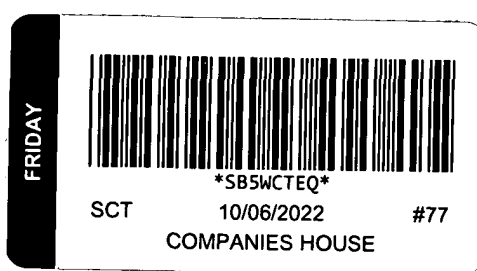


Santos Bangladesh Limited

Registered Number 48610

Annual Report - 31 December 2021



Santos Bangladesh Limited
Corporate directory
31 December 2021

Directors	Kevin Thomas Gallagher James Thorne Anthea McKinnell (appointed 17 March 2022)
Company secretary	Tyrolese (Secretarial) Limited
Registered office	C/O Burness Paul LLP Level 3, 50 Lothian Road EDINBURGH UK EH3 9WJ
Auditor	Ernst & Young LLP

Santos Bangladesh Limited

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31 December 2021

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General information

Santos Bangladesh Limited ("the Company") is a wholly-owned subsidiary of Santos International Holdings Pty Ltd, a subsidiary of Santos Limited. Santos International Holdings Pty Limited and Santos Limited are companies incorporated and domiciled in Australia.

The Directors present their Strategic report for the year ended 31 December 2021.

Principal activities

The Company has had minimal activity since it executed a farm out agreement in February 2017, disposing of a 49% equity interest in Block 16 PSC. In May 2017, the Company also handed back the Magnama permit to the Bangladesh government.

Key performance indicators

The Company's ultimate parent entity, Santos Limited, is the parent entity in the consolidated Santos Group. At the reporting date the Company has no interests in any joint operations and there are no relevant KPIs.

Principal risks and uncertainties

The following is the key risk that faces the Company:

Commodity prices, fiscal regimes and currency

Exposure to foreign currency risks arise in the normal course of the Company's business. Derivative financial instruments may be used by Santos Limited, the Company's ultimate parent entity, and Santos Finance Limited, a subsidiary of Santos Limited, to hedge exposure to fluctuations in foreign exchange rates on behalf of the Santos Group.

Going Concern

Santos Limited (the ultimate parent entity) and its wholly-owned subsidiaries ("The Santos Group") have planned to fund the ongoing activities of the Company for a period from the date of signing the financial statements until 30 June 2023. Santos Limited has the financial capacity to fund the activities of the Company. Accordingly, the Company should be able to pay its debts as and when they fall due in the normal conduct of its business activities.

Business review and future developments

It is expected that the Company will continue its principal activities as set out above.

By order of the Board



Anthea McKinnell
Director
Dated 26 May 2022

Santos Bangladesh Limited
Directors' report
31 December 2021

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

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The total comprehensive profit for the Company amounted to \$66,000 (31 December 2020: loss of \$88,000).

Matters subsequent to the end of the financial year

There are no events subsequent to reporting date that are material and unusual in nature to effect significantly the operations of the Company, the results of the operations, or the state of affairs of the Company in subsequent financial years.

Going Concern

Santos Limited (the ultimate parent entity) and its wholly-owned subsidiaries ("The Santos Group") have planned to fund the ongoing activities of the Company for a period from the date of signing the financial statements until 30 June 2023. Santos Limited has the financial capacity to fund the activities of the Company. Accordingly, the Company should be able to pay its debts as and when they fall due in the normal conduct of its business activities.

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business.

Directors' statement as to disclosure of information to auditors

The Directors who were members of the Board at the time of approving the Directors' report are listed below. Having made enquiries of fellow Directors and of the Company's auditors, each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Directors and their interests

The names of the Directors in office throughout the year and at the date of this report are:

Kevin Thomas Gallagher
Anthony Neilson (resigned 17 March 2022)
James Thorne
Anthea McKinnell (appointed 17 March 2022)

There were no other persons who acted as Directors at any time during the financial year and up to the date of this report.

Auditor

Pursuant to shareholders' resolution, the Company is not obliged to reappoint its auditor annually and Ernst & Young LLP therefore continue in office.

This report is made in accordance with a resolution of Directors.

On behalf of the Directors



Anthea McKinnell
Director
26 May 2022

Santos Bangladesh Limited
Directors' responsibilities
31 December 2021

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable United Kingdom law and the International Accounting Standards ("IAS") in conformity with the requirements of the *Companies Act 2006*.

Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IAS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and performance;
- state that the Company has complied with IAS, subject to any material departures disclosed and explained in the financial statements; and
- make judgements that are reasonable.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the *Companies Act 2006*. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Opinion

We have audited the financial statements of Santos Bangladesh Limited for the year ended 31 December 2021 which comprise Statement of profit or loss and other comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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 from when the financial statements are authorised for issue until June 30, 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANTOS BANGLADESH LIMITED (CONTINUED)

Other information (continued)

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Auditor's responsibilities for the audit of the financial statements (continued)

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SANTOS BANGLADESH LIMITED
(CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

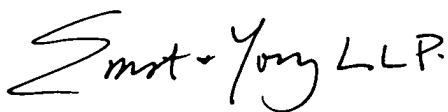
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (IFRS and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation, including anti-bribery and corruption in the United Kingdom and any other areas of operation.
- We understood how Santos Bangladesh Limited is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override. Our procedures involved testing journal entries identified by specific risk criteria.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a focus on compliance with the accounting and regulatory frameworks and obtaining sufficient audit evidence in line with the level of risk identified, in conjunction with compliance with relevant legislation.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kenneth MacLeod Hall (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Aberdeen
26 May 2022

Santos Bangladesh Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Other income/(expenses)	2	<u>66</u>	<u>(88)</u>
Profit/(loss) before income tax expense		66	(88)
Income tax expense	3	<u>-</u>	<u>-</u>
Profit/(loss) after income tax expense for the year attributable to the equity holders of Santos Bangladesh Limited		66	(88)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the year attributable to the equity holders of Santos Bangladesh Limited		<u>66</u>	<u>(88)</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Santos Bangladesh Limited
Statement of financial position
As at 31 December 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	4	1	58
Trade and other receivables	5	279	156
Total current assets		<u>280</u>	<u>214</u>
Total assets		<u>280</u>	<u>214</u>
Net assets		<u>280</u>	<u>214</u>
Equity			
Share capital	6	96,496	96,496
Capital contributions		4,224	4,224
Accumulated losses		<u>(100,440)</u>	<u>(100,506)</u>
Total equity		<u>280</u>	<u>214</u>

These financial statements were approved by the Board of Directors on 26 May 2022 and were signed on its behalf by:



Anthea McKinnell
Director

The above statement of financial position should be read in conjunction with the accompanying notes

Santos Bangladesh Limited
Statement of changes in equity
For the year ended 31 December 2021

	Issued capital \$'000	Capital contributions \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 January 2020	96,496	4,224	(100,418)	302
Loss after income tax expense for the year	-	-	(88)	(88)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(88)	(88)
Balance at 31 December 2020	<u>96,496</u>	<u>4,224</u>	<u>(100,506)</u>	<u>214</u>
Balance at 1 January 2021	96,496	4,224	(100,506)	214
Profit after income tax expense for the year	-	-	66	66
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	66	66
Balance at 31 December 2021	<u>96,496</u>	<u>4,224</u>	<u>(100,440)</u>	<u>280</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Santos Bangladesh Limited
Statement of cash flows
For the year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from financing activities			
Amounts owing from related parties		<u>(56)</u>	<u>-</u>
Net cash used in financing activities		<u>(56)</u>	<u>-</u>
Net decrease in cash and cash equivalents		(56)	-
Cash and cash equivalents at the beginning of the financial year		58	58
Effects of exchange rate changes on cash and cash equivalents		<u>(1)</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>1</u></u>	<u><u>58</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant Accounting Policies

Santos Bangladesh Limited ("the Company") is a Company incorporated and domiciled in Scotland.

The Company is wholly-owned by Santos International Holdings Pty Limited ("SIH"), a subsidiary of Santos Limited. SIH and Santos Limited are companies incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors on 26 May 2022 by Anthea McKinnell.

(a) Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") in conformity with the requirements of the *Companies Act 2006* as they apply to the financial statements of the Company for the year ended 31 December 2021.

(b) Basis of preparation

The financial statements are prepared on a historical cost basis.

The financial statements are presented in United States dollars and are rounded to the nearest thousand dollars (US\$000) except when otherwise stated.

The Company's activities were conducted in Bangladesh under Production Sharing Contracts ("PSCs"). The Company accounts for PSCs on a net entitlements basis whereby hydrocarbon production, revenues and reserves are determined by reference to the terms of the PSC. Production and other operating costs are expensed as incurred.

Going concern

Santos Limited (the ultimate parent entity) and its wholly-owned subsidiaries ("The Santos Group") have planned to fund the ongoing activities of the Company for a period from the date of signing the financial statements until 30 June 2023. Santos Limited has the financial capacity to fund the activities of the Company. Accordingly, the Company should be able to pay its debts as and when they fall due in the normal conduct of its business activities.

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business.

Adoption of new accounting standards and amendments

Several new International accounting standards, amendments to standards and interpretations were applicable for the first time in 2021, but were not relevant to the Company and do not impact its financial statements.

