

Registration number: 09121775

# INEOS Upstream Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



## **INEOS Upstream Limited**

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## **INEOS Upstream Limited**

### **Company Information**

<b>Directors</b>	Tom Pickering
	David Bucknall
	Richard Rose
<b>Company secretary</b>	Gemma McLucas
	Cordelia Pace
<b>Registered office</b>	Anchor House 15-19 Britten Street London SW3 3TY
<b>Solicitor</b>	Slaughter and May 1 Bunhill Row London EC1Y 8YY
<b>Banker</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP
<b>Independent Auditor</b>	Deloitte LLP Statutory Auditor 2 New Street Square London United Kingdom EC4A 3BZ

## INEOS Upstream Limited

### Strategic Report for the Year Ended 31 December 2022

The Directors present the strategic report of INEOS Upstream Limited ("the Company") for the year ended 31 December 2022.

#### **Fair review of the business**

The strategic aim of the Company is to explore for hydrocarbons in the UK and generally help promote and develop the safe extraction of unconventional gas in the UK. The Company aspires to quickly but deliberately explore onshore opportunities in the UK and rapidly develop producing assets where that exploration is successful, upon lifting of the moratorium.

The moratorium on hydraulic fracturing in England restricts the activity of the Company in the near term, having been reinstated by the UK Government in October 2022, five weeks after it was lifted under the Premiership of Liz Truss.

The planning application for the Woodsetts exploration coring site was refused on 7 June 2022.

As at 31 December 2022, the Company has net liabilities of £217,800,000 (2021: £211,796,000).

#### *Key performance indicators*

The performance of the Company is measured on the basis of both financial and non-financial measures. Non-financial measures include health, safety and environmental factors such as Occupational Safety and Health Administration ("OSHA") recordable incidents, reliability of operated facilities and management of licence interests. There have been no changes in non-financial measures used and the Company met its target on these measures in both 2021 and 2022.

The main financial measure used by management is Normalised Earnings Before Interest, Tax, Depreciation and Amortisation ("Normalised EBITDA from continuing operations"), which excludes expenses such as impairment charges/reversals, unsuccessful exploration and evaluation activities, and gains or losses on disposal. Normalised EBITDA is a Non-GAAP measure, a reconciliation to the GAAP measure is presented below.

The Company's key financial and other performance indicators during the year were as follows:

	Unit	2022	2021
Normalised Earnings Before Interest, Tax, Depreciation and Amortisation (Normalised EBITDA)	£000	(5,622)	(1,299)
Loss for the financial year	£000	(6,004)	(3,679)

Normalised EBITDA is a Non GAAP measure with a reconciliation to the GAAP measure below:

	2022 £ 000	2021 £ 000
Operating loss	(5,622)	(3,514)
EBITDA	(5,622)	(3,514)
Impairment of investments	-	2,215
Normalised EBITDA	(5,622)	(1,299)

## INEOS Upstream Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

#### Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. Management undertakes an annual risk identification and assessment process to identify the key business risks affecting the Company. The key business risks affecting the Company which were identified within this risk assessment process are set out below:

##### *Health, safety, environment and security (HSES)*

These risks include major process safety incidents, failure to comply with approved policies, effects of natural disasters, social unrest and terrorism. The consequences of such risks materialising can be injury, loss of life, environmental harm and disruption to business activities. Depending on their cause and severity, they can affect the Company's reputation, operational performance and financial position. The Company has an effective and comprehensive HSES management system to mitigate this risk and support safe and secure execution of all critical activities.

##### *Climate change and transition to low carbon economy*

The Company recognises the scientific consensus on climate change and has committed to reduce its own emissions, and, as part of the wider Oil and Gas industry, will continue to play a vital role in delivering a low-carbon solution. The Company is continuously reviewing its process to improve the environmental performance of its operations. The Company acknowledges the global trend to move toward net zero carbon emissions. Depending on the nature and speed of any such changes and the Company's response, this could adversely affect the Company's financial performance and competitiveness.

##### *Cyber security*

The Company is subject to cyber security risks. A cyber incident could result in information theft, data corruption, operational disruption and/or financial loss. Cyber security imposes an increasing risk on companies. With the growing volume and sophistication of cyber-attacks, the risk is that sensitive business and personal information is not well protected and assets and the Company's security are not safeguarded. The Company has resources dedicated to mitigate the risk of a cyber attack and to recover as soon as possible from any attack that might occur.

