,441	-	89,441
Trade receivables	23	n.a	(i)	Lifetime ECL	106	-	106
Other receivables	23	n.a	Performing	12m ECL	4,273	-	4,273
2019							
Cash and bank balances	24	n.a	Performing	12m ECL	99,419	-	99,419
Trade receivables	23	n.a	(i)	Lifetime ECL	34,007	-	34,007
Other receivables	23	n.a	Performing	12m ECL	2,311	-	2,311

(i) For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using specific identification, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of specific identification.

As at 31 December 2020, total trade receivables amounted to US$0.1 million (2019: US$34.0 million). The balance in 2020 and 2019 had been fully recovered in 2021 and 2020, respectively.

The concentration of credit risk relates to the main counterparty to oil sales in Australia, where the sole customer has an A1 credit rating (Moody's). All trade receivables are generally settled 30 days after sale date. In the event that an invoice is issued on a provisional basis, the final reconciliation is paid within three days of the issuance of the final invoice, largely mitigating any credit risk.

The Group recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated based on days past due, by applying a percentage of expected non-recoveries for each group of receivables. As at year end, ECL from trade and other receivables are expected to be insignificant.

Cash and bank balances are placed with reputable banks and financial institutions, which are regulated, and with no history of default.

The maximum credit risk exposure relating to financial assets is represented by their carrying value as at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet all of its financial obligations as they become due. This includes the risk that the Group cannot generate sufficient cash flow from producing assets, or is unable to raise further capital in order to meet its obligations.

The Group's manages it liquidity risk by optimising the positive free cash flow from its producing assets, on-going cost reduction initiatives, merger and acquisition strategies, and bank balances on hand.

The Group's net loss after tax for the year was US$60.2 million (2019: profit after tax of US$40.5 million), and inclusive of the non-cash SC56 impairment of US$50.4 million (2019: nil). Operating cash flows before movements in working capital and net cash generated from operating activities for the year ended 31 December 2020 was US$86.9 million and US$84.6 million (2019: US$176.9 million and US$144.6 million) respectively. The Group's net current assets remained positive at US$79.5 million as at 31 December 2020 (2019: US$26.8 million).

The Group's reserve based loan was sized on a borrowing base drawn from projected cash flows from the Montara assets, and based on proved and probable producing reserves but including certain infill wells. This borrowing base was subject to scheduled semi-annual redeterminations and as such, and in the event of a significant reduction in the borrowing base, there was a risk that scheduled repayments might increase to offset any such borrowing base deficiency. The existing borrowing base, as assessed by the lenders as at 31 December 2020, was significantly above aggregate commitments, and was fully repaid on 31 March 2021. During the life of the loan, no semi-annual redetermination resulted in an increase in scheduled repayments, or the determination of any borrowing base deficiency.

The Group believes it has sufficient liquidity to meet all reasonable scenarios of operating and financial performance for the next 18 months.

Non-derivative financial liabilities

The following table details the expected contractual maturity for non-derivative financial liabilities with agreed repayment periods. The table below has been drawn up based on the undiscounted contractual maturities of the financial liabilities, including interest, that will be paid on those liabilities, except where the Group anticipates that the cash flow will occur in a different period. The adjustment column represents the estimated future cash flows attributable to the instrument included in the maturity analysis, which are not included in the carrying amount of the financial liabilities on the consolidated statement of financial position, namely expense and ARO accretion expense.

	Weighted average effective interest rate %	On demand or within 1 year USD'000	Within 2 to 5 years USD'000	More than 5 years USD'000	Adjustments USD'000	Total USD'000
2020						
Non-interest bearing	-	36,740	38	352,771	(69,021)[1]	320,528
Fixed interest rate instruments	6.049	13,448	14,042	-	(1,707)	25,783
Variable interest rate instruments	7.570	7,445	-	-	(149)	7,296
		57,633	**14,080**	**352,771**	**(70,877)**	**353,607**
2019						
Non-interest bearing	-	27,802	5,052	377,882	(102,460)[1]	308,276
Fixed interest rate instruments	7.317	20,228	50,507	-	(8,463)	62,272
Variable interest rate instruments	7.735	44,425	7,477	-	(2,779)	49,123
		92,455	**63,036**	**377,882**	**(113,702)**	**419,671**

1 Relates to ARO accretion expense.

Non-derivative financial assets

The following table details the expected maturity for non-derivative financial assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management, as the Group's liquidity risk is managed on a net asset and liability basis. The table has been drawn up based on the undiscounted contractual maturities of the financial assets, including interest that will be earned on those assets, except where the Group anticipates that the cash flow will occur in a different period. The adjustment column represents the estimated future cash flows attributable to the instrument included in the maturity analysis, which are not included in the carrying amount of the financial assets on the consolidated statement of financial position, namely interest income.

	Weighted average effective interest rate %	On demand or within 1 year USD'000	Within 2 to 5 years USD'000	Adjustments USD'000	Total USD'000
2020					
Non-interest bearing	-	4,379	-	-	4,379
Variable interest rate instruments	-*	89,441	-	-*	89,441
		93,820	**-**	**-***	**93,820**
2019					
Non-interest bearing	-	36,318	-	-	36,318
Variable interest rate instruments	-*	89,419	10,000	-*	99,419
		125,737	**10,000**	*****	**135,737**

* The effect of interest is not material.

