

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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Company No.

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ANASURIA HIBISCUS UK LIMITED

CONTENTS

	Page(s)
	1 - 9
Strategic Report	10 - 13
Directors' Report	14 - 16
Independent Auditors' Report	17
Statement of Comprehensive Income	18 - 19
Statement of Financial Position	20
Statement of Changes in Equity	21 - 22
Statement of Cash Flows	23 - 74
Notes to the Financial Statements	

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for the financial year ended 30 June 2023.

GENERAL

The Company is a private limited company, incorporated and domiciled in England and Wales. The registered office and principal place of business are as follows:

Registered office:	78 Cannon Street, London, United Kingdom.
Principal place of business:	7 Rubislaw Terrace, Aberdeen AB10 1XE, United Kingdom.

The holding company is Atlantic Hibiscus Sdn. Bhd. ("Atlantic Hibiscus"), a company incorporated in Malaysia. The ultimate holding company is Hibiscus Petroleum Berhad ("Hibiscus Petroleum"), a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

BUSINESS REVIEW

The Company is principally engaged in the exploration and production of oil and gas. There have been no significant changes in the nature of these activities during the financial year.

Anasuria Area

- Anasuria Cluster
 - Licence No. P013 and the Anasuria floating production storage and offloading vessel ("FPSO")

The Company, together with Ping Petroleum UK PLC ("Ping Petroleum") has established the joint operating company, Anasuria Operating Company Limited ("AOCL") in Aberdeen and this company has been approved as the Licence Operator for Licence No. P013 by the Secretary of State for Energy and Climate Change of the United Kingdom ("UK") Government. The Company holds 50% interest in AOCL.

AOCL operates the fields under Licence No. P013 (Block 21/25a and Block 21/30a) and the Anasuria FPSO, which are located approximately 175 kilometres east of Aberdeen in the UK Central North Sea.

The Company's interest in Licence No. P013 consists of:

- 50% interest in the Guillemot A field and the related field facilities ("Guillemot A");
- 50% interest in the Teal field and the related field facilities ("Teal"); and
- 50% interest in the Teal South field and the related field facilities ("Teal South").

There is no expiry date for the licence covering the Guillemot A, Teal and Teal South field.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STRATEGIC REPORT (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Anasuria Area (continued)

- Anasuria Cluster (continued)

- Licence No. P013 and the Anasuria FPSO (continued)

The Company also holds 50% interest in the Anasuria FPSO and the related equipment.

- Licence No. P185

The Company's interest in Licence No. P185 (Block 21/20a) contains 19.325% interest in the Cook field and the related field facilities. The remaining interest is held by Ithaca Energy UK Limited ("Ithaca Energy") and Ping Petroleum with 61.35% and 19.325% interest respectively. Ithaca Energy is the operator for the field.

The UK's North Sea Transition Authority ("NSTA") had on 12 March 2018 extended the licence for the Cook field into a life of field licence. The licence is terminable only if there is a continuous minimum 12-month period in which the production has fallen below a minimum production level.

During the current financial year, revenue generated of United States Dollars ("USD") 77.0 million was fairly consistent with the revenue attained in the previous financial year of USD78.1 million.

The segment sold 725,294 barrels ("bbl") of crude oil in the current financial year at an average realised oil price of USD81.19 per bbl. Revenue generated from the sale of crude oil amounted to USD60.4 million. In the previous financial year, the average realised oil price per bbl achieved was USD95.32. As a result, despite the lower crude oil volume sold of 685,255 bbls compared to the current financial year, revenue generated was higher at USD64.2 million.

The lower revenue generated through the sale of crude oil in the current financial year was partly offset by the higher revenue generated from the sale of gas by USD2.8 million due to significantly higher gas prices.

Operational performance in the current financial year improved significantly following the completion, in September 2022, of the project to replace the riser which malfunctioned in May 2021. The said riser, which transports produced crude oil from the subsea well to the Anasuria FPSO surface facilities was temporarily isolated from the primary production system following the malfunction and the impact of that temporary isolation was a lower overall daily production rate from the Anasuria Cluster that adversely affected average operating costs ("OPEX") per bbl of oil equivalent ("boe") and offtake volumes.

Operational metrics during the current financial year were also affected by the planned offshore turnaround of the Anasuria FPSO in calendar year 2022 ("2022 Turnaround") which took place from 17 June 2022 to 17 July 2022. The 2022 Turnaround was conducted with the objective of improving the reliability and integrity of the Anasuria FPSO in addition to ensuring a safe offshore working environment and was completed over a period of 30 days against a planned duration of 35 days.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STRATEGIC REPORT (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Anasuria Area (continued)

- Anasuria Cluster (continued)

The average OPEX per boe recorded for the current financial year of USD22.75 was lower than previous financial year's USD26.19. Both the average daily oil equivalent production rate and average uptime in the current financial year were higher, at 2,415 boe per day and 85% respectively compared to 2,119 boe per day and 68% respectively in the previous financial year.

Accordingly, the UK segment achieved higher gross profit margin in the current financial year. The segment recorded gross profit amounting to USD58.3 million (75.7% margin over revenue) which exceeded the previous financial year's attainment. In the previous financial year, gross profit was USD57.3 million (73.4% margin over revenue).

The Company continuously focuses on optimising asset performance but it is equally important to note that the performance is impacted daily by external macroeconomic factors over which the Company exerts minimal control.

- Licence No. P2532

Licence No. P2532 (Block 21/19c and Block 21/20c) contains the Cook West and Cook North prospects, which are potential extensions to the existing Cook field.

These blocks are contiguous with the Cook field (Licence No. P185 (Block 21/20a)) and reflect a similar equity holding as that of the Cook field.

- Licence No. P2535

Licence No. P2535 (Block 21/24d) contains the Teal West discovery, which is contiguous to the Teal field and is located approximately 4 kilometres from the Teal manifold. The Teal West field is planned to be produced to the Anasuria FPSO where the well fluids will be processed and exported via the Anasuria infrastructure.

The Company is the operator for the field.

The Company holds 100% interest in Licence No. P2535 effective from 12 October 2022 when the assignment of NEO Energy (ZEX) Limited's ("NEO Energy") 30% interest in the licence to the Company was completed.

The Company received a Development and Production Works Consent to a Field Development Plan ("FDP") for the Teal West field from the NSTA on 1 August 2023. The FDP approval comes pursuant to the unconditional grant of consent for the Environmental Statement received on 7 July 2023.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STRATEGIC REPORT (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Marigold Area

- Marigold West and Sunflower fields

The Marigold West and Sunflower fields, which are part of the UK Continental Shelf Petroleum Production Licence No. P198 (Block 15/13a and Block 15/13b) respectively, are located approximately 250 kilometres northeast of Aberdeen in the UK Central North Sea.

On 16 October 2018, the Company completed the acquisition of 50% interest in the two blocks under Licence No. P198; (i) Block 15/13a, containing the Marigold West discovered oilfield, and (ii) Block 15/13b, containing the Sunflower discovered oilfield.

On 12 February 2019, the Company assumed the role of operator for the fields.

On 20 January 2021, the Company entered into a farm-in agreement with its joint venture partner for the fields, Caldera Petroleum (UK) Ltd ("Caldera Petroleum"). As per the terms of the farm-in agreement, Caldera Petroleum agreed to transfer to the Company 37.5% interest in Licence No. P198 Block 15/13a and Block 15/13b and in return, the Company agreed to pay all amounts attributable to Caldera Petroleum's retained interest of 12.5% up to first oil delivered from the fields.

Pending the development and finalisation of a Unitisation and Unit Operating Agreement ("UUOA"), the Company and Caldera Petroleum entered into a Governance Agreement on 5 May 2022, with Ithaca Oil and Gas Limited ("Ithaca Oil and Gas") to jointly develop the resources found in Licence No. P198 Block 15/13a and Ithaca Oil and Gas' Licence No. P2158 Block 15/18b (which is adjacent to the Marigold West field and containing the Marigold East field) (herein collectively referred to "unitised Marigold field") via a tieback to the Piper B platform.

On 15 September 2023, the Company, Caldera Petroleum and Ithaca Oil and Gas entered into the UUOA. The unitisation of Marigold West field and the Marigold East field will allow an optimal field development solution to be implemented. Pursuant to the UUOA, the unit participations for the Company, Caldera Petroleum and Ithaca Oil and Gas in the unitised Marigold field will be 61.25%, 8.75% and 30.00% respectively, with the Company being the operator for the unitised Marigold field. The UUOA is a pre-requisite for the submission of a FDP for the unitised Marigold field. For the avoidance of doubt, interests in the Licence No. P198 Block 15/13b (Sunflower field) remain unchanged with the Company holding 87.5% and Caldera Petroleum holding 12.5%.

The Marigold West field is expected to be in production by 2028, upon which Licence No. P198 would then be expected to be valid for the life of the fields.

- Licence No. P2366

The Company has 100% interest in Licence No. P2366 (Block 15/18d and Block 15/19b), which contains the Crown discovered field.

Licence No. P2366 has been fully impaired as there was no sanctioned development of the licence. The licence expired on 30 September 2021 when the request to extend the expiry date of the licence was not approved by the NSTA.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STRATEGIC REPORT (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Marigold Area (continued)

- Licence No. P2518

The Company has 100% interest in Licence No. P2518 (Block 15/17a), which contains the Kildrummy discovered field. As at the reporting date, no development cost has been incurred.

As at 30 June 2023, the Company's total asset value increased to USD451,067,483, from USD423,692,685 reported as of 30 June 2022, predominantly due to higher cash and bank balances and additions to the intangible assets' and equipment's balances. The increase in cash and bank balances from USD52,227,929 as at 30 June 2022 to USD70,480,765 as at 30 June 2023 was largely attributed to the collection of proceeds from crude oil offtakes and the sale of gas.

The Company's net current liabilities as at 30 June 2023 reduced to USD24,012,333, when compared to USD32,496,827 as at 30 June 2022. The Company will have continuing financial support from its ultimate holding company and sufficient cash flows for the next twelve months from the date of the approval of the financial statements to meet its cash flow requirements, and there is no material uncertainty on the Company's ability to continue as a going concern.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is subject to various risks and uncertainties in the course of its business. The principal risks and uncertainties that may adversely impact its business, financial condition or operating results are discussed below.

1. Market prices for crude oil and gas

A substantial or extended decline in crude oil or gas prices would reduce the Company's operating results and cash flows and could adversely impact its future rate of growth and the carrying value of its assets.

Prices for crude oil and gas fluctuate widely. Many of the factors influencing prices of crude oil and gas are beyond the Company's control. The factors include:

- Worldwide supply and demand for crude oil and gas,
- The cost of exploring for, developing and producing oil and gas,
- The ability of the members of Organization of the Petroleum Exporting Countries ("OPEC") to agree to and maintain production controls,
- Political instability or armed conflict in oil-producing regions,
- Changes in weather patterns and climatic changes,
- Natural disasters such as hurricanes and tornados,
- The price and availability of alternative and competing fuels,
- Domestic and foreign governmental regulations and taxes, and
- General economic conditions worldwide.