##### *Ethical misconduct and non-compliance*

Ethical misconduct or breaches of applicable laws by the Company's businesses or its employees could be damaging to its reputation, and could result in litigation, regulatory action and penalties. The Company is committed to operating in a responsible manner and to comply with all relevant local, national and international laws. To uphold this commitment a Code of Conduct is in place that defines and summarises what is expected of the business and our people.

##### *Regulation and geopolitical instability*

The Company operates in different countries and developments in politics, laws and regulations in those countries could cause business disruption. These may in turn cause production to decline, limit the Company's ability to pursue new opportunities, affect the value of its assets or cause it to incur additional costs. Political instability, changes to the regulatory environment or taxation, international trade disputes, international sanctions, expropriation or nationalisation of property, civil strife, strikes, insurrections, acts of terrorism, acts of war and public health situations (including the ongoing military actions in Ukraine and continued impact of the COVID-19 pandemic or a future epidemic or pandemic) may disrupt or curtail its operations or development activities. The Company liaises with various industry bodies to understand and prepare for compliance with new regulations on a timely and cost-effective basis. The Company is actively monitoring any factors and events that could cause adverse effects and mitigating measures are implemented where appropriate.

## INEOS Upstream Limited

### Strategic Report for the Year Ended 31 December 2022 (continued)

#### *Reporting*

Failure to accurately report the Company's data could lead to regulatory action, legal liability and reputational damage. The Company has internal controls and processes in place to ensure accurate reporting.

#### *Financial risk*

The financial risk management process, which the risk is considered as one of the principal risks and uncertainties of the Company, is discussed in the Directors' report.

#### *Operations*

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to the ability to find and exploit gas reserves. The moratorium on hydraulic fracturing in England restricts the activity of the Company in the near term, having been reinstated by the UK Government in October 2022, five weeks after it was lifted under the Premiership of Liz Truss. The strategic aim of the Company remains the exploration for hydrocarbons in the UK and generally help promote and develop the safe extraction of unconventional gas in the UK and the Company is hopeful of the lifting of the moratorium in the near future.

Approved by the Board on 25 July 2023 and signed on its behalf by:



Richard Rose  
Director

## INEOS Upstream Limited

### Directors' Report for the Year Ended 31 December 2022

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

#### **Directors of the Company**

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

Tom Pickering

Michael Llewellyn (resigned 13 September 2022)

David Bucknall

Richard Rose (appointed 13 September 2022)

#### **Principal activities**

The principal activity of the Company is the exploration and evaluation of land leading to development and ultimately production of shale gas. See strategic report for update on exploration and evaluation activities.

#### **Dividends**

The Directors do not propose the payment of a dividend (2021: £Nil).

#### **COVID-19 and the Ukraine conflict**

The Company continues to implement contingency plans for the COVID-19 pandemic, with the primary objective of maintaining the safety of personnel and the reliable operation of the Company's plants. The oil and gas industry is deemed as essential, critical infrastructure by governments across the world. Throughout the pandemic all of the Company's plants have continued to operate fully and supply chains have operated without significant disruption. Protecting employees and ensuring that they remain healthy has been the first priority of the Company. All plants have sufficient resources and have implemented measures to ensure that this remains the case throughout the pandemic.

The Company does not have operations in Belarus, Russia or Ukraine. During 2021 and 2022 there was no revenue generated in these countries. The Company is not currently experiencing any material disruption to its operations and does not foresee any direct impact as a result of the conflict, but will continue to monitor the evolving situation closely. Whilst there is still uncertainty due to the COVID-19 pandemic and the disruption on the energy market resulting from the conflict in Ukraine, the Directors have undertaken a rigorous assessment of the potential impact on demand for the Company's products and services and the impact on margins for the next 12 months and the Directors do not expect a material impact on the Company's ability to operate as a going concern.

#### **Financial instruments**

##### ***Objectives and policies***

The strategic aim of the Company is to explore for hydrocarbons in the UK and generally help promote and develop the safe extraction of unconventional gas in the UK. The Company aspires to quickly but deliberately explore onshore opportunities in the UK and rapidly develop producing assets where that exploration is successful. The Company is exposed to a variety of financial risks that include effects of commodity price risk, credit risk, liquidity and cash flow risk, currency risk and interest rate risk. The Company has in place a risk management programme that seeks to limit any adverse effects on the financial performance of the Company where appropriate.

