ENI COTE D'IVOIRE LIMITED

ANNUAL REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2021

REGISTERED OFFICE
Eni House
10 Ebury Bridge Road
London SW1W 8PZ

Registered Number: 02556415

ENI COTE D'IVOIRE LIMITED
DIRECTORS AND REGISTERED OFFICE

BOARD OF DIRECTORS

P Hemmens
M Caianiello
R Waterlow
N Mavilla

SECRETARY AND REGISTERED OFFICE

R D'Abreo
Eni House
10 Ebury Bridge Road
London
SW1W 8PZ

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH
United Kingdom

REGISTERED IN ENGLAND NO: 02556415

The directors present their report and the audited financial statements of Eni Cote d'Ivoire Limited (the "company") for the year ended 31 December 2021.

Principal activities

The company is engaged in the exploration of oil and gas in the Republic of Côte d'Ivoire, where it operates through a branch. The company is a private company registered in England, United Kingdom.

The company continues to hold Production Sharing Agreements (PSA) in respect of Blocks CI-101, CI-205, CI-501 and CI-504 located in the eastern part of the deep waters of Tano Basin. On 13th July 2021 the company signed another PSA with the Government of Côte d'Ivoire for Block-802, on the border with Block CI-101. The company is the operator in all of the Blocks with a 90% stake, while the state company Petroci holds the remaining 10%.

On the 8th December 2021 the company presented a "Plan de Developpement" to the Government of Côte d'Ivoire, which was approved on 9th December 2021. On 15th December 2021, the company obtained an exclusive exploitation authorization (AEE) in Block CI-101 and on 29th December 2021 Petroci communicated to the company the decision to increase their participating interest in Block CI-101 from 10% to 17%.

Results and dividends

The results for the year are set out on page 8 of the financial statements. There was a loss for the financial year to 31 December 2021 of $16,099,000 (2020 - loss of $8,404,000). No dividend was paid during 2021 (2020 - $nil).

Directors

The present directors of the company are listed on page 1 and have held office throughout the year and up to the date of signing the financial statements, except for the following:

- T Doniselli resigned as a director on 1 December 2021
- M Caianiello was appointed as a director on 6 December 2021
- S Laura resigned as a director on 21 February 2022
- N Mavilla was appointed as a director on 21 February 2022

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Post balance sheet events

The military action between Russia and Ukraine that developed following the year end, alongside the imposition of international sanctions, have a pervasive economic impact not only on businesses in Russia and Ukraine, but also globally where businesses engage in economic activities that might be affected by the recent developments. The company has no assets, operations or activities in Russia and Ukraine nor is it party to any contracts or transactions involving Russian registered counterparties. Accordingly, the company will not be directly affected by any internationally imposed sanctions covering such assets, operations, activities, contracts or transactions.

There are no other post balance sheet events to report.

Going concern

The net equity position at 31 December 2021 was $50,224,000 (2020 – net liability of $3,677,000). The directors are satisfied that the company has adequate financial resources, including access to Eni group financial resources, to continue to operate for the foreseeable future and meet its obligations as they fall due. The company has obtained confirmation from its intermediate parent company Eni Investments Plc, that it will provide adequate financial support to enable the company to meet its obligations for a period of at least one year from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Statement of directors' responsibilities in respect of the annual report and the financial statements (continued)

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Provision of information to the auditors

The directors, as at the date of this report, have confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Small company exemptions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The company has also taken the exemption from the requirement to present a strategic report, in accordance with S414B of the Companies Act 2006.

By order of the Board

Riordan D'Abreo
Riordan D'Abreo (Jun 24, 2022 09:57 GMT+1)

R D'Abreo
Secretary
24 June 2022

Independent auditors' report to the members of Eni Cote d'Ivoire Limited

Report on the audit of the financial statements

Opinion

In our opinion, Eni Cote d'Ivoire Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2021; the statement of comprehensive income and the statement of changes in equity for the year then ended; the statement of accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 company'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.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Independent auditors' report to the members of Eni Cote d'Ivoire Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' 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 auditors' 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.