ANASURIA HIBISCUS UK LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

1. Market prices for crude oil and gas (continued)

The long-term effects of these and other factors on the prices of crude oil and gas are uncertain. Significant reductions in crude oil and gas prices could require the Company to reduce its capital expenditures and impair the carrying value of its assets.

The energy sector is at a crossroads, and political leaders worldwide are faced with the challenge of balancing environmental responsibility, economic stability, and energy security. The next few years will be crucial in determining the trajectory of global energy systems and their impact on the planet. Political trends in the energy sector will continue to evolve, reflecting the complex interplay of environmental, economic, and geopolitical factors.

When the Paris accord was signed in 2015, most countries acted quickly to devise plans to *reduce emissions and incentivise increased investments into renewable energy development*. Europe paved the way for the charge away from fossil fuels and implemented aggressive targets for decarbonisation. In the last few years, however, the narrative has been abruptly disrupted by not only the incursion of Russia into Ukraine and the associated political and economic implications, but also the realisation that the relentless pressure on companies to rebalance their oil and gas portfolios has led to supply concerns resulting in unstable energy prices. One consequence has been an undesired rise in inflation.

Noticeable changes are being observed. In recent weeks in the UK, policies have been announced that have dramatically weakened the government's commitments towards its key green commitments. The government has also acknowledged that the decision to not approve development projects in the UK North Sea, and the subsequent need to increase liquefied natural gas imports from overseas, has led to higher emissions. On 27 September 2023, the approval of Rosebank, a large oil and gas development in the UK North Sea was announced, following several other announcements of developments (including the Teal West project proposed by the Company). It is now expected that the UK government will approve more oil and gas developments in the North Sea going forward.

For the oil and gas industry, it entered calendar year 2023 with its healthiest balance sheet yet for many decades. The industry's investment trajectory beyond 2023 will likely be determined by factors such as:

- The balance that oil and gas producers strike between increasing investment and continuing capital discipline,
- The role oil and gas companies see for themselves in accelerating and securing the energy transition,
- The dynamics of natural gas demand and the resultant policy environment,
- The refining industry's adaptation to the readjustment in energy markets, and
- The trajectory for deal-making amid the interplay of energy security and transition.

ANASURIA HIBISCUS UK LIMITED

STRATEGIC REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

2. Estimates of crude oil and gas reserves

Estimates of crude oil and gas reserves depend on many factors and assumptions, including various assumptions that are based on conditions in existence as at the dates of the estimates. Any material changes in those conditions or other factors affecting those assumptions could impair the quantity and value of the Company's crude oil and gas reserves, as discussed in Note 4(a) to the financial statements.

Internal experts are employed by the Company to monitor and periodically update the estimates of crude oil and gas reserves. In addition, when there are significant changes in inputs, management has engaged external independent oil and gas reserve experts to evaluate the estimates of crude oil and gas reserves.

3. Environmental matters and decommissioning provision

The Company will continue to incur significant capital expenditures and operating costs as a result of compliance with, and changes in, environmental and decommissioning laws and regulations, and, as a result, its profitability could be materially reduced.

The Company provides for decommissioning liabilities in its financial statements in accordance with International Financial Reporting Standards ("IFRSs"). Additional information regarding decommissioning liabilities is set forth in the Note 27 to the financial statements. The process of estimating decommissioning liabilities is complex and involves significant uncertainties concerning the timing of the decommissioning activity, legislative changes, technological advancement, regulatory, environmental and political changes, and the appropriate discount rate used in estimating the liability.

The AOCL framework under the Health, Safety and Environment Management Systems for Environmental Management is externally verified to ISO14001:2015. AOCL has in place an Environmental Management Manual, which describes the approach to eliminate or reduce risks to the environment and actively promote continual improvement.

4. Unexpected business interruptions and uninsured losses

The Company's operations are subject to business interruptions and casualty losses and it does not insure against all potential losses and, therefore, it could be seriously harmed by unexpected liabilities.

The Company's production operations are subject to unplanned occurrences, including blowouts, explosions, fires, loss of well control, spills, adverse weather, labour disputes and accidents. Its operations are also subject to the additional hazards of pollution, releases of toxic gas and other environmental hazards and risks, as well as the hazards of marine operations, such as capsizing, collision and damage or loss from severe weather conditions. These hazards could result in loss of human life, significant damage to property and equipment, environmental pollution, impairment of operations and substantial financial losses.

The Company maintains insurance against many, but not all, potential losses or liabilities arising from these operating hazards in amounts that management believes to be prudent. Uninsured losses and liabilities arising from operating hazards could reduce the funds available to the Company for production and could materially reduce the Company's profitability.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STRATEGIC REPORT (CONTINUED)

SECTION 172(1) STATEMENT

The Directors have acted in a way they considered, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006) in respect of decisions taken during the financial year.

In discharging their duty under section 172(1) of the Companies Act 2006, the Directors have had regard (among other matters) to the following:

The likely consequences of any decision in the long term

The Directors have delegated authority of day-to-day business operations to the management. The Directors and the management are committed to delivery of the business plan. During the financial year, decisions were taken to adapt to business environment, including ensuring safe continuity of operations.

The need to foster the company's business relationships with suppliers, customers and others

The Company seeks long-term sustainable relationships with suppliers and joint venture partners which are fostered by fairness, mutual trust and collaboration within the oil and gas industry. The Company also seek to do business with those who comply with legal requirements.

Government and regulators

The Company regularly engages with the NSTA and other government bodies in relation to the Company's business and development activities.

The impact of the company's operations on the community and environment

The Company strives to provide a reliable, safe and efficient energy supply and are committed to environmental performance that meets or exceeds regulations in the areas where we operate. The Company will review emissions reduction strategy individually with a thorough cost benefit analysis. This is included within the Streamlined Energy and Carbon Reporting ("SECR") in the Directors' report.

Maintaining a reputation for high standards of business conduct

Responsible business conduct is fundamental to the long term success of the Company. The Company is committed to carry out all activities connected to our business in accordance with applicable laws and have implemented policies and procedures designed to ensure regulatory and legal compliance. In particular, the Company operates a zero tolerance policy when it comes to corruption, and we explicitly prohibit facilitation payments and all forms of bribery.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STRATEGIC REPORT (CONTINUED)

KEY PERFORMANCE INDICATORS

As of 30 June 2023, the Company has been involved in the joint operations of the Anasuria Cluster for over seven years. Key performance indicators achieved under the joint operational control for each financial quarter during the financial year are shown in the table below:

	Units	April 2023 to June 2023	January 2023 to March 2023	October 2022 to December 2022	July 2022 to September 2022
Average uptime/ availability of the Anasuria facilities	%	97	96	92	53
Average daily oil production rate	bbl/day	2,231	2,407	2,699	1,211
Average daily gas export rate @	boe/day	258	292	311	258
Total oil sold	bbl	192,929	202,769	185,869	143,728
Total gas exported (sold)	million standard cubic feet ("MMscf")	141	158	171	142
Average daily oil equivalent production rate	boe/day	2,489	2,699	3,009	1,468
Average realised oil price	USD/bbl	74.73	74.81	82.56	97.12
Average gas price	USD/Mscf	10.79 [∞] / 11.37 [#]	24.61 [∞] / 23.79 [#]	32.23 [∞] / 35.78 [#]	36.87 [∞] / 41.45 [#]
Average OPEX per boe	USD/boe	19.08	24.18	18.67	37.02

@ Conversion rate of 6,000 standard cubic feet ("scf")/boe.

∞ For Cook field.

For Guillemot A, Teal and Teal South fields.

On behalf of the Board,



Dr Kenneth Gerard Pereira
Director

20 October 2023

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the financial year ended 30 June 2023.

FUTURE DEVELOPMENT

In respect of the Anasuria Cluster, the capital expenditure projects undertaken serve not only to increase production, but also to provide an opportunity to further improve the geological and reservoir understanding of the fields in the Anasuria Cluster. In addition, consistent with the Company's strategy to grow its business and footprint in the UK, the Company has been investigating opportunities and activities to extend the economic life of the Anasuria Cluster, unlock value and maximise the economic recovery from the area surrounding the Anasuria FPSO.

In respect of the Marigold West and Sunflower fields, the Company has identified several stranded discoveries around the Marigold West and Sunflower fields. The potential collaboration with concession owners of these stranded discoveries located around the Marigold West and Sunflower fields could allow a reduction in overall unit development and unit production cost for all parties. This, in turn, could potentially enable a higher volume of oil over a greater area to be economically produced. Such an outcome would deliver greater value overall, in line with the UK MER Strategy (Maximising Economic Recovery Strategy for the UK).

In respect of the Licence No. 2535 which contains the Teal West discovery, the FDP received from the NSTA on 1 August 2023 for the Teal West field is a positive development and is expected to increase Company's daily production rate in the future. The Teal West field will be produced to the Anasuria FPSO where the fluids will be processed and exported via the Anasuria Cluster's infrastructure.

Further information on the future development is included at an aggregate level in the Annual Report of its ultimate holding company, Hibiscus Petroleum.

STREAMLINED ENERGY AND CARBON REPORTING

Global greenhouse gas ("GHG") emissions and energy use data for the financial year ended 30 June 2023 of the Anasuria Cluster are as follows:

	Units	2022	2023 ⁵
Scope 1 GHG emissions ¹	tonnes CO ₂ e	87,688	98,243
Scope 2 GHG emissions ²	tonnes CO ₂ e	0	0
Scope 3 GHG emissions – Business travel ³	tonnes CO ₂ e	0	0
Scope 1 and Scope 2 GHG emissions per boe	kg CO ₂ e/boe	34.05	33.40
Gas consumption on the Anasuria FPSO ⁴	kWh	357,475,720	390,922,822
Diesel consumption on the Anasuria FPSO ⁴	kWh	14,419,647	23,865,322

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

DIRECTORS' REPORT (CONTINUED)

STREAMLINED ENERGY AND CARBON REPORTING (CONTINUED)

Notes:

1. GHG emissions comprise of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride. Leak tests to measure the fluorinated gases are typically conducted once annually. The global warming potential factors used are in accordance with the UK Government's guidance for reporting of GHG emissions.
2. Scope 2 – GHG emissions is zero as there is no purchased electricity for the Anasuria FPSO operations, as all activities are conducted offshore. Office use of electricity are not measured separately as these are included in the office rent.
3. Scope 3 – Business travel GHG emissions is zero as there is no vehicle that is owned by the Company and its operations through AOCL, or whereby AOCL is responsible for purchasing fuel for the purposes of business travel. GHG emissions from air travel, helicopters and supply vessels have not been accounted for. The Scope 3 category is included in the fulfilment of UK Government's SECR requirements.
4. The 2020 UK Government GHG conversion factors for company reporting have been used to convert fuel consumption from tonnes to kWh.
5. Emission figures from 1 January 2023 to 30 June 2023 are provisional.

Methodologies and Energy efficiencies measures

The total operational GHG emissions cover the operations on the Anasuria FPSO. Power generation and flaring of gas are the main sources of atmospheric emissions. CO₂ emissions from fuel and flare are calculated and tracked monthly by AOCL (the Duty Holder of the Anasuria FPSO) as part of the reporting requirement under the UK Emissions Trading Scheme.