## **INEOS Upstream Limited**

### **Directors' Report for the Year Ended 31 December 2022 (continued)**

#### **Going concern**

As at 31 December 2022, the Company has net liabilities of £217,800,000 (2021: £211,796,000). The Directors have assessed the Company cashflow requirements for the 12 month period following the signing of these financial statements and have confirmed that the Company will continue to meet its day-to-day working capital requirements through its intercompany loan facility.

The Directors have also received confirmation that INEOS Industries Limited will support the Company for at least one year after these financial statements are signed. After making enquiries, the Directors have a reasonable expectation that the parent's going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the Company will therefore have adequate resources to continue in operational existence for the foreseeable future.

The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Future developments**

The Directors have undertaken a rigorous assessment of the worldwide oil and gas demand and the working capital requirements of the Company over the 12 months following the date of signing these financial statements. In combination with the financial support of INEOS Industries Limited, the Directors have concluded that the Company will have sufficient cash flow to meet all of its obligations as they fall due.

The strategic aim of the Company remains the exploration for hydrocarbons in the UK and generally help promote and develop the safe extraction of unconventional gas in the UK and the Company is hopeful of the lifting of the moratorium in the near future.

The Company looks forward to the coming years with optimism in developing near term resources in a safe, reliable and profitable manner.

#### **Reappointment of auditor**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

#### **Statement of Director's 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 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 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;
- state whether applicable UK Accounting Standards 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.



## INEOS Upstream Limited

### Directors' Report for the Year Ended 31 December 2022 (continued)

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Approved by the Board on 25 July 2023 and signed on its behalf by:



Richard Rose  
Director

## **INEOS Upstream Limited**

### **Independent Auditor's Report to the Members of INEOS Upstream Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of INEOS Upstream Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Statement of Accounting Policies; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

##### **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 Financial Reporting Council's (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 at least twelve months from when the financial statements are authorised for issue.

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

## **INEOS Upstream Limited**

### **Independent Auditor's Report to the Members of INEOS Upstream Limited (continued)**

#### **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 our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Responsibilities of Directors**

As explained more fully in the statement of directors' responsibilities, 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **INEOS Upstream Limited**

### **Independent Auditor's Report to the Members of INEOS Upstream Limited (continued)**

#### **Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, Health and Safety and tax legislation and the sector it operates in; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included the Company's operating licence and environmental regulations.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with local tax authorities, and the licensing authority / industry regulator in the locations where the company operates.

#### **Report on other legal and regulatory requirements**

##### **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 the Directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic report or the Directors' report.

## INEOS Upstream Limited

### Independent Auditor's Report to the Members of INEOS Upstream Limited (continued)

#### Matters on which we are required to report by exception

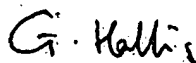
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

#### 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.



Graham Hollis ACA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

25 July 2023 .....

# INEOS Upstream Limited

## Income Statement for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Revenue		-	1
Cost of sales		<u>(4,163)</u>	<u>(1,209)</u>
Gross loss		(4,163)	(1,208)
Administrative expenses		<u>(1,459)</u>	<u>(2,306)</u>
Operating loss	4	<u>(5,622)</u>	<u>(3,514)</u>
Finance income	7	-	2
Finance costs	8	<u>(382)</u>	<u>(167)</u>
Net financing costs		<u>(382)</u>	<u>(165)</u>
Loss before tax		(6,004)	(3,679)
Tax	9	<u>-</u>	<u>-</u>
Loss for the financial year attributable to owners of the Company		<u>(6,004)</u>	<u>(3,679)</u>

The above results were derived from continuing operations.

## INEOS Upstream Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022 £ 000	2021 £ 000
Loss for the year	<u>(6,004)</u>	<u>(3,679)</u>
Total comprehensive loss for the year attributable to the owners of the Company	<u>(6,004)</u>	<u>(3,679)</u>


The notes on pages 16 to 31 form an integral part of these financial statements..

