

Premier Oil Andaman I Limited

Registered Company Number 07447540

Annual Report and Financial Statements

31 December 2022



Premier Oil Andaman I Limited

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Premier Oil Andaman I Limited

Corporate information

Directors

Howard Landes
Alexander Krane
Stuart Wheaton

Secretary

Harbour Energy Secretaries Limited

Independent Auditors

Ernst & Young LLP
Statutory Auditor
1 More London Place
London
SE1 2AF

Registered Office

23 Lower Belgrave Street
London
United Kingdom
SW1W 0NR

Company No. 07447540

Premier Oil Andaman I Limited

Strategic Report

The directors present their Strategic Report for the year ended 31 December 2022.

Results

For the year to 31 December 2022 the Company made no profit or loss (2021: \$nil).

Principal Activities and Review of the Business

The Company was incorporated on 22 November 2010 and is part of the Harbour Energy group of companies.

The Company's principal activity is that of oil and gas exploration in Indonesia. The directors do not foresee any changes in the Company's activities in the immediate future.

In December 2019, the Company farmed in for a 20 per cent interest in Andaman I PSC. This expanded the Group's acreage position in the South Andaman Sea. During 2021, the operator, Mubadala undertook interpretation and evaluation of seismic and well data. In April 2022 the PSC progressed to the 4th year of the PSC, and the 1st year of the 2nd exploration period (3 years), with a one well 'drill or drop' commitment to be undertaken by April 2024.

Key Performance Indicators (KPIs)

The Harbour Energy plc group (the "Group") activities consist of one class of business being the acquisition, exploration, development and production of oil and gas reserves. The Company's KPIs are aligned with those of the Group. Further information about KPIs in the context of the Group business can be found in the Harbour Energy's plc Annual Report and Accounts for the year ended 31 December 2022 (the Group Report) and are reflected in the financial performance and position above.

Principal Risks and Uncertainties

The Company is subject to a range of risks, these risks are identified and managed by the Group. Information about risks and uncertainties in the context of the Group business can be found in the Strategic Report within the Group Report.

Approved by the Board on 21 September 2023 and signed on its behalf by:

DocuSigned by:

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Alexander Krane (Director)

Premier Oil Andaman I Limited

Directors' Report

The directors present their annual report and audited financial statements for the year ended 31 December 2022.

Directors

The following served as directors of the Company during the year and up to the date of signing of the financial statements:

Phil Kirk (resigned 28 February 2022)

Alexander Krane

Howard Landes

Stuart Wheaton

Results and Dividends

For the year to 31 December 2022 the Company made no profit or loss (2021: \$nil).

The directors do not recommend the payment of a final dividend (2021: \$nil).

Financial Instruments

The Company finances its activities with a combination of intercompany loans and cash. Other financial assets and liabilities, such as intercompany balances, arise directly from the Company's operating activities.

Financial instruments can give rise to foreign currency, interest rate, credit, price and liquidity risk. Information on these risks is set out in the Group Report.

Future Developments

The directors do not foresee any changes in the Company's activities in the immediate future.

Directors' Liabilities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going Concern

The directors have adopted the going concern basis of accounting for the preparation of the financial statements as the Company's ultimate parent company, Harbour Energy plc, has undertaken to directly provide the necessary financial support to the Company, as and when required, to meet all liabilities for a period of 12 months from the date of signing these financial statements. In making their assessment of going concern, the directors have considered the letter of support from Harbour Energy plc and are confident that it has adequate resources to support the Company for 12 months from the date of signing these financial statements.

Directors' Indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disclosure of Information to the Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Premier Oil Andaman I Limited

Directors' Report (continued)

Approved by the Board on 21 September 2023 and signed on its behalf by:

DocuSigned by:
Alexander Krane

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Alexander Krane (Director)
Company Registered No. 07447540

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable UK law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the directors have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 net income or loss of the Company for that period.

