



Predator Oil & Gas Holdings Plc



**Annual Report for the
Year ended 31 December 2021**

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Chairman's Statement

Dear Shareholder,

On behalf of the Board of Directors, I hereby present the consolidated financial statements of Predator Oil & Gas Holdings Plc (the "Group", "Predator" or the "Company") for the year ended 31 December 2021.

2021 has once again been a particularly active period for the Company and its small management team focussed mainly on operations in Morocco and, in the earlier part of the year, Trinidad. Despite the continuing challenges presented by the COVID pandemic we have demonstrated our resilience to external global influences by successfully and safely executing the drilling of our first well, MOU-1, as an approved operator in Morocco. This is a significant milestone for the Company and the implementation of its business strategy, which is heavily weighted towards gas as the greener fossil fuel option to accelerate the decarbonisation of the energy sector, by replacing more carbon-intensive coal and oil, and to maintain security of energy supply during the Energy Transition and the roll-out of renewable energy alternatives.

The Company's drilling programme has paved the way to the opening up and de-risking of a new gas basin in northern Morocco with significant "running room" to add material gas resources. The industrial sector in Morocco is starved of indigenous gas resources and heavily reliant on imported carbon-intensive fuel oil. The Company's development strategy is focussed on compressed natural gas ("CNG") distribution to industries isolated from gas pipeline infrastructure. This is attractive to potential end users and by the end of 2021 the Company has initiated discussions with several parties regarding aligning interests and commercial goals through joint venture participation at project level. In a pan-European context of security of gas supply, potential additional Guercif gas discoveries are connected to the European gas grid and provide for diversification of European gas supplies.

In Trinidad we successfully commenced Phase 3 of the Inniss-Trinity Pilot Enhanced Oil Recovery project using injected anthropogenic carbon dioxide ("Pilot CO2 EOR"). During the period under review the Government of Trinidad and Tobago established a Carbon Capture and Carbon Dioxide Enhanced Oil Recovery ("CO2 EOR") Steering Committee to give recognition to the vital role CO2 EOR could play in response to the need for emission mitigation and carbon management and Carbon Capture and Storage in the context of the Paris Agreement. This important and timely initiative has ensured that the Company, being the only CO2 EOR operator in Trinidad and with exclusivity over Trinidad's surplus liquid CO2 supply, is well-positioned to offer its technology and operations experience as a valuable catalyst to co-venture with other operators of producing oil fields onshore Trinidad and to help develop the Government's strategic carbon capture plans. Financing of the CO2 EOR services offered by the Company must be borne by those producers wishing to avail themselves of such services to further the development and retention of their assets mainly held under Incremental Production Service Contracts. Implementing CO2 EOR plans are crucial if inward investment in the energy sector in Trinidad is to be secured on the basis of compatibility with the demands to address the level of global CO2 emissions.

Changes in the ultimate ownership of FRAM Exploration Trinidad Ltd. ("FRAM") completed in 2020 resulted in the parent company of FRAM unilaterally terminating the Inniss-Trinity CO2 EOR project without prior consultation with the Company or the regulatory authorities. As a consequence the Company decided that it would be prudent to decommission its CO2 EOR facilities at Inniss-Trinity. The Company also elected to seek redress from FRAM for breach of the terms of the Inniss-Trinity Well Participation Agreement and for failure to repay the Loan advanced to FRAM repayable out of profits arising from the sale of CO2 EOR enhanced oil production during 2020 and 2021. The Company has a reasonable expectation that an amicable settlement of the dispute will be achieved in 2022 which will facilitate the Company establishing its in-country CO2 EOR services Special Purpose Vehicle ("SPV") using its subsidiary Predator Oil & Gas Trinidad Ltd. New CO2 EOR projects resulting from the provision of advisory services and in addition potential assets suitable for CO2 EOR over which the Company will have full unfettered title will be incorporated into the SPV. There is no guarantee however that this objective will be achieved as it will be subject to concluding successful commercial negotiations and agreements and the granting of regulatory consents. The termination of the Inniss-Trinity CO2 EOR Project has unexpectedly been the catalyst to make substantial progress towards the Company's preferred business objective of achieving a self-financing CO2 EOR and CO2 sequestration business in Trinidad. The promising results of the Inniss-Trinity CO2 EOR Project have demonstrated the potential for the development of CO2 EOR with CO2 sequestration in Trinidad during the Energy Transition and has revitalised

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interest from third parties in being part of the government strategy for CO2 EOR going forward focussed in the near-term on the Company's pre-eminent position in Trinidad as a CO2 EOR specialist.

In Ireland the Company submitted its Floating Storage and Regasification Unit ("FSRU") LNG import solution ("Mag Mell") to the Draft Cork County Development Plan 2021 for public consultation. In addition, the Company also made a submission to the Department of Housing, Local Government and Heritage in respect of the Public Consultation on the Marine Protected Area ("MPA") Advisory Group's Report entitled "Expanding Ireland's Marine Protected Area Network." Both submissions focussed on Mag Mell's ability to address, at the earliest opportunity, Ireland's security and diversity of energy supply, particularly in relation to gas.

The Company's management highlighted from 2016 onwards the risks for security and cost of energy supply for Ireland, and for Europe in general, of an over-reliance on Russian gas imported through fixed pipelines and a UK gas infrastructure that was no longer regulated by the EU after Brexit. This scenario sowed the seeds for the application of geopolitical leverage in the context of energy supply. Accordingly in 2016 the Company created a portfolio of Irish gas assets focussed on proximity to existing offshore infrastructure; undeveloped discovered gas; and the presence of proven gas storage reservoirs.

By the end of 2021 the conditions for the implementation and execution of this medium-term business development strategy have never been more favourable as the value of gas assets continues to rise based on belated EU recognition of the importance of gas as an Energy Transition fuel suitable for "green finance" and the importance of diversification of the origin of gas supplies to counteract an over-reliance on Russian gas.

At the end of 2021 the Mag Mell FSRU LNG import option was firmly positioned with the regulatory authorities as a near-term solution to security of energy supply. Furthermore, it was shown that the Mag Mell project could be advanced far more quickly than any other competing project.

Additional information requested by the Geoscience Regulation Office ("GSRO") division of the Department of Environment, Climate and Communications was provided in support of the review of the terms and conditions for the award of the successor authorisations to the Corrib South Licensing Option 16/26 and the Ram Head Licensing Option 16/30. The submitted technical data for the Ram Head Licensing Option 16/30 successor authorisation included an initial work programme to evaluate the gas storage potential of the undeveloped Ardmore gas field.

Ireland is committed to using natural gas for the foreseeable future and is proposing new-build gas-fired power stations to satisfy severe peak-day winter demand for electricity. The commercial model for the operation of these power stations will be tested by the lack of an all-year-round market for additional gas-fired power when low demand in the summer months is satisfied by renewable electricity generation. Additional sources of indigenous gas and Mag Mell FSRU regasified LNG not only supports gas storage volumes independent of fixed import pipelines for security of energy supply but also potentially allows gas-fired power generation in the summer months to support hydrogen production through the electrolysis of water. Accelerating the roll-out of the hydrogen economy at competitive prices compared to energy derived wholly from fossil fuels will help to replace fuel oil, coal and potentially some natural gas usage and storage. Accelerating decarbonisation of the energy sector can occur where other forms of weather-dependent renewable energy cannot be applied all-year-around on a similar scale across as many industrial sectors.

A wholistic and inclusive approach to collaboration within the entire energy sector is needed to navigate a socially just pathway through the Energy Transition in order to meet the goal of mitigating against climate change and ameliorating the rise in energy costs which can lead to economic recession on a significant scale if left unchecked.

Whilst the Company has a "visionary" business development strategy aimed at establishing value through "First Mover" status, our primary objective remains to develop near-term shareholder value and to move towards generating an operating income. The focus is currently on Morocco to build in 2022 upon the success of the MOU-1 exploration well at Guercif. The pathway to monetisation of this asset is clear and the commercial model is compelling. The financial commitments are manageable and the potential for joint venture partners to carry some of the burden of financing is high.

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Trinidad also offers a route to establishing a near-term operating revenue. The fiscal regime in Trinidad is however more challenging, the operating conditions are more demanding and the contractual arrangements are more complex. Lessons learnt during 2021 will be taken into account and applied to developing the Company's position in Trinidad during 2022. However Trinidad has the potential to be self-financing if the appropriate commercial agreements are entered into based on the in-country expertise the Company has established through the successful execution of CO2 EO operations..

Ireland is potentially a significant asset yet to crystallise in terms of value creation. If the Corrib South and Ram Head successor authorisations were to be awarded in 2022 the impact on supporting the Company's contingent and prospective resources would be material. Currently there is no significant shareholder value factored into these assets in Ireland.

During the period under review we have taken the opportunity, when possible and advisable to do so, to raise funds in the public markets. This is necessary for us to maintain our projects in good standing and to strengthen our hand in commercial negotiations with much larger potential partners by demonstrating our ability and track record to fund our projects ourselves if and when required to do so. The Company strengthened its finances through three over-subscribed Placings to raise an aggregate of £4,585,000 (before expenses). In so doing the Company was able to maintain the momentum of the roll-out of its business development strategy, particularly by executing the successful drilling operations in Morocco, without any dilution of its equity in its portfolio of assets. This has been achieved without entering into any debt arrangements and without taking on any onerous liabilities that cannot be funded by cash on the Company's balance sheet.

At a corporate level the Board was refreshed and the Company's operating and gas marketing experience was further enhanced with the appointment of Mr. Lonny Baumgardner as Chief Operating Officer. Mr. Ronald Pilbeam resigned from the Board.

As I write, the business outlook for the Company for the coming year is positive, attributable to a sustained rise in commodity prices due to supply constraints and geopolitical tensions in Europe. There is a growing acceptance of gas as a "greener" fossil fuel to provide Security of Energy Supply and to underpin the Energy Transition to help decarbonise the energy sector by replacing more carbon-intensive coal and oil. Gas can also work in tandem with Green Hydrogen projects to help roll-out the Green Hydrogen Economy. The further maturing of the Company's business development strategy focussed on gas, gas storage and sequestering anthropogenic CO2, where commercially viable, dictates that our projects are well-placed to attract finance and project partners in 2022 by demonstrating their relevance to the Energy Transition.

I should like to thank our shareholders for their continued support and patience over the year. I expect the coming year once again to be both a busy one and an exciting one for our investors.

Paul Griffiths
Executive Chairman
28 June 2022

Strategy

The Company's core strategy is to focus on an accelerated Energy Transformation Scenario to greener energy based on expanding the pragmatic role of gas as a "sustainable" source of energy, collaboration with renewable energy project developers, and utilisation of existing infrastructure to determine a common route to achieve a timely and socially just energy transition.

The Board believes that the Company's medium-term future relies on focussing on gas as being the flexible energy source to replace coal and oil as a fuel for power generation to help de-carbonise the energy sector, thereby reducing CO2 emissions as gas by comparison is less CO2 pollutant.

Reducing current high levels of CO2 emissions by replacing carbon-intensive fuels in the jurisdictions chosen by the Company to apply its business development strategy is a realistically achievable near-term target. The Company has assembled material and influential equity positions in a portfolio of assets combining existing gas discoveries and new gas prospects adjacent to infrastructure owners seeking new opportunities to utilise spare capacity. CO2 sequestration forms a key element of the business development strategy with production opportunities for enhanced "greener" oil providing the commercial model for CO2 sequestration and a socially just and equitable protective umbrella for local communities and economies largely dependent on the oil and gas sector for their immediate livelihoods.

The Company's business plan is being executed to minimise where possible capital expenditures through:

- prudent application of its accumulated operational experience in Trinidad in existing mature oil fields for a share of CO2 EOR production profits to offset against the cost of CO2 sequestration whilst campaigning also for the development of a platform for trading carbon credits;
- leveraging with third parties our management's gas experience, industry relationships and the Company's licence positions around gas-gathering infrastructure to validate our commercial understanding of the gas marketing potential and the potential of our exploration and appraisal assets to potential third parties seeking exposure to such assets and operational expertise;
- through providing a commercial, technical and engineering framework for gas-focussed M & A transactions and farmouts to defray CAPEX for subsequent appraisal drilling/development.

Geological risk mitigation has been enacted through screening suitable projects for the Company's portfolio using management's extensive and relevant industry experience. Farm-out transaction risk is being addressed by improving development economics and lowering commercial risk by assembling projects close to infrastructure and in areas where there is a high demand for indigenous gas to improve security of energy supply and reduce CO2 emissions from more carbon-intensive energy sources.

The Company's strategy recognises our opportunities for becoming an innovative catalyst for collaborative symbiotic relationships with the renewable energy and gas storage sectors that accelerates energy transition whilst maintaining and enhancing security of energy supply that protects against the "economic shock" of accelerated Energy Transformation. Combining gas production with gas and hydrogen storage capacity and providing back-up for interruptible wind power together with subsurface CO2 sequestration in former oil and gas reservoirs provides the commercial and financing structure for green energy hubs around existing under-utilised infrastructure.

Group Strategic Report

The directors have voluntarily disclosed the Group Strategic Report for the year ended 31 December 2021 although this is not required under Jersey regulations.

Principal activity

The Group was formed for the purpose of acquiring assets consistent with the Company's business development strategy. These may comprise businesses, import licences for LNG, material ground floor equity positions in principally gas licences, or the targeting of companies that have operations in the oil and gas exploration and production sector consistent with the Company's business development strategy. It will then look to develop and expand such assets where there is an opportunity for reducing CO₂ emissions within the framework of commercially viable and value-enhancing operations. The Group seeks to develop and provide sources of greener energy that can contribute to reducing CO₂ emissions and to accelerating energy transition to de-carbonise the energy sector.

Fair review of the business

Morocco

As a consequence of the COVID pandemic the original term of the Initial Period of the Guercif Petroleum Agreement was extended by one year to 18 September 2022 without any additional liabilities being incurred.

Despite some remaining COVID restrictions, the Star Valley rig commenced drilling the MOU-1 well on schedule on 20th June 2021 and the rig was released on 4th July 2021 with rig demobilisation completed by 7th July 2021.

Drilling time totalled 15.18 days.

The well encountered a number of encouraging formation gas shows at 605 metres, 769 metres, 833 metres, 850.5 metres, 872 metres and 1,236 metres TVD KB validating the pre-drill rationale for evaluating for the first time the northwest part of the Guercif Basin in what was interpreted to be an extension of the gas-producing Rharb Basin to the west. Dry thermogenic gas shows over a gross interval of 626 metres confirmed the gas-generating potential of this newly defined area of exploration interest.

95/8" casing point was set at 724 metres TVD MD. Wireline logs were run below this interval over a gross section of 779 metres. Preliminary conventional log interpretation and the presence of gas shows confirmed the presence of the pre-drill primary target ("TGB-2") at 1,236 metres TVD MD, correlating very closely with the pre-drill depth prognosis. The primary target was found to be substantially over-pressured relative to targets at similar depths in the Rharb Basin. As a result the drilling mud weight was increased by 20% to maintain hole stability. Mud weights were 25% higher than in the GRF-1 well drilled in 1972 1.25 kms. to the southeast of the MOU-1 location. Significantly this confirmed that MOU-1 had tested a separately sealed primary TGB-2 target not present in GRF-1.

The entire prospective section equivalent to the interval containing the gas-producing "Hoot" and "Guebbas" sands of the Rharb Basin and the gas sands encountered in Anchois-1 and the Anchois-2 appraisal well in the offshore has been penetrated by MOU-1 and wireline logs over this interval were acquired. To maintain stable borehole conditions over the primary target the well was completed for rigless testing with 41/2" casing set from 729 metres to 1,503 metres TVD MD.

Final drilling costs, including mobilisation and demobilisation for a single well drilling programme, were approximately US\$3.617 million (versus the pre-drill AFE of US\$3.43 million), inclusive of approximately US\$0.417 million mobilisation and demobilisation costs and approximately US\$0.25 million VAT to be reclaimed in the future. Well completion costs for rigless testing were approximately US\$0.257 million.

Post-well reservoir characterisation by Houston-based NuTech interpreted a gross TGB-2 interval between 1,226.5 and 1,300 metres TVD MD with 12 metres of net potential gas pay, with a maximum porosity of 29% in one sand and

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a corresponding maximum gas saturation of 70%. Five separate zones within this interval have been selected for perforating during rigless testing in 2022.

Post-well seismic studies have confirmed that the primary TGB-2 target in MOU-1 encountered at 1,236 metres TVD MD correlated precisely with the pre-drill seismic amplitude anomaly which was the rationale for the MOU-1 well location.

Seismic re-mapping incorporating the TGB-2 drilling results indicate that the gas-bearing TGB-2 seismic amplitude anomaly extends over an area of over 30 km² forming a potential over-pressured stratigraphic trap within which fault-bounded structural closures also exist (as tested and proven by MOU-1).

Initial post-well geological studies and integration of seismic information has defined the TGB-2 stratigraphic trap as a potential submarine fan and channel system with seismic characteristics and geometries analogous to those hosting the Anchois-1 gas discovery in the offshore, albeit on a much larger scale covering up to five times the area straddled by the Anchois-1 and Anchois-2 wells. The MOU-1 well post-mortem reveals that the well tested only the very distal lateral edge of the TGB-2 submarine fan with the main axis of reservoir development being potentially developed 6.5 kms. to the east of MOU-1.

SLR Consulting Ireland Ltd. ("SLR") produced a Competent Persons Report in 2020 giving the gross Best Estimate Prospective Resources for the "MOU-4 Prospect" (now defined as the TGB-2 submarine fan after the evaluation of the MOU-1 drilling results) as 393 BCF (295 BCF net attributable to Predator's 75% interest) based on a conservative 66% gas recovery over 13 years is. SLR indicate a High Estimate of 708 BCF net attributable to Predator's 75% interest based on a higher GIIP estimate for thicker reservoirs. Following the MOU-1 well results estimates of resources remain unchanged but emphasis with SLR is now on re-categorising these Prospective Resources as Contingent Resources.

Additional drilling locations were developed, MOU-4 and MOU-5, to step out and appraise the TGB 2 submarine fan in an area where the maximum development of reservoir quality sands is believed to be potentially developed to validate the SLR High Estimate of 708 BCF net attributable to Predator's 75% interest.

An Environmental Impact Assessment ("EIA") was commenced for three possible well locations in addition to two other potential existing well locations on the TGB-2 submarine fan approved under the existing EIA for MOU-1.

MOU-1 encountered the same volcanic horizons at the base of the TGB-2 sequence that were penetrated in GRF-1 in 1972, 1.25 kms. southeast of MOU-1. However the TGB-2 interval above the volcanics was significantly thickened in MOU-1 relative to GRF-1 where the TGB-2 interval was not deposited in a structurally high setting. MOU-1 therefore established for the first time in the Guercif Basin the importance of faulting to create the unstable conditions necessary for the development of submarine fans with the formation of both stratigraphic and fault-bounded traps sealed by over-pressured, rapidly deposited, deepwater claystones.

Quotes for desktop studies including 2D seismic reprocessing and biostratigraphy, sedimentology and geochemical analysis of MOU-1 well cuttings were requested during the latter part of the period under review. The search for long-lead drilling items, including casing and wellheads, was initiated.

Regional geological studies and seismic remapping of the entire Guercif licence area of 7,269 kms² is underway to incorporate the results of MOU-1. Focus is on the northwest part of the Guercif licence area east of MOU-1 to evaluate the potential of the Lower Jurassic northwest of the TRF-1x well, which encountered 18 metres of reservoir beneath dry gas shows. TRF-1x was drilled off-structure. This north-western area is interpreted as being favourably sited for dry gas migration from the generating basin proven by the MOU-1 well results. An MOU-NE prospective trap has been outlined over a preliminary area of 102 km² for further evaluation as a potential drilling target in 2022.

During the period under review SLR Consulting (Ireland) Ltd completed an independent study for the Company of scoping capital and operating costs for a CNG development option utilising potential gas produced at Guercif. The model assumed a scoping gas delivery profile of 10 mm cfm (3.65 BCF of gas annually) trucked to industrial customers and to the end of existing gas pipelines in the Rharb Basin. The preferred site of a CNG facility at the proposed MOU-4 well location is only 1.5 kilometres from the highway running westwards and connecting with

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Morocco's most significant industrial centres. Trucks would run on CNG rather than diesel fuel. Start-up CNG costs net to the Company (75%) facilities CAPEX estimates are US\$12.21 million and net (75%) CNG operating costs are estimated at US\$2.09/mcf. Costs exclude drilling costs and potential requirement for booster compression later in field life. At an average gas sales price of US\$11/mcf to the Moroccan industrial market the commercial model for CNG gas sales is attractive.

Development and operating costs and gas prices are based on 2021 data.

Trinidad

Phase 3 of the of the Inniss-Trinity Pilot CO2 EOR project commenced in the period under review. The planned operations were in accordance with the Company's Project Proposal PRD25092019 submitted by the Operator (FRAM Exploration Trinidad Ltd. or "FRAM") of the Inniss-Trinity Incremental Production Services Contract, or "IPSC", as a consequence of which Heritage Petroleum Trinidad Ltd., the licence holder, granted FRAM a two-year extension to the IPSC and the Ministry of Energy and Energy Industries approved the commissioning of the CO2 EOR facilities at Inniss-Trinity.

It was planned for CO2 to be injected into the AT-13 well continuously over a period of up to 275 days during which time production rates would be recorded at AT-5X.

It became apparent very quickly that the AT-13 well was not suitable for CO2 injection at higher pressures and regulatory approval was sought and subsequently granted for CO2 injection to return to the original 2020 CO2 injector well AT-5X. AT-12, defined in the submitted Proposal PRD25092019 as a production well and included in the AT-4 Block Pilot CO2 EOR Project, remained available for continuous production. It was determined that additional wells within the AT-4 Block would be surveyed and investigated for potential workovers and the return to production. AT-6, AT-7 and AT-10 were considered for the restoration of production and IN-6 was evaluated as a candidate for perforating in the unperforated Herrera #2 Sand.

From April 2021 469 metric tonnes of CO2 were injected through AT-5X. Operations were limited to daylight hours due to best practice HSE restrictions for handling CO2 at a time of COVID restrictions.

Curtailed injected daily CO2 volumes and restricting injection pressures had a beneficial effect on the rate of reservoir pressure build-up whilst establishing a preferred orientation and pattern for accelerated CO2 migration move-out routes. Of five wells where pressure data could be interpreted, two were broadly in line with pre-injection forecasts whereas three showed accelerated reservoir pressure build-up relative to the pre-injection estimates. In the most notable case one well reached a static bottom hole pressure of 1,089 psi on 9 June 2021, whereas the pre-injection forecast estimated that this pressure was only to be achieved over four months later.

Changes in the ultimate ownership of FRAM Exploration Trinidad Ltd. ("FRAM") completed in 2020 resulted in the parent company of FRAM unilaterally terminating the Inniss-Trinity CO2 EOR project with only 24 hours' notice in July 2021 without prior consultation with the Company or the regulatory authorities.

The Company decided that it would be prudent under these circumstances to accept the request from the Operator, for the avoidance of doubt not the regulatory authorities, to decommission its CO2 EOR facilities at Inniss-Trinity and remove the equipment to a place of safe and secure storage at no significant financial liability to the Company.

The Company decided to begin the process of exploring with FRAM a mutually beneficial resolution of the issues relating to consequential losses potentially suffered by the Company as a result of FRAM's breach of the terms of the Inniss-Trinity Well Participation Agreement and for FRAM's failure to repay the Loan advanced to FRAM repayable out of profits arising from the sale of CO2 EOR enhanced oil production during 2020 and 2021.

The premature termination of the Inniss-Trinity CO2 EOR project was not based on any technical or commercial criteria and was not countenanced by the regulatory authorities in Trinidad. The Company's Project Proposal PRD25092019 for CO2 EOR in the Inniss-Trinity field was approved by Heritage Petroleum Trinidad Ltd., the licence

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holder, and the Ministry of Energy and Energy Industries. The Project Proposal estimated that 859,000 barrels of CO2 EOR oil resources could eventually be recovered in the AT-4 Block governed by the Well Participation Agreement. Rising oil prices and the commercial data gathered from the Inniss-Trinity Pilot CO2 EOR Project combine to indicate that a significant value can be potentially attached to the remaining CO2 EOR resources in the AT-4 Block.

The focus of the settlement negotiations with FRAM will be on how to unlock the AT-4 Block CO2 EOR potential for FRAM, with the Company providing advisory services and any surplus CO2 EOR supply, in return for the Company acquiring one of Challenger Energy Group Plc's subsidiary companies in Trinidad with assets potentially suited to applying CO2 EOR.

The encouraging results from the Phase 3 CO2 injection in the first half of 2021 provide valuable technical and commercial validation for the design and resulting effectiveness of CO2 EOR projects for geologically similar mature producing fields onshore Trinidad.

As a consequence the Company were able to execute a Heads of Agreement with Lease Operators Ltd. ("LOL"), a private Trinidadian company with 1,800 bopd production in 2021 onshore Trinidad, to provide for LOL and the Company to work together to develop and execute a CO2 EOR project for the producing PS-1 field onshore Trinidad.

LOL is applying for a Certificate of Environmental Clearance from the Environmental Management Authority in Trinidad for CO2 EOR operations using some data and an example template provided by the Company.

Discussions are continuing to create a jointly-owned in-country Special Purpose Vehicle to develop CO2 EOR projects based on prioritising the technical suitability of a number of onshore producing fields.

Rising oil prices combined with the Company's "Proof of Concept" for CO2 EOR and CO2 sequestration in Trinidad has created a much more attractive commercial case for expanding CO2 EOR for "greener" oil production at a time of rising energy costs and demand and an awareness of the absolute requirement for an Energy Transition if the level of global CO2 emissions is to be reduced in an orderly structured mannered.

Ireland

During the period under review the Company changed the name of its subsidiary Predator LNG Ireland Ltd. to Mag Mell Energy Ireland Ltd., a name from Irish mythology that reflects the ethos behind the move to offshore LNG facilities below the horizon that can contribute with very much reduced environmental impact to security of energy supply during the Energy Transition.

In June a submission was made to the Draft Cork County Council Development Plan detailing the Mag Mell Floating Storage and Regasification Liquefied Natural Gas Project ("FSRUP" and LNG") and the potential benefits for the industries and communities of Cork, which historically has been the hub of Irish indigenous gas production. The vital role this project could have in addressing security of energy supply during the Energy Transition was also outlined in the Company's published document for the purpose of facilitating informed public consultation.

At the same time the Company made a submission to the Department of Housing, Local Government and Heritage in respect of the Public Consultation on the Marine Protected Area ("MPA") Advisory Group's Report entitled "Expanding Ireland's Marine Protected Area Network."

The steps taken are to ensure that the Mag Mell FSRUP LNG was fully in the public domain ahead of a planned meeting later in the year of the Oireachtas Committee on the Environment to examine energy security, LNG and power usage by data centres.

Partnership building has been a key objective of the Company. The establishment of a FSRUP technical and commercial solution with Hoegh LNG specific to the environment and conditions of the Celtic Sea offshore Ireland is a significant tool to use to meet conditions for regulatory approvals and to develop partnerships to attract project finance to allow a Financial Investment Decision to be made. The Company negotiated a Memorandum of Understanding ("MOU") with a significant downstream marketing entity to work together to determine the potential market for FSRUP gas and to assess the potential to market gas from seasonal storage operations. The objective is to

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optimise the technical specifications of the FSRUP and gas storage facilities for gas send-out to meet periods of high demand and high gas prices.

At the request of the Geoscience Regulation Office (“GSRO”) section of the Department of the Environment, Climate and Communications the Company provided information on its proposed work programme for its application for a successor authorisation (a “Standard Exploration Licence”) to Licensing Option 16/30 (“Ram Head”). The proposed work programme focusses initially on the appraisal of the undeveloped Ardmore gas field within the Ram Head area of application for a successor authorisation as a potential gas storage facility for seasonal summer gas imported through the Company’s proposed Mag Mell FSRUP LNG.

The Ardmore field was previously discovered by Marathon Oil in the 1970’s but not developed after testing gas at a rate of 8 mm cfgpd. The discovery well 49/14-1 was drilled at the gas-heavy oil contact which impacted gas flow rates. Scoping storage capacity is targeted at 12 BCF with a maximum send-out rate of 80 mm cfgpd subject to the completion of a work programme executed following the potential award of a successor authorisation.

In 1998 RDS Resources independently assessed the Ardmore gas field as being capable of being developed by two wells, which based on P50 gas-in-place of 148 BCF, gave P50 gas resources of 47.4 BCF and P10 gas resources of 77.3 BCF using a 30 mm cfgpd initial production profile.