# INEOS Upstream Limited

(Registration number: 09121775)  
Balance Sheet as at 31 December 2022

	Note	31 December 2022 £ 000	31 December 2021 £ 000
<b>Current assets</b>			
Trade and other receivables	14	443	388
Cash and cash equivalents	13	1,716	2,319
		<u>2,159</u>	<u>2,707</u>
<b>Total assets</b>		<u>2,159</u>	<u>2,707</u>
<b>Current liabilities</b>			
Trade and other payables	15	(599)	(306)
Loans and borrowings	16	(5,599)	(2,979)
Provisions	17	(4,220)	-
		<u>(10,418)</u>	<u>(3,285)</u>
<b>Total assets less current liabilities</b>		<u>(8,259)</u>	<u>(578)</u>
<b>Non-current liabilities</b>			
Loans and borrowings	16	(191,243)	(191,243)
Provisions	17	(18,298)	(19,975)
		<u>(209,541)</u>	<u>(211,218)</u>
<b>Total liabilities</b>		<u>(219,959)</u>	<u>(214,503)</u>
<b>Net liabilities</b>		<u>(217,800)</u>	<u>(211,796)</u>
<b>Equity</b>			
Share capital	18	-	-
Retained deficit		<u>(217,800)</u>	<u>(211,796)</u>
<b>Equity attributable to owners of the Company</b>		<u>(217,800)</u>	<u>(211,796)</u>

The financial statements on pages 12 to 31 were approved by the Board on 25 July 2023 and signed on its behalf by:



Richard Rose  
Director



# INEOS Upstream Limited

## Statement of Changes in Equity for the Year Ended 31 December 2022

	Share capital £ 000	Retained deficit £ 000	Total equity £ 000
At 1 January 2022	-	(211,796)	(211,796)
Loss for the year	-	(6,004)	(6,004)
Total comprehensive loss	-	(6,004)	(6,004)
At 31 December 2022	-	(217,800)	(217,800)

	Share capital £ 000	Retained deficit £ 000	Total equity £ 000
At 1 January 2021	-	(208,117)	(208,117)
Loss for the year	-	(3,679)	(3,679)
Total comprehensive loss	-	(3,679)	(3,679)
At 31 December 2021	-	(211,796)	(211,796)

The notes on pages 16 to 31 form an integral part of these financial statements.

# INEOS Upstream Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 1 General information

The Company is a private company limited by share capital incorporated and domiciled in the United Kingdom and registered in England and Wales.

The address of its registered office is:

Anchor House  
15-19 Britten Street  
London  
SW3 3TY  
United Kingdom

These financial statements were authorised for issue by the Board on 25 July 2023..

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with the Companies Act 2006. The financial statements are prepared on the historical cost basis.

The Company's financial statements are presented in British pound sterling (£), which is also the Company's functional currency. All the amounts in the financial statements have been rounded to the nearest £'000.

A number of new standards and amendments are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The impact of their adoption is being assessed and is not expected to have a material impact on the Company's financial statements in the period of initial application. The new standards and amendments are as follows:

- IFRS 17 Insurance Contracts (effective date 1 January 2023).
- Amendments to IAS 12: Income taxes-deferred tax related to assets and liabilities arising from a single transaction (effective date 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective date 1 January 2023).
- Amendments to IAS 8: Definition of Accounting Estimates (effective date 1 January 2023).
- Amendments to IFRS 16: Lease liability in a sale and leaseback (effective date 1 January 2024).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (effective date 1 January 2024).

The notes on pages 16 to 31 form an integral part of these financial statements.

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 2 Accounting policies (continued)

##### Summary of disclosure exemptions

In these financial statements, the Company has taken advantage of the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 7 - 'Financial instruments: Disclosures'.  
The relevant disclosures have been made in the consolidated financial statements of the parent company, INEOS Upstream Holdings Limited.
- Paragraphs 91 to 99 of IFRS 13 - 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 - 'Leases' (lessee disclosures and lessor disclosures in relation to finance leases and lease income on operating leases).
- Paragraph 38 of IAS 1 - 'Presentation of financial statements' (comparative information requirements in respect of):
  - paragraph 79(a)(iv) of IAS 1 (reconciliation of number of shares at the beginning and end of the period)
  - paragraph 73(e) of IAS 16, 'Property, plant and equipment' (reconciliations between the carrying amount at the beginning and end of the period)
  - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1 - 'Presentation of financial statements' (removing the requirement to present):
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (cash flow statement information);
  - 134-136 (capital management disclosures)
- IAS 7 - 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8 - 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24 - 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures' (to disclose related party transactions entered into between two or more members of a group).
- The requirements of paragraph 58 of IFRS 16 'Leases'

The notes on pages 16 to 31 form an integral part of these financial statements.