(c) Joint arrangements

The Company's exploration and production activities are often conducted through joint arrangements governed by joint operating agreements, production sharing contracts or similar contractual relationships.

A joint operation involves the joint control, and often the joint ownership, by the parties to the joint operation, of one or more assets contributed to, or acquired for the purpose of, the joint operation and dedicated to the purposes of the joint operation. The assets are used to obtain benefits for the parties to the joint operation. Each party may take a share of the output from the assets and each bears an agreed share of expenses incurred. Each party has control over its share of future economic benefits through its share of the joint operation.

The interests of the Company in joint operations are brought to account by recognising in the financial statements the Company's share of the joint operation's assets, share of expenses and liabilities incurred, and the income from the sale or use of its share of the production of the joint operation in accordance with the revenue policy.

Note 1. Significant accounting policies (continued)

(d) Foreign currency

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 it operates ("the functional currency"). The financial statements are presented in United States dollars which is the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

(e) Trade and other receivables

Trade and other receivables are initially recognised at fair value, which in practice is the equivalent of cost, less any impairment losses.

Long-term receivables are discounted and are stated at amortised cost, less impairment losses.

Trade receivables are non-interest-bearing and settlement terms are generally within 30 days. Trade receivables that are neither past due nor impaired relate to a number of independent customers for whom there is no recent history of default.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. Under this method, determination for the loss allowance provision and expected loss rate incorporates past experience and forward-looking information, including the outlook for market demand and forward-looking interest rates. As the expected loss rate at 31 December 2021 is nil (2020: nil), no loss allowance provision has been recorded at 31 December 2021 (2020: nil).

(f) Other Financial Assets

Other financial assets, being intercompany receivables are assessed for impairment at each reporting date using the expected credit loss model as prescribed by IFRS 9. The Company initially assesses the receivables using the 12-month expected credit loss model, however when certain criteria are met, the Company assesses the receivables under the lifetime expected credit loss model.

The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a receivable depending on credit deterioration from inception. The carrying amount of the receivable is reduced through the use of an allowance account. Changes in the allowance account are recognised in the income statement.

The impairment model measures credit loss allowances using a three-stage approach based on the extend of credit deterioration since origination:

- Stage 1 - Where there has not been a significant increase in credit risk (SIR) since initial recognition of a receivable, an amount equal to 12 months expected credit loss is recorded.
- Stage 2 - When a financial asset experiences a SIR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial asset.
- Stage 3 - Financial assets that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

Note 1. Significant accounting policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents comprises cash balances and short-term deposits that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and have an original maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

(h) Trade and other payables

Trade and other payables are recognised when the related goods or services are received, at the amount of cash or cash equivalent that will be required to discharge the obligation, gross of any settlement discount offered. Trade payables are non-interest bearing and are settled on normal terms and conditions.

(i) Share capital

Ordinary share capital

Ordinary share capital is classified as equity.

Dividends

Dividends are recognised as a liability at the time the Directors resolve to pay or declare the dividend.

(j) Other income

Other income is recognised in the income statement at the fair value of the consideration received or receivable, when the significant risks and rewards of ownership have been transferred to the buyer or when the service has been performed.

The gain or loss arising on disposal of a non-current asset is included as other income at the date control of the asset passes to the buyer. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Transactions in currencies other than an entity's functional currency are initially recorded in the functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than an entity's functional currency are retranslated at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognised as other income or expense.

(k) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the amount of income tax payable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the appropriate tax bases. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent it is probable that they will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Note 1. Significant accounting policies (continued)

(I) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on management's judgement regarding estimates and assumptions of future events. The reasonableness of estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of certain assets and liabilities within the next annual reporting period are:

Impairment of receivables from related entities

The Company assesses whether receivables from related entities are impaired on an annual basis. Refer to note 1(f) Other financial assets.

Note 2. Other income/(expenses)

	2021 \$'000	2020 \$'000
Foreign exchange gain/(loss)	<u>66</u>	<u>(88)</u>
	<u>66</u>	<u>(88)</u>

Note 3. Income tax expense/(benefit)

Numerical reconciliation between tax expense and pre-tax loss

Profit/(loss) before tax	66	(88)
Prima facie income tax (expense)/benefit at 19% (2020: 19%)	(13)	17
Non-assessable income/(non-deductible expenses)	<u>13</u>	<u>(17)</u>
Income tax on pre-tax profit/(loss)	<u>-</u>	<u>-</u>

Note 4. Current assets - Cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash at bank and in hand	<u>1</u>	<u>58</u>
	<u>1</u>	<u>58</u>

Bank balances and call deposits earn interest at floating rates based upon market rates. The carrying amounts of cash and cash equivalents represent their fair value.