For gas storage operations 4 to 5 production/injector wells would be required but development costs could be potentially financed by the blow-down of gas to create the gas storage capacity.

The much deeper Jurassic gas reservoirs discovered by Marathon Oil in 1984/5 have the potential to develop a larger gas storage facility in the future should the Ardmore gas field be successfully developed for gas storage operations.

Gas storage is a critical element of security of energy supply.

The application for a successor authorisation to Licensing Option 16/26 (“Corrib South”) is still under consideration by the GSRO.

Financial review

The Company reported an operating loss for the period to 31 December 2021 of £1,398,802 (restated £1,589,070 for the period to 31 December 2020). The decrease in operating loss is mostly attributable to the reduction of finance costs compared to the previous year.

Administrative expenses for the period to 31 December 2021 were £1,398,821 (restated £1,363,711 for the period to 31 December 2020) and include £99,900 (restated £101,973 for the period to 31 December 2020) fair value adjustment to share options and warrants, which take into account the cancellation of Ron Pilbeam share options at the time of his resignation. Executive directors’ fees have increased to £229,165 (£161,000 for the period to 31 December 2020) as a result of the significant increase in the Company’s corporate activities in the period to 31 December 2021 to maintain business growth and the further development of ESG credentials to attract future green energy investors.

The Company is finishing the reporting period with cash reserves of £1,523,035 (£1,325,751) for the period to 31 December 2020) and restricted cash of USD1,500,000 (USD1,500,000 for the period ended 31 December 2020) in the form of the security deposit for the Guercif Bank Guarantee in favour of ONHYM. The balance outstanding of the loan by the Company to FRAM Exploration Trinidad Ltd. for the investment in the Pilot CO2 EOR Project was £591,065 (£468,000 for the period to 31 December 2020) at the end of the period.

During the period to 31 December 2021, we have completed three over-subscribed Placings to raise £4,585,000 (before expenses). As a result of these transactions 53,000,000 new shares have been issued and the issued share capital increased to 292,946,267 by the end of the period to 31 December 2021. This figure included the exercise of 267,750 existing warrants at £0.028. 1,020,00 new warrants exercisable at £0.105 before 12 March 2025 and 600,000 new warrants exercisable at £0.150 before 18 June 2025 were issued. 2,000,000 existing warrants exercisable at £0.12 had their original expiry date of 15 February 2021 extended to 15 February 2022. 2,053,678 existing warrants exercisable at £0.028 had their original expiry date of 24 May 2021 extended to 24 May 2022. The one-year

Predator Oil and Gas Holdings Plc

For the year ended 31 December 2021

extensions requested by the warrant holders to reflect the fact that drilling operations were delayed by one year due to the COVID pandemic were approved by the Board. By extending the warrants expiry date, the Group had to assess the impact of the extensions on the warrant's initial fair value assumptions. An expense of £24,366 has been recognised in respect of the fair value of the warrants as detailed in note 20.

The Company appointed advisers in respect of seeking admission of its shares to trading on the AIM market, which potentially provides more flexibility for high growth companies. AIM was at the time believed to represent a market potentially better suited both to the mature level of development of the Company's Energy Transition portfolio of projects across upstream and downstream sectors and for developing M & A activity.

Placing funds were to provide the working capital to fully fund the Company's planned operations in Morocco and Trinidad following the delays caused by the COVID pandemic.

As a result of the transactions successfully concluded during the period under review, the Company is well-capitalised, free of debt and is in a position to deploy prudent levels of administrative and capital expenditures focussed on future drilling activities in Morocco. Prudent levels of administrative and operating expenditures are necessary to maintain the acceleration of the Company's long-established business development strategy to a greener energy business. This is based on expanding the pragmatic role of gas as a "sustainable" source of energy for reducing CO2 emissions, future collaboration with renewable energy project developers, and utilisation of existing infrastructure to determine a common route to achieve a timely and socially just energy transition. Attracting investment in the energy sector will now inevitably require being able to show a practical commitment to the requirement for sustainability and the Company must therefore ensure that its level of spending is adequate for this purpose to maintain its competitive advantage.

COVID-19

The Company has taken all commensurate steps to minimise unnecessary capital expenditures and operating costs whilst COVID-19 restrictions may continue to impact the industry's business operations worldwide. It is likely that international travel restrictions will relax in 2022 but accessing essential oil field personnel may still present a logistical challenge as the demand for service personnel begins to outstrip the pool of personnel resources available due to contraction of the industry during COVID-19 restrictions and the impact of climate change concerns on the fossil fuel industry. The Company believes that this is manageable in its case and should not pose a significant impediment to executing its planned operations during 2022.

Maintaining adequate cash reserves and maintaining a high impact risk-reward proposition in Morocco for our shareholders, together with applying prudent and responsible management to our mature portfolio of separate and diverse businesses focussed on climate change awareness and reducing CO2 emissions, has been essential for navigating the Company through the COVID-19 pandemic and a contraction in some sectors of the fossil fuel industry to maintain potential for business growth and an appreciation in shareholder value.

Brexit

The longer-term outcome to the completion of Brexit in 2021 may still pose new challenges in terms of creating continuing instability in the financial and currency markets, increasing bureaucracy for importing oil field equipment and services from the EU, and in creating conditions liable to weaken investor sentiment and decision-making processes. The Company has some protection in that it does not operate in the UK and is currently not generating production revenues. The Company seeks to focus on the potential to generate revenues in United States Dollars, which has traditionally been a more stable currency for business. Accordingly, the Company always maintains its cash reserves in a variety of currencies including United States Dollars, United Kingdom Pounds and Moroccan Dirhams to reflect the principal currencies in which its costs are incurred.

Board changes

Lonny Baumgardner was appointed as Chief Operating Officer on 12 July 2021.

Lonny is a petroleum engineer by training and has 30 years of experience within oil and gas operations, over 25 years of which has been internationally across all aspects of upstream operations in numerous locations including several years based in Morocco, Egypt, Tanzania, Australia, Saudi Arabia (with Saudi Aramco), Canada, and the USA (with ExxonMobil).

Lonny has a proven track record in managing multifaceted operations across joint ventures, government agencies, geographic challenges and multicultural differences, to ensure business needs are achieved.

He has been highly successful operating within small to medium-sized exploration and production companies at Board level delivering value to shareholders by applying a dynamic and effective management style to daily and longer-term strategic requirements. Lonny will have a strong focus on delivering business goals for Predator capable of creating long-term value.

Most recently, since 2015, Lonny has been Country Manager and General Director for SDX Energy Inc, Morocco and London. He is highly experienced in the upstream and downstream gas sector in the Rharb Basin and is therefore in a position to apply his experience to further develop from the positive results achieved through the drilling of the MOU-1 well in the Guercif Basin.

On 28 July 2021 Ronald Pilbeam stepped down from the Board restoring the balance of the Board from the governance perspective.

ESG metrics

ESG is fundamental to the growth of our business and is based on both expanding the pragmatic role of gas as a “sustainable” source of energy for reducing CO₂ emissions, future collaboration with renewable energy project developers, and the utilisation of existing infrastructure and subsurface reservoirs for cost-effective CO₂ sequestration. Through this strategy we can determine a common route to achieve a timely and socially just, fair and equitable energy transition.

Currently 100% of our assets are focussed on either gas, which has a much lower carbon intensity compared to oil, or “greener” oil, where sequestration of anthropogenic CO₂ can be shown to be safe and effective for reducing CO₂ emissions from industrial plants currently venting CO₂ into the atmosphere.

Morocco and Trinidad

Up to 33% of current CO₂ emissions generated by that part of the Moroccan industry that uses fuel oil could be saved by switching to cleaner natural gas. From 2017 to 2020 cumulative tonnes of carbon saved by the current end users of gas versus imported fuel oil, representing less than 20% of the easily accessible imported fuel oil industrial market suitable for conversion to natural gas, was approximately 200,000 metric tonnes. There is significant scope to increase the carbon saved by expansion of the gas market in Morocco. The Company successfully injected 468 metric tonnes of anthropogenic CO₂ in Trinidad in the first half of 2021 despite operating constraints imposed by prevailing COVID HSE restrictions in place at the time.

Although further CO₂ injection and sequestration was prevented by the premature and unforeseen shut-down of the Inniss-Trinity CO₂ EOR Pilot Project by the operator (FRAM) of the Incremental Production Services Contract, without prior consultation with either the regulatory authorities or the Company, “Proof of Concept” has been established by the Company.

Current efforts to grow the gas market in Morocco have been hampered by lack of sufficient indigenous gas resources. The Company’s drilling programme in Morocco is targeting material gas resources that could potentially transform the Moroccan gas market in a success case. The conservative option being progressed initially by the Company is to develop compressed natural gas for the industrial market. The anticipated dry gas from the Moroccan reservoirs targeted for drilling will require minimal processing creating the potential for a low carbon intensity operation forecast to be in the order of 2.2 kg CO₂e /boe.

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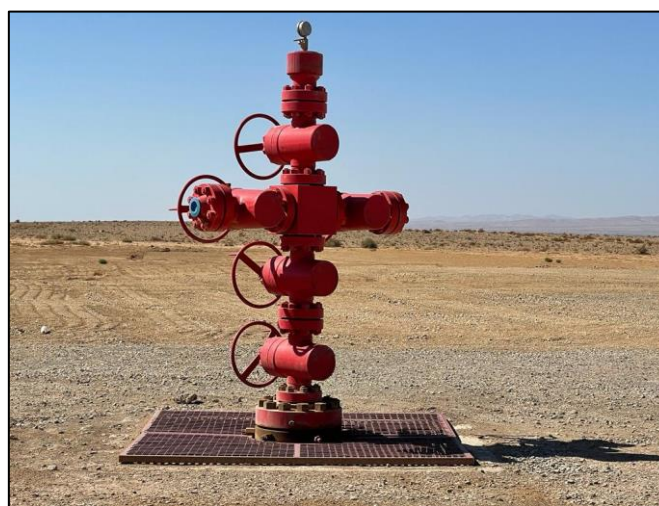
For the year ended 31 December 2021

The discovery of gas in MOU-1 during the year was an important step towards implementing our ESG strategy which is designed to support the Energy Transition.

The Company's medium-term development options for larger gas finds include gas-to-power to replace coal burned in Morocco's existing coal-fired power stations. Approximately 85% of Morocco's power generation (approximately 4,800 MW) is from carbon intensive coal and oil, which contributed materially to Morocco's CO₂ emissions of 1.68tCO₂/capita in 2018. Switching to sustainable gas is estimated to cut annual CO₂ emissions by up to 49%, which would be a significant near-term contribution to decarbonising the energy sector in Morocco.

During June and early July 2021 Predator Gas Ventures Ltd. prepared the site for and drilled the MOU-1 exploration well approximately 10 kilometres northwest of the city of Guercif. This was the Company's first ever field operation in Morocco.

Site preparation included significantly improving minor roads and tracks for the benefit of local communities and restoring the well site to a very high standard (see below).



Total cost of the MOU-1 site works and road improvements was 1,257,000 dirhams of which approximately 200,000 dirhams is estimated to be attributable to road improvements and site restoration to a high standard.

Catering and accommodation for the drilling personnel and the logistical support services was based at the Atlas Hotel in Guercif City. The total value of this contract was 989,100 dirhams. An estimated 100,000 dirhams was attributable to upgrades made to the Atlas Hotel accommodation in respect of the kitchen areas and the restroom facilities. These upgrades raised the standard of the accommodation to a level suitable to potentially attract additional business, including potential tourists en route to other areas.

Ireland

The Company's ESG strategy for Ireland is focussed on developing an offshore LNG import facility with reduced ecological impact compared to onshore LNG terminals and wind farms. The ESG rationale is that such a facility, which is not unique to most of the countries in the EU, would result in security and diversity of energy supply, which is in the public interest as defined by current regulatory definitions and in the context of the energy transition.

Through the optionality of replacing 250 to 275mm cfm of imported gas throughput via Ireland's gas interconnector with the UK, ESG transparency is being enhanced and CO₂ emissions potentially reduced. The Floating Storage and Regasification Unit ("FSRU") proposed for Ireland by the Company will operate with the minimum possible ecological and environmental footprint, reducing and potentially eliminating CO₂ emissions from its operation. The FSRUs will be supplied with LNG feedstock only from transparent sources not linked to shale gas or fracking operations. The

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origin of gas currently transported through the UK interconnector to Ireland cannot be established as clearly from an ESG perspective.

ESG performance criteria

Whilst investing in projects that contribute to reducing CO2 emissions in the countries identified by the Company as having maximum impact per capita, there are other performance metrics that need to be adhered to as follows:

- Where practical and pragmatic use renewable energy (particularly solar) to power operations
 - Reduce carbon-intensive air travel by substituting virtual meetings aided by real-time Vsat transmission of data and drone and camera technology for site inspections and directing operations
 - Promote remote access working from home to minimise carbon footprint with the virtual office concept
- Where operating in onshore areas, including agricultural lands
 - Ecological impact must be low – all produced water is evaporated and/or treated before disposal offsite
 - No water discharges or oil spills from operations
 - Community liaison enacted to maintain local support and understanding for those impacted by the Company's operations
 - Utilise local services wherever practical and pragmatic to support local economies
- An ESG Board committee will oversee drilling operations in Morocco in 2022 to ensure ESG policy is being adhered to with
 - Increased focus on social elements
- Sustainability Accounting Standards Board disclosure included in FY reporting

Future developments

The Company's CO2 sequestration experience in Trinidad, management's extensive 40 years of experience and understanding of the gas sector, including transport infrastructure and gas storage potential, and its ESG focussed portfolio of gas projects, creates the opportunity for it to be a leading motivator and innovative catalyst in the energy transition through working with others to develop greener energy hubs in the jurisdictions where it operates. This would integrate energy sourced from interruptible renewables and from gas with the capability for subsurface CO2 sequestration and gas storage (including hydrogen) in reservoirs understood by the Company. The ability to use its inexpensive gas production for on-site micro-power generation to provide electricity to supply interruptible power to wind farms and cheap electricity for hydrogen plants that can generate clean fuel for local industries is a near-term viable solution for security and diversity of greener energy supply. CO2 generated by operations could be combined with hydrogen for Methanisation and re-use in micro gas-fired power generation thereby forming a "closed loop" for CO2 emissions.

Post period events

13 January 2022

The Company announced a Corporate Update indicating the completion by SLR Consulting (Ireland) Ltd. ("SLR") of a Competent Persons Report ("CPR"). The CPR comprises of an independent re-assessment and valuation of the "Guercif MOU-4 Prospect" incorporating the positive MOU-1 drilling results.

As a consequence, the CPR has moved the pre-drill Prospective Resources to Contingent Resources and defines the Best Estimate of 295 BCF net to the Company's 75% interest to be "potentially recoverable from a known accumulation by the application of a development project". The CPR concludes that "based on the potential size of the MOU-4 structure, the project is likely to be commercially viable".

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31 January 2022

The Company awarded 7,855,486 share options to Lonny Baumgardner (Chief Operating Officer) and 1,000,000 share options to Louis Castro (Non-executive Director).

The options are exercisable at 5.66 pence per share and will vest after 6 months.

8 March 2022

The Company announced a Corporate Update confirming that the Company had negotiated a Memorandum of Understanding ("MOU") with a significant downstream marketing entity to work together to determine the potential market for FSRU gas and to assess the potential to market gas from seasonal storage operations in Ireland.

In Morocco Confidentiality Agreements had been entered into with several companies to evaluate the exploration, appraisal and development opportunities in the area covered by the Guercif Petroleum Agreement.

The Environmental Impact Assessment for the proposed MOU-4, MOU-5 and MOU-NE well locations had been approved by the regulatory authorities.

Reprocessing of 250 kilometres of 2D seismic was being progressed.

In Trinidad the Company had successfully completed the decommissioning of its CO2 EOR surface facilities at Innis-Trinity and had recovered its downhole equipment for safe off-site storage.

Continuing progress had been made with Lease Operators Ltd ("LOL") for a new CO2 EOR joint development project for the PS-1 Block field. LOL was making progress towards the award of a Certificate of Environmental Clearance and initial potential CO2 injection and production wells had been reviewed.

The Company had taken a strategic decision to add green hydrogen (from the electrolysis of water) to its business development plans. A Confidentiality Agreement had been executed with an entity focussed on green hydrogen to evaluate a possible acquisition of a controlling interest in that entity to develop green hydrogen (electrolysis of water) and green methanol (using anthropogenic CO2 emissions) projects.

The Company appointed Peterhouse Capital Ltd. as Financial Advisor.

The Company decided to suspend the potential AIM Admission process which was deemed not to be in the best interests of its shareholders at this time of volatility in the financial markets.

The Warrant Instruments between Novum Securities Ltd and Predator Oil & Gas Holdings plc were amended as follows:

- 1) dated 15 February 2019 granting the right to subscribe in cash for 2,000,000 ordinary shares exercisable at a price per share equal to the subscription price (12p per share) is being amended to allow the exercise date of the warrants to be extended by one year to the fourth anniversary of the date of the Warrant Instrument.
- 2) dated 24 May 2018 granting the right to subscribe in cash for 2,053,678 ordinary shares exercisable at a price per share equal to the subscription price (2.8p per share) is being amended to allow the exercise date of the warrants to be extended by one year to the fifth anniversary of the date of the Warrant Instrument; and

the Warrant Instrument between Optiva Securities Ltd and Predator Oil & Gas Holdings plc were also amended as follows:

- 3) dated 24 May 2018 granting the right to subscribe in cash for 160,714 ordinary shares exercisable at a price per share equal to the subscription price (2.8p per share) is being amended to allow the exercise

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date of the warrants to be extended by one year to the fifth anniversary of the date of the Warrant Instrument.

The Company also announced that Dr. Steve Staley was stepping down from the Board to pursue other interests.

A company update note had been produced by Novum Securities and is available at www.predatoroilandgas.com.

17th March 2022

The Company announced that it had conditionally placed 11,500,000 new ordinary shares of no par value in the Company (the "Placing Shares") at a placing price of 9 pence each (the "Placing Price") to raise £1.035 million before expenses (the "Placing").

The Placing was significantly oversubscribed and utilised 5,000,000 million shares of the Company's existing headroom shares ("First Tranche Shares") and 6,500,000 of the Company's additional available headroom shares after 27 March 2022 ("Second Tranche Shares") under the Financial Conduct Authority restrictions for companies on the Official List (standard listing segment) of the London Stock Exchange's main market for listed securities.

Lonny Baumgardner, an executive director of the Company, has participated in the Placing for Ordinary Shares for a value of £50,000 at the Placing Price. This participation is equivalent to 4.83% of the Placing.

The Placing would allow an option on the Star Valley Rig 101 to be secured, two well pads to be constructed upon receipt of all regulatory and environmental approvals; and to address the increased costs of long-lead items required for the proposed 2022 drilling programme caused by political tensions in Eastern Europe.

25th March 2022

Further to the Company's announcement of 17 March 2022, the new First Tranche Shares, being 5,000,000 Ordinary Shares of no par value, were admitted to listing on the Official List (standard listing segment) and to trading on the London Stock Exchange's main market for listed securities ("**Admission**") effective at 8.00.

Following Admission, the total number of voting rights in the Company is therefore 297,946,267.

31st March 2022

Further to the Company's announcement of 17 March 2022, the new Second Tranche Shares, being 6,500,000 Ordinary Shares of no par value, were admitted to listing on the Official List (standard listing segment) and to trading on the London Stock Exchange's main market for listed securities ("**Admission**").

Lonny Baumgardner, Chief Operating Officer, agreed to subscribe for 555,600 new ordinary shares, representing a subscription of £50,000.

In connection with the fundraising, 690,000 warrants, exercisable at 9p per new ordinary share with a 3 year expiry, will be issued to Novum Securities Limited or their nominees.

Following Admission, the total number of voting rights in the Company was 304,446,267.

1st April 2022

The Company announced that its registered office address had changed to:

3rd Floor
IFC5
Castle Street
St. Helier
Jersey JE2 3BY

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and that, through its wholly-owned subsidiary Mag Mell Energy Ireland Ltd. (“Mag Mell”), it was a Gold Sponsor of Ireland’s National Energy Summit at Croke Park, Dublin on 26th April 2022 and that its CEO was presenting and discussing in a panel session with Eirgrid and the Economic and Social Research Institute “*Coming together to plan, build, operate and support the development of the country’s chief renewable energy resources*”.

12th May 2022

The Company announced an Operations Update.

In Morocco it had identified sources for long lead items for drilling and was progressing purchase orders for four well heads.

Final written approval for the Environmental Impact Assessment for the MOU-4, MOU-5 and MOU-NE proposed drilling locations had been received.

The civil works contract to build the first of the three well locations has been awarded to Skayavers Sarl.

An exclusive option on the in-country Star Valley drilling rig has been secured as previously negotiated and announced for the MOU-1 drilling contract.

Initial results of the seismic reprocessing by DUG Geophysical of 278 kms. of 2D seismic data in the area to be tested by MOU-4 and MOU-5 supported the presence of two potential additional shallower gas targets for the MOU-5 well.

Analysis of the MOU-1 well cuttings had begun with the laboratory work being carried out by Petrostrat (biostratigraphy, sequence stratigraphy and QEMSCAN), Rockwash (sedimentology) and APT (geochemical source rock and maturity analysis).

The MOU-NE drilling lead had now been mapped at the base of the forecast reservoir sequence with a structural closure covering 102 km².

Two primary candidates for a potential farmin to the Guercif Licence have been chosen from the initial responses to a targeted marketing exercise by the Company.

In Ireland, on 1st April 2022 the Company was sent correspondence from the Geoscience Regulation Office (“GSRO”) of the Department of the Environment, Climate and Communications (“DECC”) stating that prior to concluding its assessment of the Company’s applications for successor authorisations to the Corrib South Licensing Option 16/26 and Licensing Option 16/30 Ram Head, the GSRO required one additional piece of supporting information. The DECC confirmed that it was not seeking any information in addition to that requested above. The information was relayed to the GSRO and an acknowledgement receipt was received by the Company on 19th April 2022.

In Trinidad, a proposal to FRAM Exploration Trinidad Ltd. (“FRAM”), parent company Challenger Energy Group plc, was made based on its assessment of the value in the prematurely terminated Inniss-Trinity CO2 EOR project that is defined in the Inniss-Trinity Well Participation Agreement and subsequent amendments thereof.

The terms proposed by the Company are as follows:

- 60 day period for legal due diligence to complete any potential transaction
- Asset swap to terminate the Inniss-Trinity Well Participation Agreement with FRAM reflecting mutually agreed values for the assets being swapped and with any adjustment in respective values for either or both parties being achieved by a sliding scale royalty
- Upon completion of any transaction the Company, through its wholly-owned subsidiary Predator Oil & Gas Trinidad Ltd., to provide CO2 EOR Advisory Services, and access to any surplus liquid CO2 supply not required by the Company, for the potential development of new pilot CO2 EOR projects if required by FRAM’s parent company.

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In respect of Green Hydrogen, the Company would commission an independent valuation of the green hydrogen company targeted for a possible acquisition and, subject to the results of the independent valuation, would provide initially an investment for shares not exceeding £50,000 in the target company, subject to due diligence, to provide additional working capital to develop an opportunity for green hydrogen in Romania.

The Company announced directorate changes with Mr. Louis Castro stepping down from the Board to pursue other interests and Mr. Tom Evans and Mr. Alistair Jury being appointed as Non-executive Directors.

A proposal would be put to the Board that Paul Griffiths, currently Chief Executive Officer, should move to Executive Chairman, and that Lonny Baumgardner, currently Chief Operating Officer, should move to Managing Director. Governance would be maintained by the Board resolving that the two Non-executive Directors would have the casting vote on all decisions and resolutions of the Board.

7 June 2022

The Company announced an update on the Company's position with regard to the loan receivable (the "FRAM Loan") from FRAM Exploration Trinidad Ltd. ("FRAM"), a wholly owned subsidiary of Challenger Energy Group Plc ("Challenger"), in respect of the Inniss-Trinity CO2 EOR Project (the "CO2 EOR Project"). The CO2 EOR Project was prematurely and unilaterally terminated by Challenger on 1 August 2021.

In the absence of receiving a response to the Company's correspondence to Challenger dated 23 March 2022 and in the light of FRAM and Challenger refusal in writing to comply with a request for information from the Company via its auditors that was necessary for its financial reporting of the FRAM Loan, the Company has elected to initiate a litigation process.

The scope of the litigation process involves the Company seeking recompense in relation to the following matters:

1. The FRAM Loan outstanding to the Company of £591,065 as of 31 December 2021.
2. The Company is seeking full repayment of its project costs (the "Project Costs") invested in the CO2 EOR Project under the terms of the Inniss-Trinity Well Participation Agreement (the "WPA"), which remains in place.

Under the WPA the Company has invested the minimum required commitment of US\$1,500,000 (inclusive of the outstanding FRAM Loan).

3. The Company is seeking substantial consequential losses from Challenger under the WPA and arising from Challenger's failure to facilitate the execution of Phase 3 of the CO2 EOR Project as defined in the approved Inniss-Trinity CO2 EOR Project Proposal PRD25092019.

Based on an average WTI spot price of US\$100, the Company is attributing an undiscounted value to the potential 853,000 barrels of oil resources in the AT-4 Block to have potentially been developed under Phase 3 of the CO2 EOR Project of US\$30/barrel. The Company therefore determines that the potential claim for estimated consequential losses against Challenger, based on 50% of net profits under the WPA, could be up to US\$12,800,000 but may be revised upwards depending on forward oil price projections.

4. Phase 4 of the approved Inniss-Trinity CO2 EOR Project Proposal PRD25092019 allows for the application of the CO2 EOR Pilot learnings to be applied within new areas of the Inniss-Trinity field for upscaling CO2 EOR.

The SLR Consulting Ireland Ltd independent Competent Persons Report for the Inniss-Trinity field published 19 February 2020 gives Best Estimate recoverable CO2 EOR resources for the entire Inniss-Trinity field of 6.8 million barrels.

Based on 50% of net profits under the WPA and US\$30/barrel this would amount potentially to estimated undiscounted consequential losses of up to US\$102 million but may be revised upwards depending on forward oil price projections.

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Summary

During the period under review, the Company has successfully overcome challenges posed by COVID to achieve key operational objectives within our strict budget guidelines.

De-risking the gas potential of the Guercif Basin after 35 years without drilling activity, has set up a timely opportunity to appraise, develop and deliver gas to the Moroccan gas market on very favourable commercial terms and with manageable capital requirements for a Company with our current market capitalisation. Partnering with downstream off-takers of gas and peer companies seeking exposure to gas prospects connected to European infrastructure is a sensible solution to reducing our financial requirements for developing our CNG business model. This is the overriding objective of the Company in 2022.

In Trinidad we are firmly established as the country's only CO2 EOR services provider following the technical and operational success of the Inniss-Trinity pilot CO2 EOR project and the important lessons that have been learnt. The establishment by the Government of Trinidad and Tobago of the Steering Committee for Carbon Capture and CO2 EOR supports our efforts to partner with indigenous, well-financed, onshore producers to provide ESG support and credentials through CO2 sequestration and to provide secondary recovery technology, expertise and experience to increase profits from mature fields. Our services will need to be funded by the producers with profit sharing thereafter to be negotiated.

In Ireland we have an environmentally aware technical and commercial solution to Ireland's lack of security and diversity of gas supply. We are making excellent progress with regard to the hugely important public consultation process. Regulators are aware of what the Mag Mell FSRU project has to offer Ireland. Sentiment is being forced to adapt to the realities of the Energy Transition and the volatility in energy markets. The Oireachtas Committee on the Environment met to examine Ireland's energy security, LNG and power usage by data centres. The requirement for gas in Ireland is a necessity for years to come and the Company is well-positioned to seek partnerships with indigenous companies in the Irish energy sector where our assets, expertise and specific Irish offshore experience can be traded for a strong balance sheet that allows us to close out opportunities with multi-nationals to develop our niche position in Ireland. This position has been nurtured through unfashionable times to a point where the "Energy Crisis" makes gas fashionable again.

During the period under review we have taken the opportunity, when possible and advisable to do so, to raise funds in the public markets. This is necessary for us to maintain our projects in good standing and to strengthen our hand in commercial negotiations with much larger potential partners. We have three exciting projects on three continents, managed by a small team of experienced professionals. On 31 December 2021 the Company was trading at a 99.44% premium to its original IPO share price despite COVID, Brexit, financial market volatility and after investing in value-creating projects and operations.