Capital management

The Group manages its capital structure and makes adjustments to it, based on the funds available to the Group, in order to support the acquisition, exploration and development of resource properties and the ongoing operations of its producing assets. Given the nature of the Group's activities, the Board of Directors works with management to ensure that capital is managed effectively and the business has a sustainable future.

To carry-out planned asset acquisitions, exploration and development, and to pay for administrative costs, the Group may utilise excess cash generated from its ongoing operations and may utilise its existing working capital, and will work to raise additional funds should that be necessary.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable. There were no changes in the Group's approach to capital management during the year ended 31 December 2020. The Group is not subject to externally imposed capital requirements.

	2020 USD'000	2019 USD'000
Gearing ratio		
Debt	(7,296)	(49,123)
Cash and cash equivalents	81,996	75,934
Restricted cash	7,445	13,485
Cash less borrowings	**82,145**	**40,296**

Borrowings comprise long and short-term borrowings, incorporating effective interest method financing costs, and excludes derivatives, as detailed in Note 31. Cash and cash equivalents include the Montara assets' minimum working capital cash balance of US$15.0 million required under the RBL, while restricted cash comprises the US$7.4 million in the RBL debt service reserve account (2019: US$13.5 million). The restricted cash in 2020 excludes the US$1.0 million cash collateralised bank guarantee placed with the Indonesian regulator in respect of the JSA entered by the Group in Indonesia. The restricted cash in 2019 excludes the US$10.0 million deposited in support of a bank guarantee to a key supplier in respect of the Stag FSO. Equity includes all capital and reserves of the Group that are managed as capital.

The Group's overall strategy remains unchanged from 2019.

Fair value measurements
The Group discloses fair value measurements by level of the following fair value measurement hierarchy:

i. Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

ii. Inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly (Level 2); and

iii. Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Financial assets/ financial liabilities	Fair value (USD'000) as at 2020 Assets	2020 Liabilities	2019 Assets	2019 Liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Derivative financial instruments								
1) Oil price swaps and calls (Note 34)	-	471	5,275	-	Level 2	Third party valuations based on market comparable information.	n.a.	n.a.
Others - contingent consideration from Montara business acquisition								
2) Contingent consideration (Note 29)	-	-	-	359	Level 3	Based on the nature and the likelihood of occurrence of the trigger event. Fair value is estimated using future Dated Brent oil price forecasts at the end of the reporting period, taking into account the time value of money and volatility of oil prices.	Expected future oil price volatility of 25% is based on an analysis of Dated Brent oil price movement prior to the acquisition date.	A slight increase in Dated Brent oil prices would result in a significant increase in the fair value and vice versa.
Others - contingent consideration from Lemang PSC acquisition								
3) Contingent consideration (Note 15)	-	4,436	-	-	Level 3	Based on the nature and the likelihood of occurrence of the trigger events. Fair value is estimated taken into consideration of future gas production schedule, forecasted Dated Brent oil prices and Saudi CP prices and respective volatility at the end of the reporting period, as well as the effect of time value of money.	Gas production schedule could be changed depending on future gas contract negotiations Expected future oil price volatility is based on an analysis of Dated Brent oil price and Saudi CP price movement as at Closing Date.	A change in gas production schedule or significant increase in Dated Brent oil prices and Saudi CP prices would result in a significant increase in the fair value.

36 | SEGMENT INFORMATION

Information reported to the Group's Chief Executive Officer (the chief operating decision maker) for the purposes of resource allocation is focused on two reportable/business segments driven by different types of activities within the upstream oil and gas value chain, namely producing assets and secondly development and exploration assets. The geographic focus of the business is on Southeast Asia ("SEA") and Australia.

Revenue and non-current assets information based on the geographical location of assets respectively are as follows:

	Producing assets Australia USD'000	Exploration/ development SEA USD'000	Corporate USD'000	Total USD'000
2020				
Revenue				
Liquids revenue	217,938	-	-	217,938
Production cost	(105,338)	-	-	(105,338)
DD&A	(84,024)	(110)	(508)	(84,642)
Staff costs	(10,029)	(2,228)	(9,646)	(21,903)
Other expenses	(15,068)	(9,690)	(2,160)	(26,918)
Impairment of assets	-	(50,455)	-	(50,455)
Other income	14,292	1	12,083	26,376
Finance costs	(12,625)	(29)	(1)	(12,655)
Other financial gains	359	-	-	359
Profit/(Loss) before tax	**5,505**	**(62,511)**	**(232)**	**(57,238)**
Additions to non-current assets	11,162	27,706	914	39,782
Non-current assets	349,292	97,838	945	448,075
2019				
Revenue				
Liquids revenue	325,406	-	-	325,406
Production cost	(119,898)	-	-	(119,898)
DD&A	(90,277)	(113)	(356)	(90,746)
Staff costs	(9,595)	(3,543)	(8,889)	(22,027)
Other expenses	(4,699)	(278)	(4,402)	(9,379)
Other income	2,971	2	6	2,979
Finance costs	(16,387)	(7)	(49)	(16,443)
Other financial gains	3,389	-	-	3,389
Profit/(Loss) before tax	**90,910**	**(3,939)**	**(13,690)**	**73,281**
Additions to non-current assets	84,444	20,456	65	104,965
Non-current assets	461,053	116,162	943	578,158

Non-current assets as shown here comprises oil and gas properties, intangible exploration assets, right-of-use assets, other receivables, restricted cash and plant and equipment used in corporate offices. Deferred tax assets of US$19.7 million (2019: US$16.0 million) are excluded from the segmental note but included in the Group's consolidated statement of financial position.