In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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 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. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's report to the members of Premier Oil Andaman I Limited

Opinion

We have audited the financial statements of Premier Oil Andaman I Limited for the year ended 31 December 2022 which comprise the balance sheet and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. 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 Premier Oil Andaman I Limited (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 6, 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. 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 Premier Oil Andaman I 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 (the Companies Act 2006 and FRS 101 "Reduced Disclosure Framework") and the relevant tax compliance regulations in the jurisdictions in which the company operates. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, including those relating to health and safety, employee matters, environmental, and bribery and corruption practices;
- We understood how the company is complying with those frameworks by making enquiries of management, legal counsel and the Company Secretary. We corroborated the results of our enquiries through our review of Board minutes and correspondence received from regulatory bodies and noted that there was no contradictory evidence;
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by considering the degree of incentive, opportunity and rationalisation that may exist to perform fraud. Where fraud risks were identified, we applied journal entry selection criteria to identify journals that were considered unusual or indicative of potential fraud before tracing such transactions back to source information in order to test their validity and appropriateness; and
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the business, enquiries of management and the directors and review of legal correspondence. For journals selected we understood the nature and purpose of the journal, traced adjustments back to source documentation and tested that the journal had been authorised in line with company policy. Based on the results of our audit procedures, there were no significant instances of non-compliance with laws and regulations identified.

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.

Independent Auditor's report to the members of Premier Oil Andaman I Limited (continued)

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.

DocuSigned by:
Ernst & Young LLP
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Andrew Smyth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
21 September 2023

Premier Oil Andaman I Limited

Balance Sheet

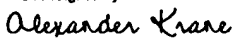
As at 31 December

		2022	2021
	Note	\$	\$
Fixed assets			
Intangible assets	8	5,235,748	5,028,529
		<u>5,235,748</u>	<u>5,028,529</u>
Current assets			
Debtors: amounts falling due within one year	9	110,793	25,105
Current liabilities			
Creditors: amounts falling due within one year	10	(46,291,108)	(45,998,201)
Net current liabilities		<u>(46,180,315)</u>	<u>(45,973,096)</u>
Net liabilities		<u>(40,944,567)</u>	<u>(40,944,567)</u>
Capital and reserves			
Called up share capital	11	100,000	100,000
		<u>(41,044,567)</u>	<u>(41,044,567)</u>
Total deficit		<u>(40,944,567)</u>	<u>(40,944,567)</u>

The Company did not incur any transactions that resulted in any income or expenses during the current or preceding period and has neither profit nor loss, nor any other items of comprehensive income.

The notes on pages 12 to 19 form part of these financial statements.

The financial statements on pages 11 to 19 were approved by the Board of Directors on 21 September 2023 and signed on its behalf by:

DocuSigned by:


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Alexander Krane (Director)

Company Registration No: 07447540

Premier Oil Andaman I Limited

Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

1. Authorisation of Financial Statements

The financial statements of the Company for the year ended 31 December 2022 were authorised for issue by the board of directors on the 21 September 2023 and the balance sheet was signed on the board's behalf by Alexander Krane.

2. General Information

The Company is a private company limited by share capital, incorporated and domiciled in the United Kingdom. The Company's registered office is 23 Lower Belgrave Street, London, SW1W 0NR. The principal activity of the Company is oil and gas exploration and production in Indonesia.

These financial statements are separate financial statements. The Company is a subsidiary of Harbour Energy plc. The group financial statements of Harbour Energy plc for the year ended 31 December 2022 are available to the public and can be obtained from 23 Lower Belgrave Street, London, SW1W 0NR or on the Company website www.harbourenergy.com. The registered office address of the parent company preparing consolidated financial statements is 4th Floor, Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EN.

The principal accounting policies adopted by the Company are set out in note 3.

3. Accounting Policies

Basis of Preparation

The financial statements are prepared under the historical cost convention and are in accordance with The Companies Act 2006, as applicable to companies using Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101). The financial statements are presented in US Dollars.

The accounting policies which follow, set out those policies which apply in preparing the financial statements for the year ended 31 December 2022 under FRS 101. All accounting policies have been applied consistently, other than where new policies have been adopted. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- i. the requirements of IFRS 7 *Financial Instruments: Disclosures*
- ii. the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*
- iii. the requirement in paragraph 38 of IAS 1 *'Presentation of Financial Statements'* to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 *Presentation of Financial Statements*
 - (ii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment*; and
 - (iii) paragraph 118(e) of IAS 38 *Intangible Assets*
- iv. the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*
- v. the requirements of IAS 7 *Statement of Cash Flows*
- vi. the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*
- vii. the requirements of paragraph 17 and 18A of IAS 24 *Related Party Disclosures*; the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member; and
- viii. the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*.

Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

Where relevant, equivalent disclosures have been given in the group financial statements of Harbour Energy plc.