Independent auditors' report to the members of Eni Cote d'Ivoire Limited (continued)

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to failure to comply with environmental regulations, health and safety regulations and relevant tax regulations in the jurisdictions in which the company operates, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiry of management and the company's in-house legal team, including consideration of known or suspected instances of non- compliance with laws and regulations and fraud;
- enquiry of staff in the company's tax function to identify any instances of non-compliance with laws and regulations;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- reviewing minutes of meetings of those charged with governance; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and testing accounting estimates to address the risk of management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Eni Cote d'Ivoire Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Kevin McGhee

Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 June 2022

ENI COTE D'IVOIRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2021

	Note(s)	**2021 $'000**	2020 $'000
Other service costs and expenses	*3*	**(14,655)**	(6,475)
Depreciation and amortisation	*11,12,13*	**(137)**	(256)
Labour costs	*4*	**(851)**	(1,164)
Operating loss		**(15,643)**	(7,895)
Interest receivable and similar income	*5*	**91**	3
Interest payable and similar expenses	*6*	**(547)**	(512)
Loss before taxation		**(16,099)**	(8,404)
Taxation on loss	*7*	**-**	-
Loss for the financial year		**(16,099)**	(8,404)
Other comprehensive income		**-**	-
Total comprehensive expense for the year		**(16,099)**	(8,404)

All results are from continuing operations and total comprehensive expense is attributable to the equity holders.

ENI COTE D'IVOIRE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2021

	Note	Share Capital $'000	Capital Contribution Reserve $'000	Currency Translation Adjustment $'000	Accumulated losses $'000	Total Shareholders' (Deficit)/ Equity $'000
Balance at 1 January 2020		-	68,000	70	(63,343)	4,727
Total comprehensive expense for the year		-	-	-	(8,404)	(8,404)
Balance at 31 December 2020		**-**	**68,000**	**70**	**(71,747)**	**(3,677)**
Transactions with owners in their capacity as owners:						
Capital contribution		-	70,000	-	-	70,000
Total comprehensive expense for the year		-	-	-	(16,099)	(16,099)
Balance at 31 December 2021	16	**-**	**138,000**	**70**	**(87,846)**	**50,224**

During the year the parent company Eni Lasmo Plc made a capital contribution of $70,000,000.

ENI COTE D'IVOIRE LIMITED

(REGISTERED NUMBER 02556415)

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021	2020
Assets		**$'000**	$'000
Current assets			
Cash and cash equivalents	*8*	**3,885**	517
Trade and other receivables	*9*	**6,018**	733
Inventories	*10*	**2,072**	-
		11,975	1,250
Non-current assets			
Intangible assets	*11*	**28**	7,063
Right of use assets	*12*	**70**	69
Property, plant and equipment	*13*	**49,342**	297
		49,440	7,429
Total assets		**61,415**	8,679
Liabilities			
Current liabilities			
Current lease liabilities	*12*	**63**	65
Trade and other payables	*14*	**11,128**	2,491
Loans from group undertakings	*15*	**-**	9,800
		11,191	12,356
Total liabilities		**11,191**	12,356
Shareholders' equity			
Share capital	*16*	**-**	-
Capital contribution reserve		**138,000**	68,000
Currency translation adjustment		**70**	70
Accumulated losses		**(87,846)**	(71,747)
Total shareholders' equity/(deficit)		**50,224**	(3,677)
Total liabilities and shareholders' equity		**61,415**	8,679

The financial statements from page 8 to 22 were approved by the Board on 15 March 2022 and were signed by an authorised director on behalf of the Board, at a later date.