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 2 Accounting policies (continued)

##### Property plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The carrying amount of property, plant and equipment is reviewed for impairments when events or changes in circumstances indicate that the carrying value may not be recoverable. Where an indicator of impairment exists, the Company makes an estimation of recoverable amount, which is the higher of the asset's fair value less cost to sell and value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and written down to its recoverable amount.

Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

##### Oil and gas properties

Oil and gas properties are carried at cost, net of accumulated depletion and accumulated impairment losses. Depletion and depreciation of the capitalised costs for producing oil and gas properties is provided by the unit-of-production method based upon estimated recoverable oil and gas reserves. Assets are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

##### Depreciation

Depletion and depreciation of the capitalised costs for producing oil and gas properties is provided by the unit-of-production method based upon estimated recoverable oil and gas reserves. The unit-of-production method used by the Company takes the current year's production as a proportion of the sum of the estimated recoverable reserves at the end of the prior year and current year production, and applies this proportion to the undepleted cost to determine a charge for the year.

##### Asset class

Oil and gas properties

##### Depreciation method and rate

3-7 years

##### Intangible assets

Exploration & Evaluation

The Company follows a successful efforts accounting policy for oil and gas assets. The success or failure of each exploration or appraisal effort is assessed on a well-by-well basis. Exploration costs prior to obtaining the licence interest are charged to the profit and loss account as they are incurred.

Exploration and evaluation expenditure associated with an exploration well, including related exploration and evaluation activities are initially capitalised as intangible assets. If the prospects are determined to be successful on completion of evaluation and the project is initially sanctioned by management, the relevant expenditure including licence acquisition costs are capitalised as oil and gas properties.

If the prospects are subsequently determined to be unsuccessful, and the asset is impaired, the associated costs are expensed in the period in which that determination is made.

##### Investments

Investments in subsidiary undertakings are recorded at cost, which is the fair value of the consideration paid, less accumulated impairment losses.

The notes on pages 16 to 31 form an integral part of these financial statements.

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 2 Accounting policies (continued)

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Inventories

Inventories consist of petroleum, condensate, liquid petroleum gas and materials. Inventories are valued at the lower of cost and net realisable value. Cost is determined using a weighted average of purchase prices. Provision is made for obsolete, slow-moving and defective items where appropriate.

Long lead items and other special material, which are only purchased for a particular property or approved project are classified as property, plant and equipment.

##### Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a rate that reflects risks specific to the liability.

##### Decommissioning and restoration

The Company makes full provision for the future costs of the decommissioning and restoration of oil and gas properties on a discounted basis. The decommissioning and restoration provision relates to total cost of plugging and abandoning the existing wells and any costs associated with returning the sites to their original use. A corresponding property, plant and equipment asset of an amount equivalent to the provision is also recognised. The asset is depleted using the unit of production method. The unwinding of discount in the net present value of the total expected cost is treated as an interest expense. Changes in the estimates are reflected prospectively over the remaining life of the field.

##### Interests in joint ventures (joint operation)

The Company's interests in jointly controlled assets are accounted for by recognising its proportionate share in assets and liabilities from joint ventures, except where as operator the Company takes on the role as independent contractor. In these instances, receivables and payables relating to jointly controlled operations are brought to account on a gross basis. Joint venture expenses and the Company's entitlement to production are recognised on a pro rata basis according to the Company's joint venture interest.

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 2 Accounting policies (continued)

##### Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in statement of comprehensive income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

##### Share capital

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

##### Financial instruments

##### Classification and measurement

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 2 Accounting policies (continued)

##### Financial assets at amortised cost

###### Trade and other receivables

Trade and other receivables are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition or issue. Subsequent to initial recognition they are tested for classification as per IFRS 9. If the trade receivables satisfy the criteria for the cash flow characteristics test and business model test as per IFRS 9, then they are recognised at amortised cost. If they do not qualify for recognition at amortised cost they are recognised at fair value through profit and loss.

###### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, but exclude any restricted cash. Restricted cash is not available for use by the Company and therefore is not considered highly liquid, it is disclosed within other receivables in the statement of financial position. 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 only of the statement of cash flows.

###### Interest-bearing loans/borrowings

Interest-bearing loans/borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. They are included in current assets/liabilities, except for maturities greater than 12 months after the end of the reporting period.

##### Financial liabilities at amortised cost

###### Trade and other payables

Trade payables are obligations to pay for products or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not they are presented as amounts falling due after more than one year.

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### Impairment of financial assets

###### *Measurement of Expected Credit Losses*

The expected credit loss model is applied for recognition and measurement of impairments in financial assets measured at amortised cost. The Company applies the simplified approach when providing for expected credit losses prescribed by IFRS 9 for its trade receivables and contract assets. This approach requires the Company to recognise the lifetime expected loss provision for all trade receivables taking in consideration historical as well as forward looking information.

Financial assets which are considered low risk are not provided for impairment by the Company.

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 2 Accounting policies (continued)

##### Going concern

The Directors have assessed the Company's cashflow requirements for the 12 month period following the signing of these financial statements and have confirmed that the Company will continue to meet its day-to-day working capital requirements through its intercompany loan facility. In combination, the Directors have received confirmation that the parent company, INEOS Industries Limited, will support the Company for at least one year after these financial statements are signed.

After making enquiries, the Directors have a reasonable expectation that the parent's going concern assessment confirms that there is sufficient forecast committed liquidity headroom for the parent to provide this support and the Company will therefore have adequate resources to continue in operational existence for the foreseeable future.

The Directors therefore believe that preparing the financial statements on the going concern basis is appropriate.

##### Exemption from preparing group financial statements

The financial statements contain information about INEOS Upstream Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, INEOS Industries Limited, a company incorporated in United Kingdom.

##### Finance income and cost

Finance costs comprise interest payable and other finance charges, unwinding of the discount on provisions, and net foreign exchange losses. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Finance income includes interest receivable on funds invested and net foreign exchange gains. Finance income and cost is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

##### Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period end date are retranslated to the functional currency at the foreign exchange rate ruling at that date. 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 transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at the foreign exchange rate ruling at the date the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

##### Tax

The tax on the profit or loss for the period comprises tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

The notes on pages 16 to 31 form an integral part of these financial statements.



## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 2 Accounting policies (continued)

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

#### 3 Critical accounting judgements and key sources of estimation uncertainty

The Company prepares its financial statements in accordance with FRS 101, which requires management to make judgements, estimates and assumptions which affect the application of accounting policies, and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates change and in any future periods. There are no critical judgements.

The following areas are considered to involve a significant degree of estimation:

##### Estimates - Provisions

Provisions are recognised for the cost of remediation works where there is a legal or constructive obligation for such work to be carried out. Where the estimated obligation arises upon initial recognition of the related asset, the corresponding debit is treated as part of the cost of the related assets and depreciated over its estimated useful life.

Other provisions are recognised in the year when it becomes probable that there will be future outflow of funds resulting from past operations or events that can be estimated with reasonable accuracy. The timing of the recognition requires the application of judgement to existing facts and circumstances, which can be subject to change. Estimates of the amount of provisions recognised are based on current legal and constructive requirements, technology, and prices. Because actual outflows can differ from the estimate due to changes in laws, regulations, public expectation, technology, prices and can take place many years in the future, the carrying amounts of the provisions are regularly reviewed and adjusted to take account of such changes.

The decommissioning of oil and gas assets may not be due to occur for many years into the future. Consequently, judgement is required in relation to the estimated cash flows, removal date, environmental legislation, inflation and discount rate used to calculate present value.

The Company has provided for its share of the estimated decommissioning and restoration costs of its exploration sites of £22,518,000 (2021: £19,975,000) and the discount rate utilised is 3.92% (2021: 0.87%). Decommissioning is expected to occur after the sites have reached the end of their economic useful life or have been determined to be unfeasible. Decommissioning has commenced in 2023 and is expected to continue into 2026.