On behalf of the Board, I would like to thank our shareholders for their patience and continued support of the Company through what has been a unique period dominated by COVID and now the emerging "Energy Crisis". We look forward over the next 12 months to continue to make positive progress in further maturing and monetising the Company's assets.

Lonny Baumgardner
Managing Director
28 June 2022

Key Performance Indicators

At this stage in the Group's development, the Directors do not consider that standard industry key performance indicators are relevant. The Group cannot currently estimate whether during 2021 it has accumulated cumulative enhanced oil production from its initial pilot CO2 EOR activities in the Inniss-Trinity field onshore Trinidad due to the premature unilateral termination of the project by the operator of the Inniss-Trinity Incremental Productions Services Contract FRAM Exploration Trinidad Ltd. ("FRAM"). 2,928 barrels of enhanced oil production was reported by the Group in 2020. The Group does not expect to report any further profits from the project. The realization of potential 2020 profits will depend on a mutually agreed settlement between the Company and FRAM in accordance with the terms of the Inniss-Trinity Well Participation Agreement and its subsequent amendments. The main KPI is therefore considered to be the conservation and prudent deployment of cash and the contribution to reducing CO2 emissions whilst the Group continues to undertake appropriate exploration activity as described as follows:

- Improving ESG and Sustainability in relation to the Group's operations
The Group has sequestered 468 metric tonnes (468,000 kg) of anthropogenic CO2 that would otherwise had been vented into the atmosphere from one of Trinidad's several ammonia plants.
- Expand total prospective, probable and proven resources and reserves.
These measure our ability to increase pre-drill prospective resources, discover and develop reserves, including through the acquisition of new licences or assets.

During the year under review the exploration well MOU-1 in Guercif was successfully completed for rigless testing at a later date. Drilling results confirmed that the independently audited prospective pre-drill gas resources for the primary Tertiary reservoirs in the Guercif Licence remained as stated in the 2020 Annual Report.

- Develop oil and gas projects which will result in positive cash flow within a short time horizon.
This measures our ability to assist the internal funding of projects with medium term time horizons, as demonstrated by our proposed Compressed Natural Gas development option for future discovered gas in Guercif to support early monetisation of gas and to significantly reduce the quantum of development capital required.
- Enter into value adding joint venture and farm-out transactions.
This measures our ability to mitigate risk, share capital expenditure with partners and assist in meeting licence commitments.

This objective is as yet only partially realised with the entering into of a confidentiality agreement with a specialist FSRU vessel owner to work together to develop an offshore LNG import facility solution for Ireland. Financing of the project would be largely provided by the FSRU owner if an FID decision were to be reached. The Company has also executed an agreement with a downstream company in the gas marketing sector in Ireland to work together to assess the size of the potential domestic market and export market to the United Kingdom for the proposed FSRU LNG import facility. This will include the market requirements for accessing gas storage capacity.

In Trinidad the Company is working under a Heads of Agreement with Lease Operators Ltd. to develop a new CO2 EOR Project for an area of the producing PS-1 onshore field.

- Secure funding that minimises, as far as market conditions allow, shareholder dilution, cognisant of the potential for a judicious level of debt funding. This measures our ability to enhance shareholder value whilst securing the means to grow the business without unduly increasing risk.

No debt has been incurred during the reporting year and an adequate quantum of equity funding has been secured to maintain sufficient working capital as we transition to a revenue-generating Group through a potential period of rising commodity prices and the diminishing impact of COVID-19 restrictions.

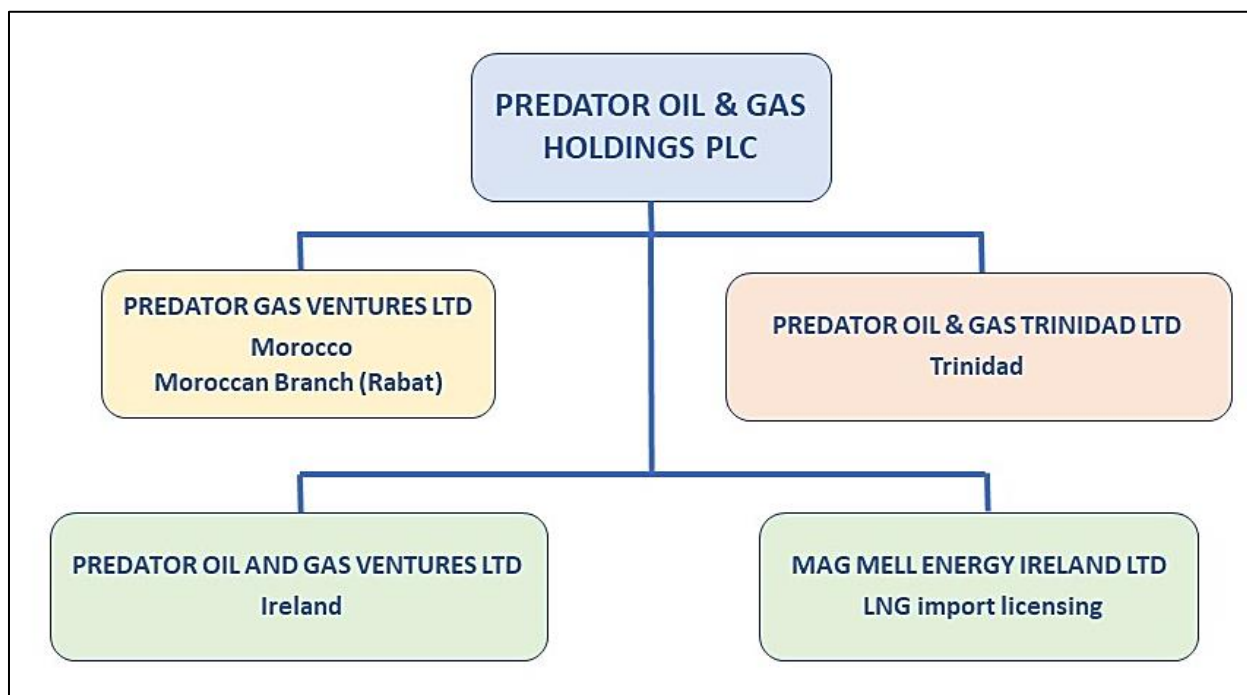
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Shareholders' interests are best protected by establishing sufficient liquidity to support going concern criteria during periods of volatile global market conditions.

- The rate of utilisation of the Group's cash resources. This measures our ability to plan expenditure and conserve cash to ensure a going concern and is addressed by reducing corporate costs and operating costs whenever and wherever prudent to do so, without impacting the timely execution of the Group's business development strategy, and by not entering into any discretionary new commitments and liabilities.

The Group has successfully achieved its performance indicator during the reporting year by increasing liquidity, generating a new pilot CO2 EOR project in Trinidad, and successfully drilling and completing the MOU-1 well in Morocco without incurring any new financial liabilities and within budget forecasts.

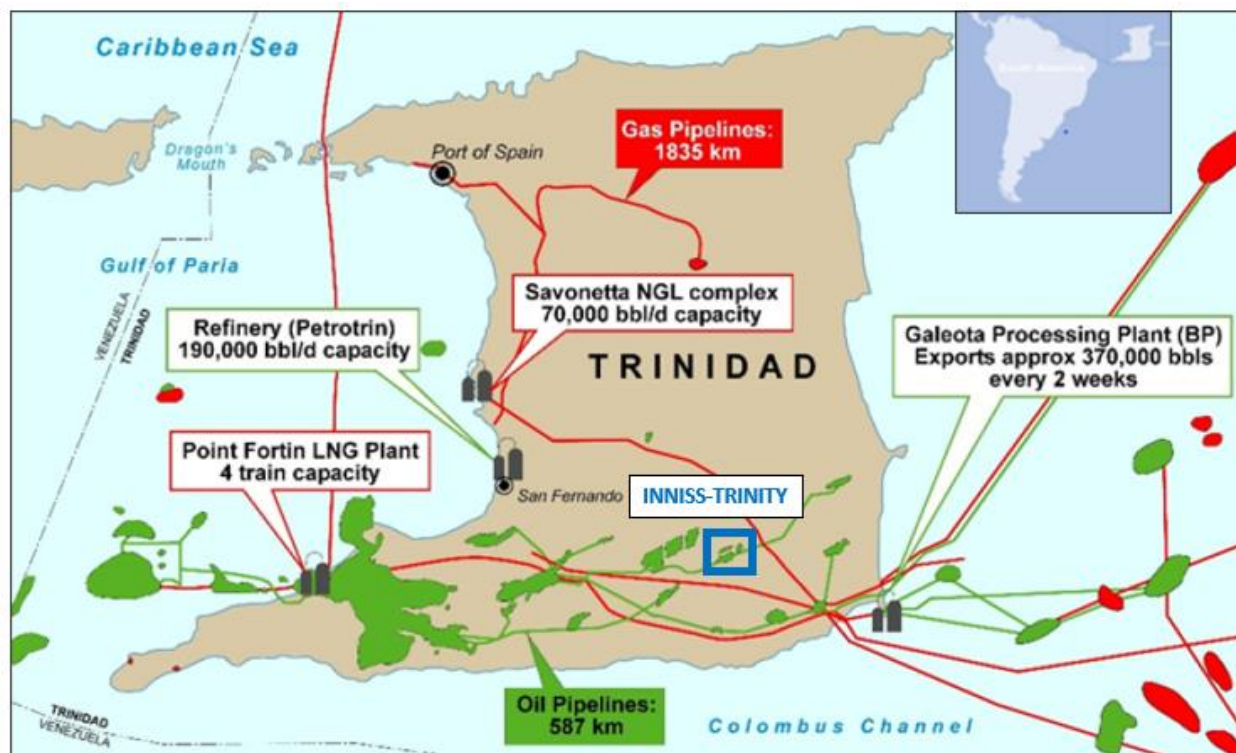
Group structure and list of assets



Ref	Licence/Agreement	Issued	Asset	Operator	Partners	PRD%	Type
ONSHORE TRINIDAD							
1	Well Participation Agreement* Profit split on production revenue 100% of profits until repayment of investment 50% of profits after repayment of investment	2017	Inniss-Trinity Pilot CO2 EOR	Fram Exploration (Trinidad) Ltd Predator Oil & Gas Trinidad Ltd (CO2 EOR Technical Operator)	Fram Exploration (Trinidad) Ltd	100 (50)	Producing Oil Field Pilot CO2 EOR
OFFSHORE IRELAND							
Atlantic Margin Slyne Basin							
2	LO 16/26 ¹	2016	Corrib South	Predator Oil and Gas Ventures Ltd	Theseus Ltd.	50	Gas exploration
North Celtic Sea Basin							
3	LO 16/30 ²	2016	Ram Head	Predator Oil and Gas Ventures Ltd	Theseus Ltd.	50	Gas discoveries
ONSHORE MOROCCO							
4	Guercif Petroleum Agreement ³	2019	Moulouya	Predator Gas Ventures Ltd	ONHYM	75	Gas exploration and appraisal
* The Inniss-Trinity Well Participation Agreement remains in place despite the Pilot CO2 EOR Project being unilaterally terminated by the Operator of the IPSC							
¹ Frontier exploration licence applied for:			First Phase 3 years 200 kms 3D seismic acquisition and processing				
² Standard exploration applied for.			First Phase 3 years drill and test one well to 3,000 feet TVD KB				
³ One year extension of Initial Period to 30/09/2022 granted due to COVID-19							

Description of assets

Onshore Trinidad- Inniss-Trinity CO2 sequestration funded by enhanced oil recovery



Background to the Inniss-Trinity field and CO2 EOR project

The producing Inniss-Trinity oil field (“Inniss-Trinity”) is located in the Southern Basin within onshore Trinidad’s largest oil province, approximately 10 km southeast of the Barrackpore-Penal oil field and approximately 75 km south of the capital Port of Spain.

The Inniss-Trinity Licence is held by the State company Heritage Oil Trinidad Ltd (“Heritage”), formerly Petrotrin, and covers an area of 23.35 km².

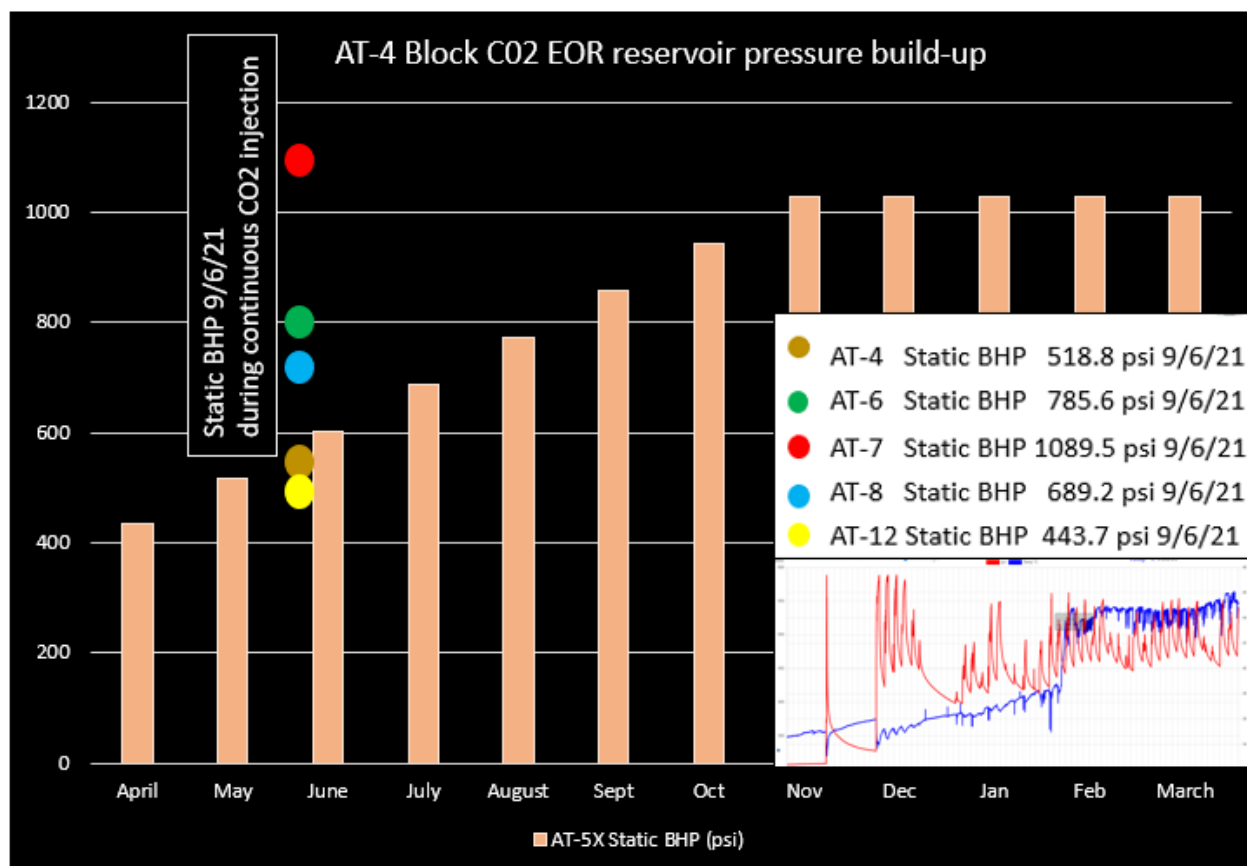
It is operated under an Incremental Production Services Contract (“IPSC”) by FRAM Exploration Trinidad Ltd. (“FRAM”), a wholly owned subsidiary of Challenger Energy Group Plc after the acquisition of Columbus Energy Resources Plc during 2020. The term of the IPSC was extended to 31 December 2021 as a result of the Company’s pilot carbon dioxide enhanced oil recovery (“CO2 EOR”) project, which provided the work programme for FRAM to extend further the IPSC. The outstanding FRAM drilling commitment of 7 wells was replaced by the Company’s CO2 EOR Pilot Project, giving the Company substantial negotiating leverage as the IPSC was dependent on the Company’s exclusive provision of CO2 EOR services.

Operational results

Positive results from the implementation of Phase 3 of the pilot CO2 EOR during the year under review were achieved by reducing injected CO2 volumes and restricting injection pressures. This had a beneficial effect on the rate of reservoir pressure build-up whilst establishing a preferred orientation and pattern for accelerated CO2 migration routes. 469 metric tonnes of CO2 were injected from April to June. Of five wells where pressure data could be interpreted, two were broadly in line with pre-injection forecasts whereas three showed accelerated reservoir pressure build-up relative to the pre-injection estimates. In the most notable case one well reached a static bottom

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hole pressure of 1,089 psi on 9 June 2021, whereas the pre-injection forecast estimated that this pressure was only to be achieved over four months later.



Despite COVID operating restrictions bottom hole pressure was building up faster than forecast in a number of wells

Operational results established “Proof of Concept” for successful initiation and development of CO2 EOR projects onshore Trinidad.

Commercial arrangements with FRAM and Massy Gas Products Trinidad Ltd

Through its wholly-owned subsidiary, Predator Oil & Gas Trinidad Ltd (“POGT”), the Company currently holds an interest in an enduring Well Participation Agreement (“WPA”) signed with FRAM on 17 November 2017 and relating to the Company’s entitlement to profits derived from its investment in the producing Inniss-Trinity field.

The IPSC allows for FRAM to invest in Inniss-Trinity by satisfying certain annual infill drilling commitments during the life of the IPSC. In return, FRAM receives 100% of the benefits of all incremental production achieved through the investment relative to the base line production established for the field prior to the investment being made. FRAM’s net incremental production revenues are after deduction of operating costs and certain royalties and taxes. Historical tax losses accumulated within FRAM are available for offset against Petroleum Profits Tax on operating profits. There is a 20% investment credit for capital items purchased for CO2 EOR operations which can be offset against 18% Supplemental Petroleum Profit Tax (“SPPT”) where applied when the price of West Texas Intermediate crude is between US\$50.01/bbl and US\$90.00/bbl. During the year SPPT for CO2 EOR operations was reduced to 14.4% and the threshold for paying SPPT was raised to a WTI spot price of US\$75. The relief granted for off-setting historical cumulative tax losses against operating profits was restricted to 75% of operating profits. This was mainly directed at the capital-intensive LNG industry.

Under the WPA, POGTL is entitled to a portion of all profits generated from incremental enhanced oil production attributable to CO2 EOR operations under the same commercial terms pertaining to the IPSC as are currently applicable to FRAM. Under the specific commercial terms of the WPA negotiated by POGT with FRAM, POGT has

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capped operating costs at US\$10/bbl and will also benefit from off-setting FRAM's cumulative tax losses against 50% PPT. POGT is not a partner in the IPSC and therefore has no exposure to any of the FRAM commitments and liabilities relating to the IPSC. POGT will receive 100% of all operating profits until payback of its agreed investment of US\$1.5 million in CO2 EOR operations. Thereafter after-tax operating profits will be split 50:50 between POGT and FRAM. Under the WPA, POGT also had an option up to 30 September 2020 to acquire FRAM for an agreed sum of US\$4.2 million.

In 2020 POGT reached its agreed investment of US\$1.5 million in the CO2 EOR pilot project in Inniss-Trinity so satisfying the terms of the WPA.

To further the initiation and continuance of CO2 EOR operations in Inniss-Trinity, a Heads of Agreement for CO2 Gas Sales ("**CO2 HOA**") was entered into with the only in-country CO2 supplier, Massy Gas Products Trinidad Ltd. ("**Massy**"), of surplus liquid anthropogenic CO2, currently collected from one of Trinidad's several ammonia plants that presently vent CO2 to the atmosphere. The CO2 HOA is based on a minimum scoping daily delivery of up to 60 Mt CO2 if required, depending on surplus quantities available. Supplemental Agreement No.8 dated 17 May 2021 extended the Exclusivity Period given under the terms of the CO2 HOA until 31 March 2023.

Changes in the ultimate ownership of FRAM Exploration Trinidad Ltd. ("**FRAM**") completed in 2020 resulted in the parent company of FRAM unilaterally terminating the Inniss-Trinity CO2 EOR project without prior consultation with the Company.

Under such circumstances the Company decided to decommission its CO2 EOR facilities at Inniss-Trinity and remove the equipment to a place of safe and secure storage.

At the end of the year under review the Company believes that the WPA remains legally binding on FRAM Exploration Trinidad Ltd. pending a settlement in the Company's favour of certain outstanding commercial matters that will be the subject of negotiation.

Forward plan

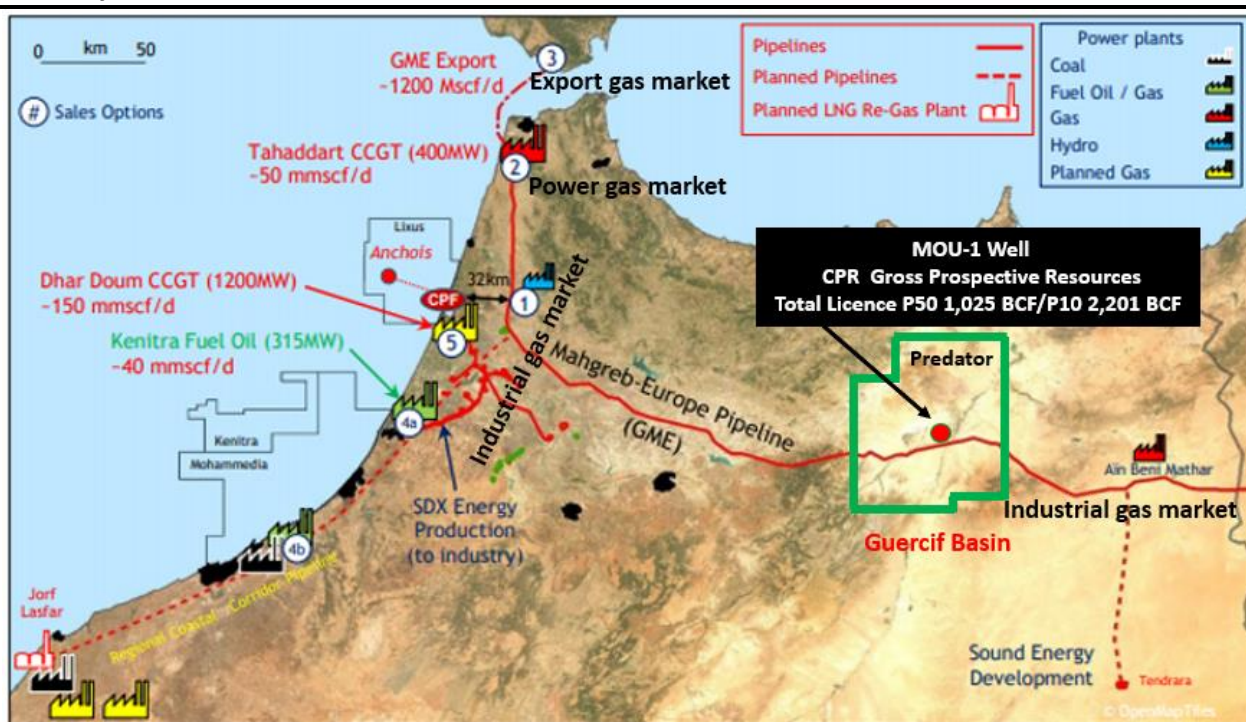
The Company will seek redress from FRAM for breach of the terms of the Inniss-Trinity WPA and for failure to repay the Loan advanced to FRAM repayable out of profits arising from the sale of CO2 EOR enhanced oil production during 2020 and 2021. The Company has a reasonable expectation that an amicable settlement of the dispute will be achieved in 2022 which will facilitate the Company establishing its in-country CO2 EOR services Special Purpose Vehicle ("**SPV**") using its subsidiary Predator Oil & Gas Trinidad Ltd. and based on its CO2 EOR "Proof of Concept". New CO2 EOR projects are currently being pursued by the Company that may resulting in the provision of advisory services and in addition potential assets suitable for CO2 EOR over which the Company will have full unfettered title may be incorporated into the SPV. However, there is no guarantee that this objective will be successfully completed as it will be subject to concluding commercial negotiations and agreements and the granting of regulatory consents.

Onshore Morocco – Guercif Petroleum Agreement

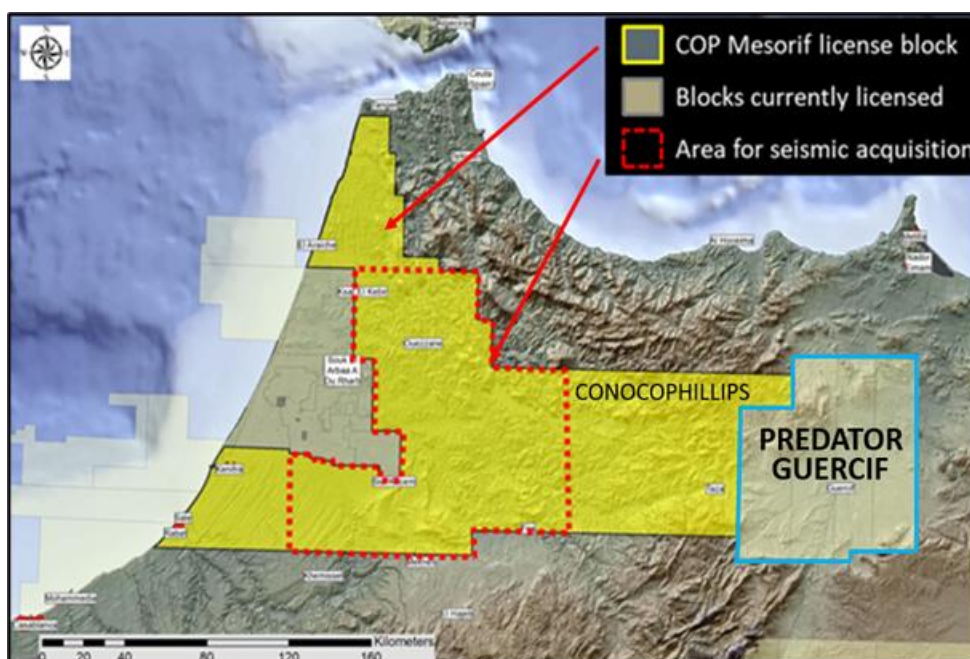
Background to the Guercif Project

The Guercif Petroleum Agreement ("**Guercif PA**"), comprising the Guercif Permits I, II, III and IV located in the Guercif Basin in northern Morocco, covers an area of 7,269 km². It lies approximately 250 km due east of and on trend with the geologically coeval Rharb Basin, where shallow commercial gas production has been established by SDX Energy Plc and its predecessor Circle Oil for several years. Guercif also lies approximately 180 km due north-west of Tendrara, where deep gas is currently being appraised and potentially developed by Sound Energy Plc. During the year under review ConocoPhillips were awarded contiguous licences adjoining the Company's acreage in the Guercif Basin (see map below).

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Gas infrastructure Northern Morocco



Predator Gas Ventures Ltd. licence position in Morocco

The Guercif licence area straddles the Maghreb gas pipeline to Europe, which also serves Morocco's current inventory of gas-fired power plants. It is therefore well-positioned relative to infrastructure for the potential early monetisation of yet to be discovered gas.

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Through its wholly owned subsidiary Predator Gas Ventures Ltd. (“PGVL”), the Company holds a 75% working interest in and is the operator of the Guercif PA. ONHYM, the State oil company, holds 25% and is carried through exploration, but funds its pro-rata share of all costs upon a Declaration of Commerciality. ONHYM is owned by the Moroccan government and is involved in oil and gas exploration, appraisal, development and production within Morocco. In addition to mining activities, ONHYM is the regulatory authority for all oil and gas licences.

The Guercif PA is for 8 years and is split into an Initial Period of 30 months, commencing on 19th March 2019; a First Extension Period of 36 months duration; and a Second Extension Period also of 30 months. After each Licence Period there is an opportunity to withdraw from the Licence, without entering the next Licence Period.

During the year a one year extension to the Initial Period of the Guercif Petroleum Agreement was granted as a consequence of the restrictions that resulted from the COVID pandemic.

In the Initial Period the work programme comprises 250 kilometres of 2D seismic reprocessing and AVO analysis and the drilling of one exploration well to a minimum depth of 2,000 metres or to the top of the Jurassic, whichever occurs first. Desk-top geological and gas marketing studies will also be carried out. The Minimum Exploration Commitment is US\$3,458,000.