Revenues arising from producing assets in 2020 of approximately US$217.9million (2019: US$325.4 million) primarily arose from sales to the Group's largest customer.

37 | FINANCIAL CAPITAL COMMITMENTS

Certain PSC's and service concessions' have firm capital commitments. The Group has the following outstanding minimum exploration commitments:

SEA portfolio PSC operational commitments

	2020 USD'000	2019 USD'000
Not later than one year	10,000	10,000
More than 5 years	7,284	-
	17,284	**10,000**

The SEA portfolio PSC operational commitments as at 31 December 2020 amounted to US$17.3 million (2019: US$ 10.0 million), and relates to the minimum work commitment outstanding for the Block 46/07 PSC and the Lemang PSC (2019: Block 46/07 PSC).

Under the terms of the Block 46/07 PSC, Jadestone is committed to drill one more appraisal well on the block. The Company plans to drill an appraisal well on the Nam Du field to facilitate transition of 3C resource to 2C status. This well would be retained for future use as a Nam Du gas producer. Following the Group's announcement on 19 March 2020 to delay the project, the Group is seeking Vietnam Government approval for a further extension in order to align drilling of the appraisal well with development of Nam Du/U Minh. The request of extension was submitted in December 2020. The Group is committed to the project and expects to receive approval for the extension request in due course.

Under the terms of the Lemang PSC, Jadestone has inherited an operational commitment of US$7.3 million consisting of one exploration well and a 3D seismic acquisition program. The commitment was carried over from the previous exploration period and is expected to be fulfilled during the future gas production period.

Capital commitments

The Group has the following capital commitments for expenditure that were contracted for at the end of the reporting year but not recognised as liabilities for Montara:

	2020 USD'000	2019 USD'000
Not later than one year	8,977	19,441

38 | EVENTS AFTER THE END OF THE REPORTING PERIOD

Corporate reorganisation

The Company in undertaking an internal reorganisation to effect a re-domicile of the ultimate holding company to the United Kingdom. A newly incorporated English company, Jadestone Energy plc has been established for this exercise. Following the approval from shareholders and required court approvals, the shares of the Company will be replaced on a one-for-one basis with shares in Jadestone Energy plc. The estimated effective date for the internal organisation is on 23 April 2021. Jadestone Energy plc is anticipated to be admitted to AIM for trading on 26 April 2021.

The internal reorganisation will not result in a change in control in the ultimate holding company of the Jadestone group of companies and, accordingly, will not result in a change in control in the ultimate shareholding in any of the companies or assets of the Jadestone group of companies. Further, the internal reorganisation will not result in a change in the management of any of the companies or assets of the Jadestone group of companies.

Oil price commodity contracts

On 16 February 2021, the Group entered into commodity swap contracts to hedge 31% of its planned production volumes from April to June 2021 to provide downside price protection. The swap price, referenced to Dated Brent, was set at US$61.40/bbl.

39 | RELATED PARTY TRANSACTIONS

During the year, the Group did not enter into any transactions with related parties other than the following:

Compensation of key management personnel

	2020 USD'000	2019 USD'000
Short-term benefits	6,284	6,746
Other benefits	1,006	1,052
Share-based payments	816	1,038
	8,106	**8,836**

The total remuneration of key management members in 2020 (including salaries and benefits) was US$8.1 million (2019: US$8.8 million) and recognised as part of the Group's staff costs as disclosed in Note 7.

Compensation of directors

	Short-term benefits (a) USD'000	Other benefits (a) USD'000	Share-based payments USD'000	Total compensation USD'000
2020				
A. Paul Blakeley	991	324	186	1,501
Daniel Young	696	189	114	999
Dennis McShane	119	-	16	135
Iain McLaren	79	-	10	89
Robert Lambert	70	-	10	80
Cedric Fontenit	66	-	9	75
David Neuhauser	57	-	10	67
Lisa Stewart	74	-	11	85
	2,152	**513**	**366**	**3,031**
2019				
A. Paul Blakeley	1,302	350	233	1,885
Daniel Young	707	174	139	1,020
Dennis McShane	130	-	21	151
Iain McLaren	81	-	13	94
Eric Schwitzer	68	-	25	93
Robert Lambert	69	-	13	82
Cedric Fontenit	66	-	9	75
David Neuhauser	56	-	12	68
Lisa Stewart	6	-	-	6
	2,485	**524**	**465**	**3,474**

(a) Short-term benefits comprise salary, director fee as applicable, performance pay, pension and other allowances. Other benefits comprise benefits-in-kind.