Several opportunities for energy (and hence associated GHG) reduction are being assessed for economic viability and some of them will be considered as part of the long-term operational plan for the asset. The team has been assessing these opportunities and they form a part of the Emissions Management Strategy and will be addressed in the upcoming years. Furthermore, additional opportunities have been identified as part of AOCL's Emissions Reduction Action Plan.

The Anasuria FPSO and the related facilities are designed to last the entire field lifecycle and are likely not to be frequently replaced. Thus, opportunity for energy savings is challenging. However, if a requirement to replace or procure new equipment arises, we would endeavour to procure new equipment that could offer the opportunity to save energy. Whilst AOCL recognises that some investment will be required as part of the emissions reduction/energy transition drive, each opportunity will be reviewed individually with a thorough cost benefit analysis.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks that include the effects of changes in commodity prices, credit risk, liquidity risk, interest rate risk and foreign exchange rate risk.

Price risk

Commodity price risk related to crude oil is the Company's significant market risk exposure. Crude oil prices and quality differentials are influenced by worldwide factors such as OPEC actions, political events and supply and demand fundamentals. The Company is also exposed to natural gas price movements. Natural gas prices are generally influenced by oil prices and local market conditions. The Company's expenditures are subject to the effects of inflation, and prices received for the product sold are not readily adjustable to cover any increase in expenses from inflation. The Company may periodically use different types of derivative instrument to manage its exposure to price volatility, thus mitigating fluctuation in commodity-related cash flows. No such derivative instrument was used by the Company during the financial year.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk

The Company's accounts receivable with customers in the oil and gas industry are subject to normal industry credit risks. Oil production from the Anasuria Cluster is sold to BP Oil International Limited. Gas production from the Anasuria Cluster is sold to Shell UK and Esso UK.

The Company regularly monitors all customer receivables balances outstanding in excess of 90 days. As at 30 June 2023, all trade receivables were current (being defined as less than 90 days). The Company has no impairment of receivables as at 30 June 2023.

Liquidity risk and cash flow risk

The Company along with its ultimate holding company will ensure there are sufficient available funds to operate its existing licences. Based on the availability of funding from its ultimate holding company, the Directors concluded that there is no material uncertainty on the Company's ability to continue as a going concern.

DIVIDENDS

No dividend was paid since the date of incorporation and the Directors do not recommend the payment of any dividend for the current financial year.

MATTER SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There are no significant events subsequent to the financial year.

DIRECTORS

The following persons served as Directors of the Company during the financial year and up to the date of signing of this report:

Dr Kenneth Gerard Pereira
Lim Kock Hooi
Mark John Paton (resigned 30 November 2022)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 UK-adopted international accounting standards.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 UK-adopted international accounting standards 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 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 also 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.

DIRECTORS' CONFIRMATION

In the case of each Director in office at the date the Directors' Report is approved:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

On behalf of the Board,



Dr Kenneth Gerard Pereira
Director
20 October 2023

Independent auditors' report to the members of Anasuria Hibiscus UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Anasuria Hibiscus UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 Statement of Financial Position as at 30 June 2023; the Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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.

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 on it, 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 Strategic report and 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.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 June 2023 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 Strategic report and 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, 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.

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 non-compliance with tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Enquiries of management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, including those of the Board; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations and entries posted by unexpected users, where any such journal entries were identified.

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.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
20 October 2023

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2023

	Note	2023 USD	2022 USD
Revenue	5	77,034,234	78,096,453
Cost of sales	6	(18,740,793)	(20,776,200)
Gross profit		58,293,441	57,320,253
Other income	7	2,885,186	11,272,737
Administrative expenses		(6,401,502)	(9,761,801)
Other expenses	8	(28,193,659)	(12,248,574)
Finance costs	9	(7,358,447)	(7,262,158)
Profit before taxation	10	19,225,019	39,320,457
Taxation	11	(34,324,055)	(17,415,075)
Total comprehensive (expenses)/income for the financial year		(15,099,036)	21,905,382

The notes on pages 23 to 74 are an integral part of these financial statements.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2023 USD	2022 USD
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	13	223,387,342	213,475,036
Equipment	14	135,342,188	130,976,847
Restricted cash and bank balances	15	46,862,545	35,935,873
Right-of-use assets	16	99,966	-
Other receivables	18	4,855	-
		<u>405,696,896</u>	<u>380,387,756</u>
CURRENT ASSETS			
Intangible assets	13	1,894,100	-
Trade receivables	17	15,387,125	22,539,177
Other receivables, deposits and prepayments	18	2,421,385	2,456,806
Amount owing by holding company	19	1	1
Amount owing by a related party	21	16,421	12,515
Inventories	22	2,033,335	2,004,374
Cash and bank balances	15	23,618,220	16,292,056
		<u>45,370,587</u>	<u>43,304,929</u>
TOTAL ASSETS		<u>451,067,483</u>	<u>423,692,685</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	23	2	2
Retained earnings		150,190,575	165,289,611
TOTAL EQUITY		<u>150,190,577</u>	<u>165,289,613</u>
NON-CURRENT LIABILITIES			
Contingent consideration	24	9,280,452	8,021,941
Deferred tax liabilities	25	107,317,998	77,086,388
Other payables	26	-	561,141
Provision for decommissioning costs	27	114,817,860	96,931,846
Lease liabilities	29	77,676	-
		<u>231,493,986</u>	<u>182,601,316</u>

The notes on pages 23 to 74 are an integral part of these financial statements.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023 (CONTINUED)

	<u>Note</u>	<u>2023</u> USD	<u>2022</u> USD
CURRENT LIABILITIES			
Contingent consideration	24	1,620,588	6,475,167
Trade payables	28	8,195,931	1,918,128
Other payables and accruals	26	18,927,503	21,881,112
Amounts owing to related parties	21	16,967,549	26,207,142
Amount owing to ultimate holding company	20	19,807,395	9,210,073
Lease liabilities	29	57,671	-
Current tax liabilities		3,806,283	10,110,134
		<u>69,382,920</u>	<u>75,801,756</u>
TOTAL LIABILITIES		<u>300,876,906</u>	<u>258,403,072</u>
TOTAL EQUITY AND LIABILITIES		<u>451,067,483</u>	<u>423,692,685</u>

The financial statements on pages 17 to 74 were authorised for issue by the Board of Directors on 20 October 2023 and were signed on its behalf.



Dr Kenneth Gerard Pereira
Director

Anasuria Hibiscus UK Limited
Registered no. 9696268

The notes on pages 23 to 74 are an integral part of these financial statements.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023

	Share <u>capital</u> USD	Retained <u>earnings</u> USD	<u>Total</u> USD
Balance as at 1 July 2021	2	143,384,229	143,384,231
Profit after taxation/Total comprehensive income for the financial year	-	21,905,382	21,905,382
Balance as at 30 June 2022	2	165,289,611	165,289,613
Balance as at 1 July 2022	2	165,289,611	165,289,613
Loss after taxation/Total comprehensive expenses for the financial year	-	(15,099,036)	(15,099,036)
Balance as at 30 June 2023	2	150,190,575	150,190,577

The notes on pages 23 to 74 are an integral part of these financial statements.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023

	Note	2023 USD	2022 USD
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		19,225,019	39,320,457
Adjustments for:			
Depreciation and amortisation of equipment, intangible assets and right-of-use assets		26,735,619	12,248,574
Finance costs		7,358,447	7,262,158
Unrealised foreign exchange loss/(gain)		1,458,040	(10,784,760)
Operating profit before working capital changes		54,777,125	48,046,429
Trade receivables		7,163,318	(22,096,097)
Other receivables, deposits and prepayments		(81,698)	451,882
Amount owing to ultimate holding company		175,178	(2,036,120)
Inventories		(28,961)	1,615,778
Trade payables		6,041,086	(302,602)
Other payables and accruals		(5,277,510)	6,808,605
Amounts owing by/(to) related parties		2,925,008	2,195,733
CASH GENERATED FROM OPERATIONS		65,693,546	34,683,608
Tax paid		(9,397,098)	(3,574,835)
Interest paid		-	(4,938,308)
Movement in restricted cash and bank balances		(10,926,672)	(5,709,001)
Net cash generated from operating activities		45,369,776	20,461,464
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment		(16,423,743)	(13,001,511)
Acquisition of intangible assets		(20,414,969)	(6,399,754)
Net cash used in investing activities		(36,838,712)	(19,401,265)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from ultimate holding company		10,000,000	10,000,000
Advances from a related party		10,000,000	-
Repayment of advances to a related party		(23,000,000)	(12,000,000)
Repayment of lease liabilities		(27,303)	-
Advances to a related party		-	(400,000)
Repayment of advances from a related party		-	2,698,769
Repayment of advances from ultimate holding company		-	7,301,231
Net cash (used in)/generated from financing activities		(3,027,303)	7,600,000

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023 (CONTINUED)

	<u>Noto</u>	<u>2023</u> USD	<u>2022</u> USD
NET INCREASE IN CASH AND CASH EQUIVALENTS		5,503,761	8,660,199
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES		1,822,403	(5,148,406)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		16,292,056	12,780,263
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	15	23,618,220	16,292,056

The notes on pages 23 to 74 are an integral part of these financial statements.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

1 GENERAL INFORMATION

The Company is a private company limited by shares, incorporated and domiciled in England and Wales.

Details of the registered office, principal place of business, holding company and the ultimate holding company are as stated in the Strategic Report.

The Company is principally engaged in the exploration and production of oil and gas.

2 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention, except as disclosed in Note 3 to the financial statements on significant accounting policies.

The Company transitioned to UK-adopted international accounting standards on 1 January 2021 in the preparation of its financial statements and since then, there have been no changes to its recognition and measurement policies. In the UK, the UK Endorsement Board is responsible for adopting new IFRSs and amendments to existing IFRSs and has the authority to carve out IFRS standards for use. Currently, there are no carve outs that require disclosure for use in the UK.

The preparation of financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

The financial statements are presented in USD and all values are rounded to the nearest dollar, unless otherwise indicated.

As of 30 June 2023, the Company is in a net current liabilities position of USD24,012,333 (2022: net current liabilities position of USD32,496,827). The Directors are of the view that the Company will have continuing financial support from its ultimate holding company and sufficient cash flows for the next twelve months from the date of the approval of the financial statements to meet its cash flow requirements, and there is no material uncertainty on the Company's ability to continue as a going concern. Therefore, the Directors have prepared the financial statements on a going concern basis.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

2 BASIS OF PREPARATION (CONTINUED)

(a) *Amendments to published standards that are effective to the Company*

The Company have applied the following amendments for the first time for the financial year beginning on 1 July 2022:

- Annual improvements to IFRSs 2018 – 2020: IFRS 9 'Financial Instruments'
- Annual improvements to IFRSs 2018 – 2020: Illustrative Examples Accompanying IFRS 16 'Leases'
- Amendments to IFRS 3 'Reference to the Conceptual Framework'
- Amendments to IFRS 16 'Property, Plant and Equipment – Proceeds before Intended Use'
- Amendments to IAS 37 'Onerous Contracts Cost of Fulfilling a Contract'

The adoption of the above amendments did not have any impact on the current financial year or any prior financial period.