The nature and amount of provisions included in the financial statements are detailed in note 17. The discount rate applied to reflect the time value of money in the carrying amount of provisions requires estimation. The discount rate applied is reviewed regularly and adjusted following changes in market rates. If the estimated discount rate, one of the key assumptions in determining the decommissioning and restoration provisions, used in the calculation had been 1% higher than management's estimate, the carrying amount of the decommissioning and restoration costs provision would have been £400,000 lower.

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 4 Operating loss

Arrived at after charging:

	2022 £ 000	2021 £ 000
Foreign exchange gains	-	(1)
Impairment of investment (Note 12)	-	2,215
	<u>-</u>	<u>2,214</u>

#### 5 Auditor's remuneration

	2022 £ 000	2021 £ 000
Audit of the financial statements	33	24
	<u>33</u>	<u>24</u>

#### 6 Directors and employees

There were no employees with contracts of employment in the name of the Company during the year (2021: none).

None of the Directors received any fees or remuneration for services as a director of the Company during the financial year (2021: none).

#### 7 Finance income

	2022 £ 000	2021 £ 000
Foreign exchange gains	-	2
	<u>-</u>	<u>2</u>

#### 8 Finance costs

	2022 £ 000	2021 £ 000
Interest paid to Group undertakings	206	83
Foreign exchange losses	2	-
Unwinding of discount on decommissioning and restoration provision (note 17)	174	84
	<u>382</u>	<u>167</u>

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 9 Tax

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2021: higher than the standard rate of corporation tax in the UK) of 40% (2021: 40%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Loss before tax	<u>(6,004)</u>	<u>(3,679)</u>
Corporation tax at standard rate (40%)	(2,402)	(1,472)
Increase from effect of expenses not deductible in determining taxable profit	83	33
Decrease from tax losses for which no deferred tax asset was recognised	<u>2,319</u>	<u>1,439</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

The Company has not commenced trade at the balance sheet date. When trade does commence, the Company's trading activities are expected to be within the UK oil and gas ring fence regime, with tax relief for qualifying pre-trading expenditure available at that time. The applicable ring fence tax rate during the year was 40% comprising 30% ring fence corporation tax and 10% supplementary charge. These were also the substantively enacted rates at the balance sheet.

The Company has not provided deferred tax on gross deductible temporary differences of £165,094,000 (2021: £72,424,000) which are available to offset against future trading profit. The Directors consider that the Company should not recognise any deferred tax asset as there is insufficient certainty over the future utilisation of its deferred tax assets.

# INEOS Upstream Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

### 10 Property plant and equipment

	Land and buildings £ 000	Oil and gas properties £ 000	Total £ 000
<b>Cost</b>			
At 1 January 2022	130	18,639	18,769
At 31 December 2022	130	18,639	18,769
<b>Accumulated depreciation and impairment</b>			
At 1 January 2022	130	18,639	18,769
At 31 December 2022	130	18,639	18,769
<b>Carrying amount</b>			
At 31 December 2022	-	-	-
At 31 December 2021	-	-	-

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 11 Joint operations

Joint control is defined as “the contractually agreed sharing of control of an arrangement, which exist only when the decisions about the relevant activities require the unanimous consent of the parties sharing controls”. All of the joint operations of the Company are subject to Joint Operating Agreements (JOAs) which fall into this category and where the participants in the agreements are entitled to a share of all the assets, and obligations of all the liabilities of the operations, rather than a share of the net assets.

The contractual agreement for the licence interests in which the Company has an investment do not typically convey control of the underlying joint arrangement to any one party, even where one party has a greater than 50% equity ownership of the area of interest.

The Company’s material joint operations as at 31 December 2022 are:

Block	Licence	Operator	INEOS Upstream Limited Net % Interest
SJ58b, SJ58c, SJ58d	PEDL 145	INEOS Upstream Limited	60%
SJ68, SJ60e, SJ79	PEDL 193	INEOS Upstream Limited	60%
SJ37, SJ27, SJ28	PEDL 184	Island Gas Limited	50%
SJ47	PEDL 190	Island Gas Limited	50%
SK69	PEDL 139	Island Gas Limited	40%
SK78f, SK79a	PEDL 140	Island Gas Limited	40%
SE31c, SE41e	PEDL 273	Island Gas Limited	30%
NS/67, NS/77, NS/86, NS/87	PEDL 162	INEOS Upstream Limited	80%
SJ36a	PEDL 147	IGas Energy Development Limited	75%
SJ46	PEDL 189	Dart Energy (East England) Limited	75%