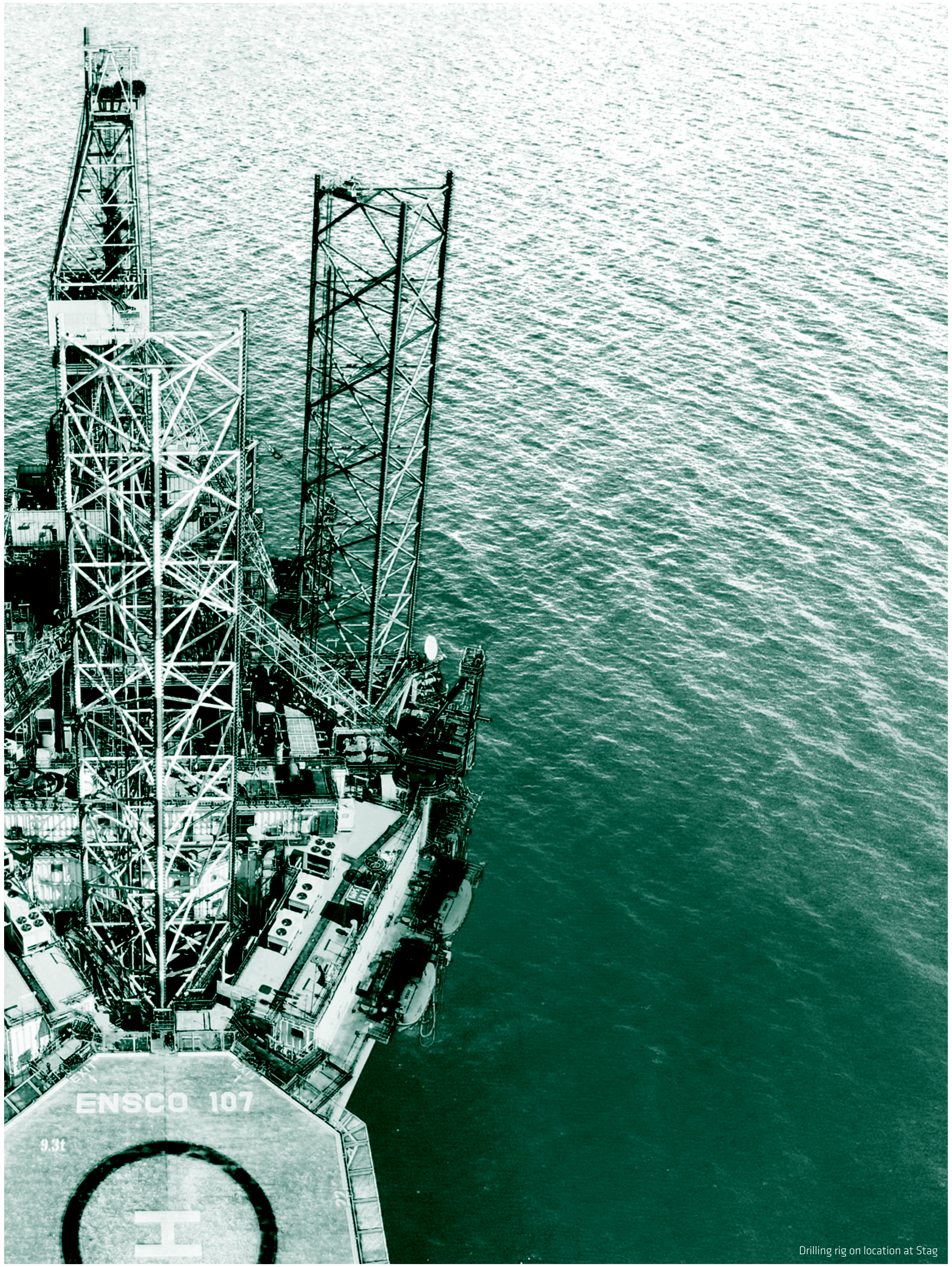
40 | RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures in the consolidated financial statements of the Group have been reclassified to conform to the presentation in the current period. These reclassifications were made to better reflect the nature of the respective items in the Group's consolidated financial statements.