(b) *Amendments to published standards that are applicable to the Company but not yet effective are as follows:*

Effective for financial periods beginning on or after 1 January 2023

- Amendments to IAS 1 'Disclosure of Accounting Policies'
- Amendments to IAS 8 'Definition of Accounting Estimates'
- Amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'
- Amendments to IAS 112 'International Tax Reform – Pillar Two Model Rules'
- Amendments to IFRS Practice Statement 2 'Disclosure of Accounting Policies'

Effective for financial periods beginning on or after 1 January 2024

- Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to IAS 1 'Non-current Liabilities with Covenants'
- Amendments to IAS 7 and IFRS 7 'Supplier Finance Arrangements'

The Company will adopt the above standards and amendments when they become effective in the respective financial periods. The Company is in the process of assessing the impact of the adoption of these standards and amendments to existing standards.

The Company has elected to early adopt the amendments to IAS 12 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' during the financial year. As a result, a deferred tax expense amounting to USD988,570 in relation to this early adoption was recognised in profit or loss during the financial year.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements, unless otherwise stated.

(a) Investment in a joint arrangement

The Company is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Company and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Company classifies its interests in joint arrangements as Joint operations: where the Company has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Company considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

The Company accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

(b) Currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates, which is the functional currency.

The financial statements are presented in USD, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Transactions in a currency other than the functional currency are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the reporting date are recognised in profit or loss.

Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined.

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments

Financial instruments are recognised in the statement of financial position when the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as assets, liabilities or equity in accordance with the substance of the contractual arrangement. Interests, dividends, gains and losses relating to a financial instrument classified as a liability or an asset are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Financial assets

- Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- Those to be measured at amortised cost.

- Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

- Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instruments

- Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Financial assets (continued)

- There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other operating expenses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

- Fair value through other comprehensive income ("FVOCI")

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other operating expenses. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating expenses and impairment expenses are presented as separate line item in the statement of comprehensive income.

- FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other operating expenses in the period in which it arises.

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Financial assets (continued)

• Subsequent measurement – Impairment for debt instruments

The Company assesses on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company has five types of financial instruments that are subject to the ECL model:

- Trade receivables;
- Other receivables;
- Deposits;
- Amount owing by holding company; and
- Amount owing by a related party.

While cash and bank balances are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Company expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Financial assets (continued)

General 3-stage approach for other receivables, deposits, amount owing by holding company and amount owing by a related party

- At each reporting date, the Company measures ECL through a loss allowance at an amount equal to 12 months ECL if the credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to the lifetime ECL is required.

Simplified approach for trade receivables

- The Company applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables.

Significant increase in credit risk

The Company considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It also considers available reasonable and supportable forward-looking information.

The following indicators are considered:

- Internal credit rating;
- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Company and changes in the operating results of the debtor.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Financial assets (continued)

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Company defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

- The Company defines a financial instrument as being in default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria

- The debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Company considers the following instances:
 - The debtor is in breach of financial covenants;
 - Concessions have been made by the lender relating to the debtor's financial difficulty;
 - It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
 - The debtor is insolvent.

Financial instruments that are credit-impaired are assessed on individual basis.

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Financial assets (continued)

Write-off*Trade receivables*

- Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables

- The Company write-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

(ii) Financial liabilities

All financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as FVTPL.

The FVTPL category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. The Company had not entered into any hedging activities as at the reporting date.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(d) Intangible assets

(i) Other intangible assets

Intangible assets acquired separately are measured at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Where the consideration to acquire the intangible assets includes a contingent consideration arrangement, intangible assets are initially recognised, which includes an estimate for the contingent consideration which derives from future anticipated variable costs. A liability will be recognised for the contingent consideration at the same time. The contingent consideration is subsequently measured at amortised cost. Subsequent changes in the contingent consideration will be recognised against the cost of the intangible assets or, in certain circumstances, in profit or loss.

Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Amortisation of other intangible assets is computed based on the unit of production method using proven and probable reserves.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Intangible assets (continued)

(i) Other Intangible assets (continued)

Cost associated with production and general corporate activities are expensed in the period incurred. Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(ii) Emission trading schemes

The Company operates in an energy intensive industry and as part of the regulatory and legislative requirement in the UK, it is required to partake in emission trading schemes ("ETS"). UK emissions allowances ("UKAs") are purchased to settle the Company's liabilities related to emissions.

UKAs are presented under cost of sales in the statement of profit or loss when utilised against the Company's emissions liabilities in the UK. UKAs purchased but are not utilised against emissions liabilities are recognised in the statement of financial position as an intangible asset, at cost.

(e) Equipment

Equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of equipment initially recognised include purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation of the following assets are calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

FPSO	5%
Office equipment	20 - 33.33%

The depreciation method, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment. The effects of any revision are recognised in profit or loss when the changes arise.

Expenditure on the construction, installation and completion of infrastructure facilities of oil and gas assets is capitalised within equipment.

Subsequent expenditure relating to equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of parts that are replaced is derecognised. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an item of equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Equipment (continued)

Expenses incurred for the construction of tangible assets attributable to ongoing projects incurred are capitalised as 'work in progress'. Capitalisation is made within tangible assets according to the nature of the expenditure. No depreciation is charged during this phase until the asset is ready for use. The depreciation rate would be calculated based on the useful life of the asset to be assessed once it is ready for use.

Depreciation of oil and gas assets comprising subsea facilities and equipment is computed based on the unit-of-production method using proven and probable developed reserves.

(f) Impairment of non-financial assets

Assets that have an indefinite useful life or intangible assets not ready for use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment when there is an indication that these assets may be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of an asset is the higher of the assets' fair value less costs to sell ("FVLCTS") and their value in use, which is measured by reference to discounted future cash flows. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

An impairment loss is recognised in profit or loss immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised.

(g) Inventories

Inventories of crude oil, diesel and spares are stated at the lower of 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 selling expenses.

Cost of petroleum products include direct costs and transportation charges incurred in bringing the inventories to their present condition and location, and is determined on a weighted average basis.

(h) Cash and bank balances

Cash and bank balances in the statements of financial position comprise cash in hand, bank balances, fixed deposits with licensed banks. In the statements of cash flows, cash equivalents are short-term and highly liquid investments for the purpose of meeting short term commitments rather than for investments or other purposes, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and exclude restricted cash.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Provisions

(i) Decommissioning costs

Provision for future decommissioning costs is made in full when the Company has an obligation to dismantle and remove a facility or an item of plant and to restore the site on which it is located, and when a reasonable estimate of that liability can be made. Periodic estimates are made for such future facility abandonment costs. The estimated cost of decommissioning and restoration is discounted to its net present value. An amount equivalent to the discounted initial provision for decommissioning costs is capitalised and amortised over the life of the underlying asset on a unit-of-production basis over proven and probable developed reserves. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the underlying related asset.

The unwinding of the discount applied to future decommissioning provisions is included under finance costs in profit or loss. The estimated interest rate used in discounting the cash flows is reviewed at least annually.

Any change in the expected future cost, interest rate and inflation rate is reflected as an adjustment in the provision for decommissioning costs of the corresponding oil and gas asset.

(ii) Other provisions

Provisions are recognised when the Company has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The increase in the provision due to passage of time is recognised as finance cost.

(j) Current and deferred taxation

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Current and deferred taxation (continued)

A deferred tax liability is recognised on temporary differences on investments in subsidiaries, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. Deferred tax assets and liabilities are offset when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from business combination is adjusted against goodwill on acquisition, if any.

(k) Leases

Accounting by lessee

A lease is recognised as a right-of-use asset and a corresponding liability at the date on which the leased asset is available for use by the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(i) Lease term

In determining the lease term, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases (continued)

Accounting by lessee (continued)

(i) Lease term (continued)

The Company reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Company and affect whether the Company is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. Refer below on reassessment of lease liabilities.

(ii) Right-of-use assets

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

Right-of-use assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss, if any. The right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. In addition, the right-of-use assets are adjusted for certain remeasurement of the lease liabilities.

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- The exercise prices of purchase and extension options if the Company is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases (continued)

Accounting by lessee (continued)

(iii) Lease liabilities (continued)

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Company presents the lease liabilities within borrowings in the statements of financial position. Interest expense on the lease liabilities is presented within the finance cost in profit or loss.

(iv) Reassessment of lease liabilities

The Company is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the right-of-use assets.

(v) Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office furniture. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Revenue

Revenue from contracts with customer

(i) Sale of oil and gas products

Oil and gas revenues that comprise the Company's share of sales of hydrocarbons, are recognised at the point in time when control of the asset is transferred to the customer. No element of financing is deemed present as the sales are made with a credit term of 30 to 60 days, which is consistent with market practise.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from other sources

(i) Interest income

Interest income is recognised using the effective interest method. Interest income consists of income from deposits with licensed banks and financial institutions and monies placed in trust.

(m) Under/overlift

An underlift asset is initially measured at market price of crude oil at the date of lifting and remeasured to the current market price of crude oil at the reporting date. Change arising from the remeasurement is included in profit or loss.

The measurement of an overlift liability depends on the terms of agreement. If the agreement allows the net settlement of overlift balances in cash, the balances will fall within the scope of IFRS 9. Overlift balances that fall within the scope of IFRS 9 are to be initially measured at market price of crude oil at the date of lifting and remeasured to the current market price of crude oil at the reporting date. However, if the agreement restricts the net settlement of overlift balances to be settled in kind only, the transactions will not fall within the scope of IFRS 9. Overlift balances that do not fall within the scope of IFRS 9 are to be initially measured at estimated future production costs at the date of lifting and remeasured at the lower of carrying amount and current market price of crude oil at the reporting date. Changes arising from the remeasurement is included in profit or loss.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

4 CRITICAL ACCOUNTING ESTIMATES

Estimates are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact on the Company's results and financial positions are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimation of oil and gas reserves

Oil and gas reserves are key elements in the Company's investment decision making process. They are also an important element in testing for impairment. Changes in proven and probable developed oil and gas reserves will affect unit-of-production depreciation charges to profit or loss. Proven oil and gas reserves are the estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e. prices and costs as of the date the estimate is made.

Proven developed reserves are reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Estimates of oil and gas reserves are inherently imprecise, require the application of judgement and are subject to future revision. Accordingly, financial and accounting measures (such as discounted cash flows ("DCF"), depreciation, depletion and amortisation charges, and decommissioning provisions) that are based on proven reserves are also subject to change.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

4 CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

(a) Estimation of oil and gas reserves (continued)

Proven reserves are estimated by reference to available reservoir and well information, including production and pressure trends for producing reservoirs and, in some cases, subject to definitional limits, to similar data from other producing reservoirs. Proven reserves estimates are attributed to future development projects only where there is a significant commitment to project funding and execution and for which applicable governmental and regulatory approvals have been secured or are reasonably certain to be secured. Furthermore, estimates of proven reserves only include volumes for which access to market is assured with reasonable certainty. All proven reserves estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans.