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 12 Investments

Subsidiaries	£ 000
<b>Cost</b>	
At 1 January 2022	2,307
At 31 December 2022	2,307
<b>Impairment provision</b>	
At 1 January 2022	2,307
At 31 December 2022	2,307
<b>Carrying amount</b>	
At 1 January and 31 December 2022	-

All holdings are of the ordinary shares of each subsidiary. Details of the subsidiaries as at 31 December 2022 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2022	2021
INEOS 120 Exploration Limited	Exploration and evaluation of PEDL 120 leading to development and ultimately production of shale gas	Anchor House, 15-19 Britten Street, London, SW3 3TY, United Kingdom	100%	100%

#### 13 Cash and cash equivalents

	31 December 2022 £ 000	31 December 2021 £ 000
Cash and cash equivalents	1,716	2,319

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 14 Trade and other receivables

	31 December 2022 £ 000	31 December 2021 £ 000
Trade receivables	317	295
Prepayments	126	93
Total current trade and other receivables	<u>443</u>	<u>388</u>

All trade receivables are due within one year and none are overdue (2021: none). All trade and other receivables are deemed as low risk and collectible on the basis of established credit management processes such as regular analyses of the creditworthiness of our customers and external credit checks where appropriate for new customers. Trade and other receivables owed by Group undertakings are repayable on demand and do not accrue interest.

At 31 December 2021 and 2022, there were no significant trade, Group or other receivables balances not past due that were subsequently impaired.

#### 15 Trade and other payables

	31 December 2022 £ 000	31 December 2021 £ 000
Trade payables	463	17
Accrued expenses	136	288
Social security and other taxes	-	1
	<u>599</u>	<u>306</u>

#### 16 Loans and borrowings

	31 December 2022 £ 000	31 December 2021 £ 000
<b>Non-current loans and borrowings</b>		
Amounts owed to Group undertakings	<u>191,243</u>	<u>191,243</u>

	31 December 2022 £ 000	31 December 2021 £ 000
<b>Current loans and borrowings</b>		
Amounts owed to Group undertakings	<u>5,599</u>	<u>2,979</u>

## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 16 Loans and borrowings (continued)

##### Borrowings

The Company has a loan agreement with INEOS Industries Holdings Limited, with an interest rate as determined by Group treasury. Interest is payable on a quarterly basis. There has been no interest charged in the period (2021: none). INEOS Industries Holdings Limited has indicated no repayment will be demanded for at least 12 months from the approval of financial statements.

Current amounts owed to Group undertakings consists of internal cash accounts that are due on demand and bear interest at LIBOR plus a margin of 0.05% (2021: 0.05%).

#### 17 Provisions

	<b>Decommissioning and restoration provisions £ 000</b>
At 1 January 2022	19,975
Increase in existing provisions	2,369
Unwinding of discount	174
At 31 December 2022	<u>22,518</u>
Non-current liabilities	<u>18,298</u>
Current liabilities	<u>4,220</u>

The Company has provided for its share of the estimated decommissioning and restoration costs of its exploration sites. Decommissioning is expected to occur after the sites have reached the end of their economic useful life or have been determined to be unfeasible.

Decommissioning has commenced in 2023 and is expected to continue into 2026.



## INEOS Upstream Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

#### 18 Called up share capital

##### Allotted, called up and fully paid shares

	31 December 2022		31 December 2021	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

#### 19 Related party transactions

During the year the Company entered into transactions, in the ordinary courses of business, with related parties. The nature and terms of the transactions have been disclosed in notes 14 & 16. The Company has also taken advantage of the exemption under paragraph 8 of Financial Reporting Standard 101 not to disclose transactions with the fellow subsidiaries under common ownership.

#### 20 Parent and ultimate parent undertaking

The Company's immediate parent is INEOS Upstream Holdings Limited.

The ultimate parent is INEOS Limited, a company incorporated in the Isle of Man.

The most senior parent entity producing publicly available financial statements, and the smallest and largest group to consolidate these financial statements is INEOS Industries Limited. These financial statements are available upon request from Hawkslease, Chapel Lane, Lyndhurst, Hampshire, SO43 7FG, United Kingdom.

The ultimate controlling party is Mr J A Ratcliffe.