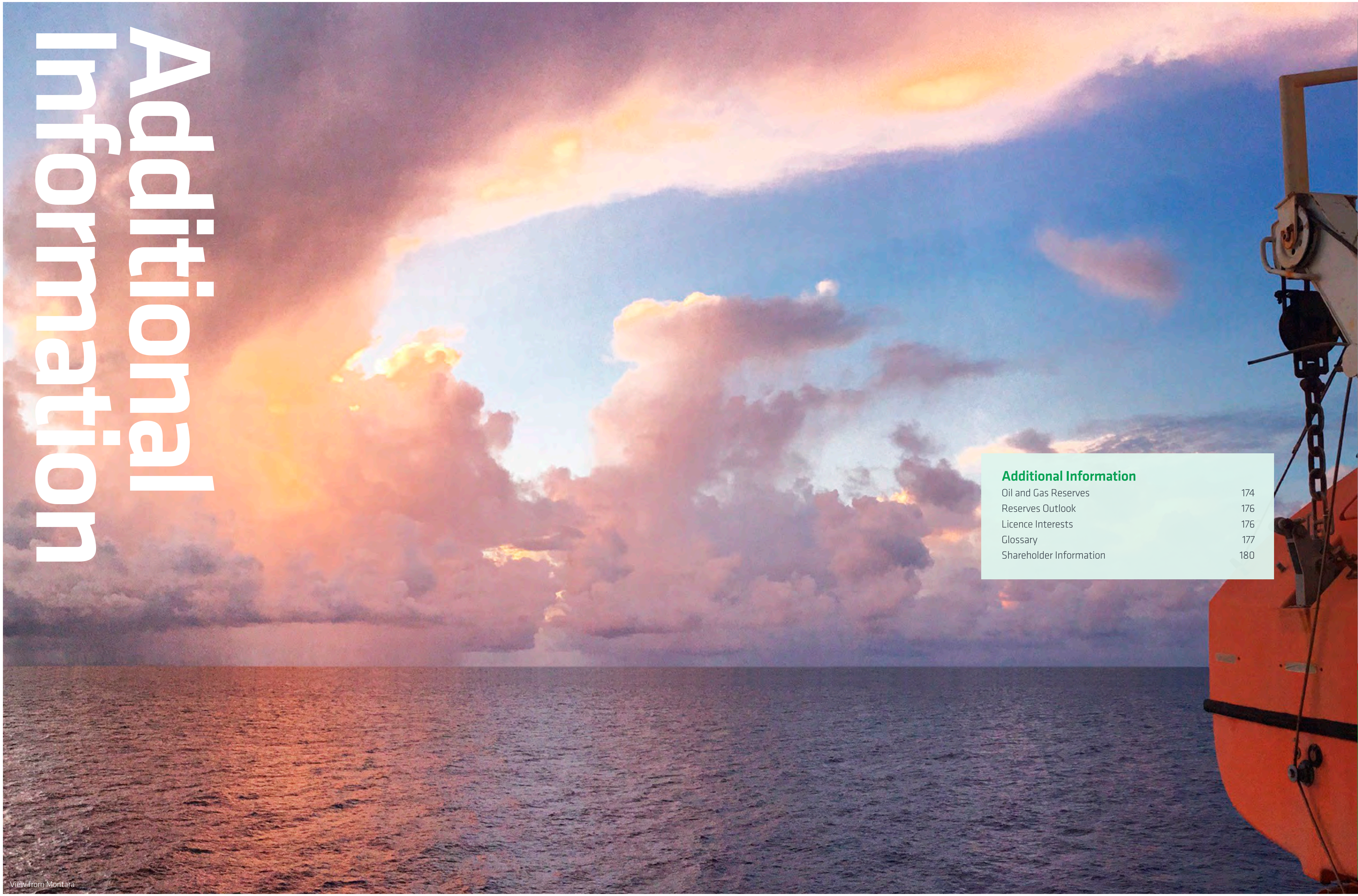
The reclassification made in the consolidated statement of profit or loss is related to third party contractor costs, which are now included within staff costs. The reclassifications made in the consolidated statement of financial position are the Australia seismic costs, which are now included within intangible exploration assets. Additionally, provisions have been reclassified from trade and other payables, and are now presented separately in the face of the consolidated statement of financial position.

In the consolidated statement of cash flows, the write-off of inventories has been reclassified from inventories movement to non-cash adjustment items, and the collection of PRRT receivables has been reclassified from trade and other receivables movement to tax refunded under operating activities.

	As previously reported USD'000	Reclassification USD'000	As reclassified USD'000
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019			
Staff costs	(19,714)	(2,313)	(22,027)
Other expenses	(11,692)	2,313	(9,379)
Consolidated statement of financial position as at 31 December 2019			
Intangible exploration assets	116,096	1,344	117,440
Oil and gas properties	383,018	(1,344)	381,674
Provisions - non-current	(280,418)	(415)	(280,833)
Other payables - non-current	(359)	359	-
Trade and other payables - current	(27,962)	2,163	(25,799)
Provisions - current	-	(2,107)	(2,107)
Consolidated statement of cash flows for the year ended 31 December 2019			
Inventories written off	-	164	164
Increase in trade and other receivables	(9,483)	(700)	(10,183)
Increase in inventories	(7,346)	(164)	(7,510)
Tax refunded	1,851	700	2,551



Drilling rig on location at Stag



Additional Information

View from Montara

Additional Information

Oil and Gas Reserves

As of 31 December 2020, the Company had proved plus probable oil reserves ("2P reserves") of 37.1 mm bbls, decreased by 4.7 mm bbls from 31 December 2019. The decrease primarily reflects the impact of oil production during the year. Reserves and resources estimates for both Lemang and Maari are substantially unchanged from the Company's previous disclosures.

Reserve estimates have been calculated in compliance with Canada's National Instrument 51-101 Standards of Disclosure ("NI 51-101"). Under NI 51-101, proved reserves are defined as reserves that can be estimated with a high degree of certainty to be recoverable with a target of a 90% probability that the actual reserves recovered over time will equal or exceed proved reserve estimates, while probable reserves are defined as having an equal (50%) probability that the actual reserves recovered will equal or exceed the proved and probable reserve estimates.

In accordance with NI 51-101, proved undeveloped reserves have been recognised in cases where plans are in place to bring the reserves on production within a short, well defined time frame. Proved undeveloped reserves often involve infill drilling into existing pools. Of the net present value of the Company's reserves, the Company's Montara reserves were audited (and Stag reviewed) by an independent third-party reserves evaluator, ERCE as of 31 December 2020 and detailed in their report dated 17 March 2021.