Probable reserves are those unproven reserves which analysis of geological and engineering data suggests are more likely than not to be recoverable. In this context, when probabilistic methods are used, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the sum of estimated proven plus probable reserves.

In general, changes in the technical maturity of hydrocarbon reserves resulting from new information becoming available from development and production activities have tended to be the most significant cause of annual revisions. In general, estimates of reserves for undeveloped or partially developed fields are subject to greater uncertainty over their future life than estimates of reserves for fields that are substantially developed and depleted. As a field goes into production, the amount of proven reserves will be subject to future revision once additional information becomes available through, for example, the drilling of additional wells or the observation of long term reservoir performance under producing conditions. As those fields are further developed, new information may lead to revisions.

Changes to the Company's estimates of proven and probable reserves may affect the impairment review of the Company's intangible assets, equipment and right-of-use assets. Details are set out in Note 4(b) to the financial statements. These changes also affect the amount of depreciation and amortisation recorded for oil and gas assets and rights and concessions related to revisions. A reduction in proven and probable developed reserves will increase depreciation and amortisation charges (assuming constant production) and reduce income.

Although the possibility exists for changes in reserves to have a critical effect on depreciation and amortisation charges and, therefore, income, it is expected that in the normal course of business the Company will continue to prioritise exploration and timely project delivery which ultimately results in maximisation of reserve recovery and will thus constrain the likelihood for changes to occur.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

4 CRITICAL ACCOUNTING ESTIMATES (CONTINUED)

(b) Impairment review of intangible assets, equipment and right-of-use assets

Carrying amounts of the Company's intangible assets, equipment and right-of-use assets are assessed for indicators of impairment and reviewed for possible impairment when indicators of impairment exist. For the purpose of assessing impairment, assets are grouped at the lowest level cash generating units ("CGU") for which there is a separately identifiable cash flow available. The CGUs of the Company are the Anasuria Area (consists of the Anasuria Cluster, Licence No. P2532 and Licence No. P2535), the Marigold West and Sunflower fields and Licence No. P2518.

Estimates of future cash flows of each CGU are based on management estimates of future crude oil prices, market supply and demand, product margins and expected future capital expenditure and expected future production volumes. Other factors that can lead to changes in estimates may include variations in regulatory environments. Expected future production volumes, which include proven and probable reserves, are used for impairment testing because the Company believes this to be the most appropriate indicator of expected future cash flows.

A discount rate based on the rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted is used in impairment testing. The discount rate applied is reviewed on an annual basis.

(c) Estimation of provision for decommissioning costs

Provisions are made for the future decommissioning and restoration of oil and gas assets at the end of their economic lives. Changes in the estimates of costs to be incurred, reserves or in the rate of production may impact income over the remaining economic life of the oil and gas assets.

Most of these decommissioning and restoration events are many years in the future and the precise requirements that will have to be met when such removal events occur are uncertain. Actual timing and net cash outflows can defer from estimates due to uncertainties concerning the timing of the decommissioning activity, legislative changes, technological advancement, regulatory, environmental and political changes, and the appropriate discount rate used in estimating the liability. The carrying amount of the provision, together with the discount rate used in discounting the cash flows and inflation rate, are regularly reviewed and adjusted to account for such changes. Additional information is disclosed in Note 27 to the financial statements.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

5 REVENUE

	2023 USD	2022 USD
Crude oil sales	60,376,038	64,240,628
Gas sales	16,658,196	13,855,825
	<u>77,034,234</u>	<u>78,096,453</u>

Sales from crude oil and gas are generated in the UK.

6 COST OF SALES

	2023 USD	2022 USD
Cost of operations	17,677,763	19,916,366
Tariff and transportation expenses	1,063,030	859,834
	<u>18,740,793</u>	<u>20,776,200</u>

7 OTHER INCOME

	2023 USD	2022 USD
Interest income	1,173,953	382,147
Sundry income	588,879	11,250
Unrealised foreign exchange gain	-	10,784,760
Realised foreign exchange gain	1,122,354	94,580
	<u>2,885,186</u>	<u>11,272,737</u>

8 OTHER EXPENSES

	2023 USD	2022 USD
Depreciation and amortisation of equipment and intangible assets	26,707,056	12,248,574
Amortisation of right-of-use assets	28,563	-
Unrealised foreign exchange loss	1,458,040	-
	<u>28,193,659</u>	<u>12,248,574</u>

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

9 FINANCE COSTS

	2023 USD	2022 USD
Unwinding of discount on contingent consideration (Note 24)	366,853	760,372
Unwinding of discount on provision for decommissioning costs (Note 27)	4,661,404	4,672,606
Interest expense on lease liabilities	10,164	-
Other interest expense	2,320,026	1,829,180
	<u>7,358,447</u>	<u>7,262,158</u>

10 PROFIT BEFORE TAXATION

	2023 USD	2022 USD
Profit before taxation is arrived after charging:		
Fees payable to the Company's auditors and its associates for the audit of the Company's financial statements:		
- PricewaterhouseCoopers LLP, UK	85,052	61,079
- member firm of PricewaterhouseCoopers International Limited	35,828	27,586
Prospecting costs and consultancy fees	618,235	684,607
Rental expenses	53,883	57,367
Tax fee	<u>11,114</u>	<u>12,231</u>

The remuneration of Dr Kenneth Gerard Pereira is paid by Hibiscus Petroleum which makes no recharge to the Company. Dr Kenneth Gerard Pereira is a Director of Hibiscus Petroleum and certain fellow subsidiaries, and it is not possible to make an accurate apportionment of his remuneration in respect of each of the subsidiaries. His total remuneration is included in the key management personnel compensation disclosed in the financial statements of Hibiscus Petroleum.

The remuneration of Lim Kock Hooi and Mark John Paton are paid by a wholly-owned subsidiary of Hibiscus Petroleum which makes no recharge to the Company. Lim Kock Hooi and Mark John Paton are key management personnel of Hibiscus Petroleum and Directors of certain fellow subsidiaries, and it is not possible to make an accurate apportionment of their respective remuneration in respect of each of the subsidiaries. Their total remuneration is included in the key management personnel compensation disclosed in the financial statements of Hibiscus Petroleum.

The Company has three operative persons (2022: one operative person) in employment. Technical-related expenses and a significant portion of administrative expenses are provided by a wholly-owned subsidiary of Hibiscus Petroleum.

Rental expenses recognised are related to short-term and low value leases.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

11 TAXATION

The tax assessed for the financial year is higher than the standard effective rate of corporation in the UK. The difference is explained below:

	2023 USD	2022 USD
Current tax:		
- Income tax	4,282,969	10,110,134
- Over accrual in prior year	(190,524)	(399,554)
	4,092,445	9,710,580
Deferred tax (Note 25):		
- Origination of temporary differences	1,004,950	7,704,495
- In respect of the introduction of a new tax legislation	29,226,660	-
	34,324,055	17,415,075

A new inclusion in the fiscal regime, namely the Energy Profits Levy ("EPL"), was enacted when the Energy (Oil and Gas) Profits Levy Act 2022 received Royal Assent on 14 July 2022. The EPL, which took effect from 26 May 2022, introduced an additional 25% levy on UK oil and gas profits in addition to the existing ring fence corporation tax ("RFCT") and supplementary charge ("SC"). The EPL regime includes an enhanced deduction such that 180% of certain categories of capital expenditure could be offset against taxable income. This form of EPL was initially enacted for a fixed period and provisions were included to phase it out when oil and gas prices returned to historically more normal levels although this was not specified in the law. The legislation included a sunset, or expiry, clause that ensured the levy did not apply beyond 31 December 2025.

On 17 November 2022, the UK Government announced changes to the EPL regime which came into effect from 1 January 2023. The revised EPL regime included an increased levy rate of 35% (from 25%) on UK oil and gas profits in addition to the existing RFCT and SC. This meant that the UK upstream oil and gas industry would face a 75% marginal rate of tax. The enhanced deduction for certain categories of capital expenditure to offset taxable EPL income was reduced to 129% except in the case of decarbonisation expenditures which were retained at the 180% enhanced deduction. The EPL regime will now apply until 31 March 2028. The UK Government have announced that they will legislate to remove EPL from the statute if oil and gas prices both fall to below historic average prices for a period of two quarters. They have identified the historic average prices as USD71.40 per barrel for oil and GBP0.54 per therm for gas. Precise details of the mechanism to end EPL have not been finalised.

Upon the introduction of EPL regime during the current financial year, the Company recognised an initial deferred tax liability of USD29,226,660, which will be fully reversed to profit or loss during the EPL regime period, which ends on 31 March 2028.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

11 TAXATION (CONTINUED)

A reconciliation of income tax expense/(credit) applicable to the profit before taxation at the statutory tax rate to income tax expense/(credit) at the effective tax rate of the Company is as follows:

	2023 USD	2022 USD
Profit before taxation	19,225,019	39,320,457
Tax at the statutory tax rate at 40% (2022: 40%)	7,690,008	15,728,183
Income not subject to tax	(4,436,601)	(55,120)
Expenses not deductible for tax purposes	4,037,911	3,012,115
Deductions for supplementary charge	(6,207,338)	(870,549)
One-off effect arising from adoption of EPL	28,254,263	-
Effect of increase in tax rates in respect of EPL	5,176,336	-
Over accrual in prior year	(190,524)	(399,554)
	<u>34,324,055</u>	<u>17,415,075</u>

A deferred tax expense of USD28,254,263 was recognised upon the adoption of EPL during the financial year. This deferred tax expense was derived from taxable temporary differences which arose from the expected future amortisation of intangible assets and depreciation of oil and gas assets computed from the carrying values of these assets at the point when the EPL regime became effective. It will be fully reversed to profit or loss during the EPL regime period, which ends on 31 March 2028.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

12 JOINT OPERATION

(a) Anasuria Area

(i) Anasuria Cluster

- Licence No. P013 and the Anasuria FPSO

The Company, together with Ping Petroleum has established the joint operating company, AOCL in Aberdeen and this company has been approved as the Licence Operator for Licence No. P013 by the Secretary of State for Energy and Climate Change of the UK Government. The Company holds 50% interest in AOCL.

AOCL operates the fields under Licence No. P013 (Block 21/25a and Block 21/30a) and the Anasuria FPSO, which are located approximately 175 kilometres east of Aberdeen in the UK Central North Sea.

The Company's interest in Licence No. P013 consists of:

- 50% interest in the Guillemot A field and the related field facilities;
- 50% interest in the Teal field and the related field facilities; and
- 50% interest in the Teal South field and the related field facilities.

There is no expiry date for the licence covering the Guillemot A, Teal and Teal South fields.

The Company also holds 50% interest in the Anasuria FPSO and the related equipment.

- Licence No. P185

The Company's interest in Licence No. P185 (Block 21/20a) contains 19.325% interest in the Cook field and the related field facilities. The remaining interest is held by Ithaca Energy and Ping Petroleum with 61.35% and 19.325% interest respectively. Ithaca Energy is the operator for the field.

The UK's NSTA had on 12 March 2018 extended the licence for the Cook field into a life of field licence. The licence is terminable only if there is a continuous minimum 12-month period in which the production has fallen below a minimum production level.