Fiscal terms and commercial opportunity

The fiscal terms in Morocco, which are some of the best in the World, are restricted to a 5% State royalty for gas, applicable after the first 10.6 BCF of net production to the operator, and corporation tax charged at 31%. However, there is a 10-year “holiday” before corporation tax will be charged and any unused tax losses can be offset against the tax due. There are no signature bonuses but production bonuses in the form of cash payments exist with a maximum one-off payment of US\$5,000,000 on production greater than 30,000 BOE/day. A commercial discovery bonus of US\$1,000,000 is also payable. Significantly each individual gas field can be fiscally ring-fenced under the terms of an application for an Exploitation Concession. Award of an Exploitation Concession is not dependent upon fulfilling the work programme for the exploration phases of the Guercif PA.

Gas prices for producers in Morocco are currently higher than UK National Balancing Point (“NBP”) prices for domestic delivery. The highest prices are paid by industrial users, substituting for expensive carbon intensive fuel oil imports, and ranged from US\$ 10 – 12/mcf during 2020. It is this market that the Company will initially target with trucked Compressed Natural Gas (“CNG”), which by substitution of more carbon intensive imported fuel oil will potentially reduce CO₂ emissions by up to 33%.

The Company’s previous independent Competent Persons Report (“CPR”), re-published in February 2020, indicated Best Estimate and High Estimate recoverable gross prospective gas resources for only two prospects in the area defined by the Guercif PA in the range 632 to 1,257 BCF respectively. These are for a Tertiary Prospect, now defined as the “MOU-2 Prospect”, and a Triassic prospect with reservoir objectives equivalent to the TAGI of the Tendrara appraised gas discoveries and the producing Meskala gas field. During the year under review an additional Tertiary gas prospect was matured, defined as the “MOU-4 Prospect”. The results of a CPR by SLR Consulting (Ireland) Ltd were announced in December. Best Estimate and High Estimate recoverable gross prospective gas resources for only the MOU-4 Prospect were in the range 393 to 944 BCF respectively, reflecting a 92% increase in gross prospective Best Estimate Tertiary gas resources.

History of exploration in Guercif

Guercif has been very lightly explored with only 4 deep exploration wells drilled by Elf in 1972 (GRF-1), Phillips in 1979 (TAF-1X), ONAREP (the forerunner of ONHYM) in 1985 and 1986 (MSD-1 and KDH-1) and 2 shallow stratigraphic wells drilled by BRPM for coal exploration in the 1950s.

TransAtlantic re-entered, logged and tested the MSD-1 well, originally drilled in 1985, in 2008 but the logging and testing failed to establish the presence of hydrocarbons in the Jurassic.

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The seismic inventory includes 3,291 kilometres of 2D seismic data acquired between 1968 and 2003, including a new 300-kilometre ONAREP 2D seismic survey acquired in 2003, which were reprocessed in 2006 by TransAtlantic when Pre-Stack Time Migration was applied for the first time to the seismic inventory. TransAtlantic also acquired an aeromagnetic and aerogravity survey in 2006, comprising 10,000 line kilometres.

Historical exploration focus was entirely on the Jurassic and was completed before the shift in emphasis took place that resulted in shallow (Tertiary) gas production in the Rharb Basin and successful deep (Triassic) gas appraisal drilling at Tendirra.

In this context therefore Guercif has never attracted new exploration to evaluate the Tertiary targets encountered in the gas producing Rharb Basin and the offshore gas discovery well Anchois-1. New academic research (*Capella et al. 2017*) confirmed for the first time the geological continuity of the section containing the producing Miocene (equivalent to the Tortonian Hoot and Guebbas formations) gas reservoirs in Rharb Basin with geological outcrops in the Guercif Basin.

MOU-1 well results

The MOU-1 exploration well, successfully drilled and completed for rigless testing during the year, evaluated the north-western part of the Guercif Basin in a sub-basin that had never been previously drilled.

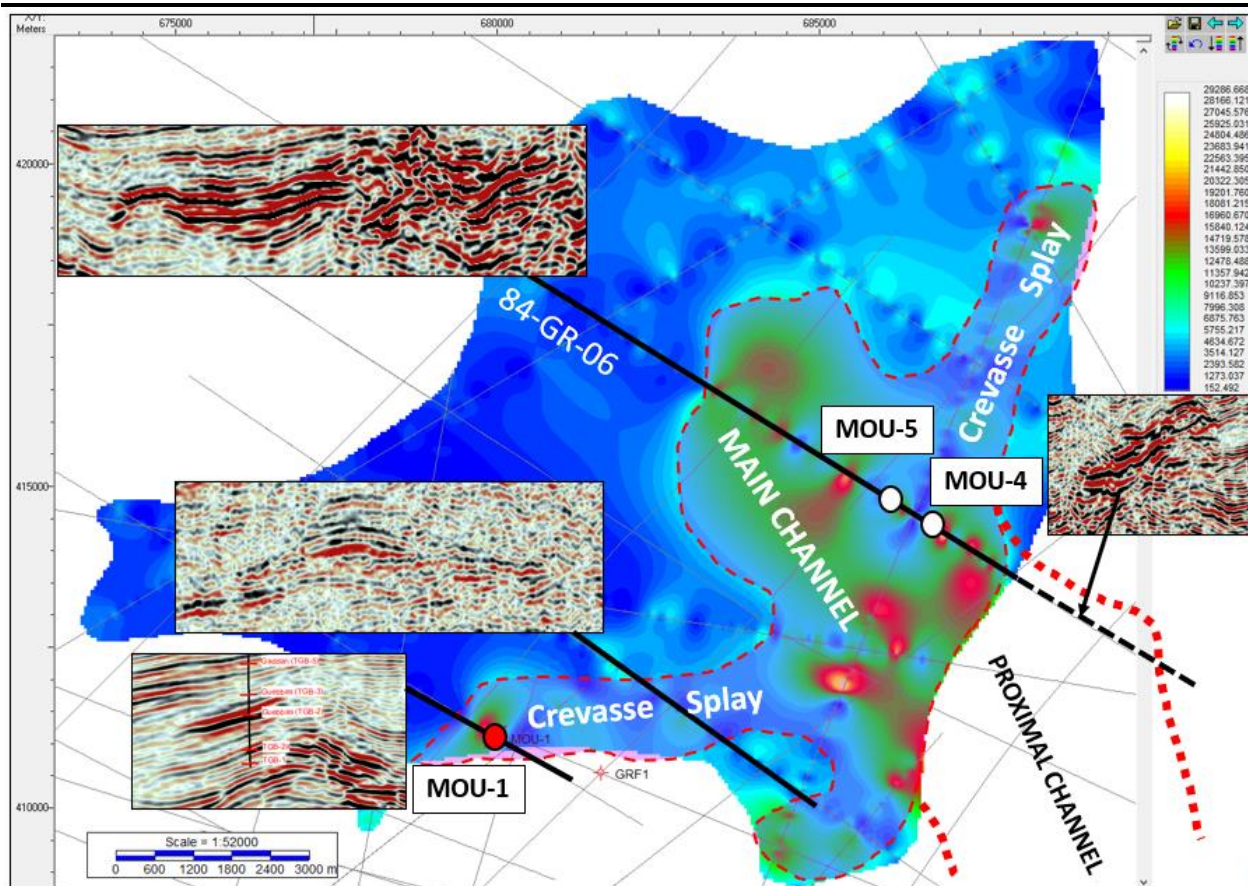


Star Valley Rig 101 on location at MOU-1 well site

The well confirmed the pre-drill geological prognosis and the correlation of the primary reservoir target with a seismic amplitude anomaly.

Post-well seismic analysis indicated that the seismic amplitude anomaly intersected in the well is interpreted as correlating with a seismic amplitude-supported submarine fan complex covering an area of approximately 32 km². MOU-1 tested the basinward pinch-out of one of several secondary channels on the flanks of the main channel axis.

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Location of MOU-1 relative to the seismic amplitude-supported TGB-2 submarine fan and proposed follow up wells

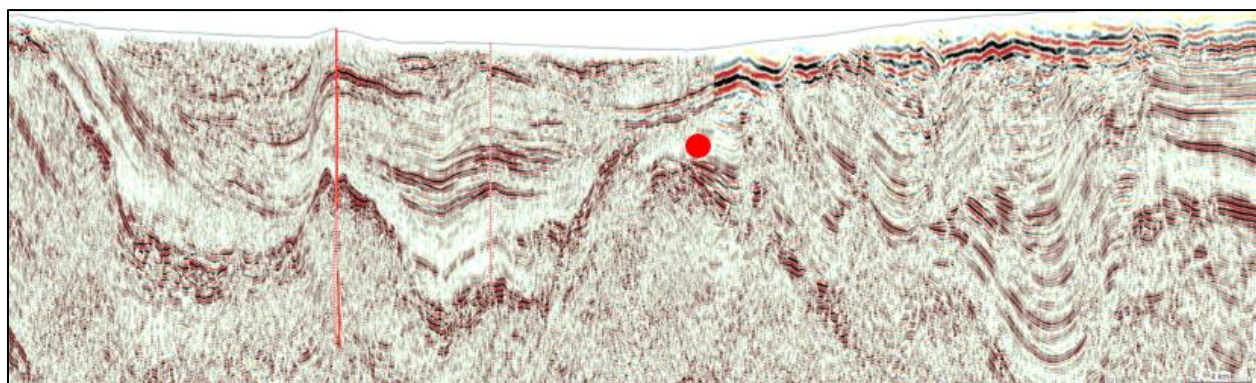
The section penetrated was significantly over-pressured compared to the offset well GRF-1 and to other Rharb Basin wells, supporting the sealing integrity of the overlying deep water claystones.

Multiple formation gas shows contained traces of heavier gases in the primary reservoir section to validate the vertical migration pathway for dry gas from deeply buried source rocks into the shallow reservoir targets.

MOU-1 therefore proved the presence of an active petroleum system to de-risk for follow-up drilling multiple gas targets within the north-western part of the Guercif Basin.

Building on the de-risking by MOU-1 of the pre-drill prospective gas basin, potential drilling opportunities are being developed for the older Jurassic reservoir targets penetrated in an offset well TAF-1X drilled off-structure in 1979.

Preliminary seismic mapping has identified a structure (MOU-NE) for drilling covering 102 km² that is interpreted by the Company as forming a carbonate bank on a significant basement high (see below).



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Forward Work Programme

Preparations for commencing MOU-4 and MOU-5 well operations in 2022 will be progressed.

Rigless testing will be performed for MOU-1 at the same time drilling crews and services are mobilised for MOU-4 and MOU-5.

Subject to drilling results and testing, an early gas development for the Compressed Natural Gas market will be progressed.

For this substantive proposed work programme and in order to maintain the option to accelerate a development option, potential project partners may be approached to fund a disproportionate share of project costs.

Offshore Ireland – Floating Storage and Regasification Unit (“FSRU”)

Mag Mell Energy Ireland Ltd is creating an ambitious liquid natural gas floating storage and regasification project for the Celtic Sea with the potential to include strategic gas storage.

The project provides a unique and secure essential energy supply to Ireland in the transition period from fossil fuel to green energy.

Located beyond the horizon the floating gas units are not visible from land and are designed to be user, consumer and environmentally friendly.

The proposed storage facilities can be used to store natural gas, hydrogen or be used for CO₂ sequestration.

What is LNG?

Liquefied Natural Gas (LNG) is natural, odourless, nontoxic and non-corrosive gas that has been cooled down to liquid form to ensure safe storage and transport.

What is a Floating Storage and Regasification Unit (FSRU)?

After transportation to its required destination of consumption, liquefied natural gas (LNG) needs to be brought back to its gas state (Natural gas is cooled to approximately -160°C at the source of production to reduce its volume down to 1/600 for better transportation efficiency).

The FSRU receives, stores and warms up LNG for regasification and sends it out as high-pressure gas according to the customer's demand.

What will the Mag Mell look like?

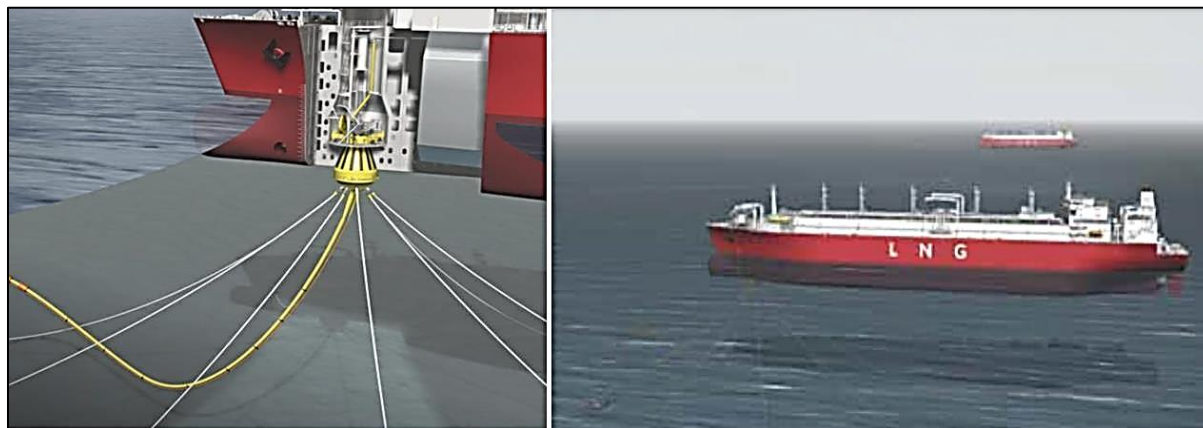
Providing a bridge during the energy supply transition period over the next decade, LNG Floating Storage and Regasification units will act just like a land-based LNG terminal. Located out at sea, beyond the horizon, some 50km offshore in the vicinity of the existing (now decommissioned) Kinsale Platform, the FSRU will be completely invisible from land.

In addition to transporting LNG, the FSRU will have the on board capability to vaporise LNG and deliver natural gas through the existing Kinsale Head Gas Field subsea pipeline and existing connection to the GNI grid entry point onshore at Inch.

It is envisaged that the proposed FSRU will be permanently moored to a subsea buoy system anchored offshore. The buoy system will be used as both the mooring mechanism for the FSRU and the conduit through which natural gas will be delivered to the subsea pipeline.

The design for the project has focused on ensuring minimal impact on the environment relative to other energy infrastructure projects and reducing CO₂ emissions. Compared to any other energy supply solution the environmental impact of this operational arrangement is minimal.

How does it work?



An FSRU vessel with mooring and loading system

Source: APL Offshore

The FSRU collects its cargo at a foreign port via a port jetty facility or offshore LNG carrier located outside Ireland's territorial waters via flexible cryogenic hoses, in accordance with established Ship-to-Ship (STS) LNG transfer protocols.

Two special purpose FSRU vessels designed for Celtic Sea weather and mooring conditions will shuttle between the LNG collection point and the offshore site for regasification and injection into the subsea end of the existing Kinsale gas pipeline to shore. This maintains maximum deliverability of gas at peak times to ensure a secure supply of gas to the local market.

The FSRU can receive and deliver full or partial loads in order to meet the required needs of the market at any given time subject to commercial arrangements.

The regasification (warming) of LNG continues uninterrupted at the mooring site,

Two submerged subsea buoy systems will provide mooring points and gas connections through which natural gas will then be delivered to the subsea pipeline.

The use of two buoys accommodates the two FSRU vessels to maintain continuous gas production into the pipeline. The submerged buoys are anchored to the seabed and pulled into and secured in a mating cone into the FSRU LNG vessel. When disconnected the buoys drop clear of the FSRU LNG vessels and float submerged approximately 30-50 meters below sea level.

By using the existing pipeline, terminal and entry point the Mag Mell project's environmental impact will be minimal.

The Mag Mell project is key to Ireland's transition to greener energy.

LNG provides a substitution for carbon-intensive fuels- an energy option to exercise now

LNG is a bridging fuel; its use will be reduced and the energy supply diversified

The Mag Mell project offers near term and safe solution to Ireland's energy requirements and security of supply, all year round

It will deliver energy independence for Ireland and provide a backup for renewables when the Eirgrid capacity is not met by renewables

LNG is competitively priced amidst rising energy costs

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The Mag Mell project is committed to delivering on the Irish Government’s Climate Action Plan objectives

Using existing infrastructure to accelerate the energy transition, Mag Mell provides energy with a low environmental footprint

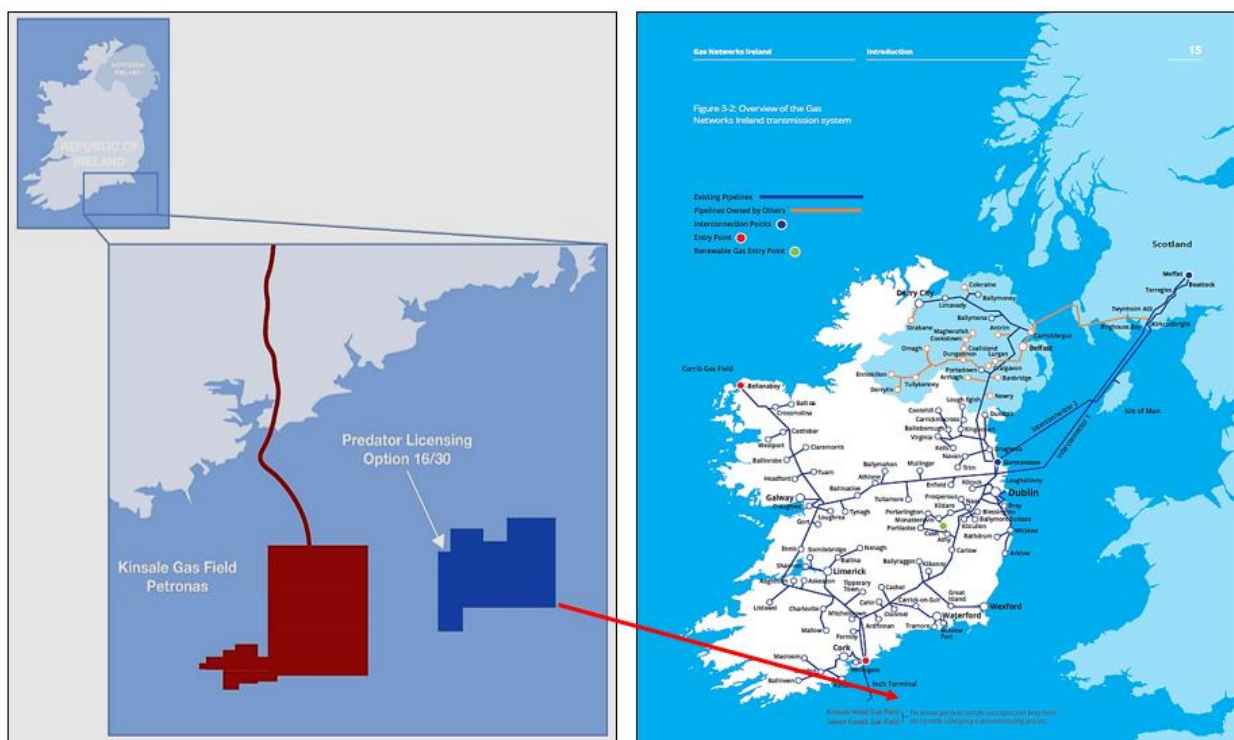
In alignment with the Irish government’s policy pledge not to allow the import of LNG produced from shale gas, the Mag Mell project will source LNG from a transparent certified origin where there is no reliance on fracked gas feedstock.

Working in collaboration the Mag Mell project will create opportunities for CO₂ and hydrogen storage

The Mag Mell Project can satisfy 43.4% of Severe Peak Day 2027/28 gas demand

Maintenance of energy security for Ireland within this transition period depends on the provision of a project such as Mag Mell, providing security of supply for the national network.

Offshore Ireland – Applications for successor authorisations to Licensing Option 16/26 (“Corrib South”) and 16/30 (“Ram Head”)



Location maps Ram Head and Corrib South (Source: Gas Networks Ireland Network Development Plan 2020)

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All information required by the Geoscience Regulation Office of the Department of the Environment, Climate and Communications required to complete their assessment of the Company's applications for successor authorisations to Licensing Option 16/26 ("Corrib South") and 16/30 ("Ram Head") was provided during the year.

The Ram Head licensing option area contains the Ardmore gas field previously discovered by Marathon Oil in the 1970's but not developed after testing gas at a rate of 8 mm cfgpd.

In 1998 RDS Resources independently assessed the Ardmore gas field as being capable of being developed by two wells, which based on P50 gas-in-place of 148 BCF, gave P50 gas resources of 47.4 BCF and P10 gas resources of 77.3 BCF based on a 30 mm cfgpd initial production profile.

The Company is of the view that the Ardmore gas field, pending further technical evaluation if the application for a successor authorisation is successful, is potentially suitable for the development of a gas storage facility.

Forward Work Programme

The Company will continue with the public consultation process related to applying for Marine Area Consent for the FSRU project as part of conforming to new regulations put in place to replace some of the complicated existing regulations that do not allow for security of energy supply to be an important consideration.

The purpose of these submissions will be to demonstrate that the FSRU LNG project can be considered to be very much in the public interest in the context of security of energy supply.

Dialogue will be maintained with the regulatory authorities regarding the applications for successor authorisations to the Corrib South and Ram Head licensing options.

Principal risks and uncertainties

Exploration industry risks

Oil and gas drilling and operations is a speculative activity and involves numerous risks and substantial and uncertain costs that could adversely affect the Group.

Mitigation: Where possible the Board aims to build a diversified portfolio of assets so that an adverse outcome is mitigated by the prospects of favourable outcomes

Oil and gas exploration and development activities are dependent on the availability of skilled personnel, drilling and related equipment in the particular areas where such activities will be conducted. Demand for such personnel or equipment, or access restrictions may affect the availability to the Group, particularly relevant when taking into consideration the global impact of COVID-19 and the increased demand for services and personnel during the early stages of post-COVID global economic recovery.

Mitigation: Management through many years of experience has a network of independent contractors with skilled personnel and equipment which it can access

Oil and gas prices are highly volatile, and lower oil and gas prices will negatively affect the Group's financial position, capital expenditures and results of operations.

Mitigation: By balancing projects with near-term cash inflow prospects with projects that require long-term funding the risk is mitigated. Planning includes simulation of downside risk scenarios.

Reserve and resource data and estimated discounted future net cash flows are estimates based on assumptions that may be inaccurate and on existing economic and operating conditions that may change in the future.

Mitigation: The Group has considerable experience in project evaluation. It may resort from time to time to independent expert consultants to verify assumptions. The Group focusses on projects that require relatively low capital investment but can potentially generate very high rates of return as a means of mitigating against reduction in discounted future net profits.

The Group is dependent on the successful development of its oil and gas assets.

Mitigation: The Group has diversified its profile away from regular oil and gas exploration by undertaking a CO2 EOR project and progressing an FSRU LNG project in Ireland.

The principal sub-surface geological risks that have been identified specific to the Group's portfolio are as follows:

Risk 1: In the immediate area of focus for drilling in Morocco, the 2D seismic database is sparse and the quality and completeness of the well logs in old offset wells pertinent to understanding the geology of the previously drilled GRF-1 and MSD-1 wells is poor.

Risk 2: MOU-1 provides evidence of over-pressuring of some potential reservoirs which will have to be taken into consideration for the purposes of safe well planning.

Risk 3: The existing sparse 2D seismic data demonstrate the presence of seismic amplitude anomalies. There is a risk that these may not be related to the presence of gas reservoirs or the presence of gas in commercial quantities. The size of the potential gas-generating source kitchen is unknown and therefore there is a risk that traps may not be efficiently filled to spill. In such circumstances gas resources could be significantly reduced.

Mitigation: Extensive use of offset well data for the geologically analogous, gas-producing Rharb Basin and information from the Anchois-1 Tertiary gas discovery in the offshore is used to improve the overall knowledge base. Presence of gas in MOU-1 in the pre-drill section correlating with the mapped seismic amplitude anomaly has addressed this risk. Rigless testing of MOU-1 can potentially eliminate this risk.

Independent consultants are used to help validate geological and seismic interpretations.

Risk 4: Forecast maximum production rates for CO2 EOR rely on modelled calculations and actual pilot CO2 EOR oil flow rates and have not been tested yet by continuous CO2 EOR operations. The pilot CO2 EOR operations have

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so far calibrated the desktop production forecasts in line with anticipated rates, however there is no guarantee that production will increase exponentially in line with these predictions as more CO₂ is injected over time. The technical and commercial success of CO₂ EOR projects is dependent therefore on a comparison of the actual operational results versus the pre-injection desktop forecasts. This applies to all future CO₂ EOR projects being considered by the Company.

Mitigation: The Company may use its “Proof of Concept” achieved through the operational results of the Inniss-Trinity Pilot CO₂ EOR Project, and its CO₂ EOR services and exclusivity over surplus liquid CO₂ supply to acquire producing assets at attractive prices where some initial primary oil production can be achieved through low cost well workovers.

Risk 5: The volumes of CO₂ required to be injected to increase reservoir pressure from currently low levels in onshore Trinidad’s mature producing oil fields in order to enhance oil production are estimated using reservoir models. These models will assume limited vertical and lateral communication of reservoir sand intervals controlled by faulting and intervening vertical seals. If this is not the case then significantly more CO₂ may be required to increase reservoir pressure and potentially enhance oil production should CO₂ escape into other geological formations or adjacent fault compartments. Results to date of the Inniss-Trinity pilot CO₂ EOR project confirm limited lateral and vertical communication across potentially sealing faults. However there is no guarantee that this situation will be maintained as reservoir pressure increases with continuous CO₂ injection or will be relevant to all of Trinidad’s onshore oil fields.

Risk 6: The volume of CO₂ to be injected is also estimated on the basis of the remaining volume of oil in place in the reservoirs using historical estimates made by other operators. If this volume has been under-estimated, then the volume of CO₂ required for injection will be larger and the commerciality of the project may therefore be impacted.

Mitigation: All modelling of analytical data is reviewed and evaluated by the relevant technical teams in Heritage and the MEEI as part of the regulatory approval process. Satellite communications to give real-time data logging and operational management to allow the Group’s management remote-control monitoring of operational procedures to intervene if required to vary the volume of CO₂ being injected and the injection pressure.

Political risks

All of the Group’s operations are located in a foreign jurisdiction. As a result, the Group is subject to political, economic and other uncertainties, including but not limited to, changes in policies or the personnel administering them, terrorism, nationalisation, appropriation of property without fair compensation, cancellation or modification of contract rights, foreign exchange restrictions, currency fluctuations, export quotas, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which these operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrection.

Mitigation: The Group only conducts operations in those countries with a stable political environment and which have established acceptable oil and gas codes. The Company adheres to all local laws and pays heed to local customs.

Corporate risk

Risk: The Group’s success depends upon skilled management as well as technical and administrative back-up. The loss of service of critical members of the Group’s team could have an adverse effect on the business.

The Group is dependent on the executive Directors to identify potential business and acquisition opportunities in Trinidad, Morocco and Ireland and to oversee and execute its oil and gas operations. The loss of services of the executive Directors could materially adversely affect it.

Mitigation: The Group periodically reviews the compensation and contract terms of its consultants and service providers to ensure that they are competitive, but subject to the working capital available to the Group from time to time.

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The executive Directors are material shareholders in the Group and committed to developing shareholder value.

Financial and liquidity risks

The Group's business involves significant, but moderate by comparison with the oil and gas sector in general, capital expenditure and given the current liquidity position of the Group as at the date of this report the Group will require additional funding to meet all of its future work programmes if the business of the Group is to grow. There is no guarantee that such additional funding will be available on acceptable terms at the relevant time.

Mitigation: Management has demonstrated and continues to demonstrate an ability to raise funds. Through timely and regular cash flow projections pro-active action is capable of being taken to pre-empt cash deficits. Such actions may include farm-outs, debt-financing and equity fund raises

Instability in the global financial system may have impacts on the Group's liquidity and financial condition that currently cannot be predicted.

Mitigation: Pre-emptive cut back of new potential licence commitments; careful financial planning, currency hedging and economic evaluation of opportunities with simulation of risks mitigate against these risks. The Directors also maintain tight budgetary and financial controls to ensure cash is spent in the most efficient manner.

Foreign exchange risks

The Group operates internationally and is exposed to foreign exchange risk arising from various currency transactions, primarily with respect to the Moroccan Dirham, Trinidadian dollar, Euro and US Dollar.

Risks to exchange movements are mitigated by minimising the amount of funds held overseas. All treasury matters are handled centrally in Jersey. All requests for funds from overseas operations are reviewed and authorised by Board members. The Group endeavours to reduce its exposure to foreign currencies by holding cash balances in the currency of intended expenditure and recognises the profits and losses resulting from currency fluctuations as and when they arise.