Reconciliation of Gross Reserves as at 31 December 2020

Forecast prices and costs

	Light and Medium Crude Oil (mm bbls)				
	Gross Proved[2]	Gross Probable[2]	Gross Proved Plus Probable[2]	Gross Possible[2]	Gross Proved Plus Probable Plus Possible[2]
Opening balance[1] 31 December 2019	25.1	16.7	41.8	18.4	60.2
Plus:					
Extension & Improved Recovery	-	-	-	-	-
Technical Revisions	0.5	-1.0	-0.5	-1.1	-1.6
Discoveries	-	-	-	-	-
Acquisitions	-	-	-	-	-
Less:					
Dispositions	-	-	-	-	-
Economic Factors	1.8	-1.8	0.0	0.0	0.0
Production	-4.2	-	-4.2	-	-4.2
Ending balance 31 December 2020[3]	**23.2**	**13.9**	**37.1**	**17.3**	**54.4**

1 Opening balances are from the ERCE reserve report as of 31 December 2019
2 Gross reserves are based on the Company working interest share of the property gross reserves
3 Totals may not sum due to rounding

Summary of Oil and Gas Reserves at 31 December 2020

	Company's Interest in Reserves[1 2] Light and Medium Oil (mm bbls)	
	Gross[3]	Net[4]
Australia		
Proved Developed Producing Reserves	16.8	16.8
Proved Developed Non-Producing Reserves	0.0	0.0
Proved Undeveloped Reserves	6.4	6.4
Total Proved Reserves	23.2	23.2
Probable	13.9	13.9
Total Proved Plus Probable Reserves	37.1	37.1
Possible	17.3	17.3
Total Proved Plus Probable Plus Possible Reserves	54.4	54.4

1 Totals may not add due to rounding.
2 The definitions of the various categories of reserves and expenditures are those set out in NI 51-101.
3 "Gross" reserves represent a 100% total of the estimated technically recoverable oil up to the economic limit.
4 "Net" reserves are the Gross reserves multiplied by Jadestone's working interest in the field/asset.

Summary of Net Present Values of Future Net Revenues as of 31 December 2020

Forecast prices and costs (in US$ millions)

	Net Present Values Of Future Net Revenue[1 2 3 4 5] After income taxes discounted at				
Reserve category	0% (US$ millions)	5% (US$ millions)	10% (US$ millions)	15% (US$ millions)	20% (US$ millions)
Australia					
Proved Developed Producing Reserves	-128	-10	52	85	102
Proved Developed Non-Producing Reserves	-	-	-	-	-
Proved Undeveloped Reserves	7	13	10	7	3
Total Proved Reserves	-121	3	63	92	105
Total Proved Plus Probable Reserves	175	287	312	304	288
Total Proved Plus Probable Plus Possible Reserves	810	807	734	654	585

1 Based on the Company working interest.
2 Totals may not add due to rounding.
3 The definitions of the various categories of reserves and expenditures are those set out in NI 51-101. Based on forecast prices and costs at 31 December 2020.
4 Interest expenses and corporate overhead, etc. were not included.
5 The net present values may not necessarily represent the fair market value for reserves.

Reserves Outlook

Jadestone anticipates adding material reserves in the coming years, relating to both organic and inorganic developments.

The Company expects to close the acquisition of an operated 69% interest in the Maari project, offshore New Zealand in the first half of 2021. In addition to acquiring an interest in offshore production infrastructure and ongoing oil production, as of 28 February 2021 the fields contained 2P reserves of 10.6 mm bbls, net to the 69% interest being acquired, based on a Competent Persons Report prepared for the Company by ERCE.

In addition, upon formal approval of its Field Development Plan for the Nam Du and U Minh gas development in Vietnam, the Company anticipates adding 2P reserves reflecting the final commercial terms of the project. As of 31 December 2017, a Competent Persons Report conducted by ERCE on behalf of the Company indicated 2C resources for the fields totalling 30.2 mm boe, most of which is gas.

The Company is also pursuing a development of the Akatara gas field on its Lemang block in Indonesia. The Company anticipates adding 2P reserves reflecting the final commercial terms of the project, upon development sanction. As of 31 December 2020, a Competent Persons Report conducted by ERCE on behalf of the Company indicated 2C resources for the field of 15.2 mm boe, comprised of approximately 57% sales gas, and 43% condensate and LPG.