On behalf of the Board

P Hemmens

P Hemmens
Director
24 June 2022

A summary of the principal accounting policies which have been applied throughout the year is set out below:

General information

The company is a limited liability company, by shares, incorporated and domiciled in England, United Kingdom. The registered office is disclosed on page 1.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The net asset position at 31 December 2021 was $50,224,000 (2020 – net liability of $3,677,000). The directors are satisfied that the company has adequate financial resources, including access to Eni group financial resources, to continue to operate for the foreseeable future and meet its obligations as they fall due. The company has obtained confirmation from its intermediate parent company Eni Investments Plc, that it will provide adequate financial support to enable the company to meet its obligations for a period of at least one year from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

- (a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (b) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements:
- (c) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  1. paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements;
  2. paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  3. paragraph 118(e) of IAS 38 Intangible Assets.
- (d) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36, Impairment of Assets;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraph 24(b) of IFRS 6 Exploration for and Evaluation of Mineral Resources to disclose the operating and investing cash flows arising from the exploration for and evaluation of mineral resources;
- (g) the requirements of paragraph 91 – 99 of IFRS 13 Fair Value Measurement;
- (h) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- (i) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective;
- (j) the requirements of paragraph 74A(b) of IAS 16 Property, Plant and Equipment
- (k) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures; and
- (l) the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where required, equivalent disclosures are given in the group financial statements of Eni S.p.A. The group financial statements of Eni S.p.A. are available to the public via the internet.
The accounting policies have been applied consistently, other than where new policies have been adopted.

New and amended standards adopted
The company has applied the following standards and amendments for the first time for the annual reporting commencing on 1 January 2021:

- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The amendments listed above did not have any impact on the amounts recognised in prior periods and do not have a material impact on the entity in the current and future periods and on foreseeable future transactions.

Basis of preparation (continued)

New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the company. These standards do not have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Presentation of comparative financial data

Depreciation and amortisation have been separately disclosed in the statement of comprehensive income and the prior year numbers have been reclassified in order to ensure the comparability of the figures with the year ended 31 December 2020. In addition, the associated notes relating to the affected balances have also been reclassified. These reclassifications have no impact on the company's results or the net assets.

Intangible assets

(i) Exploration and appraisal costs

Exploration costs represent the company's share of expenditure by consortia and as operator on the exploration for oil and natural gas up to the date of any decision to exploit various finds. Where no decision has been made by the balance sheet date to exploit a find, the costs are accounted for in accordance with the successful effort's method. The cost of drilling exploratory wells is carried forward as an intangible asset if in the opinion of the directors there is a reasonable prospect of development of the related fields commencing within three years of commencement of drilling. Costs of exploratory dry holes are written off at the time that the wells are determined to be dry and all licence fees, geological and geophysical expenses are written off as incurred. Where a decision has been made to exploit a find, the exploration costs are carried forward.

In the period after a decision has been made to exploit a find but before field development programme approval has been granted, any pre-development costs that are incurred are also capitalised and carried forward. When field development programme approval is granted, the exploration and pre-development costs of that field are first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is reclassified as property, plant and equipment. Exploration wells that are being drilled at the yearend are included in intangible assets as exploration and appraisal costs until the results of the drilling are determined.

Exploration costs written off during the year are presented in depreciation, amortisation and impairments in the statement of comprehensive income.

(ii) Exploration rights

Exploration rights paid in connection with a right to explore (or their extension) in an exploration area are capitalised as intangible assets pending determination of whether the exploration and appraisal activities in the reference areas are successful or not.

Unproved exploration rights are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and that sufficient progress is being made on establishing development plans and timing. If no future activity is planned or the exploration rights have expired, the carrying value is written off through profit or loss.

In the event of a discovery of proved reserves (i.e. upon recognition of proved reserves and internal approval for development), the entire balance of the related exploration rights, initially recognised as unproved, is transferred to "proved exploration rights" in intangible assets. From the commencement of production, proved exploration rights are amortised according to the unit of production method (UoP) over total proved reserves.

(iii) Licence costs

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised as intangible assets. When there is a change in the estimated total recoverable proved developed reserves of a field, the undepreciated cost is written off over the revised remaining reserves.

Intangible assets (continued)

Licence costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and that sufficient progress is being made on establishing development plans and timing. If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs are written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

(iv) Computer software

Computer software is recognised at cost and depreciated on a straight-line basis over the estimated useful life of up to three years.