As the Group may undertake some project activity offshore Ireland under the terms of agreements with the Irish regulatory authorities, the Directors currently anticipate that the impact on the business of the UK's exit from the European Union will be limited to the effects of potential increased foreign exchange fluctuations. As a result of these fluctuations, it is expected that the reported results of the Group may decline in the short- to medium-term. However, the Directors do not expect there to be any significant lasting impact. The Group does not anticipate any long-lasting impact on accessing overseas services and importing equipment, although due to increased regulatory processing in such cases, project timelines may be negatively impacted.

Liquidity risks

The Group's liquidity risk is currently considered to be insignificant and not material.

The Group does not enter into binding commitments for exploration expenditure unless supported by adequate cash reserves and working capital. Cash forecasts are updated continuously, and contingencies are allowed for. The financial exposure of the Group will reduce as it is the intention of the directors to partner with third parties at the appropriate time in the appraisal and development cycle. The Group structure facilitates investment in individual projects at the subsidiary company level. The after-tax project economics for the Group's portfolio of projects are very robust and support the potential payment of royalties and dividends to a company wishing to buy equity in a specific project or projects. The Directors believe that the ability to monetise parts of its portfolio of projects to improve liquidity is viable given the pivotal market position the Group has established in the jurisdictions within which it operates in respect of developing CO₂ EOR and CO₂ sequestration, a Compressed Natural Gas market and an LNG import option where currently no competitors exist in these sectors in the aforementioned jurisdictions.

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Environmental risks

The Group is subject to various environmental risks and governmental regulations and future regulations will become more stringent.

Mitigation: The Group is aware of these risks before it undertakes licence commitments and periodically re-evaluates these risks

Climate change and climate change legislation and regulatory initiatives could result in increased operating and capital costs to address reducing CO2 emissions, delays to regulatory and environmental approvals and decreased demand for, in particular, oil. In addition, investor and lender decision-making criteria are becoming increasingly dominated by climate change awareness and consequently loss of sentiment for financing the fossil fuel sector. As a result, it will become increasingly difficult to raise equity and debt finance for traditional oil and gas activities.

Mitigation: The Group's strategy has always been since IPO in May 2018 to focus primarily on gas, which is currently being considered as "sustainable" by the EU and suited therefore to accessing green finance, and CO2 sequestration to support "greener" oil production. By focusing on jurisdictions where there is a need to reduce high levels of CO2 emissions from ammonia plants, imported fuel oil and coal- and oil-fired power stations by substituting for gas and enacting CO2 sequestration, the Group is demonstrating its commitment to ESG and sustainability necessary to attract responsible financing of its activities. The Group has positioned itself in the energy transition space with the intention of building local green energy hubs based on a symbiotic relationship working in tandem between natural gas, CO2 sequestration, hydrogen production and storage and renewable energy to provide security of affordable energy supply and to support and protect local communities through the "economic shock" of the energy transition process.

Insurance risks

Oil and gas operations are subject to various operating and other casualty risks that could result in liability exposure. *Mitigation:* The Group comprehensively surveys its exposure to these kinds of risks and considers taking either an appropriate level of insurance cover or self-insuring where judicious.

The Group may not have enough insurance to cover all of its risks. COVID-19 will increase insurance costs.

Mitigation: A judicious quantum of self-insurance may need to be resorted to in these circumstances but currently the Group has access to appropriate levels of insurance both at the corporate level and for its operations.

Continuing Coronavirus Risk

The global public health emergency caused by the spread of the coronavirus during the year under review is now well documented. This has pervasively impacted negatively global economies; financial and equity markets, including pension funds; forex exchange rates; oil and gas commodity prices, caused by collapsing demand, particularly from the aviation industry, and storage capacity being over-saturated; and general investor and debt-financing sentiment.

Divergent variants of coronavirus will create a significant public health risk for the foreseeable future and vaccination programmes will continually require monitoring and updating.

The principal risks identified are:

Risk 1: Suspension of international travel between many different jurisdictions which impact the Group's field operations insofar as specialised drilling engineers and technicians are unable to be despatched from overseas to operate, install or repair key pieces of equipment necessary, in particular, for the conduct of safe drilling operations.

A further consequence is the inability (or a delay) to mobilise drilling services and equipment from overseas that may not be available in the country of the Group's operations.

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The potential introduction of new coronavirus travel restrictions cannot be ruled out but the timing of any such moves is not predictable due to varying rates of the spread of coronavirus throughout the pandemic.

Mitigation: The Star Valley drilling rig is currently stacked securely in Morocco west of Guercif at no cost to the Group. No commitments to rig mobilisation and an enactment of a drilling contract will be made without approval of the public health authorities if and when required. The Group maintains a close dialogue with drilling services providers to determine which services remain in-country, and also the rig contractor, to ensure the Group is “drill-ready”.

Risk 2: Restricted ability to operate in-country activities such as drilling and site construction due to local restrictions on travel and enforceable social distancing measures.

Mitigation: Trained in-country personnel are available as a result of the Company’s Inniss-Trinity pilot CO2 EOR project to ensure continuity of CO2 EOR operations within the framework of HSE public health restrictions if and when enabled by the Trinidadian government from time to time. CO2 EOR is seen as an essential industry. Secure satellite communications linked to a datalogger allow the Group’s management real-time remote control monitoring of operational CO2 injection parameters and procedures.

Risk 3: Supply chain issues caused by equipment not being available for purchase or delayed by customs if imported from overseas.

Mitigation: CO2 EOR spares and equipment are in a secure warehouse and yard in Trinidad to cover immediate requirements. Drilling inventory for Guercif also remains accessible for purchase by the Group, at the appropriate time.

Risk 4: Collapsing oil and gas commodity prices caused by global economic slowdown, over-supply, falling demand and storage filled to capacity.

Mitigation: Project economics for CO2 EOR operations in Trinidad have been stress-tested at WTI US\$25/barrel and are marginally commercial based on Trinidad’s requirement for domestic oil production to replace imports. Robust and commercially viable project economics for Guercif have also been re-run at much lower gas prices, under-cutting lower imported fuel oil prices, with a Compressed Natural Gas development scenario that fast-tracks an initial development of a gas discovery to the captive Casablanca industrial market that currently relies on less efficient fuel oil imports.

The Group’s business development strategy is focussed on niche local energy markets where pricing of and demand for oil and gas is not as severely impacted by the global supply and demand dynamics.

Risk 5: Insufficient liquidity and working capital, under-capitalisation, lack of revenue, contractual liabilities and unfulfilled work commitment obligations.

Mitigation: During the period to 31 December 2021 the Group has completed three over-subscribed Placings to raise £4.585 million (before expenses). The Group has sufficient liquidity and working capital over the next 12 months to weather any additional impact from a resurgence of the coronavirus pandemic and any resulting volatility in the financial, equity and commodity markets.

A contingency to shut down any projects would be maintained to avoid any loss-making business activities.

No new financial commitments or work programme liabilities will be entered into. The existing drilling proposals for the Guercif PA are planned, subject to further funding and/or farmout, to be executed in 2022 but can be delayed until 2023 should a resurgence of coronavirus or global financial market conditions dictate that preservation of working capital were to become an overriding priority. Releasing US\$ 1.5 million of the Guercif PA bank guarantee in favour of ONHYM is a strategic objective of the Group should working capital become too constrained. Under the Guercif PA the Group has until the 18 September 2022 to complete all its work commitments, including desktop

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studies, for the Initial Period of the Guercif PA. The Group has sought from and been granted by ONHYM a one-year extension of the Initial Exploration Period of the Guercif PA to 18 September 2022 on the basis that the coronavirus emergency is a *Force Majeure* event.

The Group will maintain a “drill-ready” status in Morocco, and only enter into financial liabilities that can be funded from the available working capital, farmouts and/or additional financing in the equity markets.. The Group will use its discretion to choose when to enact a new Guercif drilling programme in the context of first re-assessing market sentiment and market conditions and management’s opinion as to prudent use of available working capital.

The Company is debt-free.

Risk 6: Inability to access the capital markets for equity finance or the lending market for debt finance.

Mitigation: The Group’s CO2 EOR operations in Trinidad were commissioned prior to the coronavirus emergency. The initial CO2 injection phase and monitoring of reservoir pressure build-up and enhanced oil production was commenced and successfully and safely completed on time during the coronavirus pandemic consistent with the Group’s pre-coronavirus project schedule. The Group completed its MOU-1 well in Morocco during 2021 and suspended the well for future rigless testing. The Group is well-capitalised and is positioned for near to medium term cash flow from operations. The Group has no immediate requirement to access the capital or lending markets over the next 12 months to execute its near-term committed work programmes. The Group will always remain open to accessing additional equity funds if it can be shown that this would further develop the Group’s business and lead to increased shareholder value without excessive shareholder dilution.

Guercif remains an integral part of the Company’s business development strategy and the value proposition, given the size of the targets versus the Group’s current market capitalisation and the ability to monetise by capitalising upon Moroccan industry’s heavy reliance on imported fuel. It remains an important and sustainable driver for share price performance. Coronavirus has no lasting impact on the fundamentals of the value proposition that Guercif presents.

The Boards’ view is that the global economy will rebound, and commodity prices will improve once the commodity over-supply is exhausted. This is already happening. Shut-in production will take longer to be re-established in this transition period. The equity markets will recover, and the pace of the recovery will accelerate as investor sentiment returns. There will be a strong appetite for companies with gas assets and with developing ESG and Sustainability credentials who have weathered the coronavirus storm and that have potential for immediate growth to support appreciation in share price through contributing to security of energy supply. Many peer companies will be seeking to re-capitalise quickly as the equity markets improve but will not have gas projects as sufficiently advanced as Guercif or as commercially attractive in the near-term to promote to attract new investors. The Company has started discussions with suitable candidates to join us in our various projects at the appropriate time and for a consideration that reflects the investment made by the Group in its projects, the market opportunity, and the risk versus reward value proposition.

The Company has developed projects that require a low quantum of capital investment suited to the size of the market appetite for a small cap company listed on the Standard List segment of the Main Market in London.

Risk 7: Curtailment of expansion of business development activities necessary to support value creation and shareholder equity values, and reduction in the potential to generate future revenues from such activities.

Mitigation: The Group’s business development strategy continues to be focussed on niche local energy markets where pricing of and demand for oil and gas is not severely impacted by the global supply and demand dynamics.

Developing new CO2 EOR operations in Trinidad, now that the pilot CO2 EOR project has been de-risked, can be implemented for very small incremental amounts of capital deployment, inclusive of additional well workovers for CO2 EOR production, that can potentially be recovered within a few months from incremental production revenues.

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The Group has also started the process of identifying and evaluating suitable producing assets in Trinidad with attractive synergies for applying our existing Inniss-Trinity CO2 EOR expertise. The Group has opened a dialogue with several operators with a view to supplying our CO2 EOR services. Commercial terms that the Group can potentially negotiate will be driven by the fact that the Group is well-capitalised; has exclusivity over CO2 supply; and most importantly has developed the template for a viable CO2 EOR project that meets all regulatory and environmental conditions required for approvals to be granted to execute field operations. The Group also notes that the extension of existing Incremental Production Services Contracts in Trinidad will now also require a commitment to executing secondary recovery work programmes (waterflood and CO2 EOR). Historically waterflood has not been very successfully applied in Trinidad for increasing secondary recovery in mature oil fields where oil gravity and oil viscosity is high.

This prudent and low cost expansion of the Group's business development activities, focussed on de-risked CO2 EOR operating success, can potentially support value creation and shareholder equity values and address any perceived reduction in the potential to generate future revenues from such activities as a result of the re-emergence of the coronavirus pandemic.

The Group has successfully progressed and further developed its business strategies during the coronavirus pandemic and is well-positioned for business growth going forward.

Future developments

The Group's immediate priority remains to execute further drilling in Guercif in Morocco at the earliest opportunity. The Group continues to be "drill-ready" with an in-country rig available to it under a rig option agreement with Star Valley and an approved Environmental Impact Assessment ("EIA") for two wells with a further 3 wells the subject a separate EIA that is work in progress.. New well locations and well budgets have to be approved by its government partner ONHYM. It is anticipated at present that follow-up drilling operations to MOU-1 will take place during 2022. The Group has developed an economic model for a nearer term gas monetisation strategy for Guercif that involves Compressed Natural Gas being transported to the industrial centres of Morocco. The size of the initial gas market is being assessed and capital and operating costs will be tailored to fit the immediate marketing opportunity. The Group's experience and expertise with engineering, costing and developing the CO2 EOR project in Trinidad will be applied to the CNG project in Morocco. The "drill-ready" status, the ability to monetise gas for relatively low amounts of capital investment and with low operating costs, tax- and royalty-free production on the first 10.6 BCF of net gas, and high profit margins based on the high price (US\$10 -12/mcf) paid by Moroccan's industrial gas users will be the Group's marketing tools to attract financing and potential joint venture partners, if required, to help fast-track an early gas development.

The Group's near-term priority is to focus on developing potential cash flow from CO2 EOR operations onshore Trinidad where some element of primary production can be added through low cost well-workovers.. The CO2 delivery and injection system is readily accessible and the supply of CO2 is secured until at least 2023. The Inniss-Trinity pilot CO2 EOR has demonstrated proof of concept. In addition the Company is working on creative solutions to settle its dispute with FRAM Exploration Trinidad Ltd. ("FRAM"), parent company Challenger Energy Group plc, based on its assessment of the value in the prematurely terminated Inniss-Trinity CO2 EOR project to the Company that is defined by the Inniss-Trinity Well Participation Agreement and subsequent amendments thereof. The Company is seeking to recover US\$ 1,500,000 in investment costs and an as yet undetermined amount of profits from past and future enhanced CO2 EOR oil production revenues via a swap for an asset with attributes suitable for the application of CO2 EOR operations.

The Group has re-positioned its business strategy for Ireland to focus on offshore regasification of LNG and gas storage in accordance with EU guidelines for member States. Confidentiality agreements have been signed with the provider of re-gasification vessels ("FSRU") and a downstream gas trading company based on the Group's presentation of the marketing opportunity for gas in Ireland together with its potential contribution to security and diversity of energy supply and its ability to provide back-up power at times of peak electricity demand. The Group

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continues to engage with regulatory authorities and infrastructure owners in Ireland in an application for an LNG import licence. A technological solution is being matured to supply between 250 and 275 mm to the end of the Kinsale gas pipeline, subject to regulatory consent. The near-term goal is to further refine this solution and to demonstrate its ecological and environmental benefits relative to other energy infrastructure projects (including renewables) in preparation for an application for Marine Area Consent. The Irish regulatory hurdles remain very high and challenging, but the Group recognises that the Irish government has started a process of public consultation on, amongst other matters, security of energy supply, thus creating a window of opportunity for the Group to take advantage of by leveraging its management's relevant experience, know-how and expertise.

Securing the award of the Group's Corrib South and Ram Head successor authorisations remain a priority as these gas assets adjacent to infrastructure can potentially significantly further enhance the enterprise value of the Group's portfolio in terms of potential M & A activity.

Liquidity remains a fundamental priority for the Group. The Company's business assets are commercially robust, well managed, operated efficiently and have significant growth potential. Market appreciation of management's business strategy for developing shareholder value has been demonstrated during the year through the completion of two over-subscribed Placings to improve liquidity during very difficult and challenging times in the financial and equity markets.

Sustainability Report

The Group is committed to sustainable development of its gas assets and its CO₂ EOR business incorporating anthropogenic CO₂ sequestration.

To sustain our business, we must meet the expectations of our stakeholders and focus on mitigating climate change, advancing the circular economy so that nothing goes to waste and implementing responsible business practices.

The longer-term ambition is to be a producer of greener energy through the energy transition by developing a template for local green energy hubs around existing under-utilised infrastructure that combine the best ESG and Sustainability practices whilst maintaining security of energy supply during the Energy Transition by using gas to help decarbonize the energy sector by replacing more carbon-intensive oil and coal. Demonstrable CO₂ sequestration is an added advantage of the business strategy that we have adopted. Natural gas in tandem with hydrogen storage can provide back-up to interruptible power from wind and solar energy to improve resilience of grid supplies and potential project economics. Expanding our responsible business practices is a key benefit for our people, partners and the communities that are affected by our supply chain. Security of affordable energy supply and supporting in a just, fair and equitable manner the energy transition to ameliorate the negative economic impact on local communities currently dependent on traditional forms of energy is a key objective of the Group. No-one can be left behind in the Energy Transition.

At the corporate level, since the advent of the Covid-19 emergency in late March 2020 our management operate our business from home-based locations, thereby reducing the high level of energy consumed by a fixed office location and eliminating the CO₂ emissions footprint left by commuting to work by many forms of transport that emit pollutant CO₂.

The practical and pragmatic ways in which the Group are enacting its climate awareness strategy in the period under review are described in detail in the section on ESG metrics and Sustainability.

Paul Griffiths
Executive Chairman
28 June 2022

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Report of the directors

The Directors present their report together with the audited financial statements for the year ended 31 December 2021.

The Company's Ordinary Shares were admitted on 24 May 2018 to a listing on the London Stock Exchange on the Official List pursuant to Chapters 14 of the Listing Rules, which sets out the requirements for Standard Listings.

Results and dividends

The Directors do not recommend the payment of a dividend (2020: nil).

Directors

The Directors who served during the year and up to the date hereof were as follows:

	Date of Appointment
Paul Griffiths	21 December 2017
Lonny Baumgardner	12 July 2021
Ron Pilbeam	19 March 2018 (resigned 27 July 2021)
Steve Staley	24 May 2018 (resigned 8 March 2022)
Louis Castro	13 July 2020
Tom Evans	12 May 2022
Alistair Jury	12 May 2022

Directors Third Party Indemnity Provisions

The Group maintained during the period and to the date of approval of the financial statements, indemnity insurance for its Directors and Officers against liability in respect of proceedings brought by third parties.

Going Concern

Notwithstanding the operating loss incurred during the period under review and following two successful placings to raise a total of £4,585,000 before expenses and a further successful placing post the reporting period to raise £1,035,000 before expenses, the Directors have a reasonable expectation that the Group will not need to raise funds to continue with its operational commitments and to meet all of its current contractual liabilities for the foreseeable future.

The two planned major initiatives for 2021 were drilling in Morocco and the continuance of CO2 EOR operations in Trinidad with enhanced oil production. The well (MOU-1) has been successfully drilled and completed for rigless testing. The costs for the well are within the pre-drill budget forecasts and no cost overruns are forecast to have occurred. A negotiation with ONHYM is to take place with respect to the return of US\$1,000,000 of the US\$1,500,000 Bank Guarantee following rigless testing of MOU-1 in 2022. The Company has included a work programme in the Going Concern cash flow forecast for seismic reprocessing and desk-top studies to complete the remainder of the Petroleum Agreement work programme to enable return of US\$500,000 of the US\$1,500,000 Bank Guarantee.

The Company is planning a discretionary drilling programme in Guercif in 2022 which is subject to funding at the project level via a farmin or other form of financial arrangement for project equity. If successful, the Company will enter the next phase of the Guercif Licence at which time the discretionary work programme completed in 2022 will contribute towards the work programme agreed for the next phase of the Guercif Licence and the Bank Guarantee may be rolled over too.

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CO2 EOR operations have not required additional working capital relative to that allowed for in previous budget estimates. The Operator of the Inniss-Trinity Incremental Production Services Contract (“IPSC”), FRAM, unilaterally elected to terminate the Inniss-Trinity CO2 EOR Pilot Project without informing the licence holder Heritage Petroleum Trinidad Ltd. (“Heritage”). As a result, no further funds are being invested in the project and there are no residual liabilities to be incurred by the Company. The Well Participation Agreement (“WPA”) remains in force with FRAM and all accrued entitlements due to the Company arising from the WPA currently remain in place, as does the Loan advanced to FRAM, which is repayable from the profits of the sale of enhanced oil production. It is expected that a negotiation will ensue with FRAM regarding recovery of the Loan. Until negotiations are concluded with either a positive or negative outcome and given the uncertain financial status of the parent company of FRAM, the Directors have made provisions in the Going Concern forecast that the Loan may never be recovered and no profits from enhanced oil production in Inniss-Trinity will be forthcoming. This provision was only reflected in the Going Concern forecast to ensure that the Company had sufficient resources to continue operating for the foreseeable future even on a worst-case scenario. It was decided by the Directors that the loan was not to be provided for until further discussions are held. In order to potentially recoup some of its investment in the Inniss-Trinity CO2 EOR Pilot Project, the Company has lodged an expression of interest with the licence holder Heritage to, at its sole discretion, take over the Inniss-Trinity IPSC should it become available. In addition the Company is preparing a proposal to FRAM Exploration Trinidad Ltd. to settle the dispute under the WPA through the acquisition of an asset of FRAM by the Company that can be independently valued to facilitate extinguishing the Loan made to FRAM, recovering the Company’s project costs and its entitlement under the WPA to revenues from profits of enhanced oil production arising from the pilot CO2 EOR project. There is however no guarantee that a mutually acceptable agreement will be negotiated between the Company and FRAM.

For the Going Concern if there were to be a projected working capital shortfall within the next 12 months, then the directors will institute a programme of cuts to directors’ and consultant’s remuneration and other third-party corporate costs until such time as US\$500,000 of the Guercif Bank Guarantee is returned after delivering to ONHYM the data from the seismic reprocessing and desk-top studies. This would be extended to include the return of the US\$1,000,000 of the Guercif Bank Guarantee after rigless testing of MOU-1 and delivery of all the well data to ONHYM. If either or both of these events were delayed then the Directors would seek to raise additional funds in the equity markets, assuming that no farmout of project equity had occurred by such time as additional working capital was required.

The Company has no debt.

The Directors do not believe that either a resurgence of COVID or Brexit will adversely influence the Group’s business development strategy. Operations in Morocco have been maintained this year and in Trinidad throughout the COVID crisis. Brexit will only create more uncertainty for Ireland’s security of gas supply, thereby enhancing the Company’s LNG import project for Ireland by creating an alternative source of gas not tied to the UK-Ireland gas transmission infrastructure.

Relaxation of COVID restrictions is likely to create more opportunities for the Company to divest assets if required to do so as the appetite for gas assets and ESG credentials increases as a result of the “Energy Crisis” and investors’ concerns regarding aligning investment with ESG credibility.

The directors having made due and careful enquiry, are of the opinion that the Group has adequate working capital to execute its operational commitments over the next 12 months given that current spending commitments will prevail. The Group will therefore continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

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Substantial shareholders

Within 30 days of signing the financial statements, the total number of issued ordinary shares with voting rights in the Company was 292,946,267. The total number of issued ordinary shares was 292,946,267, following the below transactions:

1. On 15 March 2021 – Warrant options exercised, for 267,750 ordinary shares
2. On 26 March 2021 - Placing of 5,215,155 ordinary shares
3. On 18 June 2021 - Placing of 21,784,845 ordinary shares
4. On 4 August 2021 - Placing of 26,000,000 ordinary shares

	Ordinary shares held	% Holding of the Company
HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	41,354,135	14.12%
THE BANK OF NEW YORK (NOMINEES) LIMITED <672938>	37,688,501	12.87%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTISAS>	28,555,696	9.75%
HARGREAVES LANSDOWN (NOMINEES) LIMITED <HLNOM>	21,530,297	7.35%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTNOMS>	21,438,542	7.32%
HARGREAVES LANSDOWN (NOMINEES) LIMITED <VRA>	18,667,656	6.37%
BARCLAYS DIRECT INVESTING NOMINEES LIMITED <CLIENT1>	16,303,817	5.57%
MR PAUL STANARD GRIFFITHS	11,784,845	4.02%
VIDACOS NOMINEES LIMITED <IGUKCLT>	9,494,895	3.24%
HSDL NOMINEES LIMITED <MAXI>	8,672,063	2.96%
TOTAL	215,490,447	73.57%

Financial instruments

Details of the use of financial instruments by the Group are contained in note 16 of the financial statements.

Greenhouse gas emissions

The Group does not have responsibility to disclose any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014. However, Management is committed to reducing its greenhouse gas emissions. As disclosed above, amongst other measures taken, the installation of satellite communications facilities at the CO2 EOR site of operations in Trinidad ensures a more flexible working environment and will reduce the amount of travel required by management as part of their duties in overseeing the Group's projects.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs') as adopted by the EU and applicable law.

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

- * select suitable accounting policies and then apply them consistently;
- * make judgements and accounting estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

In accordance with Article 103 of Companies (Jersey) Law 1991, the Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the requirements of Companies (Jersey) Law 1991 as a whole.

They are also responsible for safeguarding the assets of the Group 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 the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Group's website is the responsibility of the Directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in Jersey governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Directors' responsibilities pursuant to DTR4 (Disclosure and Transparency Rules)

The directors confirm to the best of their knowledge:

- The group and company financial statements have been prepared in accordance with IFRSs as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and Company; and
- The annual report includes a fair review of the development and performance of the business and financial position of the group and company together with a description of the principal risks and uncertainties.

Future developments

The Group's plans for future developments are more fully set down in the Strategic Report, on pages 5 to 18.

Statement as to Disclosure of Information to the Auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

We confirm to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as whole;
- The strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

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Auditors

The Company's auditor, PKF Littlejohn LLP, was initially appointed on 4 December 2017 and it is proposed by the Board that they be reappointed as auditors at the forthcoming AGM. The auditors have expressed their willingness to continue in office.

Events after the reporting date

These are more fully disclosed in Note 25.

By order of the Board

Paul Griffiths
Executive Chairman
28 June 2022

Board of Directors



Paul Griffiths, Chief Executive Officer (age 68)

Mr. Griffiths has 45 years' oil and gas industry experience, including with the Libyan National Oil Corporation and Gulf Oil and as consultant to Enterprise Oil, Amoco (Mediterranean) and the Arabian Gulf Oil Company, amongst others, and as CEO of both Island Oil & Gas plc and Fastnet Oil and Gas plc. During this time Mr. Griffiths has managed 2D and 3D seismic data acquisition and processing projects onshore and offshore; drilling and testing programmes, both onshore and offshore; and geological and reservoir simulation desk top studies. Mr. Griffiths is also experienced in business development in respect of licence acquisitions, farm-ins, farm outs, gas marketing and gas sales contracts and negotiations with government agencies. In 2006, Mr. Griffiths put together and led the team that drilled the first successful exploration well in offshore southeast Ireland in 16 years. In 2008 he put together and led the team that generated and submitted the plan of development for the Amstel Field in the Netherlands and in 2014 he put together and led the team that carried out the Tendrara gas field re-evaluation prior to a successful appraisal drilling programme by Sound Energy. He is a director of H2Green Power Ltd and also was a contributor to the government of Trinidad's CO₂ EOR Steering Committee established in 2021. He is a geology graduate of the Royal School of Mines (London) and an Associate of the Royal School of Mines.



Louis Castro, Non-Executive Director (age 63)

Louis Castro has over 30 years' experience in investment banking and broking both in the UK and overseas. Most recently he was the Chief Financial Officer at Eland Oil & Gas plc. Previously he was Chief Executive of Northland Capital Partners in London and before this was Head of Corporate Finance at Matrix Corporate Capital and at Insinger de Beaufort. He has worked in corporate finance and the capital markets in diverse geographic areas from the UK to the Far East, South America and Africa, including the execution of complex M & A transactions from initiation through due diligence to negotiating and financing.

He started his career by qualifying as a Chartered Accountant with Coopers & Lybrand (now PWC), followed by a spell at SG Warburg & Co. (now part of UBS). Louis is currently Executive Chairman of Orosur Mining Inc., and a non-executive director at Stanley Gibbons Group plc and Tekcapital plc, all quoted on the AIM market.

Louis graduated from the University of Birmingham with a double degree in Engineering & Economics; completed a post graduate course in Production Engineering at Cambridge University and is a Fellow of the Institute of Chartered Accountants in England & Wales.



Lonny Baumgardner, Chief Operating Officer (age 50)

Mr. Baumgardner has over 30 years of wide-ranging management, technical and commercial, and business development experience in the international oil and gas sector including Aramco and ExxonMobil. He was until July 2021 the Country Manager and Director of SDX Energy Morocco, a London AIM listed oil & gas company currently with assets in Morocco and Egypt. Mr. Baumgardner built and led a team that drilled more than 20 wells during his tenure in Morocco, developed the field and infrastructure, negotiated and signed eight, five-year gas sales contracts with Moroccan industry. Before his move to Morocco, Mr. Baumgardner was the Managing Director of TransGlobe Energy Egypt where he was responsible for all aspects of the business with a heavy focus on production and government relations. Prior to this he worked for Senex Energy (Australia), Vegas Oil & Gas (Egypt), Artumas Group (Tanzania), and Canadian Natural Resources (Canada). He holds a MSc, in Petroleum Engineering and is a member of the Society of Petroleum Engineers.