(ii) Licence No. P2532

Licence No. P2532 (Block 21/19c and Block 21/20c) contains the Cook West and Cook North prospects, which are potential extensions to the existing Cook field.

These blocks are contiguous with the Cook field (Licence No. P185 (Block 21/20a)) and reflect a similar equity holding as that of the Cook field.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

12 JOINT OPERATION (CONTINUED)

(a) Anasuria Area (continued)

(iii) Licence No. P2535

Licence No. P2535 (Block 21/24d) contains the Teal West discovery, which is contiguous to the Teal field and is located approximately 4 kilometres from the Teal manifold. The Teal West discovery is planned to be produced to the Anasuria FPSO where the well fluids will be processed and exported via the Anasuria infrastructure.

The Company is the operator for the field.

The Company holds 100% interest in Licence No. P2535 effective from 12 October 2022 when the assignment of NEO Energy's 30% interest in the licence to the Company was completed.

The Company received a Development and Production Works Consent to a FDP for the Teal West field from the NSTA on 1 August 2023. The FDP approval comes pursuant to the unconditional grant of consent for the Environmental Statement received on 7 July 2023.

(b) Marigold West and Sunflower fields

The Marigold West and Sunflower fields, which are part of the UK Continental Shelf Petroleum Production Licence No. P198 (Block 15/13a and Block 15/13b) respectively, are located approximately 250 kilometres northeast of Aberdeen in the UK Central North Sea.

On 16 October 2018, the Company completed the acquisition of 50% interest in the two blocks under Licence No. P198; (i) Block 15/13a, containing the Marigold West discovered oilfield, and (ii) Block 15/13b, containing the Sunflower discovered oilfield.

On 12 February 2019, the Company assumed the role of operator for the fields.

On 20 January 2021, the Company entered into a farm-in agreement with its joint venture partner for the fields, Caldera Petroleum. As per the terms of the farm-in agreement, Caldera Petroleum agreed to transfer to the Company 37.5% interest in Licence No. P198 Block 15/13a and Block 15/13b and in return, the Company agreed to pay all amounts attributable to Caldera Petroleum's retained interest of 12.5% up to first oil delivered from the fields.

Pending the development and finalisation of a UUOA, the Company and Caldera Petroleum entered into a Governance Agreement on 5 May 2022, with Ithaca Oil and Gas to jointly develop the resources found in Licence No. P198 Block 15/13a and Ithaca Oil and Gas' Licence No. P2158 Block 15/18b (which is adjacent to the Marigold West field and containing the Marigold East field) (unitised Marigold field) via a tieback to the Piper B platform.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

12 JOINT OPERATION (CONTINUED)

(b) Marigold West and Sunflower fields (continued)

On 15 September 2023, the Company, Caldera Petroleum and Ithaca Oil and Gas entered into the UUOA. The unitisation of Marigold West field and the Marigold East field will allow an optimal field development solution to be implemented. Pursuant to the UUOA, the unit participations for the Company, Caldera Petroleum and Ithaca Oil and Gas in the unitised Marigold field will be 61.25%, 8.75% and 30.00% respectively, with the Company being the operator for the unitised Marigold field. The UUOA is a pre-requisite for the submission of a FDP for the unitised Marigold field. For the avoidance of doubt, interests in the Licence No. P198 Block 15/13b (Sunflower field) remain unchanged with the Company holding 87.5% and Caldera Petroleum holding 12.5%.

The Marigold West field is expected to be in production by 2028, upon which Licence No. P198 is valid for the life of the fields.

13 INTANGIBLE ASSETS

	Rights and concessions USD	Conventional studies USD	Emission trading schemes USD	Total USD
At 1.07.2022	195,879,743	17,595,293	-	213,475,036
Additions	-	18,520,869	1,894,100	20,414,969
Changes in estimates	(2,850,482)	-	-	(2,850,482)
Amortisation	(5,758,081)	-	-	(5,758,081)
At 30.06.2023	187,271,180	36,116,162	1,894,100	225,281,442
Non-current	187,271,180	36,116,162	-	223,387,342
Current	-	-	1,894,100	1,894,100
	187,271,180	36,116,162	1,894,100	225,281,442
At 1.07.2021	197,359,231	11,195,539	-	208,554,770
Additions	-	6,399,754	-	6,399,754
Changes in estimates	3,468,269	-	-	3,468,269
Amortisation	(4,947,757)	-	-	(4,947,757)
At 30.06.2022	195,879,743	17,595,293	-	213,475,036
Non-current	195,879,743	17,595,293	-	213,475,036

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

13 INTANGIBLE ASSETS (CONTINUED)

Included in the current intangible assets are the UKAs purchased but are not utilised against emissions liabilities. The intangible assets represent the rights and concession and emission trading schemes of the licences as follows:

	2023 USD	2022 USD
Anasuria Cluster	139,047,741	142,911,723
Marigold West and Sunflower fields	71,167,352	66,606,272
Licence No. P2535	15,051,766	3,942,458
Licence No. P2532	14,583	14,583
At 30.06.2023/30.06.2022	225,281,442	213,475,036

Capitalised expenditures are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(a) Anasuria Area

The recoverable amounts of the intangible assets, equipment and right-of-use assets relating to the Anasuria Area (which includes the Anasuria Cluster, Licence No. P2532 and Licence No. P2535) were determined using the FVLCTS model based on DCF derived from the expected cash inflow and outflow over the production life of the Anasuria Area.

The key assumptions applied to determine the recoverable amount for the Anasuria Area were as follows:

- (i) Discount rate of 10% (2022: 10%);
- (ii) Oil price forecast based on the oil price forward curve from an independent party;
- (iii) Future oil production profile based on an assessment by independent oil and gas reserve expert; and
- (iv) Teal West's first oil being achieved at the end of year 2024 (2022: end of year 2024).

Fair value measurement was performed based on Level 3 hierarchy.

Based on the assessments performed, the Company concluded that the recoverable amount is greater than the carrying amount. The most sensitive assumption in the DCF economic model was oil price forecast. A 10% decrease in the oil price forecast did not result in the carrying amount exceeding its recoverable amount. The cost to sell is estimated to be immaterial.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

13 INTANGIBLE ASSETS (CONTINUED)

(a) Marigold West and Sunflower fields

The Company has assessed the recoverable amount of the intangible assets, equipment and right-of-use assets relating to the Marigold West and Sunflower fields. The recoverable amount was determined using the FVLCTS model based on DCF derived from the expected cash inflow and outflow over the production life of the Marigold West and Sunflower fields.

The key assumptions applied to determine the recoverable amount for the Marigold West and Sunflower fields were as follows:

- (i) Discount rate of 10% (2022: 10%);
- (ii) First oil being achieved in year 2028 (2022: year 2026);
- (iii) Oil price forecast based on the oil price forward curve from an independent party;
- (iv) An oil production profile based on an assessment by independent oil and gas reserve expert; and
- (v) Commercial risk factors applied to the valuation derived.

Fair value measurement was performed based on Level 3 hierarchy.

Based on the assessments performed, the Company concluded that the recoverable amount is greater than the carrying amount. The most sensitive assumption in the DCF economic model was oil price forecast. A 10% decrease in the oil price forecast did not result in the carrying amount exceeding its recoverable amount. The cost to sell is estimated to be immaterial.

(b) Licence No. P2366

Licence No. P2366 has been fully impaired as there was no sanctioned development of the licence. The licence expired on 30 September 2021 when the request to extend the expiry date of the licence was not approved by the NSTA.

(c) Licence No. P2518

The Company has 100% interest in Licence No. P2518 (Block 15/17a) containing the Kildrummy discovered field. As at the reporting date, no development costs have been incurred.

ANASURIA -IBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

14 EQUIPMENT

	Office equipment USD	Oil and gas assets USD	FPSO USD	Work in progress USD	Total USD
<u>Cost</u>					
At 01.07.2021	22,867	154,296,860	8,191,980	18,191,777	180,703,484
Additions	2,235	-	-	12,999,276	13,001,511
Transfer	-	787,129	1,382,285	(2,169,414)	-
Changes in estimates	-	(7,558,085)	-	-	(7,558,085)
At 30.06.2022	25,102	147,525,904	9,574,265	29,021,639	186,146,910
Additions	107,585	-	-	16,316,158	16,423,743
Transfer	-	32,045,592	408,567	(32,454,159)	-
Changes in estimates	-	8,890,573	-	-	8,890,573
At 30.06.2023	132,687	188,462,069	9,982,832	12,883,638	211,461,226
<u>Accumulated depreciation</u>					
At 01.07.2021	(10,651)	(46,304,371)	(1,554,224)	-	(47,869,246)
Depreciation	(6,278)	(6,584,376)	(710,163)	-	(7,300,817)
At 30.06.2022	(16,929)	(52,888,747)	(2,264,387)	-	(55,170,063)
Depreciation	(15,886)	(20,085,988)	(847,101)	-	(20,948,975)
At 30.06.2023	(32,815)	(72,974,735)	(3,111,488)	-	(76,119,038)
<u>Net book value</u>					
At 30.06.2022	8,173	94,637,157	7,309,878	29,021,639	130,976,847
At 30.06.2023	99,872	115,487,334	6,871,344	12,883,638	135,342,188

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

15 CASH AND BANK BALANCES

	2023 USD	2022 USD
Cash and bank balances	70,480,765	52,227,929
Less: Restricted cash and bank balances	(46,862,545)	(35,935,873)
Cash and cash equivalents	23,618,220	16,292,056

Restricted cash and bank balances represent monies placed in trust for future decommissioning costs of the facilities of the Anasuria Cluster.

The Company has determined that the restricted cash and bank balances which the Company intends to use to contractually settle a decommissioning liability is due at least more than 12 months after the end of the respective financial years.

Reconciliation of financial liabilities arising from financing activities:

	At 01.07.2022 USD	Proceeds from advances USD	Principal and Interest payments USD	Additions USD	Interest expense USD	Foreign exchange movement USD	At 30.06.2023 USD
Lease liabilities	-	-	(27,303)	137,096	10,842	14,712	135,347
Advances from ultimate holding company	10,048,642	10,000,000	-	-	1,011,851	(583,901)	20,476,592
Advances from a related company	22,602,834	10,000,000	(23,000,000)	-	1,004,765	-	10,607,599
Total liabilities arising from financing activities	32,651,476	20,000,000	(23,027,303)	137,096	2,027,458	(569,189)	31,219,538

Company No

9696268

ANASURIA -IBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

15 CASH AND BANK BALANCES (CONTINUED)

	At 01.07.2021 USD	Proceeds from advances USD	Principal and interest payments USD	Interest expense USD	Foreign exchange movement USD	At 30.06.2022 USD
Advances from ultimate holding company	-	10,000,000	-	19,783	28,859	10,048,642
Advances from a related company	38,595,607	-	(16,938,308)	945,535	-	22,602,834
Total liabilities arising from financing activities	38,595,607	10,000,000	(16,938,308)	965,318	28,859	32,651,476

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

16 RIGHT-OF-USE ASSETS

	2023 USD	2022 USD
<u>Cost</u>		
At 01.07.2022/01.07.2021	113,490	113,490
Additions	128,529	-
At 30.06.2023/30.06.2022	<u>242,019</u>	<u>113,490</u>
<u>Accumulated amortisation</u>		
01.07.2022/01.07.2021	(113,490)	(113,490)
Amortisation (Note 8)	(28,563)	-
At 30.06.2023/30.06.2022	<u>(142,053)</u>	<u>(113,490)</u>
Net book value as at 30.06.2023/30.06.2022	<u>99,966</u>	<u>-</u>

Right-of-use assets are in relation to rental of office buildings.