Property, plant and equipment

Property, plant and equipment comprise leasehold property and improvements, office and apartment equipment and computer systems which are depreciated on a straight-line basis over the estimated useful lives of the assets as follows:

Office equipment	up to five years
Computer systems	up to two years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, the Company's current bank accounts and short-term deposits originally due, generally, within 90 days, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

Cash deposited in some bank accounts held with Banque Eni S.A. (BESA)[1] may be subject to cash pooling arrangements with the ultimate parent company Eni S.p.A.[2].

The Company has the full availability of these bank accounts without any restrictions; neither BESA nor the ultimate parent company can block withdrawals. Cash pooling accounts are balanced on a daily basis and the true intent of these accounts is to ensure settlements of payments to vendors and/or cash collections from customers.

Deposits held with Eni Finance International S.A. (EFI)[3] are classified as cash equivalents considering that: (i) they are highly liquid, available on demand or in the short term and have terms that are similar to those which would be expected if the deposits had been made with an independent third party financial institution; (ii) EFI maintains sufficient cash and liquid resources, along with access to credit lines, to meet all inter-company obligations simultaneously. The Company has full availability of the deposits held with EFI (i.e. no restriction to modify maturity date); if the Company needs to terminate a deposit earlier, there is no penalty on the change of period requested.

Financial instruments

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The company's financial assets held at amortised cost includes trade and other receivables.

[1] BESA is a Belgian regulated bank subject to the banking regulatory requirements.

[2] Although Eni SpA is not a financial institution, it performs its financial activities within specific Board approved limits.

[3] EFI is the company responsible for the centralised funding of some foreign Eni Group companies and for collecting their financial surpluses.

Financial instruments (continued)

Impairment of financial assets
The company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities at amortised cost
Financial liabilities at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The company's financial liabilities held at amortised cost includes trade and other payables.

Foreign currencies

The company's functional and presentational currency is US Dollar. All financial information has been rounded to the nearest thousand ($'000), unless otherwise indicated. Transactions denominated in a foreign currency are converted to US Dollars at rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates ruling at the balance sheet date.

The US Dollar to British Pound exchange rate as of 31 December 2021 was 0.7417 (2020: 0.7319).

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Taxation (continued)

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

Interest income

Interest income is recognised on a time proportion basis.

Interest expense

Interest expense is recognised using the effective interest rate method. In calculating interest expense, the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired or to the amortised cost of the liability for interest expense.

Inventories

Inventories are measured at the lower of purchase or production cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, or, with reference to inventories of crude oil and petroleum products already included in binding sale contracts, the contractual selling price. Materials and other supplies held for use in production are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. This represent the company's share of inventories belonging to the consortia of which it is a member. Cost is determined by the weighted average method and comprises direct purchase costs, cost of production, transportation and manufacturing expenses.

Use of accounting estimates, judgements and assumptions

The company's financial statements are prepared in accordance with FRS 101. This requires the use of estimates and assumptions that affect the assets, liabilities, revenues and expenses reported in the financial statements, as well as amounts included in the notes thereto, including discussion and disclosure of contingent liabilities. Estimates made are based on complex or subjective judgements, past experience and other assumptions deemed reasonable in consideration of the information available at the time. The accounting policies and areas that require the most significant judgements and estimates to be used in the preparation of the financial statements are in relation to the accounting for oil and natural gas activities, specifically in the determination of proved and proved developed reserves, impairment of property, plant and equipment and intangible assets and decommissioning provisions. Although the company uses its best estimates and judgements, actual results could differ from the estimates and assumptions used.

A summary of significant estimates is as follows:

a) Oil and gas activities
Engineering estimates of the company's oil and gas reserves are inherently uncertain. Although there are authoritative guidelines regarding the engineering criteria that must be met before estimated oil and gas reserves can be designated as "proved", the accuracy of any reserve estimate is a function of the quality of available data and engineering and geological interpretation and judgement.

Oil and gas reserves have a direct impact on certain amounts reported in the financial statements.

Estimated proved reserves are used in determining depreciation and depletion expenses and estimated proved and probable reserves are used in determining the carrying value of the company's oil and gas assets and the timing of decommissioning cessation of production. In the prior year the carrying value of the company's oil and gas assets and timing of decommissioning cessation of production were estimated using proved and risked probable reserves.