Going Concern

The directors have adopted the going concern basis of accounting for the preparation of the financial statements as the Company's ultimate parent company, Harbour Energy plc, has undertaken to directly provide the necessary financial support to the Company, as and when required, to meet all liabilities for a period of 12 months from the date of signing these financial statements. In making their assessment of going concern, the directors have considered the letter of support from Harbour Energy plc and are confident that it has adequate resources to support the Company for 12 months from the date of signing these financial statements.

Foreign Currency translation

The Company's functional currency and presentation currency is US Dollars.

Transactions recorded in foreign currencies are initially recorded in the Company's functional currency by applying an average rate of exchange. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the income statement. Non-monetary assets and liabilities denominated in foreign currencies are measured at historic cost based on exchange rates at the date of the transaction and subsequently not retranslated.

Intangible assets - exploration and evaluation assets

Exploration and evaluation expenditure is accounted for using the successful efforts method of accounting.

(a) Pre-licence costs

Pre-licencing costs are expensed in the year in which they are incurred.

(b) Licencing and property acquisition costs

Licence and property acquisition costs paid in connection with a right to explore in an existing exploration area are capitalised as exploration and evaluation costs within intangible assets.

Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds that recoverable amount. If no future activity is planned or the related licence has been relinquished or has expired, the carrying value of the property acquisition costs is written off through the income statement. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties within development and production assets.

(c) Exploration and evaluation costs

Once the legal right to explore has been acquired, costs directly associated with the exploration are capitalised as exploration and evaluation intangible non-current assets until the exploration is complete and the results have been evaluated. If no potential commercial resources are discovered, the exploration asset is written off.

All such capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at least annually. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through the income statement.

When proved reserves of oil and natural gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties within development and production assets. No amortisation is charged during the exploration and evaluation phase.

Premier Oil Andaman I Limited

Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

Financial Instruments

a. Financial Assets

The Company uses two criteria to determine the classification of financial assets: The Company's business model and contractual cash flow characteristics of the financial assets. Where appropriate the Company identifies three categories of financial assets: amortised cost, fair value through profit or loss (FVTPL), and fair value through other comprehensive income (FVOCI).

Financial assets held at amortised cost

Financial assets held at amortised cost are initially measured at fair value except for trade debtors which are initially measured at cost. Both are subsequently carried at amortised cost using the effective interest rate (EIR) method, less impairment. The EIR amortisation is presented within finance income in the income statement.

Cash and Cash Equivalents

Cash at bank and in hand in the balance sheet comprise cash deposits with banks and in hand.

b. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Derecognition

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 the income statement.

c. Fair Values

The fair value of financial instruments that are traded in active markets at the reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques.

Taxes

i. Current Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax related to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or directly in equity not in the income statement.

ii. Deferred Tax

Deferred taxation is recognised in respect of all timing differences arising between the tax bases of the assets and liabilities and their carrying amounts in the financial statements with the following exceptions:

Premier Oil Andaman I Limited

Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

- Deferred income tax assets are recognised only to the extent that it is probable that the taxable profit will be available against which the deductible temporary difference, carried forward tax credits or tax losses can be utilised.
- Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised, or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date. The carrying amount of the deferred income tax asset is reviewed at each balance sheet date.
- Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to be offset current assets against current tax liabilities, the deferred income tax relates to the same tax authority and that same tax authority permits the Company to make a single net payment.

New Accounting Standards and Interpretations

In the current year the following new and revised Standards and Interpretations have been adopted, these have no material impact on the company's annual results.

- *Amendments to IFRS 3 - Reference to the Conceptual Framework*
- *IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities*

Accounting Standards Issued But Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below (and as detailed in the Group Report). The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- *Amendments to IAS 1, Presentation of Financial Statements - classification of liabilities as current or non-current*
- *Amendments to IAS 8 - Definition of Accounting Estimates*
- *Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies*
- *Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments listed above are not expected to have a material impact on the Company.

Critical Accounting Judgements and Estimates

The preparation of the Company's financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

In particular the Company has identified the following areas where significant judgement, estimates and assumptions are required.

Critical accounting judgements

- carrying value of intangible exploration and evaluation assets, in relation to whether commercial determination of an exploration prospect had been reached (note 8).

Premier Oil Andaman I Limited

Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

Key sources of estimation uncertainty

- *Recoverability of exploration and evaluation assets*

The application of the Company's accounting policy for exploration and evaluation expenditure requires management to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in the income statement in the period when the new information becomes available.