Corporate Governance Report

The Chairman of the Board of Directors of Predator Oil & Gas Holdings Plc ('Predator' or 'the Company' or 'the Group' or 'we/our') has a responsibility to ensure that Predator has a sound corporate governance policy and an effective Board.

The Board has not adopted, but voluntarily follows, the Quoted Companies Alliance Corporate Governance Code ("QCA Code"). The QCA Code identifies ten principles to be followed in order for companies to deliver growth in long-term shareholder value, encompassing effective management with regular and timely communication to shareholders. This report follows the structure of those principles and explains how we have applied the guidance as well as disclosing any areas of non-compliance.

We will provide annual updates on our compliance with the code. The Board considers that the Group complies with the QCA Code so far as is practicable having regard to the size, nature and current stage of development of the Company.

The sections below set out how the Group applies the ten principles of the QCA Code and sets out areas of non-compliance.

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The Company is an oil and gas exploration specialist, with operations in Morocco, Trinidad and Ireland. Our goal is to deliver long term value for our shareholders. We aim to do this by identifying prospective and early-stage exploration projects. Consequently we:

- use our expertise to identify areas with economically feasible resources,
- assess the business environment of the target country and its attractiveness for prospecting and eventual development and production,
- understand existing interests in a licence area in order to ensure we can earn-in to existing interests on terms favourable to our shareholders.

Oil and gas exploration is by its nature speculative and we aim to reduce the risks inherent in the industry by careful application of funds in individual projects. We do that by:

- Reviewing existing exploration data;
- Establishing close in-country partnerships for our projects;
- Applying the most appropriate cost-effective exploration techniques in order to determine whether further work, using increasingly expensive exploration techniques, is justified; and
- Appreciating the likely realisation routes that will be available to us as the project moves towards development.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Company is committed to engaging with its shareholders to ensure that its strategy, operational results and financial performance are clearly understood. We engage with our shareholders via roadshows, attending investor conferences and through our regular reporting on the London Stock Exchange. Roadshows are typically timed to follow the release of interim and final results. The Company regularly takes part in investor conferences, both in the UK and internationally, insofar as the current Covid 19 epidemic allows. LSE announcements include details of the website, and include phone numbers to contact the Company and its professional advisors.

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Private shareholders

The AGM is the main forum for dialogue with retail shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. All Directors attend the AGM and are available to answer questions raised by shareholders. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The results of the AGM are announced via the London Stock Exchange. In addition, the Executive Directors regularly attend investor forums specific to the oil & gas industry and engage with shareholders at those events. Investors can contact us via our website or by email.

Retail shareholders also regularly attend investor evenings held by our brokers or other industry bodies and we publicise our attendance via LSE announcements. In addition, our up to date Corporate presentation is made available on our website.

Institutional shareholders

The Directors actively seek to build a relationship with institutional shareholders. Shareholder relations are managed primarily by the Chief Executive Officer. The Chief Executive Officer makes presentations to institutional shareholders and analysts throughout the year, mainly in London, though virtually during the Covid 19 epidemic. We also have ad-hoc meetings with our shareholders via conference call and email. The Board as a whole is kept informed of the views and concerns of major shareholders by the Chief Executive Officer. Any significant investment reports from analysts are also circulated to the Board. The Non-Executive Chairman and Non-Executive Director are available to talk with major shareholders if required to discuss issues of importance to them and are considered to be Independent from the executive management of the Company.

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

Aside from our shareholders, our most important stakeholder groups are our personnel and local partners and those local communities that may be impacted by our exploration activities. The Board is regularly updated on stakeholder issues and their potential impact on our business to enable the Board to understand and consider these issues in decision-making. The Board understands that maintaining the support of all its stakeholders is paramount for the long-term success of the Company.

Personnel

The Group does not have permanent staff in Jersey, Channel Islands. All staff are recruited under consultancy agreements as service providers. We aim to provide an environment which will attract the best, retain and motivate our team and we monitor the effectiveness by regular one-on-one discussion. Our goal is to treat all staff fairly and equally and to promote ethical behaviour, diversity and non-discrimination.

Local partners and communities

Our operations often provide employment in remote areas of developing countries. Essential to our success is the establishment of close working relationships with local partners. We seek local partners who have a good understanding of the local exploration and oil and gas exploration industry and regulations within their country, and with the capacity and capability to assist with the management and maintenance of the project.

We are mindful of our obligations to the local environment and operate to high levels of health and safety in respect of both our local workers and the local community. Staff training focuses on operating safety. Engagement with local communities is dependent on jurisdiction and the stage of exploration but is typically by public forum or with local or regional leaders, including site visits and workshops. Social projects in the local communities are dependent on local need and also the stage of exploration/level of project investment. As projects move forward, towards potential production activities, we seek to bring in partners who can credibly make the investments to move towards development and production. In doing so we have regard for their ability and desire to move projects forward, their industry reputation and their commitment to treating

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the local communities fairly and protecting the environment. We enter agreements that allow us to monitor their activities and have monthly updates on project progress.

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

Audit, risk and internal control

Financial controls

The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the Executive Management, the Audit Committee and the Board. The key financial controls are:

- The Board is responsible for reviewing and approving overall company strategy, approving new exploration projects and budgets, and for determining the financial structure of the Company including treasury, tax and dividend policy. Regular results and variances from plans and forecasts are reported to the Board;
- The Audit Committee, comprising the two Non-executive Directors, assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business, and operational and financial controls;
- Regular budgeting and forecasting is performed to monitor the Company's ongoing cash requirements and cash flow forecasts are circulated to the Board on a monthly basis;
- Actual results are reported against budget and prior year and are circulated to the Board;
- The Company has an investment appraisal system that considers expected costs against a range of potential outcomes arising from the exploration opportunities that we are invited to participate in;
- Regular reviews of exploration results are performed as the basis for decisions regarding future expenditure commitment;
- Due to the international nature of the business there are, at times, significant foreign exchange rate movement exposures. Cash flow forecasting is done at the 'required currency' level and foreign currency balances are maintained to meet expected requirements; and
- For exploration projects, we manage the risk of failure to find economic deposits by low cost early stage exploration techniques, with detailed analysis of results. Moving projects to more expensive exploration techniques requires a rigorous review of results data prior to deciding whether to proceed with further work.

Non-financial controls

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

- Close management of the day-to-day activities of the Group by the Executive Directors;
- An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision-making and rapid implementation whilst minimising risks; and
- Central control over key areas such as capital expenditure authorisation and banking facilities.

The Group reviews at least annually the effectiveness of its system of internal control, whilst also having regard to its size and the resources available. As part of the Group's plans we continue to review a number of non-financial controls covering areas such as regulatory compliance, business integrity, health and safety, and corporate social responsibility. All personnel are aware of their obligations under anti-bribery and corruption legislation.

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Principle 5: Maintaining the Board as a well-functioning, balanced team led by the Chair

During the year under review the Board comprised the Non-Executive Chairman, two Executive Directors and one Non-Executive Director. One non-executive Director has extensive experience in the oil and gas industry, is a qualified geologist and has considerable experience of serving on the Board of public companies.

During the year Mr. Lonny Baumgardner replaced Mr. Ronald Oilbean as an Executive Director.

The Board is satisfied that it has a suitable balance between independence on the one hand, and knowledge of the Company and industry on the other, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational.

The Board aim to meet at least monthly. The agenda is set by the Company Secretary in consultation with the Chairman and CEO. The standard agenda points include:

- Review of previous meeting minutes and actions arising therefrom;
- A report by the CEO covering all operational matters;
- Any update to the Register of Conflicts and
- Any other business.

Directors' conflict of interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board. A Register of Conflicts is maintained and is a standard agenda item at each Board Meeting. The Board has access to the Company's advisers, including its brokers and its lawyers. The advisers do not typically provide materials for Board meetings except if requested to do so for the purposes of discussing upcoming regulations and other issues.

Board meetings are deemed quorate if two Board members are present and providing 7 days' notice of such meeting has been given and waived by the non-attending Directors.

Directors and Officers Liability insurance is maintained for all Directors and key staff members.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, particularly so in the area of oil and gas exploration and evaluation. All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings by the Company Secretary. Contracts are available for inspection at the Company's registered office and at the Annual General Meeting ("AGM").

Directors are selected having regard to the Company's needs for a balance of operational, industry, legal and financial skills. Experience of the Oil and Gas exploration industry is important but not critical, as is experience of running a public company.

All Directors retire by rotation at regular intervals in accordance with the Company's Articles of Association. The Board makes decisions regarding the appointment and removal and re-election of Directors, and there is a formal, rigorous and transparent procedure for appointments. The Company's Articles of Association require that at every AGM any director (i) who has been appointed by the board since the last AGM or (ii) who held office since the first of the three previous AGMs and who did not retire at either of them or (iii) who has been selected by the board for re-election shall retire from office and may offer himself for re-appointment by the members.

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Independent advice

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense from lawyers, brokers and other professional advisors that they deem relevant. In addition, the Directors have direct access to the advice and services of the Company Secretary.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

In each 12 month reporting period we intend to review the performance of the team as a unit to ensure that the members of the Board collectively function in an efficient and productive manner. Over the same period the Non-Executive Directors will be seeking to set clear and relevant objectives for the Executive Directors, and for the Board as a whole.

Principle 8: Promote a culture that is based on ethical values and behaviour

The Board aims to lead by example and do what is in the best interests of the Company, its stakeholders and the environment. We operate in remote and under-developed areas and ensure that our staff understand their obligations towards the environment and in respect of anti-bribery and corruption.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Board programme

The Board aims to meet monthly and as and when required. The Board sets direction for the Company through a formal schedule of matters reserved for its decision. During the year to 31st December 2020 the Board met fifteen times. The Board and its Committees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting and Board and Committee papers are distributed by the Company Secretary several days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and are then followed up by the Company's management.

Roles of the Board, Chairman and Chief Executive Officer.

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall Group strategy, approval of exploration projects, approval of the annual and interim results, annual budgets, dividend policy and Board structure. It monitors the exposure to key business risks. There is a clear division of responsibility at the head of the Company. The Chairman is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction.

The Chief Executive Officer ("CEO") is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company. The CEO is responsible for establishing and enforcing systems and controls, liaison with external advisors and communicating with shareholders.

All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports regularly on its headline performance against its agreed budget; the Board reviews these updates and any significant variances at each board meeting.

Board committees

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The Board is supported by the Audit and Remuneration committees. Each committee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The two committees comprise both of the Non-Executive Directors.

The Audit Committee provides a formal review of the effectiveness of the internal control systems, the Group's financial reports and results announcements and the external audit process. The Committee meets twice per year to review the published financial information and to meet with the Auditors.

The Remuneration Committee provides a formal and transparent review of the remuneration of the Executive Directors and senior personnel and makes recommendations to the Board on individual remuneration packages. The Committee met twice during the year.

The Audit committee has not provided a separate report for the current financial period, but intends to do so for next year's report. It has met once during the year.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company communicates with shareholders through the Annual Report and Accounts, full-year and half-year results announcements, the Annual General Meeting (AGM) and one-to-one meetings with large existing or potential new shareholders. The Company regularly posts LSE announcements covering operational and corporate matters, such as drilling results and significant changes in ownership positions across historic projects in which it still retains an investment. A range of corporate information (including all Company announcements and a corporate presentation) is also available to shareholders, investors and the public on the Company's corporate website.

The Board receives regular updates on the views of shareholders through briefings and reports from Investor Relations, the CEO and the Company's brokers. The Company communicates with institutional investors frequently through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views.

Paul Griffiths
Executive Chairman
28 June 2022

Directors' Remuneration Report

The Company's Remuneration Committee comprised two Non-Executive Directors: Dr Stephen Staley and Louis Castro.

The Company's Remuneration Committee operates within the terms of reference approved by the Board.

The Committee met once during the year in July 2021, at the time of the appointment of Lonny Baumgardner to the Company to consider and approve the terms of his appointment, which are set out below under Director Service Contracts.

As announced on 30th January 2022, after the end of the Company's financial year end, the Remuneration Committee met to consider and approve the issue of options to the Directors under the Company's unapproved share option scheme. Awards were made to two of the Directors: 7,855,486 options to the Chief Operating Officer, Lonny Baumgardner; and 1,000,000 options to Louis Castro, non-executive director. The options are exercisable at 5.66 pence per share and will vest 6 months after issue.

The items included in this report are unaudited unless otherwise stated.

Committee's main responsibilities

- The Remuneration Committee considers the remuneration policy, personnel engagement terms and remuneration of the Executive Directors and senior management;
- The Remuneration Committee's role is advisory in nature, and it makes recommendations to the Board on the overall remuneration packages for Executive Directors and senior management in order to attract, retain and motivate high quality executives capable of achieving the Company's objectives;
- The Remuneration Committee also reviews proposals for any share option plans and other incentive plans, makes recommendations for the grant of awards under such plans as well as approving the terms of any performance-related pay schemes;
- The Board's policy is to remunerate the Company's executives fairly and in such a manner as to facilitate the recruitment, retention and motivation of suitably qualified personnel as service providers; and
- The Remuneration Committee, when considering the remuneration packages of the Company's executives, will review the policies of comparable companies in the industry.

Consideration of shareholder views

The Remuneration Committee considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's periodic reviews of its policy on remuneration.

Statement of policy on Directors' remuneration

The Company's policy is to maintain levels of remuneration so as to attract, motivate, and retain Directors and Senior Executives of the highest calibre who can contribute their experience to deliver industry leading performance with the Company's operations. Currently Director's remuneration is not subject to specific performance targets.

The Remuneration Committee considers remuneration policy and the employment terms and remuneration of the Executive Directors and makes recommendations to the Board of Directors on the overall remuneration packages for the Executive Directors. No Director takes part in any decision directly affecting their own remuneration.

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There was no vote taken during the last general meeting with regard to the Director's remuneration policy. This is considered reasonable given the current size and stage of development of the Company and the fact that remuneration is not currently linked to performance. This will be revisited in future periods once a meaningful remuneration policy has been implemented as noted above.

Directors' remuneration

The Directors who held office at 31 December 2021 and who had beneficial interests in the ordinary shares of the Company are summarised as follows:

Name of Director	Position
Dr Stephen Staley	Non-Executive Chairman
Louis Castro	Non-Executive Director
Paul Griffiths	Chief Executive Officer
Lonny Baumgardner	Chief Operating Officer (appointed 12 July 2021)

The interests in the shares of the Company of the Directors who served during the year were as follows:

	31 December 2021		At the date of this report	
	Ordinary Shares	Share Options	Ordinary Shares	Share Options
Paul Griffiths	46,871,508	7,855,486	46,871,508	7,855,486
Lonny Baumgardner*	-	-	555,555	7,855,486
Louis Castro	-	1,650,000	-	2,650,000
Dr Stephen Staley**	669,600	2,651,370	669,600	2,651,370
Ron Pilbeam ***	2,500,000	-	2,500,000	-
Total	50,041,108	12,156,856	50,596,663	21,012,342

* Lonny Baumgardner was appointed on 12 July 2021

** Dr Stephen Staley resigned on 8th March 2022

*** Ron Pilbeam resigned on 28th July 2021

Share Option Scheme

The following Directors have been granted rights under the Group's Share Option Scheme:

	In issue at 31 December 2020*	2021 Options Awarded	Exercised or lapsed during year	In issue at 31 December 2021	Vesting Periods See notes 20 and 25
Paul Griffiths	7,855,486	-	-	7,855,486	
Ron Pilbeam	7,855,486	-	7,855,486**	-	
Sarah Cope	1,001,370	-	-	1,001,370	
Steve Staley	2,651,370	-	-	2,651,370	
Louis Castro	2,651,370	-	-	1,650,000	

*Grant dates were 18 May 2018 and 27 October 2020.

** Ron Pilbeam's share options were cancelled by the Company following his resignation on 28th July 2021

Post the year end, on 30th January 2022, option awards were made to two of the Directors: 7,855,486 options to the Chief Operating Officer, Lonny Baumgardner; and, 1,000,000 options to Louis Castro, non-executive director. The options are exercisable at 5.66 pence per share and will vest 6 months after issue.

Details of the Directors service agreements are set out below.

Directors' service contracts

Dr Stephen Staley was appointed as a Non-Executive Director of the Company on 18 May 2018 when he entered into a letter of appointment with the Company. Pursuant to his letter of appointment Dr Staley was entitled to an annual fee of £30,000 which includes consideration for being a member of the Remuneration Committee and for being a member of the Audit Committee.

Dr Staley is not entitled to receive any compensation on termination of his appointment (other than payment in respect of a notice period where notice is served) and is entitled to be reimbursed all reasonable out-of-pocket expenses incurred in the proper performance of his duties. Dr Staley's appointment may be terminated by either party giving to the other three month's prior written notice. The services of Dr Staley are provided on a consultancy basis. Upon the retirement of Carl Kindinger on 29 June 2020, Dr Staley was appointed Non-Executive Chairman of the Company at which time his annual fee was increased to £37,500. As from 1 September 2020, on his appointment to the Board of Predator LNG Ireland Ltd as non-executive director, Dr Staley's annual fee was increased to £50,000.

The Company established a share option scheme that became effective on 24 May 2018 for a long-term incentive plan for the award of share options subject to performance conditions. The share option scheme includes Dr Staley as a beneficiary.

Louis Castro was appointed as a Non-Executive Director of the Company on 14 July 2020 when he entered into a letter of appointment with the Company. Pursuant to his letter of appointment Louis Castro is entitled to an annual fee of £30,000 which includes consideration for being a member of the Remuneration Committee and for being a member of the Audit Committee. Louis Castro is not entitled to receive any compensation on termination of his appointment (other than payment in respect of a notice period where notice is served) and is entitled to be reimbursed all reasonable out-of-pocket expenses incurred in the proper performance of his duties. Louis Castro's appointment may be terminated by either party giving to the other three month's prior written notice. As from 1 September 2020, upon his appointment to the Board of Predator LNG Ireland Ltd as a non-executive director, Louis Castro's annual fee was increased to £40,000.

The Company established a share option scheme that became effective on 24 May 2018 for a long-term incentive plan for the award of share options subject to performance conditions. The share option scheme includes Louis Castro as a beneficiary.

Paul Griffiths provides his services as Chief Executive Officer under a consultancy agreement with the Company. The Company entered into a consultancy agreement dated 18 May 2018 with Petro-Celtex Consultancy Limited ("**Petro-Celtex**") under which Petro-Celtex is to provide the services of Paul Griffiths as Chief Executive of the Company, on a part-time basis.

On 1 May 2020 a new consultancy agreement with Petro-Celtex Consultancy Limited ("**Petro-Celtex**"), under which Petro-Celtex continued to provide the services of Paul Griffiths as Chief Executive of the Company, replaced that dated 18 May 2018. Petro-Celtex Consultancy Limited under the terms of the consultancy contract is entitled to the same fixed base fee of £80,000 per annum and a technical services consultancy fee of £150 per hour.

The consultancy agreement dated 1 May 2020 was amended by Supplemental Agreement No.1 effective 1 September 2020 whereby Petro-Celtex is entitled to a fixed base fee of £115,000 per annum and a technical services consultancy fee of £150 per hour.

Paul Griffiths entered into a side letter dated 18 May 2018 with the Company confirming that the terms of any consultancy agreement will be binding on him as an individual. Paul Griffiths also entered into a letter of appointment dated 21 December 2017 with the Company in respect of his continued appointment as a director of the Company with effect from 24 May 2018, but with no additional fee payable to him over and above the fee referred to above in the consultancy agreement. The continued appointment of Paul Griffiths as a director of the Company on the terms of such appointment letter is subject to termination by either party on six months' written notice. In addition, the Company may forthwith terminate Paul Griffiths' appointment as a director of the Company for, *inter alia*, a material breach by Petro-Celtex of its obligations under the consultancy agreement referred to above and Paul Griffiths may terminate such appointment for a material

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breach by the Company of its obligations under the consultancy agreement referred to above.

During the year ended 31 December 2020 the Company incorporated a new subsidiary Predator LNG Ireland Ltd. (“PLIL”) to avail itself of a downstream opportunity introduced by the executive management team through their historical network of downstream business relationships developed over 40 years in the oil and gas sector. Without these long-standing working relationships, the Company would not have had credible substance and a track record necessary to be taken seriously in the very competitive international LNG market. In recognition of this fact and the exclusivity granted the Company in relation to the executive management team developing an offshore LNG import facility for Ireland, the Non-executive Directors approved a related party transaction effective 1 September 2020 between PLIL and Paul Griffiths. Under the terms of an Advisory Agreement dated 1 September 2020, Paul Griffiths is entitled to a fixed Advisory Fee of £40,000 per annum and a technical services consultancy fee of £150 per hour which is subject to prior approval by the Non-executive Directors.

Under an Exclusivity and Referral Agreement between PLIL and Hamilton Fox Holdings Ltd. (“HFHL”), a company incorporated jointly by Paul Griffiths and Ronald Pilbeam to hold performance incentives under the aforementioned agreement dated 2 September 2020, HFHL has an entitlement to performance incentives comprising up to a maximum of 20% of the issued share capital of PLIL split into four separate tranches each of 5%. Performance Conditions for allotment of each tranche of 5% are defined as the signing of Collaboration Agreement in each case between PLIL and *bona fide* international entities in the downstream LNG and gas infrastructure and distribution business. Allotment of the final 5% tranche is conditional on a Financial Investment Decision (“FID”) being made in respect of developing an LNG import facility for Ireland. In order to maintain good governance, the two Non-executive Directors of Predator Oil & Gas Holdings Plc were appointed to the Board of PLIL to assure a casting vote in all PLIL Board decisions involving any perceived conflicts of interest.

The Company established a share option scheme that became effective on 24 May 2018 for a long-term incentive plan for the award of share options subject to performance conditions. The share option scheme includes Paul Griffiths as a beneficiary.

Lonny Baumgardner, who was appointed on 12th July 2021, provides his services as Chief Operating Officer under a consultancy agreement with the Company. The Company entered into a consultancy agreement with Touchpoint Energy S.L. under which Touchpoint Energy provides the services of Lonny Baumgardner as Chief Operating Officer and as a Director of the Company. In exchange for the provision of these services, Touchpoint Energy is entitled to a fixed base fee of £115,000 per annum and a technical services consultancy fee of £150 per hour, capped at £9,000 per calendar month unless specific written authorization is given. The engagement of Touchpoint Energy is subject to termination by either party on six months’ written notice.

The Company established a share option scheme that became effective on 24 May 2018 for a long-term incentive plan for the award of share options subject to performance conditions. The share option scheme includes Lonny Baumgardner as a beneficiary.

Remuneration components

For the year ended 31 December 2021 consultancy fees and a share incentive scheme were the only two components of remuneration. The Company established a share option scheme that became effective on 24 May 2018 for a long-term incentive plan for the award of share options.

The Board is not planning to consider any other components of director remuneration during the year under review.

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Directors' emoluments and compensation

Director	2021	2020
	£	£
Louis Castro	39,996	17,082
Stephen Staley	50,000	36,250
Non-Executive Total	89,996	53,332
Paul Griffiths	229,850	178,200
Lonny Baumgardner**	88,741	-
Ronald Pilbeam*	137,267	175,375
Executive Total	455,857	353,575
Total	545,853	406,907

*Resigned on 28 July 2021

** Appointed 12 July 2021

There were no awards of annual bonuses or incentive arrangements other than share options granted in the period. Remuneration was therefore fixed in nature and no illustrative table of the application of remuneration policy has been included in this report.

Pension entitlements

The Company does not currently have any pension plans for any of the directors and does not pay pension amounts in relation to their remuneration.

Directors' interests in share warrants

Directors do not hold any share warrants over ordinary shares.

The Committee considers that the current remuneration of Executive Directors to be consistent with pay and appointment benefits across the Group.

UK 10-year performance graph

The directors have considered the requirement for a UK 10-year performance graph comparing the Group's Total Shareholder Return with that of a comparable indicator. The directors do not currently consider that including the graph will be meaningful because the Company has only been listed since May 2018, is not paying dividends and is currently incurring losses as it gains scale. The directors therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The directors will review the inclusion of this table for future reports.

UK 10-year CEO table and UK percentage change table

The directors have considered the requirement for a UK 10-year CEO table and UK percentage change table. The directors do not currently consider that including these tables would be meaningful because, as described under the Directors' Service Contracts section above directors have been engaged in the Company only since May 2018. The directors will review the inclusion of this table for future reports.

Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends the directors have not considered it necessary to include such information.

Policy for new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Policy on payment for loss of office

Payment for loss of office would be determined by the Remuneration Committee, taking into account contractual obligations.

Approved by the Board on 28 June 2022.

Louis Castro
Member of the Remuneration Committee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREDATOR OIL & GAS HOLDINGS PLC

Opinion

We have audited the group financial statements of Predator Oil & Gas Holdings Plc (the 'group') for the year ended 31 December 2021 which comprise the Consolidated statement of comprehensive Income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated statement of cash flows and Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the group financial statements:

- give a true and fair view of the state of the group's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's ability to continue to adopt the going concern basis of accounting included a review of management's assessment of the going concern, budget for the twelve months following the date of the audit report. Our audit procedures included a review of reasonableness of the assumptions used by the directors to prepare the budget and consideration of the impact of COVID-19, and stress tested where appropriate. From our review, we have noted that the group has raised significant funds since the year end which the directors have concluded as sufficient to ensure that they can meet their financial obligations as they fall due. Most of the group's cash expenditure are discretionary and following the settlement of the convertible debt during the year, the group has limited exposure at the balance sheet date in terms of liabilities.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

The materiality applied to the group financial statements was set at £25,000 (2020: £33,000). Performance materiality was set at £20,000 (2020: £26,000), being 80% of materiality for the financial statements as a whole.

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Materiality has been calculated as 2% of the benchmark of expenses, which we have determined, in our professional judgement, to be the principal benchmark relevant to members of the group in assessing financial performance. As the group has yet to begin trading, the key focus of the group is to restrict expenditure in order to use the resources to advance the development of its investments.

We agreed that we would report to the audit committee all misstatements we identified through our audit with a value in excess of £1,200, in addition to other audit misstatements below that threshold that we believe warrant reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risks of material misstatement in the group financial statements. In particular, we considered the areas involving significant accounting estimates and judgement by the directors and including future events that are inherently uncertain, in particular with regard to the recoverability of the loan receivable and the capitalisation of exploration costs. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud. Procedures were then performed to address the risks identified and for the most significant assessed risks of material misstatement, the procedures performed are outlined below in the key audit matters section of this report

As part of our planning, we assessed all components of the group for their significance in order to determine the scope of the work to be performed. There were no entities of the group which were considered to be significant components other than the parent and Predator Oil and Gas Ventures Ltd, as it holds the capitalised costs. A full scoped audit was therefore performed to support our audit opinion on the group financial statements of Predator Oil & Gas Holdings Plc and was based on group materiality and an assessment of risk at group level, with a component materiality applied to Predator Oil and Gas Ventures Ltd. The remaining components of the group were subject to analytical review and targeted testing as appropriate as they are not material.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
<p>The recoverability of loan receivable from FRAM Exploration Trinidad Limited (FRAM) - £591k (Note 13)</p> <p>There is risk that the loan may not be recovered if there is insufficient oil production and/or no profits are generated from sales.</p> <p>The group entered into a Well Participation Agreement (WPA) with FRAM, a wholly owned subsidiary of Challenger Energy Group Plc, listed on AIM.</p> <p>The loan is repaid from future profits from CO2 Enhanced Oil Recovery (EOR) production revenues. Profits are generated after deduction of direct costs, certain operating costs as described in the WPA, including loan costs.</p>	<p>We have obtained and reviewed the directors assessment and our audit procedures included:</p> <ul style="list-style-type: none"> • Reviewing management’s assessment of the recoverability of the loan; • Reviewing disclosures of the critical accounting estimates; • Reviewing the management assessment to underlying supports within CO2 EOR forecast production profile; and • Reviewing the Regulatory News (RNS) and board minutes of the Company as well as those of the owners of FRAM as they are also listed on AIM. • Discussed and challenged the assumptions that the Directors provided to us in support of the above procedures undertaken

<p>Lower oil prices and/or extended time to produce barrels of oils would delay the recovery of the FRAM loan.</p>	<p>In forming our opinion on the financial statements, which is not modified we draw to the user’s attention the disclosures within Note 13 and within the areas of estimates of judgments which states that the loan is only recoverable from future net revenues which have yet to be realised. Subsequent to the year end, the Group has released an RNS indicating that they have elected to initiate a litigation process to recover outstanding balances and a full repayment of costs incurred on this project. Challenger Energy Group Plc have responded to the RNS denying that there are any amounts due and that they would defend any legal proceedings. The outstanding amounts have not been impaired by the Group pending the outcome of the litigation. This indicates the existence of a material uncertainty. The financial statements do not include adjustments that would result if the group is unable to recover the loan due from FRAM.</p>
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<p>Capitalisation of exploration costs</p> <p>There is a risk that the entity has not accounted for costs incurred for exploration of minerals in accordance with International Financial Reporting Standard (IFRS) 6. The standard allows the costs to be capitalised based on the legal rights to explore in a specific area as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. The audit team has identified the capitalisation of exploration costs as a significant matter due to the level of management judgement.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> ▪ Enquiring management’s reasoning for capitalisation of the costs incurred for exploration assets; ▪ Confirming legal rights and technical feasibility to explore in that area ▪ Selecting a substantive sample of costs and agreeing to supporting documents ▪ Discussions with management as to the applicability of capitalising costs in line with IFRS6. ▪ Considering whether costs can be capitalised in line with the requirements of IFRS6. Obtaining and critically reviewing the impairment assessment prepared by management in relation to the project; ▪ Reviewing the Technical Report prepared by SRK Consulting (December 2014) and challenging the key inputs and assumptions for reasonableness and performing sensitivity analysis. This work was performed during the prior year audit and has been re-assessed, where applicable, for conditions existing as at 31 December 2021 (e.g. increased resources, latest oil and gas prices); ▪ Reviewing the Competent Persons Report to support management’s assessment of feasibility of the project; Assessing the independence and competence of SLR as a management expert to satisfy ourselves that reliance can be placed on the reports they have prepared. ▪ Confirming the group holds good title to licences and key permits by obtaining the licences and confirming good title; and ▪ Consider progress made during the year in advancing the Project including additional
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	drilling and test-work results, engineering studies, and compliance with the terms of the license.
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Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

In preparing the group financial statements, the directors are 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 the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Predator Oil and Gas Holdings Plc
For the year ended 31 December 2021

- Obtained 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.
- We determined the principal laws and regulations relevant to the group in this regard to be those arising from Company (Jersey) Law 1991, Disclosure and Transparency Rules, AIM rules and local tax laws and regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group with those laws and regulations. These procedures included, but were not limited to:
 - Enquiries of management
 - Review of board minutes
 - Review of RNS publications
 - Review of financial statement disclosures and testing to support documentation where applicable, to assess compliance with applicable laws and regulations.