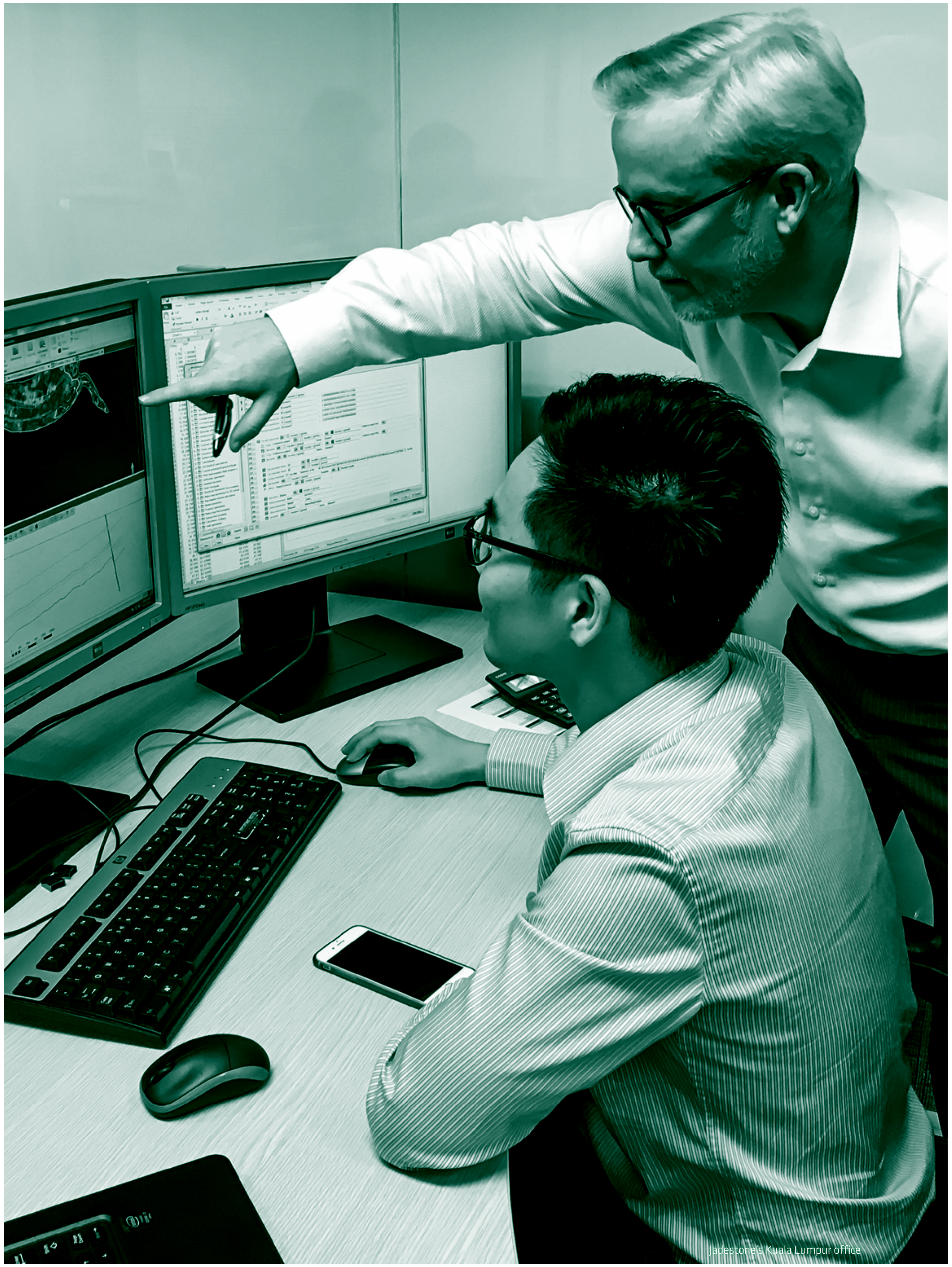
Licence Interests

Block	Licence	Acreage	Fields	Region	Situation	Water depth	Operator	Working interest
Australia								
Montara	AC/L7, AC/L8	672km²	Montara, Swift/ Swallow, Skua	Timor Sea	Offshore	77m	Jadestone	100%
Stag	WA-15-L	160km²	Stag	Carnarvon Basin	Offshore	47m	Jadestone	100%
Indonesia								
Lemang	Lemang PSC	743km²	Akatara	South Sumatra	Onshore	n/a	Jadestone	90%
New Zealand								
Maari	Permit 38160	34km²	Maari, Manaia	Taranaki Basin	Offshore	100m	Jadestone[1]	69%[1]
Philippines								
SC 57	SC 57	7,120km²	n/a	Palawan Island	Offshore	1,500m	CNOOC[2]	21%[2]
Vietnam								
Block 46/07	Block 46/07	2,622km²	Nam Du	Malay/Tho Chu Basin	Offshore	48m	Jadestone	100%
Block 51	Block 51	887km²	U Minh, Tho Chu	Malay/Tho Chu Basin	Offshore	64m	Jadestone	100%

1 Subject to completion of acquisition and transfer of operatorship.
2 Force majeure status, pending completion of farm-in.