Note 5. Current assets - Trade and other receivables

	2021 \$'000	2020 \$'000
Receivables from joint arrangement	-	10,000
Provision for doubtful debts	-	(10,000)
Amounts owing from related parties	<u>279</u>	<u>156</u>
	<u>279</u>	<u>156</u>

Note 6. Equity - Share Capital and Other Equity

	2021 \$'000	2020 \$'000
At reporting date the Company had 692,731,507 fully paid ordinary shares of 9 GB pence each	<u>96,496</u>	<u>96,496</u>

Movement in fully paid ordinary shares:

	2021 Number of Shares	2020 Number of Shares	2021 US\$000	2020 US\$000
Balance at the beginning of the year	692,731	692,731	96,496	96,496
Issued during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>692,731</u>	<u>692,731</u>	<u>96,496</u>	<u>96,496</u>

Capital Risk Management

The Company's objective when managing capital is to safeguard the ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to maintain an efficient capital structure.

In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Note 7. Notes to the Statement of Cash Flows

Reconciliation of cash flows from operating activities

	2021 \$'000	2020 \$'000
Profit/(loss) after income tax	66	(88)
(Deduct)/add non-cash items:		
Foreign exchange (gains)/losses	(66)	88
Net cash used in operating activities	<u>-</u>	<u>-</u>

Note 8. Related Party Disclosures

(a) Parent entities

The Company's immediate parent entity is Santos International Holdings Pty Limited ("SIH"), a Company incorporated in Australia. The ultimate parent entity is Santos Limited, a Company incorporated and domiciled in Australia. The address of the registered office of Santos Limited is:

Ground Floor Santos Centre
60 Flinders Street
Adelaide SA 5000
Australia

The consolidated financial report of the Santos Group is available to the public and may be obtained from the above address. This is the smallest group into which the results of the Company are consolidated.

Note 8. Related Party Disclosures (continued)

(b) Transactions with related entities

The following related party balances existed at the reporting date:

	2021 \$'000	2020 \$'000
Current		
Amount owing from related party	<u>279</u>	<u>156</u>

The amount owing from a related party is a receivable with Santos Finance Limited, a related entity in the Santos Group. This amount is non-interest bearing.

(c) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including the Directors of the Company.

The following were Directors of the Company and therefore key management personnel of the Company for the periods shown:

Kevin Thomas Gallagher
 Anthony Neilson (resigned 17 March 2022)
 James Thorne

No remuneration was paid to Mr K Gallagher or Mr A Neilson directly for services to the Company during the current or prior years.

Mr J Thorne received US\$5,063 as key management personnel emoluments for the current year (2020: US\$4,493) for his services as a Director of the Company.

The Company employs no permanent staff.

Note 9. Financial Risk Management

Exposure to foreign currency risk, interest rate risk, commodity price risk, credit risk and liquidity risk arises in the normal course of the Company's business. Derivative financial instruments may be used by Santos Limited, the Company's ultimate parent entity, and Santos Finance Limited, a subsidiary of Santos Limited, to hedge exposure to fluctuations in foreign exchange rates, interest rates and commodity prices, on behalf of the Santos Group.

(a) Foreign currency risk

The Company is exposed to foreign exchange risk through other receivables and payable balances held in foreign currencies.

(b) Interest rate risk

As the Company has no interest-bearing liabilities the Company is not exposed to changes in market interest rates on borrowings.

At the reporting date, the entity has a cash balance of \$1,000 (2020: cash balance held of \$58,000). There are no funds on short-term deposit.

Note 9. Financial Risk Management (continued)

(c) Fair Values

The financial assets and liabilities of the Company are initially recognised on the Statement of Financial Position at their fair value in accordance with the accounting policies in note 1.

The significant methods and assumptions used in estimating the fair values of financial instruments are:

Trade and other receivables

The carrying value less impairment provision of trade receivables is a reasonable approximation of their fair values due to the short-term nature of trade receivables.

Financial liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Where the cash flows are in a foreign currency the present value is converted to US dollars at the foreign exchange rate prevailing at reporting date.

Note 10. Auditors' Remuneration

	2021	2020
	\$'000	\$'000
Audit of these financial statements	<u><u>17</u></u>	<u><u>18</u></u>

The auditors' remuneration is borne by the ultimate parent entity, Santos Limited.

Note 11. Events Subsequent to the Reporting Date

There are no events subsequent to Reporting Date that are material and unusual in nature to affect significantly the operations of the Company, the results of the operations, or the state of affairs of the Company in subsequent financial years.