Use of accounting estimates, judgements and assumptions (continued)

Depreciation rates on oil and gas assets using the units of production basis are determined from the ratio between the amount of hydrocarbons extracted in the quarter and proved developed reserves existing at the end of the quarter increased by the amounts extracted during the quarter.

The useful economic lives and residual values are re-assessed annually. Estimates of oil and gas reserves are also used within impairment testing and timing of the decommissioning.

Proved and probable oil and gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids, which geological and engineering data demonstrate to be recoverable in future years from known reservoirs under existing economic and operating conditions, that is, prices and costs as at the date that the estimate is made.

A summary of significant judgements is as follows:

b) Impairment of non-financial assets
The company assesses its property, plant and equipment, intangible assets and those investments measured at cost, for possible impairment if there are events or changes in circumstances that indicate the carrying values of the assets are not recoverable. Such indicators include changes in the company's business plans, changes in commodity prices leading to unprofitable performance and, for oil and gas properties, significant downward revisions of estimated proved reserve quantities.

Determination as to whether and how much an asset is impaired involves management estimates on highly uncertain matters such as future commodity prices, the effects of inflation and technology improvements on operating expenses, production profiles and the outlook for global or regional market supply and demand conditions for crude oil, natural gas, commodity chemicals and refined products, and the discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

c) Decommissioning provisions
Obligations to remove property, plant and equipment and restore land or seabed require significant estimates in calculating the amount of the obligation and determining the amount required to be recorded at present value in the financial statements. Estimating future decommissioning obligations is complex. It requires management to make estimates and judgements with respect to decommissioning obligations that will come to term many years into the future and contracts and regulations are often unclear as to what constitutes removal.

In addition, the ultimate financial impact of environmental laws and regulations is not always clearly known as decommissioning technologies and costs constantly evolve, as well as political, environmental, safety and public expectations.

The subjectivity of these estimates is also increased by the accounting method used that requires entities to record the value of a liability for decommissioning obligations in the period when it is incurred (typically, at the time, the asset is installed at the production location).

1 Parent undertakings

The company's immediate parent undertaking is Eni Lasmo Plc, a company incorporated in the UK.

The company's ultimate parent undertaking, Eni S.p.A., a company incorporated in Italy with registered office at Piazzale Enrico Mattei 1, 00144 Rome, will produce consolidated financial statements for the year ended 31 December 2021, which will be available from its website www.eni.com or on request to Eni S.p.A., Via Emilia 1, 20097 San Donato Milanese (MI), Italy.

The parent company of the largest and smallest group into which the company is consolidated is Eni S.p.A.

2 Directors' emoluments

The directors' emoluments were as follows:

	2021	2020
	$'000	$'000
Emoluments	**404**	381

No directors (2020 – nil) had benefits accruing under the defined benefit pension scheme, defined bonus scheme, money purchase scheme and no share options were exercised.

The directors' stock option are reported in the financial statements of Eni S.p.A.

The remuneration of the highest paid director amounts to $404,000 (2020 - $381,000).

3 Other service costs and expenses

	2021	2020
	$'000	$'000
Operating costs - third parties	**13,823**	6,069
General and administration costs		
Group undertakings	**229**	277
Third parties	**603**	129
	14,655	6,475

Operating costs for 2021 include short-term lease charge of $8,329,000 (2020 - $114,000). In 2021 auditors' remuneration of the head office was borne by Eni Investments Plc. For the purpose of disclosure, a fair allocation of the audit fee to the head office would be $35,000 and to branch $25,000 (2020 – head office $13,000 and branch $16,000). Non-audit fee amounted to nil (2020 - $nil).

The prior year disclosure has been restated to exclude depreciation and amortisation of $256,000 which has been separately disclosed. Furthermore the allocation of the disclosure has been amended to reflect group undertakings and third parties amounts in line with the disclosure in the current year.