17 TRADE RECEIVABLES

Trade receivables are in relation to the sales of crude oil and gas. The amounts are unsecured and are to be settled in cash.

18 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 USD	2022 USD
<u>Non-current</u>		
Other receivables	4,855	-
<u>Current</u>		
Other receivables and deposits	1,100,467	2,308,909
Prepayments	1,734,804	561,783
	<u>2,835,271</u>	<u>2,870,692</u>
Less: Impairment of other receivables	(413,886)	(413,886)
	<u>2,421,385</u>	<u>2,456,806</u>

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

18 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

Other receivables include leases receivable in relation to right-of-use assets of the Company. The following table sets out the maturity analysis of the leases receivable, showing the undiscounted lease payments to be received after the reporting date.

	2023 USD	2022 USD
Within one year	4,530	-
Later than one year but not later than five years	4,988	-
Minimum lease payments	9,518	-
Future finance income	(1,059)	-
Net investment in leases	8,459	-
Non-current	4,855	-
Current	3,604	-
Net investment in leases	8,459	-

19 AMOUNT OWING BY HOLDING COMPANY

The current non-trade balance represents unsecured, interest-free advances and payments made on behalf. The amount owing is receivable on demand and is to be settled in cash.

20 AMOUNT OWING TO ULTIMATE HOLDING COMPANY

The amount owing to ultimate holding company is non-trade in nature, unsecured and payable on demand. The amount is to be settled in cash. In the current financial year, amount owing to ultimate holding company carried interests ranging from 3.29% to 9.97% per annum (2022: 4.50%).

21 AMOUNTS OWING BY/(TO) RELATED PARTIES

The amounts owing by/(to) related parties are unsecured and are receivable/repayable on demand. The amounts are to be settled in cash. Amounts owing by/(to) related parties carried interests ranging at 3.29% to 11.47% per annum (2022: 3.29% per annum).

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

22 INVENTORIES

	2023 USD	2022 USD
Crude oil	1,504,934	600,202
Diesel	205,005	86,984
Spares	323,396	1,317,188
	<u>2,033,335</u>	<u>2,004,374</u>

Inventories recognised as expenses during the financial year amounted to USD17,119,135 (2022: USD19,530,764). These were included in cost of sales as disclosed in Note 6 to the financial statements.

23 SHARE CAPITAL

The authorised share capital of the Company are as follows:

	Par value GBP	Number of shares	Share capital USD
<u>Ordinary shares</u>			
30.06.2023/30.06.2022	1.00	<u>1</u>	<u>2</u>

The issued and paid-up share capital of the Company are as follows:

	Par value GBP	Number of shares	Share capital USD
<u>Ordinary shares</u>			
30.06.2023/30.06.2022	1.00	<u>1</u>	<u>2</u>

The Company was incorporated with 1 ordinary share of GBP1 that was subscribed for on the date of incorporation.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

24 CONTINGENT CONSIDERATION

	2023 USD	2022 USD
<u>Non-current</u>		
01.07.2022/01.07.2021	8,021,941	4,737,530
Changes in estimates	(2,850,482)	3,468,269
Transfer to current liabilities	3,742,140	(944,230)
Unwinding of discount (Note 9)	366,853	760,372
At 30.06.2023/30.06.2022	9,280,452	8,021,941
<u>Current</u>		
01.07.2022/01.07.2021	6,475,167	6,077,742
Settlement	(1,112,439)	(546,805)
Transfer from non-current liabilities	(3,742,140)	944,230
At 30.06.2023/30.06.2022	1,620,588	6,475,167

The contingent consideration relates to the Marigold West and Sunflower fields. As per the terms of the farm-in agreement entered into by the Company with Caldera Petroleum for an additional 37.5% interest in Licence No. P198 (Block 15/13a and Block 15/13b) during the previous financial year, the Company agreed to pay all amounts attributable to Caldera Petroleum's retained interest of 12.5% up to first oil arising from the fields as disclosed in Note 12(b) to the financial statements. The contingent consideration represents the estimated amount to be paid and is dependent on the timing and amounts estimated to be incurred for the period up to first oil.

25 DEFERRED TAX LIABILITIES

	2023 USD	2022 USD
Deferred tax liabilities	107,317,998	77,086,388
At 01.07.2022/01.07.2021	77,086,388	69,381,893
Recognised in profit or loss (Note 11)	30,231,610	7,704,495
At 30.06.2023/30.06.2022	107,317,998	77,086,388

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

25 DEFERRED TAX LIABILITIES (CONTINUED)

The movements in deferred tax assets and liabilities are as follows:

	Equipment USD	Intangible assets USD	Total USD	
<u>Deferred tax liabilities</u>				
01.07.2021	55,556,407	63,675,168	119,231,575	
Recognised in profit or loss	(3,953,248)	580,799	(3,372,449)	
At 30.06.2022/01.07.2022	51,603,159	64,255,967	115,859,126	
Recognised in profit or loss	18,972,976	25,449,630	44,422,606	
At 30.06.2023	70,576,135	89,705,597	160,281,732	
<u>Deferred tax assets</u>				
01.07.2021	-	(49,849,682)	-	(49,849,682)
Recognised in profit or loss	-	11,076,944	-	11,076,944
At 30.06.2022/01.07.2022	-	(38,772,738)	-	(38,772,738)
Recognised in profit or loss	(2,676,175)	(7,154,405)	(4,360,416)	(14,190,996)
At 30.06.2023	(2,676,175)	(45,927,143)	(4,360,416)	(52,963,734)

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

25 DEFERRED TAX LIABILITIES (CONTINUED)

	2023 USD	2022 USD
Deferred tax liabilities (before offsetting)		
- Equipment	70,576,135	51,603,159
- Intangible assets	89,705,597	64,255,967
	160,281,732	115,859,126
Offsetting	(52,963,734)	(38,772,738)
Deferred tax liabilities (after offsetting)	107,317,998	77,086,388
Deferred tax assets (before offsetting)		
- Unutilised tax losses	(2,676,175)	-
- Decommissioning costs	(45,927,143)	(38,772,738)
- Provision and other payables	(4,360,416)	-
	(52,963,734)	(38,772,738)
Offsetting	52,963,734	38,772,738
Deferred tax assets (after offsetting)	-	-

26 OTHER PAYABLES AND ACCRUALS

	2023 USD	2022 USD
<u>Non-current</u>		
Other payables	-	561,141
<u>Current</u>		
Other payables	9,963,916	7,003,415
Accruals	8,963,587	14,877,697
	18,927,503	21,881,112

Other payables and accruals are mainly related to cost of production operations, maintenance and overheads.

In the previous financial year, other payables included payables for certain capital expenditure in the Anasuria Cluster that were repayable over a period of more than 12 months.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

27 PROVISION FOR DECOMMISSIONING COSTS

	2023 USD	2022 USD
<u>Non-current</u>		
At 01.07.2022/01.07.2021	96,931,846	114,124,462
Unwinding of discount (Note 9)	4,661,404	4,672,606
Changes in estimates	8,890,573	(7,558,085)
Exchange differences	4,334,037	(14,307,137)
At 30.06.2023/30.06.2022	<u>114,817,860</u>	<u>96,931,846</u>

The Company makes full provision for the future costs of decommissioning of its oil production facilities and pipelines on a discounted basis. The liability is discounted at a rate of 4.12% (2022: 4.73%). An increase in 10 basis points of discount rate will result in a decrease in the carrying amount of the liability of 1.31% (2022: 1.41%).

28 TRADE PAYABLES

Trade payables are related to the direct cost of delivering sales of crude oil and gas and direct cost of executing exploration and development activities in non-producing licences. The amounts are unsecured and are to be settled in cash.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

29 LEASE LIABILITIES

	2023 USD	2022 USD
Non-current	77,676	-
Current	57,671	-
Commitments in relation to lease liability are payable as follows:		
Within one year	72,479	-
Later than one year but not later than five years	79,811	-
Minimum lease payments	152,290	-
Future finance charges	(16,943)	-
Recognised as liabilities	135,347	-
The present value of lease liabilities is as follows:		
Within one year	57,671	-
Later than one year but not later than five years	77,676	-
Recognised as liabilities	135,347	-

As at 30 June 2023, the Company's lease liabilities have remaining terms up to 2.17 years (2022: Nil).

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

30 SIGNIFICANT RELATED PARTY DISCLOSURES

In addition to the information detailed elsewhere in the financial statements, the Company carried out the following significant transactions and outstanding balances with the related parties during the financial year:

	Transaction values		Balances outstanding	
	2023 USD	2022 USD	2023 USD	2022 USD
Project management, technical and other services fees payable to:				
Hibiscus Technical Services Sdn. Bhd.	(5,238,630)	(4,472,572)	(6,191,894)	(8,038,491)
Hibiscus Petroleum	(1,373,351)	(906,789)	(216,040)	(75,529)
SEA Hibiscus Sdn. Bhd.	(41,076)	(60,630)	(168,056)	(259,170)
Advances to:				
Hibiscus Petroleum	-	1,900,000	-	-
Hibiscus Technical Services Sdn. Bhd.	-	400,000	-	4,271,231
Interest income on advances to:				
Hibiscus Petroleum	-	154,597	-	885,239
Hibiscus Technical Services Sdn. Bhd.	-	89,733	-	422,122
Advances from:				
Hibiscus Petroleum	(10,000,000)	(10,000,000)	(18,576,888)	(10,000,000)
SEA Hibiscus Sdn. Bhd.	-	-	-	(23,000,000)
Asia Hibiscus Sdn. Bhd.	(10,000,000)	-	(10,000,000)	-
Interest expenses on advances from:				
Hibiscus Petroleum	(1,011,851)	(19,783)	(1,014,466)	(19,783)
SEA Hibiscus Sdn. Bhd.	(392,090)	(945,535)	-	-
Asia Hibiscus Sdn. Bhd.	(607,599)	-	(607,599)	-

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

31 FINANCIAL INSTRUMENTS

The Company's activities are exposed to a variety of market risks (including foreign currency risk and interest rate risk), credit risks and liquidity risks. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

(a) Financial risk management policies

The Company's policies in respect of the major areas of treasury activity are as follows:

(i) Market risk

Foreign currency risk

The Company is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than USD. The currencies giving rise to this risk are primarily Great Britain Pound, Ringgit Malaysia and Singapore Dollars. Foreign currency risk is monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level.