Glossary

$	United States Dollars, unless otherwise indicated
2C resources, 2C	best estimate contingent resource, being quantities of hydrocarbons which are estimated, on a given date, to be potentially recoverable from known accumulations but which are not currently considered to be commercially recoverable
2P reserves, 2P	the sum of proved and probable reserves, reflecting those reserves with 50% probability of quantities actually recovered being equal or greater to the sum of estimated proved plus probable reserves
AGM	annual general meeting
AIM	The AIM market of the London Stock Exchange
AMSA	Australian Maritime Safety Authority
ANZECC/ ARMCANZ	Australian and New Zealand Environment and Conservation Council/Agriculture and Resource Management Council of Australia and New Zealand.
Asset Safeguard limits	The safeguard mechanism applies to facilities that emit more than 100,000 tonnes CO2-e emissions in a financial year. Emissions baselines are the reference point against which emissions performance is measured under the safeguard mechanism. A safeguard facility must keep its net emissions levels at or below its baseline/limit.
bbls	barrels of oil
bbls/d	barrels of oil per day
bcf	billion standard cubic feet
Board	The board of directors of Jadestone Energy Inc.
boe	barrels of oil equivalent
capex	capital expenditures
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Clean Energy Regulator	The Clean Energy Regulator is an Australian independent statutory authority responsible for administering legislation to reduce carbon emissions and increase the use of clean energy.
Code of Conduct	The Code of Conduct Policy
Company	Jadestone Energy Inc.
Deloitte	Deloitte & Touche LLP
DOE	The Philippines Department of Energy
DTR	Disclosure Guidance and Transparency Rules
EBITDAX	Earnings before interest, taxes, depreciation, amortisation and exploration expense
EP	Environment Plan
ESG	Environmental, Social and Governance
FCA	Financial Conduct Authority
FDP	field development plan
FSO	floating storage and offloading vessel
GCT	Group Crisis Team
GHG	Greenhouse Gas Emissions
GHG	greenhouse gas
Group	Jadestone Energy Inc., with its subsidiaries
HiPO	High Potential Events are defined to be any incident or near miss that could, in other circumstances, have realistically resulted in one or more fatalities.
HSE	Health Safety Environment
HSE	Health, Safety and Environment
HSE MS	Health Safety and Environment Management System
IFRS	International Financial Reporting Standards
IMT	Incident Management Team
IPIECA	Originally the "International Petroleum Industry Environmental Conservation Association" is a global not-for-profit oil and gas industry association for environmental and social issues
Jadestone	Jadestone Energy Inc.
Jadestone plc	Jadestone Energy plc
KPI	key performance indicator
LOPC	Loss of Primary Containment is an unplanned or uncontrolled release of material from primary containment, including non-toxic and non-flammable materials
LPG	Liquified petroleum gas
LTI	Lost Time Injury
LTIP	Long-term incentives
MARPOL	The International Convention for the Prevention of Pollution from Ships (MARPOL) is the main international convention covering prevention of pollution of the marine environment by ships from operational or accidental causes.
Mercer	Mercer LLC
mm	million
mm scf/d	millions of standard cubic feet per day
MTC	Medical Treatment Case


Jadestone's Kuala Lumpur office

Glossary

NETTS	National Energy Technician Training Scheme
NGER	The National Greenhouse and Energy Reporting scheme is a single national framework in Australia for reporting greenhouse gas emissions, energy production and energy consumption.
NOPSEMA	Australian National Offshore Petroleum Safety and Environmental Management Authority
NOx	nitrogen oxides
OHS	Occupational Health and Safety
OIM	Offshore Installation Manager
OIW	Oil-in-Water concentration
opex	Operating expenditures
ppm	Parts per million
Produced water	Produced water is water that comes out of the well with the crude oil during crude oil production
PRRT	Petroleum Resource Rent Tax
PSC	Production Sharing Contract
PSE	Process Safety Event
PSP	Performance Share Plan
PWC	Pricewaterhouse Coopers
QCA Code	the Corporate Governance Code in the form issued by the Quoted Companies Alliance in April 2018
RBL	reserves based loan
Reorganisation	The Group's internal corporate reorganisation by way of a plan of arrangement under the Business Corporations Act (British Columbia)
Reportable incidents	Reportable' refers to there being no breach of the Environmental Performance Outcomes as defined in the Environment Plan for the asset in alignment with NOPSEMA's definition.
reserves	hydrocarbon resource that is anticipated to be commercially recovered from known accumulations from a given date forward
RSP	Restricted Share Plan
SID	Senior Independent Director
SOx	sulphur oxides
SPA	sale and purchase agreement
Stock Option Plan or SOP	The Jadestone Stock Option Plan
TCFD	Task Force on Climate-related Financial Disclosures
Total	Total E&P Philippines B.V.
TSR	Total Shareholder Return
TVOC	Total volatile organic compounds
UN SDGs	United Nation's Sustainable Development Goals

Shareholder Information

Head office
Jadestone Energy Inc.
3 Anson Road
#13-01 Springleaf Tower
Singapore 079909

Investor Relations
Jadestone Energy Inc
Phone (Singapore): +65 6324 0359
Phone (UK): +44 7392 940 495
ir@jadestone-energy.com

NOMAD, Joint Broker
Stifel Nicolaus Europe Limited
150 Cheapside
London, UK
EC2V 6ET
Phone (UK): +44 (0) 20 7710 7600

Joint Broker
Jefferies International Limited
100 Bishopsgate
London, UK
EC2N 4JL
Phone (UK): +44 (0) 20 7029 8000

Public Relations Adviser
CAMARCO
3rd Floor, Cannongate House
62-64 Cannon Street
London, UK, EC4N 6AE
Phone (UK): +44 (0) 203 757 4980
jse@camarco.co.uk

Transfer Agent (Canada)
Computershare Investor Services Inc.
510 Burrard Street, 3rd Floor
Vancouver, BC, Canada
V6C 3B9
Phone (North America): +1 800 564 6253
Phone (international): +1 514 982 7555

Registrar (UK)
Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol, UK
BS99 6ZZ
UK: +44 (0)370 702 0000

Auditors
Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2
#33-00
Singapore 068809

www.jadestone-energy.com

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