4 Labour costs

	2021	2020
	$'000	$'000
Wages and salaries	**837**	1,138
Social security costs	**14**	7
Other pension costs	**-**	19
	851	1,164

The monthly average number of persons employed by the company during the year:

	2021	2020
By activity:	**Number**	Number
Administration	**1**	1
Technical	**2**	1
	3	2

The company had 3 employees (2020 - 2) and 4 contract staff (2020 - 4).

5 Interest receivable and similar income

	2021 $'000	2020 $'000
Bank interest received	-	3
Foreign exchange gain	91	-
	91	3

6 Interest payable and similar expenses

	2021 $'000	2020 $'000
Interest payable to group undertakings	547	371
Foreign exchange loss	-	141
	547	512

7 Taxation on loss

The tax charge for the year comprises:

UK corporation tax	2021 $'000	2020 $'000
Current tax at 19% (2020 – 19%) -UK corporation tax on losses for the year	-	-
Foreign tax -Paid in respect of previous periods	-	-
Total tax	-	-

Factors affecting tax for the year

The tax assessed for the year is higher (2020 - higher) than the standard rate of corporation tax applicable to companies in the UK of 19% (2020 – 19%). The differences are explained below:

	2021 $'000	2020 $'000
Loss before tax	(16,099)	(8,404)
Tax on loss before tax at 19% (2020 – 19%)	(3,059)	(1,597)
Expenditure not allowable for tax	16	25
Pre-trading non-deductible expenditure	3,043	1,572
Total tax	-	-

7 Taxation on loss (continued)

Unrecognised deferred tax assets

The deferred tax asset calculated at the rate of 25% (2020 - 19%) which was not recognised in the financial statements, due to lack of suitable future taxable profits, amounted to:

	2021 Unprovided amount	2020 Unprovided amount
	$'000	$'000
Unrecognised tax losses carried forward	**20,899**	12,841
Accelerated capital allowances	**12,529**	2,082
	33,428	14,923

The directors consider it unlikely that there will be suitable taxable profits from which the future reversal of the underlying timing differences could be deducted; therefore, the deferred tax asset has not been recognised.

8 Cash and cash equivalents

	2021	2020
	$'000	$'000
Cash at bank and in hand		
Banque Eni	**2,025**	410
Third parties	**60**	107
Short term deposit– affiliate company		
Eni Finance International S.A.	**1,800**	-
	3,885	517

Short term deposits are repayable within 3 months and carry interest rates which vary in line with market rates. These deposits are held with Eni Finance International S.A. which is a subsidiary of Eni S.p.A. and has a credit rating of Baa1/P-2 as issued by Moody's.

During 2021 the effective rate has been 0.11% for USD deposits (2020: between 0.09% and 1.79%).

The company believes that the carrying amounts are a reasonable approximation to the fair value.

9 Trade and other receivables

	2021	2020
	$'000	$'000
Trade receivables - prepayments		
Third parties	**594**	456
Other receivables		
Third parties	**5,424**	277
	6,018	733

The prior year disclosure has been restated to separate prepayments, this disclosure has been amended to reflect the disclosure in the current year.

10 Inventories

	2021	2020
	$'000	$'000
Materials	**2,072**	-

The inventory movement was recognised in Other services costs and expenses (note 3).

11 Intangible assets

	Computer software $'000	Exploration rights costs $'000	Total $'000
Cost			
At 1 January 2021	**66**	**7,015**	**7,081**
Additions	**2**	**42,138**	**42,140**
Transfers (note 13)	**-**	**(49,153)**	**(49,153)**
At 31 December 2021	**68**	**-**	**68**
Accumulated amortisation			
At 1 January 2021	**18**	**-**	**18**
Charge for the year	**22**	**-**	**22**
At 31 December 2021	**40**	**-**	**40**
Net book value			
At 31 December 2021	**28**	**-**	**28**
At 31 December 2020	48	7,015	7,063

During the year the company incurred exploration and pre-development costs and in the opinion of the directors there is a reasonable prospect of development of the related fields, hence these costs were capitalised and following the field development programme approval has been granted these were reclassified as property, plant and equipment (note 13).