We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the nonrebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- Obtained 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.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Zahir Khaki (Engagement Partner)

For and on behalf of PKF Littlejohn LLP

Recognised Auditor

28 June 2022

15 Westferry Circus

Canary Wharf

London E14 4HD

Consolidated statement of comprehensive income

For the year ended 31 December 2021

	Notes	01.01.2021 to 31.12.2021 £	01.01.2020 to 31.12.2020 £ (restated)*
Administrative expenses	4	(1,398,802)	(1,363,711)
Operating loss		(1,398,802)	(1,363,711)
Finance expense	5	(19)	(225,359)
Loss for the year before taxation		(1,398,821)	(1,589,070)
Taxation	6	-	-
Loss for the year after taxation		(1,398,821)	(1,589,070)
Comprehensive income		-	-
Total comprehensive loss for the year attributable to the owner of the parent		(1,398,821)	(1,589,070)
Earnings per share basic and diluted (pence)	8	(0.5)	(0.8)

* For further information on the restatement, please refer to note 27 on page 91 of these financial statements

The accompanying accounting policies and notes on pages 69 to 91 form an integral part of these financial statements.

All items in the above statement derive from continuing operations.

Consolidated statement of financial position

As at 31 December 2021

	Notes	31.12.2021 £	31.12.2020 £ (restated)*
Non-current assets			
Tangible fixed assets	11	5,884	5,592
Intangible asset	10	2,687,026	-
		2,692,910	5,592
Current assets			
Trade and other receivables	13	1,737,258	1,577,858
Cash and cash equivalents	14	1,523,035	1,325,751
		3,260,293	2,903,609
Total assets		5,953,203	2,909,201
Equity attributable to the owner of the parent			
Share capital	17	11,425,061	6,832,564
Reconstruction reserve		2,386,321	2,797,421
Warrants issuance cost	19	(376,820)	(208,887)
Share based payments reserve	19	729,700	458,840
Retained deficit		(8,456,078)	(7,054,229)
Total equity		5,708,184	2,825,709
Current liabilities			
Trade and other payables	15	245,019	83,492
Total liabilities		245,019	83,492
Total liabilities and equity		5,953,203	2,909,201

* For further information on the restatement, please refer to note 27 on page 91 of these financial statements

The accompanying accounting policies and notes on pages 69 to 91 form an integral part of these financial statements.

The Company has adopted the exemption under Companies (Jersey) Law 1991 Article 105 (11) not to prepare separate accounts. The Group reported a loss after taxation for the year of £1.28 million (2020: £1.59 million loss). The financial statements on pages 65 to 91 were approved and authorised for issue by the Board of Directors on 28 June 2022 and were signed on its behalf by:

Paul Griffiths

Director

Consolidated statement of changes in equity

For the year ended 31 December 2021

	Share Capital £	Reconstruction reserve £	Attributable to owner of the parent		Retained deficit £	Total £
			Warrants issuance cost reserve £ (restated)*	Share based payments reserve £		
Balance at 31 December 2019	2,346,336	3,270,648	(108,436)	256,416	(5,465,159)	299,805
Issue of ordinary share capital	4,486,228	-	-	-	-	4,486,228
Issue of warrants	-	-	-	100,451	-	100,451
Fair value of share options	-	-	-	101,973	-	101,973
Loan note conversion premium	-	(473,227)	-	-	-	(473,227)
Reallocation of warrants issuance costs *	-	-	(100,451)	-	-	(100,451)
Total contributions by and distributions to owners of the parent recognised directly in equity	6,832,564	2,797,421	(208,887)	458,840	(5,465,159)	4,414,779
Loss for the year	-	-	-	-	(1,589,070)	(1,589,070)
Total comprehensive income for the year	-	-	-	-	(1,589,070)	(1,589,070)
Balance at 31 December 2020	6,832,564	2,797,421	(208,887)	458,840	(7,054,229)	2,825,709
Issue of ordinary share capital	4,585,000	-	-	-	-	4,585,000
Issue of warrants	-	-	-	195,327	-	195,327
Fair value of share options	-	-	-	75,533	-	75,533
Transaction costs	-	(411,100)	-	-	-	(411,100)
Exercised warrants	7,497	-	3,028	-	(3,028)	7,497
Warrants issuance costs	-	-	(170,961)	-	-	(170,961)
Total contributions by and distributions to owners of the parent recognised directly in equity	11,425,061	2,386,321	(376,820)	729,700	(7,057,257)	7,107,005
Loss for the year	-	-	-	-	(1,398,821)	(1,398,821)
Total comprehensive income for the year	-	-	-	-	(1,398,821)	(1,398,821)
Balance at 31 December 2021	11,425,061	2,386,321	(376,820)	729,700	(8,456,078)	5,708,184

* For further information on the restatement, please refer to note 27 on page 91 of these financial statements.

The accompanying accounting policies and notes on pages 69 to 91 form an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2021

	Notes	01.01.2021 to 31.12.2021 £	01.01.2020 to 31.12.2020 £ (restated)*
Cash flows from operating activities			
Loss for the period before taxation		(1,398,821)	(1,589,070)
Adjustments for:			
Issue of share options	20	75,534	101,973
Finance expense	5	19	128,765
Share issue costs		-	195,000
Fair value of warrants		24,366	-
Amortisation of transaction costs	5	-	96,594
Depreciation		2,338	1,642
Foreign exchange		(244,281)	252,867
(Increase)/decrease in trade and other receivables		(6,059)	25,919
Increase/(decrease) in trade and other payables		161,527	(196,346)
Net cash used in operating activities		(1,385,377)	(982,656)
Cash flow from investing activities			
Loan advances		(115,881)	(290,419)
Purchase of computer equipment	11	(2,629)	(842)
Capitalised costs - Project Guercif - Morocco	10	(2,687,026)	-
Disposal of computer equipment	11	-	767
Net cash used in investing activities		(2,805,536)	(290,494)
Cash flows from financing activities			
Proceeds from issuance of shares, net of issue costs		4,173,900	3,535,550
Proceeds from issue of convertible loan notes, net of issue costs		7,497	-
Redemption of convertible loan notes		-	(746,000)
Finance expense paid		(19)	(115,315)
Net cash generated from financing activities		4,181,378	2,674,235
Effect of exchange rates on cash		206,819	(185,049)
Net increase in cash and cash equivalents		197,284	1,216,035
Cash and cash equivalents at the beginning of the year		1,325,751	109,716
Cash and cash equivalents at the end of the year		1,523,035	1,325,751

* For further information on the restatement, please refer to note 27 on page 91 of these financial statements

The accompanying accounting policies and notes on pages 69 to 91 form an integral part of these financial statements.

Statement of accounting policies

For the year ended 31 December 2021

General information

Predator Oil & Gas Holdings Plc (“the Company”) and its subsidiaries (together “the Group”) are engaged principally in the operation of an oil and gas development business in the Republic of Trinidad and Tobago and an exploration and appraisal portfolio in Ireland and Morocco. The Company’s ordinary shares are on the Official List of the UK Listing Authority in the standard listing section of the London Stock Exchange.

Predator Oil & Gas Holdings plc was incorporated in 2017 as a public limited company under Companies (Jersey) Law 1991 with registered number 125419. It is domiciled and registered at IFC5, 3rd Floor, Castle Street, St Helier, Jersey, JE2 3BY from 28 February 2022.

Basis of preparation and going concern assessment

The principal accounting policies adopted in the preparation of the financial information are set out below. The policies have been consistently applied throughout the current year and prior year, unless otherwise stated. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies (Jersey) Law, 1991 applicable to companies preparing their accounts under IFRS. The Company has adopted the exemption under Companies (Jersey) Law 1991 Article 105 (11) not to prepare separate accounts.

The consolidated financial statements incorporate the results of Predator Oil & Gas Holdings Plc and its subsidiary undertakings as at 31 December 2021.

The financial statements are prepared under the historical cost convention on a going concern basis. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognised in assets, are eliminated in full. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The preparation of the financial statements requires an assessment on the validity of the going concern assumption. At the date of these financial statements the Directors expect that the Group will require further funding for the Group’s longer term corporate overheads; an award of either or both of the Group’s successor authorisations in the Republic of Ireland; the execution of a discretionary drilling programme in the Guercif Licence in Morocco and entry into the First Extension Period of the Guercif Petroleum Agreement; and for the development of new CO2 EOR projects in the Republic of Trinidad and Tobago for which there are currently no commitments to finance. The Directors are confident that existing funds are adequate to meet the Group’s firm commitments over the next 18 months allowing for a reduction of the Group’s corporate overheads to conserve cash if and when required. The Directors are confident, based on their previous track record, that the Group will be able to raise further funds as it considers appropriate to meet requirements for discretionary work programme options and ensuing commitments if exercised over the next 24 months, in cash, joint venture or farminee partner equity, share issue, debt finance or otherwise. Failing the success of the fund-raising activities the Directors will be prepared not to enter into any discretionary work programmes or new commitments and liabilities. Under these circumstances the Directors would continue to focus on the return of the US\$1,500,000 bank guarantee in favour of ONHYM in respect of the Initial Period of the Guercif Petroleum Agreement and on amicably resolving the dispute with FRAM Exploration Trinidad Ltd. whereby the Group can potentially receive value for its investment in the Inniss-Trinity pilot CO2 EOR Project and its loan advanced to Fram Exploration Trinidad Ltd.

Change in Accounting Policies

At the date of approval of these financial statements, certain new standards, amendments and interpretations have been published by the International Accounting Standards Board but are not as yet effective and have not been adopted early by the Group. All relevant standards, amendments and interpretations will be adopted in the Group's accounting policies in the first period beginning on or after the effective date of the relevant pronouncement.

At the date of authorisation of these financial statements, a number of Standards and Interpretations were in issue but were not yet effective. The Directors do not anticipate that the adoption of these standards and interpretations, or any of the amendments made to existing standards as a result of the annual improvements cycle, will have a material effect on the financial statements in the year of initial application.

Standards and amendments to existing standards effective 1 January 2022

- Amendment to IFRS 16 Leases – COVID-19 related rent concessions Extension of the practical expedient
- Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 – Annual Improvements to IFRS Standards 2018-2020
- Amendments to IAS 1 - Presentation of financial statements on classification of liabilities
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction
- Amendment to IFRS 17 - Insurance contracts

New Standards, amendments and interpretations effective after 1 January 2020 and have not been early adopted

The Group does not believe that the standards not yet effective, will have a material impact on the consolidated financial statements.

Areas of estimates and judgement

The preparation of the group financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The Group commenced operations in 2018 and did not enter into material operational transactions requiring significant estimates and assumptions to be effected in preparation of financial statements for the reporting period. The critical accounting estimates and judgements made are in line with those made in the audited financial statements for the year ended 31 December 2018, with the exception of IFRS 6 - Exploration and evaluation costs of mineral resources being introduced in this year. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial year are discussed below:

- (a) Going Concern and Inter-company loan recovery

The Group's cash flow projections indicate that the Group should have sufficient resources to continue as a going concern.

The recoverability of the inter-company loans advanced by the Company to subsidiaries depends also on the subsidiaries realising their cash flow projections. In the case of Predator Oil & Gas Trinidad Ltd. ("POGT") this cannot now be achieved through profits from production revenues from the Inniss-Trinity CO2 EOR Project, which was unilaterally terminated for no reason by FRAM Exploration Trinidad Ltd. in breach of the terms of the Inniss-Trinity Well Participation Agreement.

Predator Oil and Gas Holdings Plc

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In the case of Predator Gas Ventures Ltd., recovery of inter-company loans is dependent on the Guercif drilling programme (executed in 2021 and with discretionary follow-up drilling proposed for 2022) successfully recovering commercial quantities of gas that can be developed and brought to market based on a pilot Compressed Natural Gas development option. The Moroccan industrial gas market is commercially attractive and even relatively low volumes of discovered gas at a scoping production rate of 5 mm cfgpd (or even less with the rise in oil and gas commodity prices) are very likely to be economic taking into account also Morocco's benign petroleum tax regime. MOU-1 successfully encountered gas and was suspended and completed for rigless testing in 2022. Until gas test rates are confirmed the commerciality of the well cannot be determined. The Company has appointed SLR Consulting Ireland Ltd. to update the Company's Moroccan CPR and it is likely its gas resources attributed to the MOU-1 drilling target will be re-categorised as Contingent Resources pending development from the pre-drill status of Prospective Resources. Re-categorising the gas resources will potentially assist with a partial sale of equity in the discovered gas to fund a pilot CNG development.

In the case of Predator Oil and Gas Ventures Ltd. and Mag Mell Energy Ireland Ltd., the quantum of inter-company loans remain relatively small and no substantive non-discretionary expenditures are anticipated going forward. The change in business strategy to focus on an FSRU LNG gas import option and gas storage is timely. The Directors believe that the business strategy for Ireland, focussed on security of energy supply and gas, is attractive to potential joint venture partners and investors in gas infrastructure. This is demonstrated by the execution at the end of the year under review of a collaboration agreement in the area of gas marketing with one of Ireland's leading company's in the field of the marketing of petroleum products. The Company believes that given its unique position in Ireland as having the potential to realise a diverse portfolio of gas assets covering LNG import, gas storage, gas field development and gas exploration gives it the opportunity to promote a number of different business development options to include commercial propositions that would recover the modest level of investment in its projects represented by the inter-company loans. All of the Company's projects are being actively reviewed by the Irish regulatory authorities.

Management have also assessed that the carrying value and recoverability of the investment, including inter-company receivables, is ultimately dependent on the carrying value of the underlying assets of the Group. Further evidence of its realisable value can also be obtained by reference to the market capitalisation of the Group on the London Stock exchange at the date of this report which can be used as a guide and to provide further assurance of its carrying value subsequent to the year end.

b) Recoverability of Loan

The Group entered into an agreement (the "Loan Agreement") with FRAM Exploration Trinidad Ltd. ("FRAM"), a wholly owned subsidiary of Challenger Energy Group Plc, who are listed on AIM.

Since the unilateral termination for no reason by FRAM of the Inniss-Trinity CO2 EOR Project in breach of the terms of the Inniss-Trinity Well Participation Agreement, the Directors have sought to engage with FRAM to seek to settle the dispute. The Directors are of the opinion that there is a willingness on the part of FRAM Exploration Trinidad Ltd. to find a mechanism to amicably settle the dispute. The Directors do not believe that this will result in a cash settlement in favour of the Company but rather a settlement in kind involving the acquisition of an asset and/or the creation of a business opportunity that would have a resulting value that could be offset to eliminate the liabilities created by FRAM Exploration Trinidad Ltd. under the Well Participation Agreement, which has not been formally terminated. Until commercial negotiations are either successfully or unsuccessfully concluded the Directors are of the opinion that the investment made by POGT in the Inniss-Trinity CO2 EOR Project may be recoverable in some form.

On 7 June 2022 the Company announced an update on the Company's position with regard to the loan receivable (the "FRAM Loan") from FRAM Exploration Trinidad Ltd. ("FRAM"), a wholly owned subsidiary of Challenger Energy Group Plc ("Challenger"), in respect of the Inniss-Trinity CO2 EOR Project (the "CO2 EOR Project"). The CO2 EOR Project was prematurely and unilaterally terminated by Challenger on 1 August 2021.

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In the absence of receiving a response to the Company's correspondence to Challenger dated 23 March 2022, and subsequent follow-up correspondence proposing the terms for a potential commercial settlement, receipt of which was acknowledged by Challenger, and in the light of FRAM and Challenger's refusal in writing to comply with a request for information from the Company via its auditors that was necessary for its financial reporting of the FRAM Loan, the Company has elected to initiate a legal process to initially prioritise the recovery of the FRAM Loan.

Pending the outcome of commercial negotiations with FRAM Management to settle the dispute management have concluded that there is no impairment required at the reporting date. Should negotiations not reach a satisfactory conclusion for the Company then management consider that the FRAM Loan cannot be recovered and an impairment of £591,065 would be required.

The Company notes the Challenger RNS dated 8 June 2022 but does not accept its conclusions. The Company will not elaborate further at this time so as not to prejudice any future legal process

c) Share based payments

The Group has applied the requirements of IFRS 2 Share-based Payment for all grants of equity instruments.

The Group operates an equity settled share option scheme for directors. The increase in equity is measured by reference to the fair value of equity instruments at the date of grant. The liabilities assumed under these arrangements into shares in the parent company, under an option arrangement. The fair value of the service received in exchange for the grant of options and warrants is recognised as an expense. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of equity-settled share-based payment is expensed on a graded vesting basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

During the year the Company issued warrants in lieu of fees to stockbrokers. The warrant agreements do not contain vesting conditions and therefore the full share-based payment charge, being the fair value of the warrants using the Black-Scholes model, has been recorded immediately. The charge is recognised within the statement of changes in equity. The valuation of these warrants involves making a number of estimates relating to price volatility, future dividend yields and continuous growth rates (see Note 20).

The fair value of the share options is estimated by using the Black Scholes model on the date of grant based on certain assumptions. Those assumptions are described in note 20 and include, among others, the expected volatility and expected life of the options. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability exercise restrictions and behavioural considerations. The market price used in the model is the issue price of the Company's shares at the last placement of shares immediately preceding the calculation date. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons or entities other than staff, the fair value of goods and services received is charged to profit or loss, except where it is in respect to costs associated with the issue of shares, in which case, it is charged to the share premium account.

The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitation of the calculations used. Further details of the specific amounts concerned are given in note 20.

d) Intangible assets - Project Guercif

All expenditure relating to oil and gas activities is capitalised in accordance with the "successful efforts" method of accounting, as described in IFRS 6 - "Exploration for and Evaluation of Mineral Resources". Under this standard, the Group's exploration and appraisal activities are capitalised as intangible assets.

The direct costs of exploration and appraisal are initially capitalised as intangible assets, pending determination of the existence of commercial reserves in the licence area. Such costs are classified as intangible assets based on the nature of the underlying asset, which does not yet have any proven physical substance. Exploration and

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appraisal costs are held, un-depreciated, until such a time as the exploration phase on the licence area is complete or commercial reserves have been discovered.

If no commercial reserves exist, then that particular exploration/appraisal effort was “unsuccessful” and the costs are written off to the income statement in the period in which the evaluation is made. The success or failure of each exploration/appraisal effort is judged on a field-by-field basis.

Net proceeds from any disposal of an exploration asset are initially credited against the previously capitalised costs. Any surplus proceeds are credited to the income statement. Net proceeds from any disposal of exploration assets are credited against the previously capitalised cost. A gain or loss on disposal of an exploration asset is recognised in the income statement to the extent that the net proceeds exceed or are less than the appropriate portion of the net capitalised costs of the asset.

Upon commencement of production, capitalised costs will be amortised on a unit of production basis which is calculated to write off the expected cost of each asset over its life in line with the depletion of proved and probable reserves.

The Directors have assessed the value of Project Guercif and consider that the fair value of the exploration asset is equal to the consideration paid to date.

Basis of consolidation

Where the Group has control over an investee, it is classified as a subsidiary. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full. Uniform accounting policies are applied across the Group.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquirer's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Financial assets

The Financial assets currently held by the Group and Company are classified as loans and receivables and cash and cash equivalents. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

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Cash and cash equivalents

These amounts comprise cash on hand and balances with banks. Cash equivalents are short term, highly liquid accounts that are readily converted to known amounts of cash. They include short-term bank deposits and short-term investments.

Any cash or bank balances that are subject to any restrictive conditions, such as cash held in escrow pending the conclusion of conditions precedent to completion of a contract, are disclosed separately as "Restricted cash". The security deposit is recognised within trade and other receivables in note 13.

There is no significant difference between the carrying value and fair value of receivables.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or it transfers the asset and substantially all the risk and rewards of ownership of the asset to another entity.

Financial liabilities

The Group's financial liabilities consist of trade and other payables (including short terms loans) and long term secured borrowings. These are initially recognised at fair value and subsequently carried at amortised cost, using the effective interest method. All interest and other borrowing costs incurred in connection with the above are expensed as incurred and reported as part of financing costs in profit or loss. Where any liability carries a right to convertibility into shares in the Group, the fair value of the equity and liability portions of the liability is determined at the date that the convertible instrument is issued, by use of appropriate discount factors.

Derecognition

The Group derecognises a financial liability when the obligations are discharged, cancelled or they expire.

Foreign currency

The parent company raises funds and most of its expenses paid are in in British Pound Sterling. The same applies to its subsidiaries, where most of its expenses paid are also in British Pound Sterling. This results in the functional currency of the Group and all of its subsidiaries being the British Pound Sterling. The Group's financial statements are therefore prepared in British Pound Sterling.

Transactions entered into by the Group entities in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the date of the statement of financial position. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation.

The exchange rates applied at each reporting date were as follows:

31 December 2021	£1: US\$1.3846 and £1: Euro1.1633
31 December 2020	£1: US\$1.3642 and £1: Euro1.1089

Investments in subsidiaries

The Group's investment in its subsidiaries are recorded at cost.

Plant and equipment

The only assets the Group currently has are personal computers.

Depreciation is provided on equipment so as to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Computer equipment	20% per annum, straight line
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Share options and Equity Instruments

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period. Where equity instruments are granted to persons other than consultants, the fair value of goods and services received is charged to profit or loss, except where it is in respect to costs associated with the issue of shares, in which case, it is charged to the share capital or share premium account.

Taxation

The Company and all subsidiaries ('the Group') are registered in Jersey, Channel Islands and are taxed at the Jersey company standard rate of 0%. However, the Group's projects are situated in jurisdictions where taxation may become applicable to local operations.

The major components of income tax on the profit or loss include current and deferred tax.

Current tax

Current tax is based on the profit or loss adjusted for items that are non-assessable or disallowed and is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Tax is charged or credited to the statement of comprehensive income, except when the tax relates to items credited or charged directly to equity, in which case the tax is also dealt with in equity.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs to its tax base, except for differences arising on:

- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the differences will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when deferred tax liabilities/ (assets) are settled/ (recovered). Deferred tax balances are not discounted.

The Group currently does not hold any deferred tax asset or liability.

Notes to the financial statements

For the year ended 31 December 2021

1 Segmental analysis

The Group operates in one business segment, the exploration, appraisal and development of oil and gas assets. The Group has interests in three geographical segments being Africa (Morocco), Europe (Ireland) and the Caribbean (Trinidad and Tobago).

The Group's operations are reviewed by the Board (which is considered to be the Chief Operating Decision Maker ('CODM')) and split between oil and gas exploration and development and administration and corporate costs.

Exploration and development are reported to the CODM only on the basis of those costs incurred directly on projects.

Administration and corporate costs are further reviewed on the basis of spend across the Group.

Decisions are made about where to allocate cash resources based on the status of each project and according to the Group's strategy to develop the projects. Each project, if taken into commercial development, has the potential to be a separate operating segment. Operating segments are disclosed below on the basis of the split between exploration and development and administration and corporate.

Year ended 31 December 2021	Europe £'000	Caribbean £'000	Africa £'000	Corporate £'000
Gross loss				
Administrative and overhead expenses	(150)	(141)	(266)	(841)
Share options and warrant expense	-	-	-	-
Finance expense	-	-	-	-
Loss for the year from continuing operations	(150)	(141)	(266)	(841)
Total reportable segment intangible assets	-	-	2,687	-
Total reportable segment non-current assets	-	-	-	6
Total reportable segment current assets	4	595	1,173	1,488
Total reportable segment assets	4	595	3,860	1,494
Total reportable segment liabilities	(10)	(9)	(81)	(145)
Year ended 31 December 2020 *(restated)	Europe £'000	Caribbean £'000	Africa £'000	Corporate £'000
Gross Loss				
Administrative and overhead expenses	(128)	(187)	(235)	(814)
Share options and warrant expense	-	-	-	-
Finance expense	-	-	-	(225)
Loss for the year from continuing operations	(128)	(187)	(235)	(1,039)
Total reportable segment non-current assets	-	-	-	6
Total reportable segment current assets	2	512	1,108	1,282
Total reportable segment assets	2	512	1,108	1,288
Total reportable segment liabilities	(1)	(14)	(3)	(65)

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	2021	2020
	Group	Group
	£'000	£'000
2		(restated)*
Group loss from operations		
Operating loss is stated after charging/(crediting):		
Auditors' remuneration (note 3)	28	23
Depreciation	2	2
Share option expense	-	-
Foreign exchange (gain)/loss	(14)	105
	2021	2020
	Group	Group
	£'000	£'000
3		
Auditors remuneration		
Audit of the accounts of the Group	28	23
	28	23
	2021	2020
	Group	Group
	£'000	£'000
4		(restated)*
Administration expenses		
Administration fees	85	81
Design, publishing, presentation and printing fees	1	15
Audit fee	28	23
Annual return fee	1	1
Non-executive director fees	90	74
Share based payments - options	76	102
Share based payments - warrants	24	-
Insurance	59	11
Legal and professional fees	52	86
Listing costs	303	155
Website costs	4	3
Directors' fees	229	161
Technical Consultancy fees	360	286
Project costs	-	150
Travel expenses	41	37
Computer/system costs/IT support	4	23
Bank charges	49	42
Depreciation	2	2
Sundry expenses	4	1
Foreign exchange	(14)	105
Formation costs	-	3
Accountancy fees	-	3
	1,399	1,364

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5 Finance costs	2021 Group £'000	2020 Group £'000
Loan interest paid	-	17
Loan redemption fees	-	112
Amortisation of transaction costs	-	96
	-	225

6 Group taxation	2021 Group £'000	2020 Group £'000
Loss on ordinary activities before tax	(1,399)	(1,589)
Loss on ordinary activities at Jersey standard 0% tax (2020: 0%)	-	-
Tax charge for the year	-	-

No charge to taxation arises due to the losses incurred.

Predator Gas Ventures Limited is subject to tax in its operating jurisdiction of Morocco, however, the Company is loss making and has no taxable profits to date.

No deferred tax asset has been recognised on accumulated tax losses because of uncertainty over the timing of future taxable profits against which the losses may be offset.