Intangible assets - exploration and evaluation assets

The energy transition has the potential to affect the future development or viability of exploration and evaluation prospects. The Company's exploration and evaluation assets relate to prospects that could be tied back to existing infrastructure and hence require less capital investment and are less exposed to the impacts of the energy transition compared to large frontier developments. At each balance sheet date, all exploration and evaluation prospects are reviewed against the Group's financial framework to ensure that the continuation of activities is planned and expected.

4. Profit and loss account

No profit and loss account are presented with these financial statements because the Company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding financial year. There have been no movements in shareholders' funds during the year under review.

5. Auditor's Remuneration

The audit fee was borne by the ultimate parent company in the current and prior year without recharge. There have been no non-audit fees charged in the current year (2021: \$nil)

6. Staff costs and directors' remuneration

The Company employed no staff during the year (2021: none).

The directors received no remuneration for their services to the Company in the current or preceding year as salaries are paid by the ultimate parent company or other group companies. The Company's directors believe that it is not practicable to apportion their remuneration between qualifying services for the Company and other group companies in which they hold office.

Premier Oil Andaman I Limited

Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

7. Taxation

(a) Income tax

The major components of the Company's income tax charge/(credit) for the years ended 31 December 2022 and 2021 are:

	2022 \$	2021 \$
Current income tax expense/(credit):		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
Total current income tax expense/(credit)	-	-
Deferred tax expense/(credit):		
UK corporation tax	-	-
Adjustments in respect of prior years	-	-
Total deferred tax expenses/(credit)	-	-
Tax expense/(credit) in the income statement	-	-

Changes in tax rate

Legislation was introduced in the Finance Act 2021 to increase the main rate of UK corporation tax for non-ring fence profits from 19 per cent to 25 per cent from 1 April 2023. This is not expected to have a material impact on the Company.

(b) Reconciliation of the total tax charge/(credit)

Reconciliation between tax expense/(credit) and the accounting loss multiplied by the standard rate of UK corporation tax for the years ended 31 December 2022 and 2021 is as follows:

	2022 \$	2021 \$
Loss before taxation	-	-
Tax calculated at UK standard rate of corporation tax of 19% (2021: 19%)	-	-
Effects of:		
Deferred tax asset not recognised	-	-
Total tax expense/(credit) reported in the income statement	-	-

(c) Deferred Tax

No deferred tax asset is recognised in respect of these losses and allowances as insufficient taxable profits are expected to arise in the future against which the deferred tax asset will reverse.

Premier Oil Andaman I Limited

Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

8. Intangible Assets

	<i>Exploration & Evaluation assets \$</i>
At 1 January 2022	5,028,529
Additions	207,219
At 31 December 2022	<u>5,235,748</u>

The amounts for intangible exploration and evaluation (E&E) assets represent costs incurred on active exploration projects. These amounts are written off to the profit and loss account as exploration expense unless commercial reserves are established or the determination process is not completed and there are no indications of impairment. The outcome of ongoing exploration, and therefore whether the carrying value of E&E assets will ultimately be recovered, is inherently uncertain.

9. Debtors*Amounts falling due within one year*

	2022	2021
	\$	\$
Trade Debtors	87,187	12,614
Prepayments	23,606	12,491
	<u>110,793</u>	<u>25,105</u>

10. Creditors*Amounts falling due within one year*

	2022	2021
	\$	\$
Amounts due to group companies	46,266,758	45,829,770
Trade Creditors	1,169	6,688
Other Creditors	13,554	12,396
Accruals	9,627	149,347
	<u>46,291,108</u>	<u>45,998,201</u>

Amounts due to group companies comprise of a loan denominated in US dollars. No interest is payable on this loan which can be called for repayment at any time.

11. Called Up Share Capital

	2022	2021	2022	2021
	No.	No.	\$	\$
<i>Allotted, called up and fully paid</i>				
Ordinary shares of \$1 each	100,000	100,000	<u>100,000</u>	<u>100,000</u>

Premier Oil Andaman I Limited

Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

12. Ultimate Parent Undertaking and Controlling Party

The Company's immediate parent is Premier Oil Overseas B.V., incorporated in the Netherlands. The ultimate and controlling parent is Harbour Energy plc, incorporated in Great Britain and registered in Scotland. Harbour Energy plc is the parent undertaking of the largest and the smallest group of which the company is a member and for which group financial statements are prepared. Copies of the group financial statements are available upon request from Harbour Energy plc, 23 Lower Belgrave Street, London, SW1W 0NR.