12 Leases

The balance sheet shows the following amount relating to leases:

Right of use assets	**2021 $'000**	2020 $'000
Cost		
At 1 January	**236**	236
Additions	**1**	-
At 31 December	**237**	236
Accumulated depreciation charge of right of use assets		
At 1 January	**167**	49
Charge for the year	**-**	118
At 31 December	**167**	167
Net book value		
At 31 December	**70**	69

Lease Liabilities	**2021 $'000**	2020 $'000
Current	**63**	65
Non-Current	**-**	-
Total	**63**	65

12 Leases (continued)

The company leases office space. The lease contract ends in 2022, the additions in right of use asset during the year were depreciated

Extension and termination options are included in the contracts. These are used to maximise operational flexibility in terms of managing the asset used in the company operations.

The rent payments are made biannually. Lease payments do not include other variable lease payments that depend on an index or rate.

Payments on lease are as follows:

	Year	$'000
Within 1 year	2022	63

13 Property, plant and equipment

	Office equipment $'000	Computer systems $'000	Fields under development $'000	Total $'000
Cost				
At 1 January 2021	**328**	**114**	**-**	**442**
Additions	**-**	**7**	**-**	**7**
Transfers (note 11)	**-**	**-**	**49,153**	**49,153**
At 31 December 2021	**328**	**121**	**49,153**	**49,602**
Accumulated depreciation				
At 1 January 2021	**81**	**64**	**-**	**145**
Charge for the year	**66**	**49**	**-**	**115**
At 31 December 2021	**147**	**113**	**-**	**260**
Net Book Value				
At 31 December 2021	**181**	**8**	**49,153**	**49,342**
At 31 December 2020	247	50	-	297

The company has not started production; hence all exploration rights costs and related exploration activities are not yet depreciated.

14 Trade and other payables

	2021 $'000	2020 $'000
Trade payables		
Group undertakings	**9,787**	1,464
Other payables		
Third parties	**1,341**	1,027
	11,128	2,491

Third party payables include the billings received in relation to the exploration activity.

15 Loans from group undertakings

	2021 $'000	2020 $'000
Loans from group undertakings	**-**	9,800

During the year the company fully repaid the financial loan with Eni Finance International S.A.

16 Share capital

	2021 $	2020 $
Ordinary shares of £1 each (number of shares – 1 share)		
Allotted and fully paid £1 ordinary equity share – US Dollar equivalent	**1.96**	1.96

Under the Companies Act 2006, there is no requirement for the company to have an authorised share capital and the company's Articles of Association do not set a maximum number of shares that the company may allot.

During the year parent company Eni Lasmo Plc made a capital contribution of $70,000,000.

17 Joint operations

Name of licence	Place of operation	Interest held
Block CI-101	Ivory Coast	83%
Block CI-205	Ivory Coast	90%
Block CI-501	Ivory Coast	90%
Block CI-504	Ivory Coast	90%
Block CI-802	Ivory Coast	90%

On 13th July 2021 the company signed a Production sharing agreement (PSA) with the Government of Cote d'Ivoire for Block-802 with the shareholding of 90%.

On 29th December 2021 Petroci increased their participating interest in Block CI-101 from 10% to 17%, leaving the company with 83% participating interest (2020 – 90%).

There were no other changes in 2021 in the joint operation structure from the comparative period of 2020.

18 Capital commitments

The capital expenditure commitment for exploration and development in 2022 is $419,175,000 (2021 – $24,941,000). The company expects to use the loan facilities with Eni Finance International S.A. to fund the aforementioned activities.

19 Post balance sheet events

The military action between Russia and Ukraine that developed following the year end, alongside the imposition of international sanctions, have a pervasive economic impact not only on businesses in Russia and Ukraine, but also globally where businesses engage in economic activities that might be affected by the recent developments. The company has no assets, operations or activities in Russia and Ukraine nor is it party to any contracts or transactions involving Russian registered counterparties. Accordingly, the company will not be directly affected by any internationally imposed sanctions covering such assets, operations, activities, contracts or transactions.

There are no other post balance sheet events to report.