7 Personnel	2021 Group £'000	2020 Group £'000
Executive and non-executive directors including bonuses	546	521
Share option scheme	90	102
	636	623

The average number of personnel (including directors) during the year was:

Management - (Executive directors)	2	2
Non-management - (Non-executive directors)	2	2
	4	4

Four Directors at the end of the period have share options receivable under long term incentive schemes. The highest paid Director received an amount of £229,850 (2020: £178,200). The Group does not have employees. All personnel are engaged as service providers.

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8 Earnings per share	2021 Group	2020 Group (restated)*
Weighted average number of shares	266,433,024	209,959,715
Loss for the year (£'000)	(1,280)	(1,589)
Earnings per share basic and diluted (pence)	(0.5)	(0.8)

Dilutive loss per Ordinary Share equals basic loss per Ordinary Share as, due to the losses incurred in 2021 and 2020, there is no dilutive effect from the subsisting share options.

9 Loss for the financial year

The Group has adopted the exemption in terms of Companies (Jersey) law 1991 and has not presented its own income statement in these financial statements.

10 Intangible asset	Project Guercif	£
Gross carrying amount		
Balance at 1 January 2021	-	-
Additions, separately acquired	2,687,026	2,687,026
At 31 December 2021	2,687,026	2,687,026
Depreciation and impairment		
Balance at 1 January 2021	-	-
Depreciation	-	-
Balance at 31 December 2021	-	-
Carrying amount at 31 December 2021	2,687,026	2,687,026

On 18 March 2021, the Company announced scoping and development and operating costs for a pilot Compressed Natural Gas ("CNG") Project at Guercif in Morocco based on a 10mm cfpd profile for 10 years, with net capital costs to the Company of £8.2 to £8.6 million.

The Directors confirmed that on the 20 June 2021, MOU-1 well was spudded at 01:00 hours with drilling ahead in progress to the first planned 133/8" casing point. The well is forecast to take up to 20 days to drill and to run wireline logs.

The Directors announced on 6 July 2021 the completion of the drilling of MOU-1, which is operated in a joint venture with the Office National des Hydrocarbures et des Mines ("ONHYM") acting on behalf of the State (25%) on schedule and within pre-drill budget estimates. On the basis of the occurrence of formation gas shows at several levels and the results of the wireline logging programme the well was suspended and completed for future rigless well testing.

All costs relating to Project Guercif have been capitalised and will be depreciated once gas discovery is declared commercial and a Plan of Development has been approved.

- The Directors have undertaken an assessment of the following areas and circumstances that could indicate the existence of impairment:
The Group's right to explore in an area has expired, or will expire in the near future without renewal;
- No further exploration or evaluation is planned or budgeted for;
- A decision has been taken by the Board to discontinue exploration and evaluation in an area due to the absence of a commercial level of reserves; or
- Sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

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Following their assessment, the Directors concluded that no impairment charge was required at 31 December 2021.

	£
11 Property, plant and equipment	
Cost	
At 31 December 2020	8,551
Additions	2,630
At 31 December 2021	11,181
Amortisation	
At 31 December 2020	2,959
Charge for the year	2,338
At 31 December 2021	5,297
Carrying amount	
At 31 December 2020	5,592
At 31 December 2021	5,884

	2021 Group £'000	2020 Group £'000
12 Investment in subsidiaries		
Cost at the beginning of the year	537	537
Additions	-	-
Disposals	-	-
	537	537

The principal subsidiaries of Predator Oil and Gas Holdings Plc, all of which are included in these consolidated Annual Financial Statements, are as follows:

	Country of registration	Class	Proportion held by Group	Nature of business
Predator Oil and Gas Ventures Limited	Jersey	Ordinary	100%	Licence options in offshore Ireland
Predator Oil and Gas Trinidad Limited	Jersey	Ordinary	100%	Profit rights for production revenues from a CO2 enhanced oil recovery project
Predator Gas Ventures Limited	Jersey	Ordinary	100%	Exploration licence onshore Morocco

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Mag Mell Energy Ireland Ltd (Formerly Predator LNG Ireland Limited)	Jersey	Ordinary	100%	Licence application to import liquified natural gas
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Since 28 February 2022, the registered address of all of the Group's companies is at 3rd Floor, IFC5, Castle Street, St Helier, JE2 3BY, Channel Islands. The previous registered address was 3rd Floor, Standard Bank House, 47-49 La Motte Street, Jersey, JE2 4SZ, Channel Islands.

	2021	2020
	Group	Group
	£'000	£'000
13 Trade and other receivables		
Current		
Loans receivable	591	468
Security deposit (US\$1,500,000)	1,111	1,100
Prepayments and other debtors	35	10
	1,737	1,578

Loans receivable relates to a loan of £591,065 effected to FRAM Exploration Trinidad Limited ('FRAM') in respect of the CO2 EOR project comprising USD360,096 advanced as cash and USD402,120 and GBP26,461 advanced as equipment. The loans are denominated in both US Dollars and British Pound Sterling, which are unsecured, interest free and repayable at the discretion of Predator Oil & Gas Trinidad Limited provided not less than one week's notice is given. The CO2 EOR project has been unilaterally terminated by FRAM in breach of the Well Participation Agreement with FRAM dated 17 November 2017. Pending the outcome of commercial negotiations to settle the dispute with FRAM the aforesaid loan may or may not be recovered.

A security deposit of \$1,500,000 is held by Barclays Bank in respect of a guarantee provided to Office National des Hydrocarbures et des Mines (ONHYM) as a condition of being granted the Guercif exploration licence. These funds are refundable on the completion of the Minimum Work Programme set out in the terms of the Guercif Petroleum Agreement and Association Contract.

Prepayments in are in respect of amounts paid in advance to the Financial Conduct Authority, media service providers and an insurance premium.

There are no material differences between the fair value of trade and other receivables and their carrying value at the year end.

Further information on the loans receivable from FRAM has been disclosed on note 25.

	2021	2020
	Group	Group
	£'000	£'000
14 Cash and cash equivalents		
Royal Bank of Scotland International Limited	1,481	1,317
Barclays Bank Plc	2	9
Société Générale	40	-
	1,523	1,326

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	2021	2020
	Group	Group
	£'000	£'000
15 Trade and other payables		
Current		
Trade payables	245	83
	245	83

All payables are required to be settled within 30 days.

16 Financial instruments – risk management

Details of the significant accounting policies in respect of financial instruments are disclosed on pages 70 to 73. The Group's financial instruments comprise cash and items arising directly from its operations such as other receivables, trade payables and loans.

Financial risk management

The Board seeks to minimise its exposure to financial risk by reviewing and agreeing policies for managing each financial risk and monitoring them on a regular basis. No formal policies have been put in place in order to hedge the Group's activities to the exposure to currency risk or interest risk; however, the Board will consider this periodically.

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Market risk (includes cash flow interest rate risk and foreign currency risk)
- Liquidity risk

The policy for each of the above risks is described in more detail below.

The principal financial instruments used by the Group, from which financial instruments risk arises are as follows:

- Receivables
- Cash and cash equivalents
- Trade and other payables (excluding other taxes and social security)
- Loans: payable within one year and payable in more than one year

The table below sets out the carrying value of all financial instruments by category and where applicable shows the valuation level used to determine the fair value at each reporting date. The fair value of all financial assets and financial liabilities is not materially different to the book value.

	2021	2020
	£'000	£'000
Cash and trade receivables		
Cash and cash equivalents	1,523	1,326
Trade and other receivables	1,737	1,578
Other liabilities		
Trade and other payables (excluding short term loans)	245	83

Credit risk

Financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of cash, short-term deposits and other receivables. Cash balances are all held at recognised financial institutions. Other receivables are presented net of allowances for doubtful receivables. Other receivables currently form an insignificant part of the Group's business and therefore the credit risks associated with them are also insignificant to the Group as a whole.

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The Group has a credit risk in respect of inter-company loans to subsidiaries. The Company is owed £6,015,001 by its subsidiaries. The recoverability of these balances is dependent on the commercial viability of the exploration activities undertaken by the respective subsidiary companies. The credit risk of these loans is managed as the directors constantly monitor and assess the viability and quality of the respective subsidiary's investments in intangible oil & gas assets.

Maximum to credit risk

The Group's maximum exposure to credit risk by category of financial instrument is shown in the table below:

	2021 carrying value £'000	2021 maximum exposure £'000	2020 carrying value £'000	2020 maximum exposure £'000
Cash and cash equivalents	1,523	4,009	1,326	3,327
Receivables	1,737	1,737	1,578	1,578

The holding company's maximum exposure to credit risk by class of financial instrument is shown in the table below:

	2021 carrying value £'000	2021 maximum exposure £'000	2020 carrying value £'000	2020 maximum exposure £'000
Cash and cash equivalents	1,473	3,893	1,271	3,272
Receivables	1,737	1,737	1,578	1,578
Loans to Group Companies	5,819	5,819	2,507	2,507

Market risk

Cash flow interest rate risk

The Group has adopted a non-speculative policy on managing interest rate risk. Only approved financial institutions with sound capital bases are used to borrow funds and for the investments of surplus funds.

The Group seeks to obtain a favourable interest rate on its cash balances through the use of bank deposits. The Group's bank did not pay interest on cash balances during the year, therefore the Group is not currently affected by interest rate changes. At 31 December 2021, the Group had a cash balance of £1.523 million (2020: £1.326 million) which was made up as follows:

	2021 £'000	2020 £'000
Sterling	848	165
United States Dollar	632	1,161
Euro	3	-
Moroccan dirham	40	-
	1,523	1,326

The Group had no interest bearing debts at the year end (2020: £nil).

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Foreign currency risk

Foreign exchange risk is inherent in the Group's activities and is accepted as such. The majority of the Group's expenses are denominated in Sterling and therefore foreign currency exchange risk arises where any balance is held, or costs incurred, in currencies other than Sterling. At 31 December 2021 and 31 December 2020, the currency exposure of the Group was as follows:

	Sterling £'000	US Dollar £'000	Other £'000	Total £'000
at 31 December 2021				
Cash and cash equivalents	848	632	43	1,523
Trade and other receivables	1,173	565	-	1,737
Trade and other payables	163	43	38	245
at 31 December 2020				
Cash and cash equivalents	165	1,161	-	1,326
Trade and other receivables	13	1,565	-	1,578
Trade and other payables	83	-	-	83

Liquidity risk

Any borrowing facilities are negotiated with approved financial institutions at acceptable interest rates. All assets and liabilities are at fixed and floating interest rate. The Group seeks to manage its financial risk to ensure that sufficient liquidity is available to meet the foreseeable needs both in the short and long term. See also references to Going Concern disclosures in the Strategic Report.

Capital

The objective of the directors is to maximise shareholder returns and minimise risks by keeping a reasonable balance between debt and equity. At 31 December 2021 the Group had no debt (2020: £nil).

17	Share capital	Number of shares	Nominal value
Issued and fully paid			
	Opening Balance	239,678,517	6,832,564
	15 March 2021		
	Warrant option exercised	267,750	7,497
	26 March 2021		
	Share issue	5,215,155	547,591
	18 June 2021		
	Share issue	11,784,845	1,237,409
	18 June 2021		
	Share issue	10,000,000	1,500,000
	4 August 2021		
	Share issue	26,000,000	1,300,000
		292,946,267	11,425,061

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18 Non-Current Liability	2021 Group £'000	2020 Group £'000
Arato Global Opportunities LLC		
Brought forward	-	918
Redemptions	-	(1,015)
Amortisation of transaction costs	-	97
	-	-

The Company entered into a Convertible Loan Note Instrument with Arato Global Opportunities LLC on 15 February 2019 for £1,500,000, the nominal amount of each note was £1.00 and could be increased to £1,750,000. The notes were converted at 105% in multiples of £50,000 as a conversion price per ordinary share being 90% of the VWAC for the 2 trading days preceding the conversion, and to the extent not already redeemed or converted were to be redeemed in full the earlier of 15 February 2021 or in the event of default.

The loan notes carried no coupon, and were repayable at a premium of 5%. A fee of 10% of the principal amount applied if the loan notes were not converted into equity prior to 15 February 2021. The lender was issued with 2,083,333 warrants at an exercise price of 12p with a vesting period of two years. Novum Securities Limited, the arranger of the convertible loan notes, was issued with 2,000,000 in warrants on the same terms.

The fair value of the 4,083,333 warrants were determined at £81,384.

Novum Securities Limited was paid a £90,000 placement fee in for the Convertible Loan Note Instrument. The total transaction cost of £171,384 was accounted for in terms of IFRS9 was offset against the carrying value of the Convertible Loan Note and amortised according to the effective interest rate method giving rise to a £96,594 charge to the income statement during the year.

During the previous year loan notes with a value of £269,000 were converted to shares. The remaining balance of the loan of £746,000 was repaid on 15 May 2020.

19 Other reserves

Share based payments reserve	2021 Group £'000	2020 Group £'000 (restated)*
Balance brought forward	459	256
Issue of warrants	171	101
Extension of warrants exercise date	24	-
Fair value movement of share options	76	102
Balance carried forward	730	459

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	2021	2020
	Group	Group
	£'000	£'000
		(restated)*
Warrants issuance cost reserve		
Balance brought forward	(209)	(108)
Issue of warrants	(171)	(101)
Exercised warrants at fair value	3	-
Balance carried forward	(377)	(209)

20 Share based payments

	2021	2020
	£'000	£'000
		(restated)*
Warrant and share option expense		
Warrant and share option expense:		
- in respect of remuneration contracts	76	102
- in respect of financing arrangements	-	-
	76	102

Share Options

The Group operates a share option plan for directors. Details of share options granted are noted below:

On 24 May 2018 both Paul Griffiths and Ron Pilbeam were granted share options each of 4,005,486 exercisable at £0.028 each and Steve Staley and Sarah Cope were granted share options each of 1,001,370 exercisable at £0.028 each. The options are subject to the following vesting conditions:

1/3 of the option shares 3,337,904 on gross production from the wells drilled under the Well Participation Agreement Predator Oil and Gas Ventures Limited and FRAM Exploration Trinidad Limited of 50 BOPD (measured over a consecutive 30 day period)

1/3 of the option shares 3,337,904 on incremental total gross production from wells for which the Company receives revenues of 1,000 BOPD (measured over a consecutive 30 day period)

Each option shall lapse 5 years after the date on which it vests, assuming it is not exercised before then and no event occurs to cause it to lapse early.

On 27 October 2020 both Paul Griffiths and Ron Pilbeam were granted share options each of 3,850,000 exercisable at £0.05 each and Steve Staley and Louis Castro were granted share options each of 1,650,000 exercisable at £0.05 each.

In February 2021 vesting requirements for all options held by Executive Directors Paul Griffiths and Ronald Pilbeam became subject to any one of certain targets being reached as follows:

Injection/sequestration of 600MT Liquid CO2 has been achieved for the CO2 EOR Pilot Project under the Well Participation Agreement between Predator Oil & Gas Trinidad Ltd and FRAM Exploration Trinidad Ltd dated 17 November 2017 and as amended from time to time; OR

A production test at AT-5X has flowed first oil; OR

An average daily increase of 75% in oil production at AT-12 has been achieved over a consecutive period of 30 days when measured against historical AT-12 production over the period 1 January to 30 April 2020 immediately prior to the commencement of CO2 injection in the AT-4 Block on 18 May 2020.

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Vesting requirements for Non-executive Directors Steve Staley and Louis Castro are subject to the expiration of six months from the date of grant.

The Board is not planning to consider any other components of director remuneration during the year under review.

The Black Scholes model has been used to fair value the options, the inputs into the model were as follows:

Grant date	2018	2020
Share price	£0.028	£0.0325
Exercise price	£0.028	£0.050
Term	5 years	7 years
Expected volatility	400%	400%
Expected dividend yield	0%	0%
Risk free rate	0.80%	-0.09%
Fair value per option	£0.028	£0.0325
Total fair value of the options	£280,382	£357,500

During the year, the Company cancelled all share options issued to Ron Pilbeam at the time of his resignation, which resulted in the removal of future share option costs from the date of resignation. The total share option reserve in respect of 2021 is £75,533 (2020: £101,973).

Warrants

During the year, the Company has granted the below warrants to Novum Securities Limited ("Novum"):

- On 12 March 2021, 1,020,000 warrants were granted to Novum, which were based on 6% of the total share placing of 17,000,000 shares. The Warrant initially had an expiry date of 12 March 2024, however, Novum has requested that the expiry date be extended by a further year to 12 March 2025;
- On 18 June 2021, 600,000 warrants were granted to Novum, which were based on 6% of the total share placing of 10,000,000 shares. The Warrant initially had an expiry date of 18 June 2024, however, Novum has requested that the expiry date be extended by a further year to 18 June 2025;

As at the year ended 31 December 2021, the total number of warrants in issue at are:

1. On 24 May 2018 2,321,428 warrants were issued exercisable at 2.8p with an initial expiry date of 24 May 2021, with an option to extend the expiry date. As at 31 December 2021, 267,750 warrants have been exercised, with the outstanding exercisable warrants total being 2,053,678, which had their expiry date extended by one year to 24 May 2022.
2. On 15 February 2019 4,083,333 warrants were issued exercisable at 12p with an initial expiry date of 15 February 2021, with an option to extend the expiry date by one year. Of the total, 2,083,333 warrants were issued to Arato Global Opportunities LLP and expired on 15 February 2021 as the option to extend was not actioned. The exercise date on the remainder 2,000,000 warrants issued to Novum Securities Ltd was extended by one year to 15 February 2022 and as at 31 December 2021 remain outstanding.
3. On 17 February 2020 4,450,000 warrants were issued exercisable at 4p with an initial expiry date of 27 February 2023. Of the total, 1,875,000 warrants were issued to Optiva Securities Limited and the remainder 2,575,000 warrants were issued to Novum Securities Limited. As at 31 December 2021, no warrants have been exercised, with the outstanding exercisable warrants total being 4,450,000.
4. On 12 March 2021 1,020,000 warrants were issued to Novum Securities Limited exercisable at 10.5p with an initial expiry date of 12 March 2024, which was extended by a further year to 12 March 2025, following a request by the holders, which was approved by the Directors. As at 31 December 2021, no warrants have been exercised, with the outstanding exercisable warrants total being 1,020,000.

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5. On 18 June 2021 600,000 warrants were issued to Novum Securities Limited exercisable at 15p with an initial expiry date of 18 June 2024, which was extended by a further year to 18 June 2025, following a request by the holders, which was approved by the Directors. As at 31 December 2021, no warrants have been exercised, with the outstanding exercisable warrants total being 600,000.

The total warrant agreements for the aforesaid 1,620,000 warrants issued on 11 March 2021 and 18 June 2021 do not contain vesting conditions and therefore the full share based payment charge, being the fair value of the warrants using the Black-Scholes model, has been recorded immediately.

The valuation of these warrants involves making a number of estimates relating to price volatility, future dividend yields and continuous growth rates.

The Black Scholes model has been used to fair value the options, the inputs into the model were as follows:

Grant date	12 March 2021	18 June 2021
Share price	£0.120	£0.158
Exercise price	£0.105	£0.150
Term	3 years	3 years
Expected volatility	80%	80%
Expected dividend yield	0%	0%
Risk free rate	0.25%	0.28%
Fair value per warrants	£0.093	£0.125
Total fair value of the warrants	£95,821	£75,140

In addition to the warrants fair value movement of £95,821 and £75,140, a further £24,366 (2020: £nil) was recognised in the total fair value movement for the year, reflecting the impact of the warrants extension mentioned on the above note.

21 Reserves

Details of the nature and purpose of each reserve within owners' equity are provided below:

- Share capital represents the nominal value each of the shares in issue.
- Share Based Payments Reserve are included in the Consolidated Statement of Changes in Equity and in the Consolidated Statement of Financial Position and represent the accumulated balance of share benefit charges recognised in respect of share options and warrants granted by the Company, less transfers to retained losses in respect of options exercised or lapsed.
- Warrants Issuance Cost Reserve are included in the Consolidated Statement of Changes in Equity and in the Consolidated Statement of Financial Position and represent the accumulated balance of charges recognised in respect of warrants granted by the Company less transfers to retained losses in respect of options exercised or lapsed.
- The Retained Deficit Reserve represents the cumulative net gains and losses recognised in the Group's statement of comprehensive income.
- The Reconstruction Reserve arose through the acquisition of Predator Oil & Gas Ventures Limited. This entity was under common control and therefore merger accounting was adopted.

22 Related party transactions

Directors and key management emoluments are disclosed note 7 and in the Remuneration report.

Further to note 7, as per the Company's announcement of 12 March 2021, in which Predator Oil & Gas Holdings Plc (PRD), the Jersey-based Oil and Gas Company with operations in Trinidad, Morocco and Ireland announced that it had raised £1,785,000 (before expenses) in a Placing conducted by the Company's broker Novum Securities Ltd, the Company provided the following update:

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The Company did not have sufficient headroom to enable the issue and admission of all of the 17,000,000 Placing Shares which are required to be issued pursuant to the Placing without the production of an FCA approved prospectus. The Company is therefore proposing to issue and admit 5,215,155 new ordinary shares (up to its existing headroom) (the Placing Shares) and for a director, Paul Griffiths, to make up the shortfall with a transfer of 11,784,845 existing shares held by him to Novum Securities.

When the Company has the ability to issue further shares the Company intends to issue Paul Griffiths 11,784,845 new Ordinary Shares and will take all necessary steps required in order to such shares and make the necessary listing and admission hearing applications. This will put Paul Griffiths back into the position that existed, in terms of his aggregate shareholding in the Company, had he not made the transfer of Ordinary Shares. For the avoidance of doubt the transfer of shares to Novum Securities Ltd from Paul Griffiths involves no consideration being paid to Paul Griffiths.

On 11 June 2021 the Company announced that it had the ability to issue headroom shares and accordingly would issue 11,784,845 new Ordinary Shares of no par value in the Company to Paul Griffiths.

23 Contingent liabilities and capital commitments

The Group had at the reporting date no capital commitments or contingent liabilities.

24 Litigation

The Group is not involved in any litigation, other than the litigation mentioned on note 25,

25 Events after the reporting date

On 31 January 2022, the Company issued a total of 8,855,486 share options exercisable at 5.66p per share to two Board members, Lonny Baumgardner (CFO) and Louis Castro (Non-executive Director). Lonny Baumgardner was awarded 7,855,486 and Louis Castro was awarded 1,000,000 options. Both options issued have a vested period of 6 months.

On 28 February 2022, the registered office of the Company changed to IFC5, 3rd Floor, Castle Street, St Helier, Jersey, JE2 3BY.

On 8 March 2022, the Company agreed to extend the below warrants exercise date, as shown below:

- The warrants issued on 15 February 2019 granting the right to subscribe in cash for 2,000,000 ordinary shares exercisable at a price per share equal to the subscription price (12p per share) is being amended to allow the exercise date of the warrants to be extended by one year to the fourth anniversary of the date of the Warrant Instrument.

- The warrants issued on 24 May 2018 granting the right to subscribe in cash for 2,053,678 ordinary shares exercisable at a price per share equal to the subscription price (2.8p per share) is being amended to allow the exercise date of the warrants to be extended by one year to the fifth anniversary of the date of the Warrant Instrument

- The warrants issued on 24 May 2018 granting the right to subscribe in cash for 160,714 ordinary shares exercisable at a price per share equal to the subscription price (2.8p per share) is being amended to allow the exercise date of the warrants to be extended by one year to the fifth anniversary of the date of the Warrant Instrument.

On 12 May 2022, the Company appointed both Tom Evans and Alistair Jury as Non-executive Directors. During the same meeting, it was noted that Louis Castro would be stepping down from the Board with effect from 31 May 2022.

7 June 2022

The Company announced an update on the Company's position with regard to the loan receivable (the "FRAM Loan") from FRAM Exploration Trinidad Ltd. ("FRAM"), a wholly owned subsidiary of Challenger Energy Group Plc ("Challenger"), in respect of the Inniss-Trinity CO2 EOR Project (the "CO2 EOR Project"). The CO2 EOR Project was prematurely and unilaterally terminated by Challenger on 1 August 2021.

In the absence of receiving a response to the Company's correspondence to Challenger dated 23 March 2022 and in the light of FRAM and Challenger refusal in writing to comply with a request for information from the Company via its auditors that was necessary for its financial reporting of the FRAM Loan, the Company has elected to initiate a litigation process.

The scope of the litigation process involves the Company seeking recompense in relation to the following matters:

1. The FRAM Loan outstanding to the Company of £591,065 as of 31 December 2021.
2. The Company is seeking full repayment of its project costs (the "Project Costs") invested in the CO2 EOR Project under the terms of the Inniss-Trinity Well Participation Agreement (the "WPA"), which remains in place.

Under the WPA the Company has invested the minimum required commitment of US\$1,500,000 (inclusive of the outstanding FRAM Loan).

3. The Company is seeking substantial consequential losses from Challenger under the WPA and arising from Challenger's failure to facilitate the execution of Phase 3 of the CO2 EOR Project as defined in the approved Inniss-Trinity CO2 EOR Project Proposal PRD25092019.

Based on an average WTI spot price of US\$100, the Company is attributing an undiscounted value to the potential 853,000 barrels of oil resources in the AT-4 Block to have potentially been developed under Phase 3 of the CO2 EOR Project of US\$30/barrel. The Company therefore determines that the potential claim for estimated consequential losses against Challenger, based on 50% of net profits under the WPA, could be up to US\$12,800,000 but may be revised upwards depending on forward oil price projections.

4. Phase 4 of the approved Inniss-Trinity CO2 EOR Project Proposal PRD25092019 allows for the application of the CO2 EOR Pilot learnings to be applied within new areas of the Inniss-Trinity field for upscaling CO2 EOR.

The SLR Consulting Ireland Ltd independent Competent Persons Report for the Inniss-Trinity field published 19 February 2020 gives Best Estimate recoverable CO2 EOR resources for the entire Inniss-Trinity field of 6.8 million barrels.

Based on 50% of net profits under the WPA and US\$30/barrel this would amount potentially to estimated undiscounted consequential losses of up to US\$102 million but may be revised upwards depending on forward oil price projections.

26 Ultimate controlling party

In the opinion of the Directors there is no ultimate controlling party as no one individual is deemed to satisfy this definition.

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27 Restatement of prior period

During the year, it was decided by the Directors that the Company was to restate prior years' warrant issue costs.

The restatement was implemented to bring prior years' warrant costs to be aligned with IFRS 2 in the oil and gas industry, whereby any warrants issued for services provided, are to be fully recognised with the equity section of the Company.

	Effect on year ended 31 December 2020 GBP	Effect on year ended 31 December 2019 GBP	Effect on year ended 31 December 2018 GBP
Loss for the year	(1,689,521)	(1,279,243)	(792,461)
Reclassification of warrants issue costs	100,451	81,385	27,051
Restated total loss for the year	(1,589,070)	(1,197,858)	(765,410)
Warrants issuance cost reserve balance brought forward	(108,436)	(27,051)	-
Warrants issuance cost	(100,451)	(81,385)	(27,051)
Restated Equity attributable to the owner of the parent	(208,887)	(108,436)	(27,051)

Corporate information

Directors	Paul Stanard Griffiths (Executive Director – CEO) Ronald Pilbeam (Executive Director) (resigned 27 July 2021) Louis Castro (appointed 13 July 2020) Dr George Henry Stephen Staley (Non-Executive Chairman) (resigned 8 March 2022) Lonny Baumgardner (appointed 12 July 2021)
Company Secretary	Oak Secretaries (Jersey) Limited 3rd Floor, IFC5 Castle Street St. Helier Jersey JE2 3BY
Registered Office	3rd Floor, IFC5 Castle Street St. Helier Jersey JE2 3BY Telephone+44 (0) 1534 834 600
Joint Broker and Placing Agent	Novum Securities Limited Lansdowne House 57 Berkeley Square London W1J 6ER
Joint Broker and Placing Agent	Optiva Securities Limited 49 Berkeley Square London W1J 5AZ
Auditors	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
Legal advisers to the Group as to English law	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
Legal advisers to the Group as to Jersey law	Pinel Advocates One Library Place St. Helier Jersey JE2 3NY

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Competent Person	SLR Consulting (Ireland) Ltd 7 Dundrum Business Park Windy Arbour Dublin 14, D14 N2Y7 Republic of Ireland
Registrar	Computershare Investor Services (Jersey) Limited Queensway House 13 Castle Street St. Helier Jersey JE1 1ES
Financial PR	Flagstaff Strategic and Investor Communications 1 King Street London EC2V 8AU
Principal Bankers	The Royal Bank of Scotland International Limited P.O. Box 64 Royal Bank House 71 Bath Street St. Helier Jersey JE4 8PJ Barclays Bank Plc 13 Library Place St. Helier Jersey JE4 8NE