The Company's exposure to foreign currency is as follows:

	United States Dollar USD	Great Britain Pound USD	Total USD
2023			
Financial assets			
Trade receivables	14,417,207	969,918	15,387,125
Other receivables and deposits	-	75,180	75,180
Amount owing by holding company	-	1	1
Amount owing by a related party	9,634	6,787	16,421
Cash and bank balances	15,907,847	54,572,918	70,480,765
	<u>30,334,688</u>	<u>55,624,804</u>	<u>85,959,492</u>

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

31 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(i) Market risk (continued)

Foreign currency risk (continued)

The Company's exposure to foreign currency is as follows: (continued)

	United State Dollars USD	Ringgit Malaysia USD	Great Britain Pound USD	Singapore Dollars USD	Total USD
<u>2023</u>					
<u>Financial liabilities</u>					
Trade payables	(2,951,502)	-	(5,244,429)	-	(8,195,931)
Other payables and accruals	(5,804,173)	(39,276)	(13,084,054)	-	(18,927,503)
Contingent consideration	(10,901,040)	-	-	-	(10,901,040)
Amounts owing to related parties	(8,857,918)	(3,872,096)	(4,237,535)	-	(16,967,549)
Lease liabilities	-	-	(135,347)	-	(135,347)
Amount owing to ultimate holding company	(9,691,508)	(10,045,166)	(64,513)	(6,208)	(19,807,395)
At 30.06.2023	(38,206,141)	(13,956,538)	(22,765,878)	(6,208)	(74,934,765)
Net financial (liabilities)/assets	(7,871,453)	(13,956,538)	32,858,926	(6,208)	11,024,727
Less: Net financial liabilities denominated in the entity's functional currency	7,871,453	-	-	-	7,871,453
	-	(13,956,538)	32,858,926	(6,208)	18,896,180

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

31 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(i) Market risk (continued)

Foreign currency risk (continued)

The Company's exposure to foreign currency is as follows: (continued)

	United States Dollar USD	Ringgit Malaysia USD	Great Britain Pound USD	Total USD
<u>2022</u>				
<u>Financial assets</u>				
Trade receivables	20,844,003	-	1,695,174	22,539,177
Other receivables and deposits	1,469,592	-	113,259	1,582,851
Amount owing by holding company	-	-	1	1
Amount owing by a related party	12,515	-	-	12,515
Cash and bank balances	9,628,431	-	42,599,498	52,227,929
	<u>31,954,541</u>	<u>-</u>	<u>44,407,932</u>	<u>76,362,473</u>
<u>Financial liabilities</u>				
Trade payables	(186,384)	(53,841)	(1,677,903)	(1,918,128)
Other payables and accruals	(7,800,468)	(30,217)	(14,611,568)	(22,442,253)
Contingent consideration	(14,497,108)	-	-	(14,497,108)
Amounts owing to related parties	(20,274,584)	(2,270,544)	(3,662,014)	(26,207,142)
Amount owing by/(to) ultimate holding company	885,048	(10,095,179)	58	(9,210,073)
	<u>(41,873,496)</u>	<u>(12,449,781)</u>	<u>(19,951,427)</u>	<u>(74,274,704)</u>
 Net financial (liabilities)/ assets	 (9,918,955)	 (12,449,781)	 24,456,505	 2,087,769
 Less: Net financial liabilities denominated in the entity's functional currency	 9,918,955	 -	 -	 9,918,955
At 30.06.2022	<u>-</u>	<u>(12,449,781)</u>	<u>24,456,505</u>	<u>12,006,724</u>

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

31 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(i) Market risk (continued)

Foreign currency risk (continued)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the financial year, with all other variables held constant:

	<u>2023</u> Increase/ (Decrease) USD	<u>2022</u> Increase/ (Decrease) USD
Effects on profit before taxation/equity:		
Great Britain Pound		
- strengthened by 5%	1,642,946	1,222,825
- weakened by 5%	(1,642,946)	(1,222,825)
Ringgit Malaysia:		
- strengthened by 5%	(697,827)	(622,489)
- weakened by 5%	697,827	622,489
Singapore Dollars:		
- strengthened by 5%	(310)	-
- weakened by 5%	310	-

Interest rate risk

The Company has minimal exposure to interest rate risks.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

31 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(ii) Credit risk

Trade receivables

The Company manages its exposure to credit risk or the risk of counterparties defaulting, arises from trade receivables by monitoring the timely receipt of receivables on an on-going basis.

The Company's major concentration of credit risk relates to trade and other receivables due from 3 (2022: 3) customers which constituted 100% (2022: 99%) of its total trade and other receivables as at the end of the financial year.

As the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the financial year.

The Company applies IFRS 9 simplified approach to measure ECL which uses lifetime ECL allowance for all trade receivables.

As at 30 June 2023, in view of the good historical payment experience with the counterparties and the collections to date, the Company does not expect any counterparty to fail to meet its obligations. Therefore, the Company is of the view that potential credit losses are not material and hence, no allowances have been provided for.

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023 (CONTINUED)

31 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(ii) Credit risk (continued)

Other financial assets

The Company's exposure to credit risk for other financial assets arises from other receivables and deposits, amount owing by holding company and amount owing by a related party. Management has taken reasonable steps to ensure these financial assets are recoverable.

These financial assets are assessed on individual basis for ECL measurement and the impairment loss recognised are disclosed in Note 18 to the financial statements.

For cash and bank balances, the Company minimises credit risk by dealing exclusively with high credit rating counterparties. While cash and bank balances are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs if a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

In prior years, the Company had issued a corporate guarantee to its ultimate holding company's guarantee, for a trade arrangement with a counter party of its subsidiary. The Company has assessed that its ultimate holding company has the financial capacity to meet the contractual cash flow obligations and hence, does not expect significant credit losses arising from the guarantee.

The maximum exposure to credit risk in relation to the corporate guarantee given by the Company which amounted to USD40,000,000 represented the outstanding balance for a trade arrangement with a counter party as at the end of the previous financial year.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

31 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management policies (continued)

(iii) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Company practises prudent risk management by maintaining sufficient cash balances.

The following table sets out the maturity profile of the financial liabilities as at the end of the financial year based on contractual undiscounted cash flows:

	Carrying amount USD	Contractual undiscounted USD	Within 1 year USD	More than 1 year USD
<u>2023</u>				
Trade payables	8,195,931	8,195,931	8,195,931	-
Other payables and accruals	18,927,503	18,927,503	18,927,503	-
Amounts owing to related parties	16,967,549	16,967,549	16,967,549	-
Amount owing to ultimate holding company	19,807,395	19,807,395	19,807,395	-
Contingent consideration	10,901,040	11,981,789	1,655,721	10,326,068
Lease liabilities	135,347	152,290	72,479	79,811
	<u>74,934,765</u>	<u>76,032,457</u>	<u>65,626,578</u>	<u>10,405,879</u>
<u>2022</u>				
Trade payables	1,918,128	1,918,128	1,918,128	-
Other payables and accruals	22,442,253	22,448,315	21,881,112	567,203
Amounts owing to related parties	26,207,142	26,207,142	26,207,142	-
Amount owing to ultimate holding company	9,210,073	9,210,073	9,210,073	-
Contingent consideration	14,497,108	15,417,208	6,689,515	8,727,693
Financial guarantee contract	-	41,295,815	41,295,815	-
	<u>74,274,704</u>	<u>116,496,681</u>	<u>107,201,785</u>	<u>9,294,896</u>

Payables and commitments as set out in Note 24, Note 26 and Note 32 to the financial statements are intended to be funded via net cash inflow from the operations of the Anasuria Cluster and continuing financial support from its ultimate holding company.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

31 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Classification of financial instruments

	<u>2023</u> USD	<u>2022</u> USD
<u>Financial assets</u>		
<u>Financial assets at amortised cost</u>		
Trade receivables	15,387,125	22,539,177
Other receivables and deposits	75,180	1,582,851
Amount owing by holding company	1	1
Amount owing by a related party	16,421	12,515
Cash and bank balances	70,480,765	52,227,929
	<u>85,959,492</u>	<u>76,362,473</u>
<u>Financial liabilities</u>		
<u>Financial liabilities at amortised cost</u>		
Trade payables	8,195,931	1,918,128
Other payables and accruals	18,927,503	22,442,253
Lease liabilities	135,347	-
Amounts owing to related parties	16,967,549	26,207,142
Amount owing to ultimate holding company	19,807,395	9,210,073
	<u>64,033,725</u>	<u>59,777,596</u>
<u>Financial liability at FVTPL</u>		
Contingent consideration	10,901,040	14,497,108
	<u>10,901,040</u>	<u>14,497,108</u>

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

31 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

	Gross amounts USD	Gross amounts set off in the statement of financial position USD	Net amounts presented in the statement of financial position USD
2023			
Financial assets			
Amount owing by ultimate holding company	885,299	(885,299)	-
Amounts owing by related parties	4,747,484	(4,747,484)	-
Financial liabilities			
Amount owing to ultimate holding company	20,692,694	(885,299)	19,807,395
Amounts owing to related parties	21,715,033	(4,747,484)	16,967,549
2022			
Financial assets			
Amount owing by ultimate holding company	885,297	(885,297)	-
Amounts owing by related parties	8,267,226	(8,267,226)	-
Financial liabilities			
Amount owing to ultimate holding company	10,095,370	(885,297)	9,210,073
Amounts owing to related parties	34,474,368	(8,267,226)	26,207,142

(d) Fair values of financial instruments

All financial instruments are carried at amounts not materially different from their fair values as at 30 June 2023.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Financial instruments other than those carried at fair value

The carrying amounts of the financial assets and liabilities of the Company at the reporting date approximate their fair values.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

31 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	USD	USD	USD	USD
<u>Liability</u>				
Financial liability at fair value through profit or loss:				
<u>Contingent consideration</u>				
At 01.07.2021	-	-	10,815,272	10,815,272
Addition	-	-	3,468,269	3,468,269
Settlement	-	-	(546,805)	(546,805)
Unwinding of discount	-	-	760,372	760,372
At 30.06.2022	-	-	14,497,108	14,497,108
At 01.07.2022	-	-	14,497,108	14,497,108
Addition	-	-	(2,850,482)	(2,850,482)
Settlement	-	-	(1,112,439)	(1,112,439)
Unwinding of discount	-	-	366,853	366,853
At 30.06.2023	-	-	10,901,040	10,901,040

(f) Capital risk management

The Company manages its capital, which comprises share capital and retained earnings stated in the statements of financial position, by maintaining an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

Company No.

9696268

ANASURIA HIBISCUS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)

32 COMMITMENTS

	<u>2023</u> USD	<u>2022</u> USD
<u>Approved and contracted for:</u>		
Capital commitments	2,092,335	6,697,678
Share of a joint operation's capital commitments	20,445	128,412
Total capital commitments approved and contracted for	<u>2,112,780</u>	<u>6,826,090</u>
Share of a joint operation's other material commitments	7,611,099	7,386,738
	<u>9,723,879</u>	<u>14,212,828</u>

33 CONTROLLING PARTIES

The immediate parent undertaking is Atlantic Hibiscus.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Hibiscus Petroleum. Copies of Hibiscus Petroleum's consolidated financial statements can be obtained from the Company Secretary at:

12th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.